

**REPSOL
YPF**



CSFB OIL & GAS CONFERENCE

June , 2003

Safe harbor statement under the Private Securities Litigation Reform Act of 1995:

This document contains statements that Repsol YPF believes constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include statements regarding the intent, belief or current expectations of Repsol YPF and its management, including with respect to trends affecting Repsol YPF's financial condition, results of operations, business, strategy, production volume and reserves, as well as Repsol YPF's plans with respect to capital expenditures and investments. These statements are not guarantees of future performance and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol YPF's control or may be difficult to predict.

Repsol YPF's future financial condition, results of operations, business, strategy, production volumes, reserves, capital expenditures and investments could differ materially from those expressed or implied in any such forward-looking statements. Such factors include, but are not limited to, currency fluctuations, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, environmental and regulatory considerations and general economic and business conditions, as well as those factors described in the filings made by Repsol YPF and its affiliates with the Comisión Nacional del Mercado de Valores in Spain, the Comisión Nacional de Valores in Argentina and the Securities and Exchange Commission in the United States; in particular, those described in Section 1.3 "Key Information about Repsol YPF—Risk Factors" and Section 3 "Operating and Financial Review and Prospects" in Repsol YPF's annual report on Form 20-F for the fiscal year ended December 31, 2001 filed with the Securities and Exchange Commission.

Repsol YPF does not undertake to publicly update or revise these forward looking statements even if experience or future changes make it clear that the projected results or condition expressed or implied therein will not be realized.

REPSOL
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REPSOL YPF RESULTS

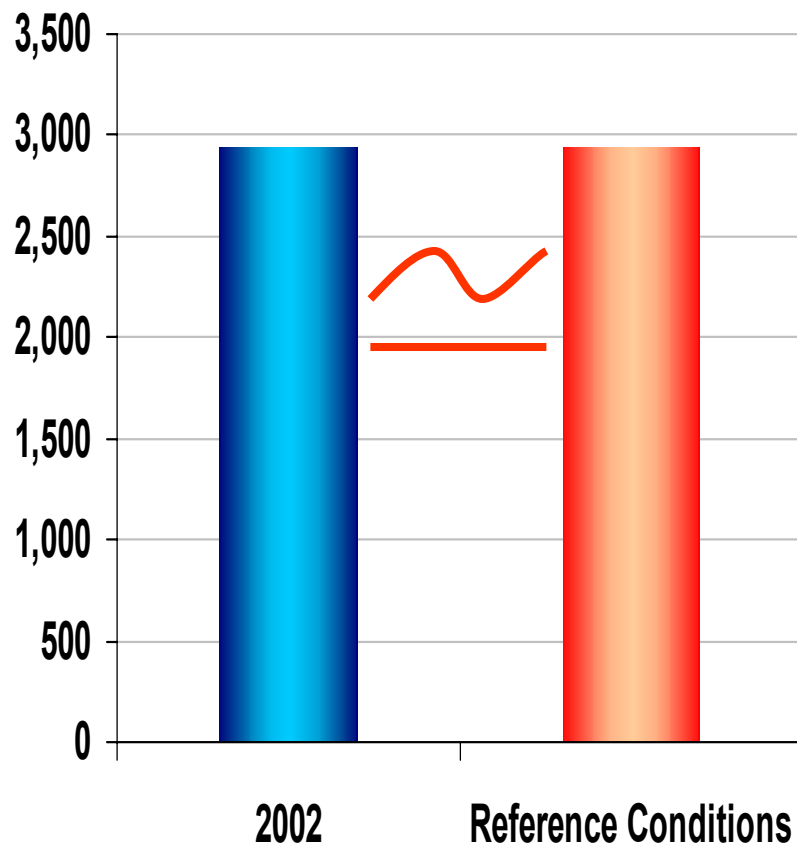


Million Euro	2002	1 Q - 03	Var. 1Q03/1Q02 %
EBITDA *	5,382	1,689	37,1*
OPERATING INCOME *	2,937	1,129	81,2*
NET INCOME	1,952	672	122.5
ADJUSTED NET INCOME	2,269	772	74.7
NET CASH FLOW*	4,227	1,257	38,3*

* Assuming consolidation of 24% of Gas Natural since January 2002



OPERATING INCOME



Reference conditions: \$18Brent; 10 years average downstream margins; 2001 Argentinean tax rates, gas prices and operating costs

ENVIRONMENT

+ Oil Price

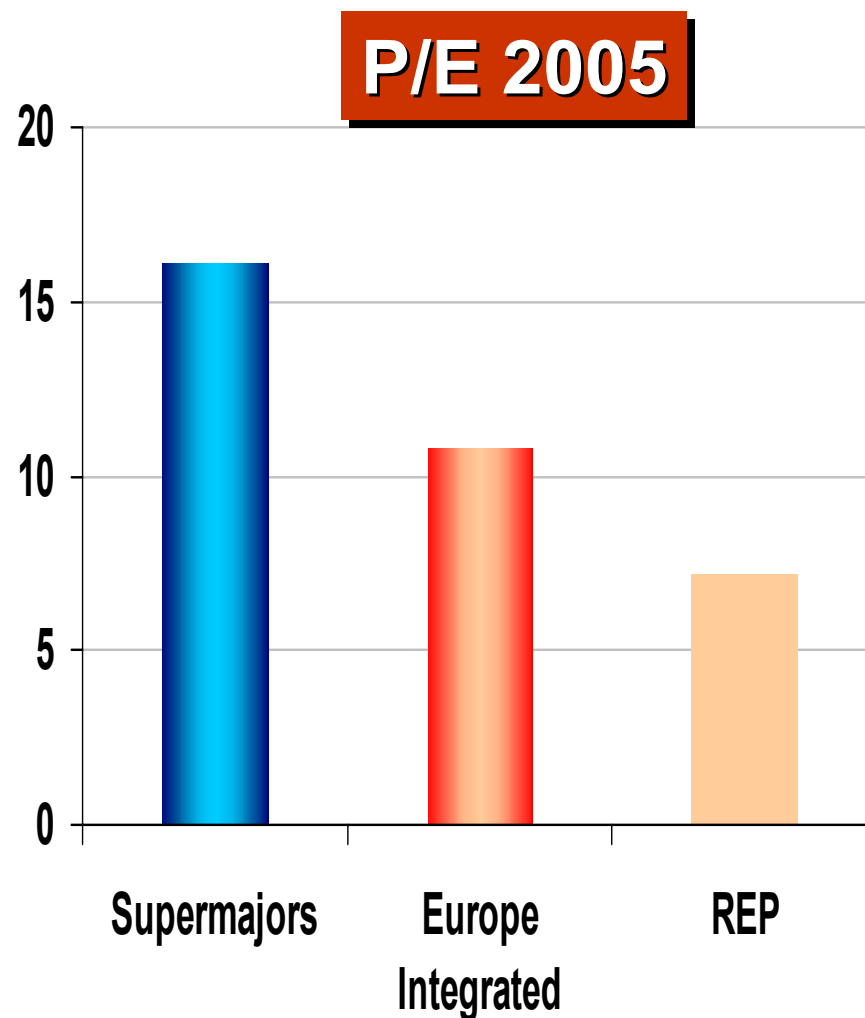
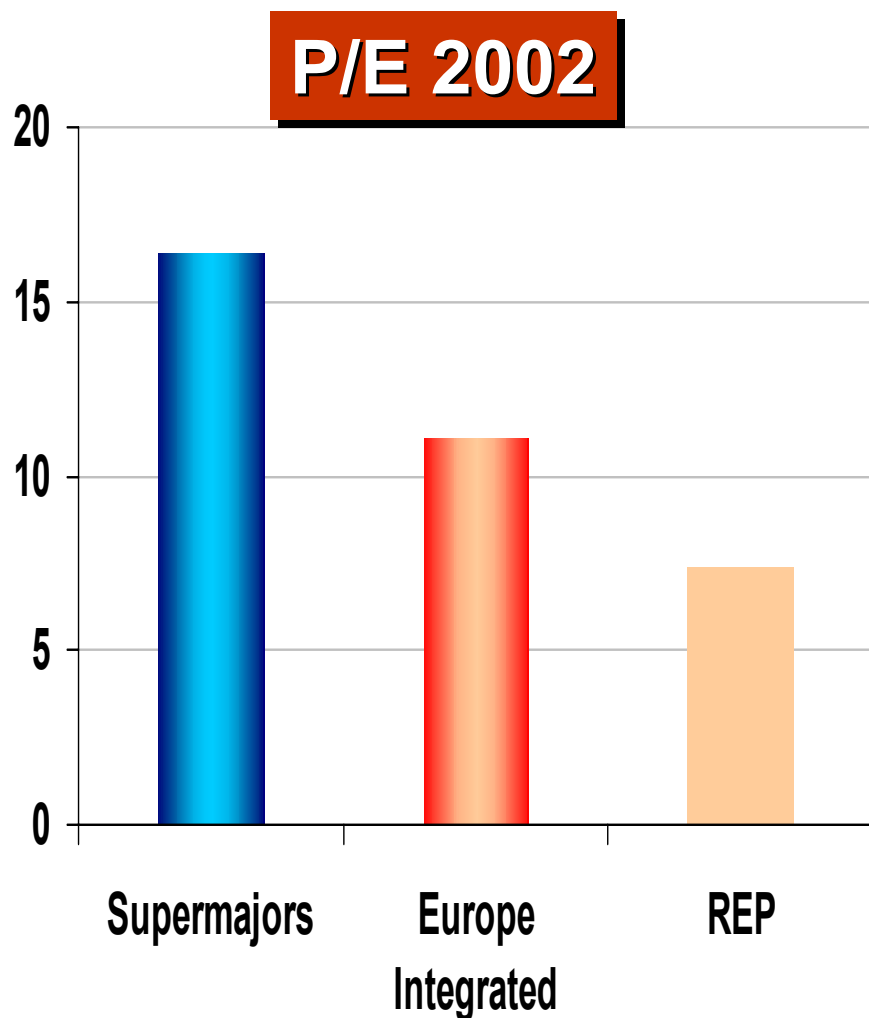
-Downstream
margins

-Argentinean crisis

RESULTS

Size and Ratios for Oil Companies

REPSOL
YPF



Source: JP Morgan May 29, 2003. European Integrated: ENI, NHY, STL. Brent 2005: US\$18.5. Adjusted net income used for REP

**REPSOL
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ADDRESSING THE MAIN CONCERNS



- ***Leverage***
- ***Argentina***
- ***Profitability / ROCE***
- ***Strategy / Growth***
- ***Recent developments***

REPSOL
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LEVERAGE



*Financial ratios
in line with:*



REPSOL YPF GROUP

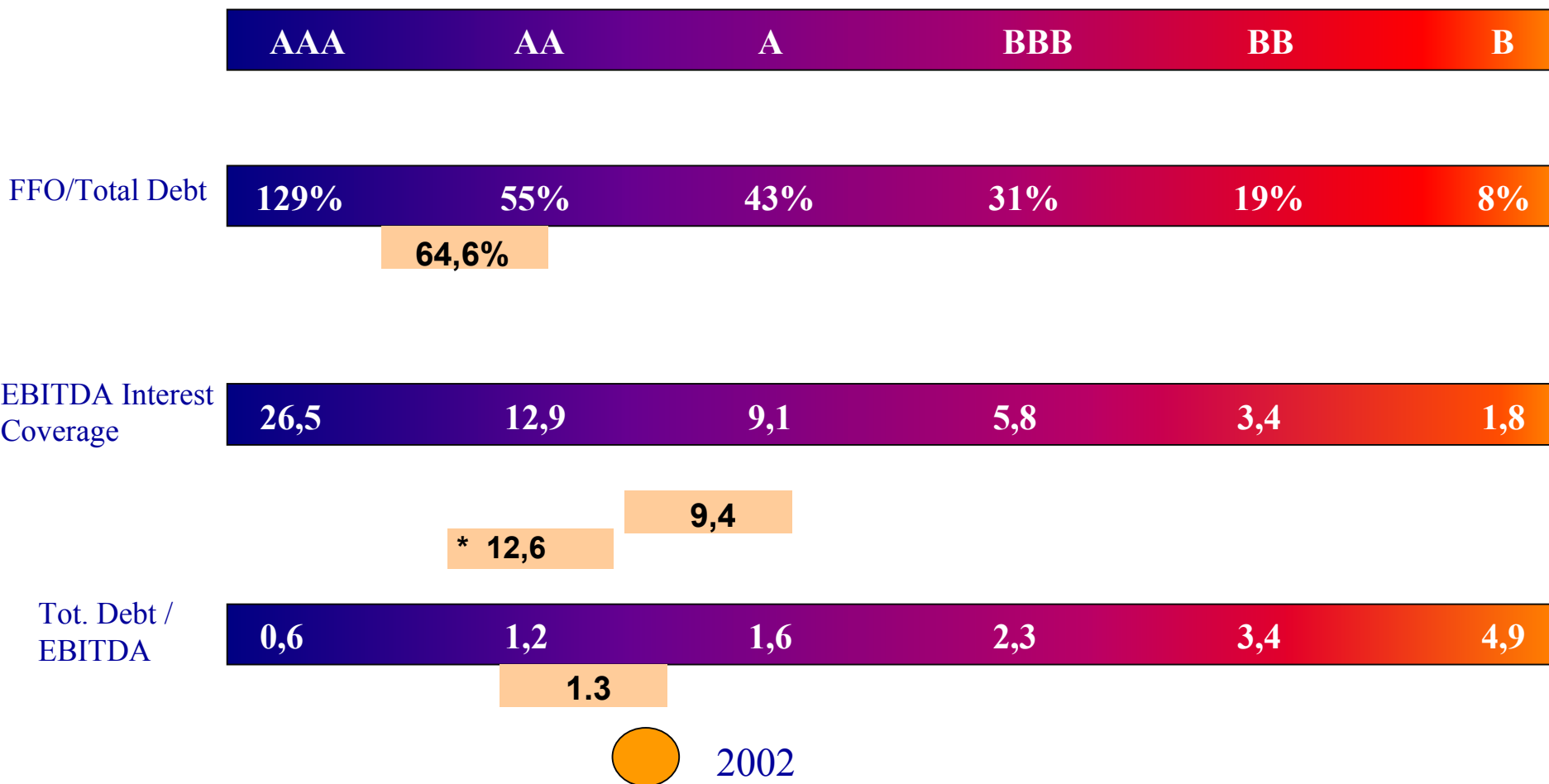
AA

**REPSOL YPF EX
ARGENTINA**

A

LEVERAGE

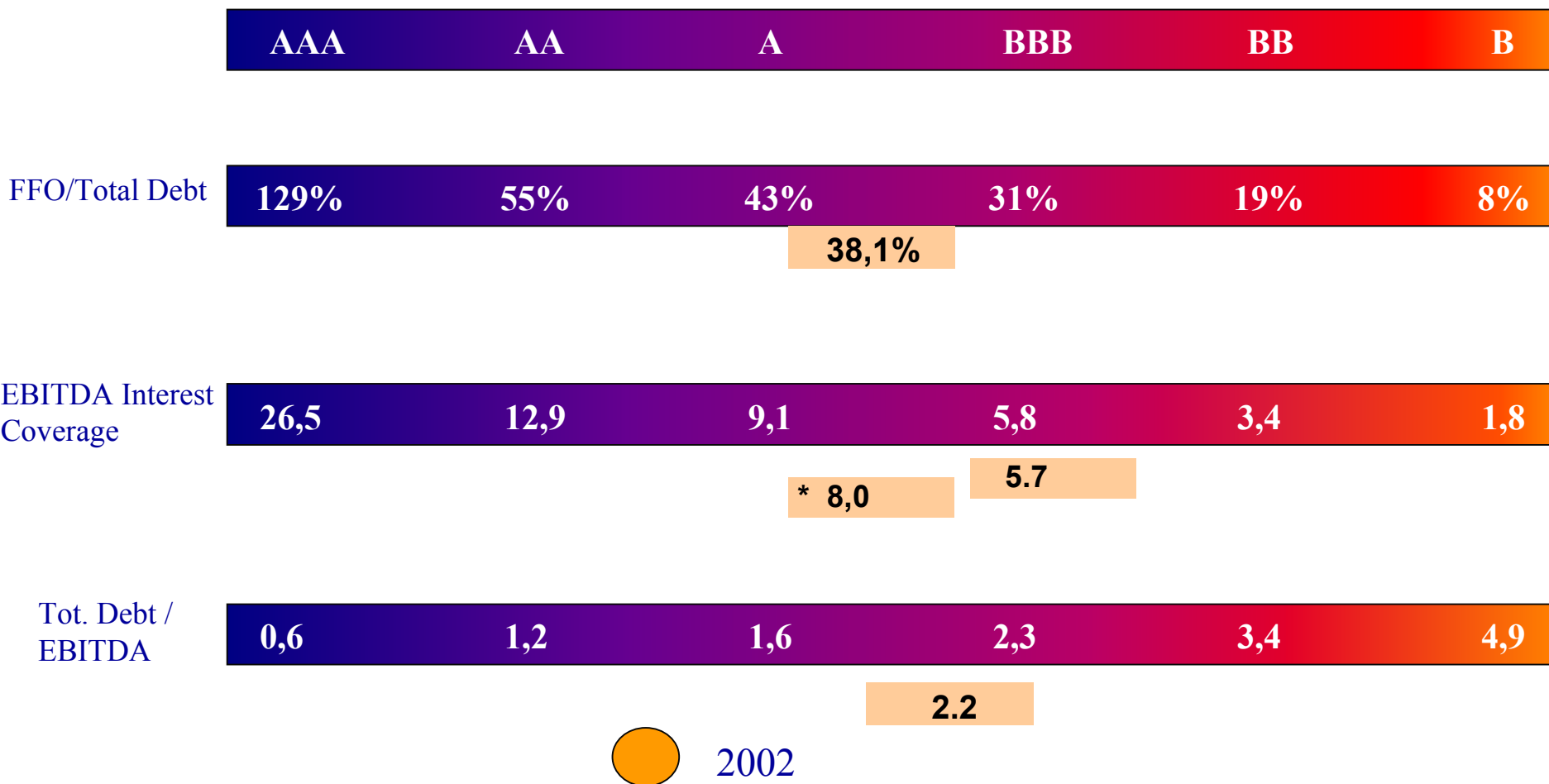
Comparison to S&P Industrials



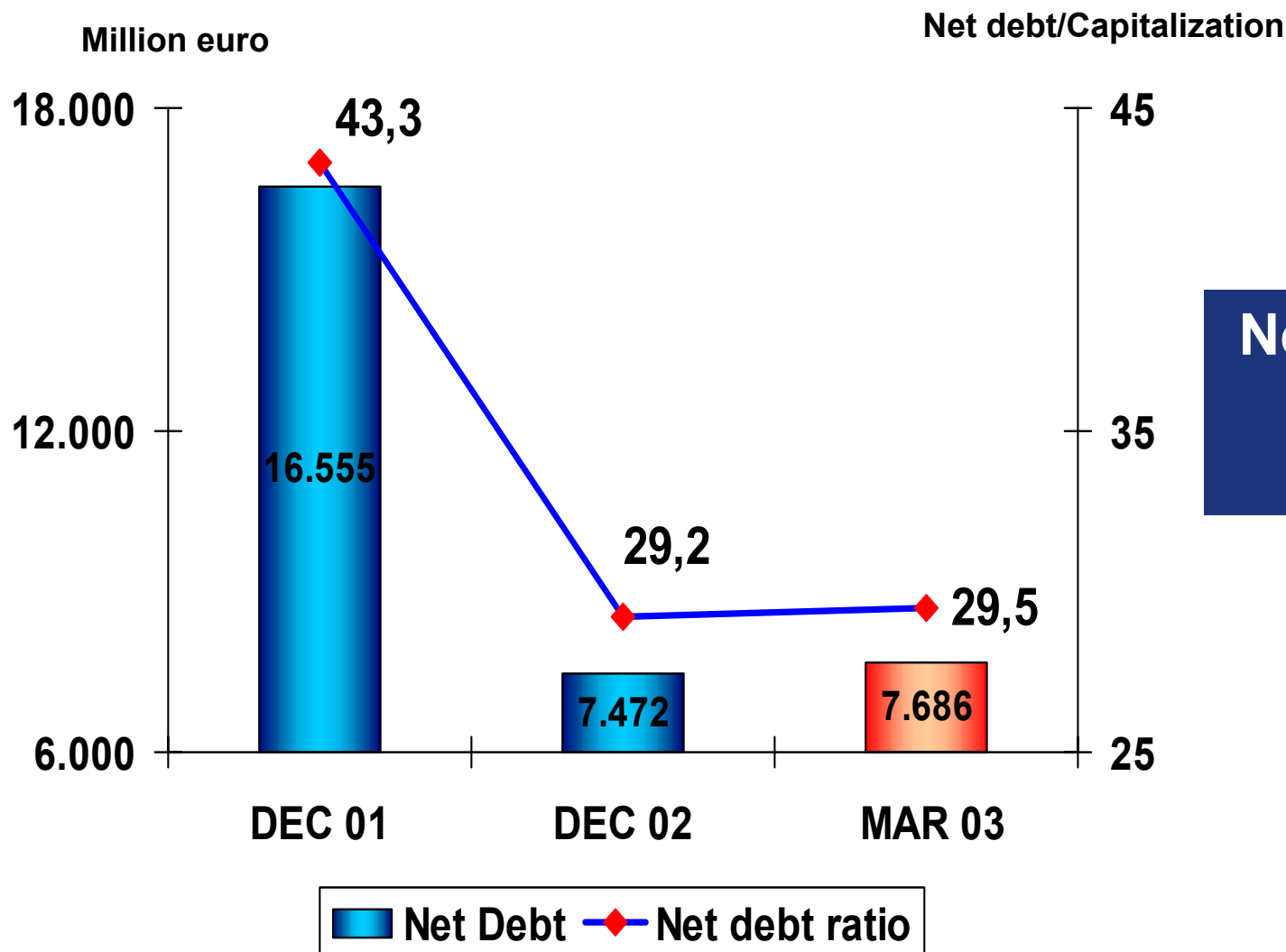
•Interest calculated on the basis of year end debt (times average debt cost). This corrects the bias due to the decreasing debt through the year 2002.
Repsol YPF ratios based on net debt

LEVERAGE

Comparison to S&P Industrials without YPF



• Interest calculated on the basis of year end debt (times average debt cost). This corrects the bias due to the decreasing debt through the year 2002.
 • Repsol YPF's ratios based on net debt.



Net Debt ratio
Mar 2003
29.5%



DIVESTMENT PROGRAM COMPLETED 6.5 BILLION €



1999	2000	2001	2002	Others
✓ North Sea	✓ Crescendo ✓ UK R&M	✓ Egypt ✓ Edenor ✓ Pipelines Chile- Argentina	✓ Indonesia ✓ CLH ✓ Enagas ✓ Gas Nat. Mexico	✓ 23% Gas Nat.

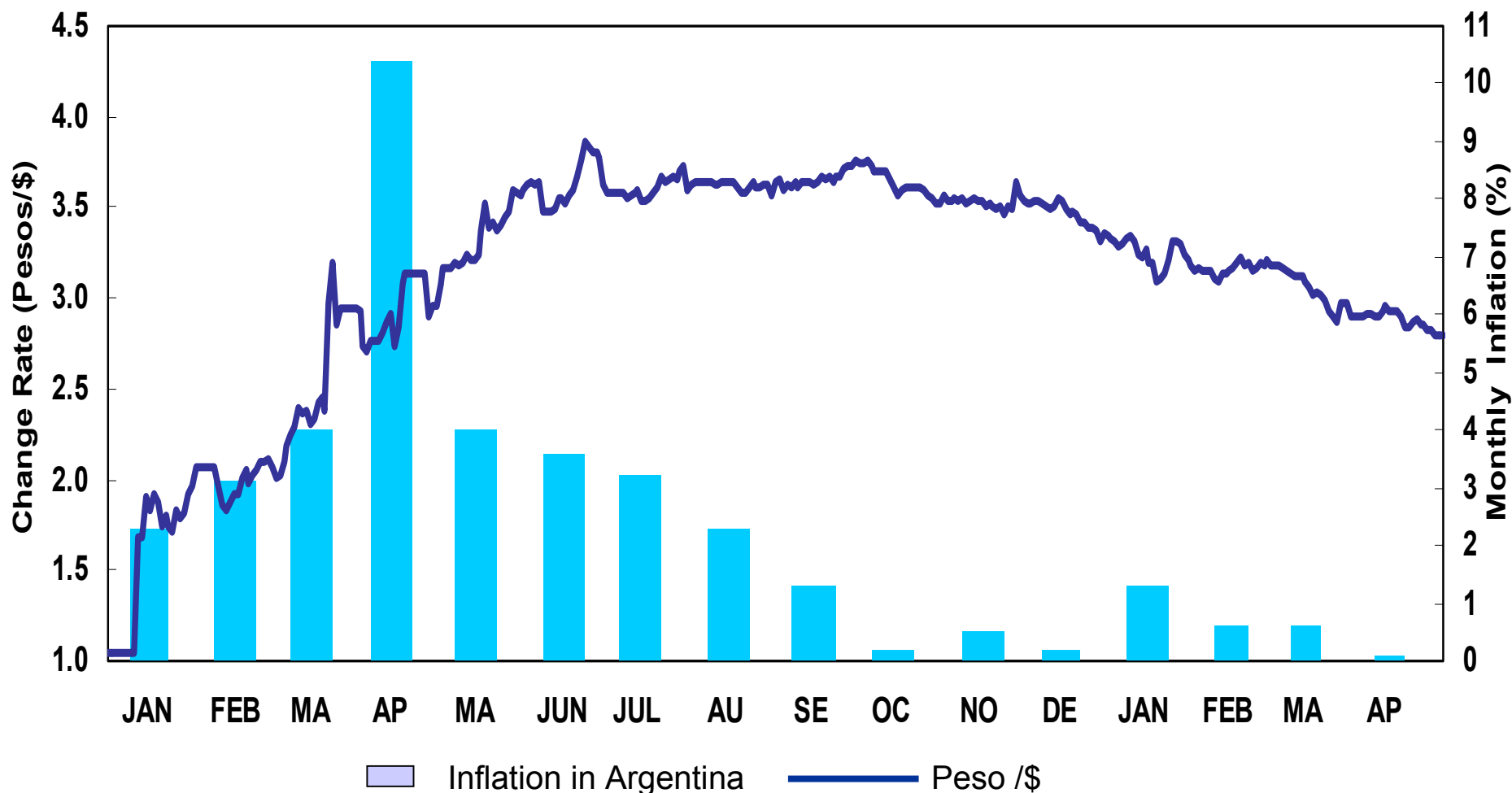
REPSOL
YPF



ARGENTINA



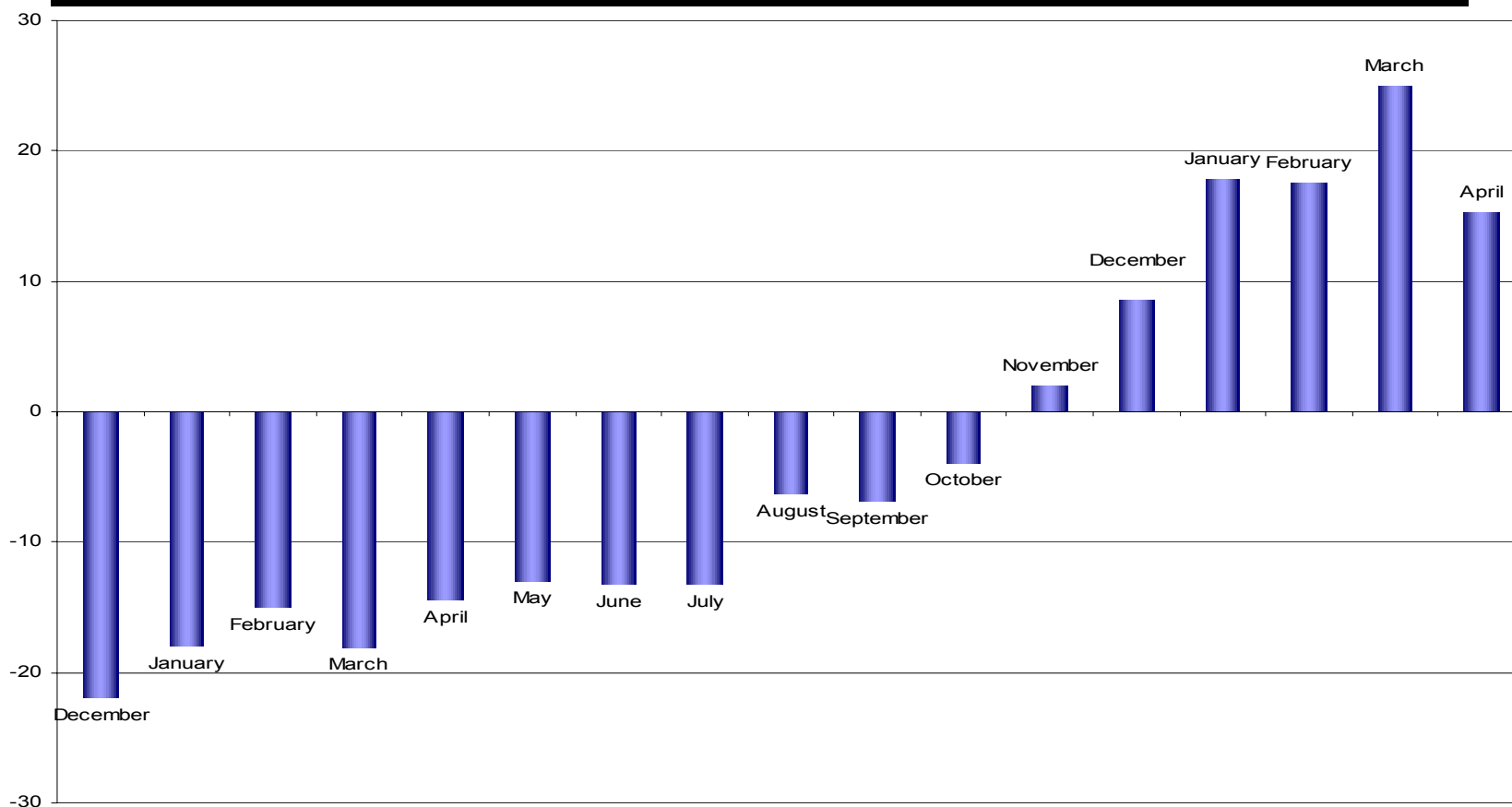
MONTHLY INFLATION AND EXCHANGE RATE



Monthly Evolution



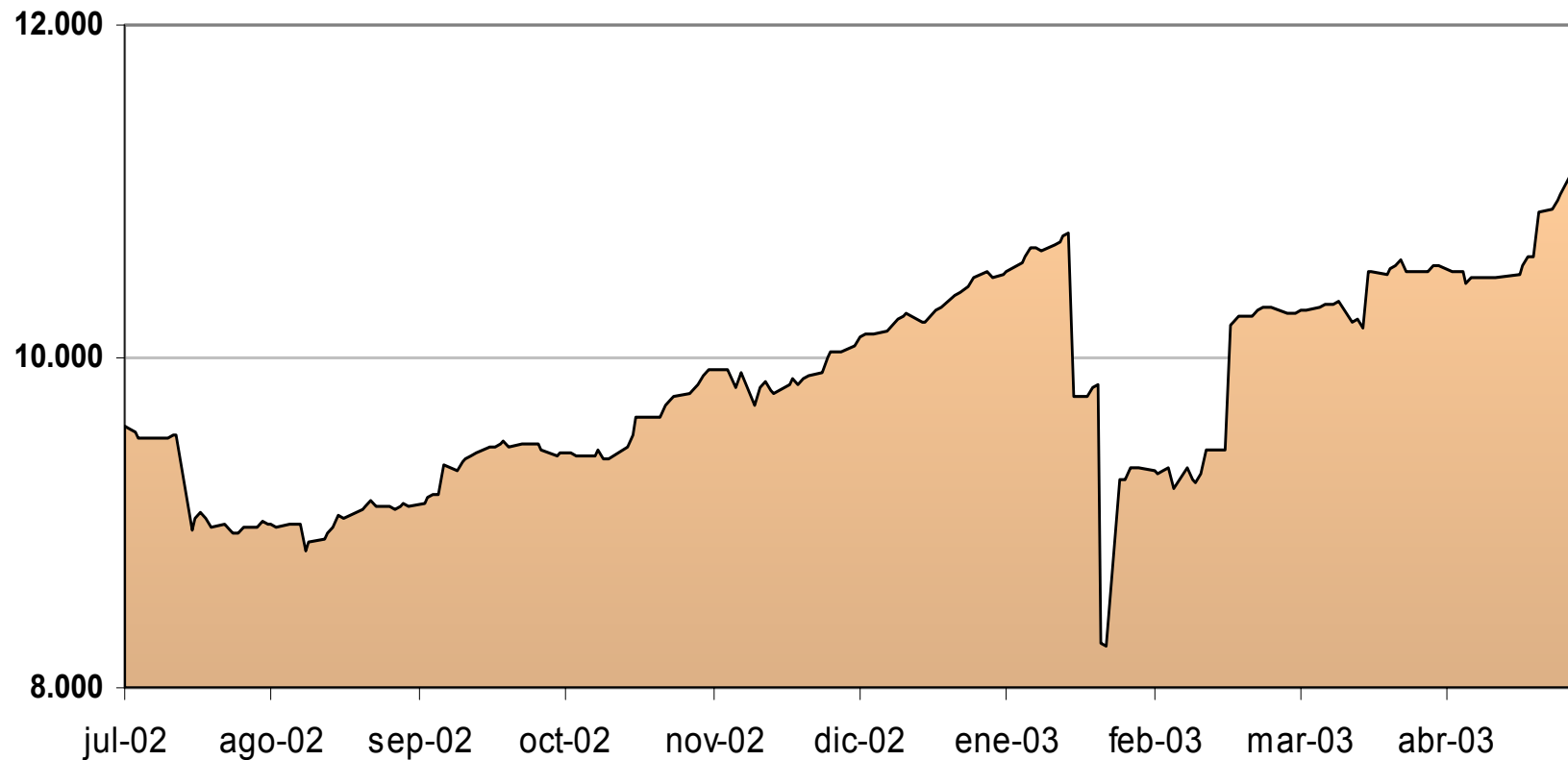
INDUSTRIAL PRODUCTION INDEX



(% Yearly change)

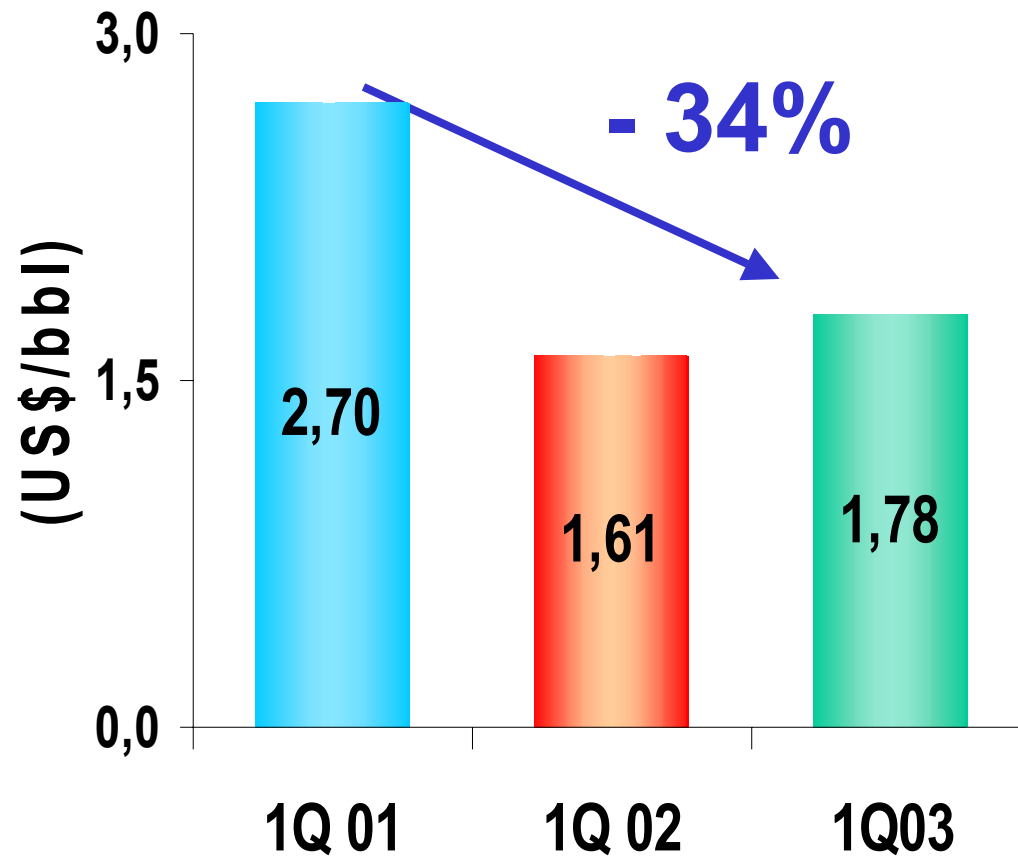


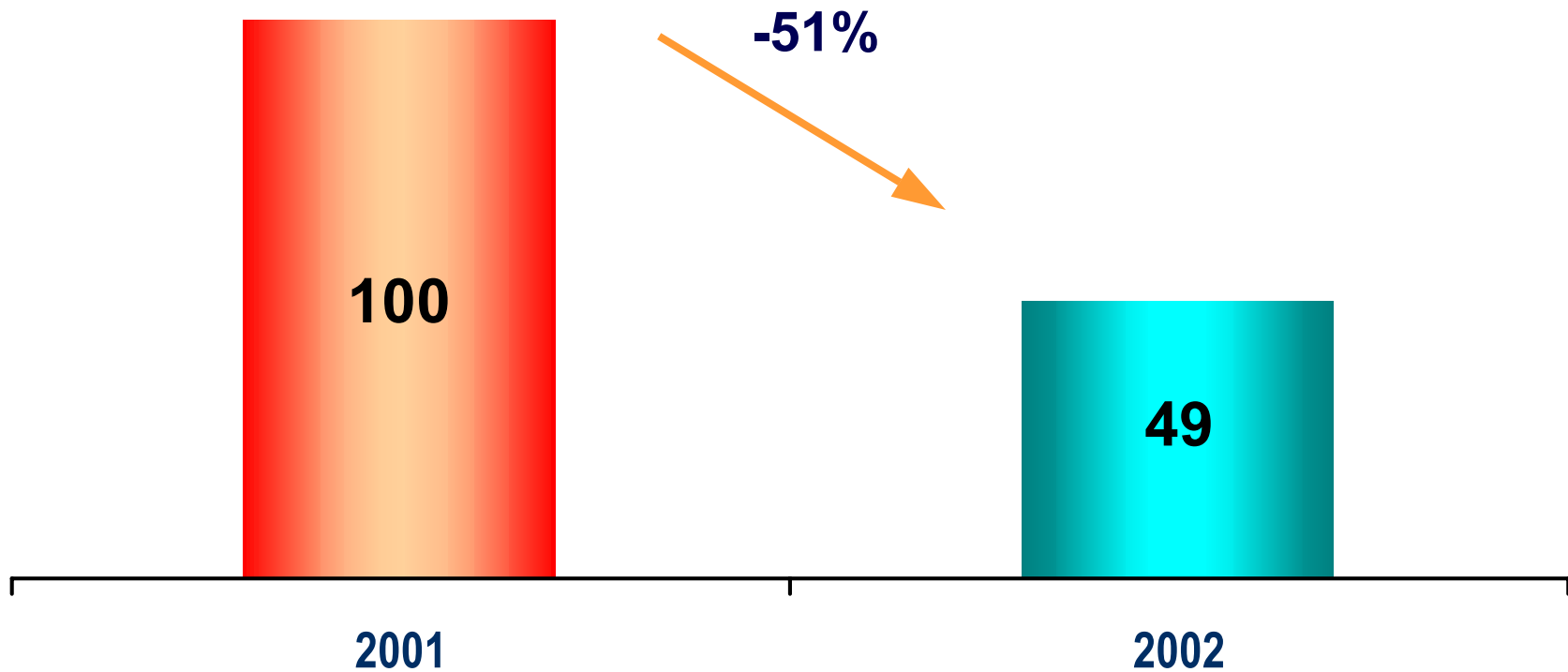
BCRA'S RESERVES





LIFTING COSTS



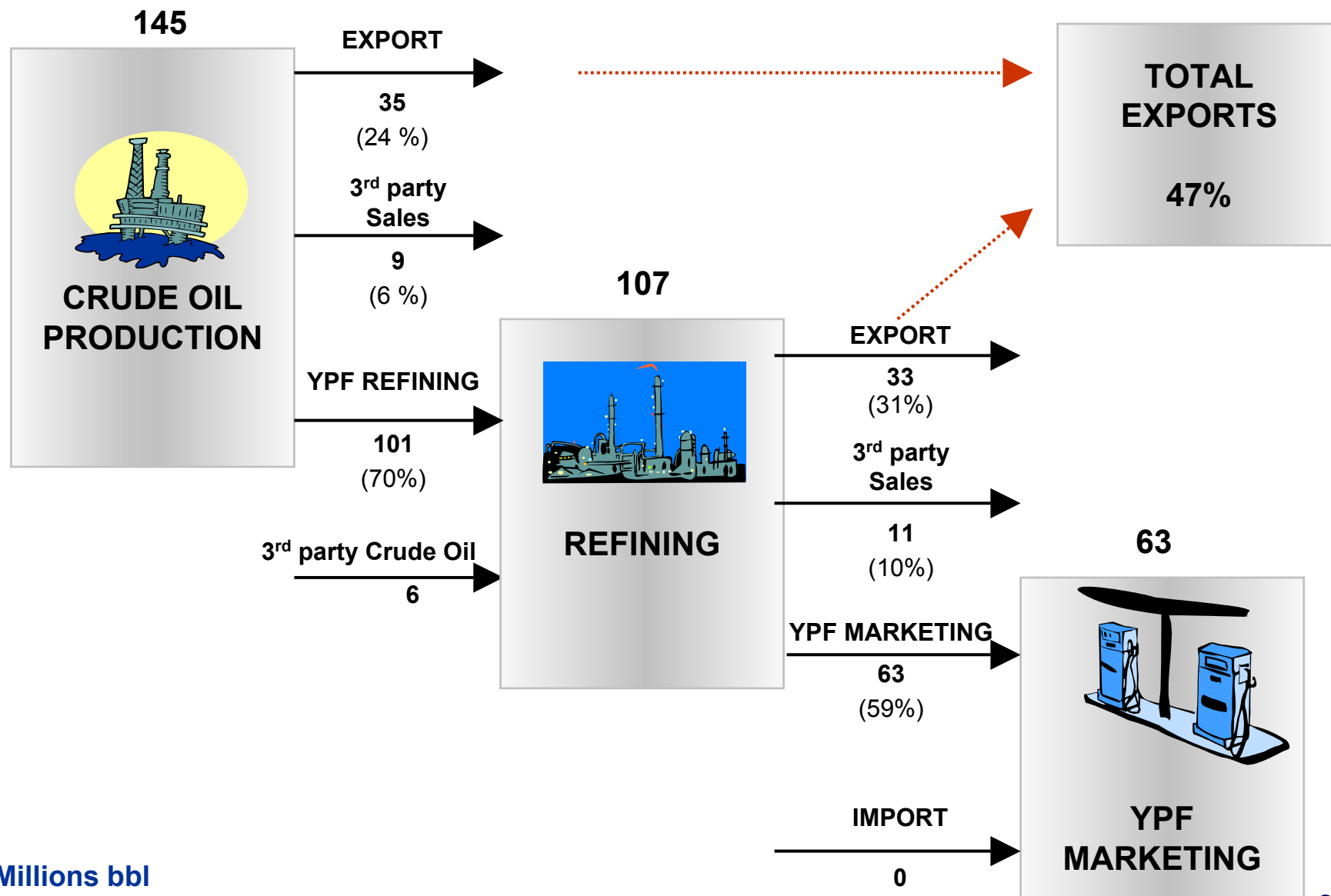


ARGENTINA OIL CHAIN INTEGRATION

REPSOL
YPF



Balance of Repsol YPF in Argentina 2002 - Líquids

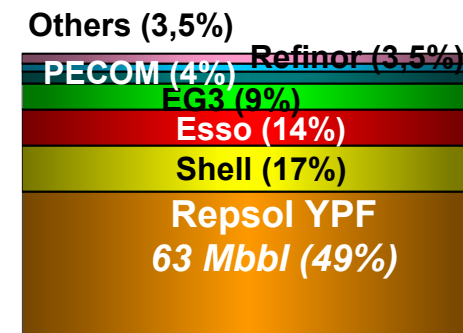
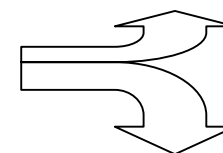
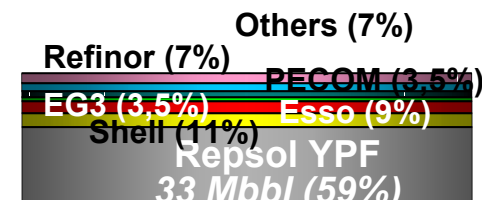
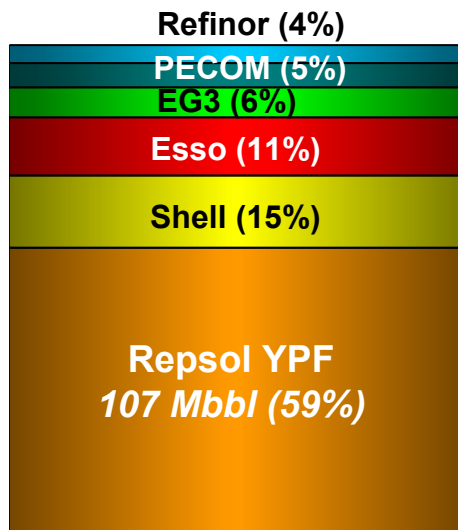
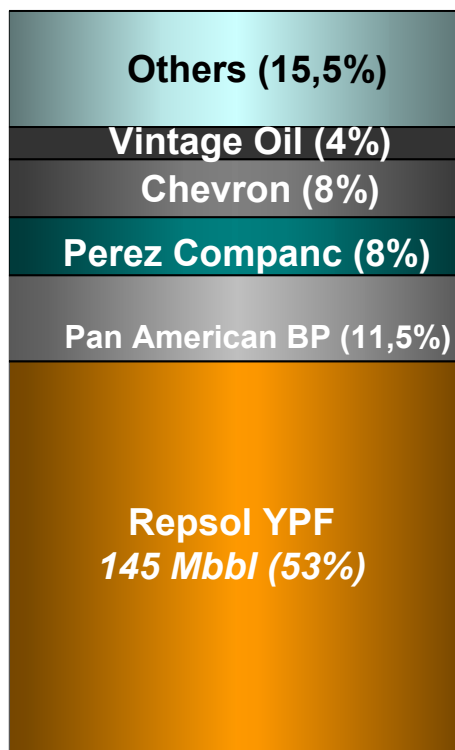




PRODUCTION
275 Mbbbl

**CRUDE
PROCESSED**
182 Mbbbl

SALES
185 Mbbbl

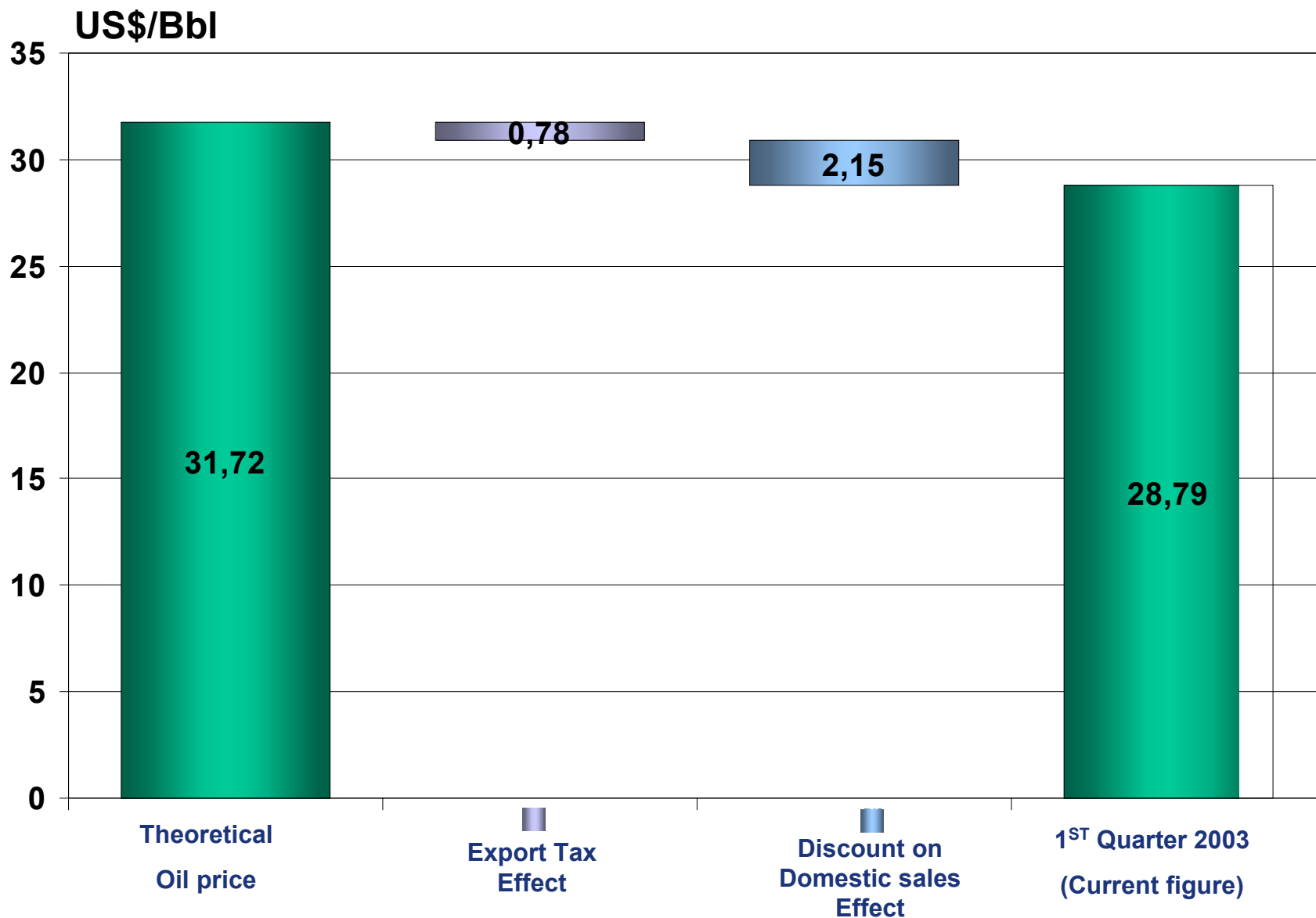


IMPORT 3 Mbbbl

IMPORT 3 Mbbbl

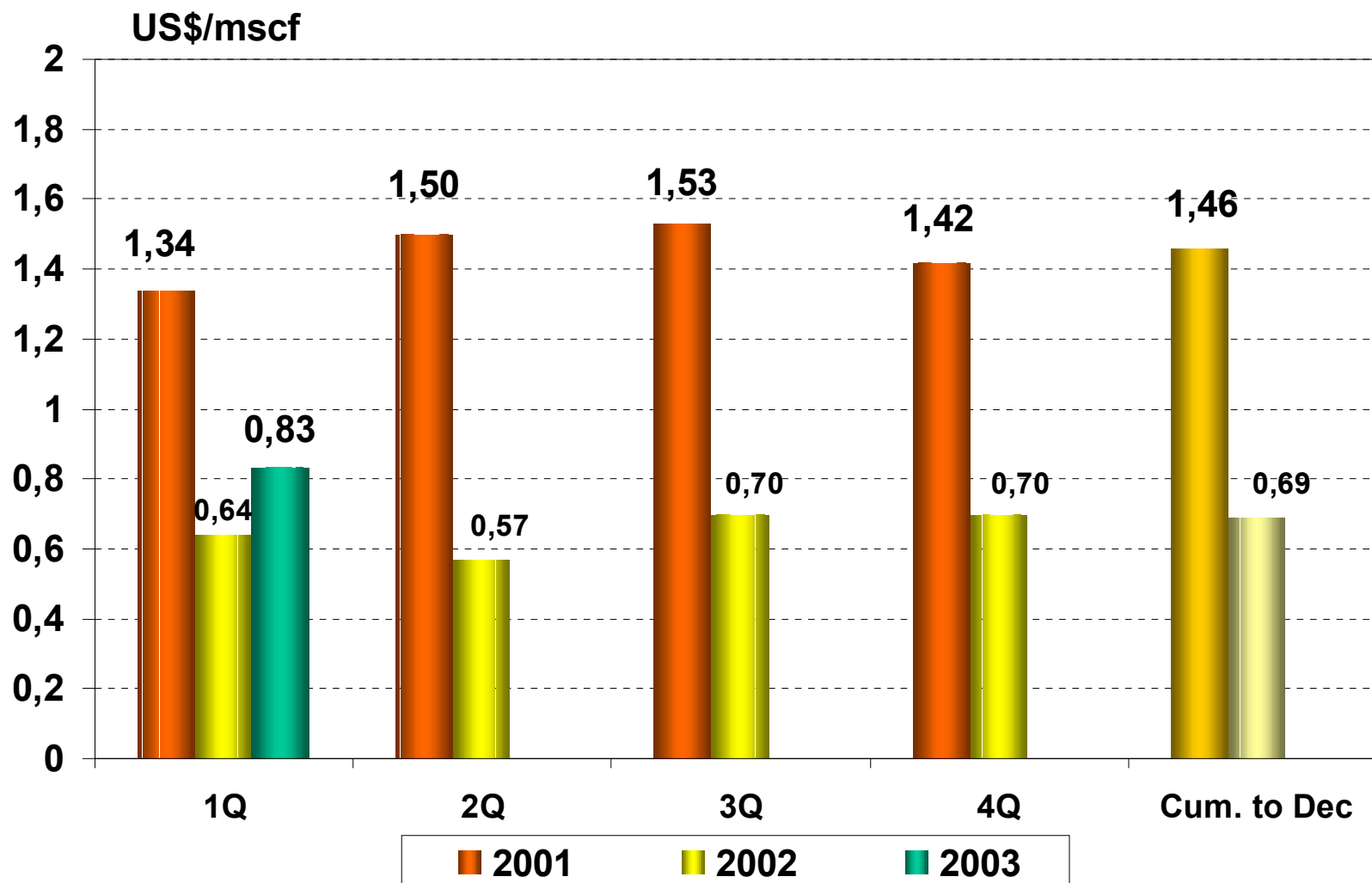
EXPORT

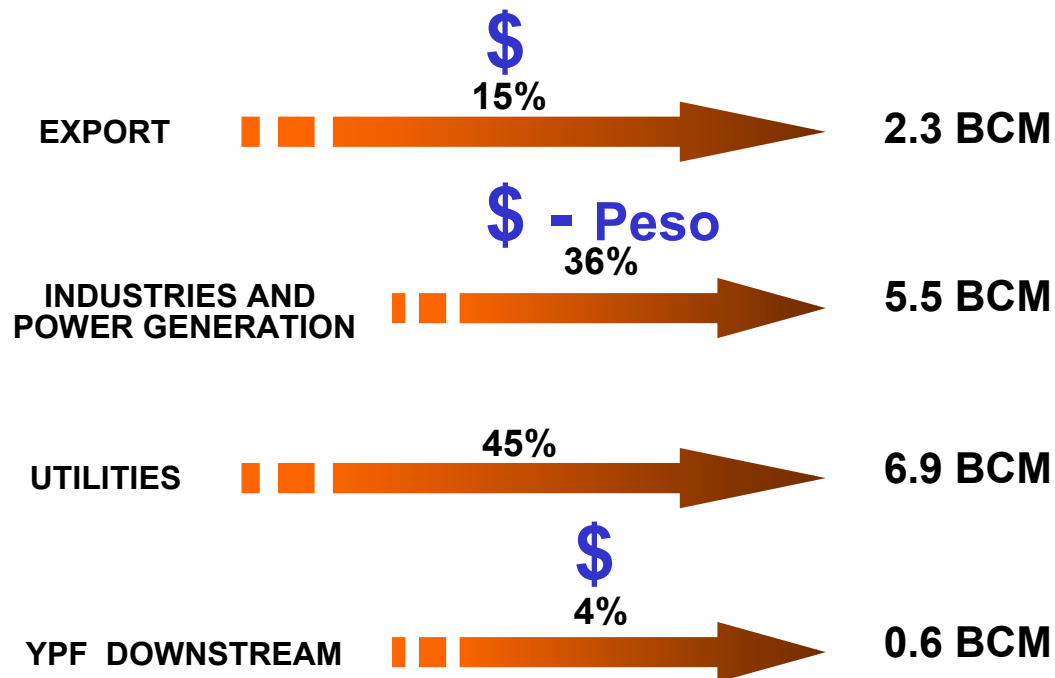
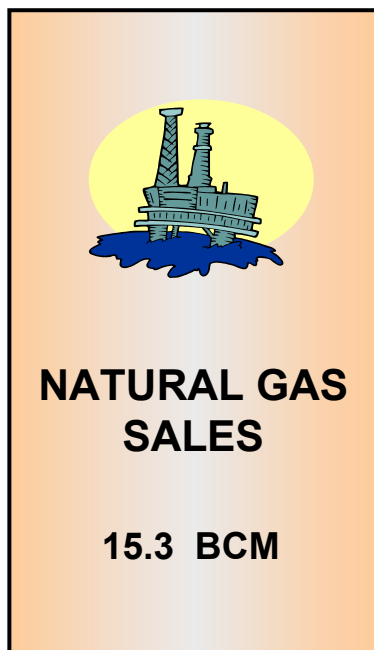
DOMESTIC SALES





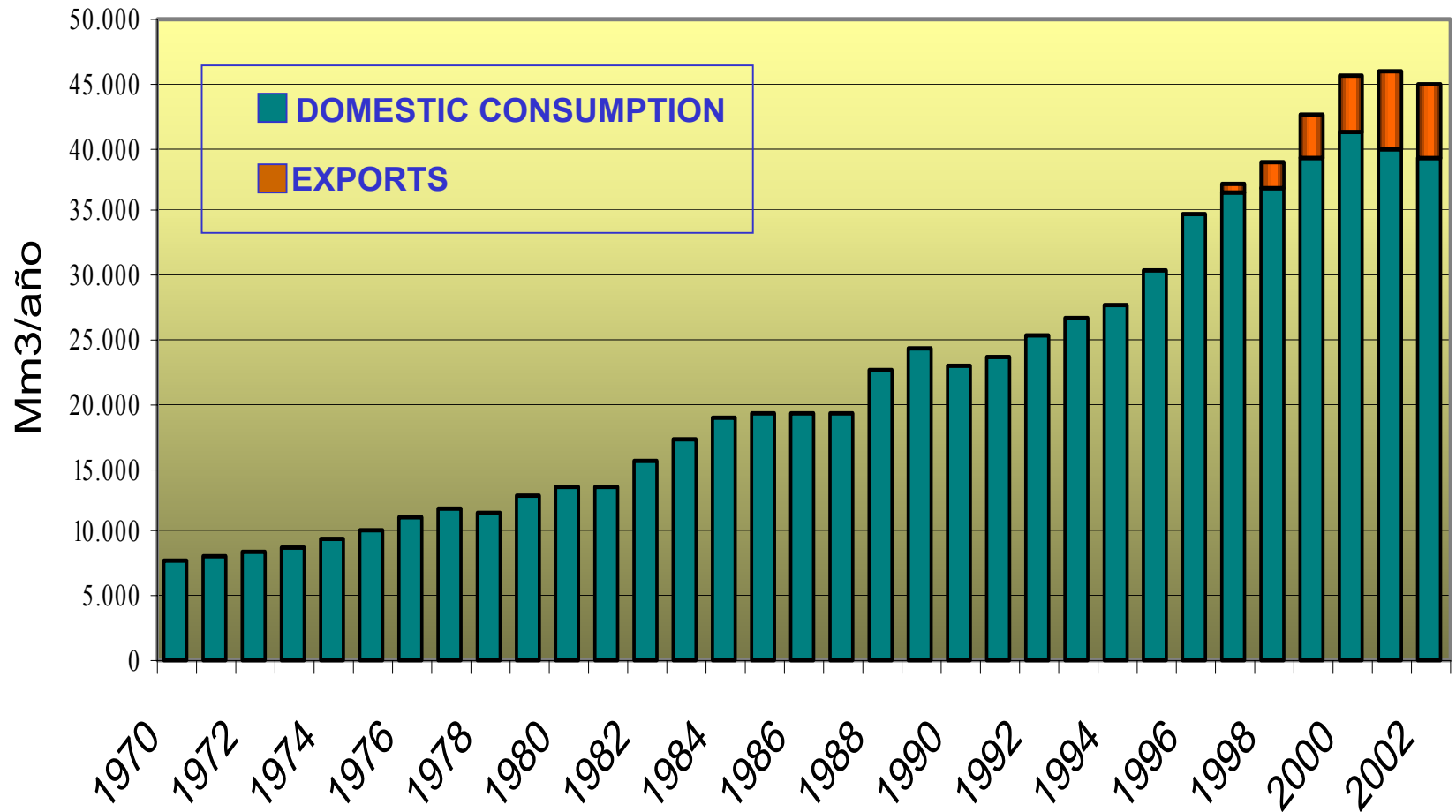
GAS PRICE REALISATIONS IN ARGENTINA (US\$/mscf)





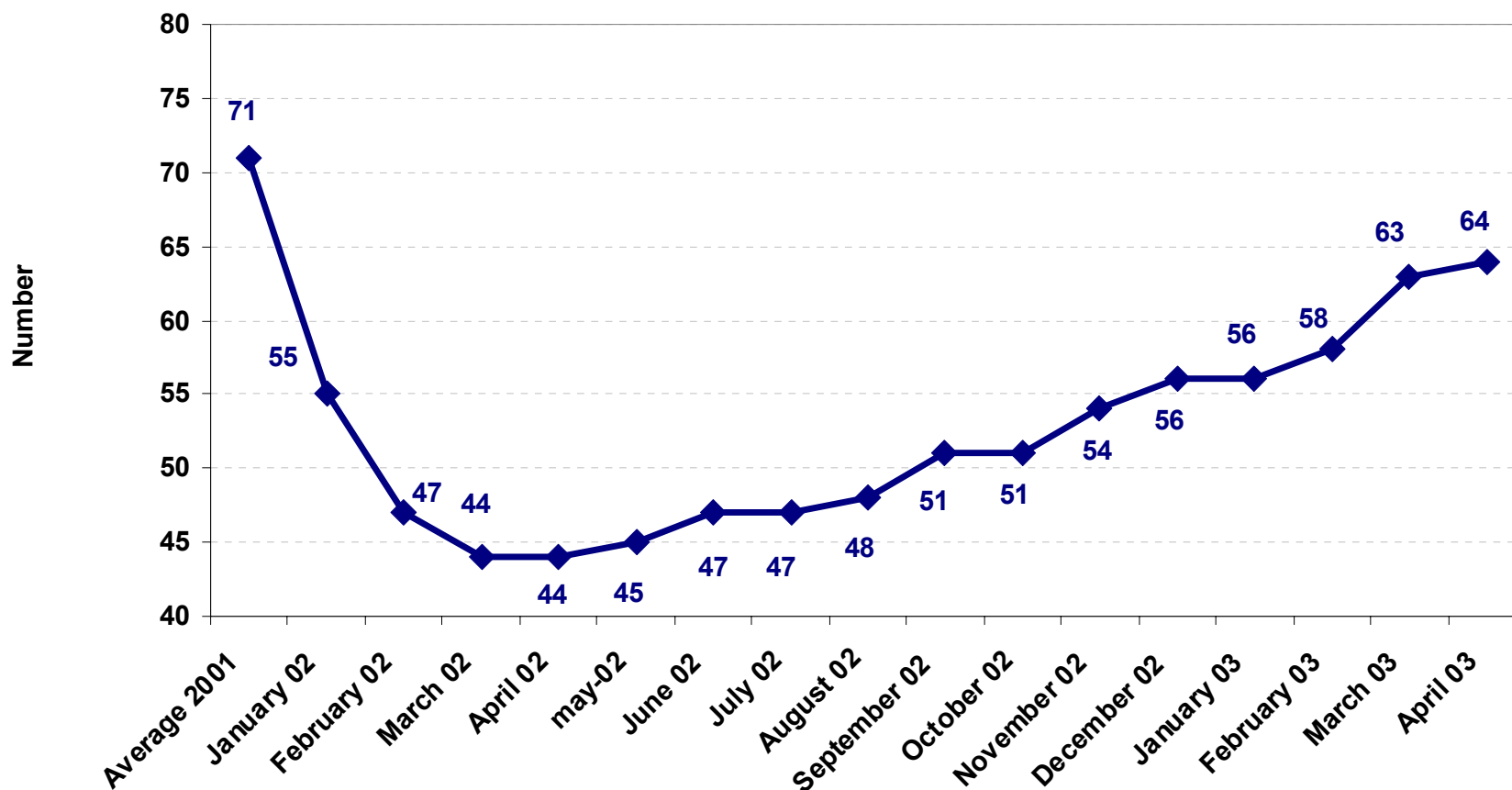
RESALES







TOTAL DRILLING RIGS IN ARGENTINA

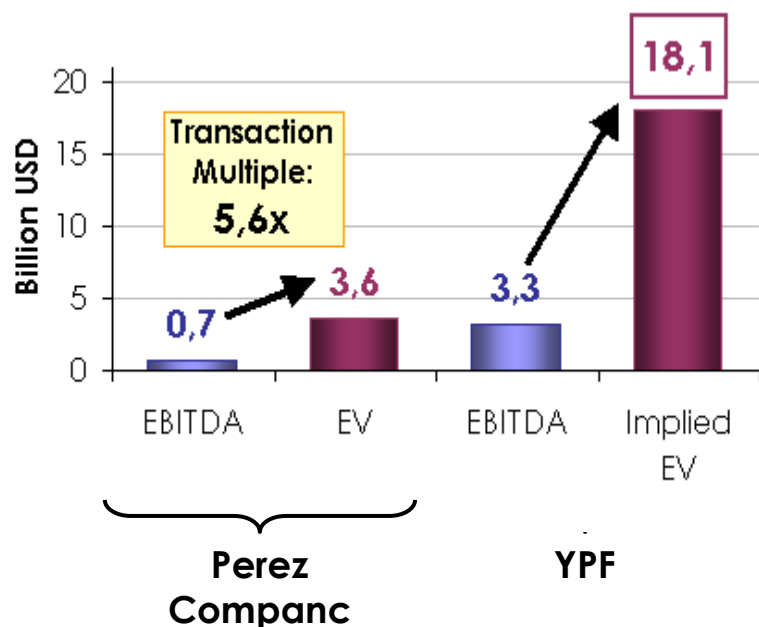




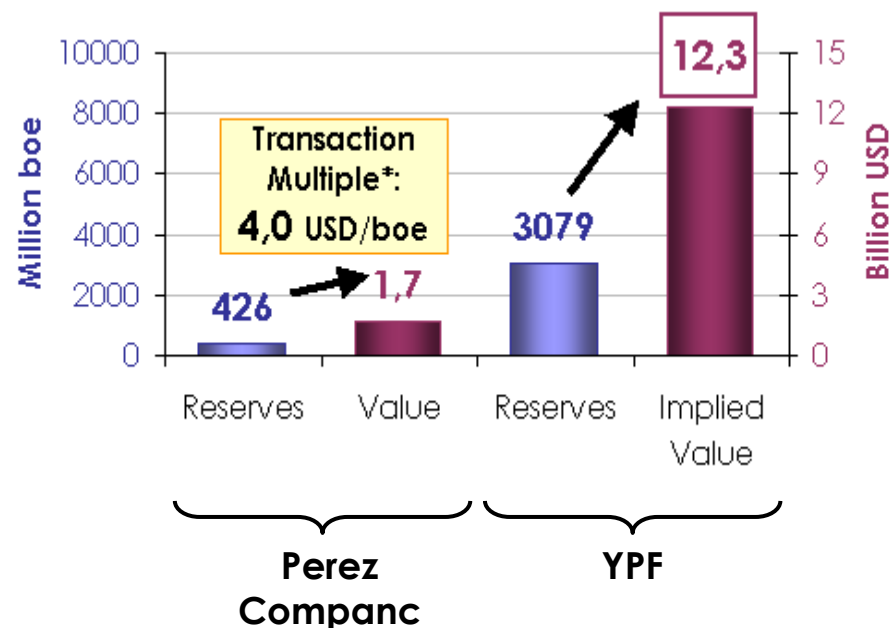
Valuation of YPF based on Perez Companc transaction

- Petrobras purchased a controlling share (58,6%) of Perez Companc in 2002.
- Implied total enterprise value was 3,6 billion USD.

EBITDA 2001



Valuation of Reserves in Argentina

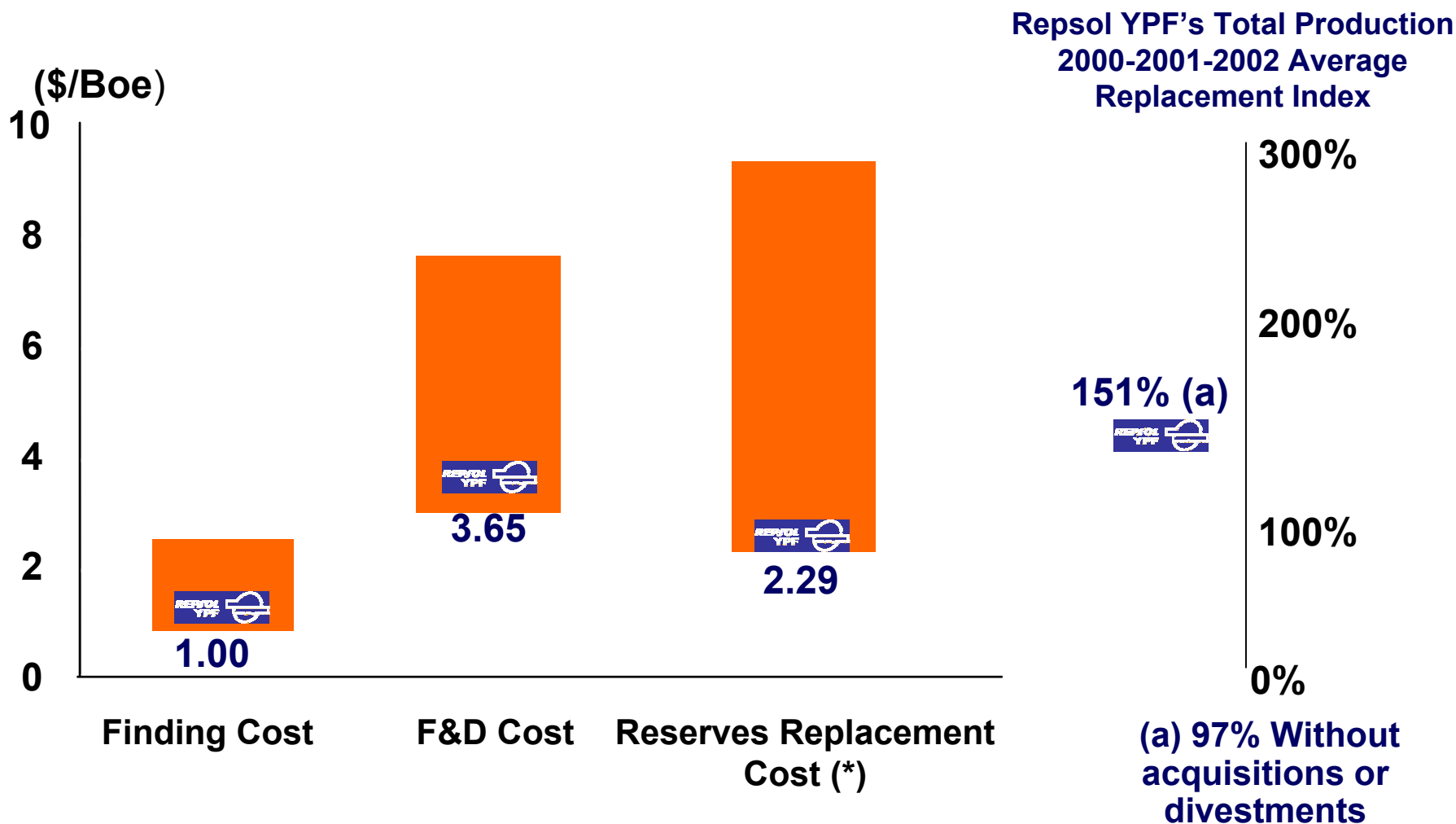


(*) Based on data from Herold.
Reserves at year end 2001.

***REPSOL
YPF***



PROFITABILITY / ROCE



Industry range 1998-1999-2000 Average

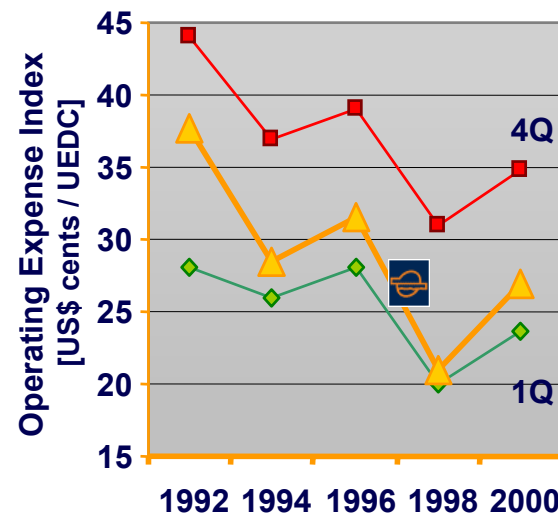
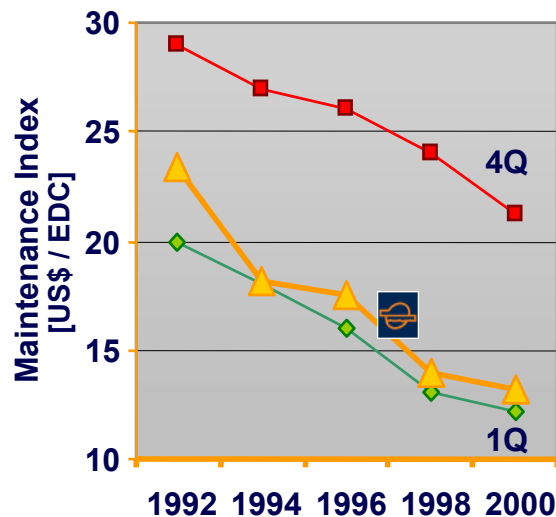


Repsol YPF 2000-2001-2002 Average

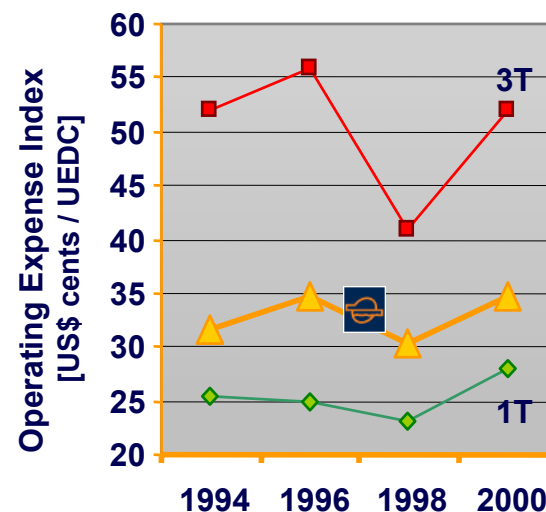
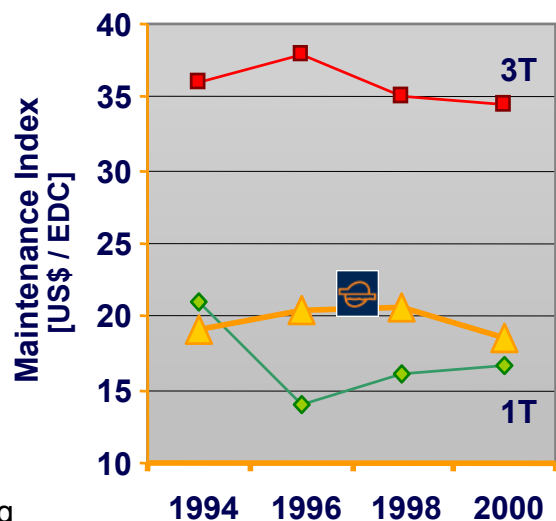
Source: PFC



EUROPE



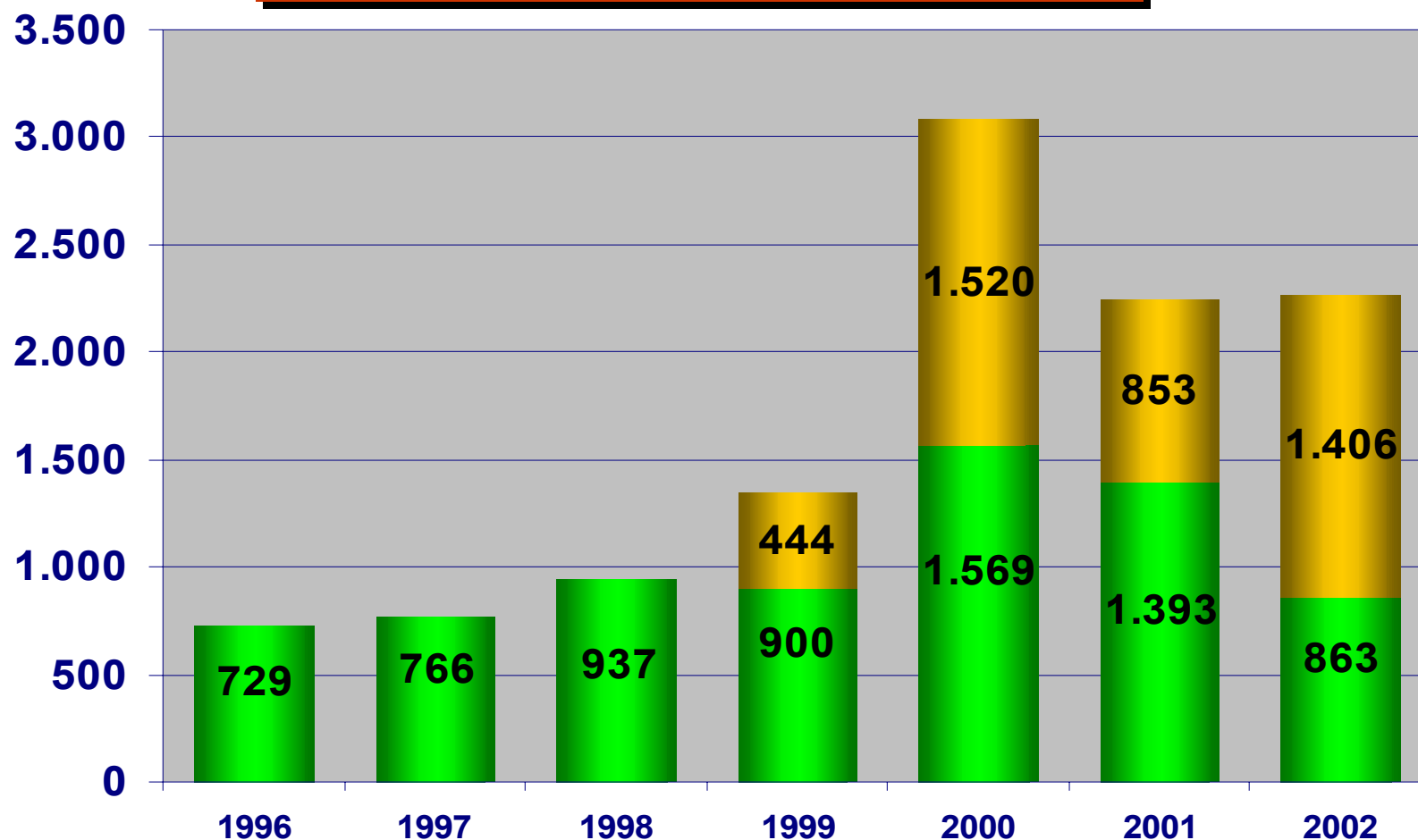
LATIN AMERICA





Adjusted Net Income

M€



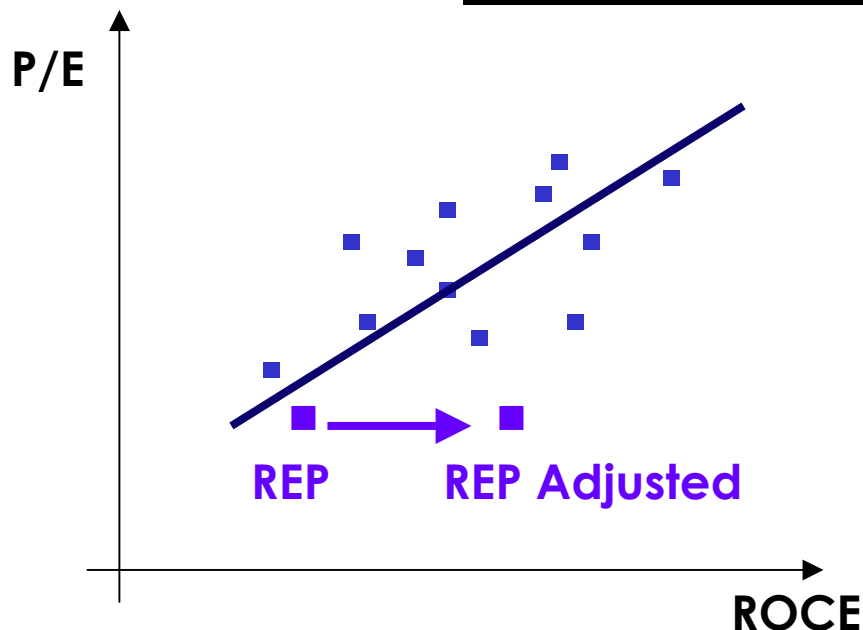
REPSOL WITHOUT YPF



YPF



Why adjust ROCE ?

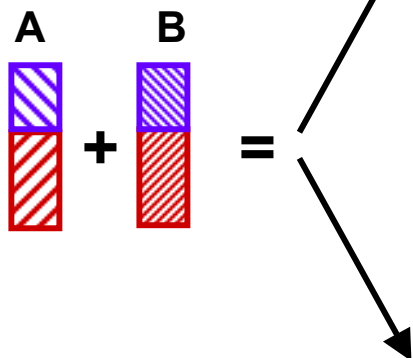


This graph is often used for valuation purposes. It is taken to imply that REPSOL YPF has invested and will invest at low returns.

How should ROCE be adjusted in peer comparisons?



LET'S CONSIDER
TWO IDENTICAL
FIRMS THAT
MERGE...



...EITHER THROUGH (1) EXCHANGE OF STOCK...

A+B



Combined Book Value
under "pooling-of-interests"

$$ROCE_{A+B}^{\text{Merger}} = \frac{NOPLAT_A + NOPLAT_B}{CE_A + CE_B} = ROCE_{A,B}$$

The ROCE of the new entity equals
those of each single firm

...OR (2) CASH PURCHASE [A buys B] + STOCK ISSUE

A+B



Combined Book Value
under "purchase"
accounting

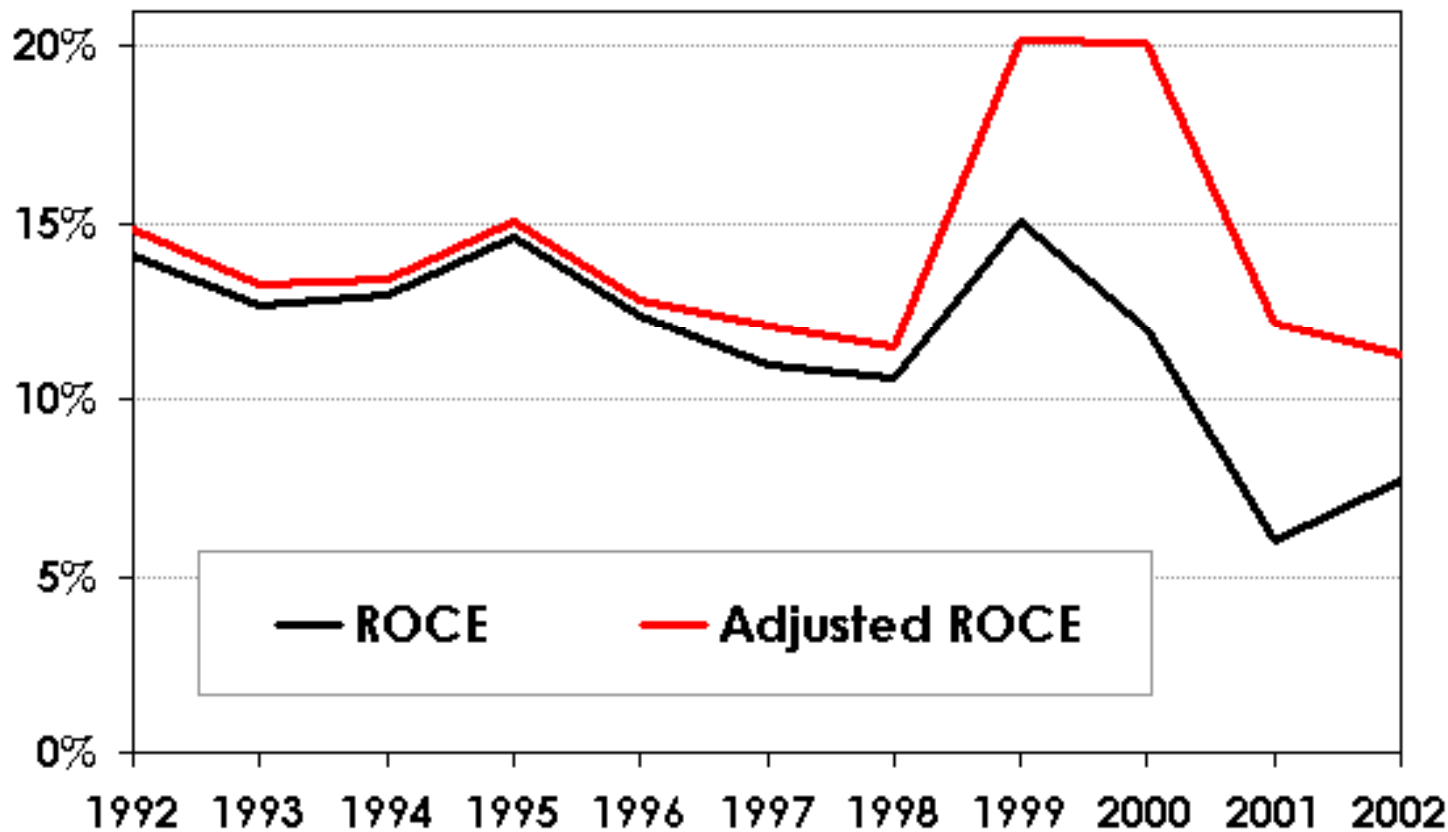
$$ROCE_{A+B}^{\text{Purchase}} = \frac{NOPLAT_A + NOPLAT_B - DA(P_B)}{CE_A + CE_B + NBV(P_B)}$$

The ROCE of the new entity is lower
due to the "write-up" of assets

The economics of the two deals are identical, but ROCE figures differ due to accounting rules. An apples-to-apples comparison requires adjusting one of the two ratios: two identical firms should have identical ratios.



ROCE



$$\text{* Adjusted ROCE} = \frac{\text{NOPLAT} + \text{GOODWILL CHANGE}}{\text{CAPITAL EMPLOYED} - \text{GOODWILL}}$$

***REPSOL
YPF***

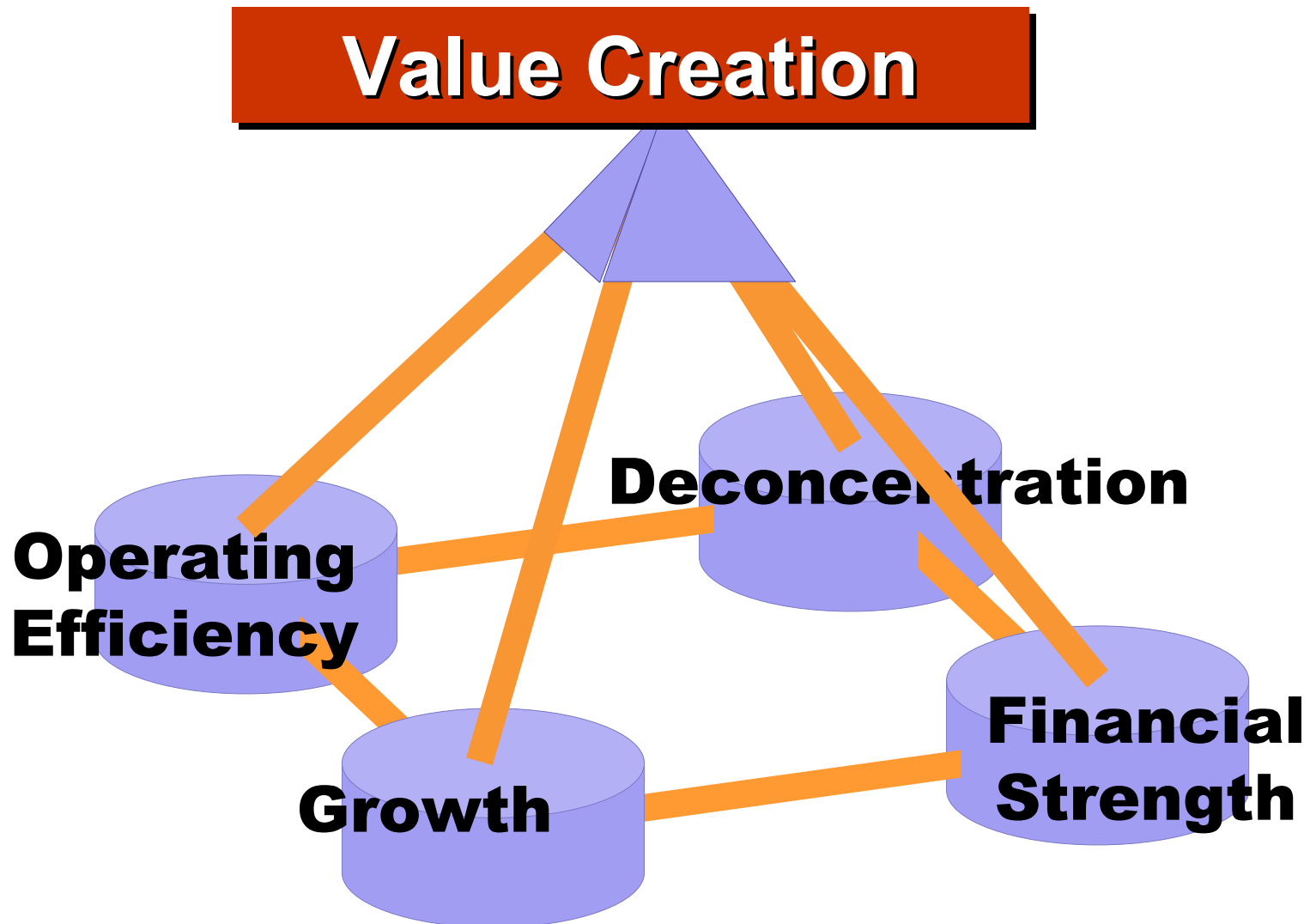


STRATEGY / GROWTH



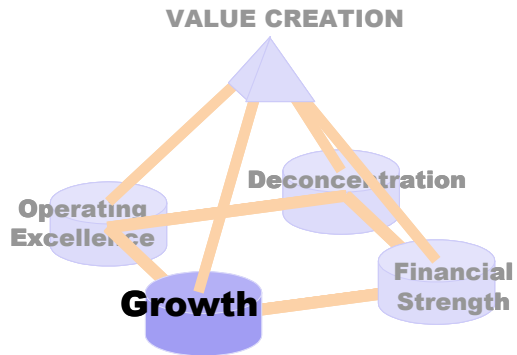
CORE BUSINESS

- ***Crude oil production in Latin America and North Africa***
- ***Natural gas production and marketing in Latin America***
- ***LNG projects in the Atlantic basin, American Pacific, Mediterranean and Persian Gulf***
- ***Downstream oil business in Southern Europe and South America***
- ***Global LPG distribution***





Fast Organic Growth

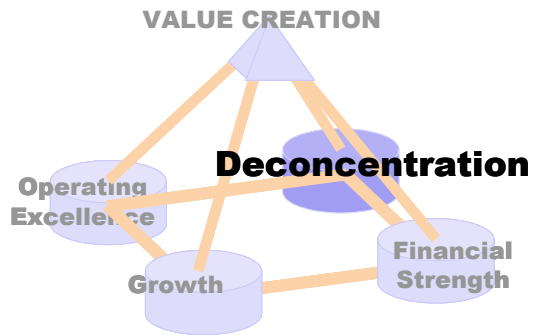


ORGANIC GROWTH

- **E&P**
 - ⇒ *Trinidad & Tobago*
 - ⇒ *Bolivia*
 - ⇒ *Venezuela*
 - ⇒ *Libya*
 - ⇒ *Algeria*
- **Midstream operations in G&P**
- **Capacity improvements in R&M**

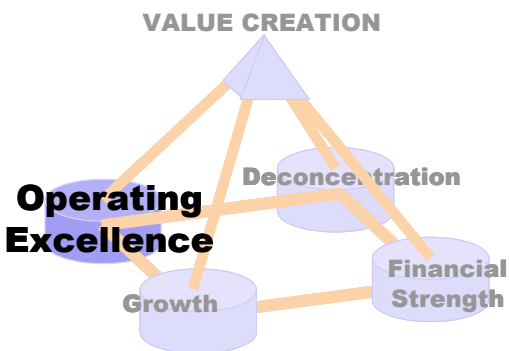


Reduced Concentration / Vulnerability

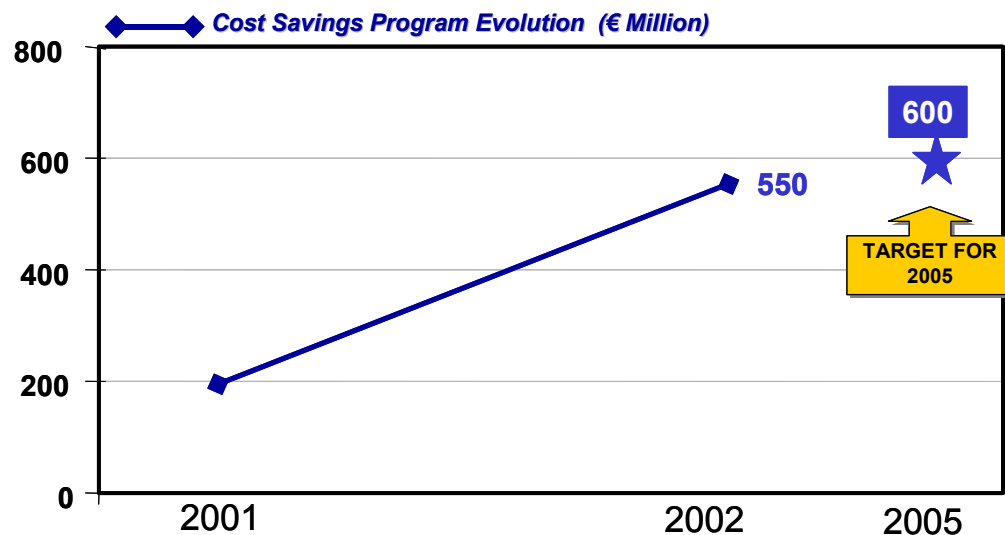


**REDUCE
CONCENTRATION**

- **Organic growth in other areas:**
 - ⇒ *Trinidad & Tobago*
 - ⇒ *Bolivia*
 - ⇒ *Venezuela*
 - ⇒ *Libya*
 - ⇒ *Algeria*



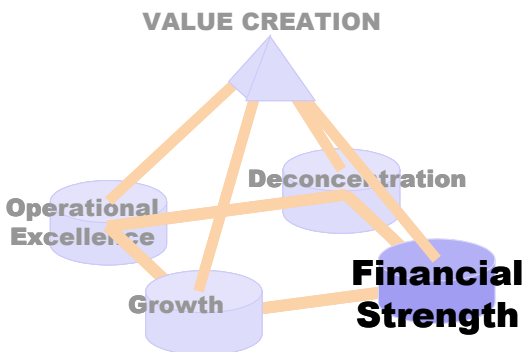
**550 Million € OF RECURRENT
COST SAVINGS**



**Setting
new
targets**



Financial Strengths



*Financial ratios
in line with:*



REPSOL YPF GROUP

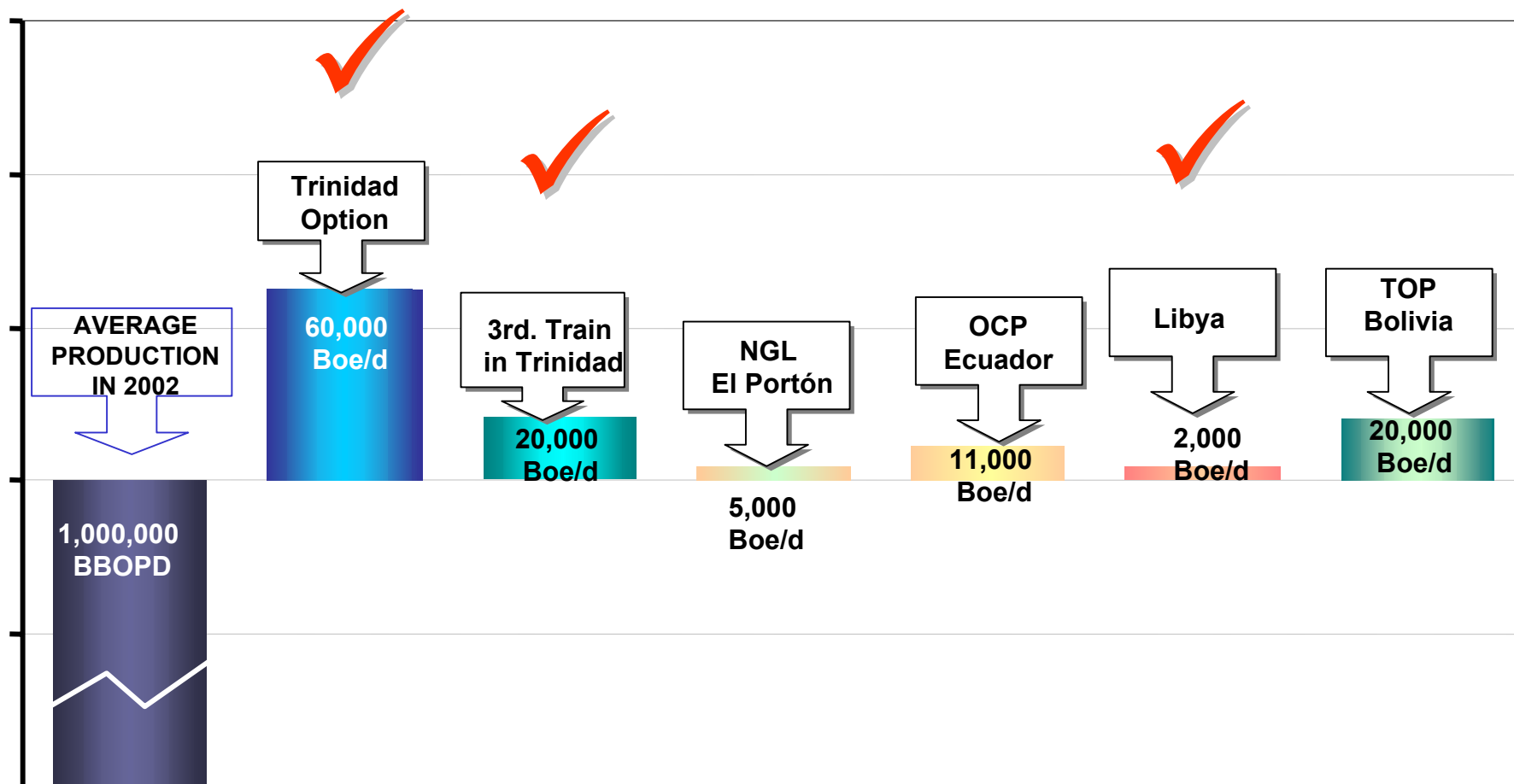
AA

**REPSOL YPF EX
ARGENTINA**

A



GROWTH AT DOUBLE DIGIT IN THE 4TH QUARTER 2003



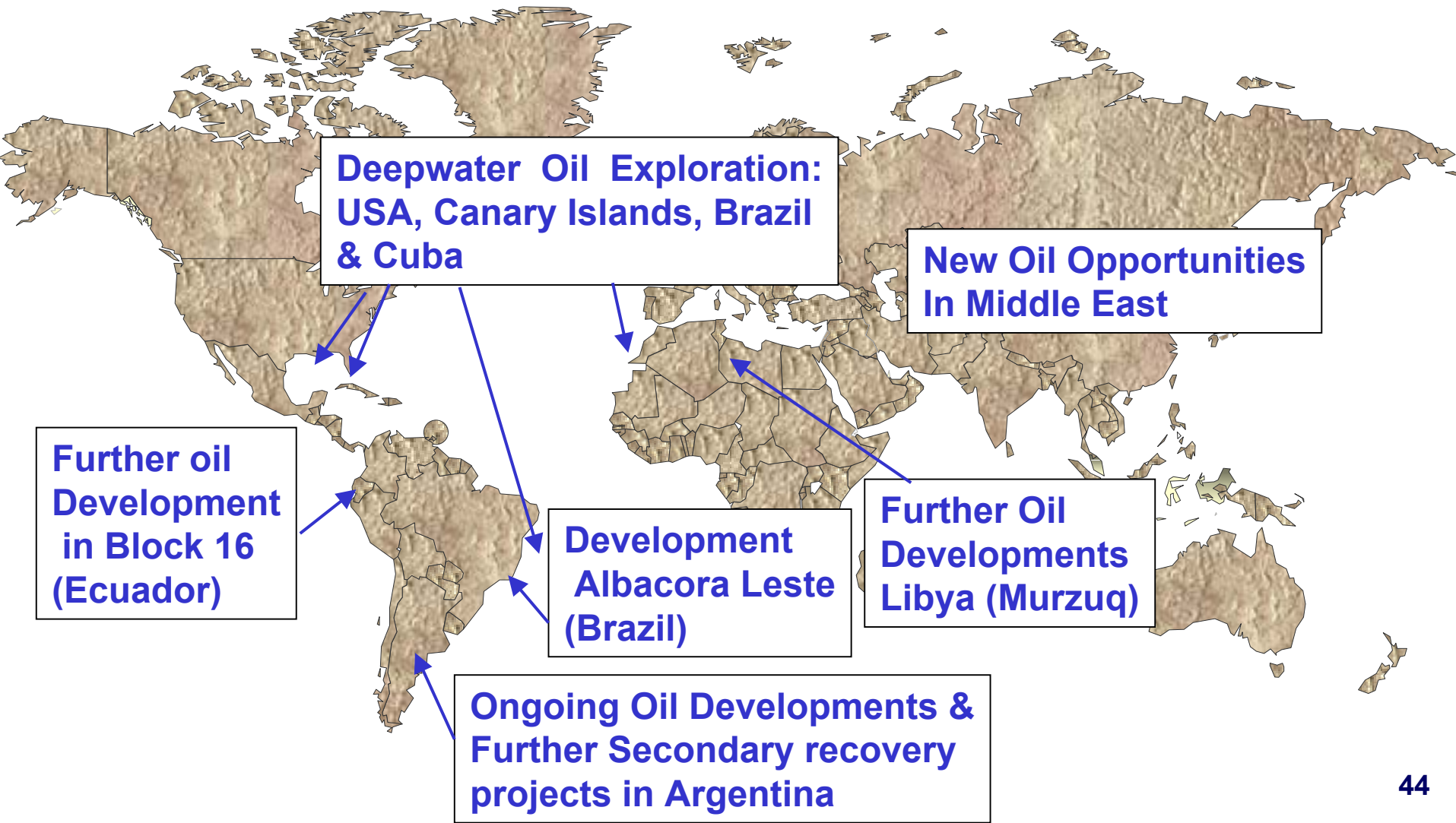


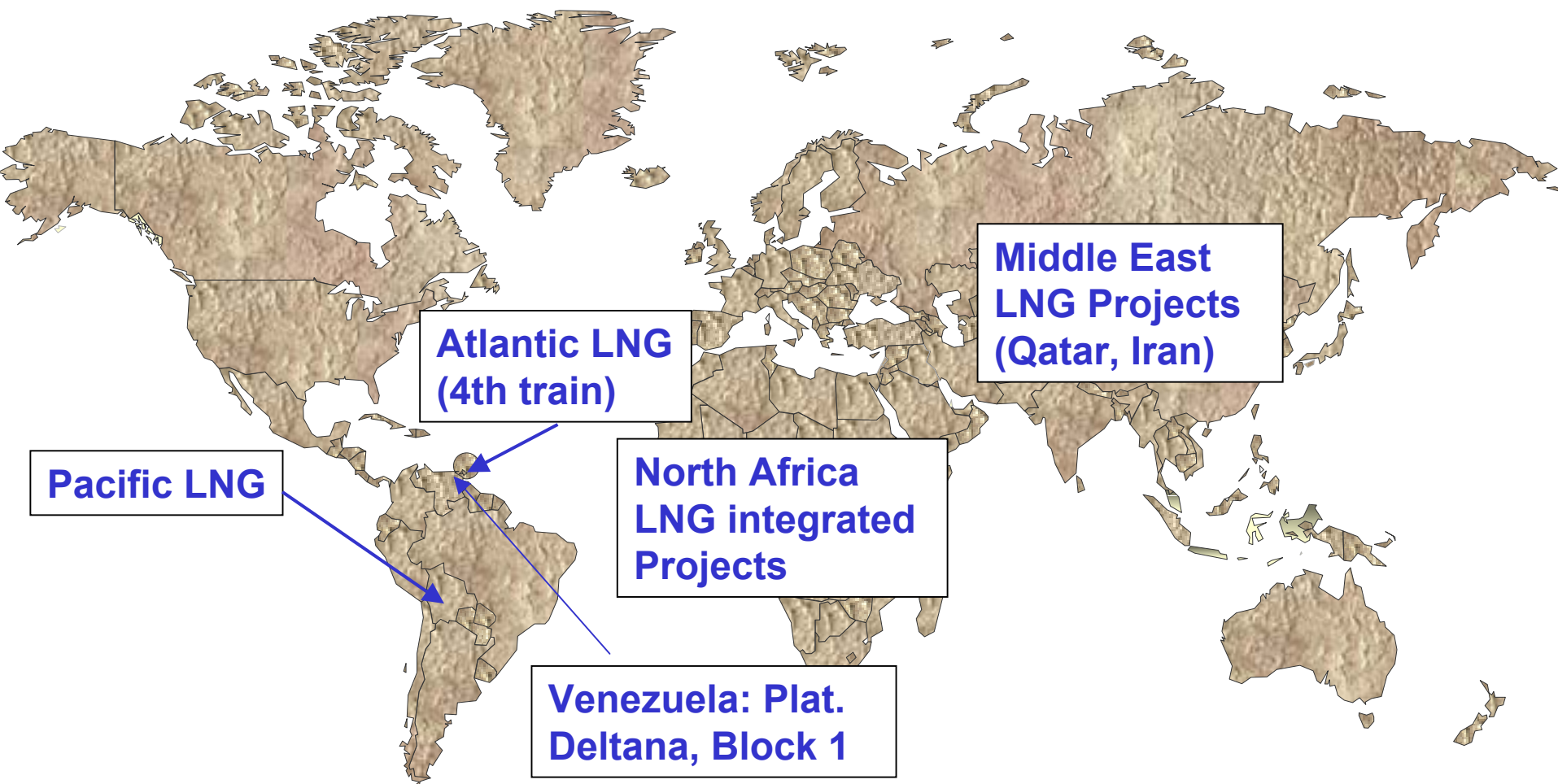
- ***Improvements in refining***
 - ⇒ *Tarragona hydro cracker*
 - ⇒ *Puertollano mild hydro cracker*
 - ⇒ *Organic growth of oil and non oil sales*
- ***Volume growth in petrochemicals***
- ***Positive year on year comparison of Argentinean results***
- ***Improvements in natural gas results***

STRATEGY / GROWTH: BEYOND 2003

Crude oil plays

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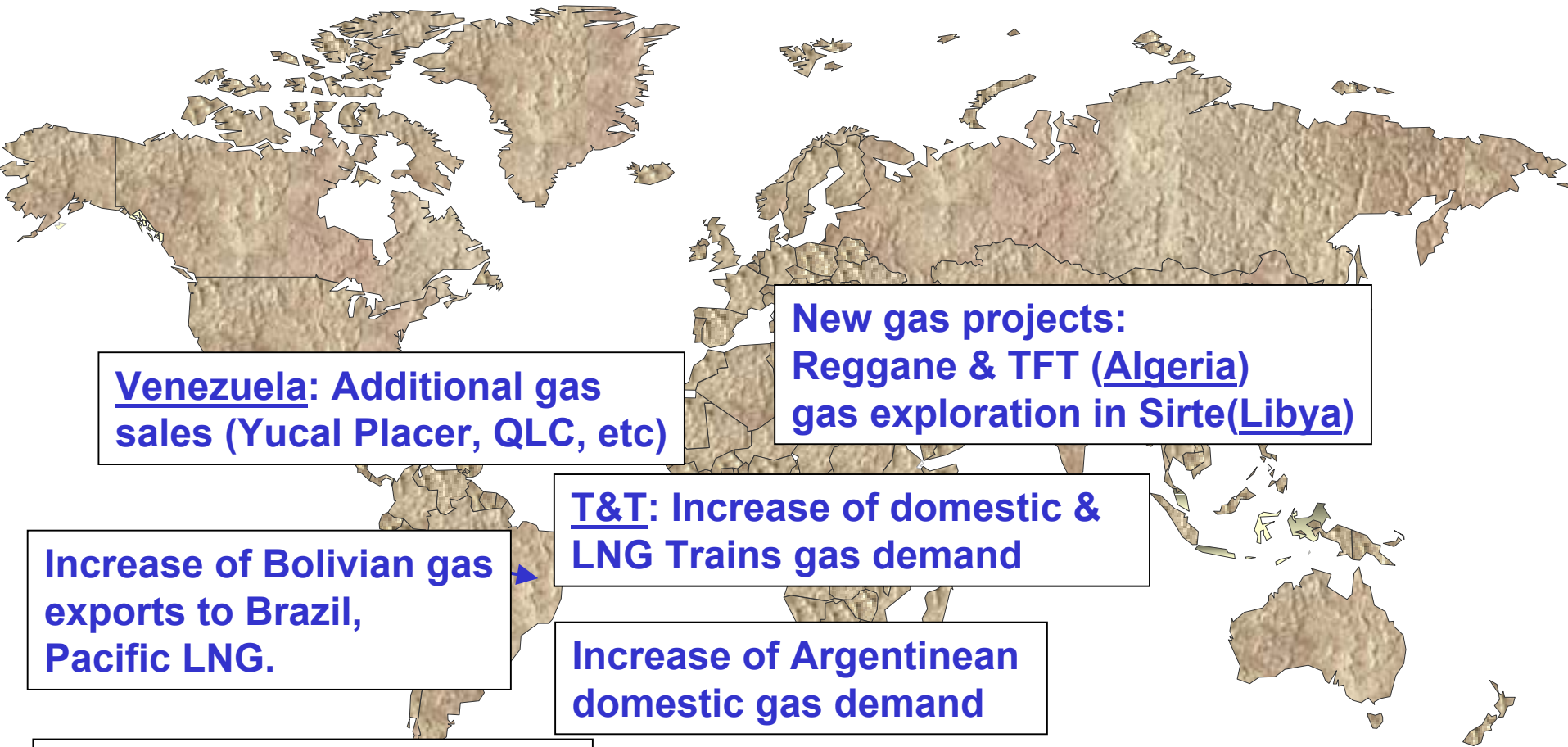




STRATEGY / GROWTH: BEYOND 2003

Natural Gas Growth Potential

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Venezuela: Additional gas sales (Yucal Placer, QLC, etc)

New gas projects:
Reggane & TFT (Algeria)
gas exploration in Sirte(Libya)

Increase of Bolivian gas exports to Brazil, Pacific LNG.

T&T: Increase of domestic & LNG Trains gas demand

Increase of Argentinean domestic gas demand

Increase of Argentinean gas exports to Chile & Brazil



- ***Increased Refining Complexity***
- ***Retail sales growth :***
 - *Iberian Market growth above European average*
 - *Argentina's economic recovery*
 - *Development in Brazil*
- ***Efficiency enhancement and cost reductions***
- ***Increase in chemical plant capacity integrated with group activities, and using own technology: existing and new plants***



RECENT DEVELOPMENTS



UPSTREAM

Reserves

30 %



MIDSTREAM

Stake in
trains

23.4 %

Supply
trains

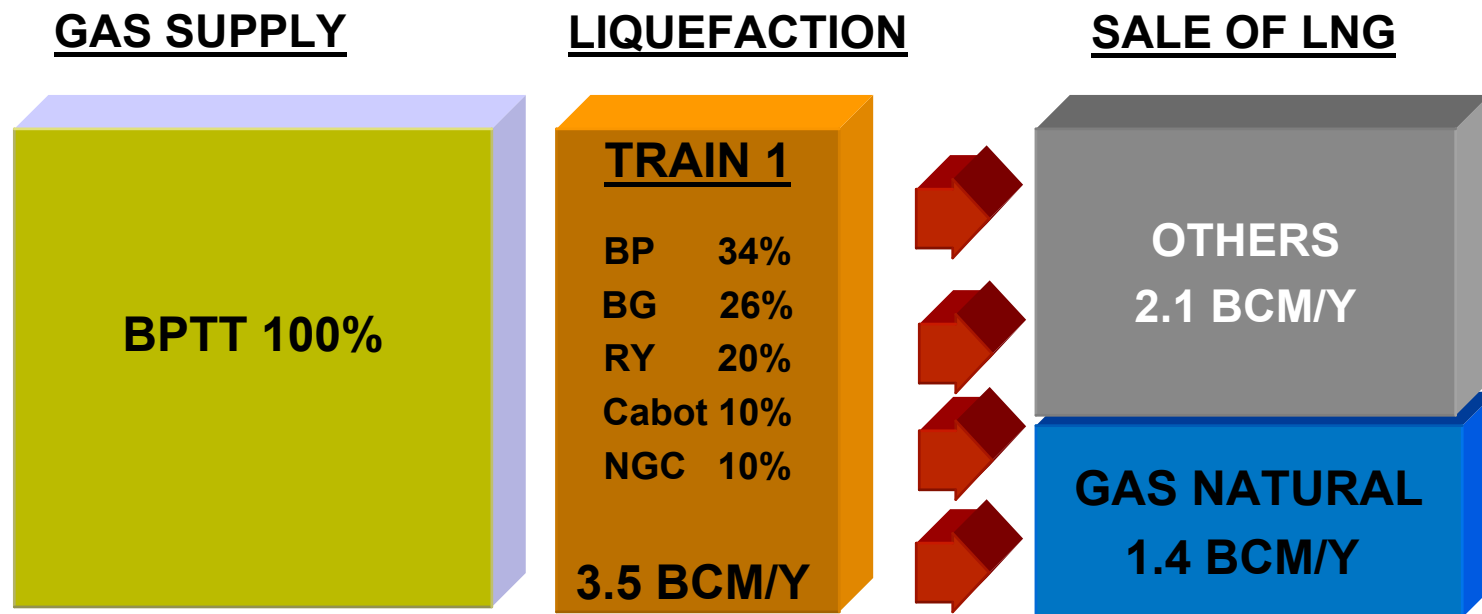
22.3 %



Marketing
and Trading

43.5 %^(*)

(*) Assuming 100% Gas Natural cargoes



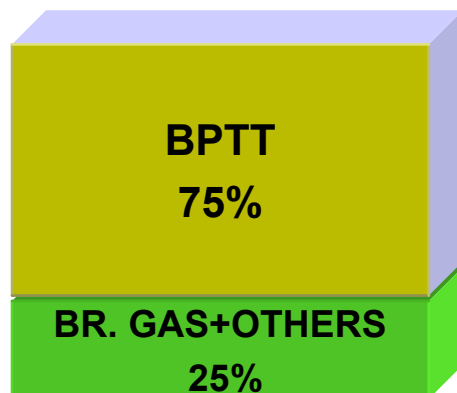
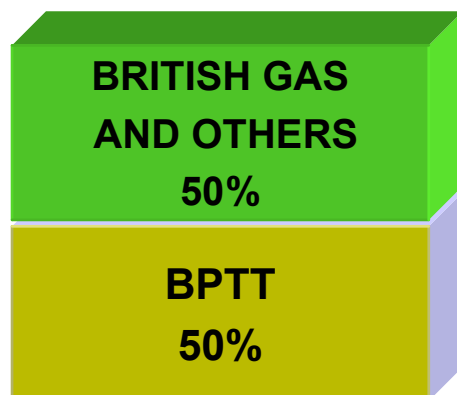
Atlantic LNG - Trains 2 and 3

Structure, Suppliers and Customers

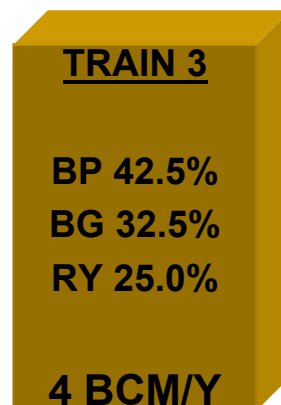
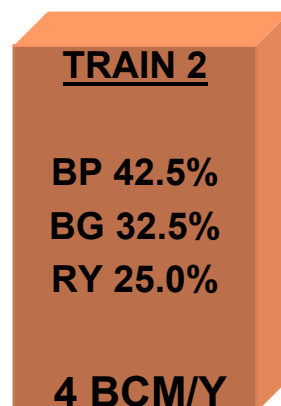
**REPSOL
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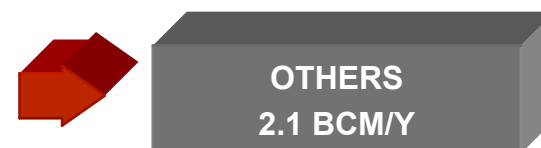
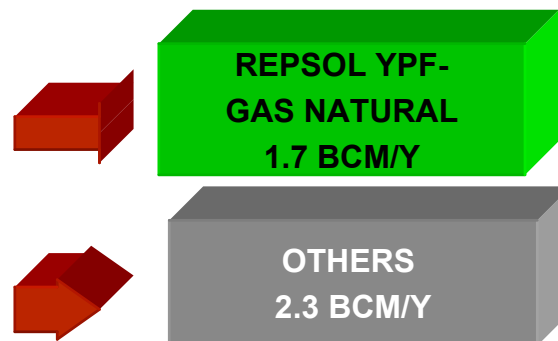
GAS SUPPLY



LIQUEFACTION



SALE OF LNG



Impact of T&T production on total Repsol

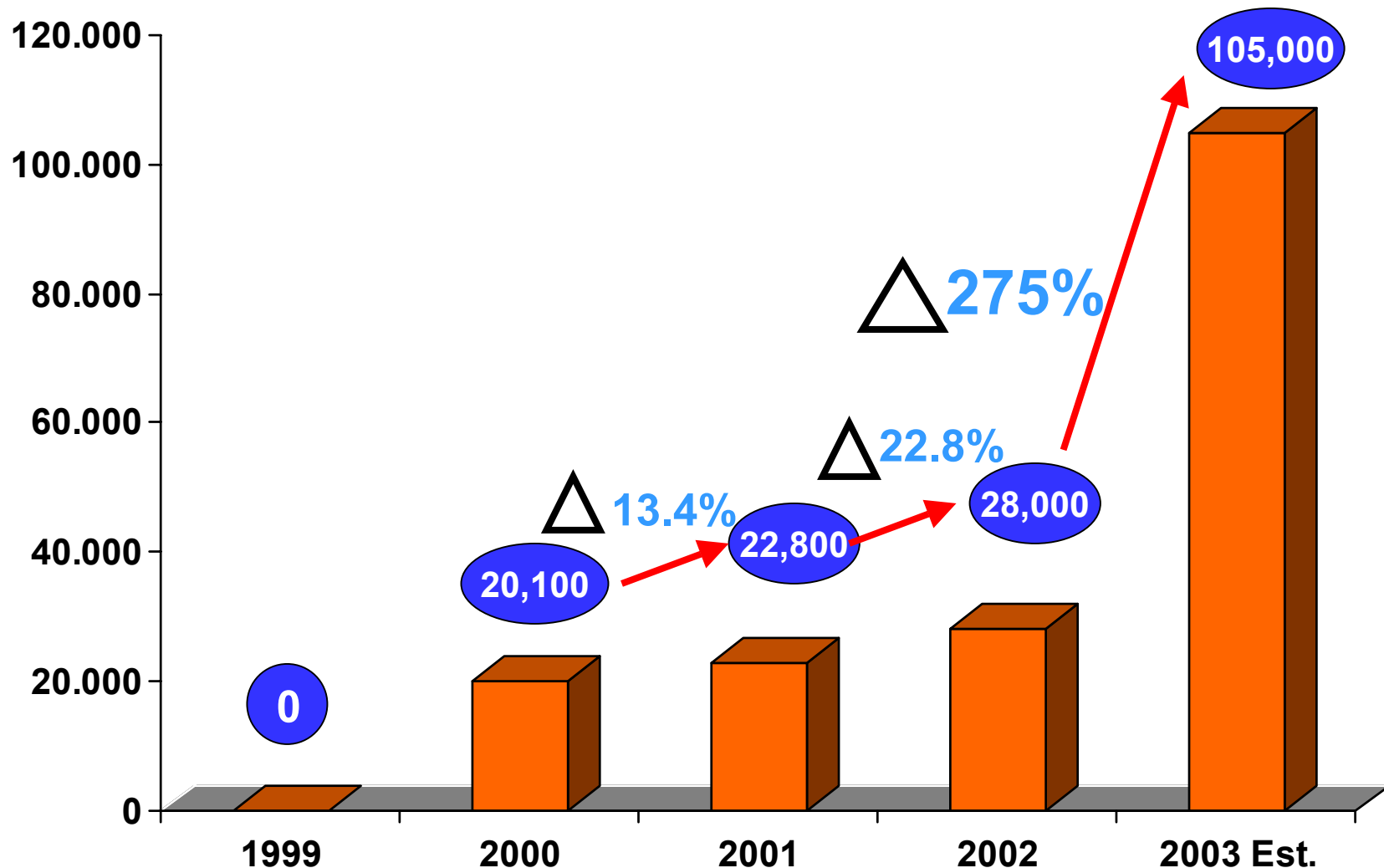
YPF production

REPSOL
YPF



boepd

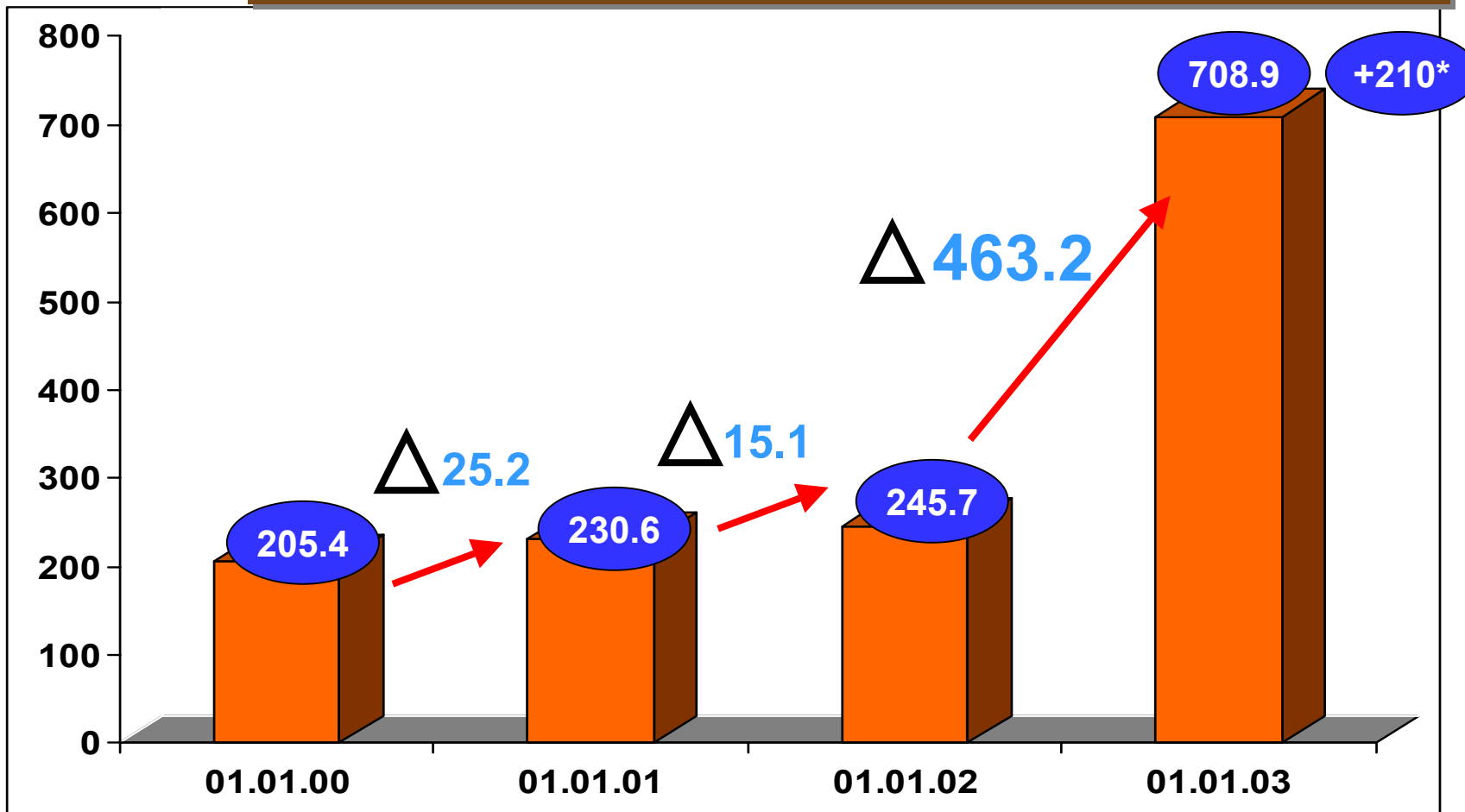
Repsol YPF net production for last 3 years
approx. 1,000,000 boepd





Million
boe

At 31.12. 2001, Repsol YPF had 5.606 million boe of proved reserves

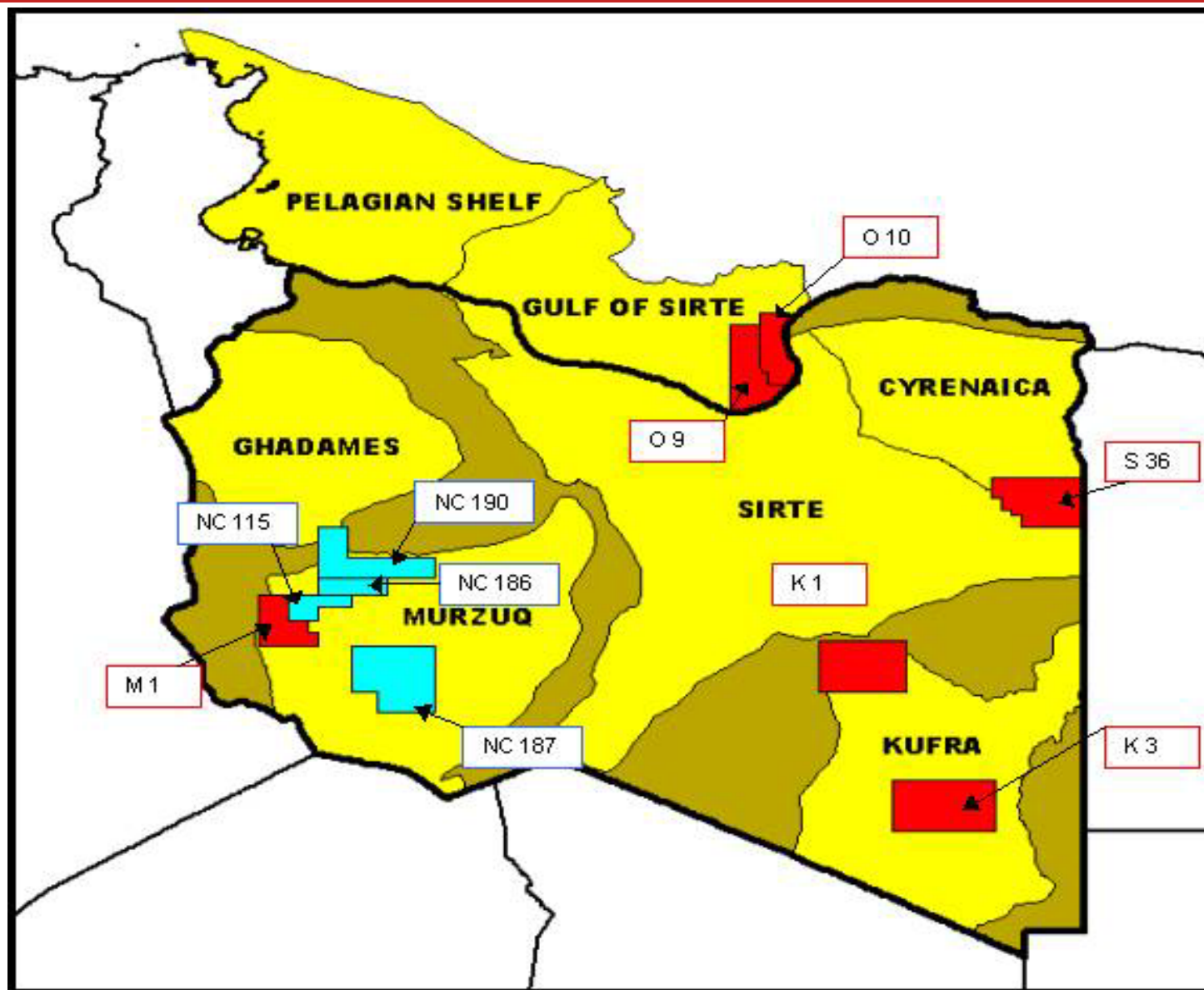


* Additional reserves will be booked upon approval of train 4.

RECENT DEVELOPMENTS

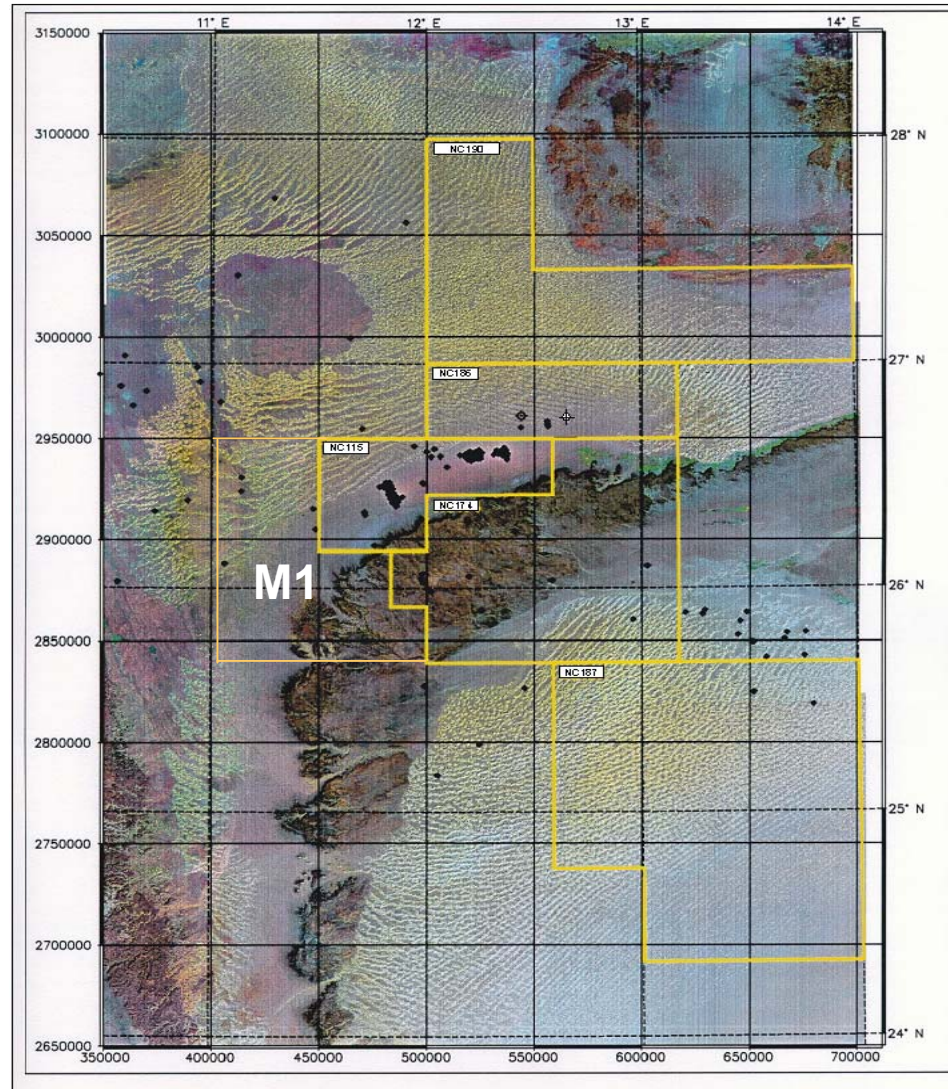
Libya

REPSOL
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■ New
Blocks

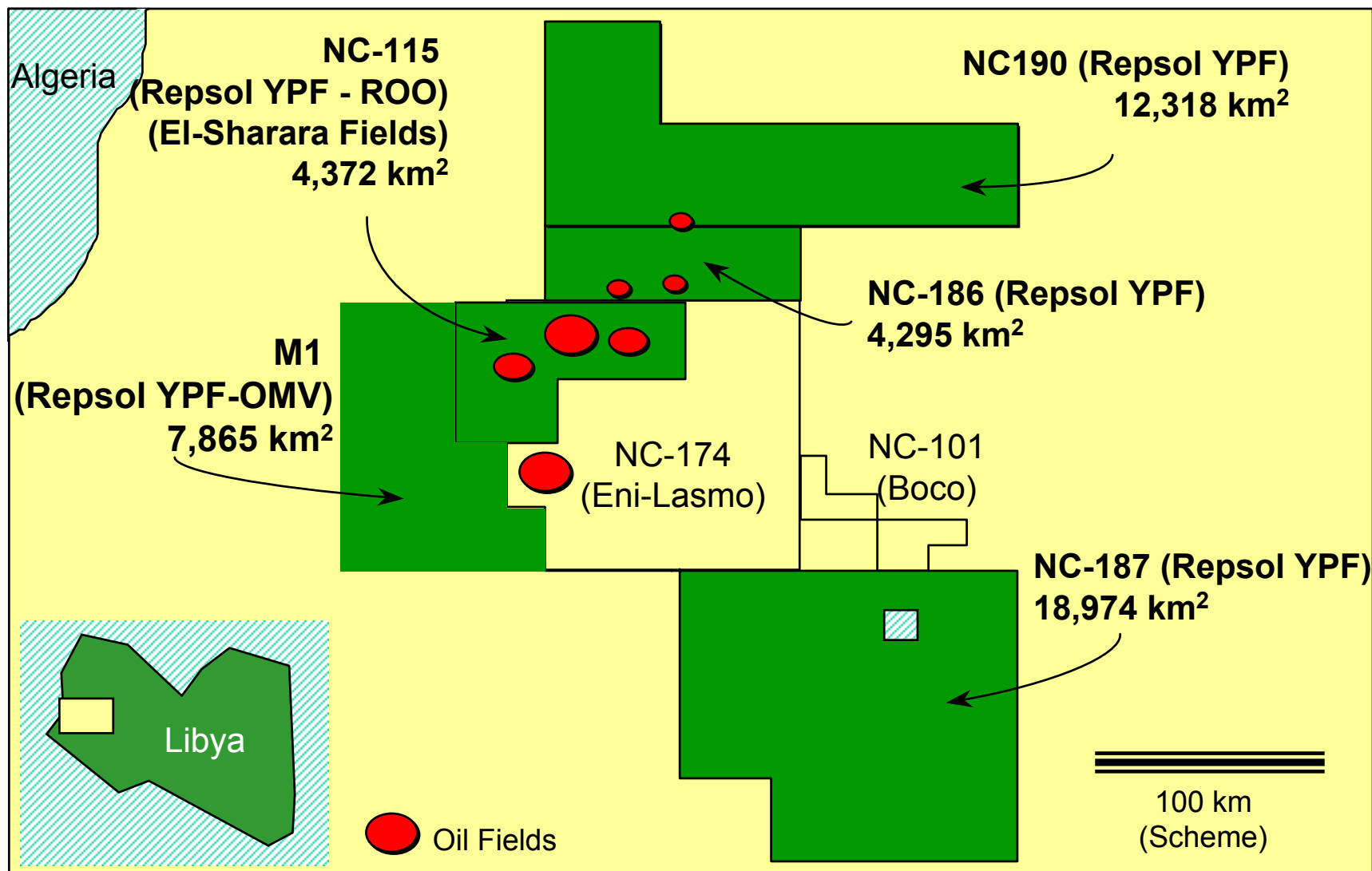
■ Previous
Blocks



RECENT DEVELOPMENTS

Libya

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- ***Production reach 200,000 BOPD in NC-115***
- ***Start up of Field A (NC 186) early 2004***
- ***Commerciality Approval for Field D (NC 186) expected***
- ***Six new exploration blocks(“Package 1”) awarded to Repdol YPF 60% (operator) and OMV 40%. M-1 block (Murzuq Basin), blocks O9 and O10 (Sirte Offshore Basin), block S36 (Sirte Basin) and blocks K1 and K3(Kufra Basin)***



CSFB OIL & GAS CONFERENCE

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June , 2003



	31 Dec 2001	31 Dec 2002	31 Mar 2003
NET DEBT	16,555	7,472	7,686
BOOK CAPITALIZATION	38,578	25,546	26,082
NET DEBT / BOOK CAPITALIZATION (%)	42.9	29.2	29.5
OPERATING CASH-FLOW	8,134	5,382 (*)	1,689
NET DEBT / OPERATING CASH-FLOW (X) (**)	2.04	1.39	1.14
NET CASH-FLOW	5,729	4,227 (*)	1,257
NET CASH-FLOW / NET DEBT (%) (**)	34.6	56.6	65.4
FINANCIAL EXPENSES	1,352	786	88
NET INTEREST EXPENSES	1,188	672	124
OPERATING CASH FLOW / NET INTEREST (X)	6.9	8.8	13.6

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

(**) On a yearly basis