Results
January-March
2017

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).*

REPSOL

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

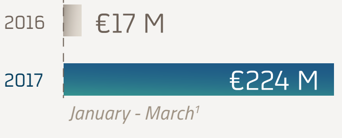
- The year has started with **solid cash flow generation**.
- The **refining margin** indicator was **$7.1/bbl**, an increase compared to the same period of the previous year.

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

Our main businesses[1]

Upstream

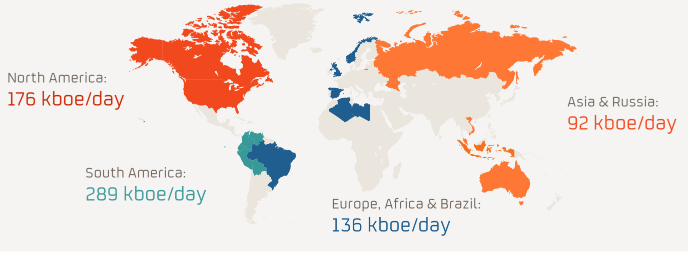
Exploration and Production



Upstream adjusted net result was €224M, **€207M higher than the same period in 2016**, mainly due to:

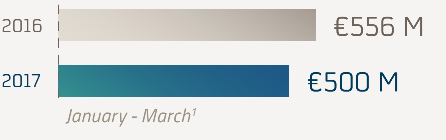
- Higher realised prices.
- Resumption of production in Libya.
- Lower operating costs.

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.



Downstream

Refining, Chemicals, Marketing, Lubricants, Trading, LPG & Gas&Power



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 mantains 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.

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.