



4th QUARTER & FULL YEAR 2003 PRELIMINARY RESULTS

**WEBCAST-CONFERENCE CALL
10.00 H CET**

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.

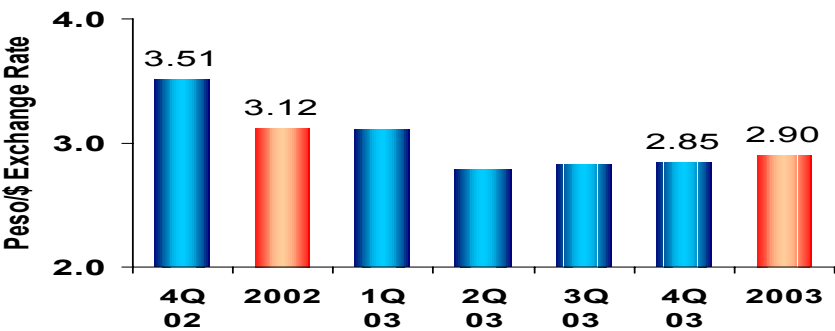
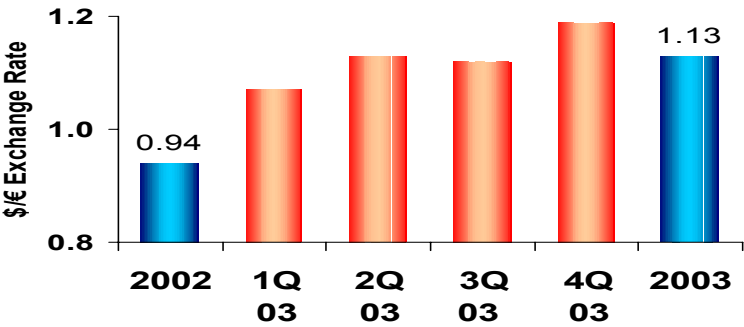
Repsol YPF's future financial condition, results of operations, business, strategy, production volumes, reserves, capital expenditures and investments could differ materially from those expressed or implied in any such forward-looking statements. Such factors include, but are not limited to, currency 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, 2002 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.



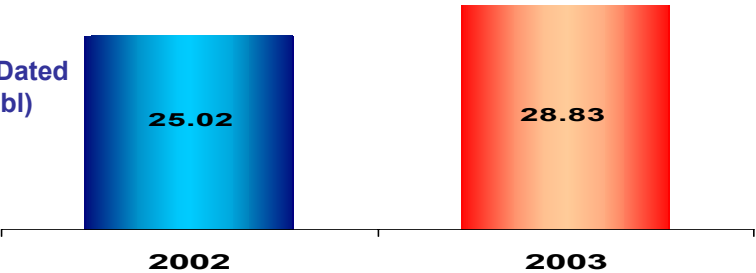
2003 HIGHLIGHTS

Alfonso Cortina
Chairman & CEO

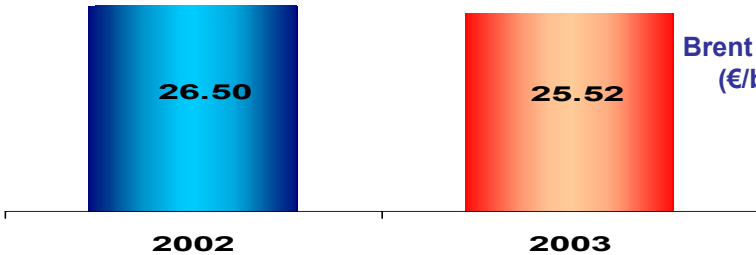


US dollar weakness and strengthens of peso

Brent Dated (\$/bbl)

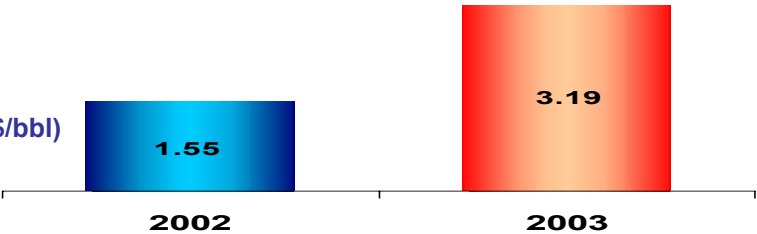


Brent Dated (€/bbl)

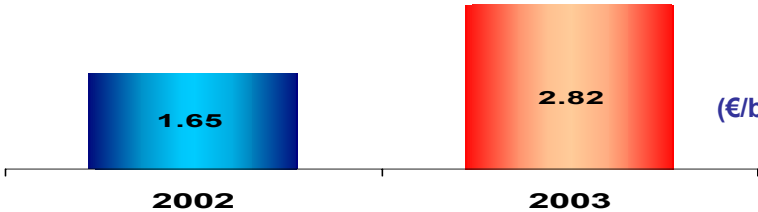


Increasing nominal oil prices, but decreasing in euros

(\$/bbl)



(€/bbl)



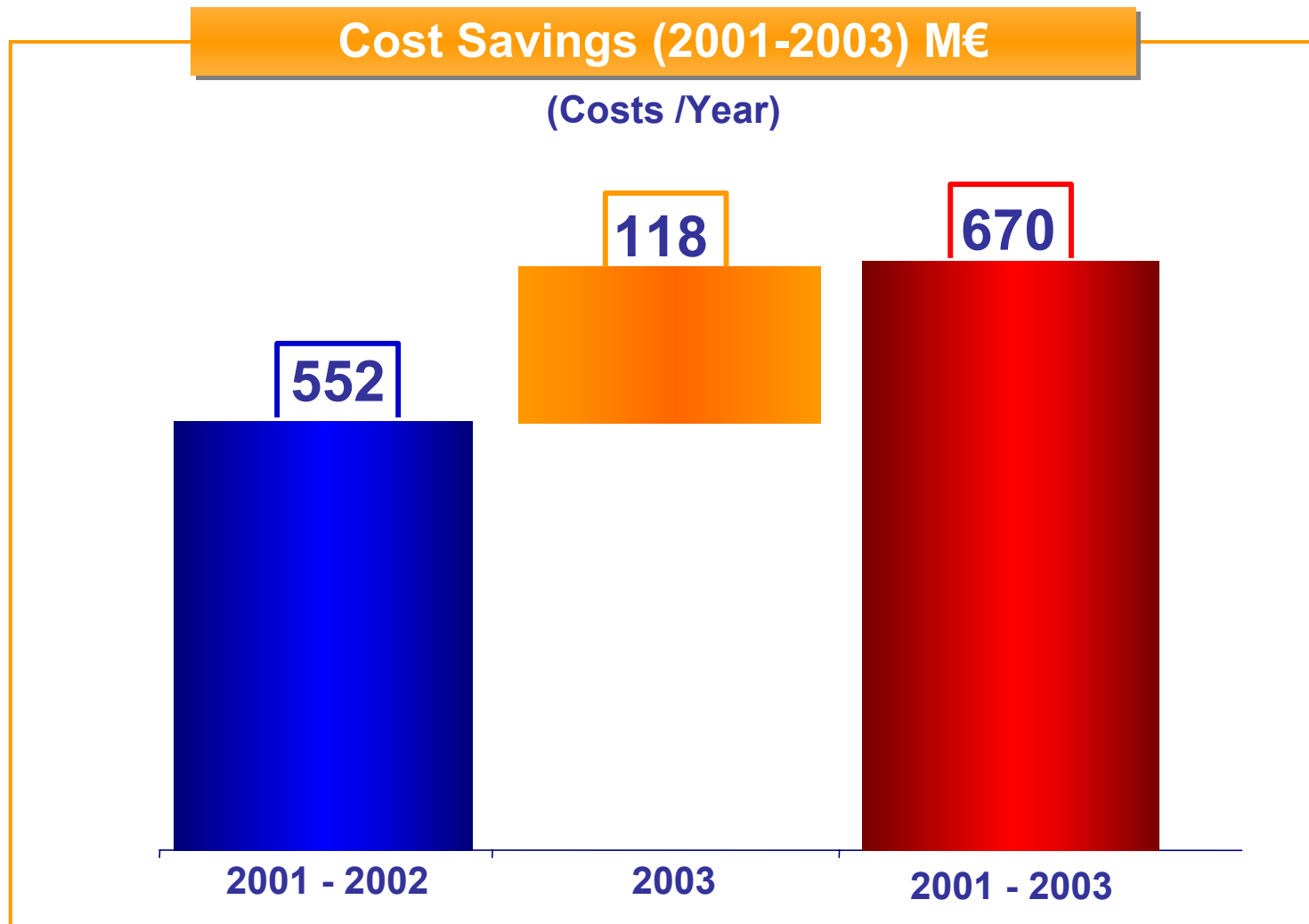
Recovering refining margins, but less in euros

- ✓ *Production growth at double digit in 4th quarter*
- ✓ *Improvement in Refining and Marketing*
- ✓ *Volume growth in petrochemical and natural gas*
- ✓ *Capital discipline*

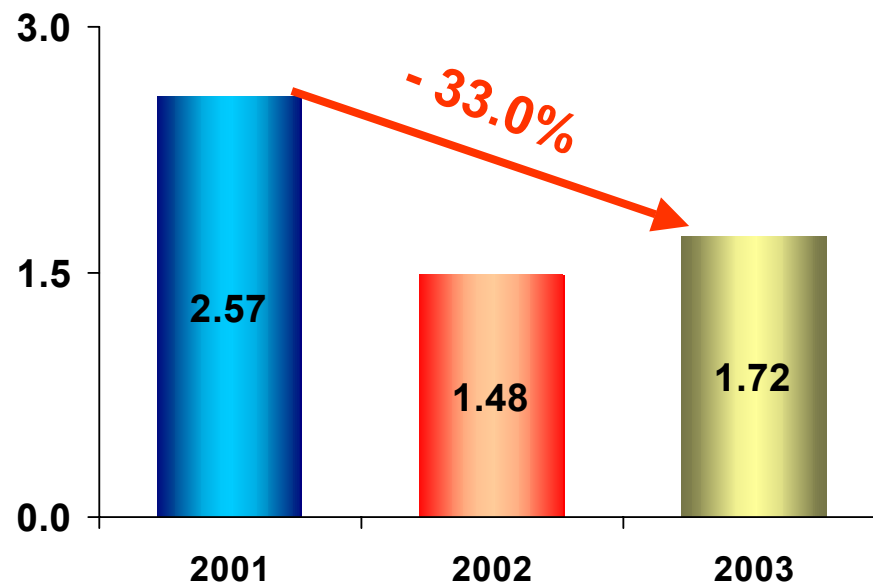
- *Net income above 2 billion euros*
- *Net cash flow of €4,477 million euro*
- *13.2% production growth year on year*
- *Net debt reduced by 2,425 million euro*



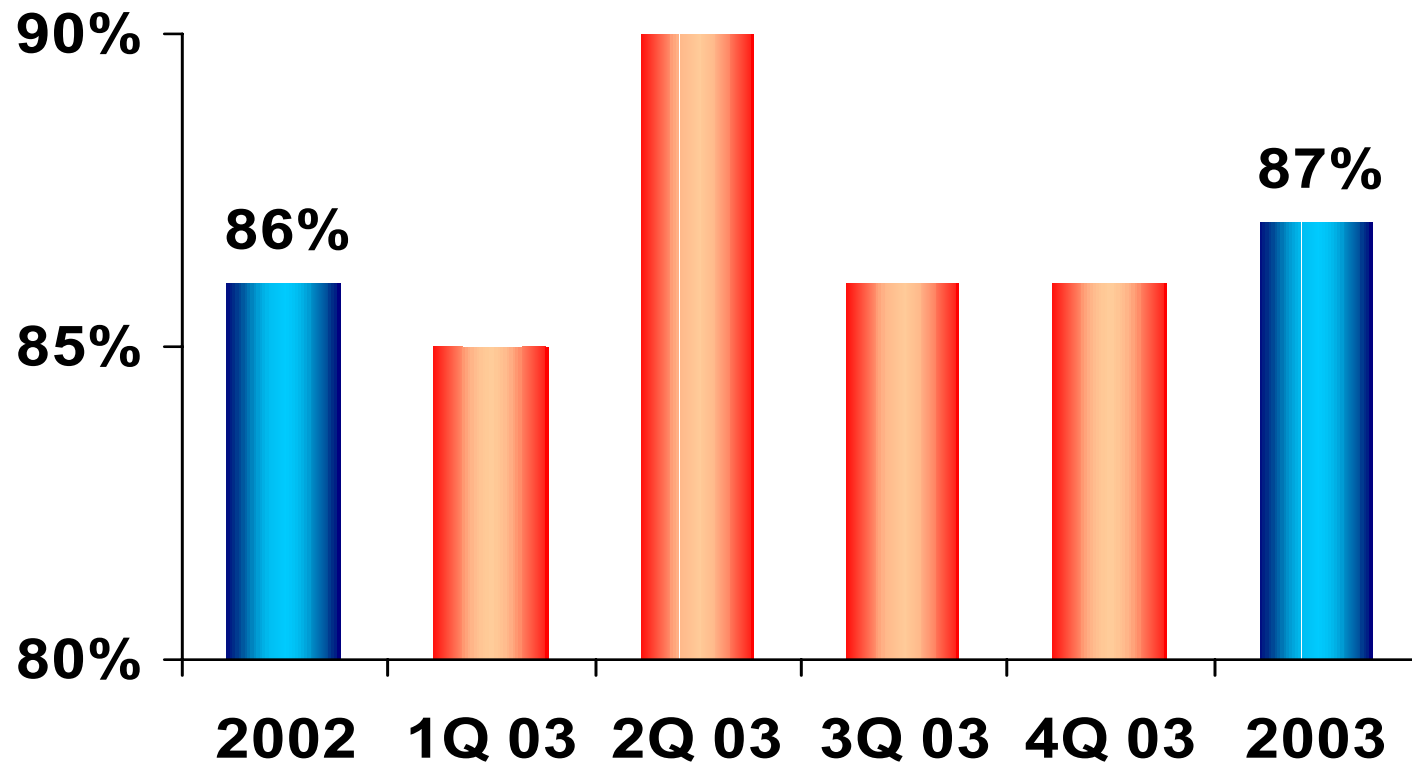
STRATEGY

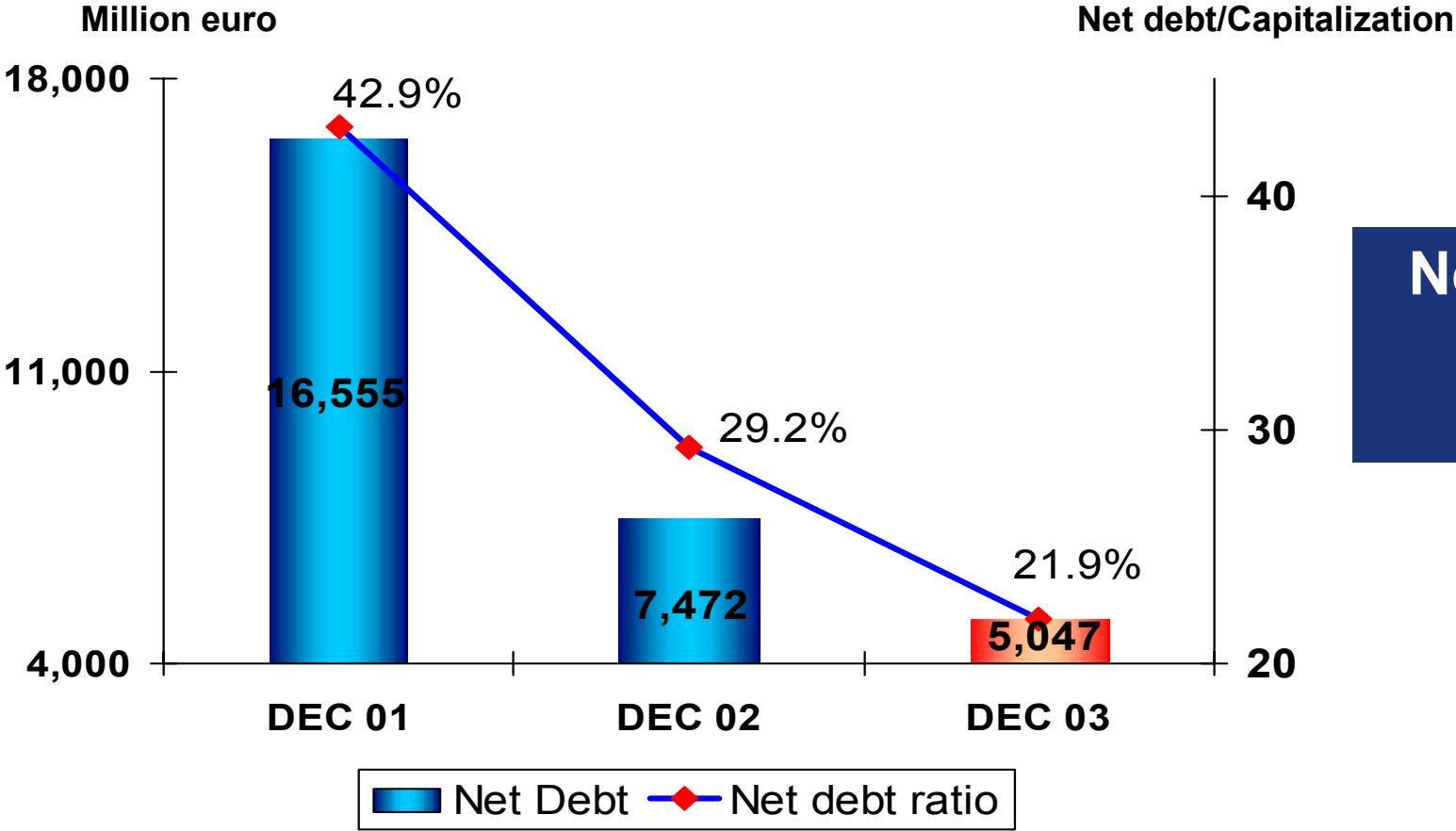


Lifting Costs (US\$/boe)



Group Refining Capacity Utilization (%)

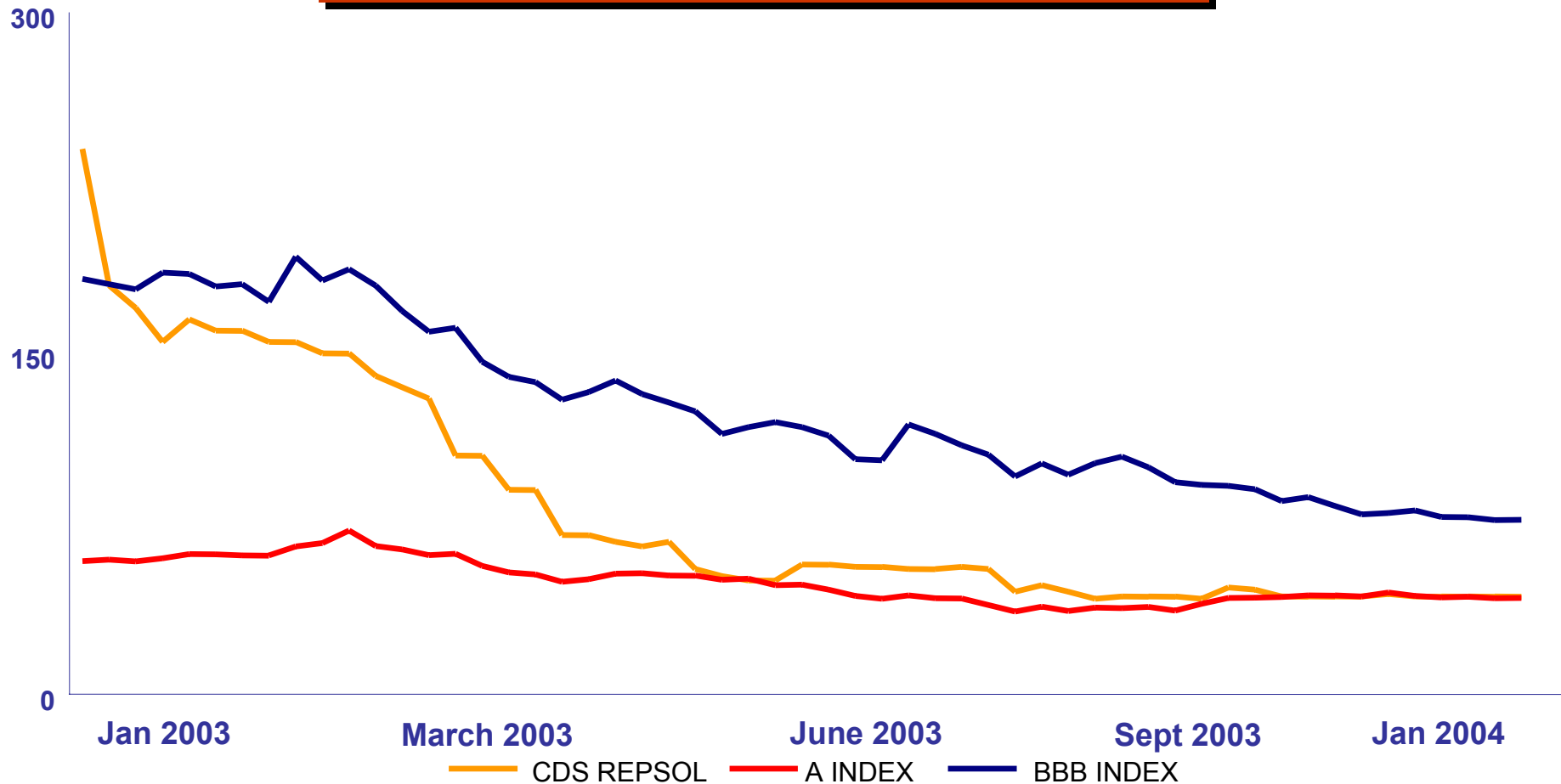




**Net Debt ratio
Dec 2003
21.9%**

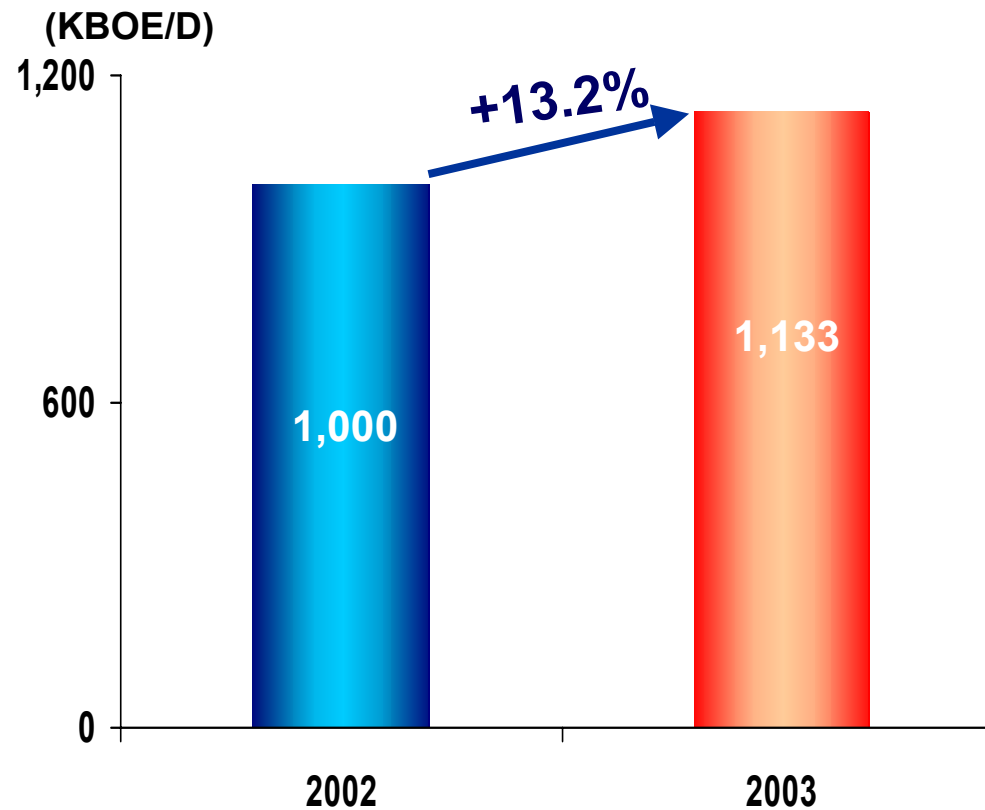
(BASIS POINTS)

Spreads According to Ratings



Source: iboxx

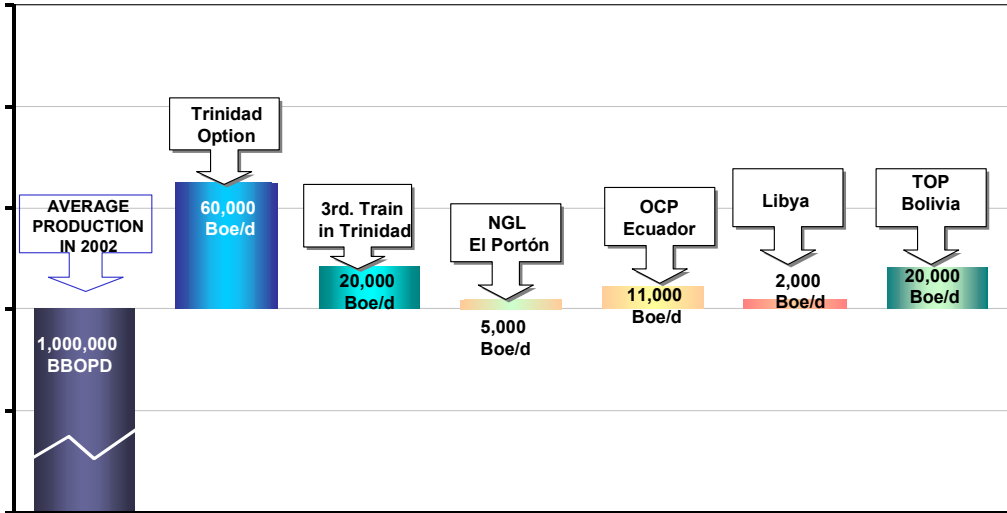
Hydrocarbon Production



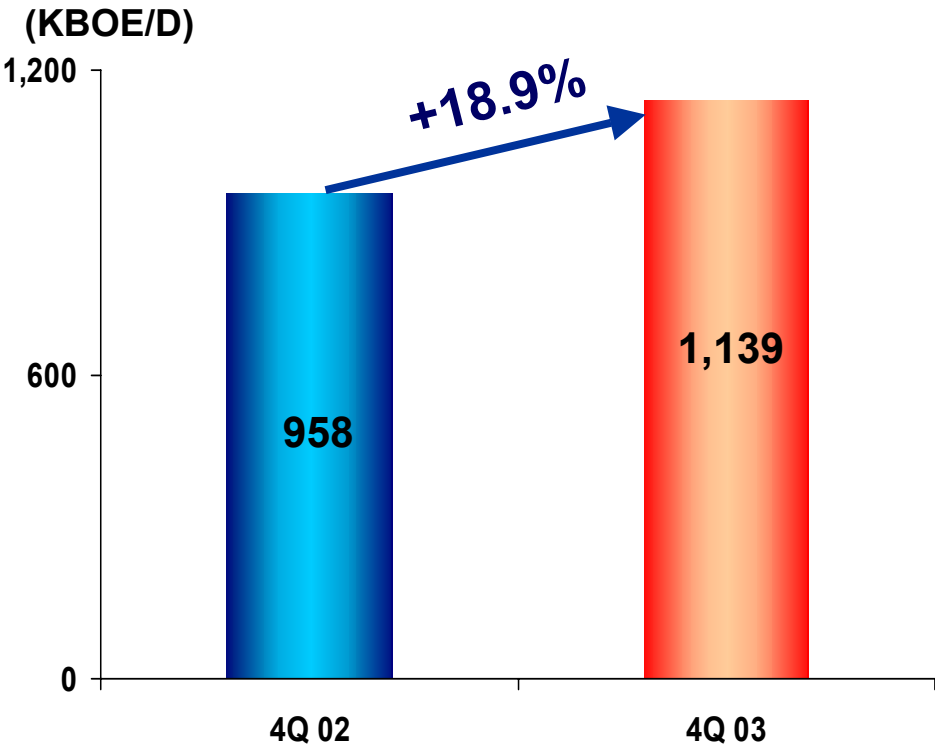
COMMITMENTS FOR 2003

Production growth

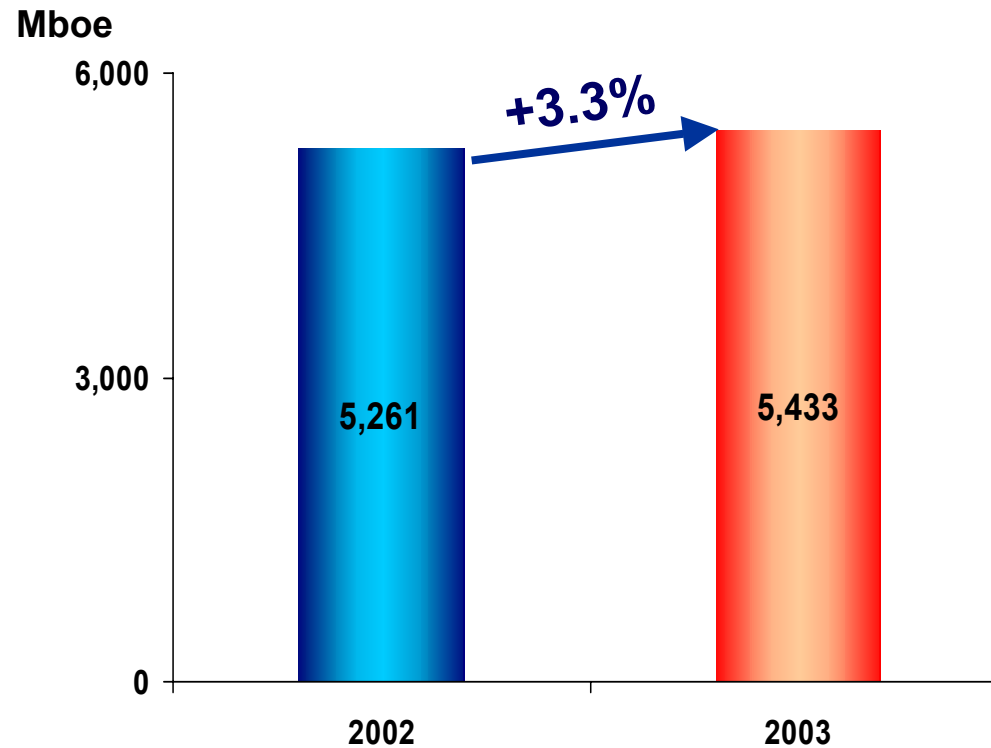
GROWTH AT DOUBLE DIGIT IN THE 4TH QUARTER 2003



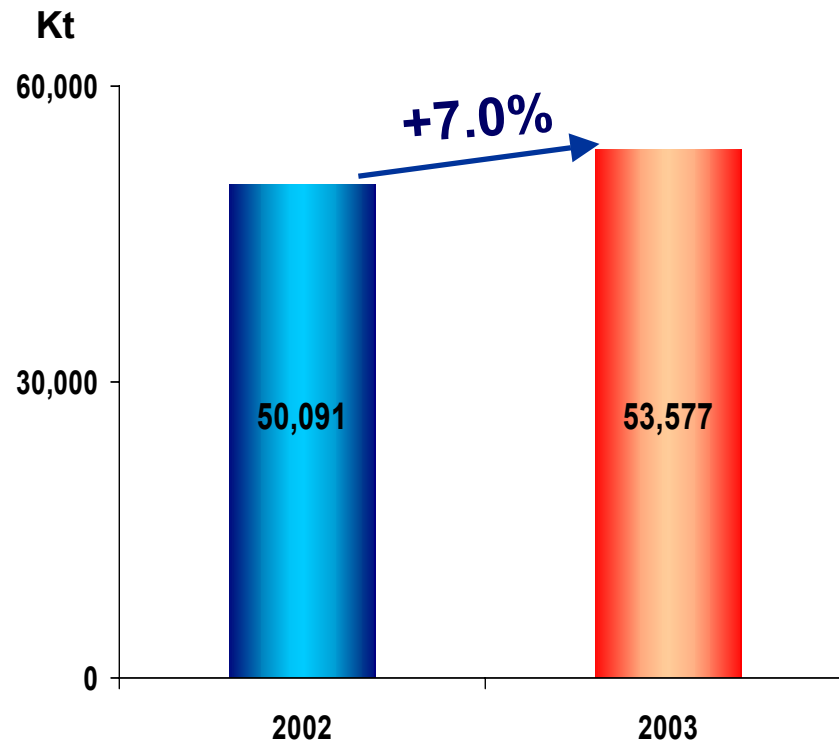
24



Net Proven Reserves

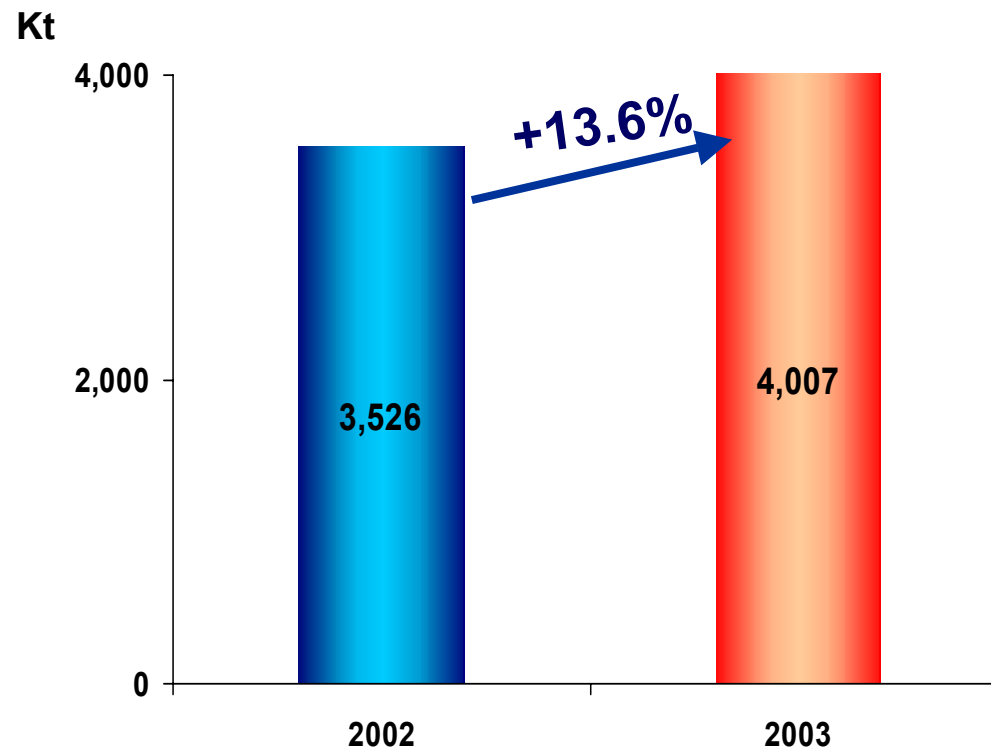


Repsol YPF



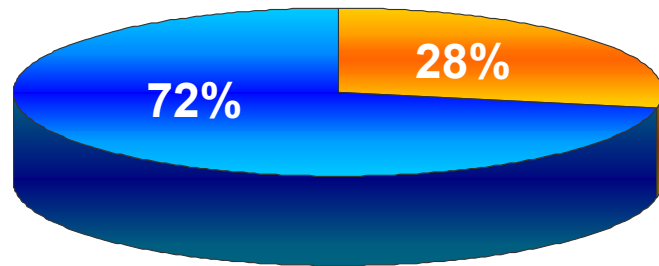
- *3% Argentina*
- *4% Spain*
- *27% Rest of the World*

Total Sales

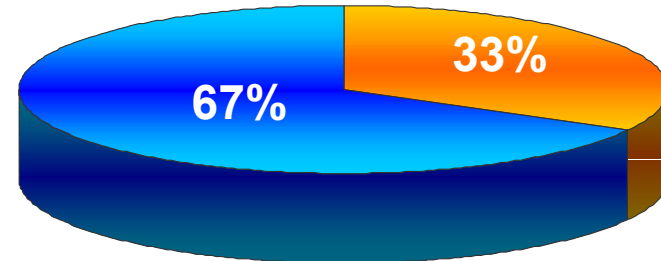


Oil & Gas Production

2002

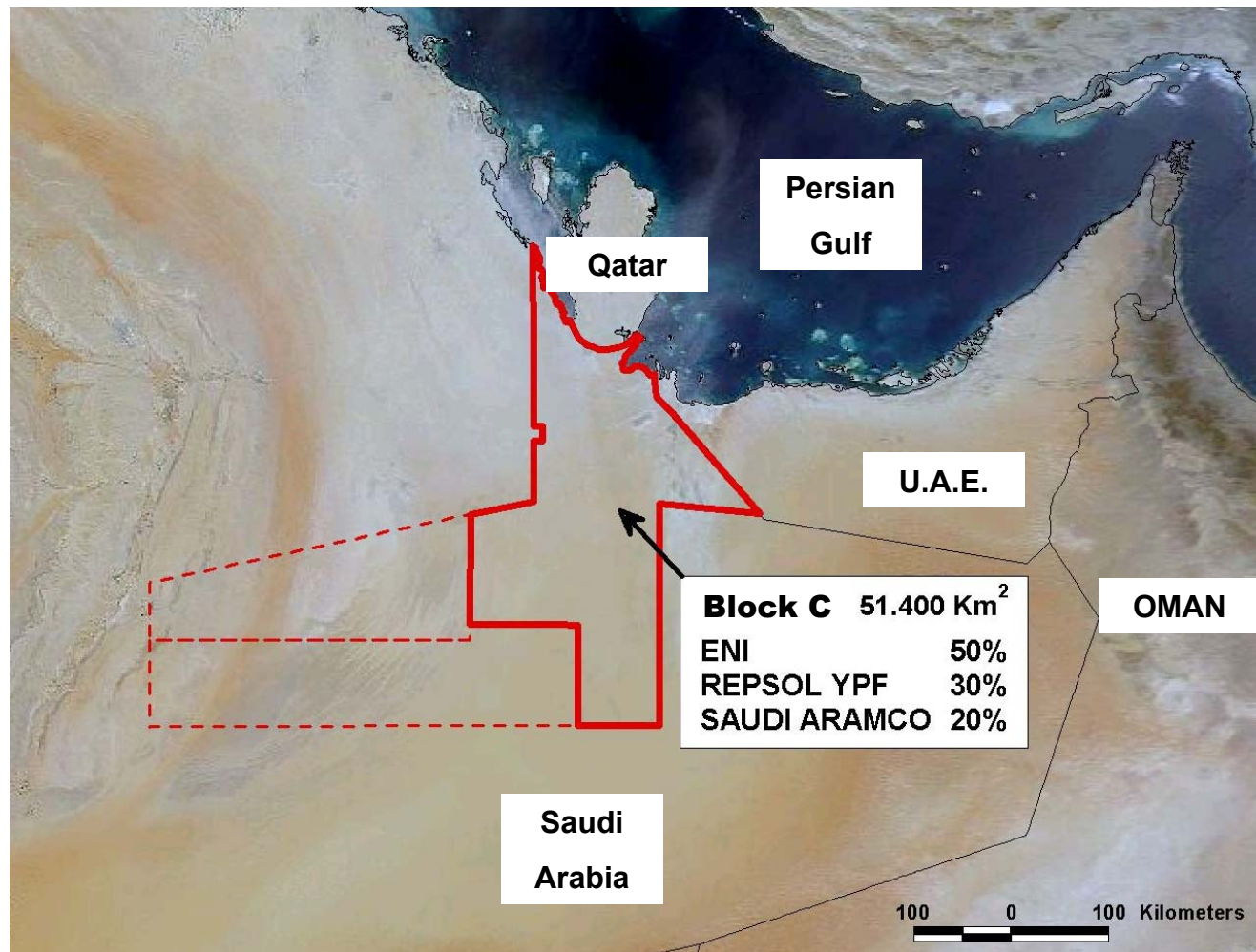


2003



■ Argentina ■ ROW

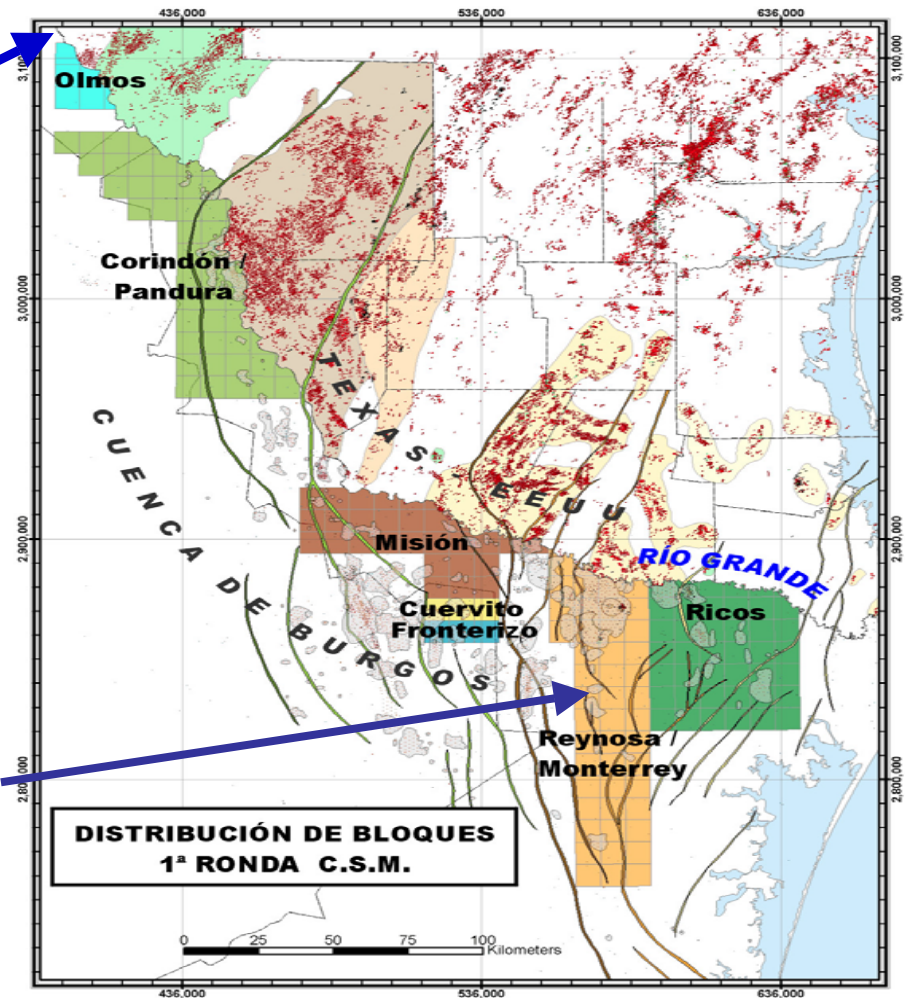
Saudi Arabia



Burgos Basin



Reynosa Monterrey
Block



Lázaro Cárdenas



4-10 bcm/y Regas Terminal

Start-up: 2008

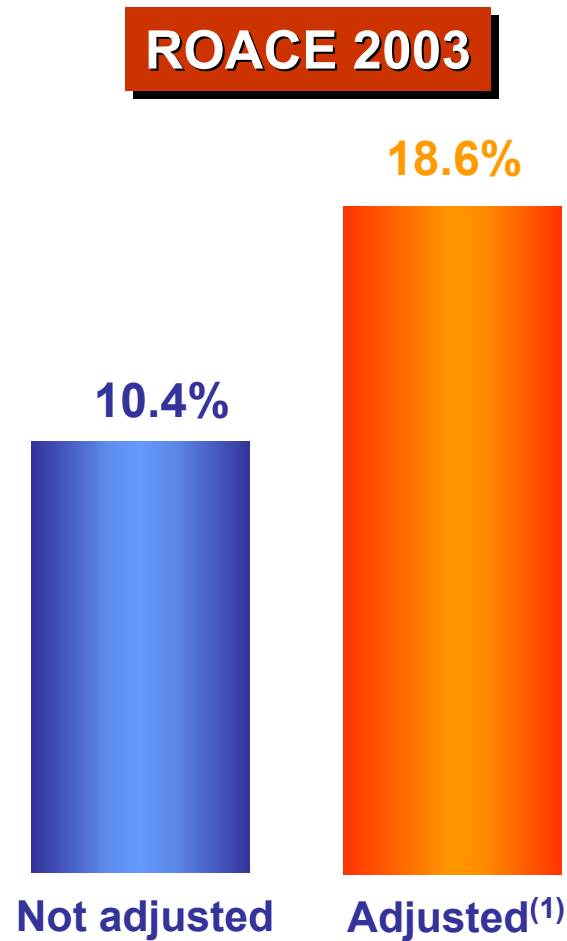
Existing and Potential Demand
in the Area (bcma)

2003

14.4

2010 (E)

23.3



Calculations under current Spanish GAAP

⁽¹⁾ Adjusted: Pre-all goodwill (in NOPAT and Capital Employed) and excluding non-recurrent items.

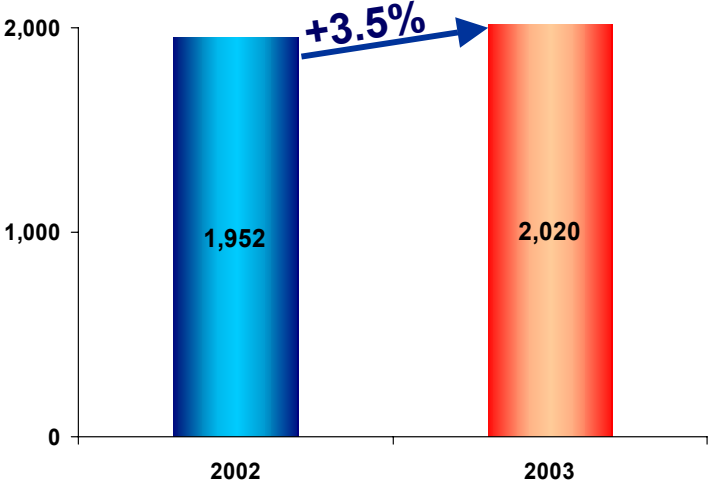


RESULTS

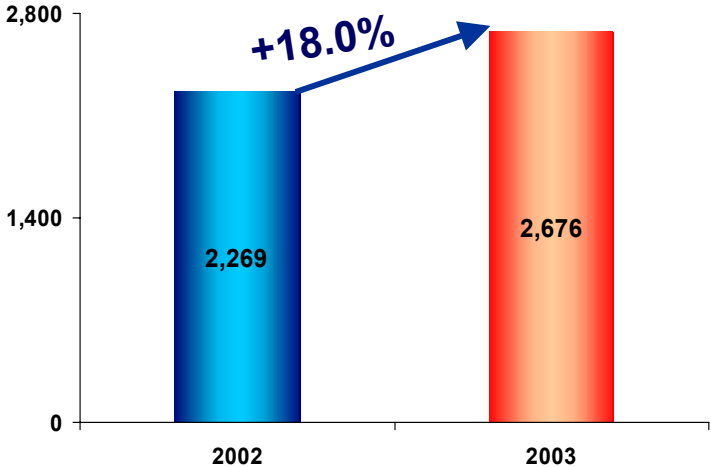
Luis Mañas
CFO

Net Income

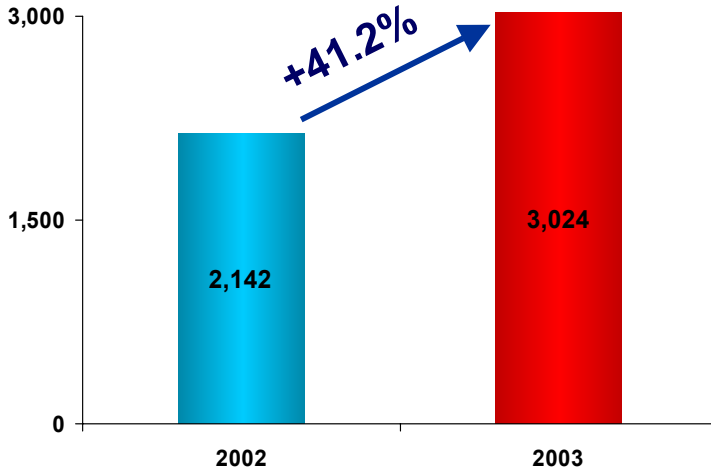
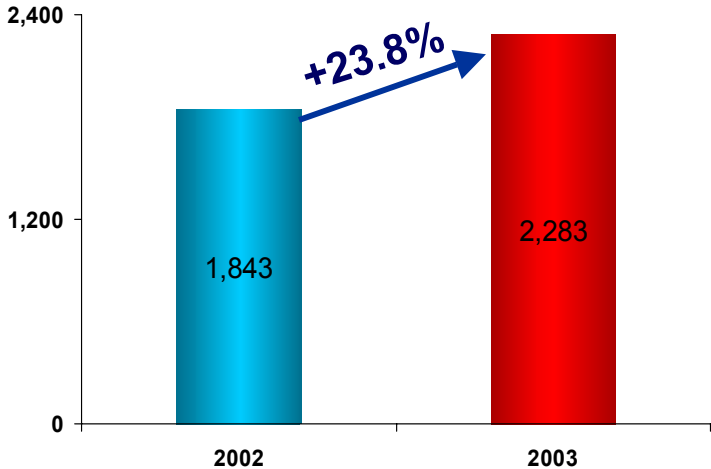
Million Euro



Adj. Net Income



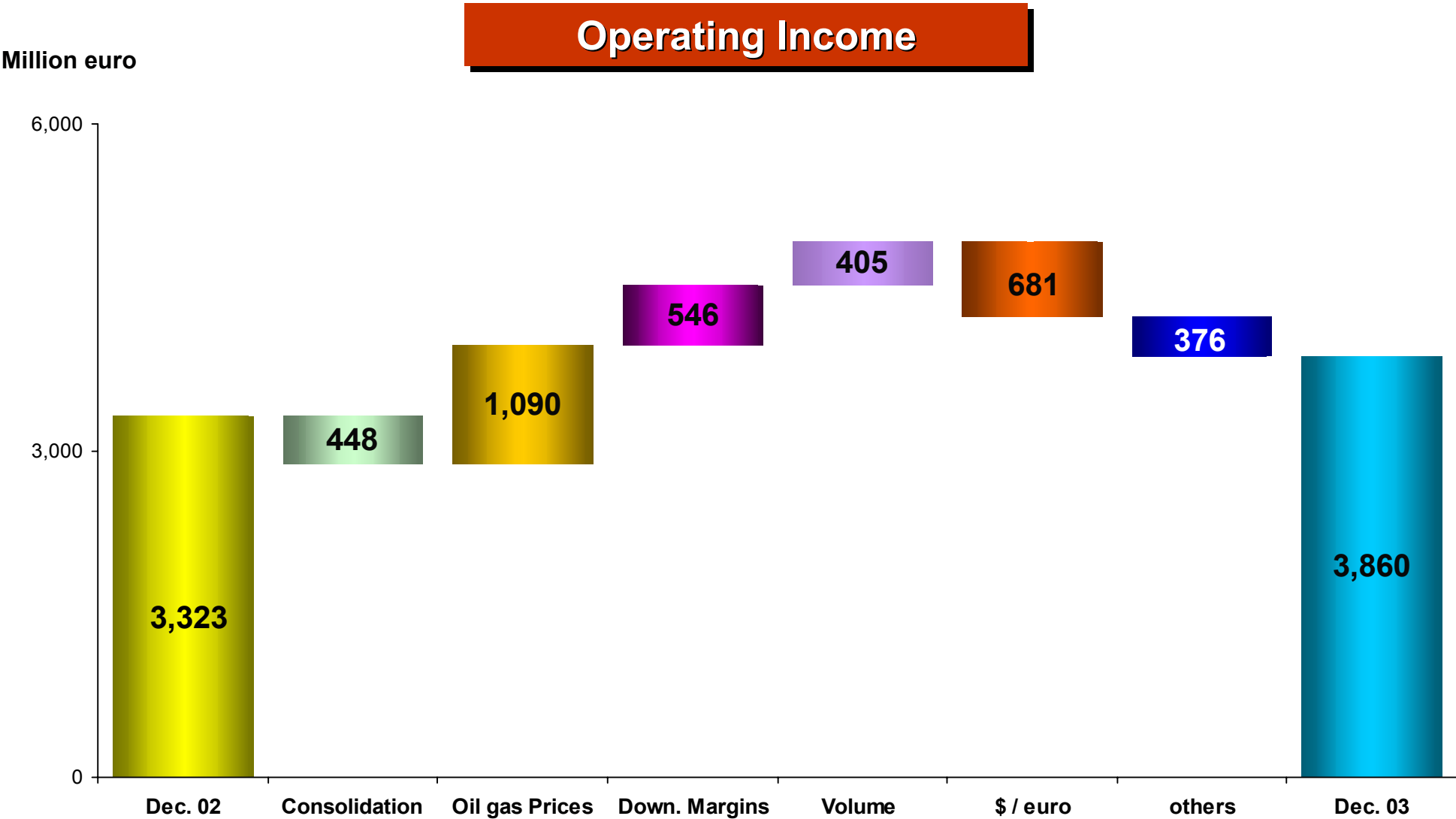
Million Dollar



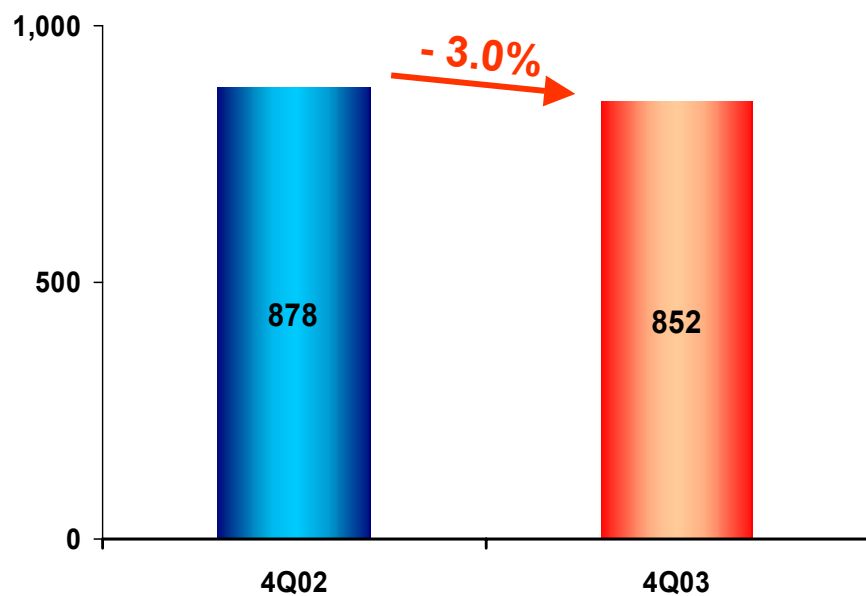
Comparison Year on Year



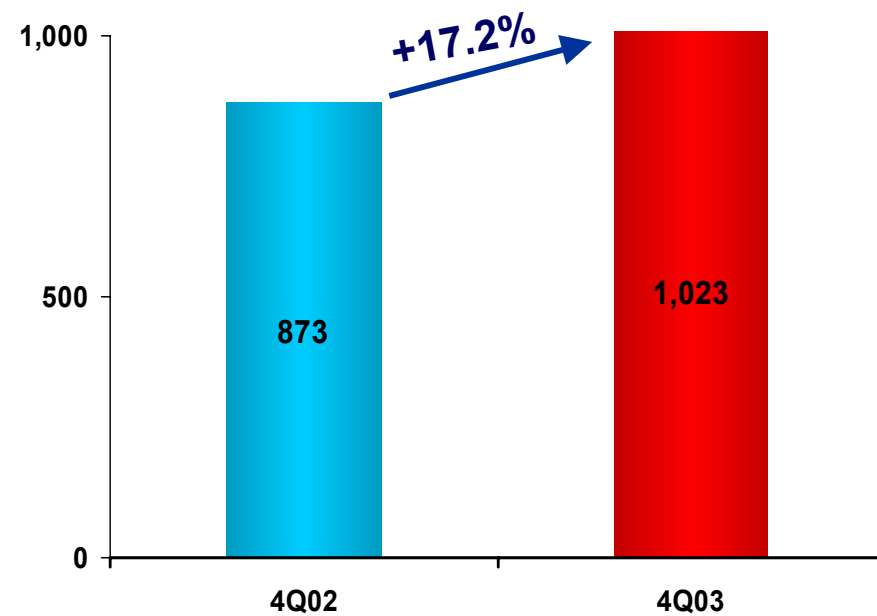
| | REPORTED | + | Adj. by cons. criteria Gas Natural | + | Adj. by €/ \$ Exchange Rate | + | Adj. by Tax Rate |
|------------------|----------|---|--|---|-----------------------------------|---|---------------------|
| Operating Income | 16.2% | | 31.4% | | 57.3% | | 57.3% |
| Net Income | 3.5% | | 3.5% | | 23.9% | | 50.7% |
| Adj. Net income | 17.9% | | 17.9% | | 41.2% | | 66.7% |
| Net Cash Flow | -7.2% | | 0.3% | | 20.0% | | 30.2% |



Operating Income



Million Euro

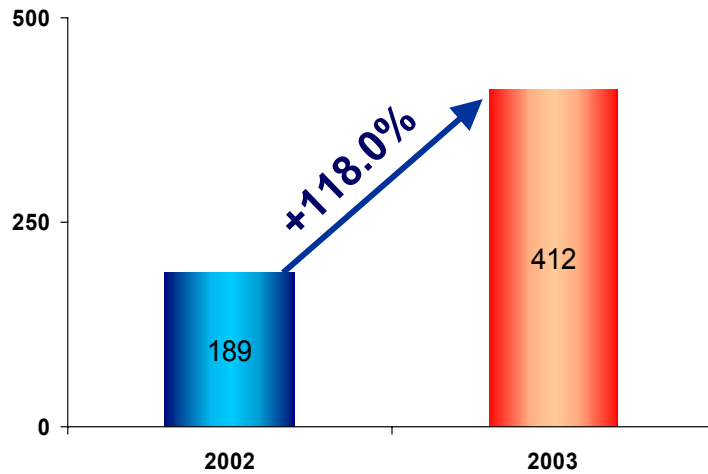


Million Dollar

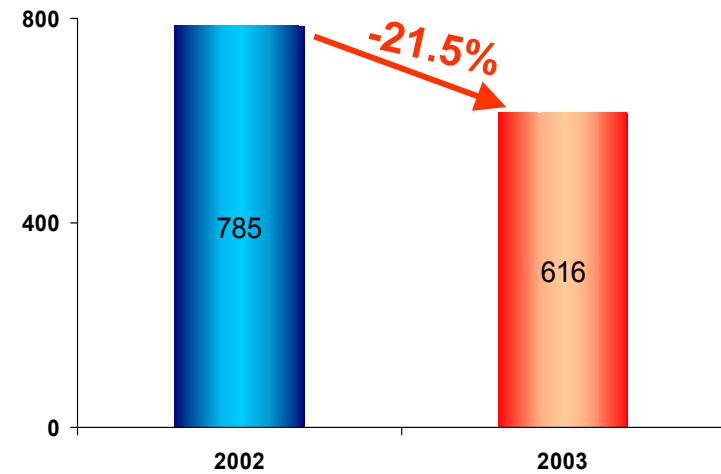
4th Quarter Results

Net Income

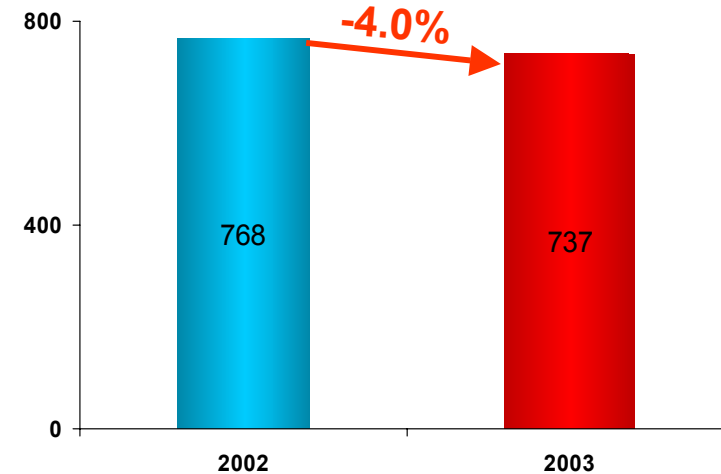
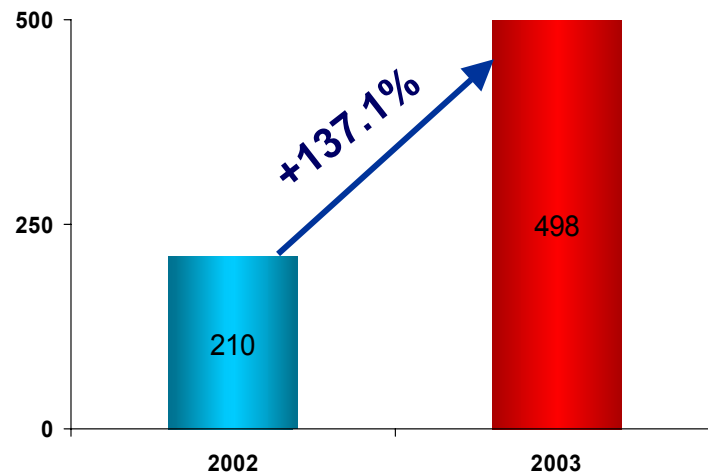
Million Euro



Adj. Net Income

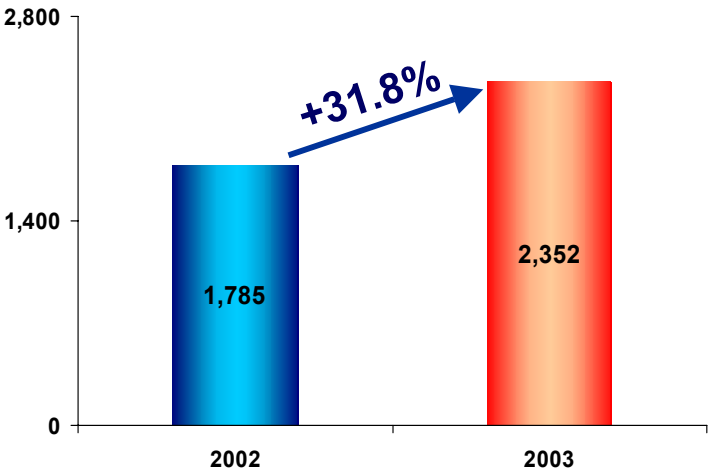
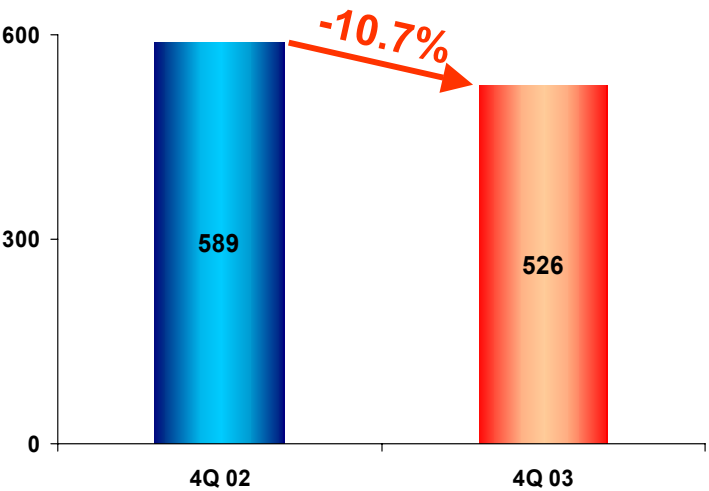


Million Dollar

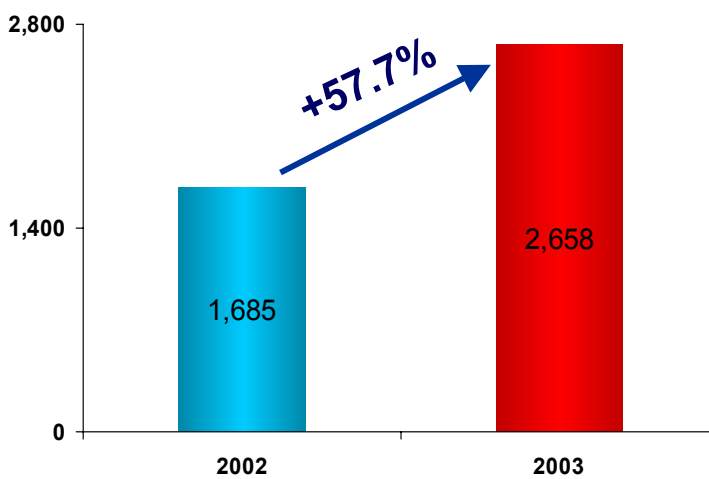
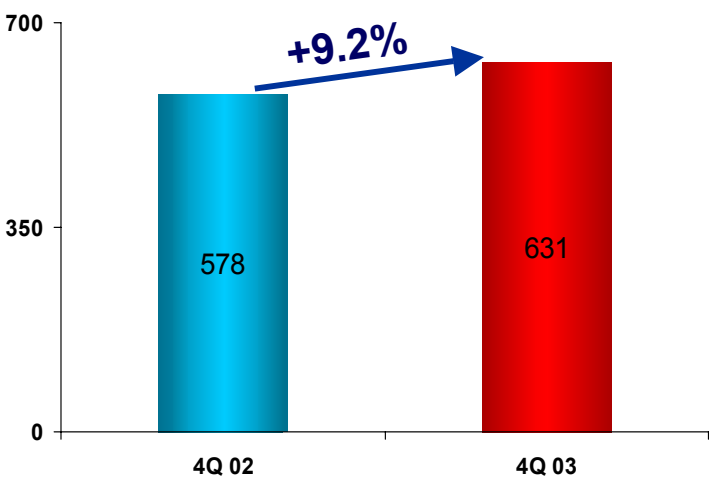


Operating Income

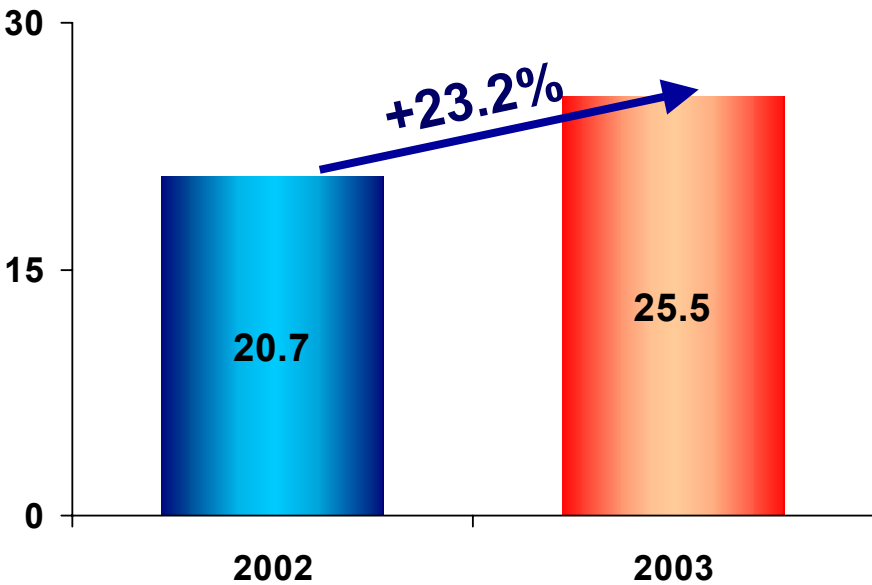
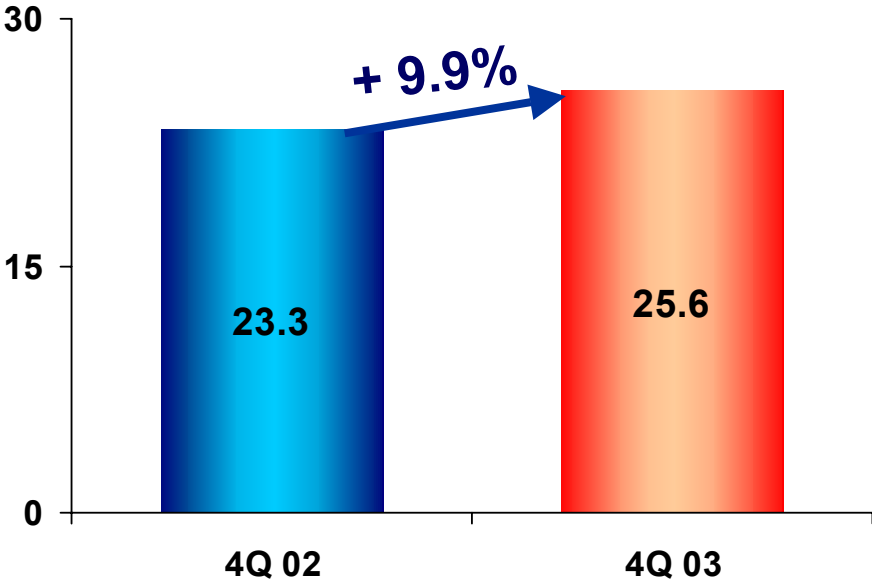
Million Euro



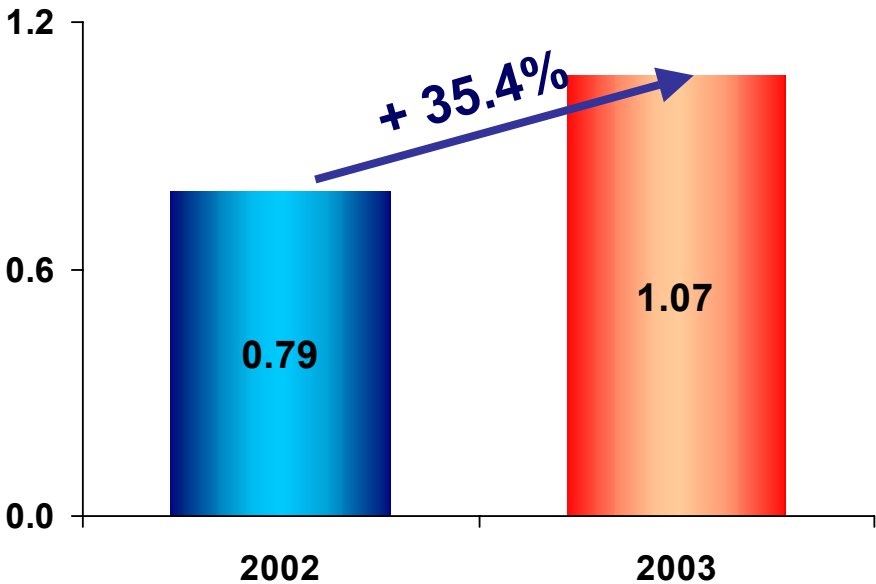
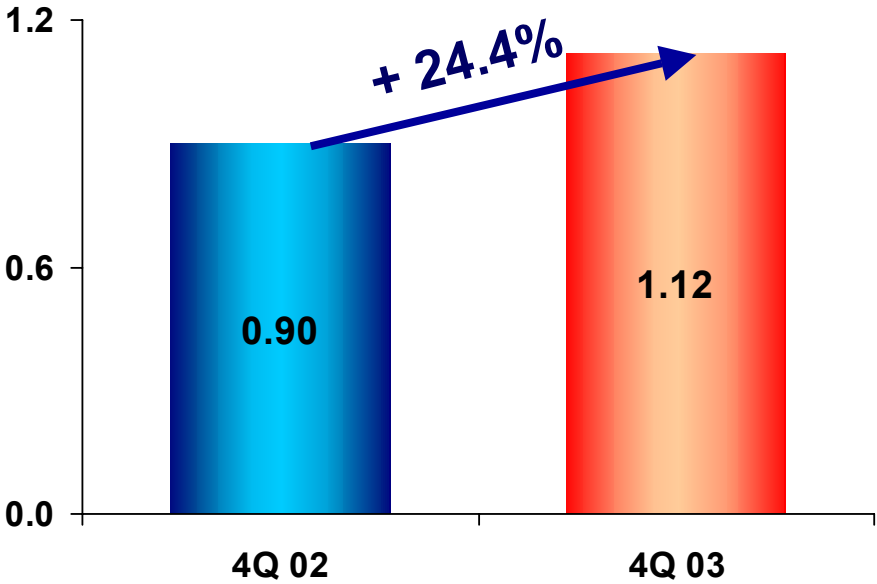
Million Dollar



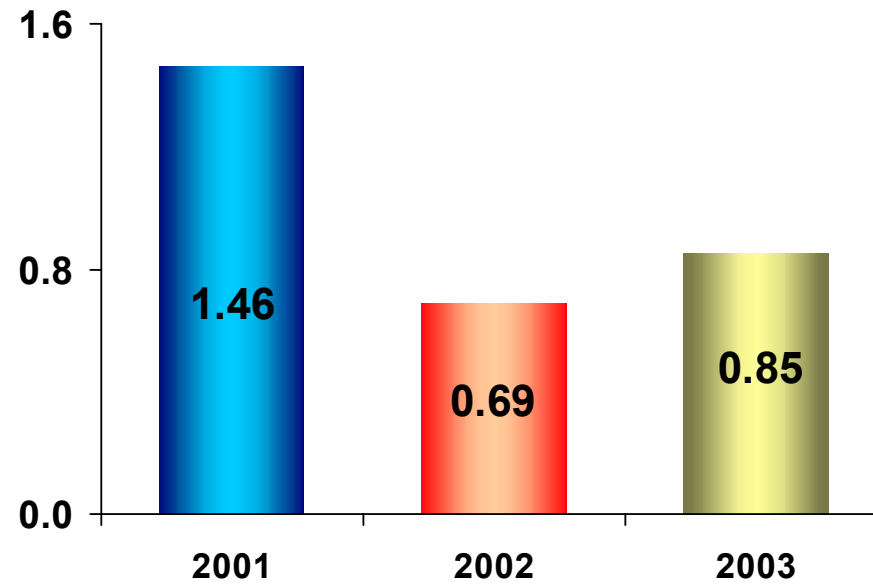
Liquids (US\$/bbl)



Natural Gas (US\$/kscf)

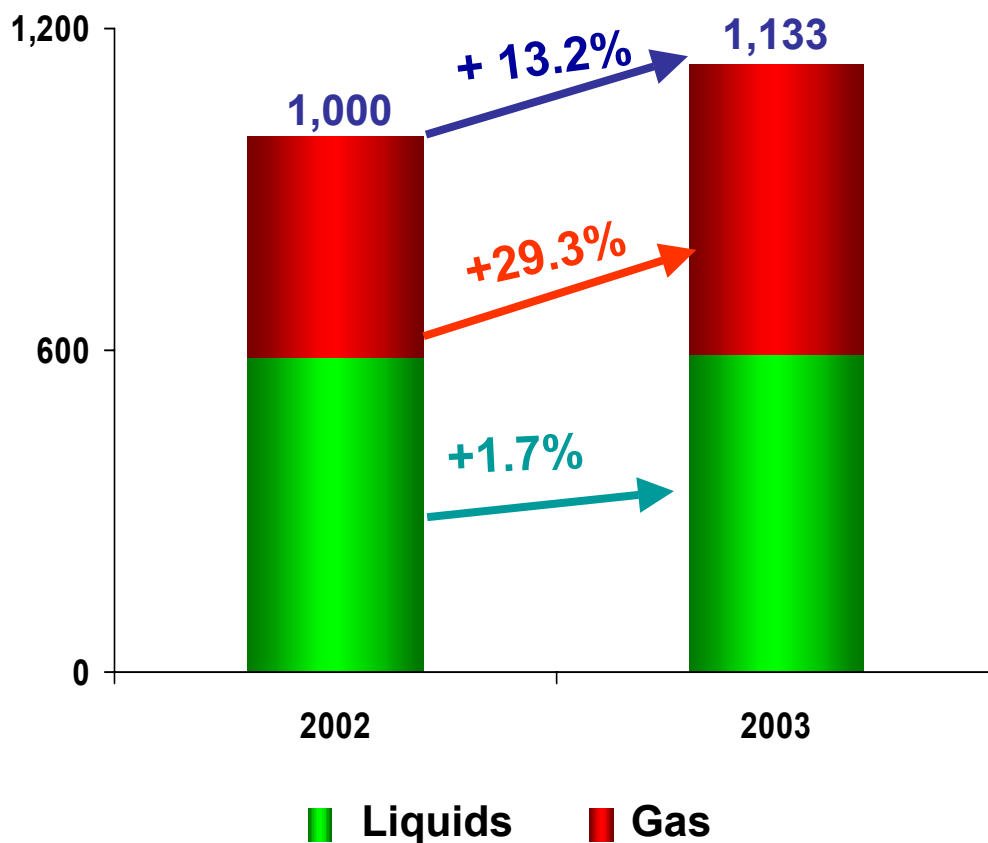


Natural Gas in Argentina (US\$/mscf)



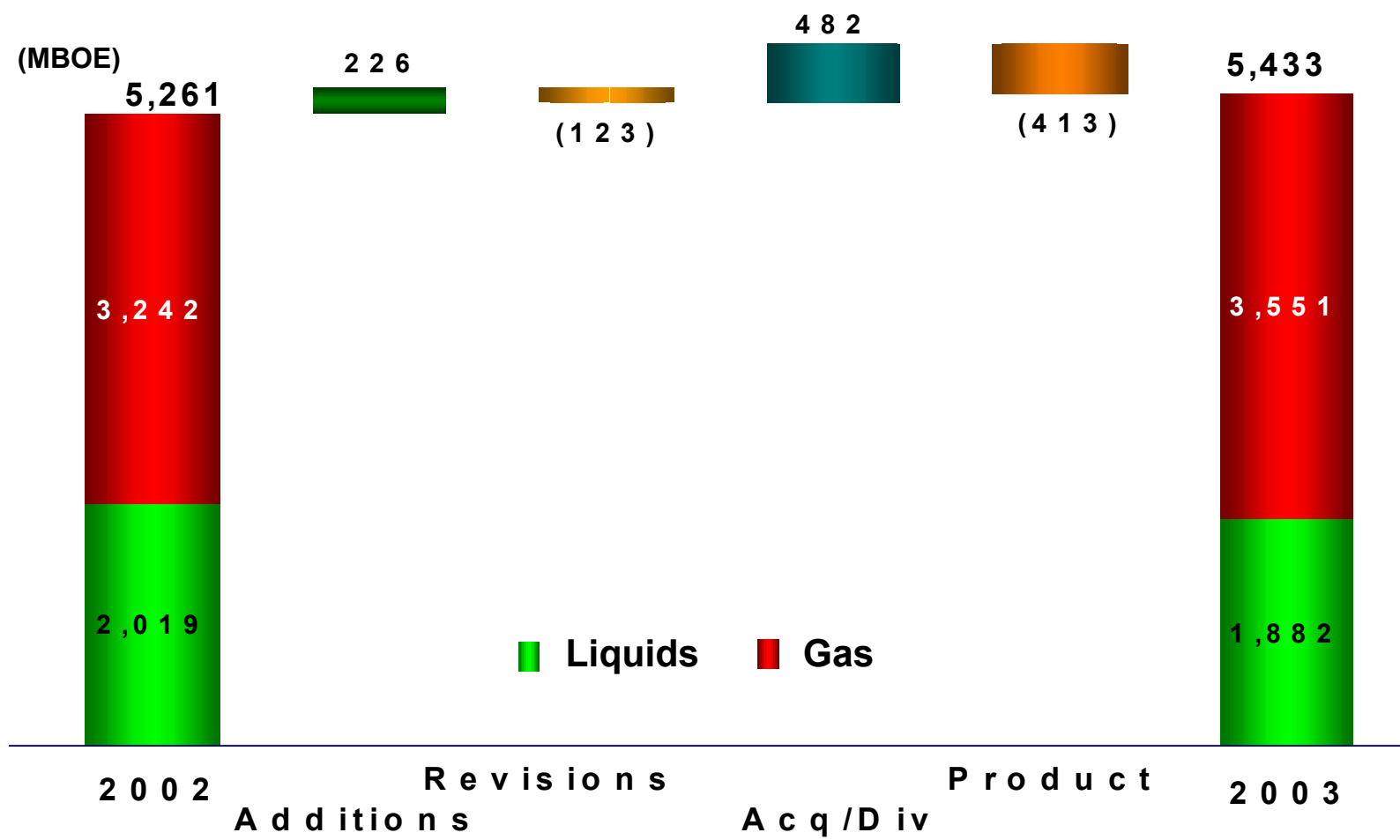
Reported

(KBOE/D)

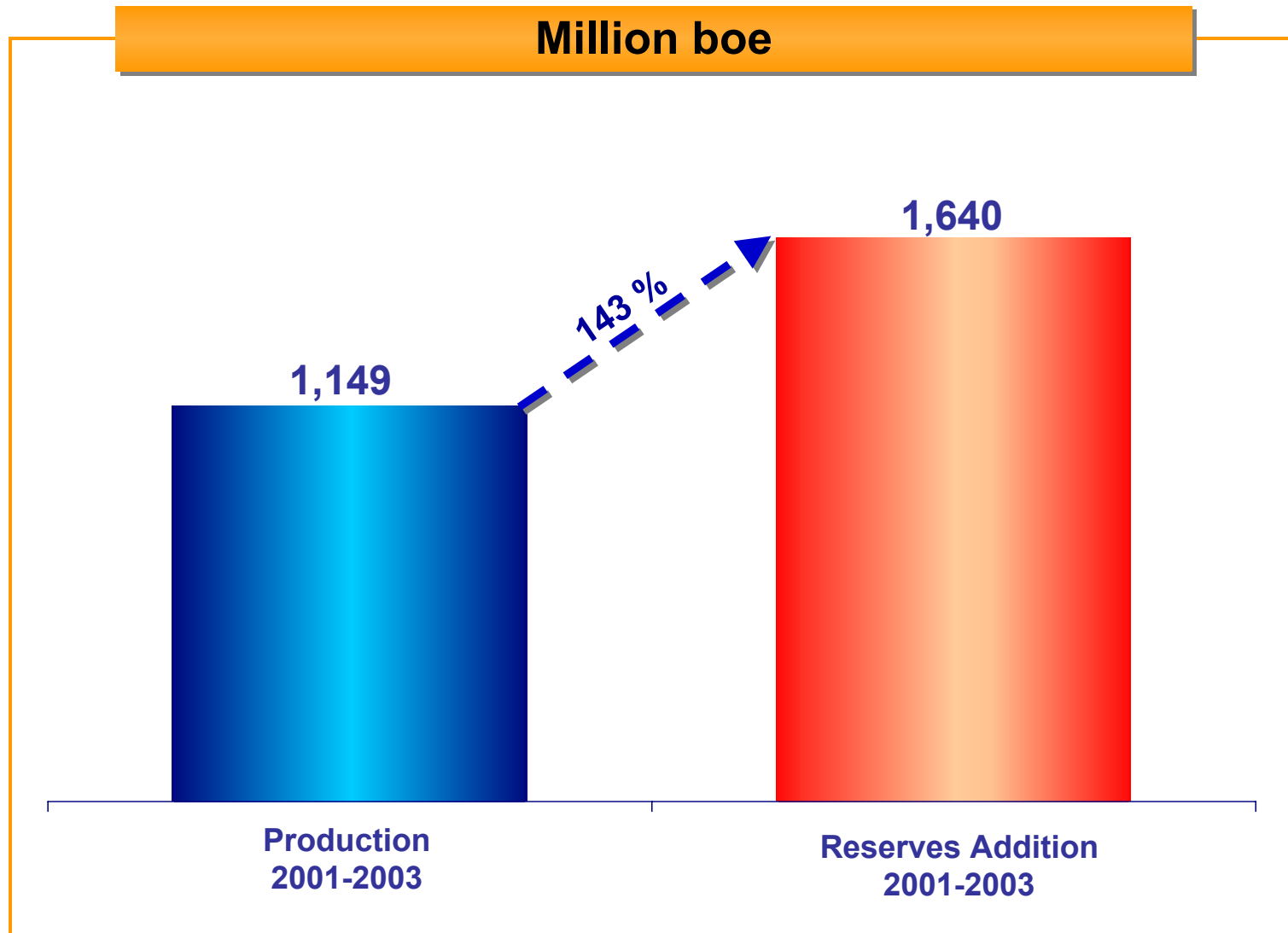


- *13.2% total production growth*
- *6.9% excluding acquisitions*

Proven Reserves

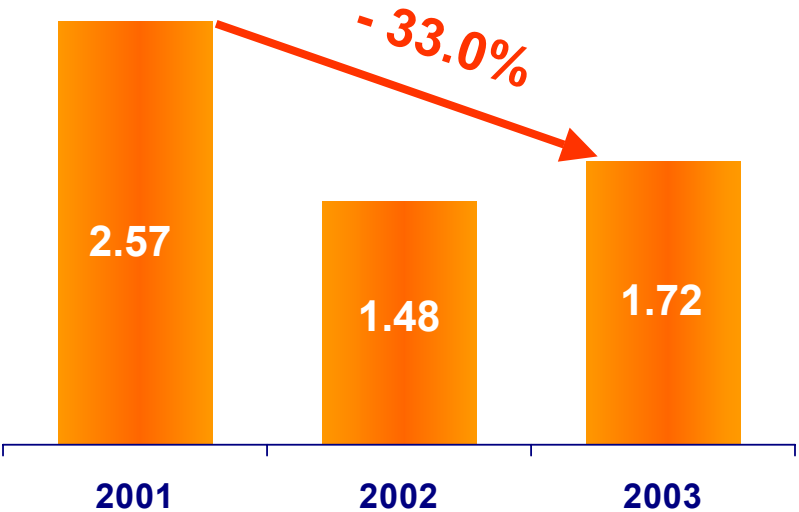


Conversion Factor Gas 1 Boe = 5.615scf

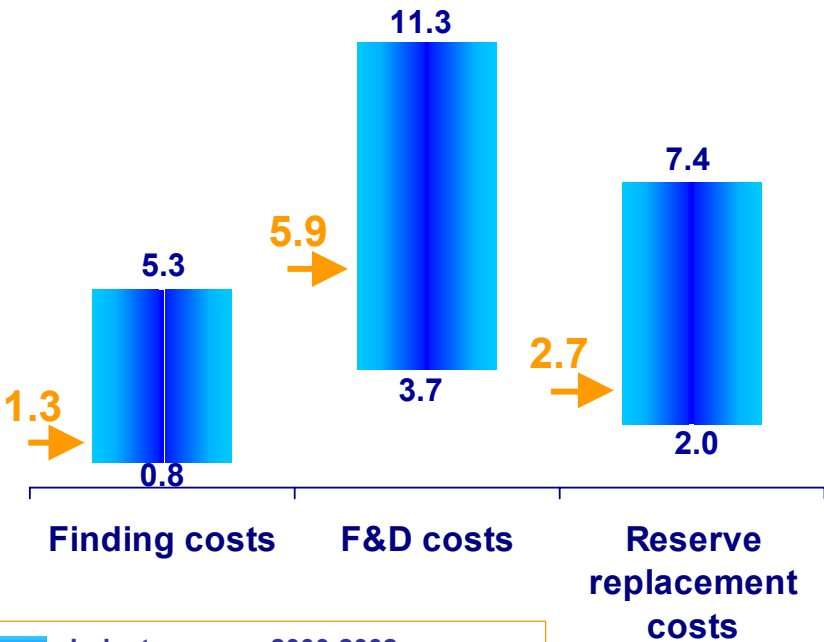


Efficient and Low Cost Operator

Lifting Cost (US\$/boe)



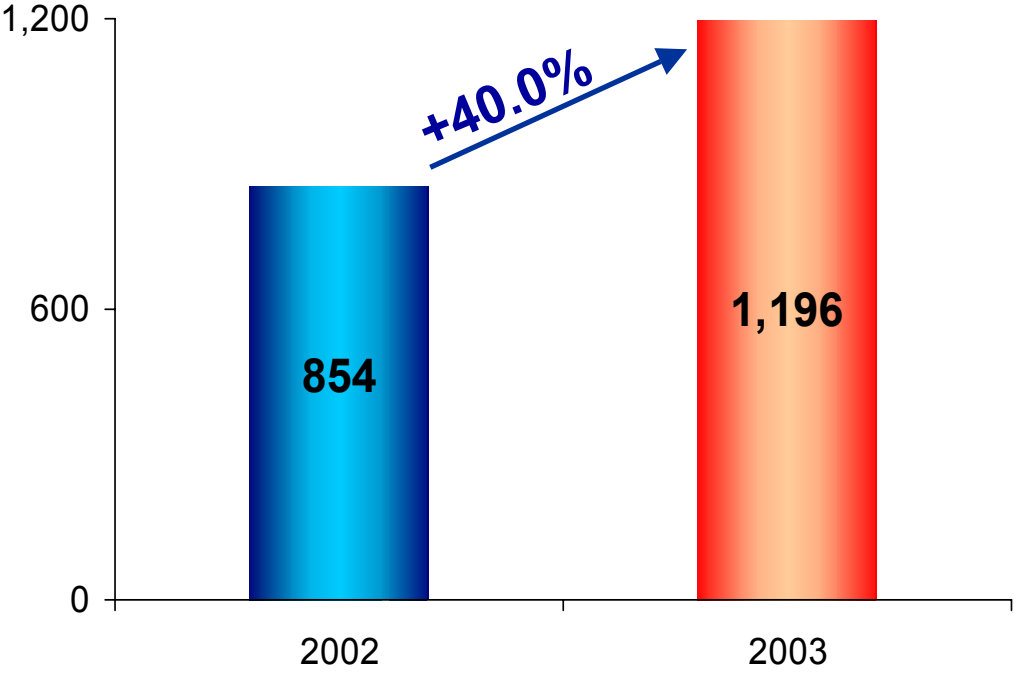
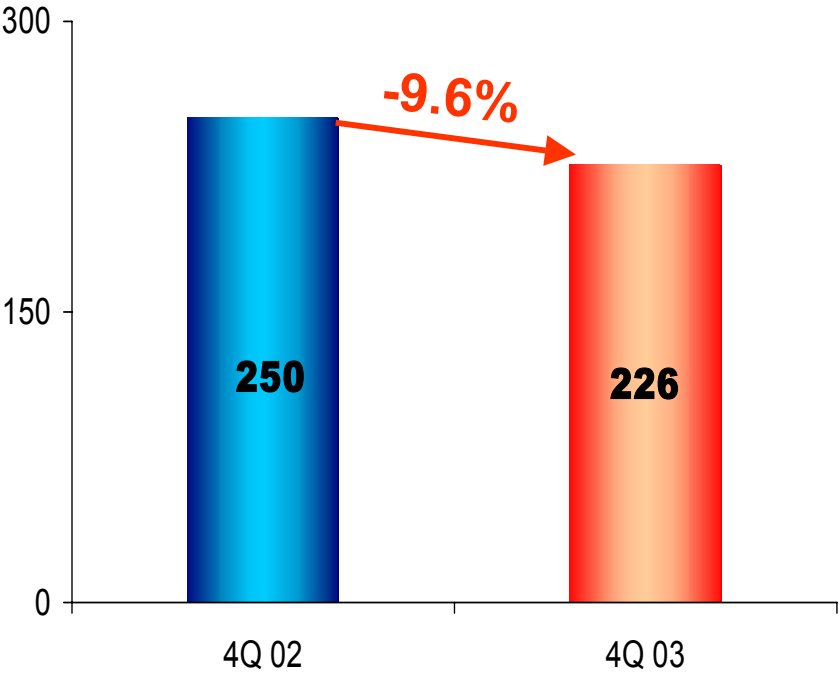
Unit Costs E&P (US\$/boe)



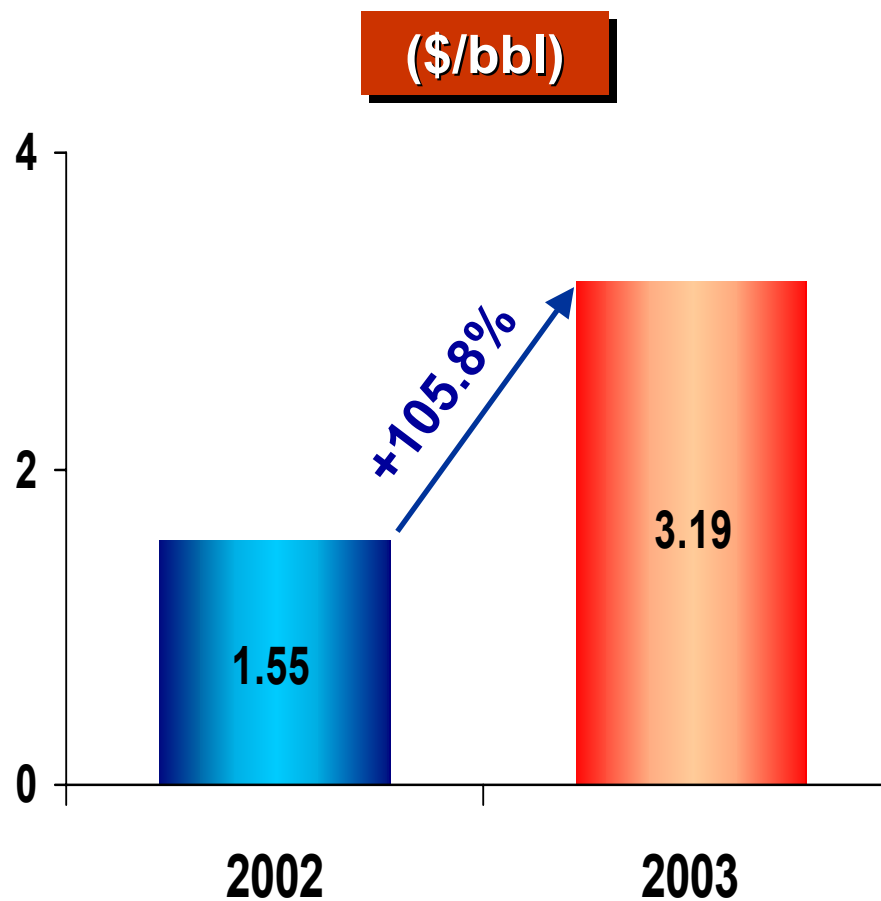
Industry range: 2000-2002 average
Repsol YPF: 2001-2003 average

Source: PFC

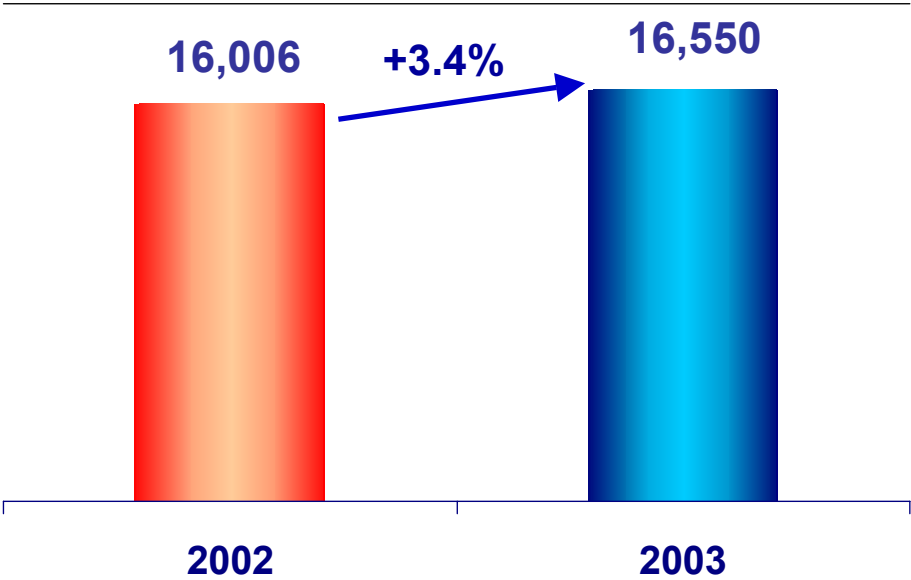
Operating Income



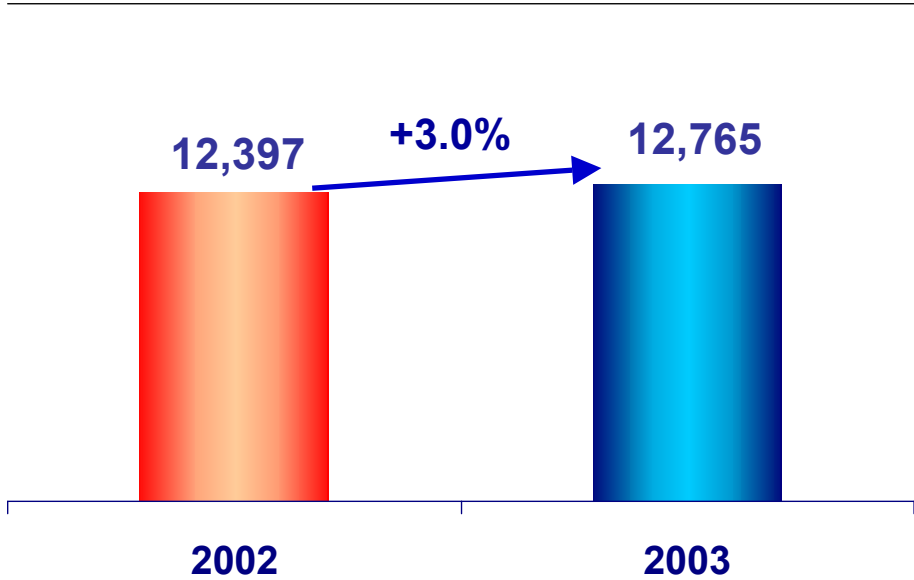
Million Euro



SPAIN
Light products sales

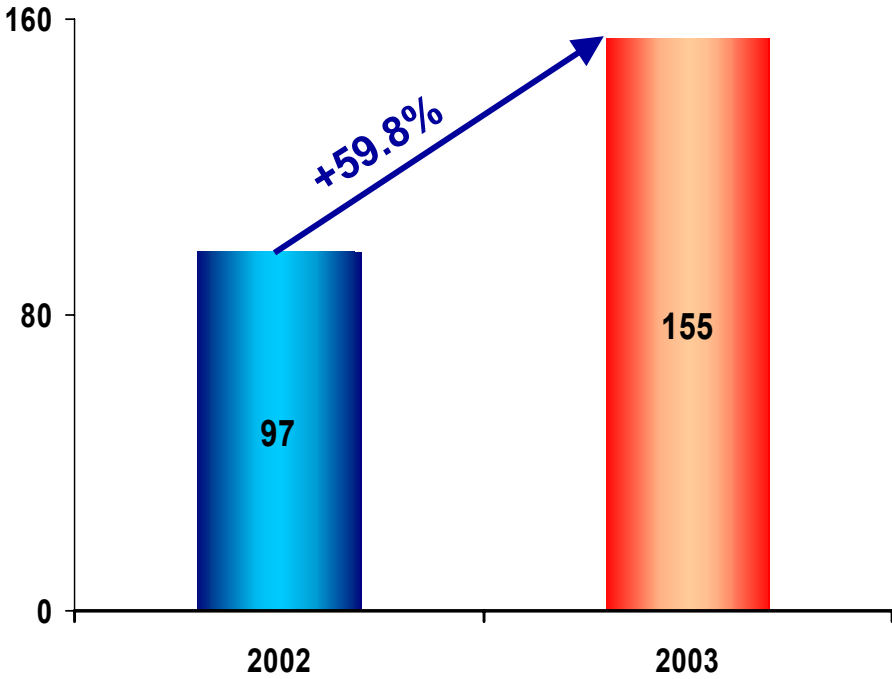
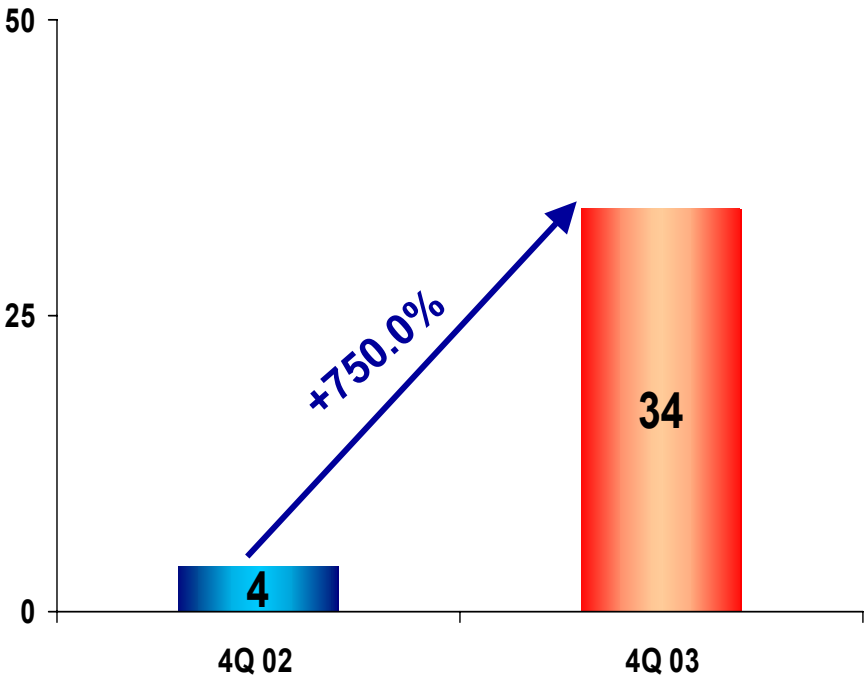


ARGENTINA
Refined products sales



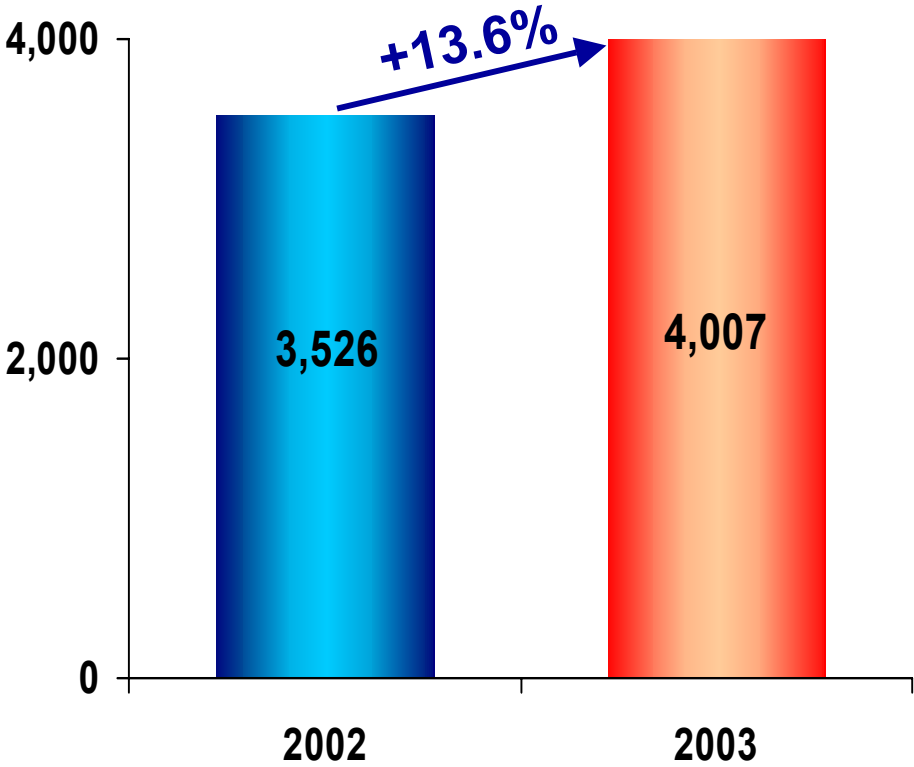
Thousand Tons

Operating Income

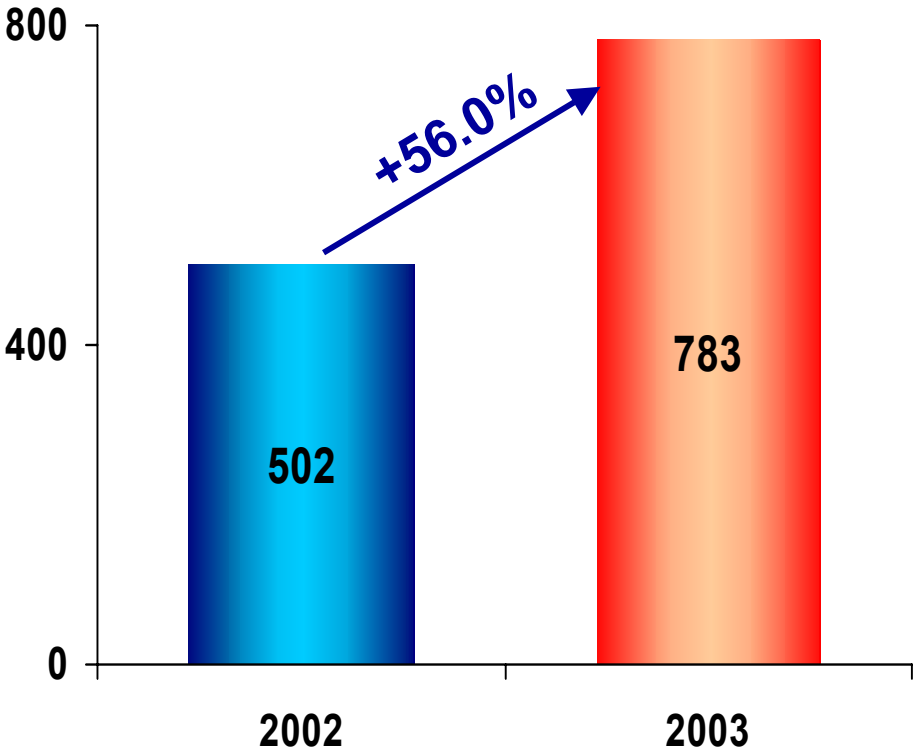


Million Euro

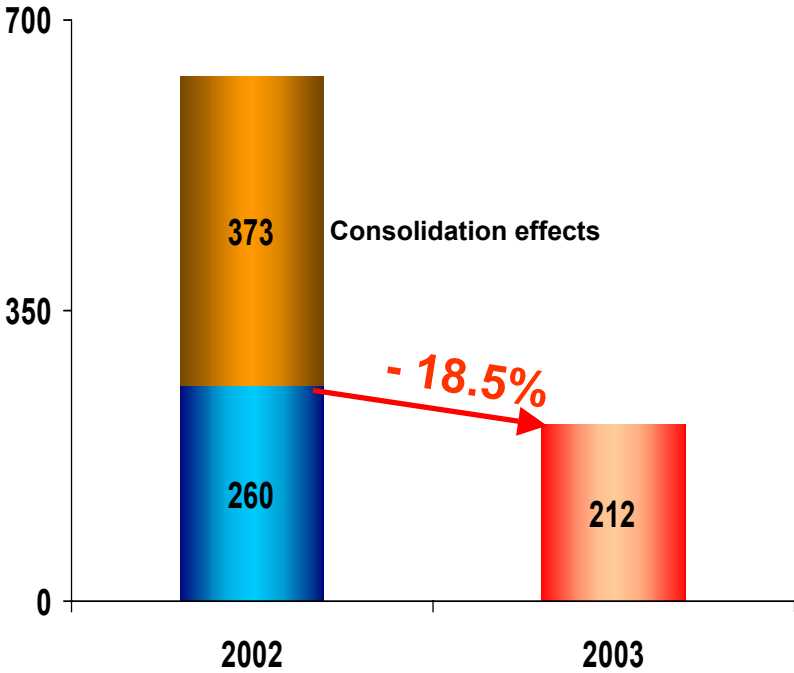
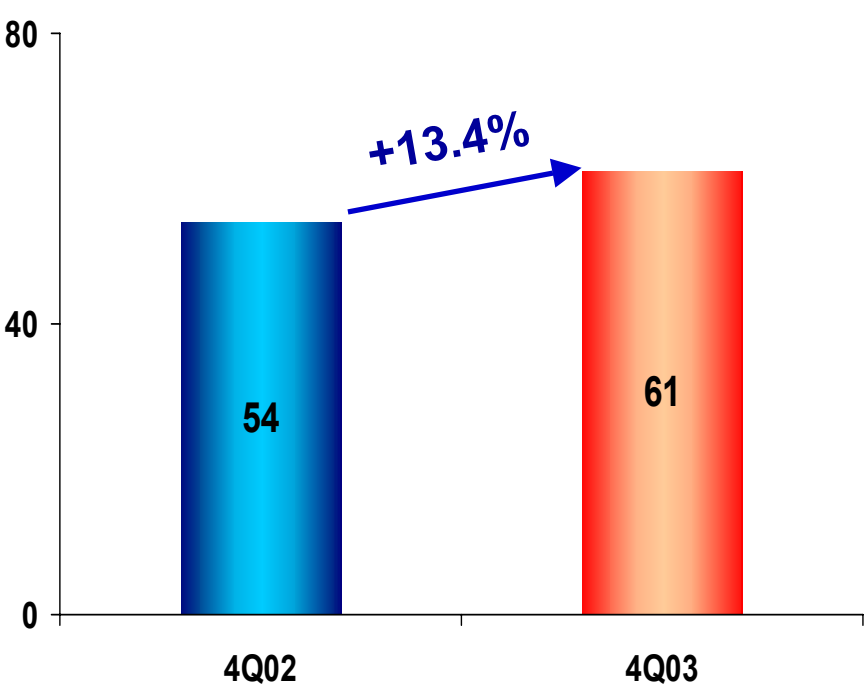
Total



Urea and Methanol



Operating Income

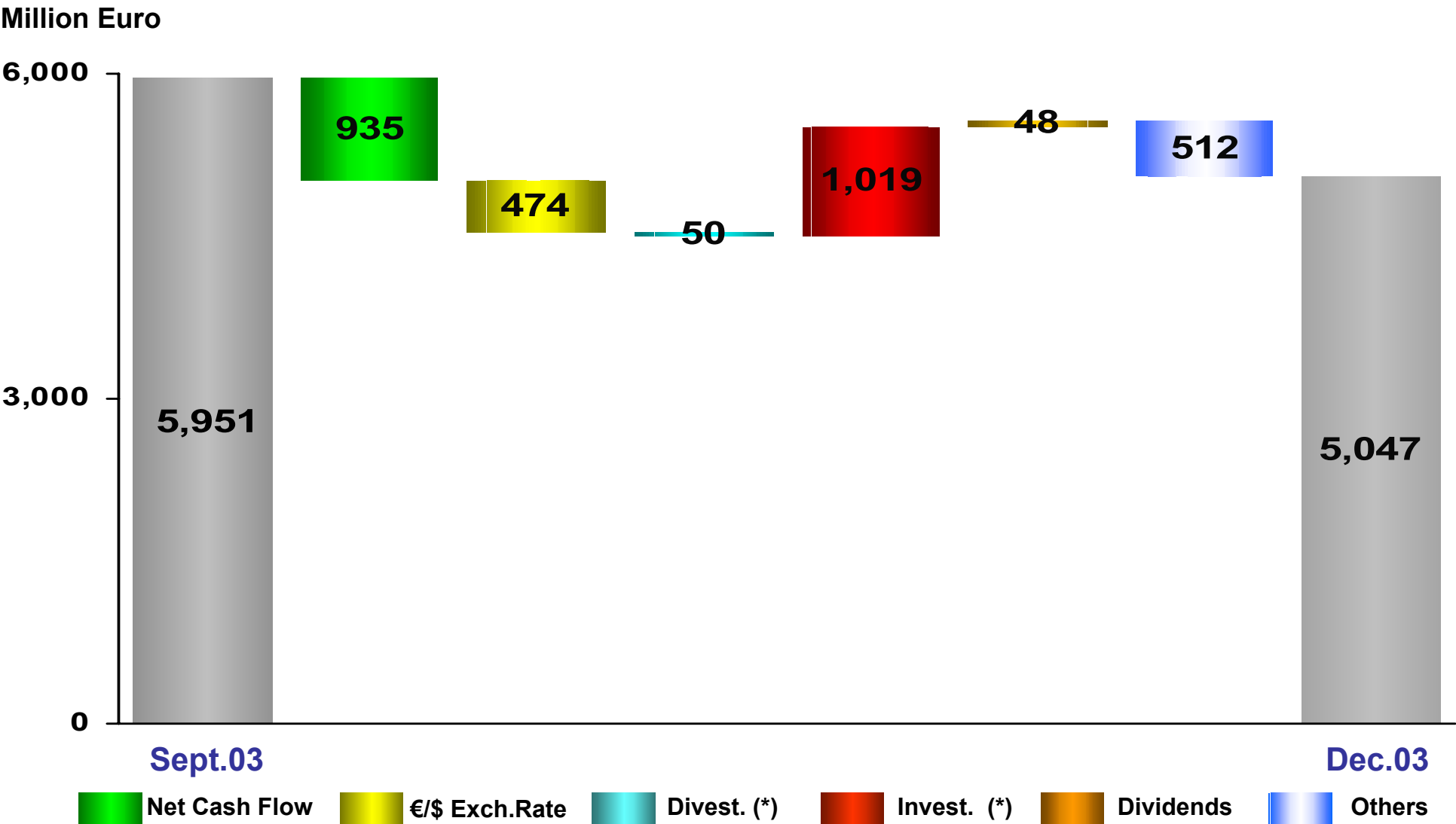


Million Euro



FINANCIAL EVOLUTION

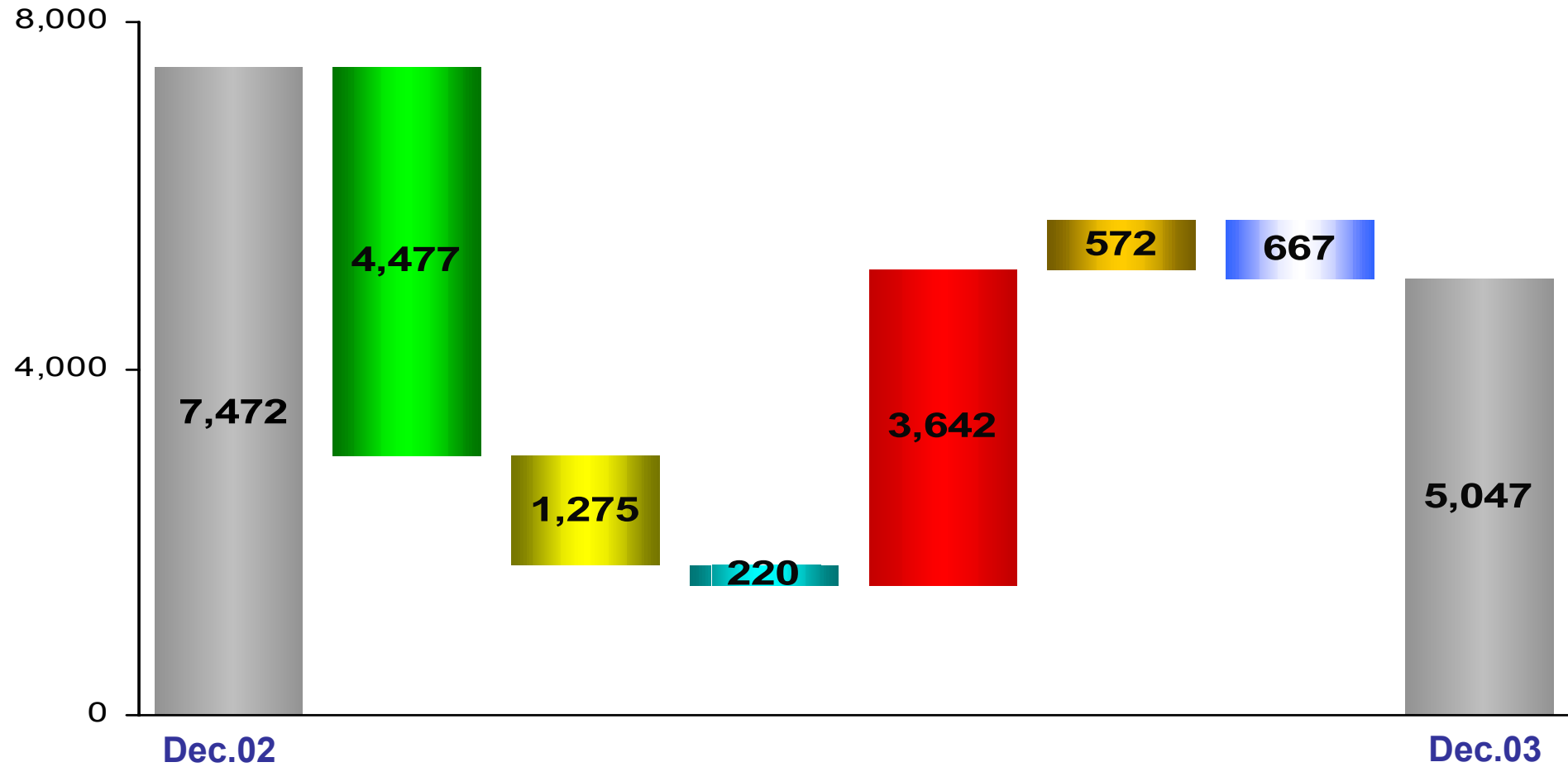
Net Debt Variation of the 4th Quarter



(1) Excluding financial investments or divestments that don't affect net debt.

Net Debt Variation of 2003

Million Euro



Net Cash Flow €/\$ Exch.Rate Divest. (*) Invest. (*) Dividends Others

(*) Excluding financial investments or divestments that don't affect net debt.

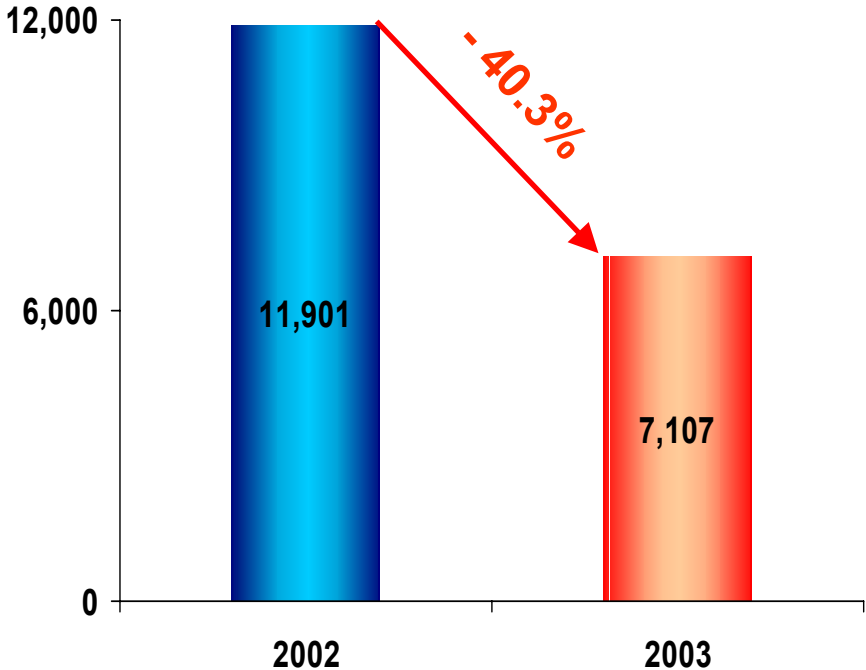
| | 31 Dec 2002 | 31 Dec 2003 |
|---|----------------|----------------|
| NET DEBT | 7,472 | 5,047 |
| BOOK CAPITALIZATION | 25,546 | 23,072 |
| NET DEBT / BOOK CAPITALIZATION (%) | 29.2 | 21.9 |
| OPERATING CASH-FLOW | 5,382 (*) | 6,156 (*) |
| NET DEBT / OPERATING CASH-FLOW (X) (**) | 1.39 | 0.82 |
| NET CASH-FLOW | 4,227 (*) | 4,477 (*) |
| NET CASH-FLOW / NET DEBT (%) (**) | 56.6 | 88.7 |
| FINANCIAL RESULT | 786 | 400 |
| NET INTEREST EXPENSES | 672 | 447 |
| OPERATING CASH FLOW / NET INTEREST (X) | 8.8 | 13.8 |

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

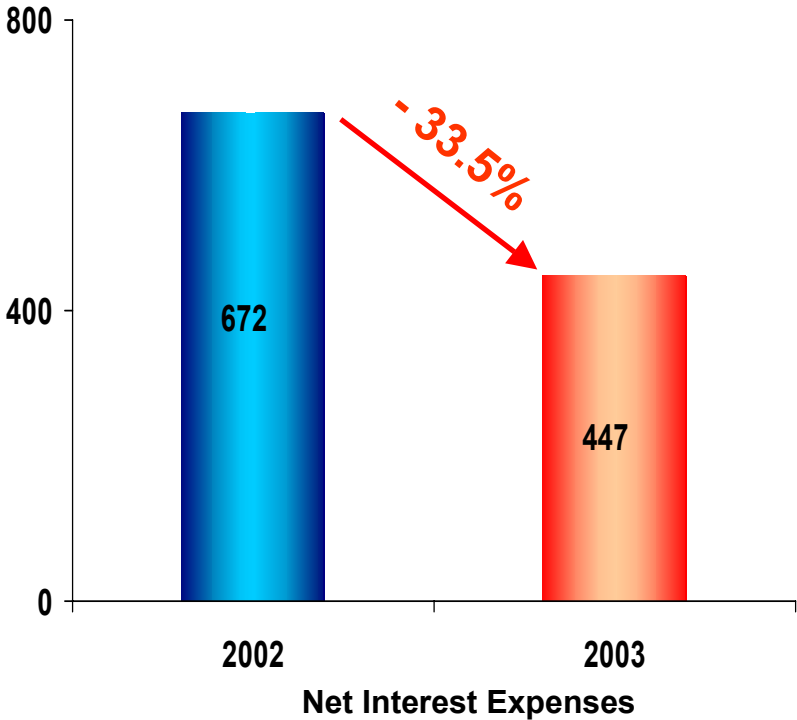
(**) On a yearly basis

Million euros

Average Net Debt

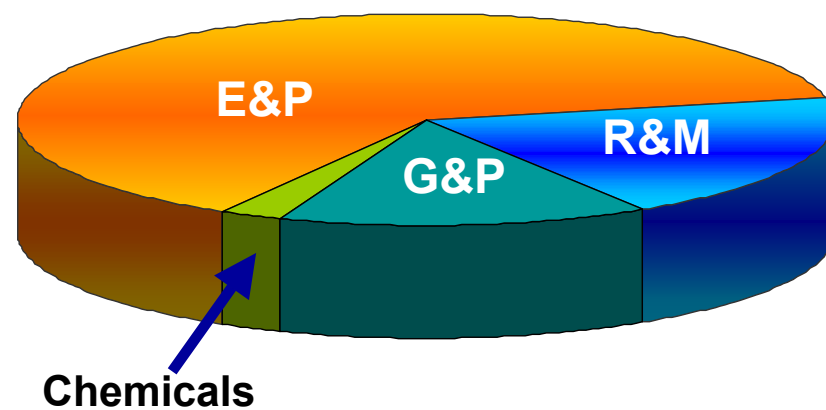
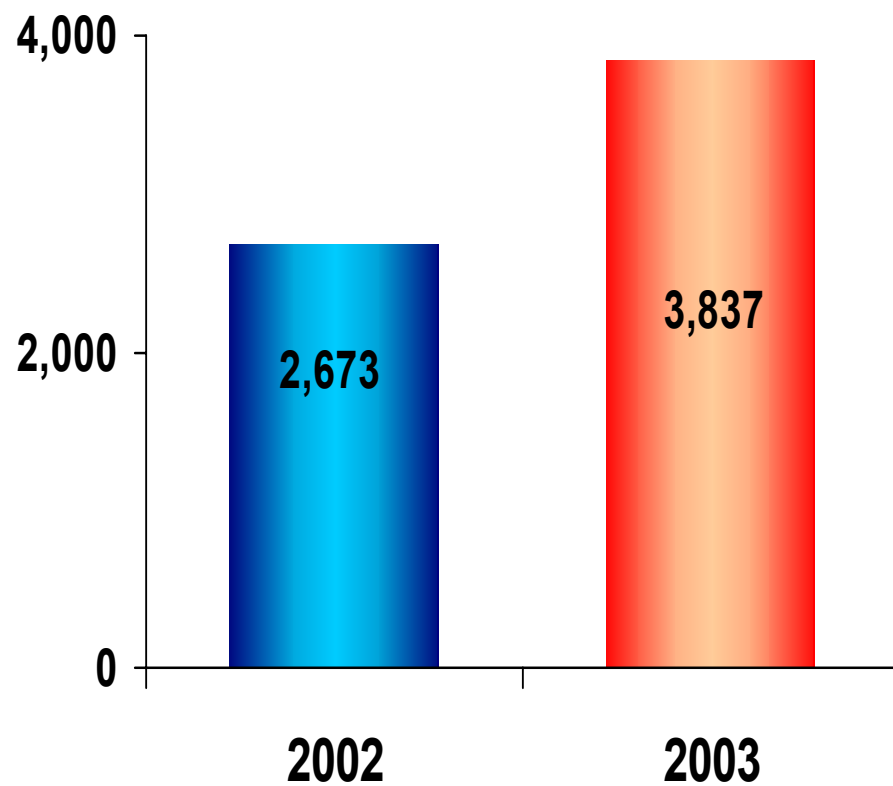


Financial Result



Million Euro

3,8 Billion euros





FINAL REMARKS

Alfonso Cortina
Chairman & CEO

-
- ✓ *Exercised important growth options*
 - ✓ *Cash flow generation on target*
 - ✓ *Substantial increase in dividend*
 - ✓ *Financial flexibility recovered*

Exploration & Production

- *Start operations in two new areas:*
 1. *Saudi Arabia*
 2. *Gulf of Mexico*
- *Increasing of activities in Lybia, with the exploration of two new concessions won in 2003*
- *Completion of the gas developments in T&T and of the Albacora field in Brazil*
- *A large increase in exploration activities with first wells in:*
 1. *Guinea*
 2. *Canary Island*
 3. *Cuba*

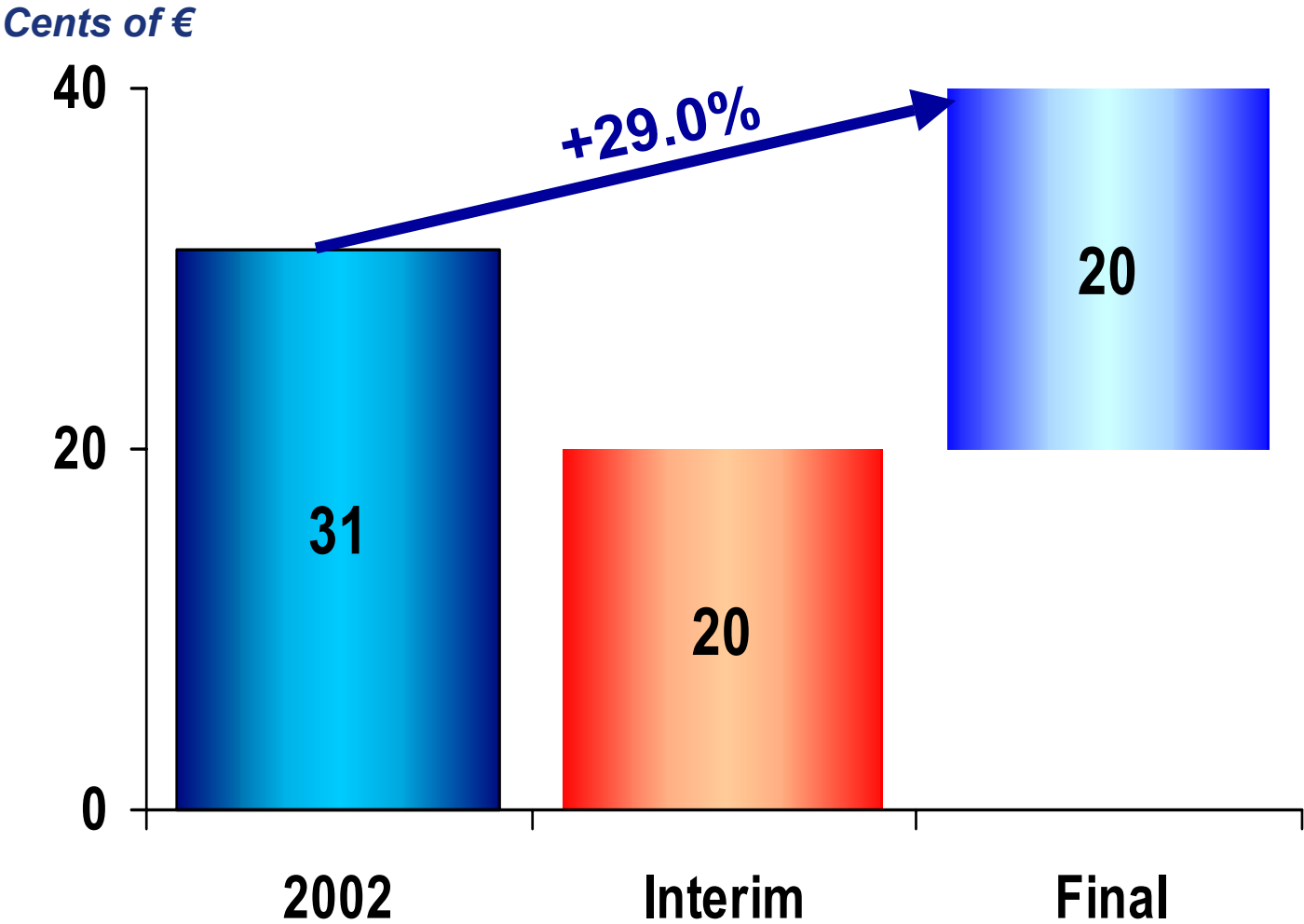
LNG

Further investment in LNG business

- 1. Construction of the 4th Train in Trinidad & Tobago*
- 2. Delivery of 2 new LNG tankers*
- 3. LNG operations in Puerto Rico and new opportunities in the Atlantic Basin*
- 4. Developments of integrated projects in North Africa and Persian Gulf*

Downstream

- *Improvements in conversion capacity*
 1. *Puertollano mild hydrocracker*
 2. *Vacuum and Visbreaking units in Peru*
- *Organic growth from non oil sales and loyalty programs*
- *Volume growth in petrochemicals*





4th QUARTER & FULL YEAR 2003 RESULTS

Investor Relations

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