First half results
2017

Repsol's adjusted net income was
1,126 million euros

▲ 23% *higher than the recorded in the same period of 2016, reflecting the strength and sound operation of Repsol's businesses.*

REPSOL

Exploratory discovery in Trinidad and Tobago

- On 6 June, Repsol and our joint venture partners discovered **the largest volume of gas to be uncovered in the last 5 years**.
- The company estimates resources of some **2 million cubic feet of gas**, equivalent to two years' consumption in Spain.

Upstream

- Repsol's adjusted net income improved significantly compared to the same period of 2016.
- The average hydrocarbon production was **685 kboe/day**, in line with the objectives set for 2017.

Downstream

- Continuing **solid cash generation** achieving CSS EBITDA of **€1,604 M**, in line with that obtained in the same period of the previous year.
- The **refining margin** indicator was **$6.6/bbl**, 3% higher than the **$6.4/bbl** recorded in the same period of the previous year.

In line with its commitment to sustainability, during the first half of 2017, Repsol became the world's leading oil and gas company in terms of issuing certified Green Bonds

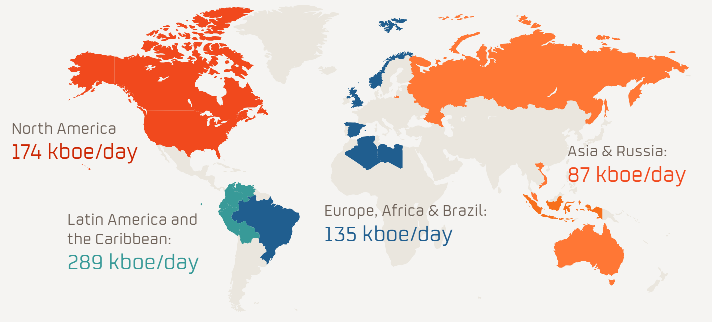
Our main businesses[1]

Upstream

Exploration and Production

Upstream adjusted net results have reached €339M, **€276M higher** than the recorded in the same period in 2016, mainly due to:

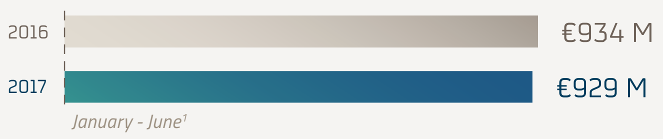
- Higher realisation prices.
- Resumption of production in Libya, production increased in Peru, and start-up of Monarb in UK, the ramp up of Lapa and Sapinhoa in Brazil.
- Initiatives carried out as part of the Efficiency and Synergies programme.



Upstream production reached an average of **685 kboe/d**, 3% lower year-on- year mainly due to the sale of TSP (Trinidad and Tobago), Tangguh (Indonesia) in December 2016, Ogan Komering (Indonesia) in March 2017, the cessation of production in Varg (Norway) in June 2016 and the impact of fluctuating gas demand in Bolivia.

Downstream

Refining, Chemicals, Marketing, Lubricants, Trading, LPG and Gas & Powert



Downstream adjusted net results have reached €929M, in line with the result obtained in the same period of the previous year.

The **Refining** business increases its contribution to the results, with more distillation and the refining margin indicator for Spain reached **$6.6/bbl**.

H igher results in the **Trading and Gas & Power** businesses, supported by the increase in volumes sold in North America and **Marketing**, which increased its sales.

2016-2020 **Strategic Plan**

Value and Resilience

During the first half, Repsol materialised and accounted for **50% of the €2,100 M objective** of the Efficiency and Synergies programme set for 2017.

Solid financial position

- On 25 July 2017, Standard & Poor's published a note in which Repsol's rating outlook was revised from stable to positive, BBB-/A-3 ratings were affirmed.
- Achieved CSS EBITDA of **€3,194 M,** a 33% **increase** compared to the same period of the previous year.
- Repsol's **net debt** at the end of June was **€7,477 M**, €667 M lower compared to the same period in 2016.

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 Q2 2017 Results Earnings Release are included in Appendix IV "Alternative Performance Measures" of the Interim Consolidated Management Report for the 1H 2017 and Repsol's website.

Repsol will publish today the Interim Condensed Consolidated Financial Statements and Management Report for the 1H 2017 and they will be available on Repsol's and CNMV's (Comisión Nacional del Mercado de Valores) websites.