

# WEBCAST – CONFERENCE CALL

## Third Quarter 2016 Results

November 3rd, 2016



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*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 Q3 2016 Webcast Presentation are included in Appendix V "Alternative Performance Measures" of the Interim Condensed*

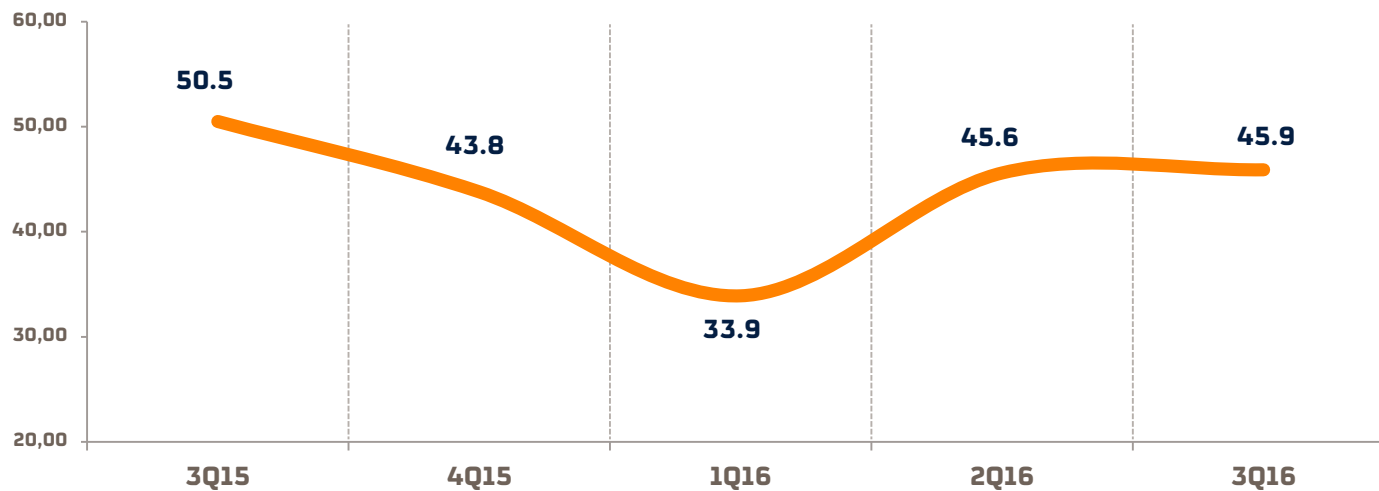
# Third Quarter 2016 Results

## AGENDA

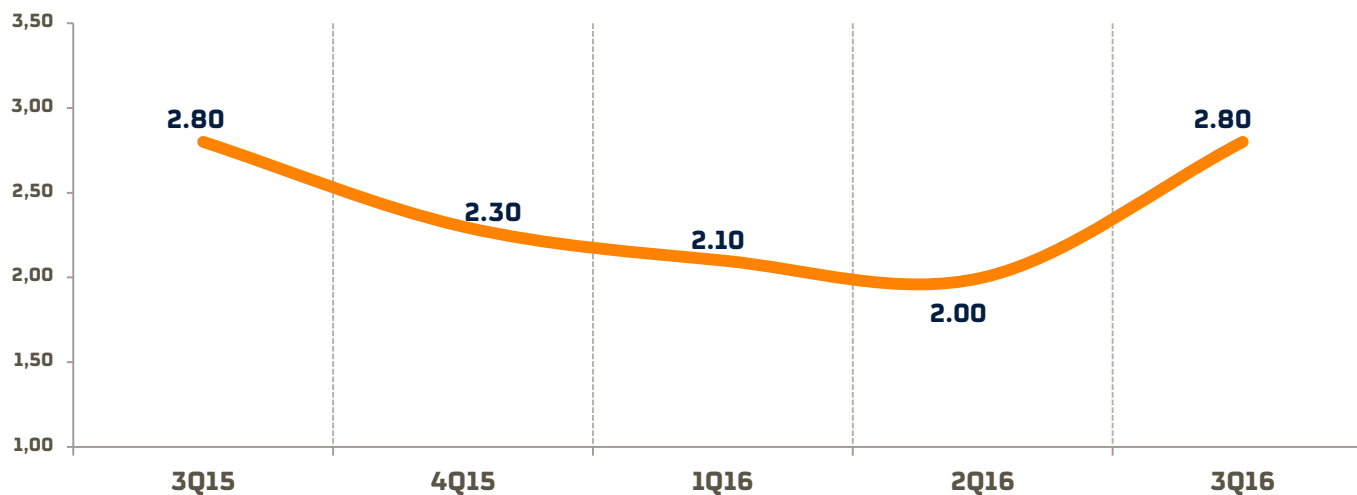
- 1. Operational activity**
- 2. Financial results**
- 3. Progress on strategic objectives**
- 4. Conclusions**

# Market environment

## Brent - \$/boe



## Henry Hub - \$/Mbtu





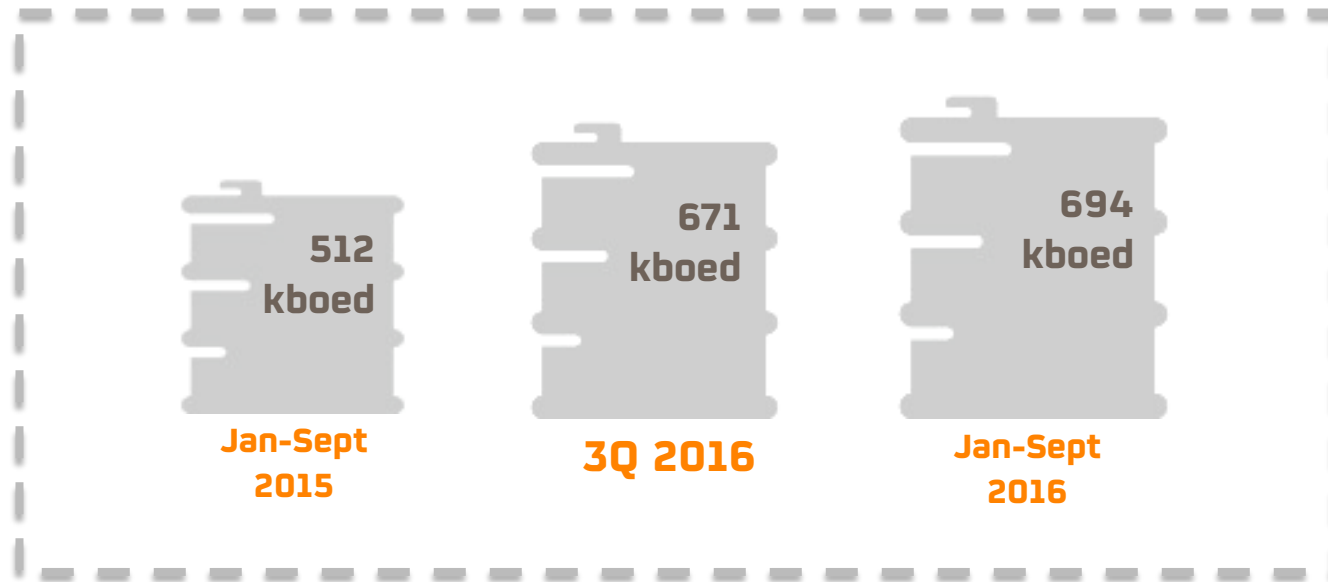


Operational activity

1

# Operational Activity

## Upstream Production



➤ **3Q16 volumes were affected by:**

- ✓ Cessation of production in the Varg field (Norway)
- ✓ Maintenance works in T&T, Malaysia and Vietnam
- ✓ Planned outages in UK and T&T

➤ **4Q16 forecast:**

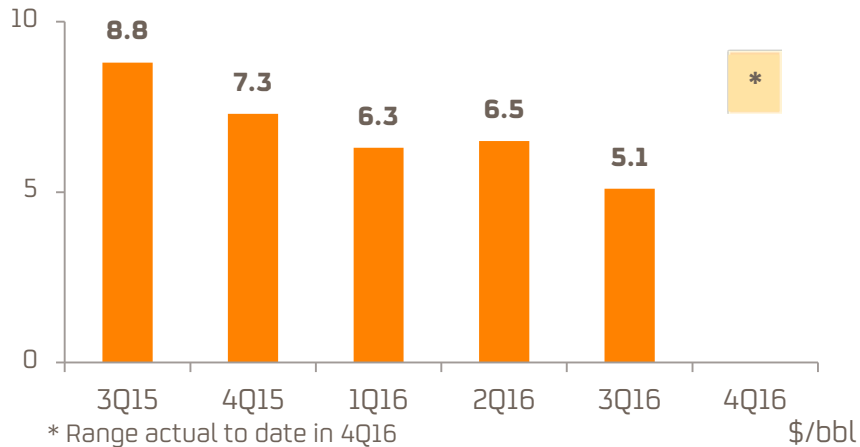
- ✓ Start-up of Lapa (Brazil)
- ✓ Ramp-up production of T&T

# Operational activity

## Downstream



### Refining Margin Indicator

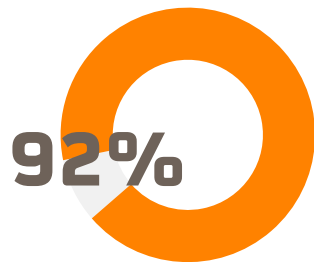


### Petrochemicals

- Strong performance:
  - Steady sales
  - Resilient margins
  - Reduction in derivative product prices offset by lower naphtha prices

### Utilization rates

3Q 2016



Distillation



Conversion units

### Commercial businesses

- **Sales** in Service Stations increased
- Spanish motor fuel demand recovery



Financial results

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# Third Quarter 2016 Results



3Q	3Q 2015	2Q 2016	3Q 2016	% Variation 3Q16 vs 3Q15
<b>CCS Adjusted Net Income</b>	159	345	307	+ 93%

Million €

	3Q 2015	2Q 2016	3Q 2016	
<b>Net Income</b>	-221	205	481	-

Million €

9M	9M 2015	9M 2016	% Variation
<b>CCS Adjusted Net Income</b>	1,339	1,224	- 13%

Million €

	9M 2016	9M 2015	
<b>Net Income</b>	832	1,120	+ 35%

Million €

# Upstream Results

## Adjusted Net Income



3Q 2015

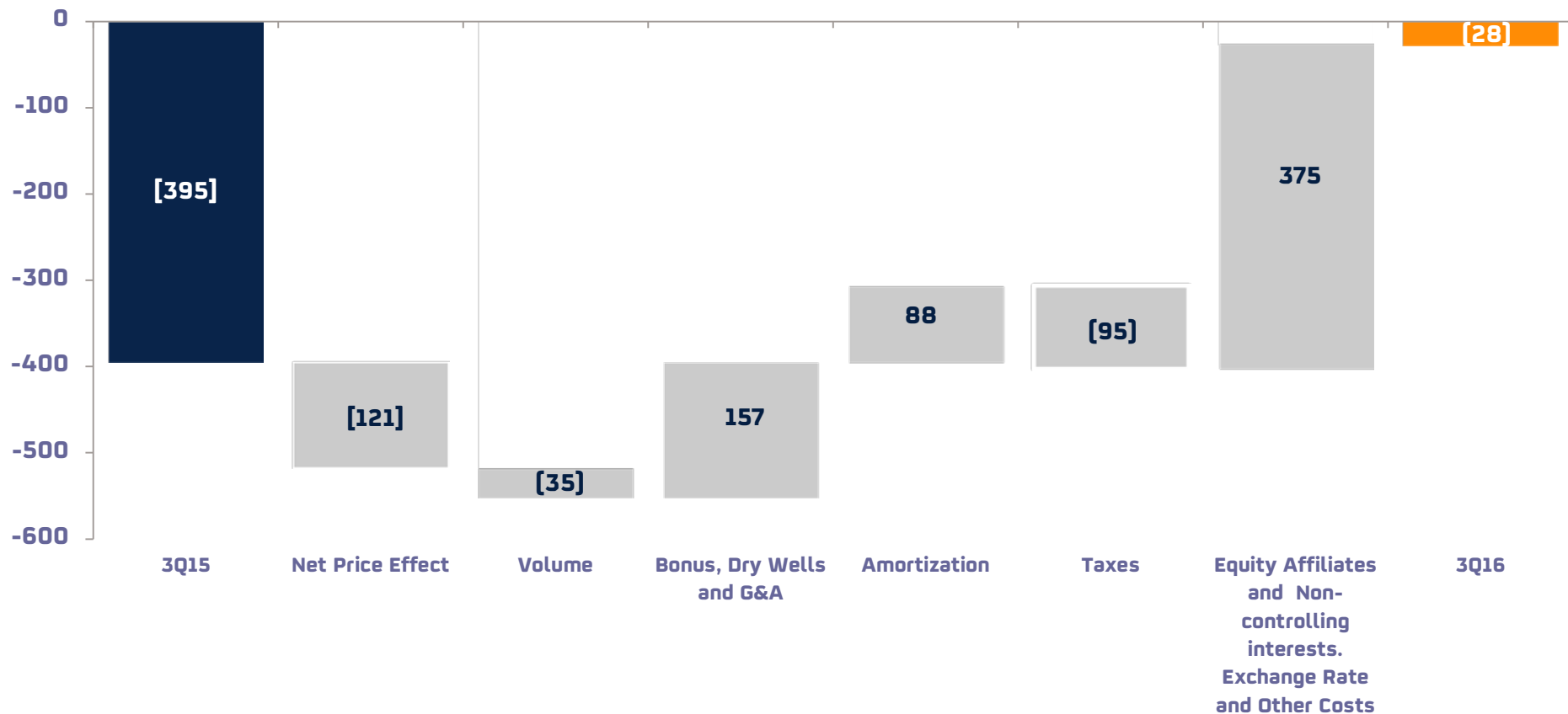
3Q 2016

### Adjusted Net Income

-395

-28

Million €



# Downstream Results

## Adjusted Net Income



3Q 2015

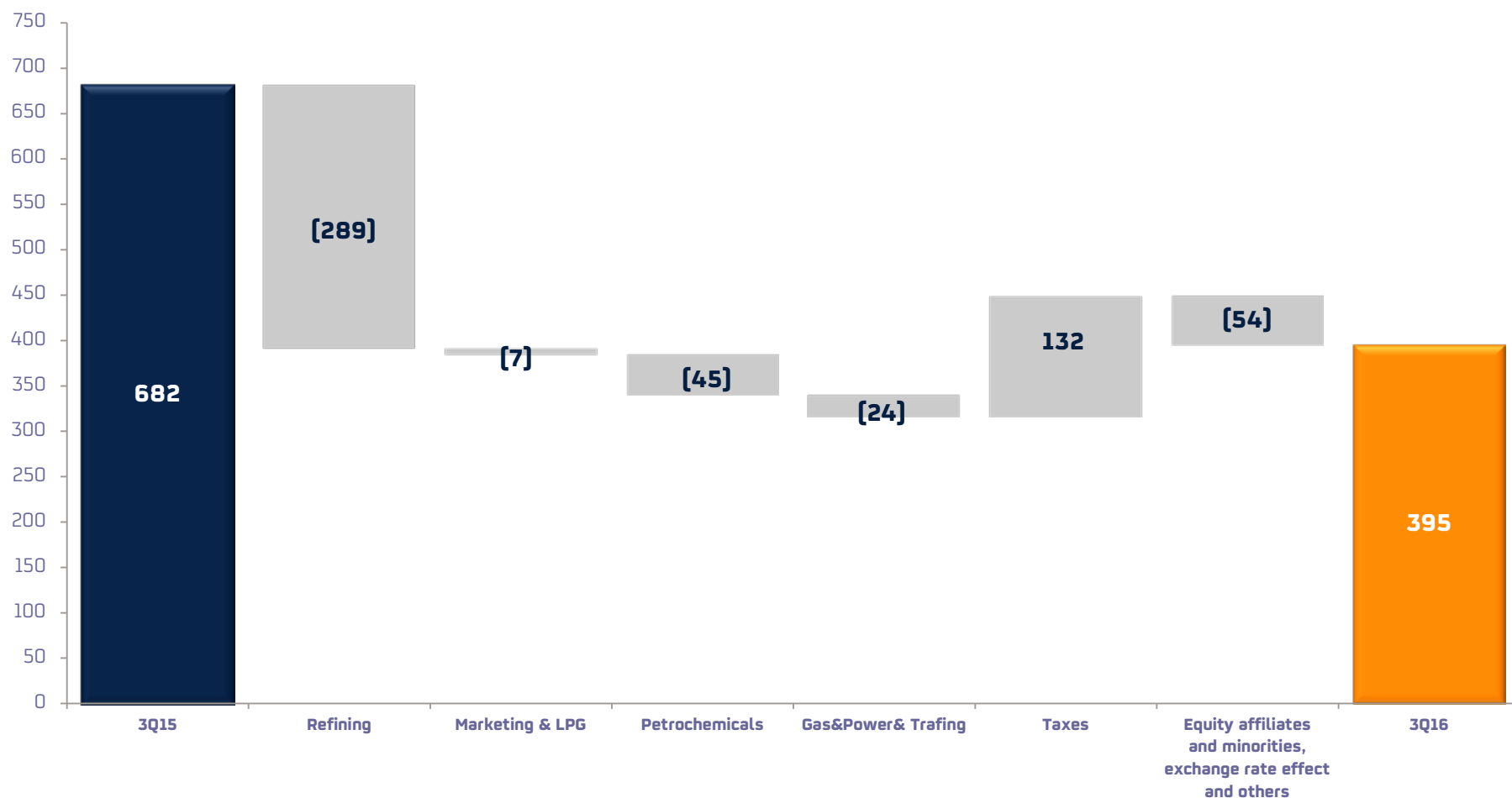
3Q 2016

### CCS Adjusted Net Income

682

395

Million €



# Corporate and others

## Adjusted Net Income



	3Q 2015	2Q 2016	3Q 2016	9M 2015	9M 2016
<b>Corporate and others</b>	-128	-79	-60	377	-140
Million €					
<b>Corporate &amp; adjustments</b>	-57	-90	-80	-139	-233
<b>Financial Results</b>	-223	-185	-123	233	-385
<b>Income Tax</b>	49	100	63	-47	203
<b>Gas Natural Fenosa</b>	103	96	80	330	275
Million €					



# Financial Aspects



Million €

3Q 2015

3Q 2016

**Net Financial Result**

-223

-123

Million €

2Q 2016

3Q 2016

**Net Financial Debt**

11,709

9,988

**Liquidity**

**~€7.9Bn**



**Covers ~2 times our short  
term debt maturities**



Progress on our strategic  
objectives

2

# Progress of Strategic Plan

## Strategic Commitments Follow up



### Efficiency & Synergies Program



	Target 2016	2016 Estimate
Synergies	0.2	0.3
Efficiencies	0.9	1.1
Total (B€)	1.1	1.4

### Investment Flexibility



	Target 16-17	'16 YTD
Repsol Investment (B€)	3.9	2.3

### Divestments & Management Portfolio



	Target 16-17	'16 YTD
Divestments (B€)	3.1	4.8 <sup>[1]</sup>
Production (kboed)	~700	694

### Value & Resilience



	Target	'16 YTD
CF Neutrality BE (\$/boe)	~40	46
E&P FCF BE (\$/boe)	~65	62

[1] Includes agreed transactions and other operations.  
The total proceeds and benefits captured since Oct'15 amount to ~5B€

### Finance Commitments



	Target	Actual
Investment Grade	Maintain	Maintain





# Conclusions

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- ✓ **Improved recurrent results year-on-year**
- ✓ **Resilience in the lower part of the cycle thanks to Integrated Model**
- ✓ **Materially reduced net debt and strengthened financial position**
- ✓ **Well positioned to deliver full year targets**
- ✓ **Strong progress towards longer term strategic goals**

# Q&A Session

## Third Quarter 2016 Results

Repsol Investor Relations

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