



# *Marketing Europe*

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November 18th, 2005

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***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 statements with respect to trends affecting Repsol YPF's financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, as well as Repsol YPF's plans with respect to capital expenditures, cost savings, investments and dividend payout policies. 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.***
















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***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.***

# Marketing Europe: Businesses & countries



## Marketing Business

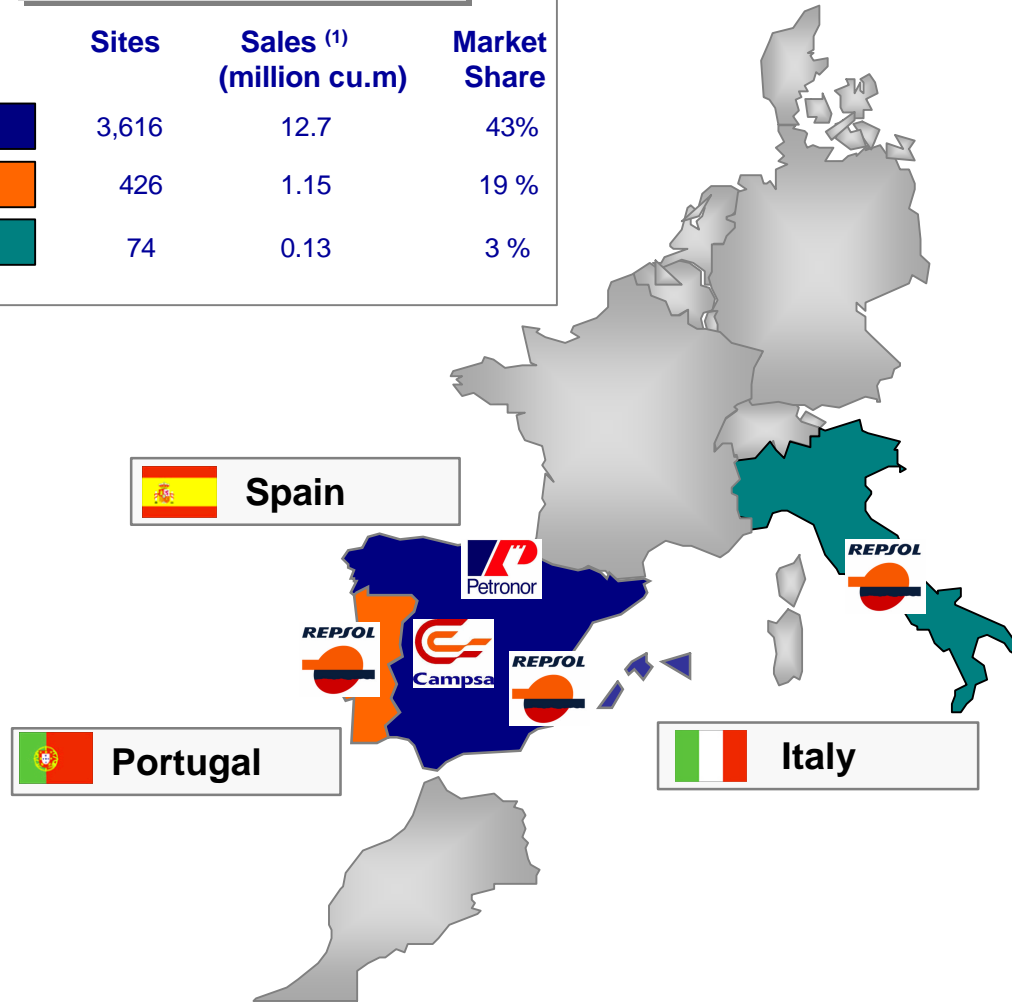
|   | <br>Service stations | <br>Wholesales | <br>Lube oils & Specialties | <br>Aviation |
|---|---|---|--|---|
| <b>EUROPE &amp; AFRICA</b>  |   |   |  |   |
|  Spain       | ●   | ●   | ●  | ●   |
|  Portugal    | ●   | ●   | ●  | ●   |
|  Italy       | ●   | ●   | ●  |   |
|  Germany     |   |   | ●  |   |
|  France      |   |   | ●  |   |
|  Morocco   |   |   | ●  |   |
| <b>LATIN AMERICA</b>  |   |   |  |   |
|  Argentina |   |   |  | ●   |
|  Brazil    |   |   |  | ●   |
|  Chile     |   |   |  | ●   |
|  Ecuador   |   |   |  | ●   |
|  Peru      |   |   |  | ●   |

# Marketing Europe: Key figures



## Retail network <sup>(1)</sup>

|  | Sites | Sales <sup>(1)</sup><br>(million cu.m) | Market Share |
|--|-------|--|--------------|
|  | 3,616 | 12.7                                   | 43%          |
|  | 426   | 1.15                                   | 19%          |
|  | 74    | 0.13                                   | 3%           |

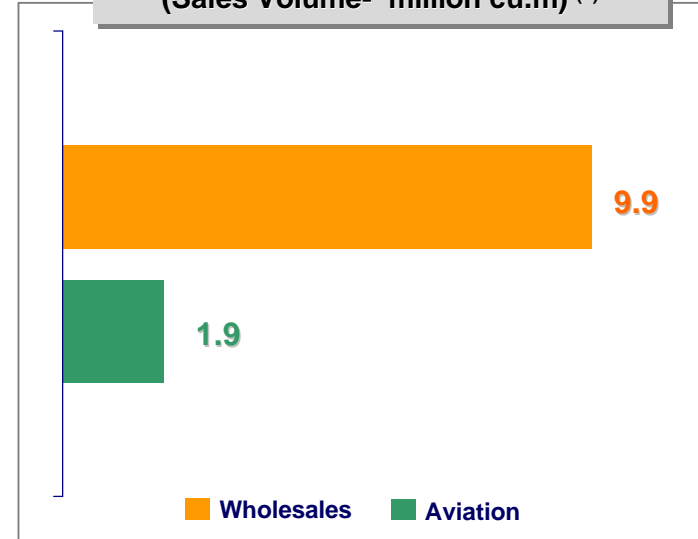


Spain

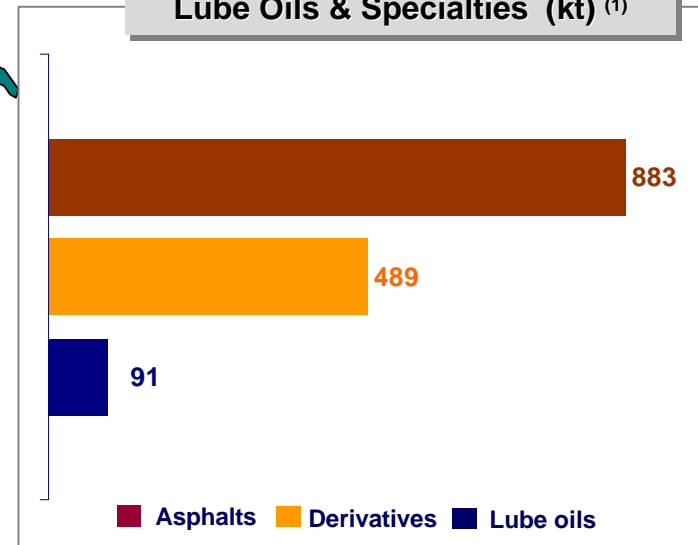
Portugal

Italy

## Wholesales & Aviation <sup>(1)</sup> (Sales Volume- million cu.m)

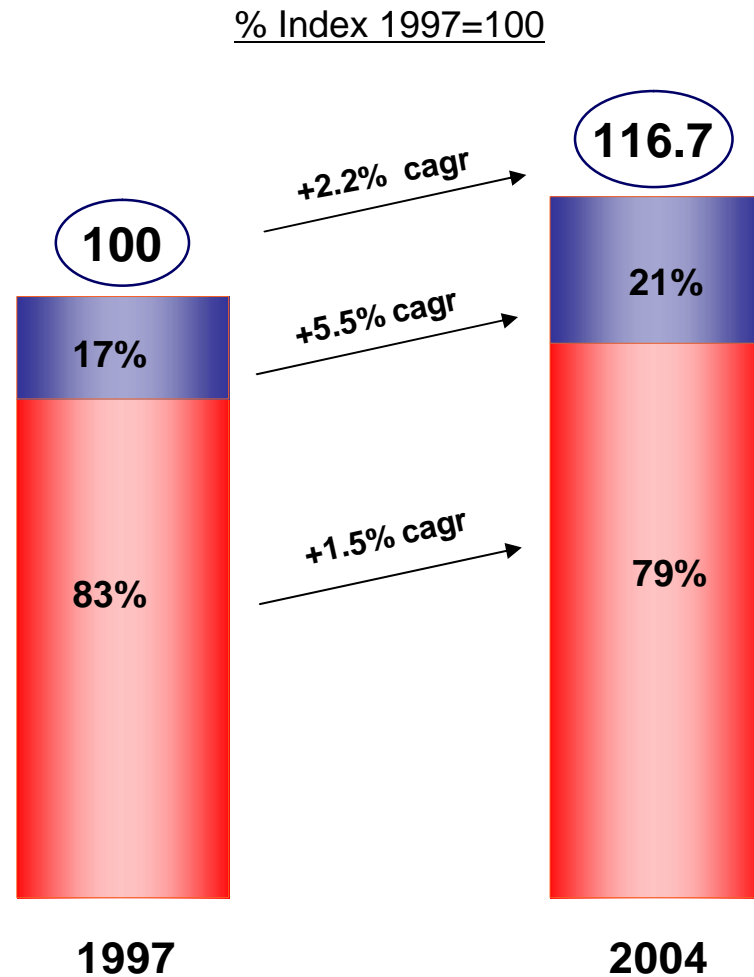


## Lube Oils & Specialties <sup>(1)</sup> (kt)



(1) Year 2004. Italy 2005(E)

# Rise in sales of oil products in Spain



 Own network

 Other Sales to Domestic Market

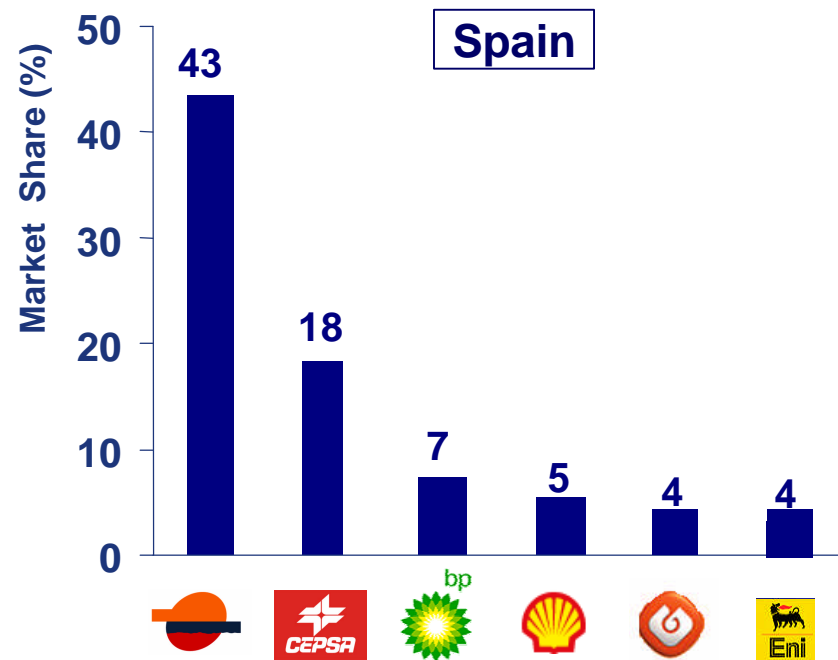
## **Solid, competitive and stable position in a growing Iberian Market:**

- Excellent retail network with leading throughputs
- Strong development of non-oil business
- Leading cards and loyalty programs
- High level of control over the retail network, resulting in optimal productivity

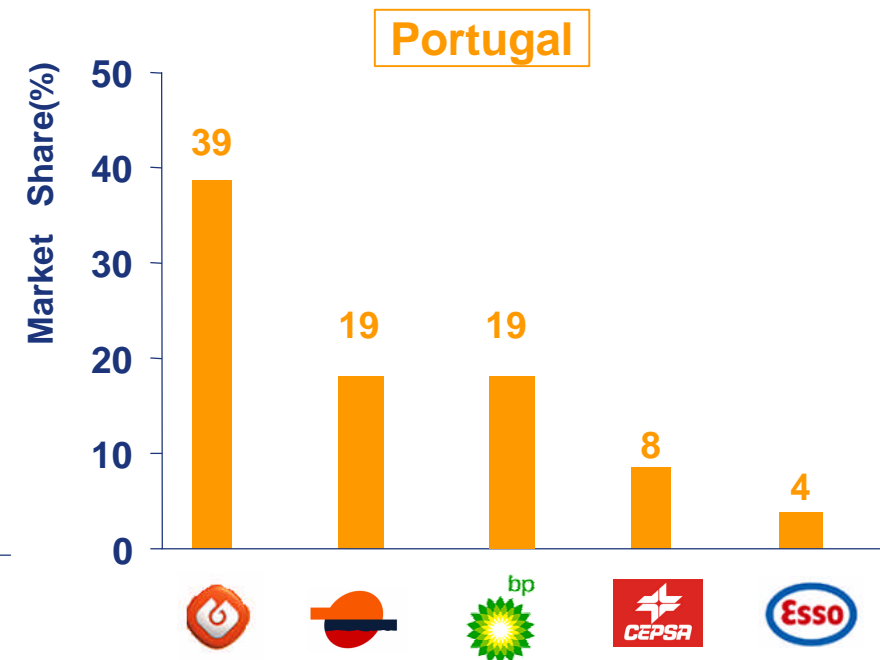
# Excellent retail position in Iberia



- Presence in few markets, but with significant market shares, and higher throughput per outlet than peers



Source: PFC Energy's DMS-Europe 2005.

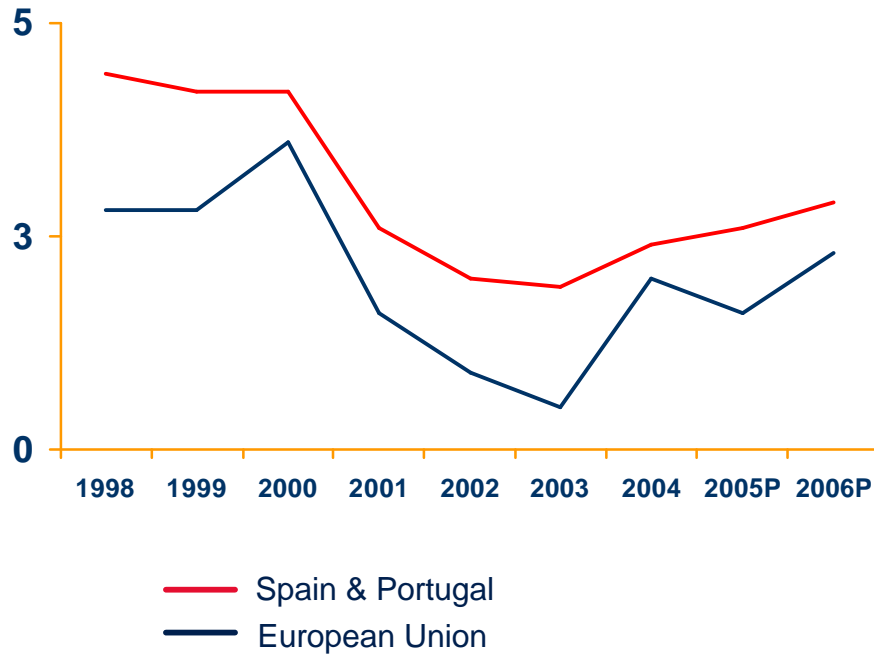


Source: PFC. 2005

# Growth of the Iberian market



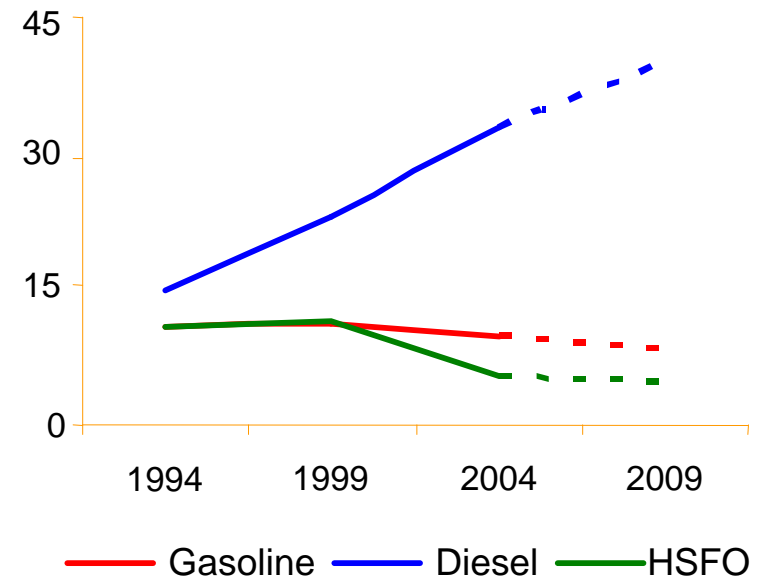
### GDP growth (%) <sup>(1)</sup>



Source: IMF. WEO April 2005

(1) Gross domestic product, constant prices, annual percentage change

### Oil Product Demand – Iberia (Mt)



Source: PFC Energy



# Marketing Europe: Leading among the majors



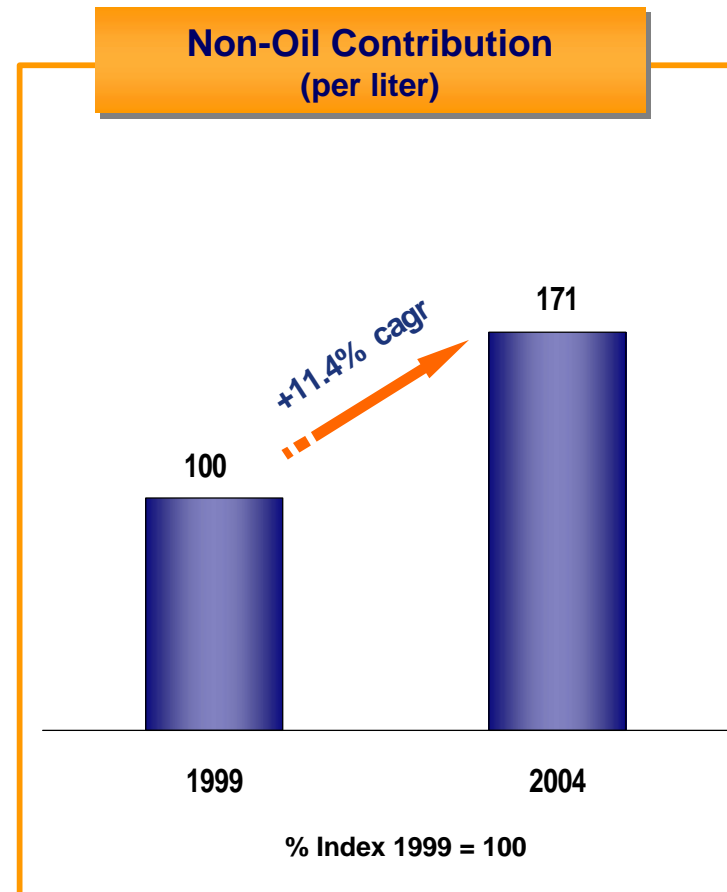
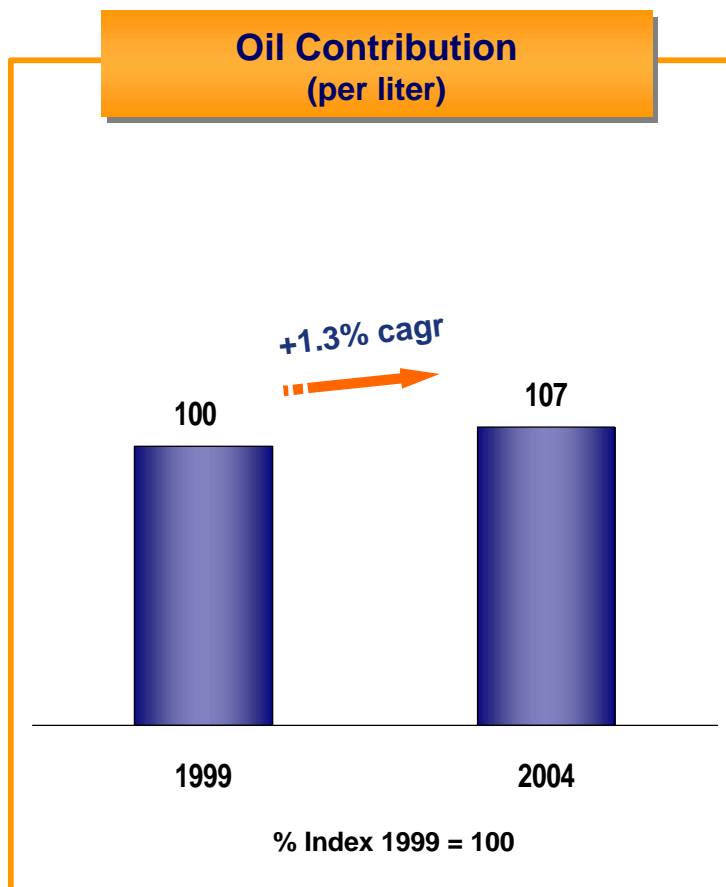
|  | Number of outlets | % Outlet Share | Motor fuel sales volume (million cu. m) | % of Market share Volume | Effectiveness (*) |
|--|-------------------|----------------|---|--------------------------|-------------------|
|  | 7,315             | 9.4            | 20.2                                    | 11.4                     | 1.2               |
|  | 7,259             | 9.4            | 21.9                                    | 12.3                     | 1.3               |
|  | 6,674             | 8.6            | 23.4                                    | 13.2                     | 1.5               |
|  | 5,624             | 7.3            | 12.6                                    | 7.1                      | 1.0               |
|  | 6,609             | 8.5            | 16.3                                    | 9.2                      | 1.1               |
|  | <b>4,116</b>      | <b>5.3</b>     | <b>13.9</b>                             | <b>7.7</b>               | <b>1.4</b>        |
|  | 3,411             | 4.4            | 5.6                                     | 3.2                      | 0.7               |

(\*) Effectiveness: % market share volume divided by Outlet market share

Source: Catalyst . 2004. Company sources and own data.

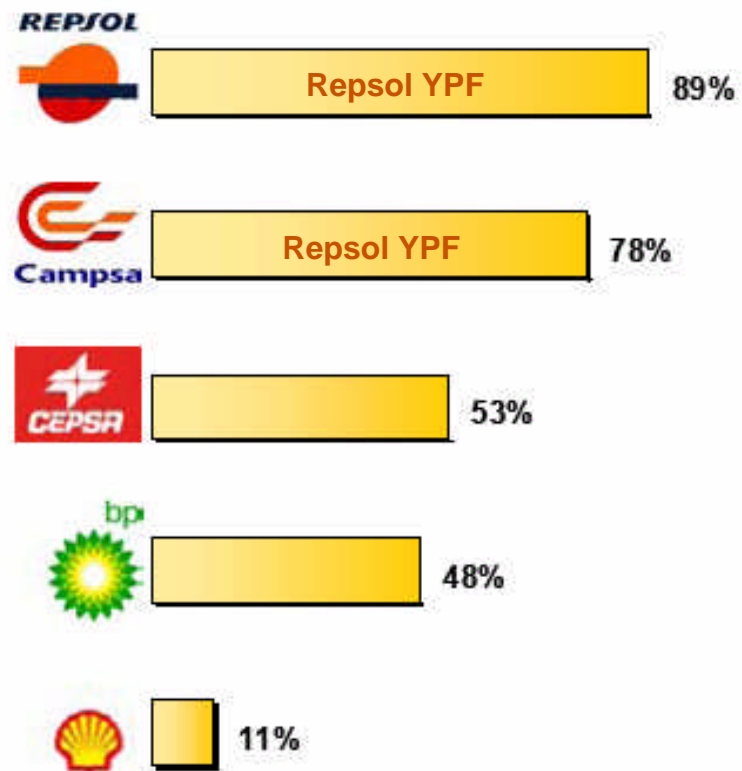
Countries included: Austria, Belgium, France, Germany, Italy, Luxembourg, Netherlands, Portugal, Ireland, Spain, Switzerland and U K

# Non-oil in company operated network



# Strong brand preference

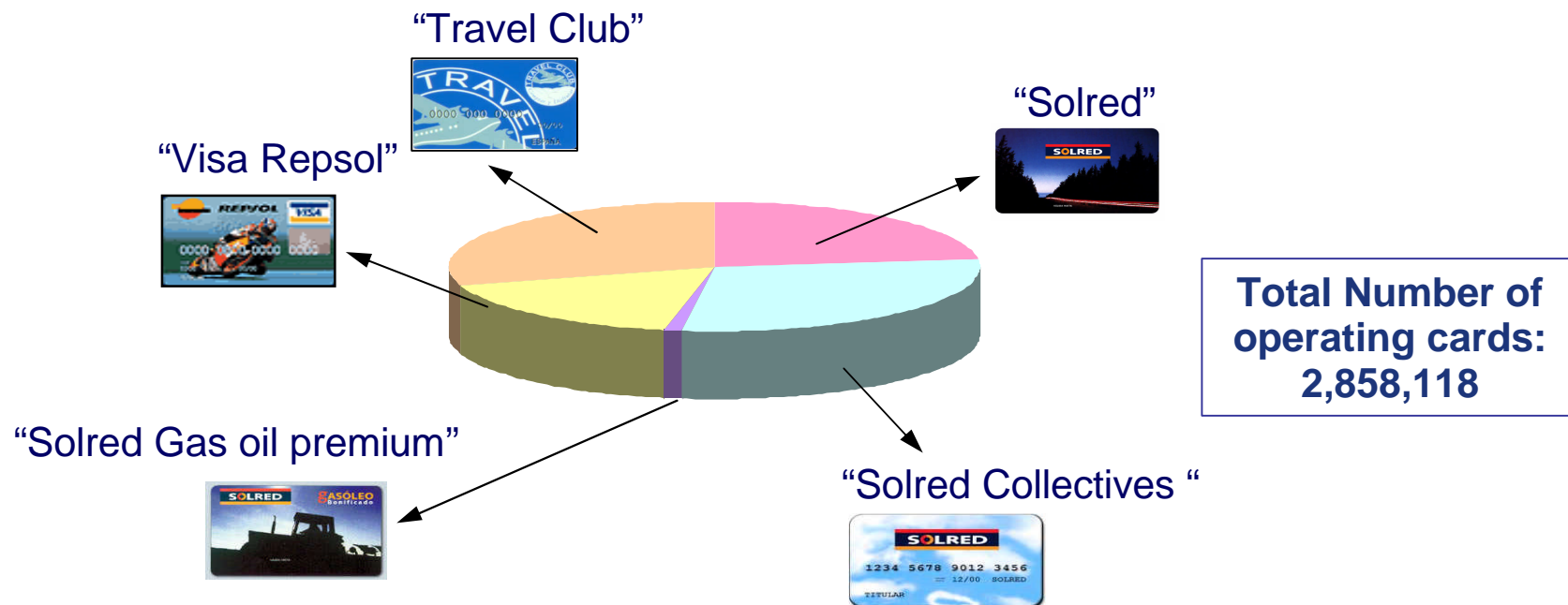
## Spain – 'Total mentions'



Source: Millward Brown

# Leverage of strong loyalty schemes

## Loyalty Schemes: Cards in Spain (December 2004)



- More than one-third of fuel sold through loyalty programs
- 50% of diesel oil volume sold with cards

# Expanding the retail offer in Spain



Joint-venture 50/50

- New way of operating a site and the shop



To expand sales through co-branding

- 4 million El Corte Inglés cardholders
- Accepted at all Repsol-YPF sites

Differentiated products

**Diesel 10<sup>e+</sup>** (\*)

To provide a differentiated fuel

- New additive package
- Better engine performance
- Reduced emissions
- 50 and 10 ppm Sulfur

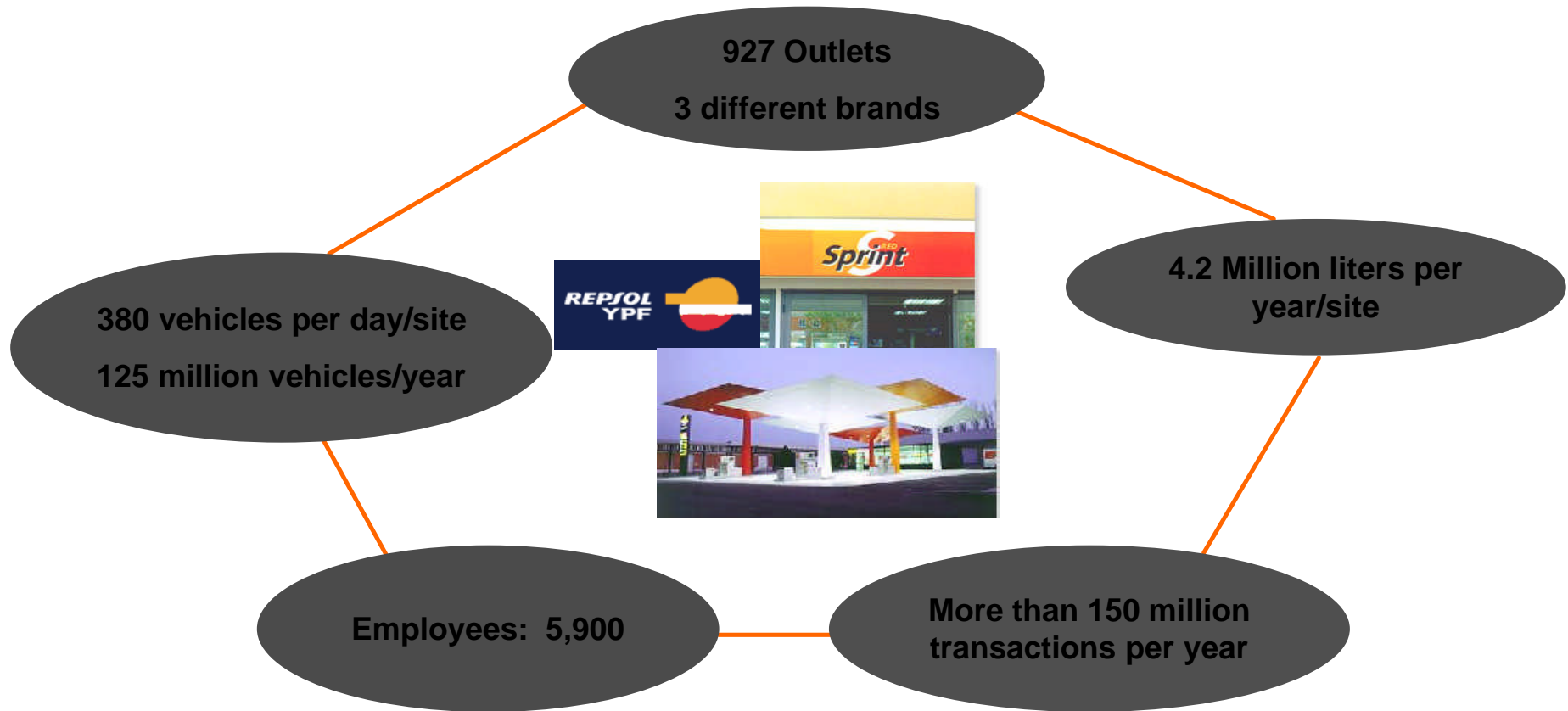


To provide a full range of services

- Travel assistance
- In partnership with AON and MMA
- Insurance
- Travel agency

(\*) will represent 5.5% of total Diesel volume by 2006(estimated)

# Company operated network. Key figures



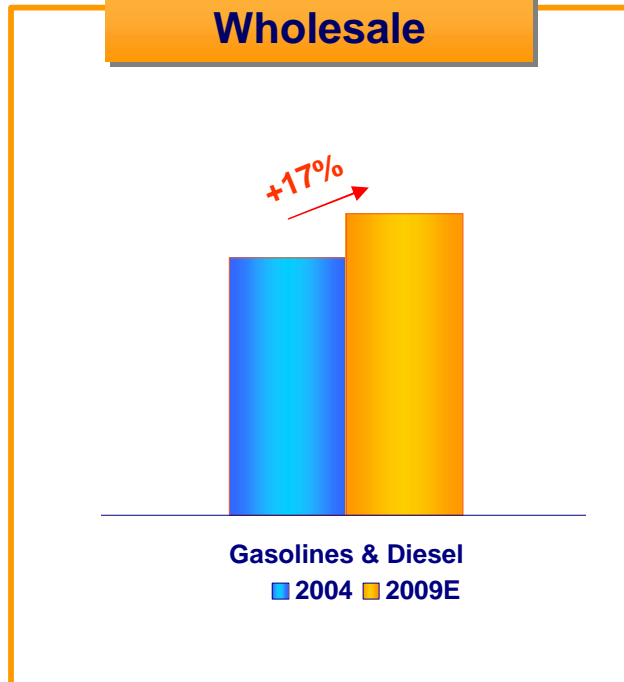
## Strategy Headlines

- Consolidation of our position in Spain
- Growth in Portugal and Italy
- Improved efficiency & cost optimization
- Non-oil business growth
- Investment program: 1,000 million €

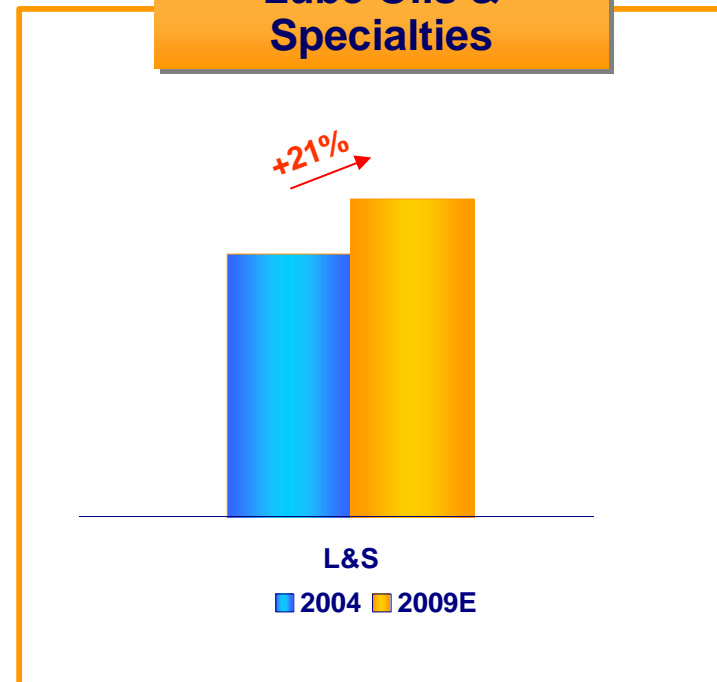
# Strategic targets (I)

## Sales by volume

### Retail network & Wholesale

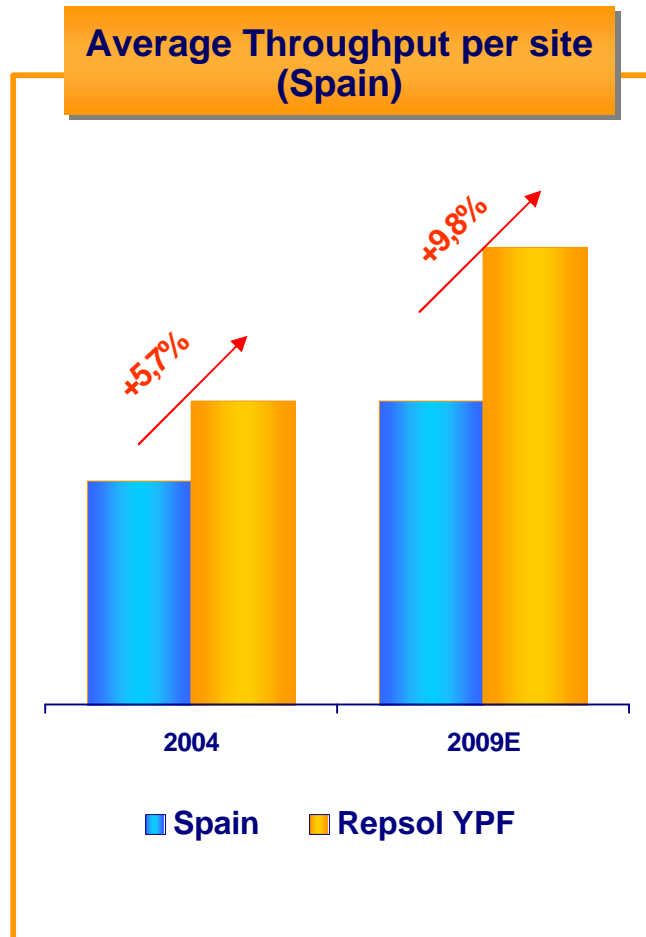


### Lube Oils & Specialties





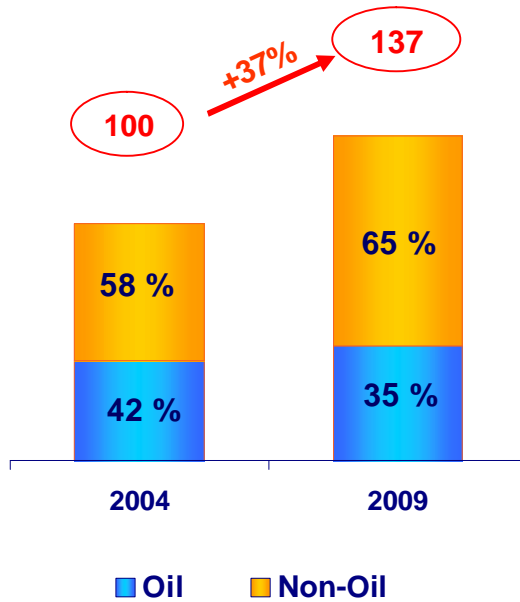
# Strategic targets(II)



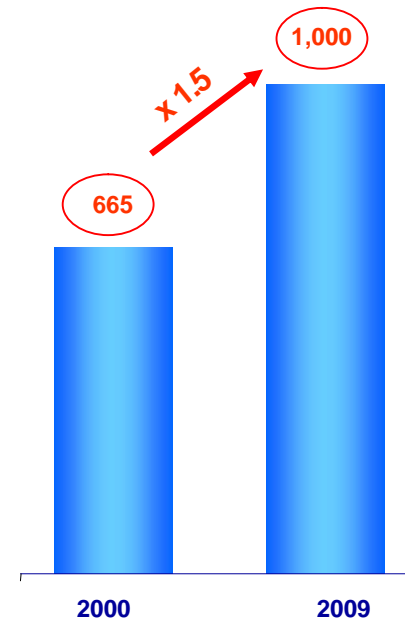
# Strategic targets (III)

Company operated network  
Operating Revenues  
(Spain)

% Index 2004 = 100



Company operated network  
Number of C-stores  
(Spain)



# Non-oil business development



**C-stores: new  
concepts in shop,  
food and services**

