

**REPSOL  
YPF**

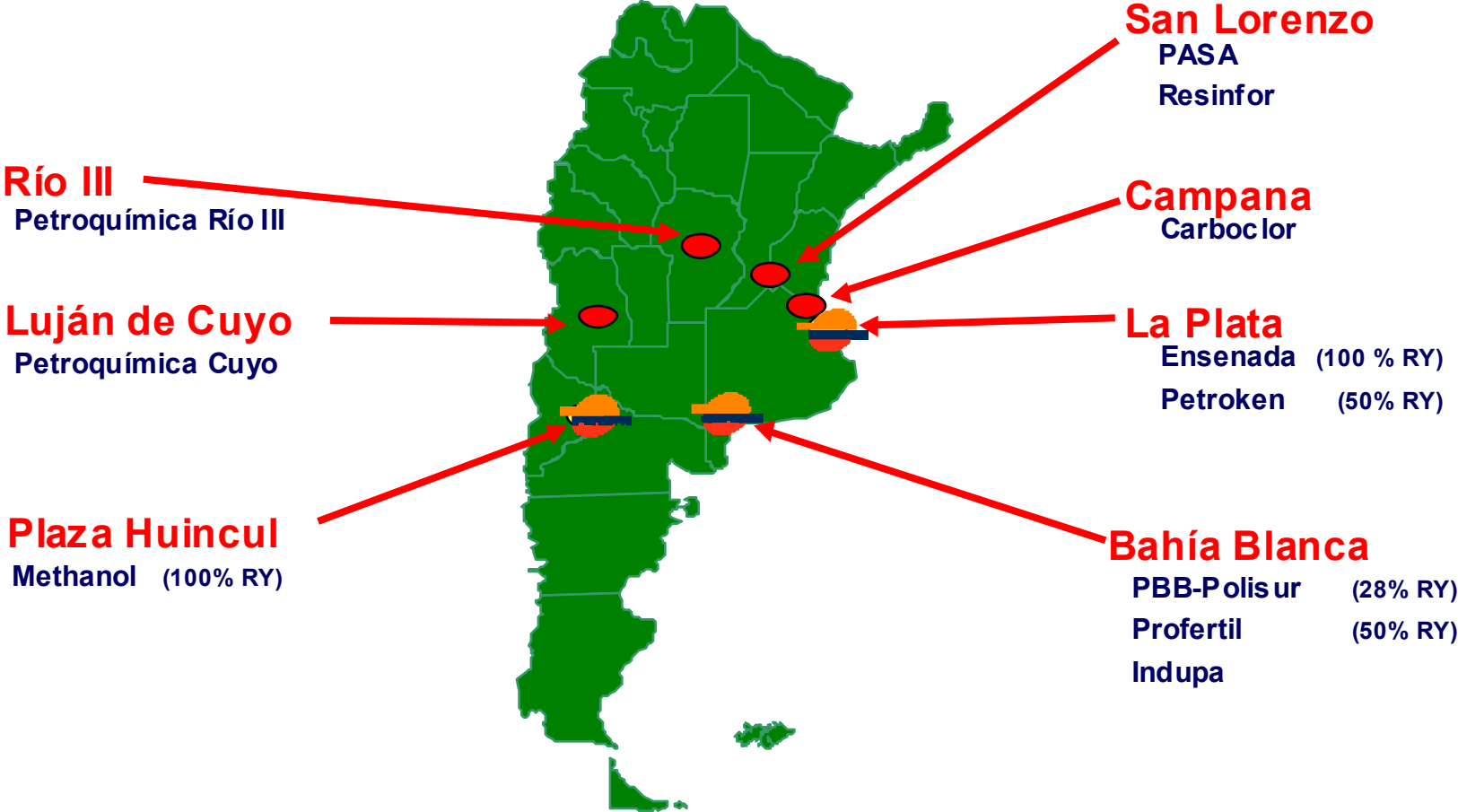


# ***Chemicals in Argentina***

***Buenos Aires, September 17<sup>th</sup>, 2003***

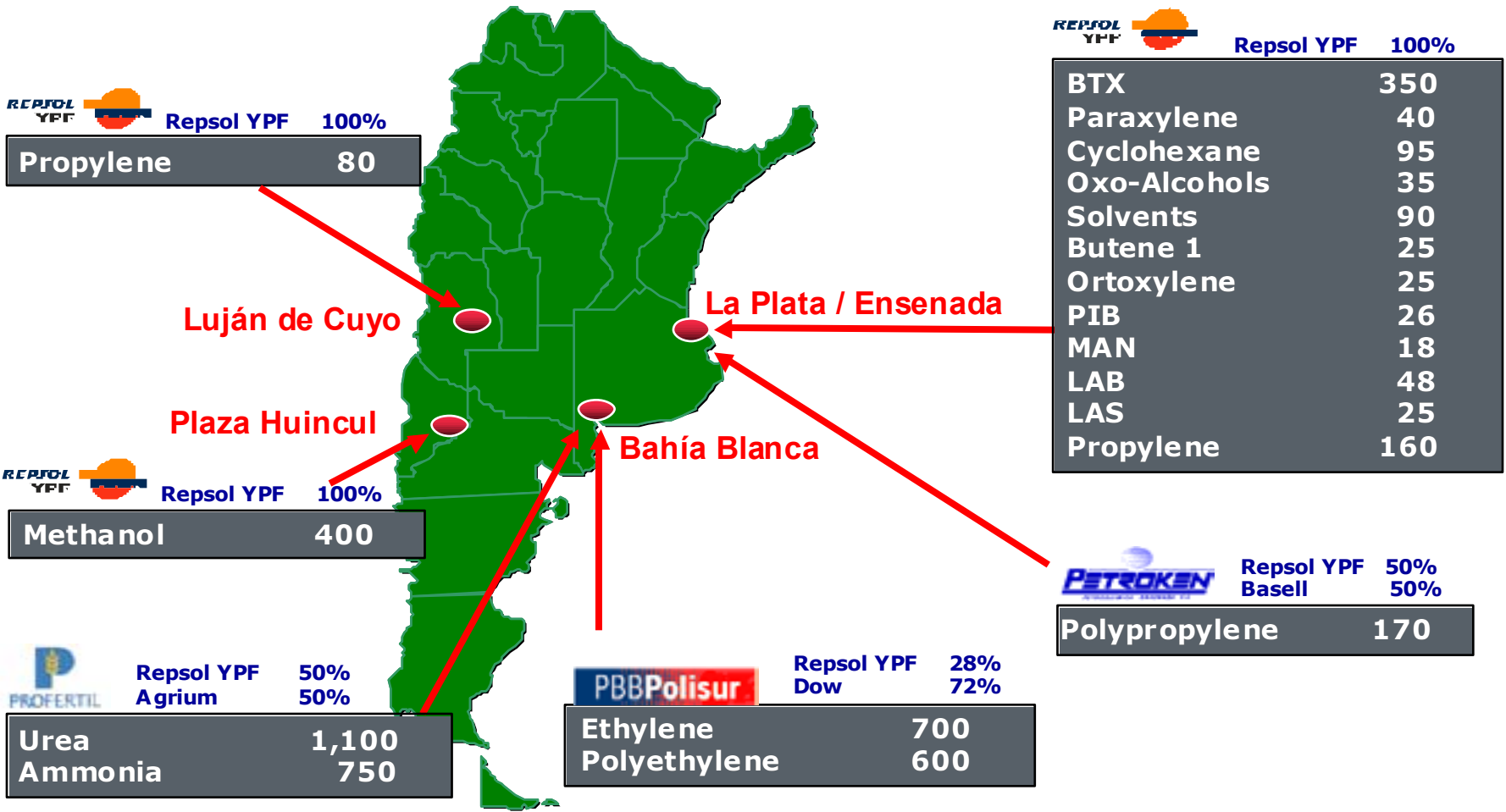
- ***Business Overview***
- ***Business Features***
- ***Conclusion***

### Chemical Sites in Argentina: Presence of Repsol YPF (RY)



# Repsol YPF Chemicals in Argentina

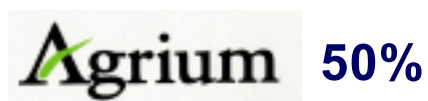
## Business Overview – Production Capacities (Kt/y)



# Repsol YPF Chemicals in Argentina

## Business Overview - Strategic Alliances

REPSOL  
YPF

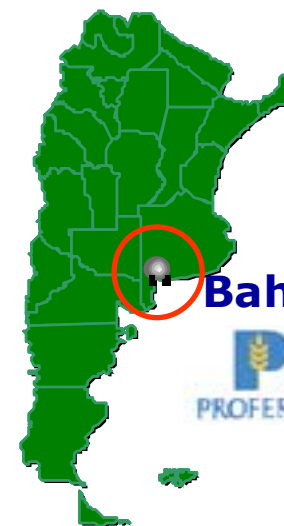


50%

REPSOL  
YPF



50%



**Bahía Blanca**



- **Products:** Urea and Ammonia
- **Raw Material:** Natural Gas (50% Repsol YPF)
- **Capacity:** 1,100,000 t/y Urea  
750,000 t/y Ammonia
- **Sales:** 140 US\$ million
- **Management:** Both shareholders jointly

# Repsol YPF Chemicals in Argentina

## Business Overview - Strategic Alliances

REPSOL  
YPF

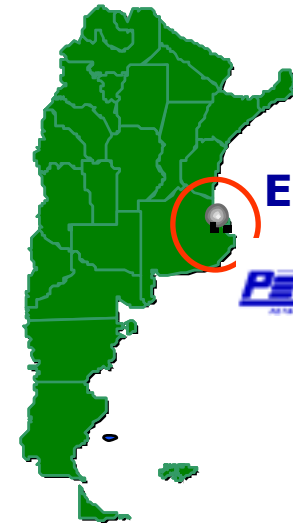


50%

REPSOL  
YPF



50%



Ensenada



- **Products:** Polypropylene Homopolymer
- **Raw Materials:** Propylene (70% Repsol YPF)
- **Capacity:** 170,000 t/y
- **Sales:** 116 US\$ million
- **Management:** Basell

# Repsol YPF Chemicals in Argentina

## Business Overview - Strategic Alliances

REPSOL  
YPF



**PBBPolisur**

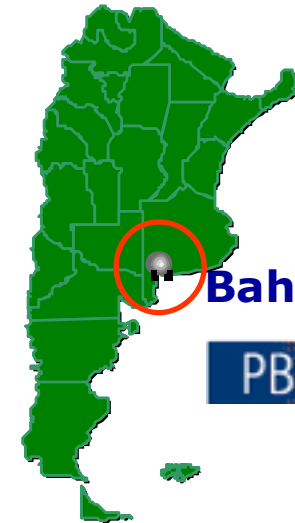


72%

REPSOL  
YPF



28%



**Bahía Blanca**

**PBBPolisur**

- **Products:** Ethylene / HDPE/LDPE/LLDPE
- **Raw Materials:** Ethane from MEGA
- **Capacity:** 700,000 t/y ethylene  
600,000 t/y polyethylene
- **Sales:** 385 US\$ million
- **Management:** Dow

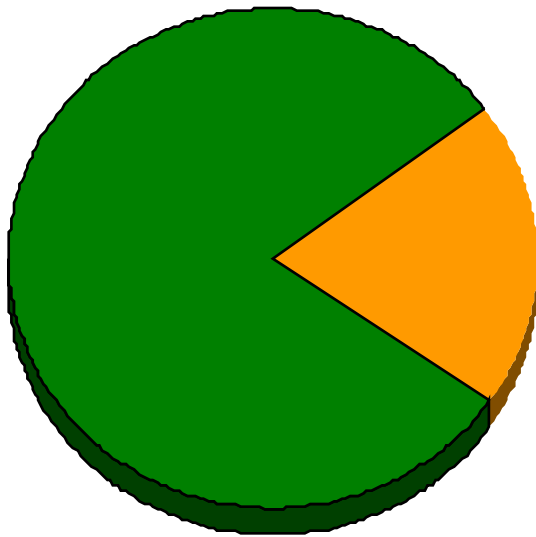
# ***Repsol YPF Chemicals in Argentina***

**REPSOL  
YPF**



***Business Overview - Contribution to Repsol YPF Chemicals Business (2002)***

## **Sales**



**Argentina  
20%**



***20% Contribution to Repsol YPF  
Chemical Business sales...***



# Repsol YPF Chemicals in Argentina

## Business Overview - Industrial Products B.U.



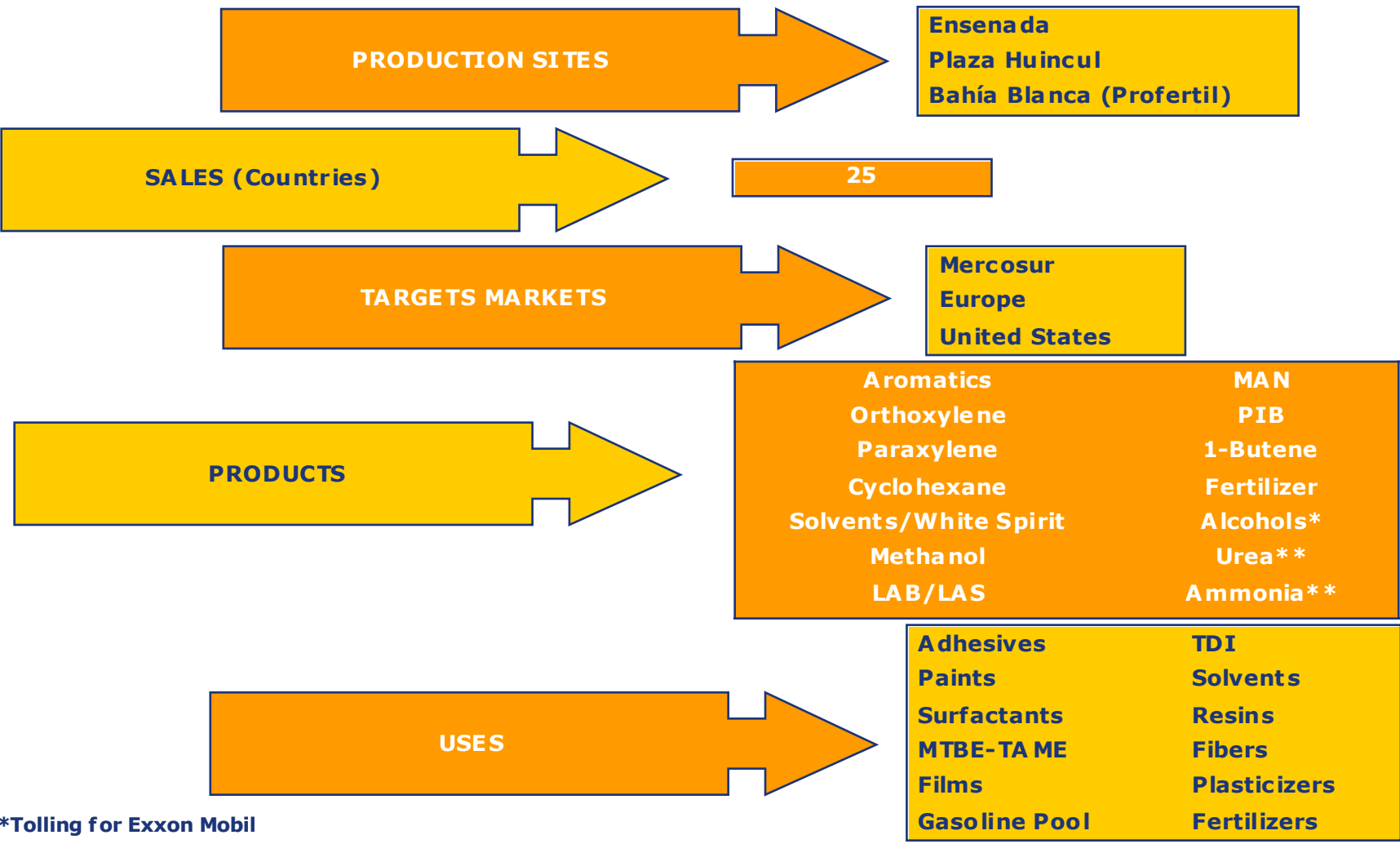
Highlights (*)		2002
Sales Volume	[Kt]	1,091
Operating Revenues	[US\$ million]	439
Operating Income	[US\$ million]	59
Operating Cash Flow	[US\$ million]	90
Employees		534

(\*) Ensenada, Methanol, YPF Fertilizantes and 50% Profertil

# Repsol YPF Chemicals in Argentina



## Business Overview – Industrial Products B.U. Activities

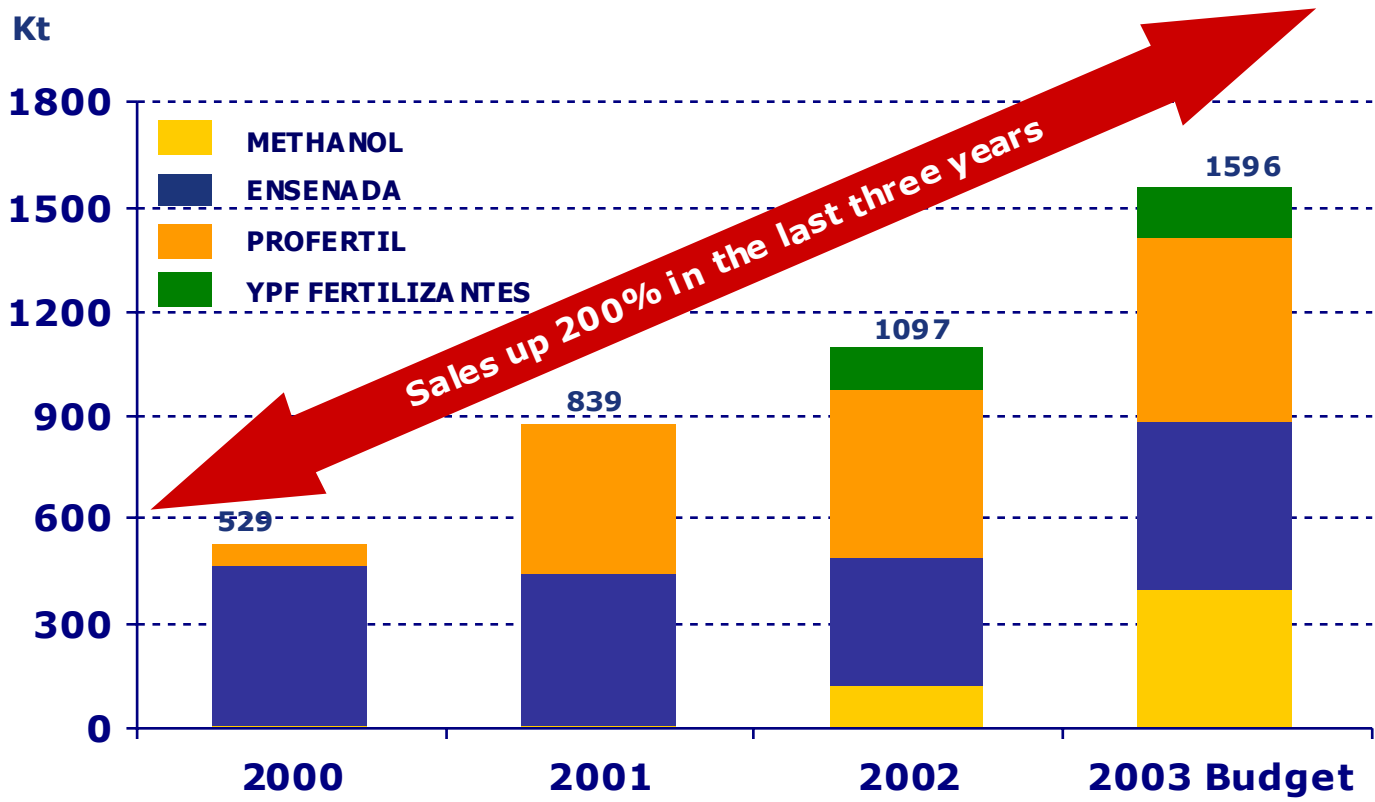


\*Tolling for Exxon Mobil  
\*\*Profertil (50% Repsol YPF – 50% AGRUIM)

# Repsol YPF Chemicals in Argentina



## Business Overview – Industrial Products B.U. Sales Growth



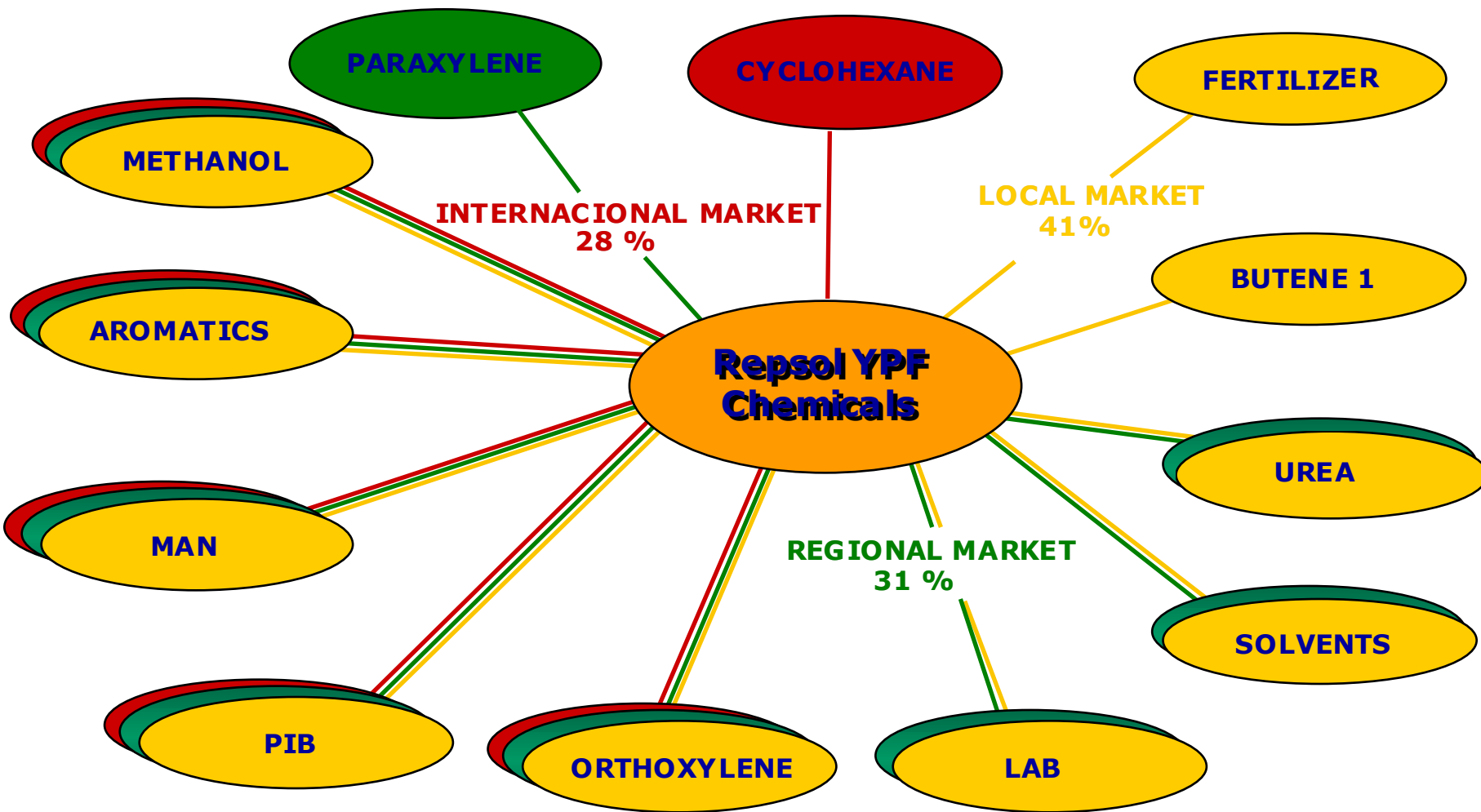
Without LPG, Alcohols, MTBE and TAME.

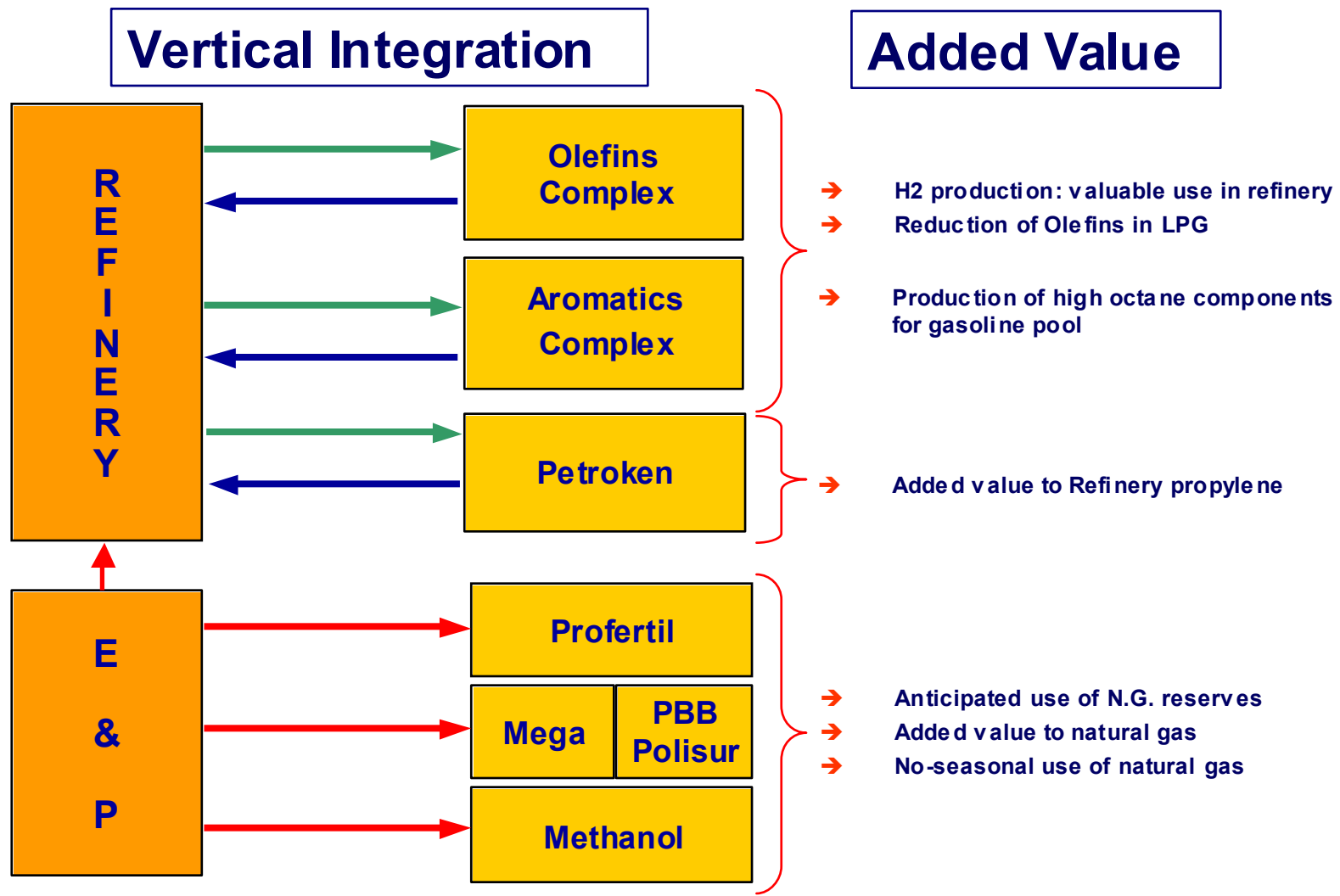
**Commodities vs Specialties**

Product	Type
LAB / LAS PIB Maleic Anhydride Solvents Oxo alcohols Butene 1	Specialties 10%
Cyclohexane Paraxylene Ortoxylene Urea Methanol BTX	Commodities 90%

# Repsol YPF Chemicals in Argentina

Business Features – Industrial Products B.U. Product Marketing







### **Savings 2001-2003**

**Unit: K€**

<b>Actual 2001</b>	<b>Actual 2002</b>	<b>Target 2003</b>
3,743	4,191	3,595

### **Main savings achieved through:**

- **Operating performance improvements.**
- **Improvements in maintenance and engineering.**
- **Service contract renegotiation.**
- **Task reallocation.**

# Repsol YPF Chemicals in Argentina

## Business Features - Product positioning



	Local Positioning	Regional Positioning	Global Positioning
Profertil (Urea)	* * *	* * *	* *
LAB/LAS	* * *	* * *	* *
Aromatics	* * *	* *	*
Methanol	* * *	* *	*
Butene 1	* * *	*	*
Solvents / White Spirit	* * *	* *	*
MAN	* * *	* *	*
PIB	* *	* *	*
Oxo - Alcohols	* *	*	*



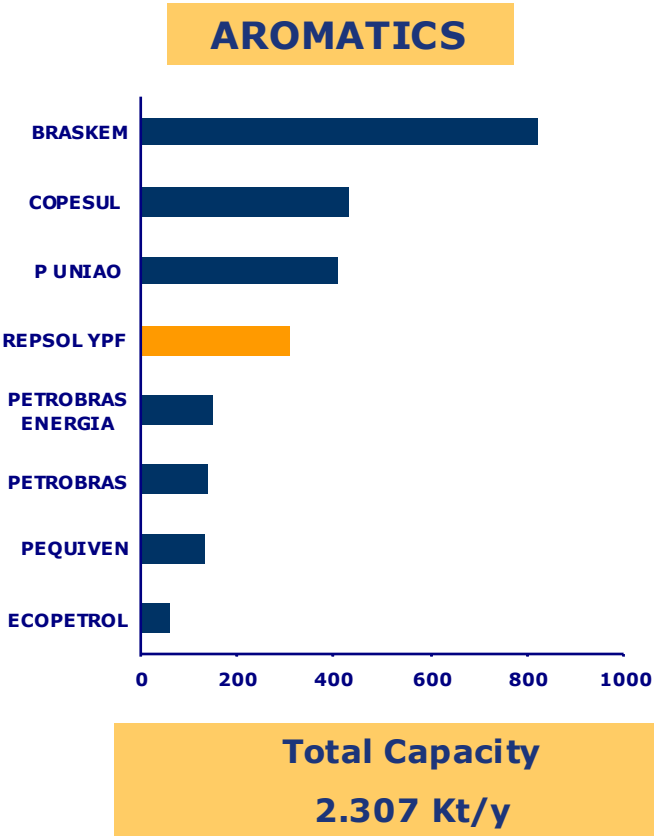
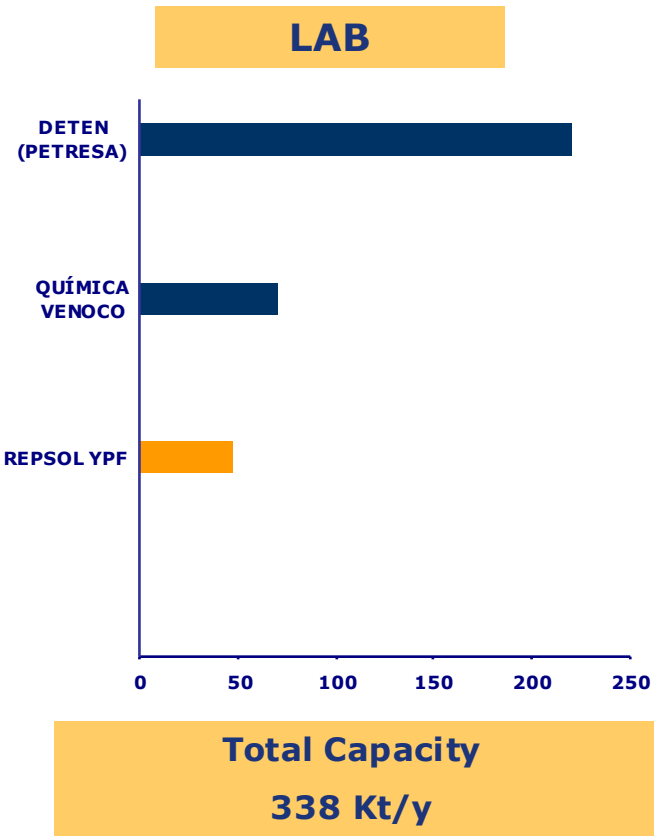
# Repsol YPF Chemicals in Argentina

## Business Positioning at Regional level



### South America

(Kt/y 2002)



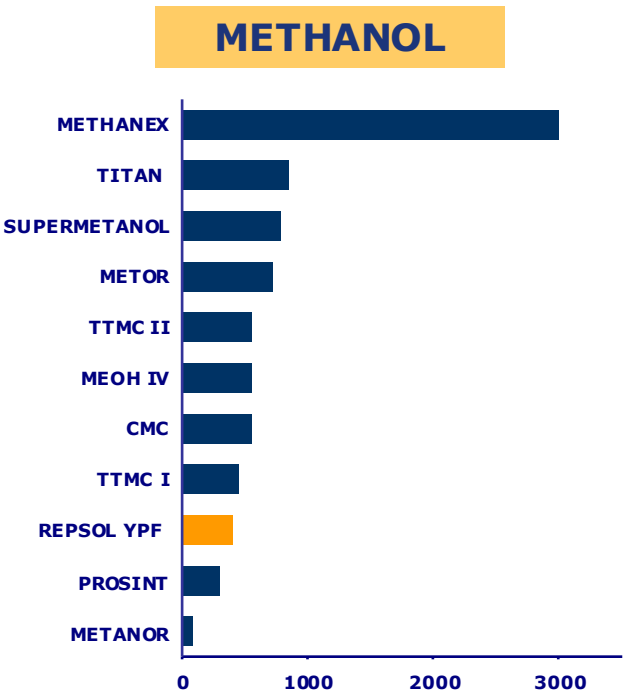
# Repsol YPF Chemicals in Argentina

## Business Positioning at Regional level

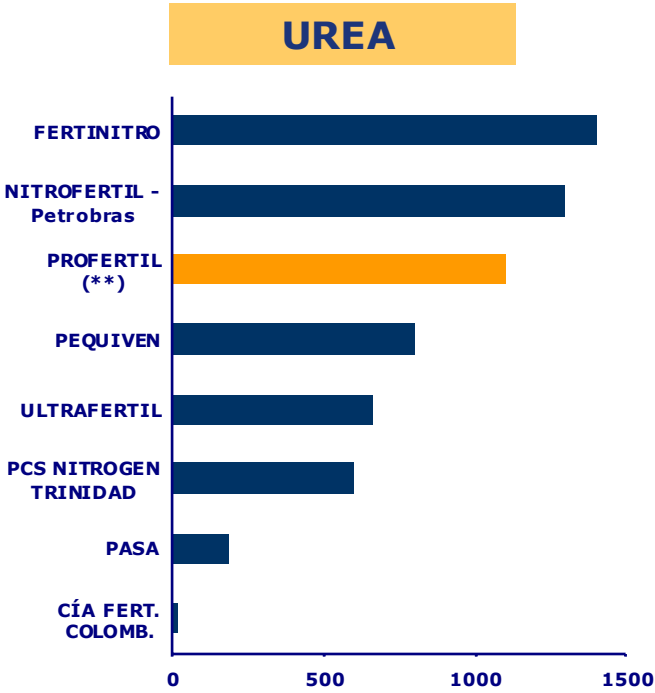


### South America

(Kt/y 2002)



**Total Capacity (\*)**  
**8.306 Kt/y**



**Total Capacity(\*)**  
**6.052 Kt/y**

(\*) T rinidad and Tobago plants included  
(\*\*) 50% Repsol YPF - 50% Agrium

## ***Urea***

- **Vertical integration with E & P (natural gas).**
- **Added value and early consumption of natural gas.**
- **Partnership with Agrium, the world's leader in fertilizers.**
- **World-scale plant / Low costs / Competitiveness.**
- **Strong and growing position in domestic market.**
- **Good geographic and logistic position for target markets.**
- **First quartile position in world urea producers margins.**

## **LAB - LAS**

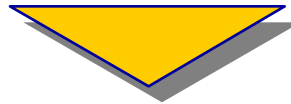
- **Vertical integration with Refinery (Kerosene and Sulfur).**
- **High and stable margins.**
- **Sole LAB and biggest LAS domestic producer.**
- **Low production cost.**
- **Strong positioning in both domestic and regional markets.**

## ***Methanol***

- **Vertical integration with E & P (natural gas).**
- **Added value and early consumption of natural gas.**
- **Low production costs.**
- **Strong position in the domestic market.**



### ***Profitability throughout the petrochemical business cycle***



- **Strong integration with E & P and Refineries.**
- **Excellence in operations, cost leadership**
- **Focused on domestic and regional markets.**
- **Product portfolio based on commodities. Selective growth in products with competitive advantages.**