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The Hague, April 30th, 2019

In accordance with Law of 23 December 2016, on market abuse, Repsol International Finance, B.V. (the "**Company**") is filing the attached Repsol Group interim consolidated financial statements for the three-month period ended March 31, 2019 published by Repsol, S.A., the Guarantor of the Company´s Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme.

The document was filed today by Repsol, S.A. with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

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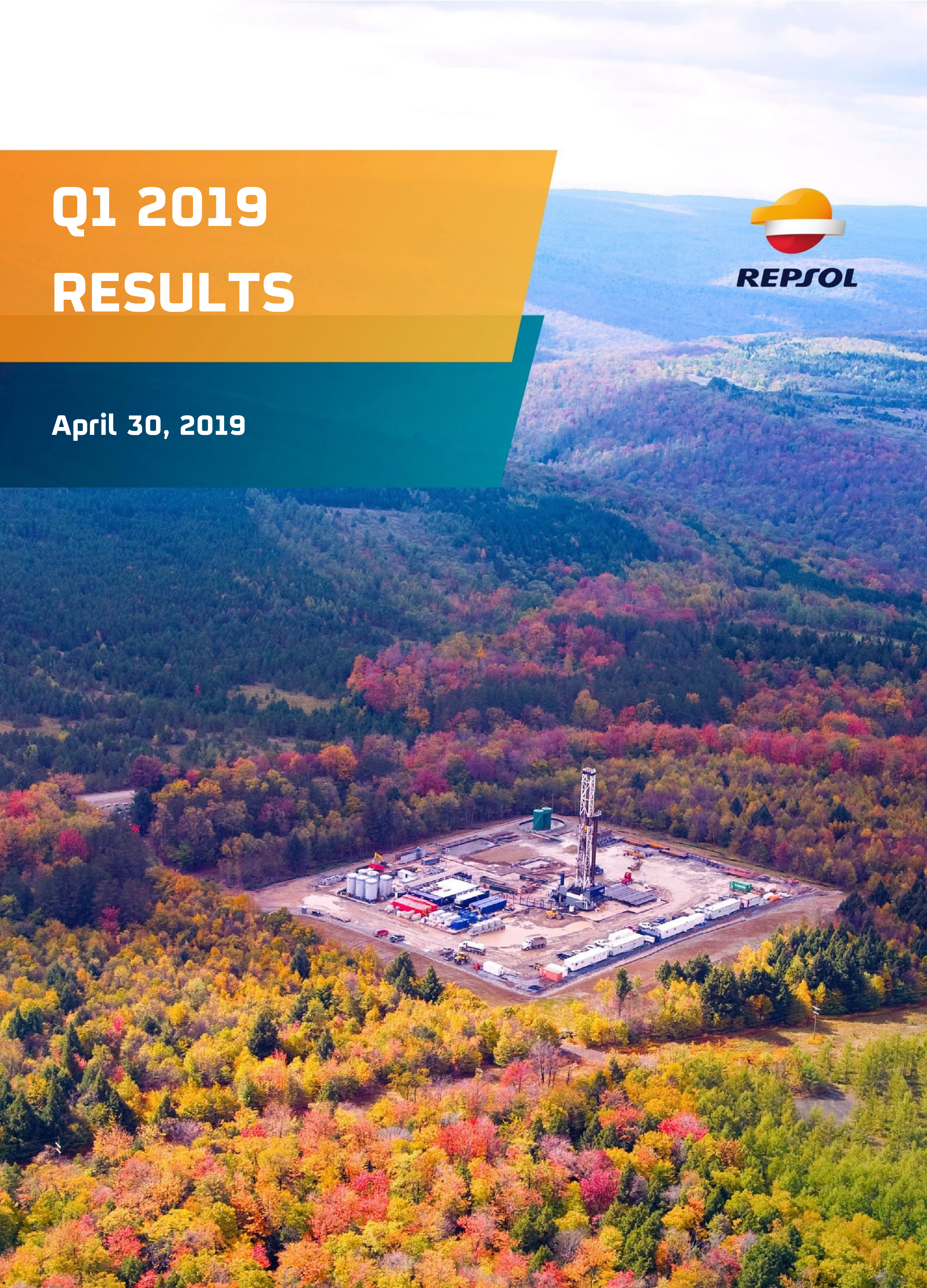
Q1 2019 RESULTS

April 30, 2019



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1Q19: Delivering albeit a complex environment

(Unaudited figures)

Results (€ Million)	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
Upstream	287	310	323	12.5
Downstream	425	485	404	(4.9)
Corporate and others	(129)	(163)	(109)	(15.5)
ADJUSTED NET INCOME	**583**	**632**	**618**	**6.0**

ADJUSTED NET INCOME **€618 M [+6%]**

Adjusted net income in the 1Q19 was €618 million, 6% higher year-on-year.

EBITDA CCS **€1,803 M [-1%]**

EBITDA CCS was €1,803 million in line year-on-year.

NET DEBT **€3,686 M [+7%]**

The Group's **net debt** at the end of the quarter stood at €3,686 million, €247 million higher than at the end of the fourth quarter of 2018 mainly due to the discretionary acquisition of treasury shares. The strong cash flow from operating activities more than covered investments, dividends and interests.

Including leases, the net debt at the end of the 1Q19 stands at €7,457 million after the application of the IFRS 16*.

UPSTREAM **€323 M [+13%]**

- Upstream **production** reached an average of 700 kboe/d in the first quarter of 2019, 26 kboe/d lower year-on-year, primarily due to the stoppage of production in Libya until the 4th of March (-29 kboe/d), a lower gas demand in Venezuela, the divestment of MidContinent (USA), as well as maintenance activities and the natural decline of fields. This was partially compensated by the connection of new wells in Marcellus (USA), Duvernay (Canada) and Akacias (Colombia), the acquisition of Mikkel and Visund (Norway) as well as the startup of Angelin (Trinidad and Tobago).
- **Discoveries**: Sakakemang (Indonesia), Telesto (Norway - Visund field) and Blacktip and Pikka B-1 & B-1 st1 (USA).

DOWNSTREAM **€404 M [-5%]**

- Efficient management of the refining and chemical business was offset by a more challenging environment.

CORPORATE & OTHERS **€-109 M**

- Holders of 72% opted to receive new shares of Repsol within the January '19 shareholder remuneration.
- A €1,000 million RIF bond was redeemed in February without the need of new financing.

* *See Basis of Presentation at the end of this document*

KEY METRICS FOR THE PERIOD

(Unaudited figures)

Results (€ Million)	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
Upstream	287	310	323	12.5
Downstream	425	485	404	(4.9)
Corporate and others	(129)	(163)	(109)	(15.5)
ADJUSTED NET INCOME	**583**	**632**	**618**	**6.0**
Inventory effect	(9)	(337)	3	-
Special items	36	(125)	(13)	-
NET INCOME	**610**	**170**	**608**	**(0.3)**

Economic data (€ Million)	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
EBITDA	1,804	1,680	1,810	0.3
EBITDA CCS	1,816	2,160	1,803	(0.7)
INVESTMENTS	598	1,855	598	0.0
NET DEBT	6,836	3,439	3,686	(46.1)
NET DEBT WITH LEASES	-	-	7,457	-
NET DEBT / EBITDA CCS (x)	0.94	0.40	0.53 (*)	(43.7)

Operational data	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
LIQUIDS PRODUCTION (Thousand bbl/d)	269	263	244	(9.3)
GAS PRODUCTION (**) (Million scf/d)	2,571	2,576	2,561	(0.4)
TOTAL PRODUCTION (Thousand boe/d)	**727**	**722**	**700**	**(3.7)**
CRUDE OIL REALIZATION PRICE ($/bbl)	60.9	60.4	56.5	(7.2)
GAS REALIZATION PRICE ($/Thousand scf)	3.5	3.8	3.4	(2.9)
DISTILLATION UTILIZATION Spanish Refining (%)	92.5	94.2	92.8	0.3
CONVERSION UTILIZATION Spanish Refining (%)	104.4	109.5	102.1	(2.2)
REFINING MARGIN INDICATOR IN SPAIN ($/bbl)	6.6	6.2	5.3	(19.7)

(*) EBITDA CCS excludes the leases effect arising from the new accounting regulation (IFRS 16). (**) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboe/d.

First quarter 2019 results

Adjusted net income in the first quarter was €618 million, 6% higher year-on-year. **Net income** amounted to €608 million, in line year-on-year.

Quarterly results for the business segments are summarized as follows:

- In **Upstream**, adjusted net income was €323 million, €36 million higher than in the same period of 2018. The stoppage of production in Libya (until March 4th) and lower oil and gas realization prices were more than compensated by lower exploration costs and other costs as well as the appreciation of the dollar against the euro.

- In **Downstream**, adjusted net income was €404 million, 5% lower year-on-year due to a milder winter in North America and in Spain impacting Gas and LPG related business. This was partially offset by the good behavior of the refining, trading and chemical businesses and the appreciation of the dollar against the euro.

- In **Corporate and others**, adjusted net income was €-109 million compared to €-129 million in the same period in 2018. Lower net interest expenses and higher results from interest rate and treasury shares positions were partially offset by higher financial costs due to the application of IFRS16 and the higher gains from exchange rate positions in 2018.

EBITDA CCS in the first quarter of 2019 was €1,803 million, in line with the first quarter of 2018.

The Group's **net debt** at the end of the quarter stood at €3,686 million, €247 million higher than at the end of the fourth quarter of 2018 mainly due to the discretionary acquisition of treasury shares. The strong cash flow from operating activities more than covered investments, dividends and interests.

NET INCOME PERFORMANCE BY BUSINESS SEGMENT

Upstream

(Unaudited figures)

Results (€ Million)	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
ADJUSTED NET INCOME	**287**	**310**	**323**	12.5
Operating income	555	638	562	1.3
Income tax	(271)	(336)	(247)	(8.9)
Income from equity affiliates and non-controlling interests	3	8	8	166.7
EBITDA	1,101	1,224	1,064	(3.4)
INVESTMENTS	452	550	399	(11.7)
EFFECTIVE TAX RATE (%)	49	53	44	(5.0)

International prices	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
Brent ($/bbl)	66.8	68.8	63.1	(5.5)
WTI ($/bbl)	62.9	59.3	54.9	(12.7)
Henry Hub ($/MBtu)	3.0	3.6	3.1	3.3
Average exchange rate ($/€)	1.23	1.14	1.14	(7.3)

Realization prices	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
CRUDE OIL ($/bbl)	60.9	60.4	56.5	(7.2)
GAS ($/Thousand scf)	3.5	3.8	3.4	(2.9)

Exploration (*)	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
G&A and Amortization of Bonus and Dry Wells	143	102	23	(83.9)

Production	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
LIQUIDS (Thousand bbl/d)	269	263	244	(9.3)
GAS (**) (Million scf/d)	2,571	2,576	2,561	(0.4)
TOTAL (Thousand boe/d)	**727**	**722**	**700**	**(3.7)**

(*) Only direct costs attributable to exploration projects. (**) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboe/d

Adjusted net income was €323 million, €36 million higher than in the same period of 2018. The stoppage of production in Libya (until March 4th) and lower oil and gas realization prices were more than compensated by lower exploration costs and other costs as well as the appreciation of the dollar against the euro.

The principal factors that explain the variations in the year-on-year performance in the Upstream division, excluding the contribution of Libya, are as follows:

- Lower crude **oil and gas realization prices** had a negative impact on the operating income of €78 million.
- **Higher volumes** sales impacted positively the operating income by €27 million.
- Lower **exploration costs** had a positive impact on the operating income of €122 million.
- **Depreciation and amortization** charges were €45 million higher mainly due to the application of the IFRS 16 (€ 32 million).
- **Lower costs** of €42 million due to the application of the IFRS 16.
- The **appreciation** of the US dollar against the euro had a positive impact on the operating income of €40 million.
- **Income tax** expense impacted the adjusted net income negatively by €77 million due to a higher operating income result.
- **Income from equity affiliates and non-controlling interests and others** explain the remaining differences.

The contribution from **Libya**, in variance year-on-year, was €-144 million and €-45 million at the operating income and adjusted net income, respectively**.**

Upstream **production** reached an average of 700 kboe/d in the first quarter of 2019, 26 kboe/d lower year-on-year, primarily due to the stoppage of production in Libya until the 4th of March (-29 kboe/d), a lower gas demand in Venezuela, the divestment of MidContinent (USA), as well as maintenance activities and the natural decline of fields. This was partially compensated by the connection of new wells in Marcellus (USA), Duvernay (Canada) and Akacias (Colombia), the acquisition of Mikkel and Visund (Norway) as well as the startup of Angelin (Trinidad and Tobago).

During the first quarter of 2019, 3 exploration wells and 4 appraisal wells were concluded. 4 were declared positive (2 exploration and 2 appraisal), 2 are currently under evaluation (appraisal), while the remaining well (exploration) was deemed unsuccessful.

Investments

Investments in Upstream in the first quarter of 2019 amounted to €399 million; €53 million lower than in the first quarter of 2018, mainly due to the acquisition of Visund (Norway) in 2018.

- **Development investment** accounted for 85% of the total investment and was concentrated mainly in the U.S. (28%), Trinidad and Tobago (21%), Norway (15%), Canada (7%), U.K. (7%), Algeria (6%) and Colombia (5%).
- **Exploration investment** represented 13% of the total and was allocated primarily in the U.S. (22%), Bolivia (13%), Norway (11%), Algeria (8%) and Indonesia (7%).

Downstream

(Unaudited figures)

Results (€ Million)	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
ADJUSTED NET INCOME	**425**	**485**	**404**	**(4.9)**
Operating income	558	716	541	(3.0)
Income tax	(136)	(191)	(129)	(5.1)
Income from equity affiliates and non-controlling interests	3	(40)	(8)	-
AVERAGE WEIGHTED COST ADJUSTED NET INCOME	**416**	**148**	**407**	**(2.2)**
Inventory effect	(9)	(337)	3	-
EBITDA	733	469	800	9.1
EBITDA CCS	745	949	793	6.4
INVESTMENTS	138	1,271	189	37.0
EFFECTIVE TAX RATE (%)	24	27	24	0.0

Operational data	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
REFINING MARGIN INDICATOR IN SPAIN ($/bbl)	6.6	6.2	5.3	(19.7)
DISTILLATION UTILIZATION Spanish Refining (%)	92.5	94.2	92.8	0.3
CONVERSION UTILIZATION Spanish Refining (%)	104.4	109.5	102.1	(2.2)
OIL PRODUCT SALES (Thousand tons)	12,096	13,246	12,341	2.0
PETROCHEMICAL PRODUCT SALES (Thousand tons)	688	674	755	9.7
LPG SALES (Thousand tons)	437	350	394	(9.8)
NORTH AMERICA NATURAL GAS SALES (TBtu)	142.8	131.3	162.7	13.9

International prices ($/Mbtu)	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
Henry Hub	3.0	3.6	3.1	3.3
Algonquin	8.0	5.0	5.1	(36.3)

Adjusted net income in the first quarter of 2019 amounted to €404 million, €21 million lower compared to the first quarter of 2018.

The principal factors that explain the variations in the year-on-year performance in the Downstream business are as follows:

- In **Refining**, albeit a worse environment, the operating income was €72 million higher thanks to an efficient management of the crude slate that increased the yield of middle distillates. This was partially compensated by a weaker gasoline spread.
- In **Trading and Gas**, operating income was €49 million lower year-on-year. Better results in Trading were not able to compensate lower gas margins as a consequence of a milder winter in North America.

- In **Chemicals**, operating income was €31 million higher year-on-year mainly due to higher margins and sales and lower costs.
- In the commercial businesses, **Mobility, Lubricants and LPG**, operating income was €12 million lower year-on-year mainly because of a lower result in the LPG business due to the milder winter in Spain.
- The **appreciation of the dollar against the euro** had a positive impact on the operating income of €31 million.
- **Results in other activities, equity affiliates and non-controlling interests and taxes** cover the remaining difference.

Investment

Investments in Downstream in the first quarter of 2019 amounted to €189 million, €51 million higher year-on-year.

Corporate and others

(Unaudited figures)

Results (€ Million)	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
ADJUSTED NET INCOME	**(129)**	**(163)**	**(109)**	(15.5)
Corporate result	(32)	(82)	(33)	3.1
Consolidation adjustments	(24)	28	(45)	87.5
Financial result	(114)	(172)	(97)	(14.9)
Income tax	41	63	67	63.4
Income from equity affiliates and non-controlling interests	0	0	(1)	-
EBITDA	(30)	(13)	(54)	80.0
NET INTERESTS (*)	(72)	(73)	(65)	(9.7)
INVESTMENTS	8	34	10	25.0
EFFECTIVE TAX RATE (%)	(24)	(28)	(38)	(14.0)

(*) Lease effect not included.

Corporate and adjustments

Corporate and adjustments accounted for a net expense of €78 million in the first quarter of 2019 compared to a net expense of €56 million in the first quarter of 2018 mainly due to the negative impact of the intra-group crude oil sales, between the Upstream and Downstream segments, without realization to third parties.

Financial results

The **financial result** in the first quarter of 2019 amounted to €-97 million compared with €-114 million in the first quarter of 2018. Lower net interest expenses and higher results from interest rate and treasury shares positions were partially compensated by higher financial costs due to the application of IFRS16 and the higher gains from exchange rate positions in 2018.

NET INCOME ANALYSIS:

SPECIAL ITEMS

Special Items

(Unaudited figures)

Results (€ Million)	Q1 2018	Q4 2018	Q1 2019	% Change Q1 19/Q1 18
Divestments	2	24	30	-
Indemnities and workforce restructuring	(2)	(13)	(5)	150.0
Impairment of assets	(2)	(559)	(2)	0.0
Provisions and others	(30)	423	(36)	20.0
Discontinued operations	68	0	0	-
SPECIAL ITEMS	**36**	**(125)**	**(13)**	**-**

Special items in the first quarter of 2019 amounted to €-13 million compared to €36 million in the first quarter of 2018. The difference is mainly explained by the absence of the positive effect associated with income recognized under discontinued operations from Naturgy in the 1Q18.

CASH FLOW ANALYSIS:
ADJUSTED CASH FLOW STATEMENT

This section presents the Group's Adjusted Cash Flow Statement:

(Unaudited figures)

	JANUARY - MARCH	
	2018	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES		
EBITDA CCS	**1,816**	**1,803**
Changes in working capital [1]	(568)	(569)
Dividends received	0	5
Income taxes received/ (paid)	(202)	(84)
Other proceeds from/ (payments for) operating activities	(127)	6
	919	**1,161**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities	(608)	(610)
Proceeds from divestments	8	42
	(600)	**(568)**
FREE CASH FLOW (I. + II.)	**319**	**593**
Payments for dividends and payments on other equity instruments	(196)	(214)
Net interest payments and leases	(185)	(147)
Treasury shares	(404)	(467)
CASH GENERATED IN THE PERIOD	**(466)**	**(235)**
Financing activities and others	(308)	43
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(774)**	**(192)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,820**	**5,021**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**4,046**	**4,829**

(1) *Includes an inventory effect pretax of €8 million for 1Q19.*

NET DEBT ANALYSIS:

NET DEBT EVOLUTION

This section presents the changes in the Group's adjusted net debt:

(Unaudited figures)

NET DEBT EVOLUTION (€ Million)	Q1 2019
NET DEBT AT THE START OF THE PERIOD	**3,439**
IMPACT DUE TO LEASES (1)	3,727
NET DEBT AT THE START OF THE PERIOD WITH LEASES	**7,166**
EBITDA CCS	(1,803)
CHANGE IN WORKING CAPITAL (2)	569
INCOME TAX RECEIVED /PAID	84
NET INVESTMENT	567
DIVIDENDS PAID AND OTHER EQUITY INSTRUMENTS PAYOUTS	214
FOREIGN EXCHANGE RATE EFFECT	33
INTEREST AND OTHER MOVEMENTS (3)	627
NET DEBT AT THE END OF THE PERIOD WITH LEASES	**7,457**
NET DEBT AT THE END OF THE PERIOD	**3,686**

RATIOS	1Q19	1Q19 with leases
CAPITAL EMPLOYED CONTINUED OPERATIONS (€ Million)	34,956	38,635
NET DEBT / CAPITAL EMPLOYED (%)	10.5	19.3
ROACE (%)	8.0	7.3
NET DEBT / EBITDA CCS (x)	0.53 (4)	1.03

(1) *It includes €1,624 million due to financial leases recognized in accordance with the previous accounting regulation and €2,103 million for new leases after the application of the IFRS 16.*

(2) *Includes an inventory effect pretax of €8 million in the first quarter of 2019.*

(3) *Principally includes the market operations relating to own shares, interest expense, dividends received, other receipts/payments and companies' acquisition/sale effect.*

(4) *EBITDA CCS excludes the leases effect arising from the new accounting regulation (IFRS 16)*

The Group's **net debt** at the end of the quarter stood at €3,686 million, €247 million higher than at the end of the fourth quarter of 2018 mainly due to the discretionary acquisition of treasury shares. The strong cash flow from operating activities more than covered investments, dividends and interests.

The Group's **liquidity** at the end of the first quarter of 2019 was approximately €7,901 million (including undrawn committed credit lines); representing 2.17 times short-term gross debt maturities.

RELEVANT EVENTS

The main company-related events since the fourth quarter 2018 results release were as follows:

UPSTREAM

FEB. 2019 On February 19, Repsol announced the largest gas discovery in Indonesia in the past 18 years and one of the ten biggest worldwide in the last twelve months. The Kaliberau Dalam-2X (KBD-2X) well is located within the onshore block of Sakakemang (south of Sumatra's island). Repsol is the operator with a 45% W.I. and this discovery provides a preliminary estimation of at least 2 trillion cubic feet (TCF) of recoverable resources.

FEB. 2019 In Trinidad and Tobago, the BPTT consortium (30% Repsol) announced on February 26 the start-up of the gas production from its Angelin platform which is operated remotely, located in the West Block block, 60 km off the southeast of the island of Trinidad at a water depth of more than 65 meters.

MAR. 2019 In Colombia, in the Akacias project where Repsol participates with a 45% stake, a total production record of 20,000 barrels per day was reached, as a result of the drilling work included in the Phase I of the Development Plan approved in 2018. The final target is to reach a total production of 50,000 barrels per day in the medium term.

MAR. 2019 In Norway there was an exploratory discovery with the Telesto well (7.7% Repsol) on the PL 120 production license located in the Tampen area, in the North Sea. This exploratory well was conducted from the Visund A platform. Repsol has participated in this oil discovery together with Equinor (operating company), Petoro and ConocoPhillips. It is estimated that the resources could be between 12 and 28 million barrels of recoverable oil.

APR. 2019 Repsol has signed two exploration and production contracts with the National Hydrocarbons Agency (ANH) of Colombia for blocks GUA OFF-1 and COL-4, located off the coast of Colombia in the Caribbean Sea.

The block "GUA-OFF-1", which is located just under 50 miles (78 kilometers) off the coast of the department of Guajira, has a surface area of around 988,000 acres (400,000 hectares). Repsol is the operator with a 50% stake in the consortium and Ecopetrol holds the other 50%.

The block "COL-4", which is located just over 60 miles (100 kilometers) off the coast of the department of Bolívar has a surface area of around 988,000 acres (400,000 hectares). Repsol is the operator with a 50% stake and ExxonMobil holds the remaining 50% stake

APR. 2019 On April 24, a significant discovery was announced at the Blacktip prospect in the deep water U.S. Gulf of Mexico, 400-kilometers south of Houston in approximately 1,900-meters of water. Drilling at the initial Blacktip well is still underway and has to date encountered more than 400 feet net oil pay with good reservoir and fluid characteristics. Repsol, with a 8.5% stake, has participated in this discovery together with Shell (operating company), Chevron and Equinor.

APR. 2019 On April 29, Repsol and LLOG signed an Asset Exchange and Joint Participation Agreement to carry out projects together in several blocks in the deepwater Gulf of Mexico, comprising the Leon and Moccasin discoveries. Under the agreement, LLOG will operate Leon with a 33% of working interest, while Repsol will have 50%. A delineation well is planned for the second half of 2019. In Moccasin, Repsol acquires a 30% interest in the field and LLOG retains 31.35% working interest and operatorship.

DOWNSTREAM

APR. 2019 On April 1, Repsol opened the Iberian Peninsula's first ultra-fast charging point for electric vehicles with a maximum power output of 700 kW. The facility, located at the Repsol service station in Lopidana (Álava), recharges compatible electric vehicles in five to ten minutes, similar to the amount of time required for a conventional refueling.

APR. 2019 On April 4, the Petronor refinery in Bilbao ended on schedule its three month maintenance activity after a €52 million investment, achieving both technological and maintenance improvements in its conversion unit.

CORPORATION

MAR. 2019 On March 25, through its strategic investment fund, Repsol acquired 17% of Recreus, a Spanish company that develops, produces, and markets 3D printing materials. With Repsol's collaboration, Recreus will accelerate its R&D, strengthen its position in the market and boost its medium and long-term expansion plan.

MAR. 2019 On March 27, the Board of Directors of Repsol, S.A. resolved to call the Annual Shareholders' Meeting which is expected to be held on May 31, 2019 on second call, at 12:00 noon, at the Palacio Municipal de Congresos, Avenida de la Capital de España-Madrid, Campo de las Naciones, Madrid.

The Board approved a series of proposals that represent a new step forward in corporate governance best practices, by reducing the number of directors, increasing transparency, and adding to the presence of women and the role of independent directors in the company's governing body.

Among other matters, the Board agreed to submit to the Annual Shareholder's Meeting the re-election of directors Mr. Antonio Brufau Niubó, Mr. Josu Jon Imaz San Miguel, Mr. José Manuel Loureda Mantiñán and Mr. John Robinson West, as well as the ratification of the appointment by co-optation and reelection of Mr. Henri Philippe Reichstul as director and the appointment of Ms. Aránzazu Estefanía Larrañaga and Ms. María Teresa García-Milà Lloveras as Independent External Directors. The Board also set the number of members of the Board of Directors in fifteen.

Regarding shareholder remuneration, the Board of Directors agreed to propose to the Annual Shareholders' Meeting a gross shareholder remuneration equivalent to 0.525 euros per share, through the "Repsol Flexible Dividend" (scrip dividend) program and as a substitute for the final dividend of the 2018 fiscal year.

Moreover, the Board will propose to the Annual General Meeting a reduction in share capital, through the redemption of own shares, equivalent to the shares to be issued in 2019 through the scrip dividends.

In addition, the Board of Directors appointed Mariano Marzo Carpio as Lead Independent Director.

APR. 2019 On April 8, Repsol published the full notice of the call to the Annual Shareholders' Meeting of the Company.

APR. 2019 On April 9, Repsol published its "Trading Statement," which is a document that provides provisional information for the first quarter of 2019, including data on the economic environment as well as company performance during the period.

Madrid, April 30, 2019

A conference call has been scheduled for research analysts and institutional investors for today, April 30, 2019 at 12:30 (CEST) to report on the Repsol Group's first quarter 2019 results. Shareholders and other interested parties can follow the call live through Repsol's corporate website (www.repsol.com). A full recording of the event will also be available to shareholders and investors and any other interested party at www.repsol.com for a period of no less than one month from the date of the live broadcast. Moreover Repsol will publish today the Interim consolidated financial statements for Q1 2019 that will be available on Repsol's corporate website as well as at the Spanish regulator CNMV (Comisión Nacional del Mercado de Valores).

APPENDIX I – FINANCIAL METRICS AND OPERATING INDICATORS BY SEGMENT

Q1 2019

ADJUSTED NET INCOME BY BUSINESS SEGMENTS

(Unaudited figures)

	Q1 2018							
€ Million	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	555	-	(271)	3	287	-	(24)	263
Downstream	558	-	(136)	3	425	(9)	(3)	413
Corporate & Others	(56)	(114)	41	-	(129)	-	63	(66)
TOTAL	**1,057**	**(114)**	**(366)**	**6**	**583**	**(9)**	**36**	**610**
NET INCOME							**36**	**610**

	Q4 2018							
€ Million	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	638	-	(336)	8	310	-	(190)	120
Downstream	716	-	(191)	(40)	485	(337)	40	188
Corporate & Others	(54)	(172)	63	-	(163)	-	25	(138)
TOTAL	**1,300**	**(172)**	**(464)**	**(32)**	**632**	**(337)**	**(125)**	**170**
NET INCOME							**(125)**	**170**

	Q1 2019							
€ Million	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	562	-	(247)	8	323	-	34	357
Downstream	541	-	(129)	(8)	404	3	(32)	375
Corporate & Others	(78)	(97)	67	(1)	(109)	-	(15)	(124)
TOTAL	**1,025**	**(97)**	**(309)**	**(1)**	**618**	**3**	**(13)**	**608**
NET INCOME							**(13)**	**608**

OPERATING RESULT BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA		
€ Million	**Q1 18**	**Q4 18**	**Q1 19**
UPSTREAM	**555**	**638**	**562**
Europe, Africa & Brazil	372	416	284
Latin America & Caribbean	197	206	174
North America	77	50	66
Asia & Russia	94	88	90
Exploration & Others	(185)	(122)	(52)
DOWNSTREAM	**558**	**716**	**541**
Europe	475	621	506
Rest of the World	83	95	35
CORPORATE AND OTHERS	**(56)**	**(54)**	**(78)**
TOTAL	**1,057**	**1,300**	**1,025**

ADJUSTED NET INCOME BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA		
€ Million	**Q1 18**	**Q4 18**	**Q1 19**
UPSTREAM	**287**	**310**	**323**
Europe, Africa & Brazil	156	179	137
Latin America & Caribbean	159	128	122
North America	60	40	51
Asia & Russia	53	48	51
Exploration & Others	(141)	(85)	(38)
DOWNSTREAM	**425**	**485**	**404**
Europe	361	418	382
Rest of the World	64	67	22
CORPORATE AND OTHERS	**(129)**	**(163)**	**(109)**
TOTAL	**583**	**632**	**618**

REPSOL

EBITDA BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA		
€ Million	**Q1 18**	**Q4 18**	**Q1 19**
UPSTREAM	**1,101**	**1,224**	**1,064**
Europe, Africa & Brazil	484	548	427
Latin America & Caribbean	323	348	320
North America	165	176	181
Asia & Russia	183	191	178
Exploration & Others	(54)	(39)	(42)
DOWNSTREAM (1)	**733**	**469**	**800**
Europe	626	399	714
Rest of the World	107	70	86
CORPORATE AND OTHERS	**(30)**	**(13)**	**(54)**
TOTAL (1)	**1,804**	**1,680**	**1,810**

EBITDA CCS €M (1)			
DOWNSTREAM	**745**	**949**	**793**
TOTAL	**1,816**	**2,160**	**1,803**

INVESTMENTS BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA		
€ Million	**Q1 18**	**Q4 18**	**Q1 19**
UPSTREAM	**452**	**550**	**399**
Europe, Africa & Brazil	153	126	104
Latin America & Caribbean	44	95	99
North America	141	188	126
Asia & Russia	66	24	19
Exploration and Others	48	117	51
DOWNSTREAM	**138**	**1,271**	**189**
Europe	101	1,121	148
Rest of the World	37	150	41
CORPORATE AND OTHERS	**8**	**34**	**10**
TOTAL	**598**	**1,855**	**598**

CAPITAL EMPLOYED BY BUSINESS SEGMENTS

(Unaudited figures)

	CUMULATIVE DATA		
€ Million	**4Q 18**	**1Q 19**	**1Q 19 with leases**
Upstream	21,515	21,385	22,273
Downstream	11,338	12,125	14,857
Corporate and others	1,500	1,446	1,505
TOTAL Capital employed in continued operations	**34,353**	**34,956**	**38,635**
ROACE (%)		**8.0**	**-**
ROACE (%) including leases (*)		**-**	**7.3**

(*) 1Q19 ROACE CCS is 7,3%

OPERATING INDICATORS

Q1 2019

REPSOL

UPSTREAM OPERATING INDICATORS

	Unit	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Jan - Dec 2018	Q1 2019	% Variation YTD19/YTD18
HYDROCARBON PRODUCTION	**kboe/d**	**727**	**722**	**691**	**722**	**715**	**700**	**(3.6)**
Liquids production	**kboe/d**	**269**	**263**	**250**	**263**	**261**	**244**	**(9.2)**
Europe, Africa & Brazil	kboe/d	139	134	129	133	134	111	(19.9)
Latin America & Caribbean	kboe/d	52	53	51	54	53	57	9.5
North America	kboe/d	50	47	44	50	48	48	(3.1)
Asia & Russia	kboe/d	28	28	26	27	27	27	(1.9)
Natural gas production	**kboe/d**	**458**	**459**	**441**	**459**	**454**	**456**	**(0.3)**
Europe, Africa & Brazil	kboe/d	28	28	28	42	31	45	61.7
Latin America & Caribbean	kboe/d	249	252	234	235	242	241	(3.2)
North America	kboe/d	128	127	125	130	127	124	(3.3)
Asia & Russia	kboe/d	53	51	54	53	53	47	(12.2)
Natural gas production	**(Million scf/d)**	**2,571**	**2,577**	**2,476**	**2,576**	**2,550**	**2,561**	**(0.3)**

DOWNSTREAM OPERATING INDICATORS

	Unit	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Jan - Dec 2018	Q1 2019	% Variation YTD19/YTD18
PROCESSED CRUDE OIL	**Mtoe**	**11.6**	**10.9**	**12.1**	**12.0**	**46.6**	**11.5**	**(0.4)**
Europe	Mtoe	10.2	9.9	10.9	10.6	41.6	10.3	0.8
Rest of the world	Mtoe	1.3	1.0	1.3	1.4	5.0	1.2	(9.4)
SALES OF OIL PRODUCTS	**kt**	**12,096**	**13,121**	**13,303**	**13,246**	**51,766**	**12,341**	**2.0**
Europe Sales	kt	**10,434**	**11,602**	**11,844**	**11,436**	**45,316**	**10,690**	**2.5**
Own network	kt	**5,250**	**5,596**	**5,615**	**5,293**	**21,754**	**5,098**	**(2.9)**
Light products	kt	4,397	4,591	4,622	4,368	17,978	4,185	(4.8)
Other Products	kt	853	1,005	993	925	3,776	913	7.0
Other Sales to Domestic Market	kt	**2,259**	**2,364**	**2,433**	**2,450**	**9,506**	**2,170**	**(3.9)**
Light products	kt	2,216	2,325	2,404	2,392	9,337	2,130	(3.9)
Other Products	kt	43	39	29	58	169	40	(7.0)
Exports	kt	**2,925**	**3,642**	**3,796**	**3,693**	**14,056**	**3,422**	**17.0**
Light products	kt	1,147	1,394	1,689	1,673	5,903	1,319	15.0
Other Products	kt	1,778	2,248	2,107	2,020	8,153	2,103	18.3
Rest of the world sales	kt	**1,662**	**1,519**	**1,459**	**1,810**	**6,450**	**1,651**	**(0.7)**
Own network	kt	**599**	**695**	**635**	**752**	**2,681**	**825**	**37.7**
Light products	kt	550	637	594	692	2,473	789	43.5
Other Products	kt	49	58	41	60	208	36	(26.5)
Other Sales to Domestic Market	kt	**331**	**325**	**327**	**375**	**1,358**	**329**	**(0.6)**
Light products	kt	256	241	249	249	995	222	(13.3)
Other Products	kt	75	84	78	126	363	107	42.7
Exports	kt	**732**	**499**	**497**	**683**	**2,411**	**497**	**(32.1)**
Light products	kt	158	96	117	69	440	40	(74.7)
Other Products	kt	574	403	380	614	1,971	457	(20.4)
CHEMICALS								
Sales of petrochemical products	kt	**688**	**625**	**622**	**674**	**2,610**	**755**	**9.6**
Europe	kt	**581**	**504**	**520**	**531**	**2,137**	**588**	**1.3**
Base	kt	238	145	165	180	729	190	(20.5)
Derivative	kt	343	360	356	351	1,408	399	16.5
Rest of the world	kt	**108**	**120**	**102**	**143**	**473**	**166**	**54.4**
Base	kt	30	11	15	23	79	40	31.2
Derivative	kt	77	109	87	121	394	127	63.5
LPG								
LPG sales	kt	**437**	**303**	**241**	**350**	**1,330**	**394**	**(9.7)**
Europe	kt	431	296	235	343	1,305	386	(10.3)
Rest of the world	kt	6	6	6	7	26	8	31.1

Other sales to the domestic market: includes sales to operators and bunker

Exports: expressed from the country of origin

APPENDIX II – CONSOLIDATED FINANCIAL STATEMENTS

Q1 2019

REPSOL

STATEMENT OF FINANCIAL POSITION

(€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

	DECEMBER 2018	MARCH 2019
NON-CURRENT ASSETS		
Goodwill	3,011	3,062
Other intangible assets	2,085	2,030
Property, plant and equipment	25,431	27,231
Investment property	68	67
Investments accounted for using the equity method	7,194	7,405
Non-current financial assets :		
Non-current financial instruments	974	1,019
Others	129	128
Deferred tax assets	3,891	3,931
Other non-current assets	701	722
CURRENT ASSETS		
Non-current assets held for sale	6	6
Inventories	4,390	4,340
Trade an other receivables	6,105	6,327
Other current assets	296	216
Other current financial assets	1,711	1,378
Cash and cash equivalents	4,786	4,473
TOTAL ASSETS	**60,778**	**62,335**
TOTAL EQUITY		
Attributable to equity holders of the parent company	30,628	30,908
Attributable to minority interests	286	270
NON-CURRENT LIABILITIES		
Non-current provisions	4,738	4,862
Non-current financial debt	10,818	11,933
Deferred tax liabilities	1,028	1,188
Other non-current liabilities	470	579
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	0	0
Current provisions	500	481
Current financial liabilities	4,486	4,696
Trade payables and other payables:	7,824	7,418
TOTAL LIABILITIES [1]	**60,778**	**62,335**

[1] December 2018 includes the necessary modifications in relation with the change of the presentations of leases after the application of the IFRS 16 (Please see Note 2.2.21 of the Interim consolidated financial statements for Q1 2019 available on www.repsol.com).

INCOME STATEMENT

(€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

	QUARTERLY DATA		
	Q1 18	Q4 18	Q1 19
Operating income	**796**	**(278)**	**790**
Financial result	(81)	(109)	(81)
Income from equity affiliates	138	659	132
Net income before tax	**853**	**272**	**841**
Income tax	(306)	(112)	(224)
Net income from continuing operations	**547**	**160**	**617**
Net income from non-controlling interest	(5)	10	(9)
NET INCOME FROM CONTINUING OPERATIONS	**542**	**170**	**608**
Net income for the year from discontinuing operations	68	0	0
NET INCOME	**610**	**170**	**608**
Earning per share attributible to the parent company (*)			
Euros/share (*)	0.38	0.10	0.40
USD/ADR	0.46	0.12	0.45
Average number of shares (**)	1,607,381,866	1,555,720,779	1,508,632,509
Exchange rates USD/EUR at the end of each quarter	1.23	1.15	1.12

(*) To calculate EPS the interest expense from the perpetual obligations (€7 million after taxes in Q1 18, Q4 18 and Q1 19) has been adjusted.

(**) A capital increase for the shareholder's remuneration scheme known as "Repsol dividendo flexible" was carried out in June 2018 and December 2018 accordingly. The average weighted number of outstanding shares for the presented periods was recalculated in comparison with the previous periods to include the impact of this capital increase in accordance with IAS 33 "Earnings per share". The average number of shares held by the company during each period was also taken into account.

In November 2018 a share capital reduction was carried out by means of cancellation of 68,777,683 own shares. Thus share capital is currently represented by 1,558,877,582 shares.

REPSOL

CASH FLOW STATEMENT

(€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

	JANUARY - MARCH	
	2018	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxes	853	841
Adjustments to net income		
Depreciation and amortisation of non current assets	517	551
Other adjustments to results (net)	12	(32)
EBITDA	**1,382**	**1,360**
Changes in working capital	**(385)**	**(541)**
Dividends received	54	40
Income taxes received/ (paid)	(178)	(99)
Other proceeds from/ (payments for) operating activities	(94)	1
OTHER CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	**(218)**	**(58)**
	779	**761**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities		
Companies of the Group, equity affiliates and business units	(4)	(22)
Fixed assets, intangible assets and real estate investments	(532)	(447)
Other financial assets	(30)	(18)
Payments for investment activities	**(566)**	**(487)**
Proceeds from divestments	**8**	**394**
Other cashflow	**0**	**2**
	(558)	**(91)**
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
Issuance of own capital instruments	0	0
Proceeds from/(payments for) equity instruments	(404)	(467)
Proceeds from issue of financial liabilities	3,378	4,924
Payments for financial liabilities	(3,535)	(5,137)
Payments for dividends and payments on other equity instruments	(196)	(214)
Interest payments	(185)	(148)
Other proceeds from/(payments for) financing activities	(36)	46
	(978)	**(996)**
Effect of changes in exchange rates from continued operations	**(20)**	**13**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS	**(777)**	**(313)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,601**	**4,786**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**3,824**	**4,473**

APPENDIX III – RECONCILIATION OF NON-IFRS METRICS TO IFRS DISCLOSURES

Q1 2019

RECONCILIATION OF ADJUSTED RESULTS AND THE CORRESPONDING CONSOLIDATED FINANCIAL STATEMENT HEADINGS

(Unaudited figures)

	Q1 2018					
		ADJUSTMENTS				
€ Million	**Adjusted result**	**Joint arragements reclassification**	**Special Items**	**Inventory Effect**	**Total adjustments**	**Total consolidated**
Operating income	1,057	(180)	(69)	(12)	(261)	796
Financial result	(114)	40	(7)	-	33	(81)
Income from equity affiliates	11	127	-	-	127	138
Net income before tax	**954**	**(13)**	**(76)**	**(12)**	**(101)**	**853**
Income tax	(366)	13	44	3	60	(306)
Net income from continued operations	**588**	**-**	**(32)**	**(9)**	**(41)**	**547**
Income attributed to minority interests	(5)	-	-	-	-	(5)
NET INCOME FROM CONTINUED OPERATIONS	**583**	**-**	**(32)**	**(9)**	**(41)**	**542**
Income from discontinued operations	-	-	68	-	68	68
NET INCOME	**583**	**-**	**36**	**(9)**	**27**	**610**

	Q4 2018					
		ADJUSTMENTS				
€ Million	**Adjusted result**	**Joint arragements reclassification**	**Special Items**	**Inventory Effect**	**Total adjustments**	**Total consolidated**
Operating income	1,300	(611)	(487)	(480)	(1,578)	(278)
Financial result	(172)	39	24	-	63	(109)
Income from equity affiliates	(24)	610	72	1	683	659
Net income before tax	**1,104**	**38**	**(391)**	**(479)**	**(832)**	**272**
Income tax	(464)	(38)	266	124	352	(112)
Net income from continued operations	**640**	**-**	**(125)**	**(355)**	**(480)**	**160**
Income attributed to minority interests	(8)	-	-	18	18	10
NET INCOME FROM CONTINUED OPERATIONS	**632**	**-**	**(125)**	**(337)**	**(462)**	**170**
Income from discontinued operations	-	-	-	-	-	0
NET INCOME	**632**	**-**	**(125)**	**(337)**	**(462)**	**170**

	Q1 2019					
		ADJUSTMENTS				
€ Million	**Adjusted result**	**Joint arragements reclassification**	**Special Items**	**Inventory Effect**	**Total adjustments**	**Total consolidated**
Operating income	1,025	(240)	(2)	7	(235)	790
Financial result	(97)	31	(15)	-	16	(81)
Income from equity affiliates	6	126	-	-	126	132
Net income before tax	**934**	**(83)**	**(17)**	**7**	**(93)**	**841**
Income tax	(309)	83	4	(2)	85	(224)
Net income from continued operations	**625**	**-**	**(13)**	**5**	**(8)**	**617**
Income attributed to minority interests	(7)	-	-	(2)	(2)	(9)
NET INCOME FROM CONTINUED OPERATIONS	**618**	**-**	**(13)**	**3**	**(10)**	**608**
Income from discontinued operations	-	-	-	-	-	0
NET INCOME	**618**	**-**	**(13)**	**3**	**(10)**	**608**

REPSOL

RECONCILIATION OF OTHER ECONOMIC DATA AND THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures)

	DECEMBER 2018		
	Adjusted Net Debt	Reclasification of JV [1]	IFRS-EU
NON-CURRENT ASSETS			
Non-current financial instruments	87	887	974
CURRENT ASSETS			
Other current financial assets	1,630	81	1,711
Cash and cash equivalents	5,021	(235)	4,786
NON-CURRENT LIABILITIES			
Non-current financial debt	(6,625)	(2,767)	(9,392)
CURRENT LIABILITIES			
Current financial liabilities	(3,827)	(462)	(4,289)
CAPTIONS NOT INCLUDED IN THE BALANCE SHEET			
Net mark-to-market valuation of financial derivaties, excluding exchange rate and others [2]	275	(227)	48
NET DEBT	**(3,439)**		**(6,162)**

	MARCH 2019		
	Adjusted Net Debt	Reclasification of JV [1]	IFRS-EU
NON-CURRENT ASSETS			
Non-current financial instruments	84	909	993
CURRENT ASSETS			
Other current financial assets	1,356	14	1,370
Cash and cash equivalents	4,829	(356)	4,473
NON-CURRENT LIABILITIES			
Non-current financial debt	(6,474)	(2,835)	(9,309)
CURRENT LIABILITIES			
Current financial liabilities	(3,766)	(533)	(4,299)
CAPTIONS NOT INCLUDED IN THE BALANCE SHEET			
Net mark-to-market valuation of financial derivaties, excluding exchange rate and others [2]	285	(236)	49
NET DEBT	**(3,686)**		**(6,723)**
Non-current Leases	(3,267)	669	(2,598)
Current Leases	(504)	115	(389)
NET DEBT WITH LEASES	**(7,457)**		**(9,710)**

[1] Mainly corresponding to the financial contribution by Repsol Sinopec Brasil which is detailed in the following captions:
2018: "Cash and cash equivalents" amounting to €13 million and "Non-current financial debt" for intragroup loans amounting to €2,674 million, reduced in €127 million due to loans with third parties.
2019: "Cash and cash equivalents" amounting to €88 million and "Non-current financial debt" for intragroup loans amounting to €2,867 million, reduced in €131 million due to loans with third parties and €677 million for leases.

[2] This caption eliminates net market value of financial derivatives other than exchange rate ones.

	January - March					
	2018			2019		
	Adjusted Cash flow	Reclasification of JV & Others	IFRS-EU	Adjusted Cash flow	Reclasification of JV & Others	IFRS-EU
I. CASH FLOWS FROM OPERATING ACTIVITIES	919	(140)	779	1,161	(400)	761
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES	(600)	42	(558)	(568)	477	(91)
FREE CASH FLOW (I. + II.)	319	(98)	221	593	77	670
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES AND OTHERS [(1)]	(1,093)	95	(998)	(785)	(198)	(983)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(774)	(3)	(777)	(192)	(121)	(313)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,820	(219)	4,601	5,021	(235)	4,786
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,046	(222)	3,824	4,829	(356)	4,473

[(1)] This caption includes payments for dividends and payment on other equity instruments, interest payments, proceeds from/(payments for) equity instruments, proceeds from/ (payments for) issue of financial liabilities, other proceeds from/(payments for) financing activities and the effect of changes in the exchange rate.

APPENDIX IV – IFRS 16 IMPACT

Q1 2019

IFRS 16 IMPACT

		1Q19		
M€	Var.	Previous criteria	IFRS 16 Impact	IFRS 16 Criteria
EBITDA	↑	1,729	81	1,810
Operating Cash Flow	↑	1,080	81	1,161
Net Debt	↓	(3,686)	(3,771)[1]	(7,457)
Capital Employed	↑	34,956	3,679[1]	38,635
ROACE	↓	8.0%	-0.7 bp	7.3%

		1Q19			
M€	Var.	Upstream	Downstream	Corporation	Total
EBITDA	↑	42	38	2	81
DD&A	↓	(32)	(34)	(2)	(68)
EBIT	↑	10	3	-	13
Financial Results	↓	-	-	(22)	(22)
Income Tax	↑	(3)	(1)	6	1
Adjusted Net Income	↓	7	2	(17)	(8)

(1) *Include the financial leases effect recognized in accordance with the previous accounting regulation.*

APPENDIX V – BASIS OF PRESENTATION

Q1 2019

BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

The definition of the Repsol Group´s operating segments is based on the different activities performed and from where the Group earns revenue or incurs expenses, as well as on the organizational structure approved by the Board of Directors for business management purposes. Using these segments as a reference point, Repsol's management team (the Corporate Executive) analyzes the main operating and financial indicators in order to make decisions about segment resource allocation and to assess how Repsol ("the Company") is performing.

The Group's operating segments are:

- **Upstream**, corresponding to exploration and production of crude oil and natural gas reserves and;
- **Downstream**, corresponding, mainly, to the following activities: (i) refining and petrochemistry, (ii) trading and transportation of crude oil and oil products, (iii) commercialization of oil products, petrochemical and LPG, (iv) commercialization, transportation and regasification of natural gas and liquefied natural gas (LNG) and (v) generation of electricity and commercialization of energy and gas in Spain.

Finally, **Corporate and others** includes activities not attributable to the aforementioned businesses, and specifically, corporate expenses, net finance costs and inter-segment consolidation adjustments.

The Group did not aggregate any operating segments for presentation purposes.

Repsol presents its operating segments' results by including the ones corresponding to its joint ventures[1] and other managed companies operated as such[2], in accordance with the percentage interest held by the Group, considering their business and financial metrics in the same manner and with the same level of detail as for fully-consolidated companies. The Group considers that so doing adequately reflects the nature of its businesses and the way in which their performance is analyzed for decision-making purposes.

In addition, the Group, considering its business reality and in order to make its disclosures more comparable with those in the sector, utilizes as a measure of segment profit the so-called **Adjusted Net Income**, which corresponds to net income from continuing operations at current cost of supply or *CCS* after taxes and minority interests and not including certain items of income and expense (***Special Items***). Net finance cost is allocated to the **Corporate and others** segment's Adjusted Net Income/Loss.

Although this measure of profit (CCS), widely used in the industry to report the earnings generated in Downstream businesses which necessarily work with significant volumes of inventories that are subject to constant price fluctuations, is not accepted in *European accounting standards* it does facilitate comparison with the earnings of sector peers and enables analysis of the underlying business performance by stripping out the impact of price fluctuations on reported inventory levels. Using the CCS method, the cost of volumes sold during the reporting period is calculated using the costs of procurement and production incurred during that same period. As a result, Adjusted Net Income does not include the so-called *Inventory Effect*. This *Inventory Effect* is presented separately, net of tax and minority interests, and corresponds to the difference between income at *CCS* and that arrived at using the Average Weighted Cost accounting method (*AWC*, which is an inventory valuation method used by the Company to determine its results in accordance with *European accounting regulations*).

[1] In Repsol Group´s operating segments model, joint ventures are consolidated proportionally in accordance with the Group's percent holding. See Note 13 and Appendix I of the consolidated financial statements for 2018, where the Group's main joint ventures are identified.
[2] It corresponds to Petrocarabobo, S.A., an associated entity of the Group (Venezuela).

Likewise, *Adjusted Net Income* does not include *Special Items*[3], i.e., certain significant items whose separate presentation is considered convenient to facilitate the monitoring of the ordinary business performance. It includes gains/losses on disposals, restructuring costs, impairments and relevant provisions for risks and other relevant income or expenses. These results are presented separately, net of the tax effect and minority interests.

All of the information presented in this Q1 2019 *Results Earnings Release* has been prepared in accordance with the abovementioned criteria, with the exception of the information provided in Appendix II "Consolidated Financial Statements" which has been prepared according to the *International Financial Reporting Standards adopted by the European Union (IFRS-EU)*.

Appendix III provides a reconciliation of the segment reported metrics and those presented in the Consolidated Financial Statements (IFRS-EU).

Information and disclosures related to APM[4] used on the present Q1 2019 *Results Earnings Release* are included in Appendix III "*Alternative Performance Measures*" of the *Interim consolidated financial statements for Q1 2019* and Repsol's website.

IFRS 16 Leases:

As a result of the new accounting treatment of leases under IFRS 16, the impact on the Group's net income during the first three months of 2019 has not been material. However, other financial aggregates have been affected and, for example, operating profit has increased (lower operating expenses) and financial result has decreased (higher finance expenses). The net change in cash has not been altered by the application of IFRS 16, but its classification has: Cash flow from operating activities has increased and cash flow from financing activities has decreased, to the same extent.

In relation to the Alternative Performance Measures used by the Group (see Appendix III of the interim consolidated financial statements for the first quarter of 2019), the application of IFRS 16 has had several effects: i) EBITDA ("Earnings Before Interest, Tax, Depreciation and Amortization") has increased as it now includes the expense corresponding to the leases, either as amortization or finance expense; ii) cash flows from operations has also increased, since from now on it includes the cash outflows for leases in cash flows from financing activities; iii) the Group presents Net Debt, Capital Employed and the ROACE ("Return on average capital employed") calculated as in previous years to make it easier to monitor the current Strategic Plan and the historic performance of return and debt; nevertheless Repsol will also publish these magnitudes including the effect of the lease liabilities (those recognized in accordance with the previous accounting standard and the new lease liabilities recognized due to the application of IFRS 16).

For further information, see Note 2.2.1 to the interim condensed consolidated financial statements for the first quarter of 2019.

[3] The way in which the results of exchange rate fluctuations on tax positions in currencies other than the functional currency are presented has changed during 2018, and these changes are reflected in the Special items to facilitate the monitoring of business results and align us with best practices in the industry. The comparative figures for the first quarter of 2018 have been restated due to comparison purposes.
[4] 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.

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