

REPSOL
YPF



FINANCIAL ANALYSIS

Financial Office
December 2002



INDEX

- **Repsol YPF Highlights**
- **Results**
- **Implications of the Argentina situation**
- **Financial Profile**



Repsol YPF Highlights



	%Of Total Assets (*)	Reserves (MM boe)	Production (Boe / d)	Sales	Refining Capacity (Boe / d)	Nº Service Stations
E & P	42	5,606	1,015,000			
R & M	29				1,176,000	6,636
CHEMICALS	5			3,375 (kTm)		
GAS & POWER	23			244,516 (Mte)		



Results



	3 rd Quarter 2001	3 rd Quarter 2002	Jan –Sept 2001	Jan –Sept 2002
OPERATING INCOME	1.234	712	4.154	2.445
OPERATING CASH-FLOW	1.999	1.362	6.399	4.471
NET INCOME	432	461	1.677	1.763
NET CASH-FLOW	1.412	1.150	4.513	3.571



	3 rd Quarter 2001	3 rd Quarter 2002	Jan - Sep 2001	Jan - Sep 2002
OPERATING INCOME				
Exploration & Production	717	505	2.253	1.196
Refining & Marketing & LPG	346	135	1.173	604
Chemicals	(13)	44	(5)	93
Natural Gas & Electricity	197	53	773	579
Other	(13)	(25)	(40)	(27)
TOTAL OPERATING INCOME	1.234	712	4.154	2.445
FINANCIAL EXPENSES	(323)	(25)	(898)	(660)
GOODWILL AMORTIZATION	(76)	(53)	(228)	(175)
PARTICIPATION IN AFFILIATES' EARNINGS	18	(11)	30	(55)
EXTRAORDINARY RESULTS	(22)	(25)	79	1.067
EARNINGS BEFORE TAXES & MINORITIES	831	598	3.137	2.622
TAXES	(283)	(79)	(1.067)	(524)
MINORITY INTERESTS	(116)	(58)	(393)	(335)
NET INCOME	432	461	1.677	1.763



	3 rd Quarter 2001	3 rd Quarter 2002	Jan - Sept 2001	Jan - Sept 2002
Average debt	(19.021)	(9.084)	(19.206)	(12.856)
Interest rates	(5,76%)	(5,61%)	(6,41%)	(5,58%)
Net interest expenses	(280)	(144)	(934)	(543)
Capitalized interest	12	5	59	26
Net interest in financial expenses	(268)	(139)	(875)	(517)
Current exchange rate differences	(42)	25	(21)	19
Provisions due to Argentine situation	-	76	-	(162)
Other financial revenues / expenses	(13)	13	(2)	-
Financial expenses	(323)	(25)	(898)	(660)



Cash-Flow statement

	3 rd Quarter 2002	Jan - Sep 2002
SOURCES OF FOUNDS		
Net Cash-Flow	1.150	3.571
Divestments	53	2.751
TOTAL	1.203	6.322
APPLICATION OF FOUNDS		
CAPEX	531	1.853
Dividends (incl. Preferred)	89	475
Variation on commercial working capital and other	307	827
TOTAL	927	3.155
FREE CASH FLOW ⁽¹⁾	276	3.167

(1) Included divestments, dividends and other.

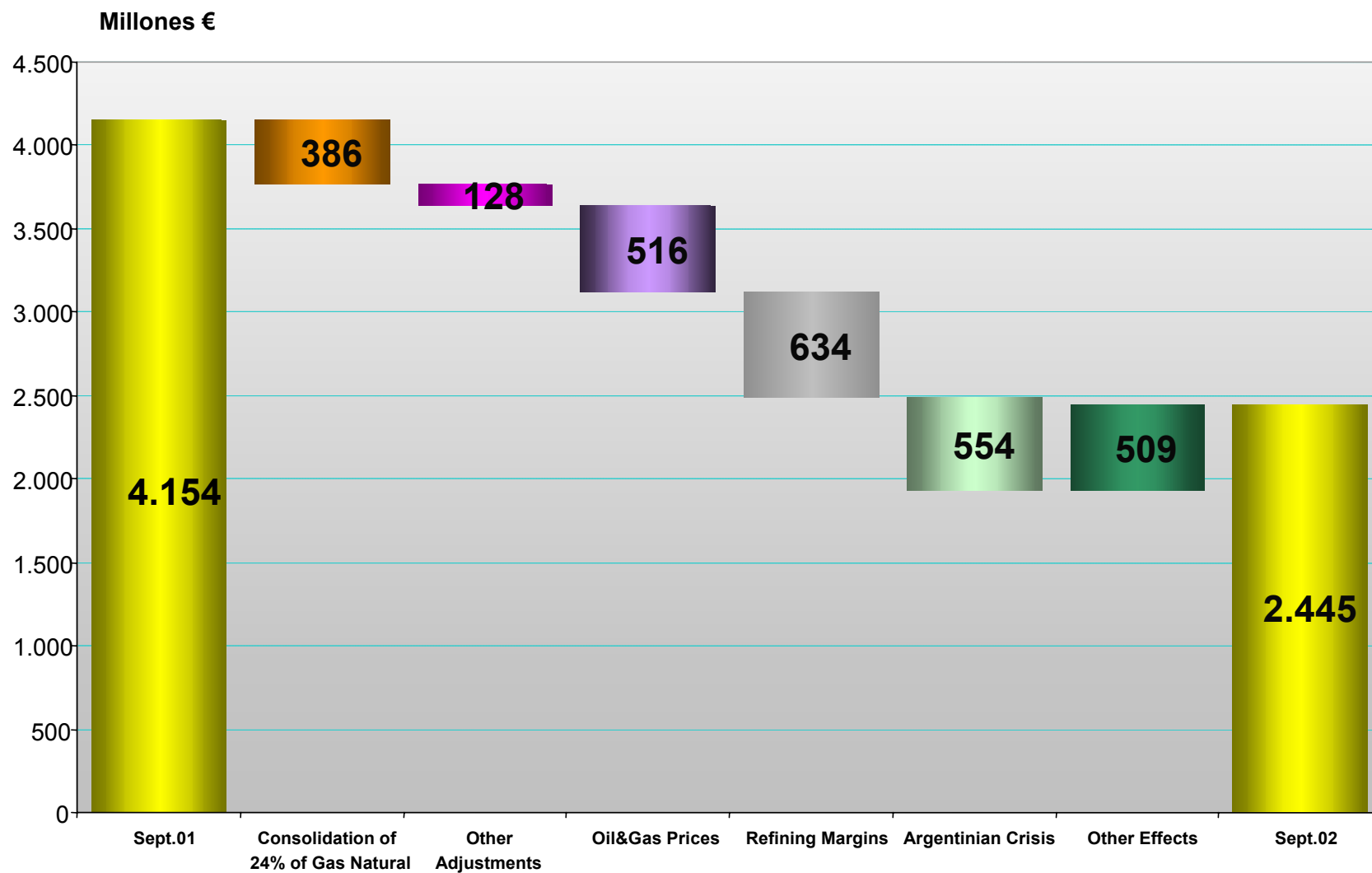


- Weak global economic situation
- Ongoing crisis in Argentina
- Lower refining and marketing margins
- Higher crude oil prices than in 3Q01.
- Stronger Euro versus US\$

• Net Cash flow	3,571 M€
• Operating income	2,445 M€
• Net Debt Reduction	7,816 M€



January - September Operating income





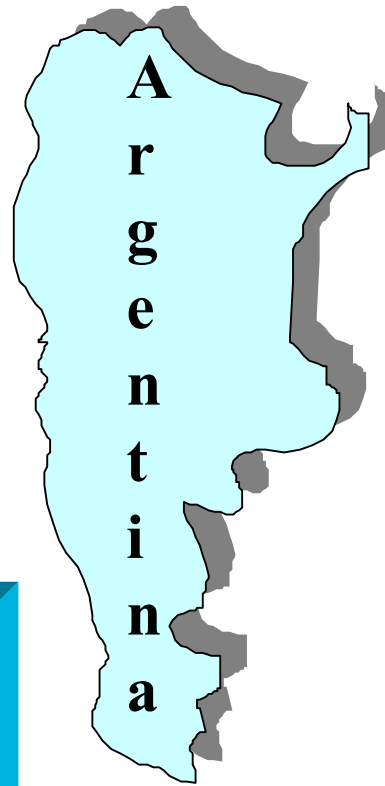
Implications of the Argentina situation



Factors affecting our business

DEVALUATION:

- Reduction OPEX
- Lower CAPEX
- Local price pass-through



EXPORT TAXES

CAPITAL CONTROL PROCEEDS:

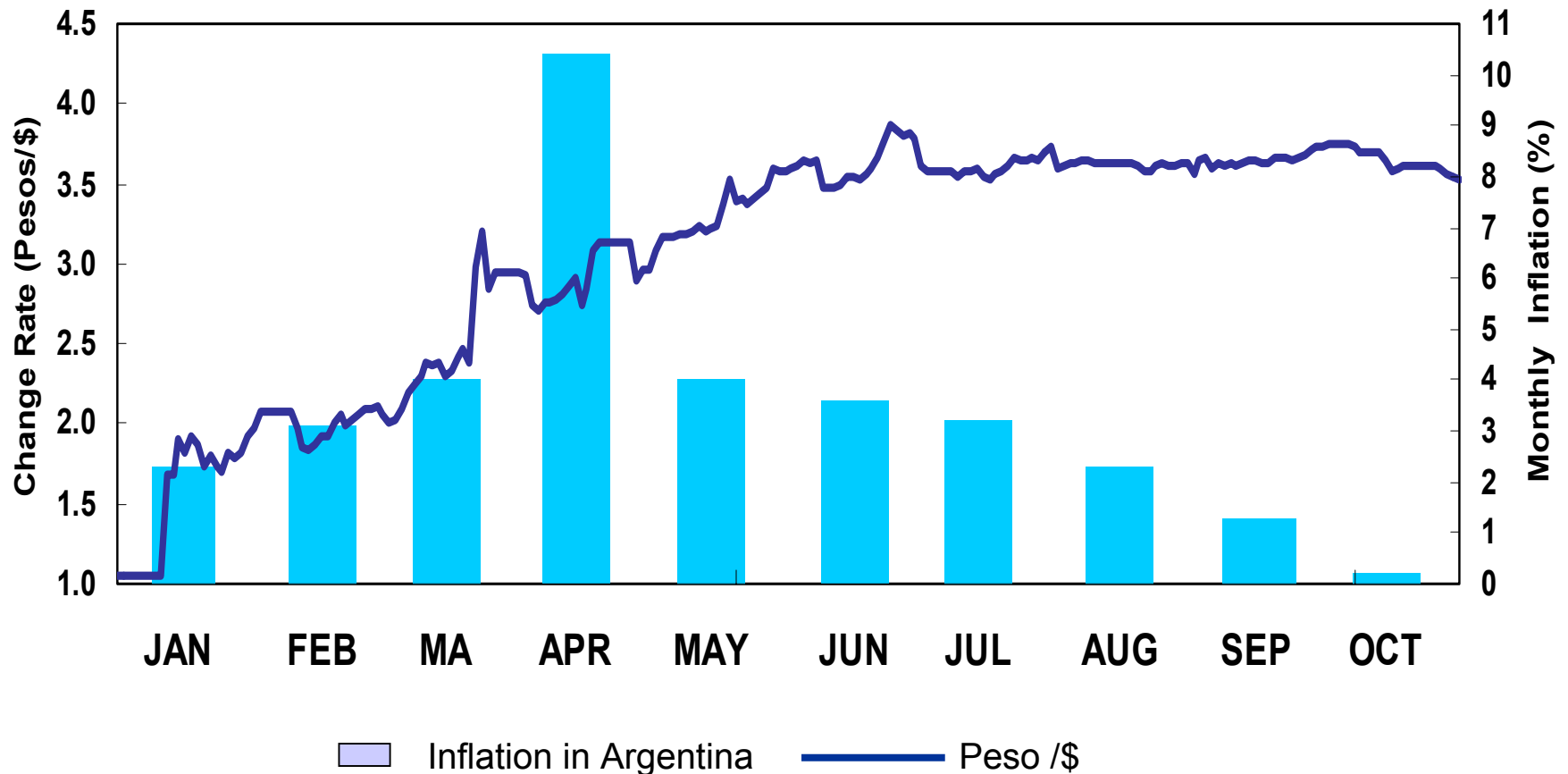
- Free availability 70% export proceeds



REGULATION	2 nd Q	3 rd Q	DATE APPLICATION
CAPITAL CONTROLS	Free availability 70% export proceeds	Free availability 70% export proceeds	
CRUDE EXPORT TAX	20%	20%	From March 1 st . Max. 5 years
GASOLINE EXPORT TAX	5%	0%	July 4 th .
DIESEL EXPORT TAX	20%	5%	August 1 st
LPG EXPORT TAX	20%	5%	June 1 st .
OTHER OIL PRODUCTS	5%	5%	From March 1 st
REFINED PRODUCTS PRICES	Free	Free	
GAS PRICES	Exports: Free Rest: Under negotiation	Exports: Free Rest: Under negotiation	Under revision.
NATURAL GAS EXPORT TAX	0%	0%	
CRUDE EXPORT LIMITS	36%	0%	Lifted from July 29 th



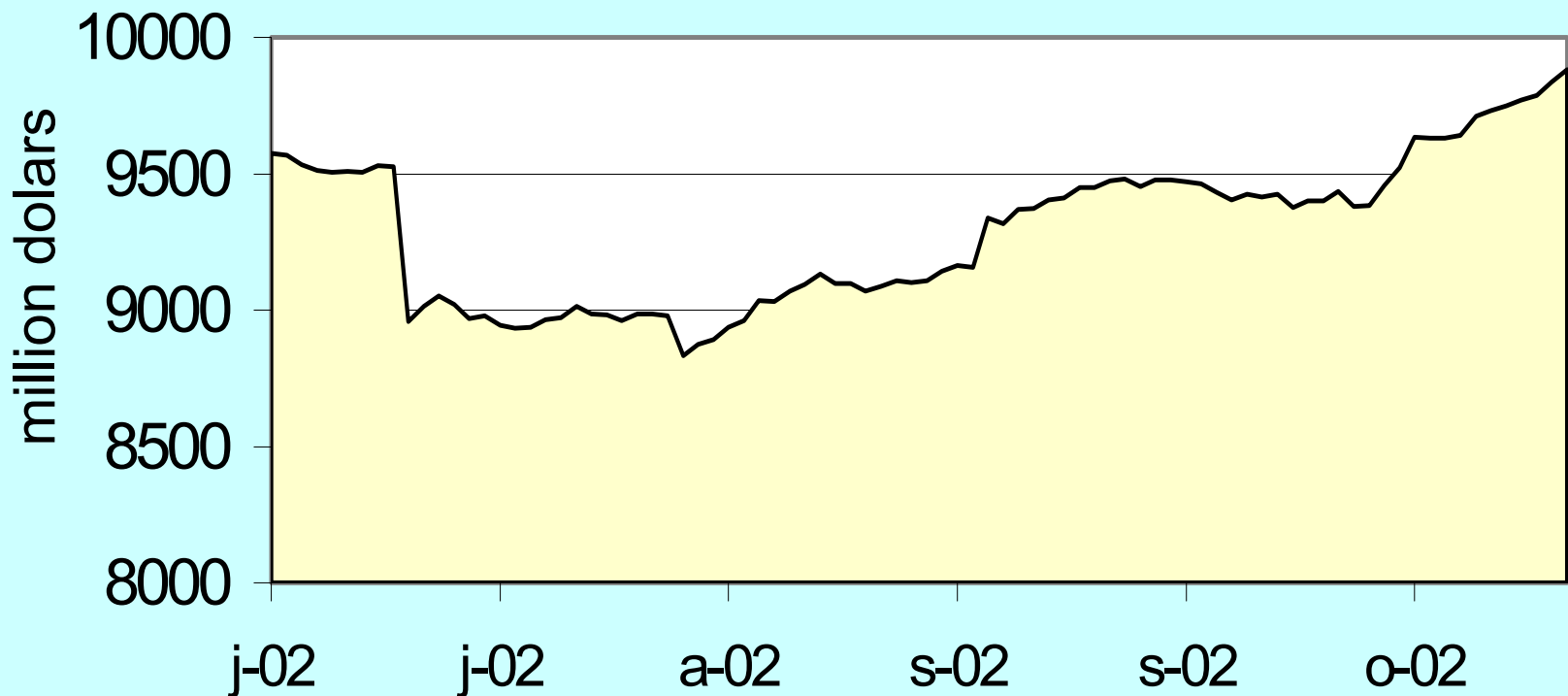
MONTHLY INFLATION AND EXCHANGE RATE IN ARGENTINA (January-October 2002)



Monthly Evolution



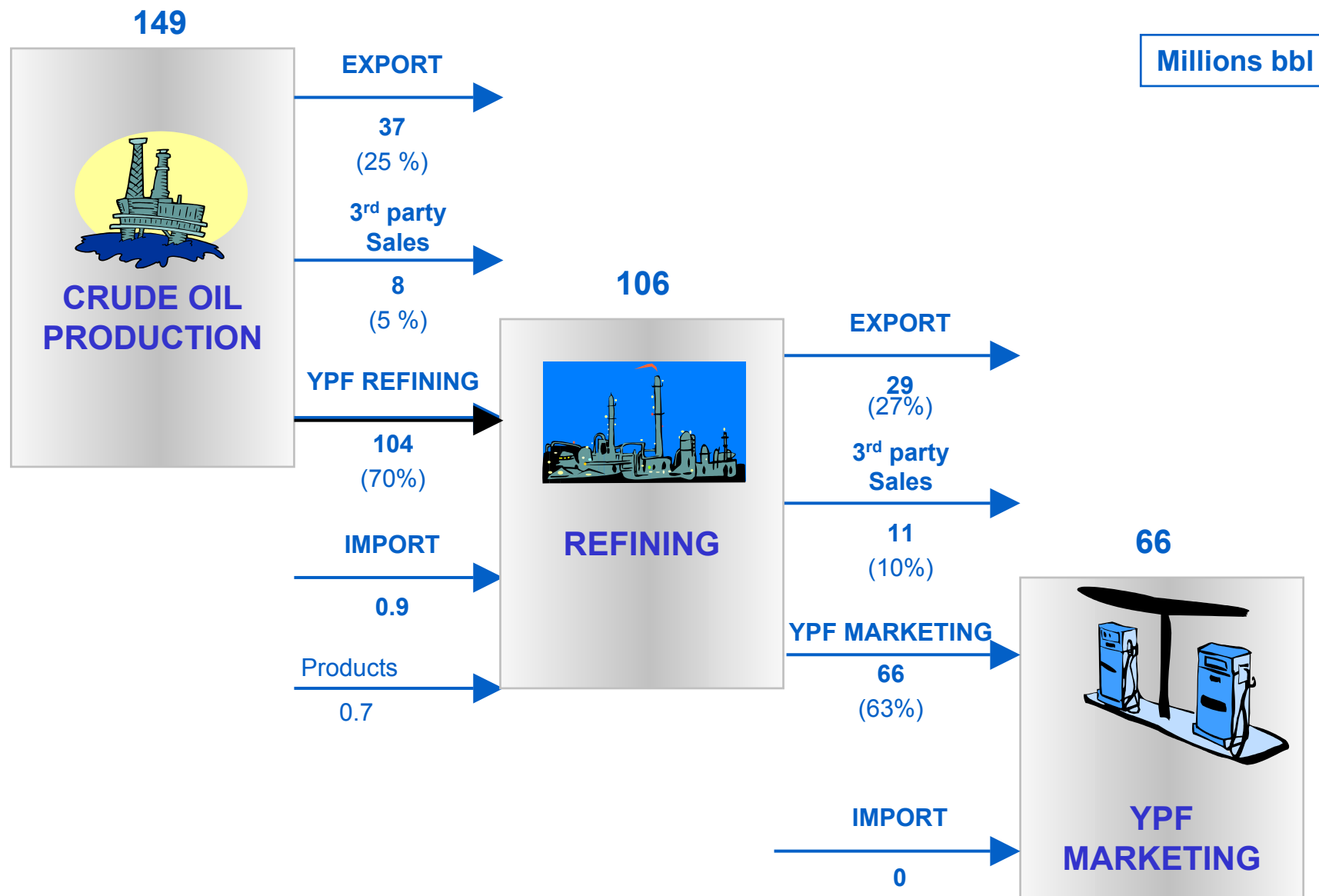
Reserves from BCRA





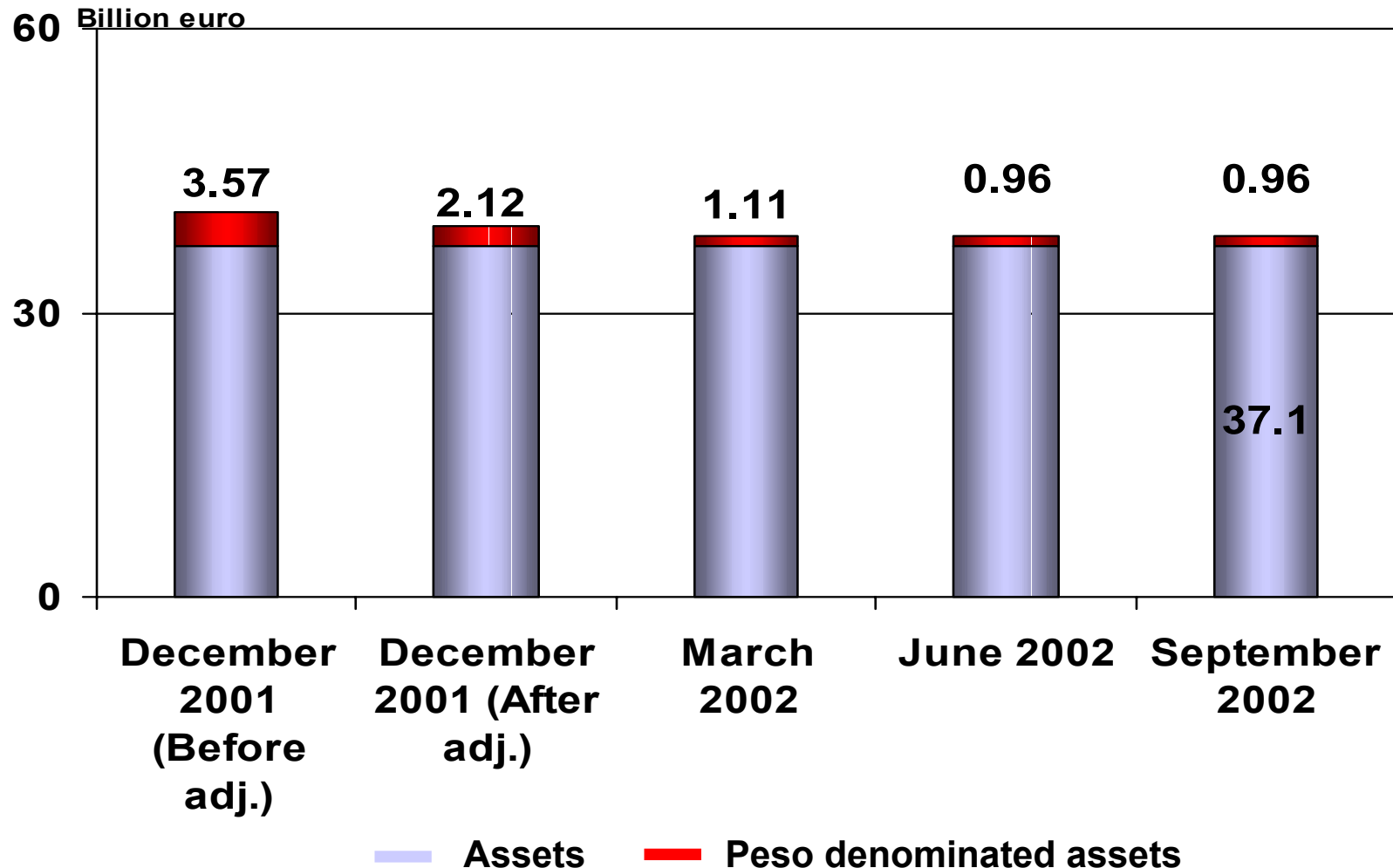


Balance of Repsol YPF in Argentina Year 2001





Total adjustment of peso denominated assets 2,615 million euro





Summary of crisis effects Jan - Sep 2002

Million Euro

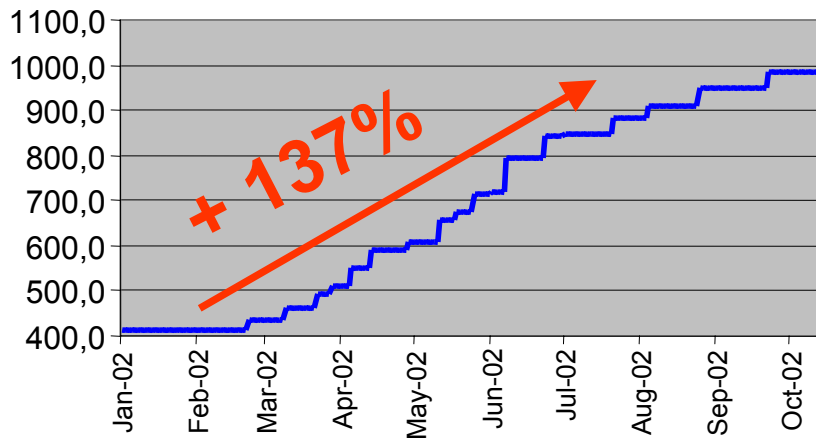
2002 OPERATING INCOME

	Without crisis	Reported	Crisis effects
E&P	1,540	1,196	-344
R&M	668	603	-65
CHEMICALS	93	93	
G&P	724	579	-145
TOTAL	3,026	2,472	-554

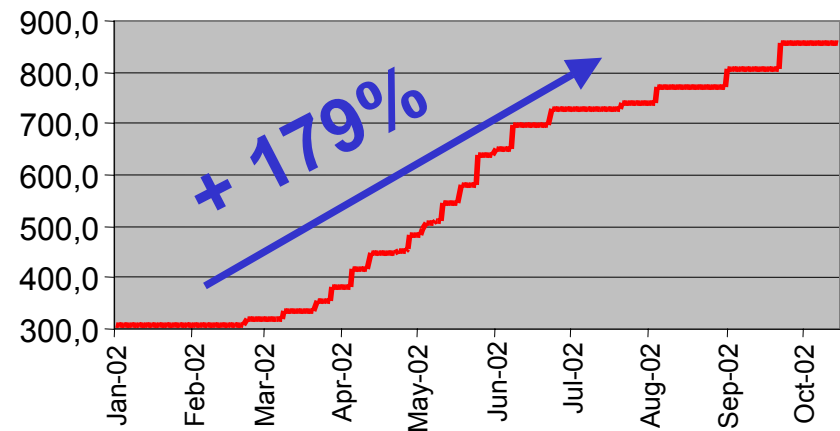


OIL PRODUCT PRICES BEFORE TAX (pesos/m³)

Premium gasoline



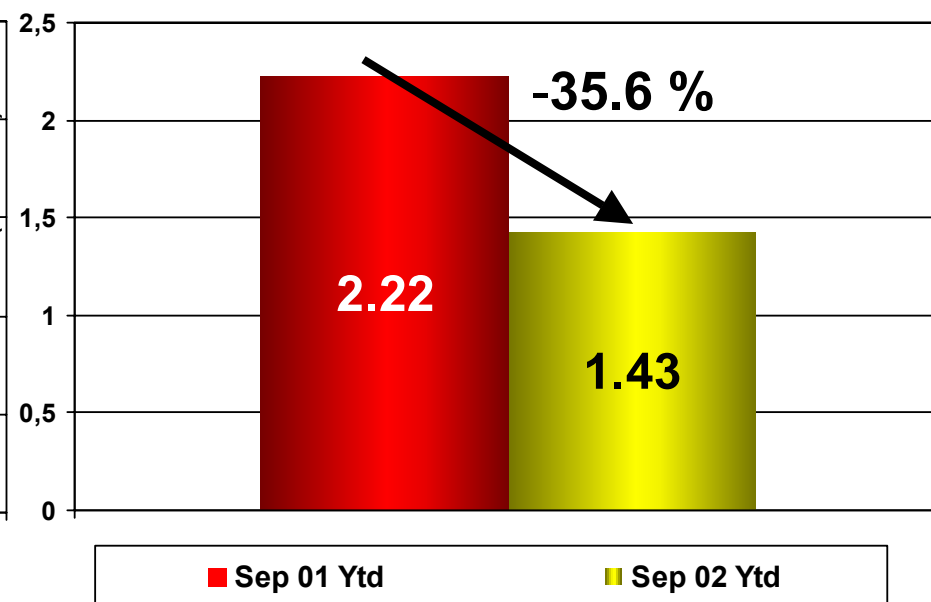
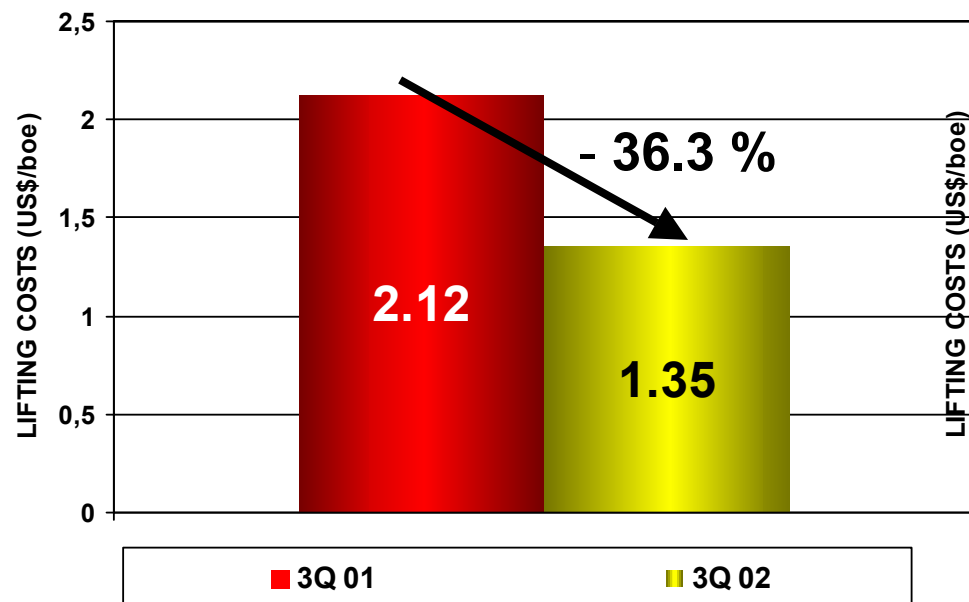
Diesel





ARGENTINA

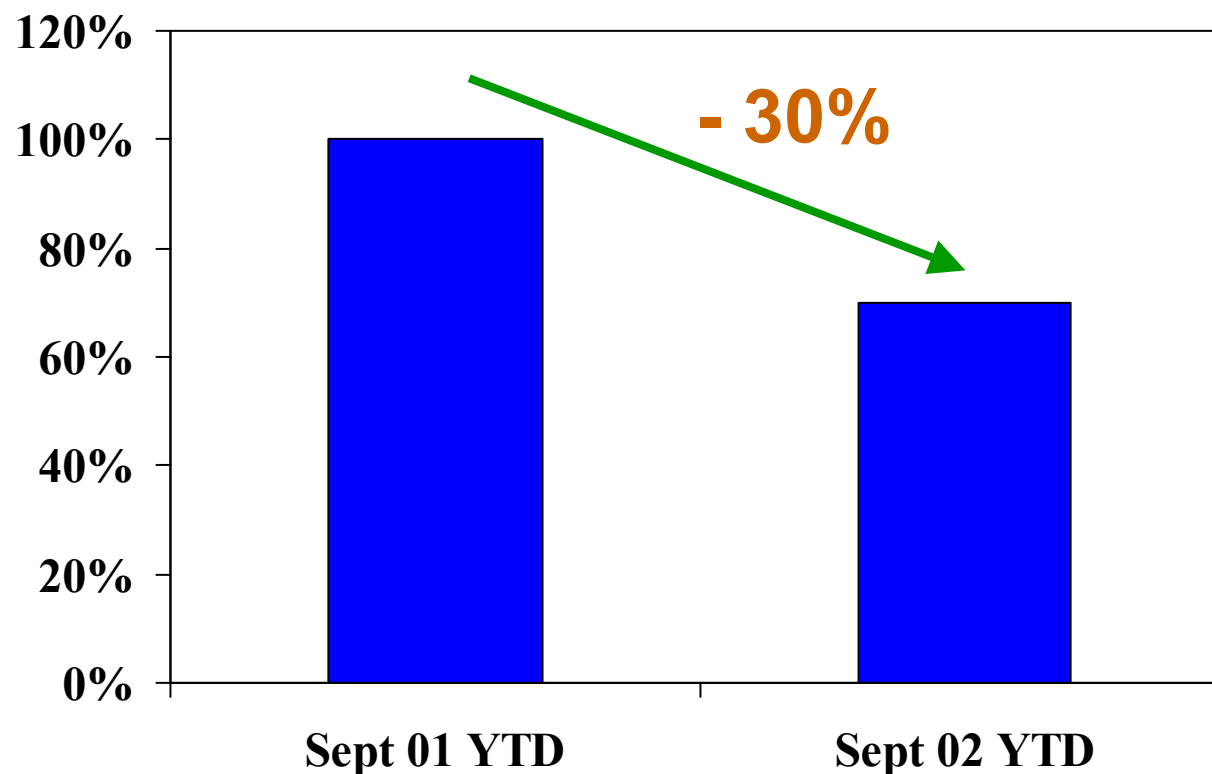
LIFTING COSTS (US\$/boe)





TOTAL ARGENTINA

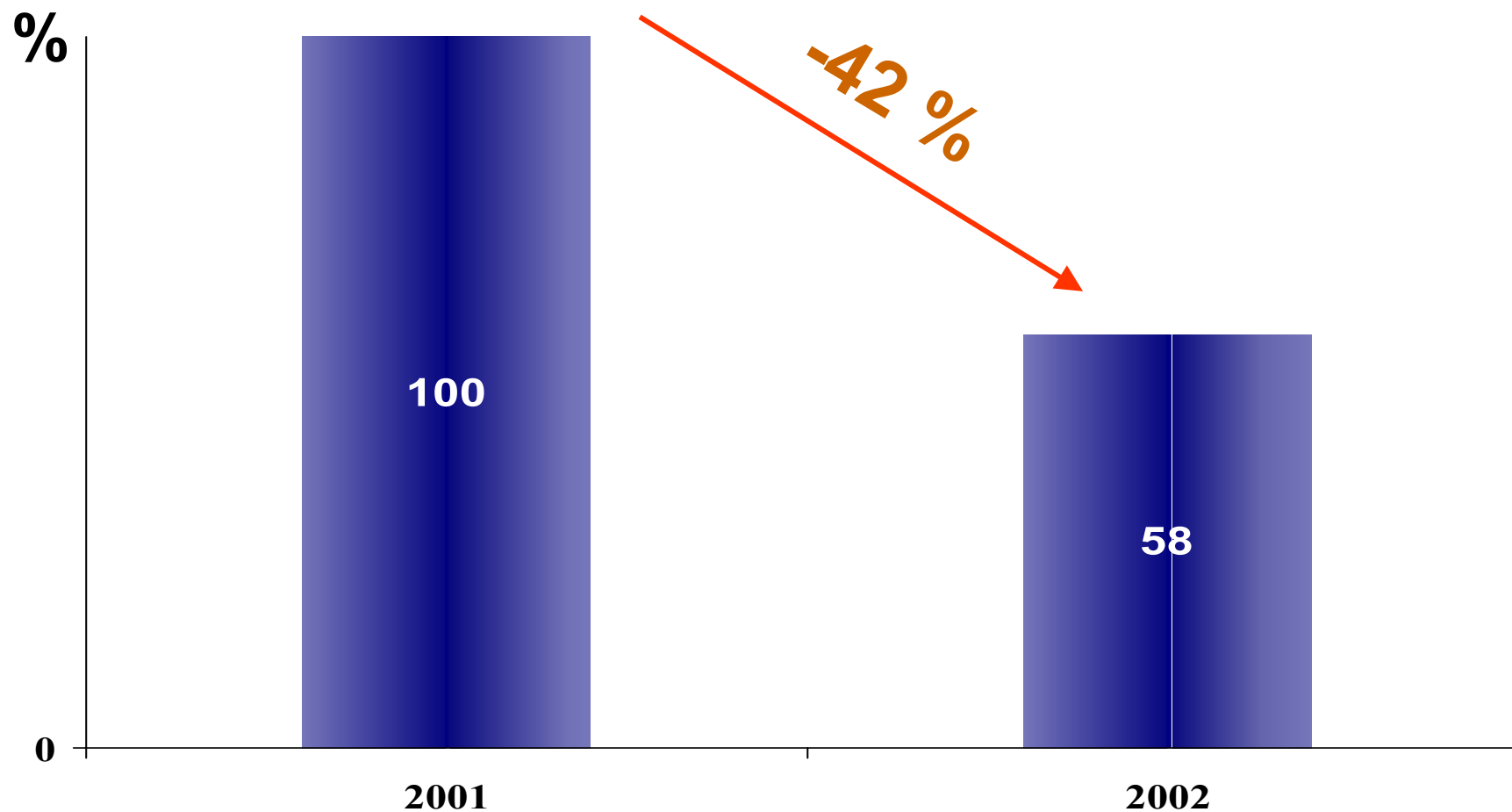
AVERAGE COST PER WELL





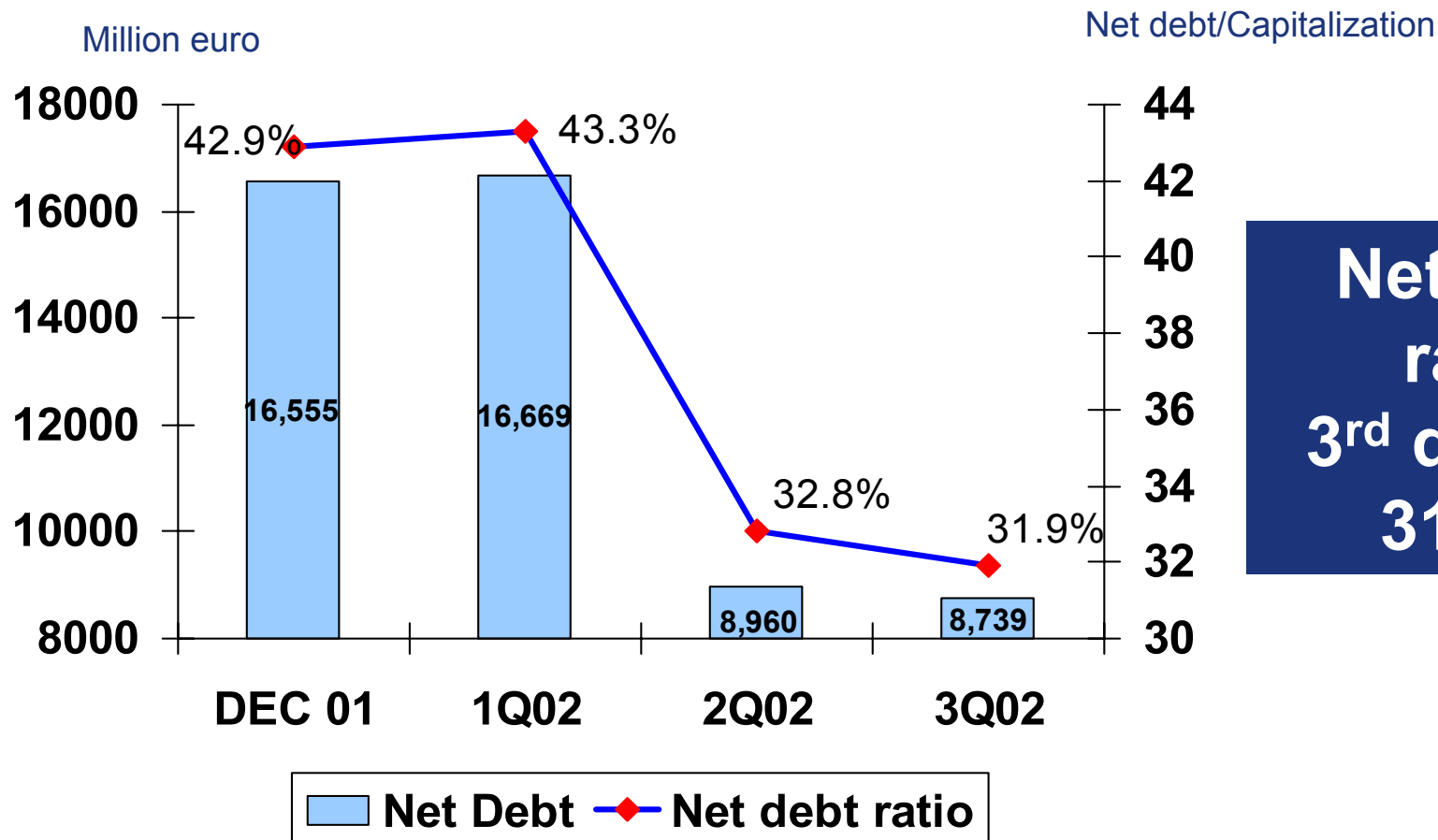
OPERATING CASH COSTS (\$/Barril)

January - September





Financial Profile



**Net Debt
ratio
3rd quarter
31.9%**

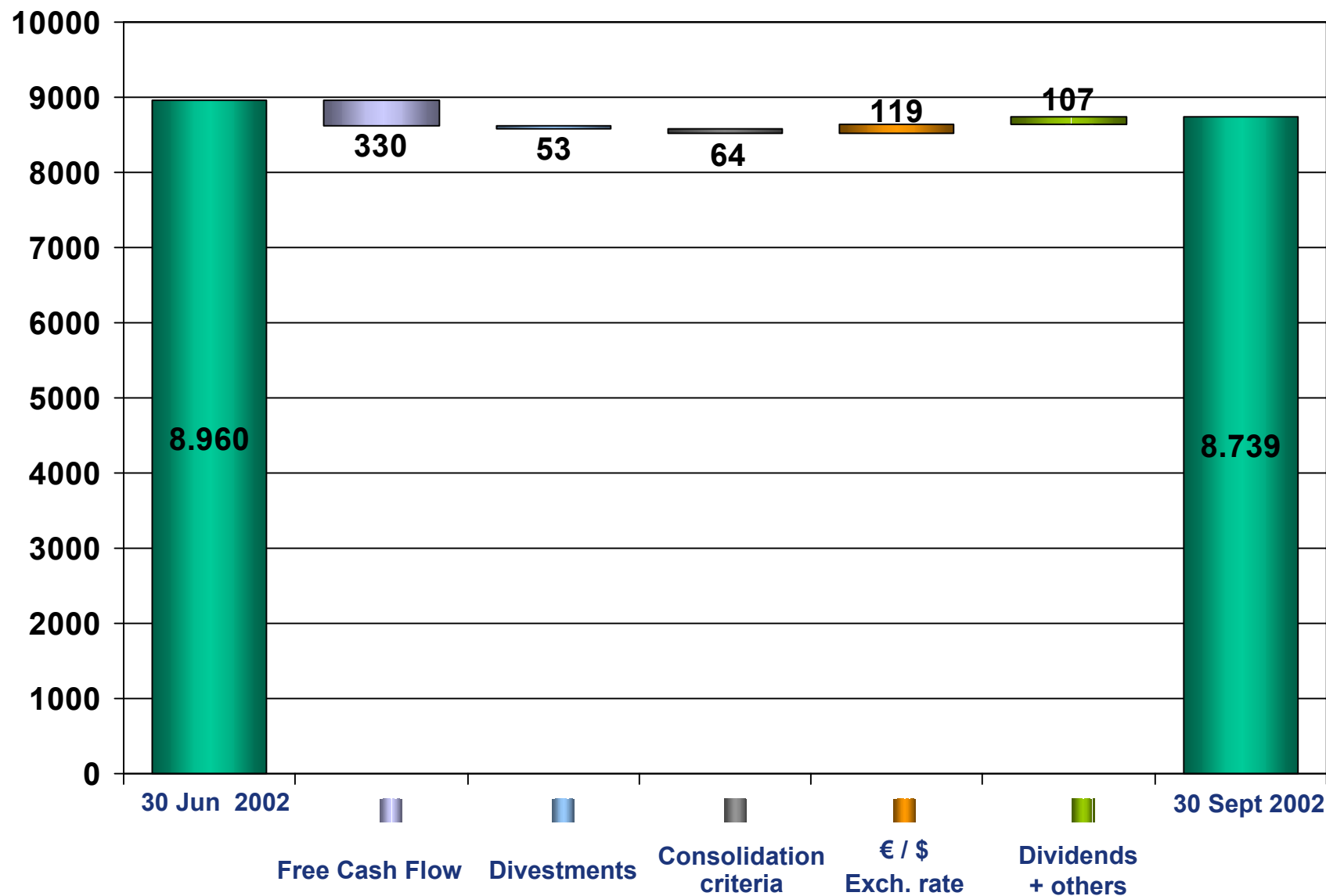
**Net debt variation**

	3rd Quarter 2002	Jan - Sept 2002
NET DEBT AT THE BEGINING OF PERIOD	(8.960)	(16.555)
FREE CASH FLOW IN THE PERIOD	276	3.167
EXCHANGE RATE TRANSLATION EFFECT €/ \$	(119)	1.531
CHANGE CONSOLIDATION METHOD (GAS NATURAL, ENAGAS Y OTROS)	64	3.118
NET DEBT AT THE END OF PERIOD	(8.739)	(8.739)

FINANCIAL DEBT VARIATION

3rd Quarter 2002

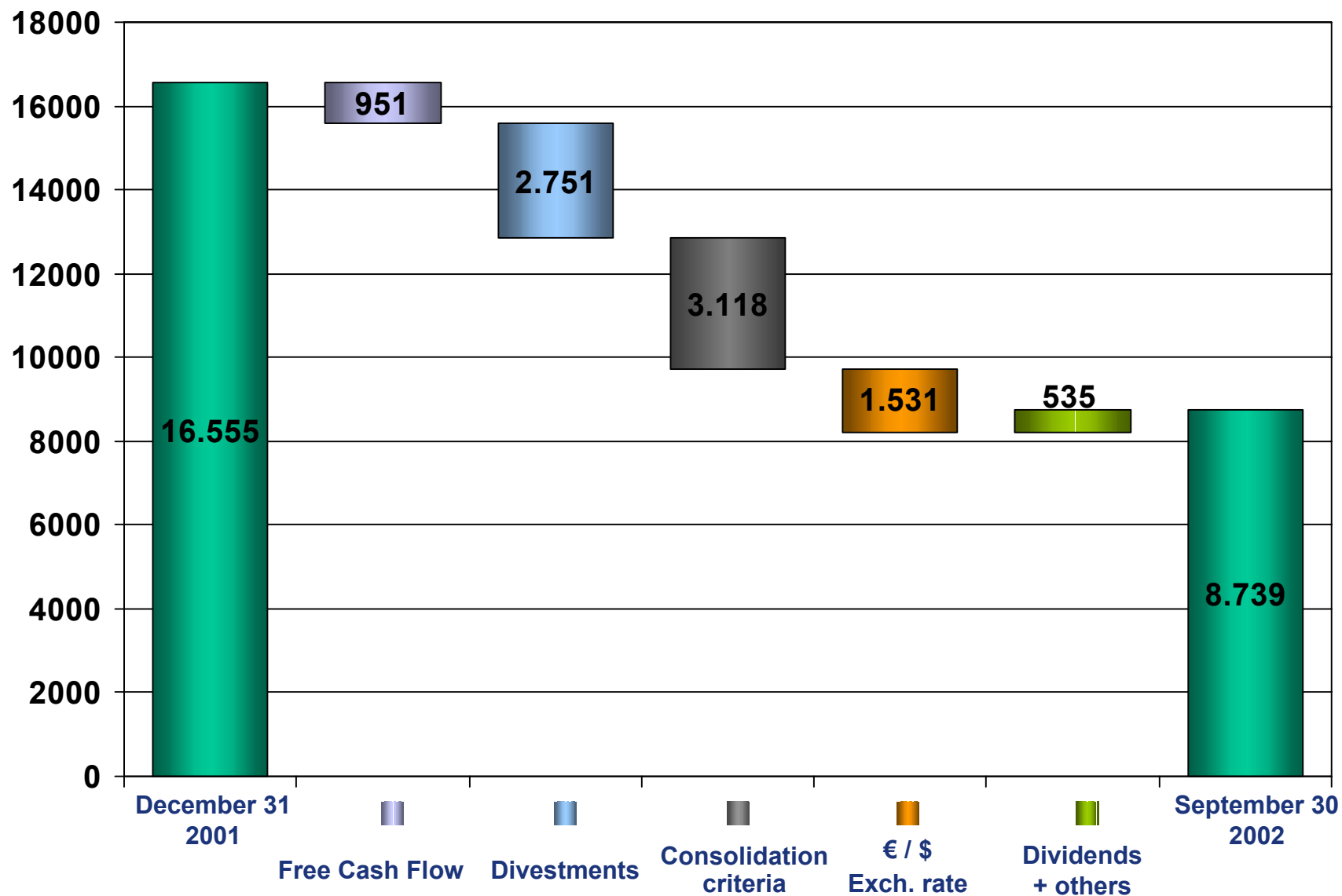
REPSOL
YPF



FINANCIAL DEBT VARIATION

January - September 2002

REPSOL
YPF



FINANCIAL DEBT VARIATION

January – September 2002

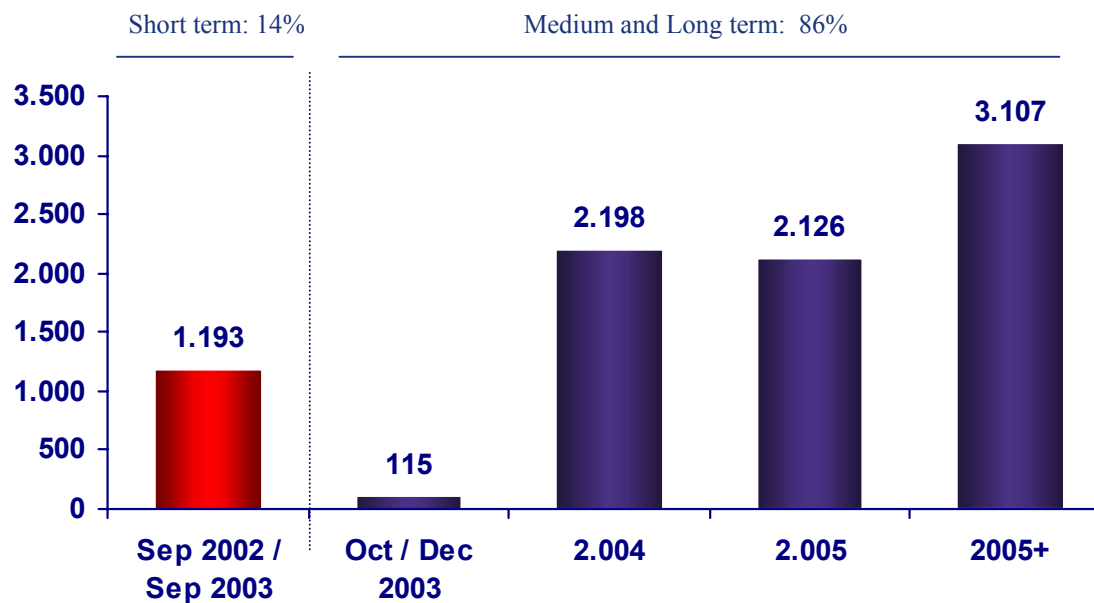
REPSOL
YPF



	01/01/2002 31/03/2002 1€ = 0,872\$	01/04/2002 30/06/2002 1€ = 0,997\$	30/06/2002 30/09/2002 1€ = 0,984\$
Net debt as of 31/12/2001	16.555	16.669	8.960
Net Cash-flow	(1.154)	(1.267)	(1.150)
Divestments	(368)	(2.330)	(53)
Capex	720	602	531
Dividends paid (incl. preferred)	304	82	89
Variation on commercial working capital	280	240	307
Change Consolidation criteria :			
➤ Gas Natural (Global → Proportional)	-	(1.896)	-
➤ Gas Natural (23%)	-	(822)	-
➤ Enagas	-	(263)	-
➤ Other	(37)	(36)	(64)
Effect exchange rate € / \$	369	(2.019)	119
NET DEBT AT THE END OF PERIOD	16.669	8.960	8.739

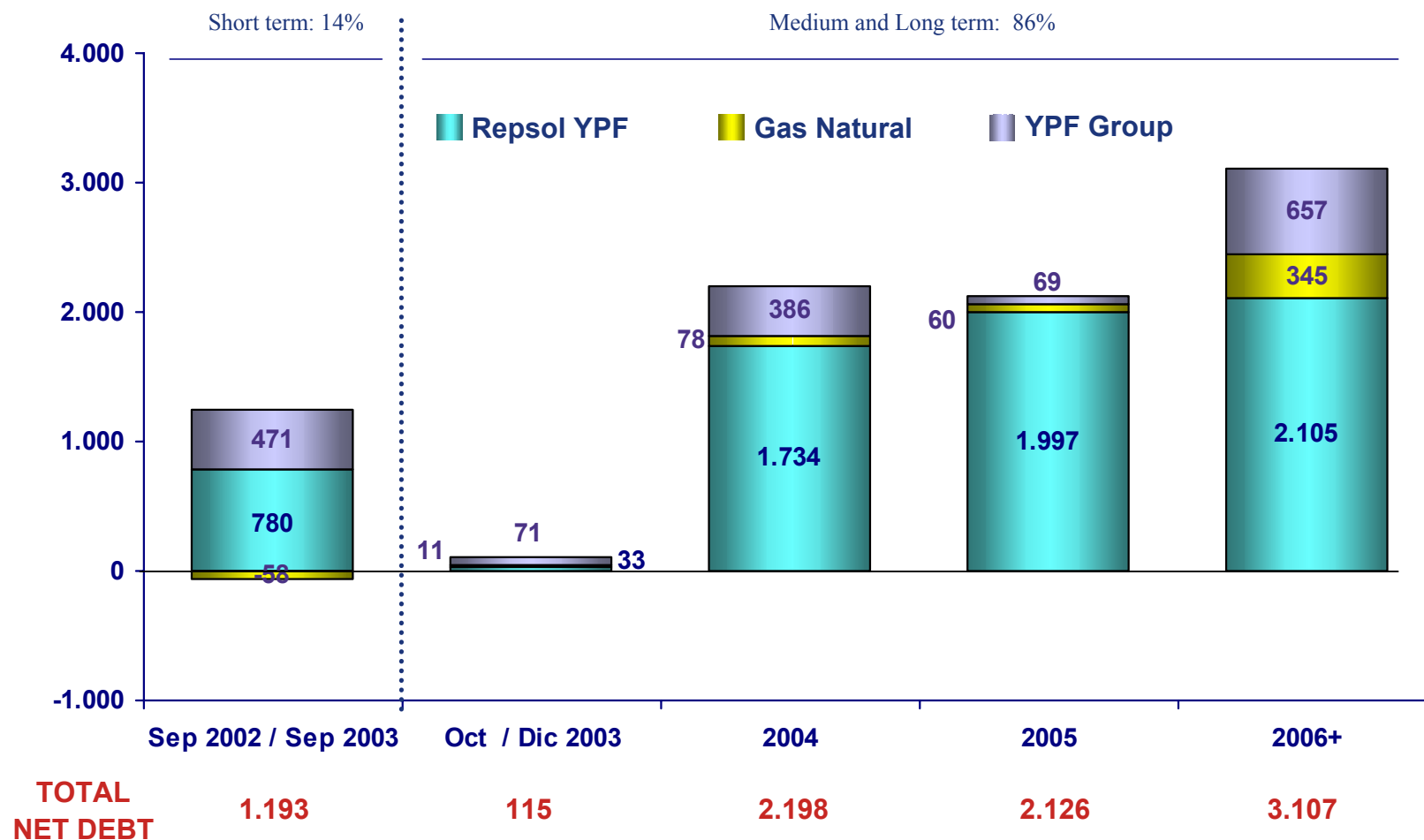


Net Debt: 8.739 MM€





Net Debt: 8.739 MM€



SEPTEMBER 30th 2002

Net debt structure

**REPSOL
YPF**



	Bank Loans	Syndicated Loans	Bank Credit Lines ⁽¹⁾	Institutional Financing ⁽²⁾	Bonds	Commercial Paper	Interests & Other	TOTAL DEBT	Liquid Financial Investments	NET DEBT
REPSOL YPF	619		1.104	593	6.984	140	389	9.829	3.180	6.649
GAS NATURAL (24%)	147	113	76	169	174		22	701	265	436
YPF GROUP	410	95		127	1.192		23	1.847	193	1.654
YPF	102			127	998		14	1.241		
Subsidiaries	308	95			194		9	606		
TOTAL	1.176	208	1.180	889	8.350	140	434	12.377	3.638	8.739

Note: (1) 3,706 million euros limit with 30 financial institutions,
(2) EIB & ICO

**Net Debt Maturity**

	Sep 2002/ Sep 2003	Oct / Dec 2003	2004	2005	2006>	TOTAL
REPSOL YPF	780	33	1.734	1.997	2.105	6.649
GAS NATURAL(24%)	(58)	11	78	60	345	436
YPF GROUP	471	71	386	69	657	1.654
YPF	290		334	25	399	1.048
Subsidiaries	181	71	52	44	258	606
	1.193	115	2.198	2.126	3.107	8.739



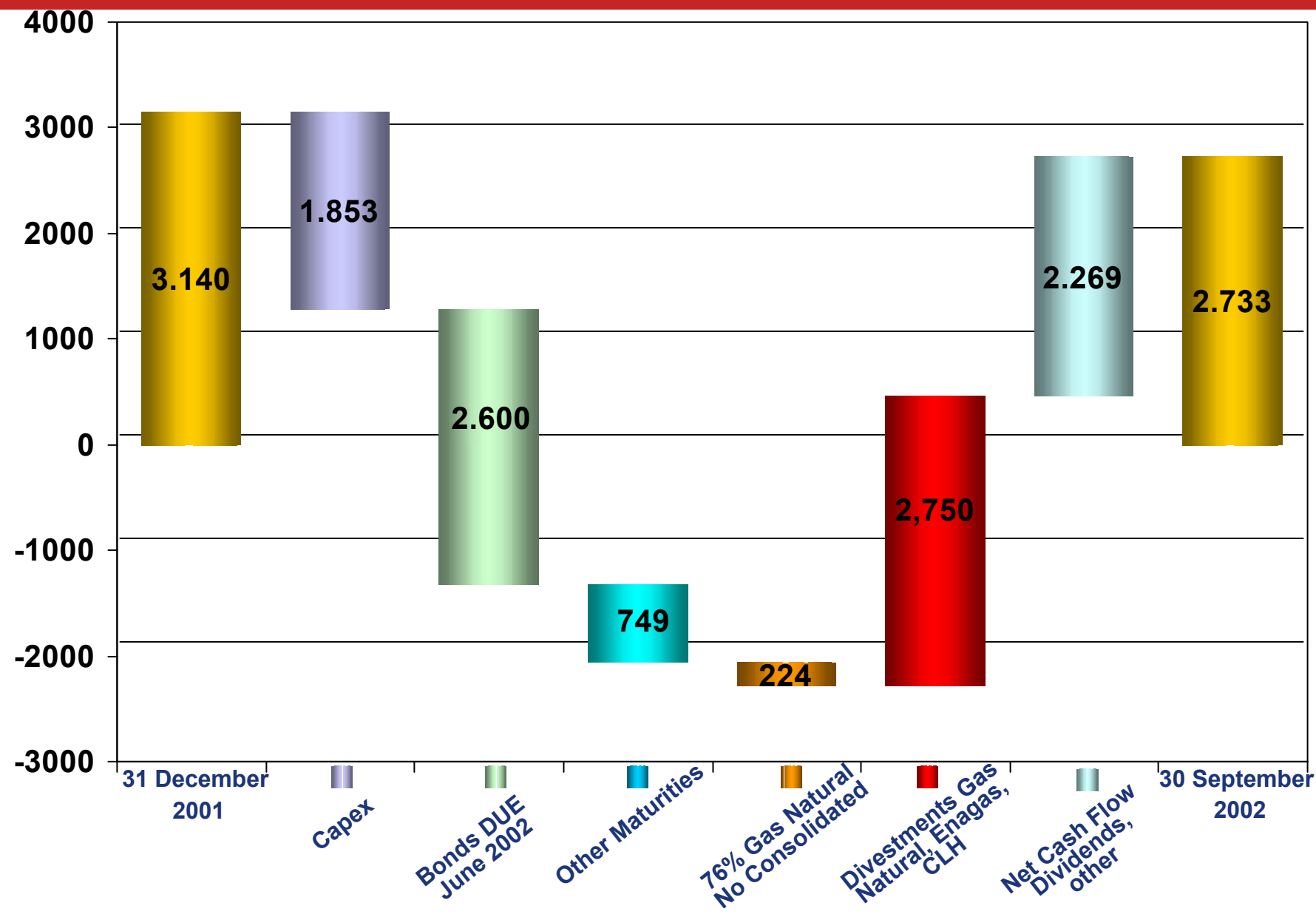
	Sep 2002 /Sep 2003	Oct / Dec 2003	2004	2005	2006>	TOTAL DEUDA
YPF	404		334	25	478	1.241
SUBSIDIARIES						
Ownership > 50%:						
Global	32	1		1	2	36
Maxus		25	1			26
Ownership ≤ 50%:						
Pluspetrol	41	12	12	11	42	118
Mega	16	10	20	14	115	175
Profertil	30	14	19	18	90	171
Refinor	41					41
Other	21	9			9	39
TOTAL SUBSIDIARIES DEBT	181	71	52	44	258	606
TOTAL YPF GROUP	585	71	386	69	736	1.847

CASH STATEMENT VARIATION

REPSOL
YPF



January - September 2002



LIQUIDITY VARIATION

JANUARY – SEPTEMBER 2002

	MM Euro
Cash and Cash equivalents as of 31/12/2001	3.140
Net Cash – Flow	3.571
CAPEX	(1.853)
Divestments 23% Gas Natural, Enagas, CLH and other	2.750
Deconsolidation 76% Gas natural's cash and cash equivalents	(224)
Bonds due June 2002	(2.600)
Other debt maturities	(749)
Dividends	(475)
Variation on commercial working capital and other	(827)
Cash and Cash equivalents as of 30/09/2002	2.733



	31 Dec 2001	31 Mar 2002	30 Jun 2002	30 Sep 2002
NET DEBT	16.555	16.669	8.960	8.739
BOOK CAPITALIZATION	38.578	38.470	27.318	27.388
NET DEBT / BOOK CAPITALIZATION (%)	42,9	43,3	32,8	31,9
OPERATING CASH-FLOW	8.134	1.587	2.550 (*)	3.912 (*)
NET DEBT / OPERATING CASH-FLOW (X) (**)	2,04	2,63	1,76	1,68
NET CASH-FLOW	5.729	1.154	1.825 (*)	2.975 (*)
NET CASH-FLOW / NET DEBT (%) (**)	34,6	27,7	40,7	45,4
FINANCIAL EXPENSES	1.352	389	635	660
NET INTEREST IN FINANCIAL EXPENSES	1.117	219	378	517
OPERATING CASH FLOW / NET INTEREST (X)	7,3	7,3	8,3	8,7

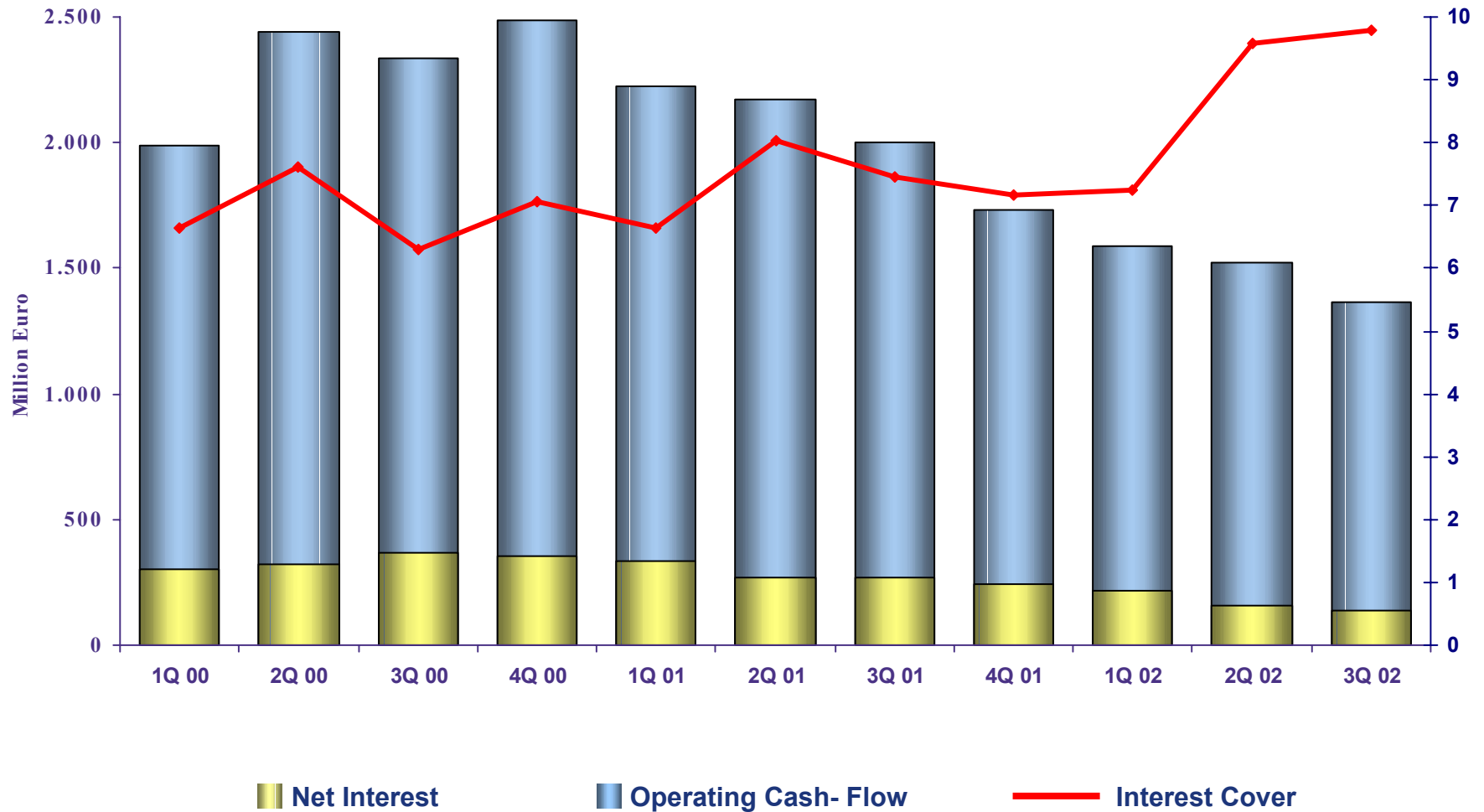
(*) Estimated 24% proportional integration of Gas Natural for the full year

(**) On a yearly basis

Million euros

FINANCIAL EXPENSE EVOLUTION (Excluding non recurrent items)

REPSOL
YPF



This document may contain market assumptions, different sourced information and forward-looking statements with respect to the financial condition, results of operations, business, strategy and the plans of Repsol YPF SA and its subsidiaries. Such statements are based on a number of assumptions that could ultimately prove inaccurate, and are subject to a number of risk factors, including currency fluctuations, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, environmental, regulatory considerations and general economic and business conditions.

Repsol YPF does not assume any obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information on factors which could affect the company's financial results is provided in documents filed by the company and its affiliates with the CNMV, CNV and the US SEC.



FINANCIAL ANALYSIS