WEBCAST – CONFERENCE CALL
Fourth Quarter 2016 Results

February 23rd, 2017

REPSOL

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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 Q4 & FY 2016 Results Earnings Release are included in Appendix I "Alternative Performance Measures" of the Management Report for the full year 2016.

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

AGENDA

1. **Summary of 2016**
2. **Operational results**
3. **Financial results**
4. **Outlook of 2017**
5. **Conclusions**

Summary 2016

1

Summary 2016

Key strategic objectives

Efficiency & Synergies Program ✓

	Target 2016	Actual 2016
Synergies	0.2	0.3
Efficiencies	0.9	1.3
Total (B€)	1.1	1.6

Investment Flexibility ✓

	Target 16-17	Actual 2016
Repsol Investment (B€)	3.9	3.2

Divestments & Management Portfolio ✓

	Target 16-17	Actual 2016
Divestments (B€)	3.1	5.1[1]
Production (kboed)	~700	690

(1) Includes proceeds and benefits since the SP presentation

Value & Resilience ✓

	Target 2016	Actual 2016
CF Neutrality BE ($/boe)	~40[1]	42[2]
E&P FCF BE ($/boe)	~65	61

(1) Sale of Pipe LPG included

(2) Organic Breakeven (divestments are not included)

Finance Commitments ✓

	Target	Actual
Investment Grade	Maintain	Maintain

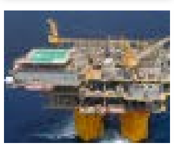
RRR ✓

	Actual 2016
Organic RRR	124%[1]

(1) 103% post disposals

Summary 2016

Divestments

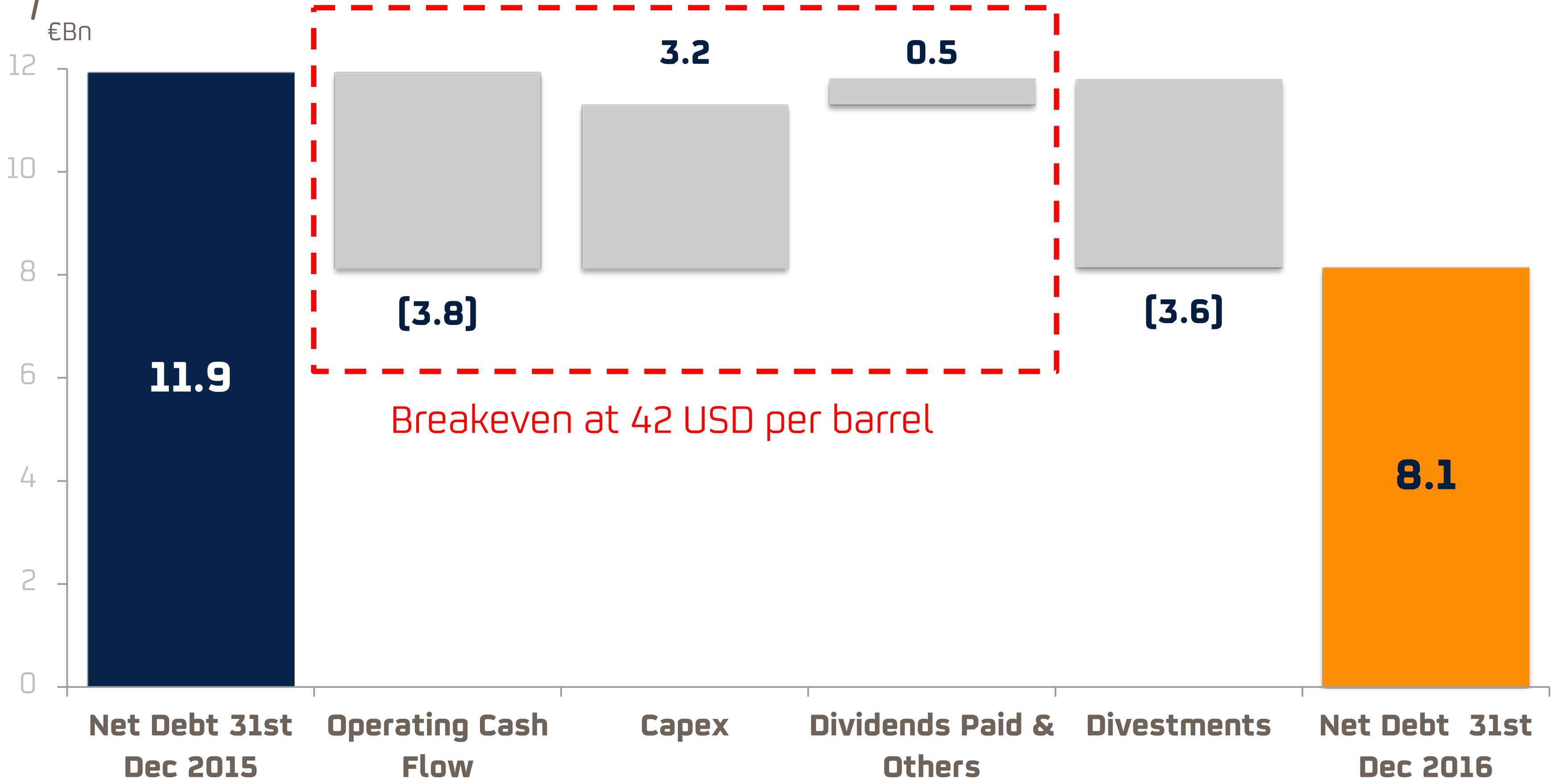
			2016 Proceeds	Benefits*
	Piped LPG	Sale of piped **LPG business**	€0.7Bn	
	Wind Power	Sale of offshore **wind power business** in the UK	€0.3Bn	
	LPG Business	Sale of **LPG business in Ecuador and Peru** • A multiple of approximately 8 times EBITDA	€0.2Bn	
gasNatural fenosa	GNF	Sale of a **10% stake in Gas Natural Fenosa** to Global Infrastructure Partners ("GIP")	€1.9Bn	
	Upstream assets	**Rationalization of our upstream asset:** • Completing the disposals of TSP (T&T), Brynhild (Norway), Tangguh (Indonesia), Eagle Ford and Alaska (USA)	€0.5Bn	€1.0Bn
	2015** Divestments	**CLH, Piped LPG in 2015 and others**		€0.5Bn
			€3.6Bn	**€1.5Bn**
			€5.1Bn	

(*) Capex saved, increased CFO, proceeds in 2015, etc.

(**) Includes only divestments after Strategic Plan Presentation

Summary 2016

Net Debt Evolution



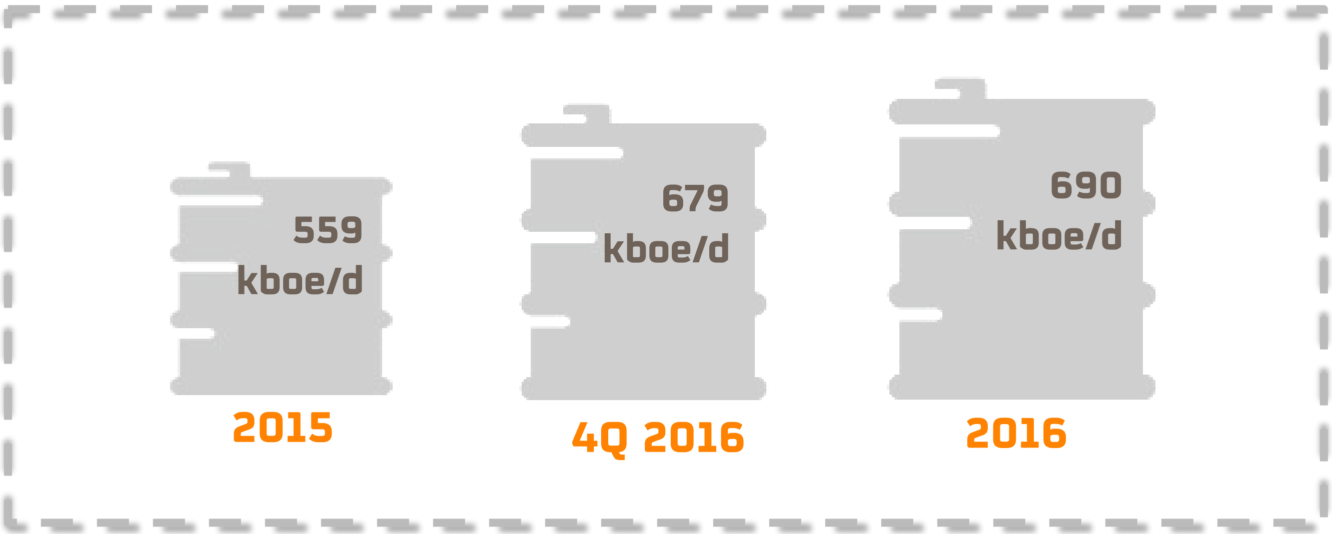
Targeting $40 breakeven

Operational Results

2

Operational Activity

Upstream



- **4Q16 volumes were affected by:**
  - ✓ Planned maintenance
  - ✓ Sale of Tangguh and TSP
  - ✓ Higher volumes in Brazil:
    - Start-up of Lapa
    - Ramp-up of Sapinhoá
  - ✓ Restart of production in Libya since December 20th

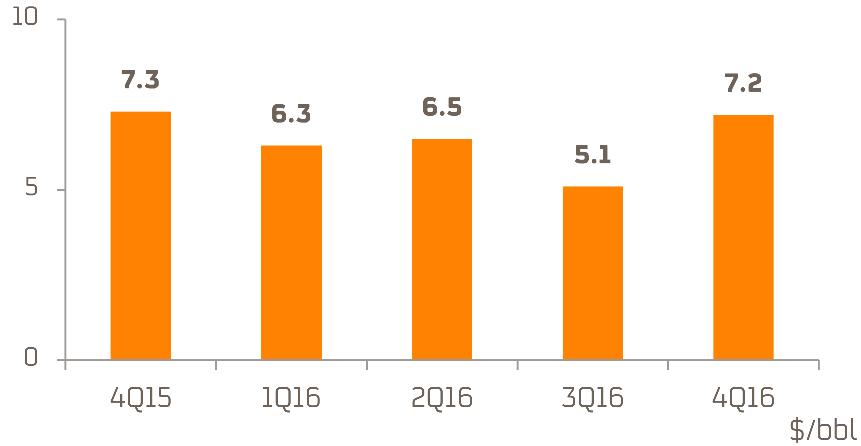
- **Exploration programme in 2016:**
  - ✓ **13** exploraration wells
  - ✓ **6** appraisals

- **By the end of the year**:
  - ✓ Positive wells: **3**
  - ✓ Under evaluation: **5**

Operational activity

Downstream

Refining Margin Indicator

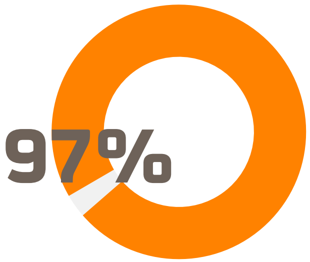


Petrochemicals

- Strong performance:
  - Steady sales
  - Strong demand
  - Lower feedstock costs
  - Energy efficiency

Utilization rates

4Q 2016



Commercial businesses

- **Higher LPG volumes**
- **Recovery** of motor-fuel **demand** in Spain
- **Lower 4Q Sales** in Service Stations due to seasonality

Financial results

3

Quarterly and FY 2016 Results

Q4 2016

	Q4 2015	Q4 2016	% Variation
CCS Adjusted Net Income	453	698	+ 54%

Million €

	Q4 2015	Q4 2016	€ Variation
Net Income	-2,230	616	+ 2,846

Million €

FY 2016

	2015	2016	% Variation
CCS Adjusted Net Income	1,852	1,922	+4%

Million €

	2015	2016	€ Variation
Net Income	-1,398	1,736	+ 3,134

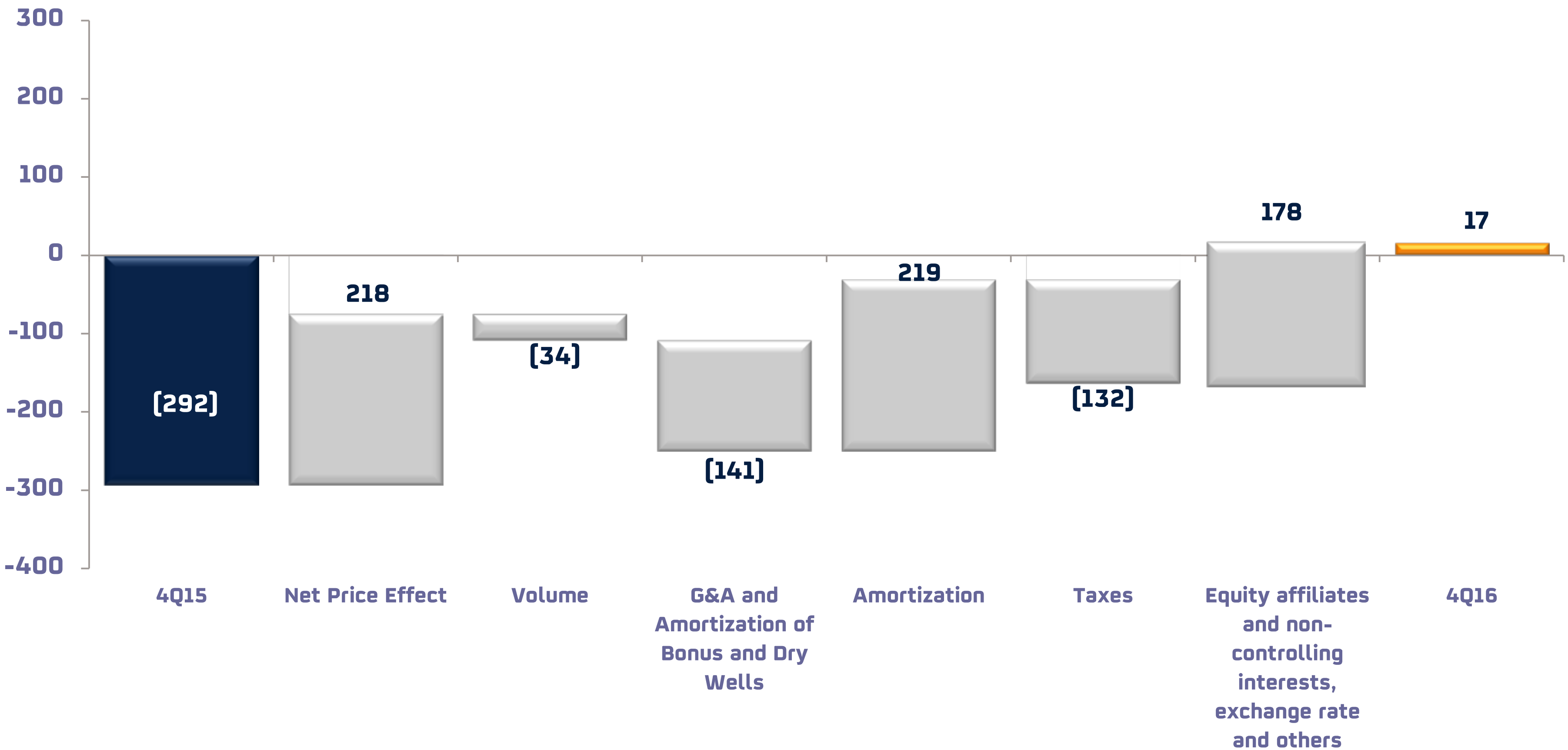
Million €

Upstream Results

Adjusted Net Income

	Q4 2015	Q4 2016	FY2015	FY2016
Adjusted Net Income	-292	17	-925	52

Million €

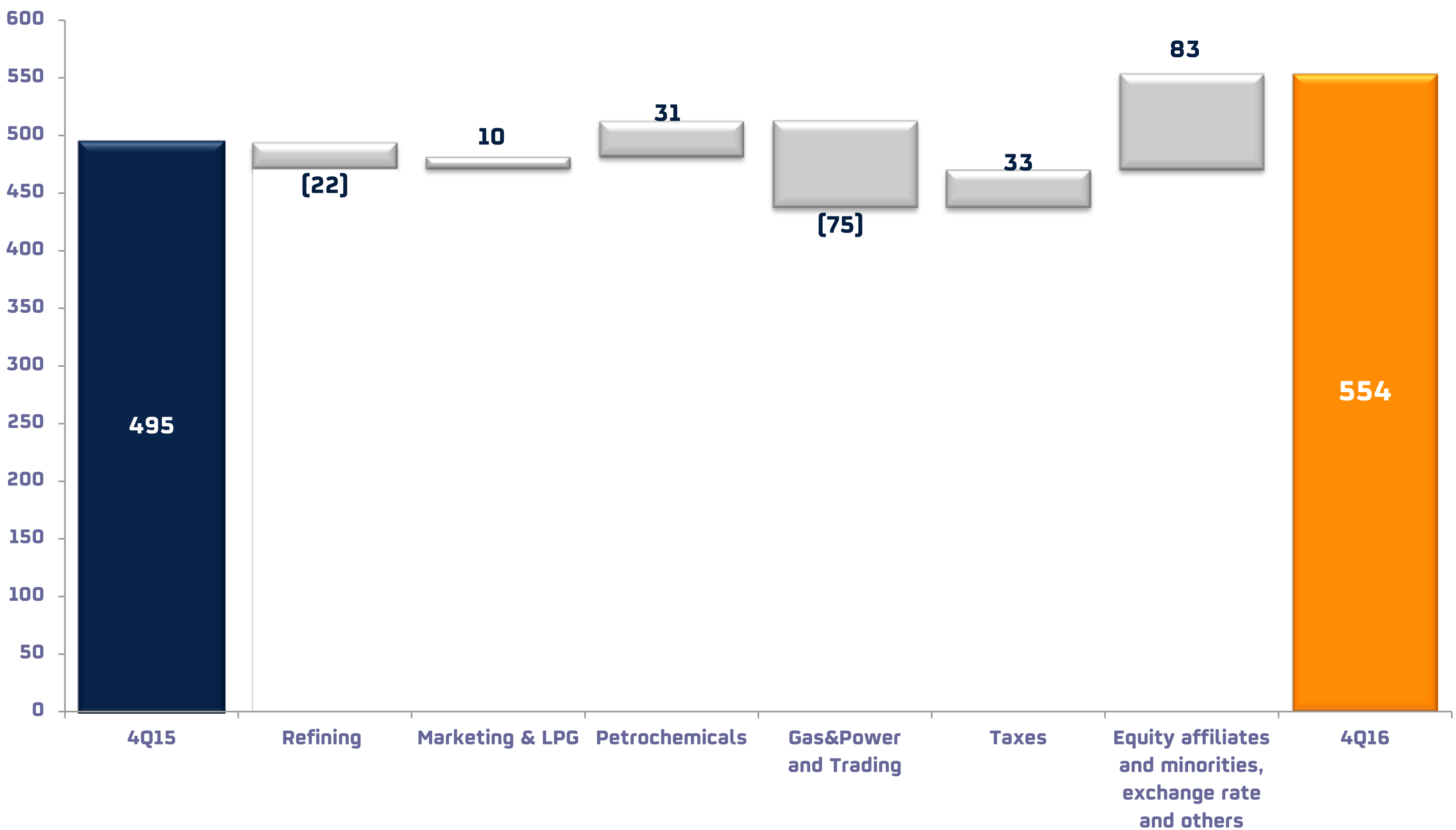


Downstream Results

Adjusted Net Income

	Q4 2015	Q4 2016	FY2015	FY2016
CCS Adjusted Net Income	495	554	2,150	1,883

Million €



Outlook 2017

4

Outlook 2017

	2017	
Production	**~680 Kboe/d**	Offset the impact of disposals with Start-up of MonArb and full-year contribution from Lapa
Upstream Capex	**€2.7Bn**	Capital expenditure broadly in line with 2016
Refining Margin Indicator	**$6.4/bbl**	So far, in 2017 the Avg. Refining Margin Ind. >$7/bbl
Group Capex	**€3.6Bn**	Downstream and Corporate capex at similiar levels as in 2016
Efficiency & Synergies	**€2.1Bn**	Accelerate our 2018 target to 2017 Upstream Opex & Capex efficiencies (€1.2Bn impact)
Downstream FCF	**~€2Bn**	55% of Repsol's EBITDA

Conclusions

5

Conclusions

REPSOL

- ✓ **Financial flexibility**:
  - Net Debt/Ebitda Ratio: ~1.1x
  - Stable Investment Grade Rating
- ✓ **Committment** to the scenario defined under **COP21**
- ✓ Long term average Upstream **production ~700 kboe/d**
- ✓ FID in projects **generating value at $55 Brent Price**
- ✓ Commercial businesses focus on **valuing the customer**
- ✓ Organic Breakeven: towards **$40/bbl** after paying dividends and interests
- ✓ Significant presence in **Natural Gas → Low carbon future**
- ✓ **Average RRR of 100%** to 2020
- ✓ Downstream portfolio assets **first quartile** in terms of margin in Europe

Q&A Session

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