

Repsol's adjusted net income was
630 million euros

▲ 10% higher than the same period in 2016
thanks to **strong performance** across all businesses
(Upstream and Downstream).



Exploration discovery in Alaska

On 9th March, Repsol, and its partner Armstrong Energy, made the **largest onshore conventional hydrocarbons discovery in the United States in the last 30 years.**



Upstream

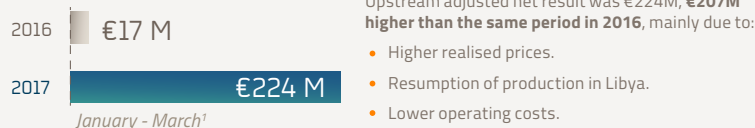
- The **adjusted net income** was **€224M**, €207M higher than the same quarter of 2016.
- The company achieved **record production levels in Brazil** boosted by a full quarter with Lapa.

Downstream

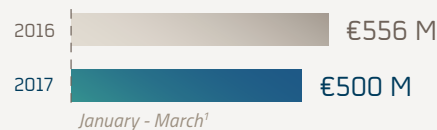
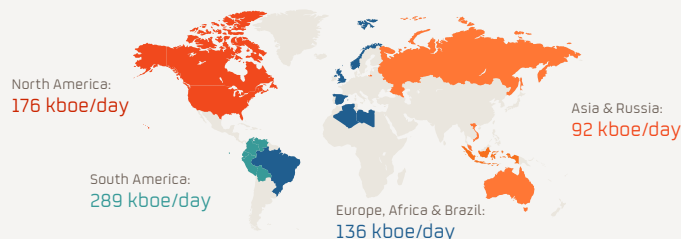
- The year has started with **solid cash flow generation.**
- The **refining margin** indicator was **\$7.1/bbl**, an increase compared to the same period of the previous year.

Good results show the strength of Repsol's integrated business model

Our main businesses¹



Average production reached **693 kboe/day**, 3% lower compared to the same period in 2016, mainly due to the sale of TSP (Trinidad and Tobago) and Tangguh (Indonesia) in December 2016, the production shutdown in Varg (Norway) and decline in the United States.



The margins have improved in the **Refining** business, which partially compensates the lower utilisation rate of the conversion units due to scheduled maintenance at the A Coruña and Bilbao refineries.

The **chemicals** business has maintained solid results.

In **Trading and Gas&Power**, the higher results in Gas&Power are mainly due to improvements in North America, supported by an increase in the volumes sold and a reduction in costs.

2016-2020 Strategic Plan

Value and Resilience

- Progress is being made towards achieving the strategic targets of the efficiency and synergies programme and it is estimated that this year they will contribute around **€2.1B** in cash saving.
- The projects in progress in the first quarter of the year have already delivered for around €500M of the 2017 target.

Solid financial position

- The debt/EBITDA ratio for CCS has **reduced by 50%**, reaching 1.1.
- Repsol maintains a **liquidity of €8.3B** which covers short-term gross debt maturities 1.9 times.

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.

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", "notifies" 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 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.

The information contained in the document has not been verified or revised by the External Auditors of Repsol.

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 2017 Results Earnings Release are included in Appendix IV "Alternative Performance Measures" of the Interim Condensed Consolidated Financial Statements for the 1Q 2017 and Repsol's website.

Repsol will publish today the Interim Condensed Consolidated Financial Statements for the Q1 2017 and they will be available on Repsol's and CNMV's (Comisión Nacional del Mercado de Valores) websites.