



9% rise compared to the same period of 2014, thanks to a better result of the Downstream business.

Exceeding the objective of achieving an adjusted net income of €1,600-1,800M, forecasted last October.

/ Downstream

Its strong cash generation continues, and its result **increases by +113%** in the year.

The refining margin reached **\$8.5/barrel**, doubling that obtained in the previous year.

/ Solid Results

CSS EBITDA of the year **increased +6%** compared to the previous year, despite the decrease in crude oil and gas prices.

/ Debt reduction

reduction of more than **1,100 million euros** compared to the end of the third quarter, thanks to the operating cash generation, which has covered the investments and financial interests.

Strategic Plan 2016-2020

Value and Resilience

In the current price context, Repsol has launched new measures:

- **Reduce an additional 20%** the total investments planned for 2016, to be placed below €4,000 M.
- **Increase the synergies** derived from the integration of Talisman: \$400 M per year identified (compared to the estimated \$220 M of the acquisition) and more than 50% implemented.
- **Revisiting the efficiency program**: to reach in 2016 near \$1,100 M, more than 50% of the objective to be reached in 2018.
- **Acceleration of the divestment of non-strategic assets.**

All these measures will allow **reducing the breakeven up to \$ 40/barrel.**

Our main businesses¹

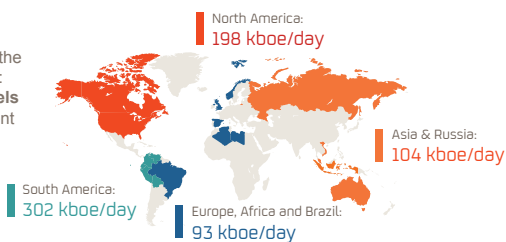


Upstream

[Exploration and production]

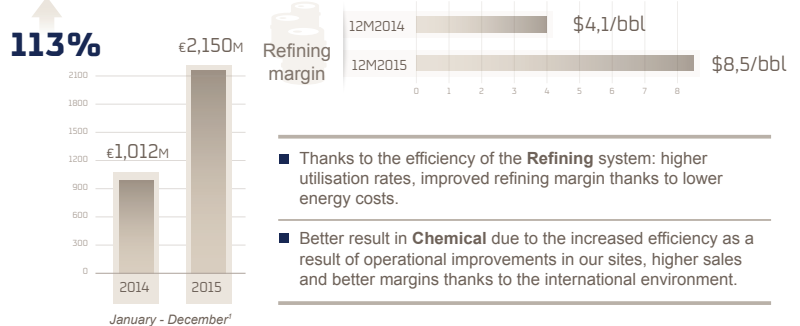
- Production for the quarter reached 697,000 barrels of oil equivalent per day, an increase of 88% compared to the same period of the previous year. **88%**
- In January 2016, the production reached 714,000 barrels of oil equivalent per day.
- The decrease in crude oil and gas prices has been reflected in the Upstream business, which had a negative adjusted net income of 909 million euros, also influenced by the interruption of operations in Libya and the amortization of exploratory wells.
- The Reserve Replacement Ratio for 2015 was 500%. Excluding the acquisition of Talisman, the ratio was 159%. **500%**

Geographic breakdown of production in the fourth quarter: **697,000 barrels** of oil equivalent per day



Downstream

[Refining, Chemical, Marketing, Liquefied Petroleum Gas and Gas & Power]

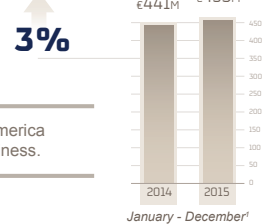


- Thanks to the efficiency of the Refining system: higher utilisation rates, improved refining margin thanks to lower energy costs.
- Better result in Chemical due to the increased efficiency as a result of operational improvements in our sites, higher sales and better margins thanks to the international environment.

Gas Natural Fenosa²

(30% Share)

- The contribution of CGE-Chile and better results in Latin America have partially offset the lower results in Gas marketing business.



Strong financial position



Net debt and liquidity

Net debt-to-capital employed ratio stands at 29.4%.

29.4%

Repsol maintains a liquidity of

€9,130 M

¹ The company carries out a good part of its activities through joint ventures. This means that, when it comes to making decisions on fund allocation or performance assessment, the operating and financial figures of joint ventures are analysed from the same perspective and as thoroughly as those of companies consolidated by global integration. This is the reason why all sector figures include, according to percentage shares, those of joint ventures or companies managed as such.

In fiscal year 2014, Repsol decided to take into account the current business environment and use an accounting method for better comparison with the results of other companies in the same industry. Now, Repsol reports its recurring net income based on restocking costs of continued operations (adjusted net income), excluding both discontinued operations and inventory effects.

² From 1 January 2014, Gas Natural results are no longer reported in Repsol statements using a consolidated method. The equity accounting method is used instead.

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