

**REPSOL
YPF**



**2nd QUARTER 2005
PRELIMINARY RESULTS**

**WEBCAST-CONFERENCE CALL
14.00 H CET**

July, 28th 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 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.

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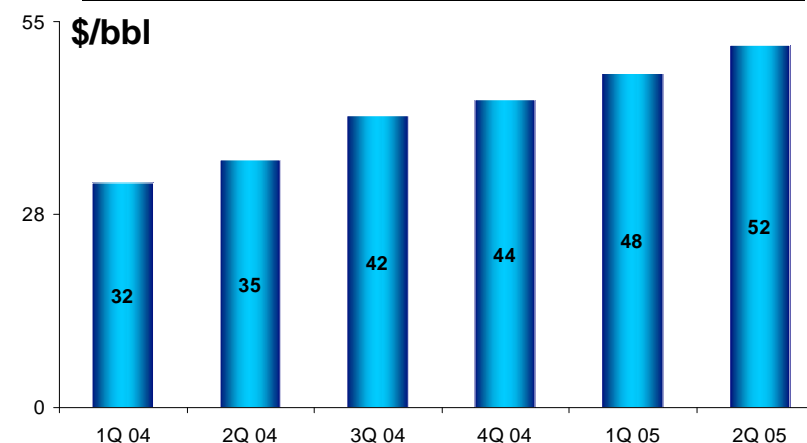
2nd Quarter Results

Luis Mañas
Director Corporativo Financiero

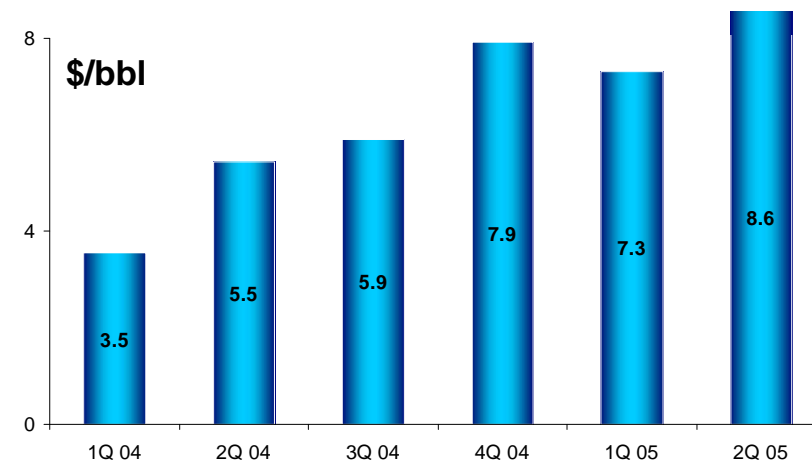
Trading environment

- **Strong refining margins**
- **High oil prices**
- **Weak marketing and LPG margins**
- **Lower petrochemical margins than in 1Q 05**
- **Stronger dollar, but still 4.6% below 2Q 04**
- **Economies of our key markets improving**

Brent prices



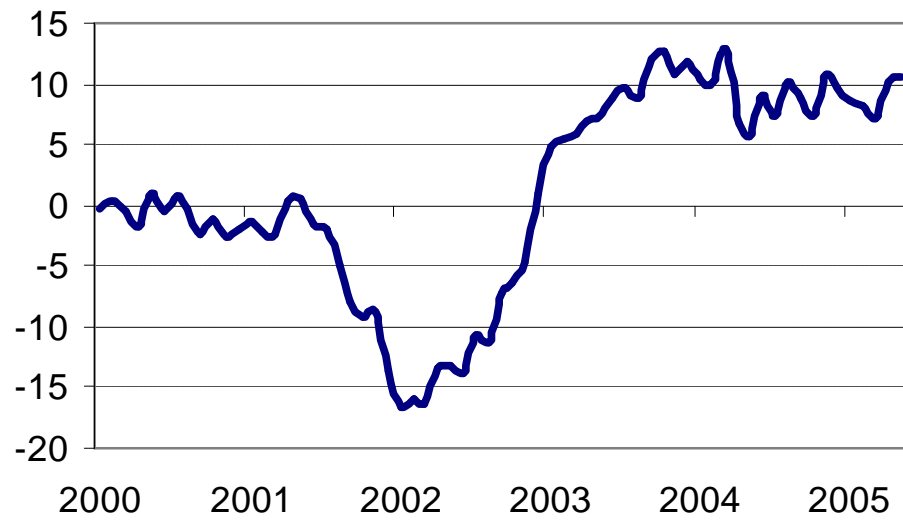
Refining Margins



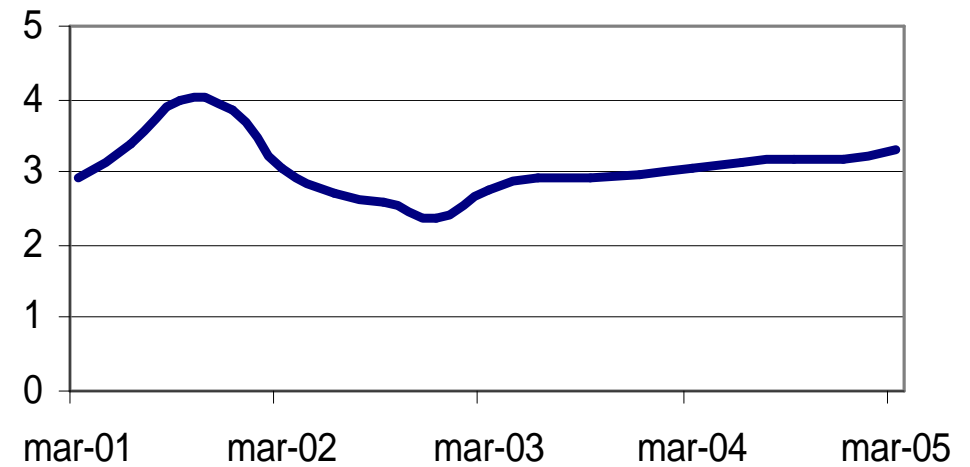
Highlights

Economies of our key markets improving

**Argentina: Economic Activity Indicator
(%year)**

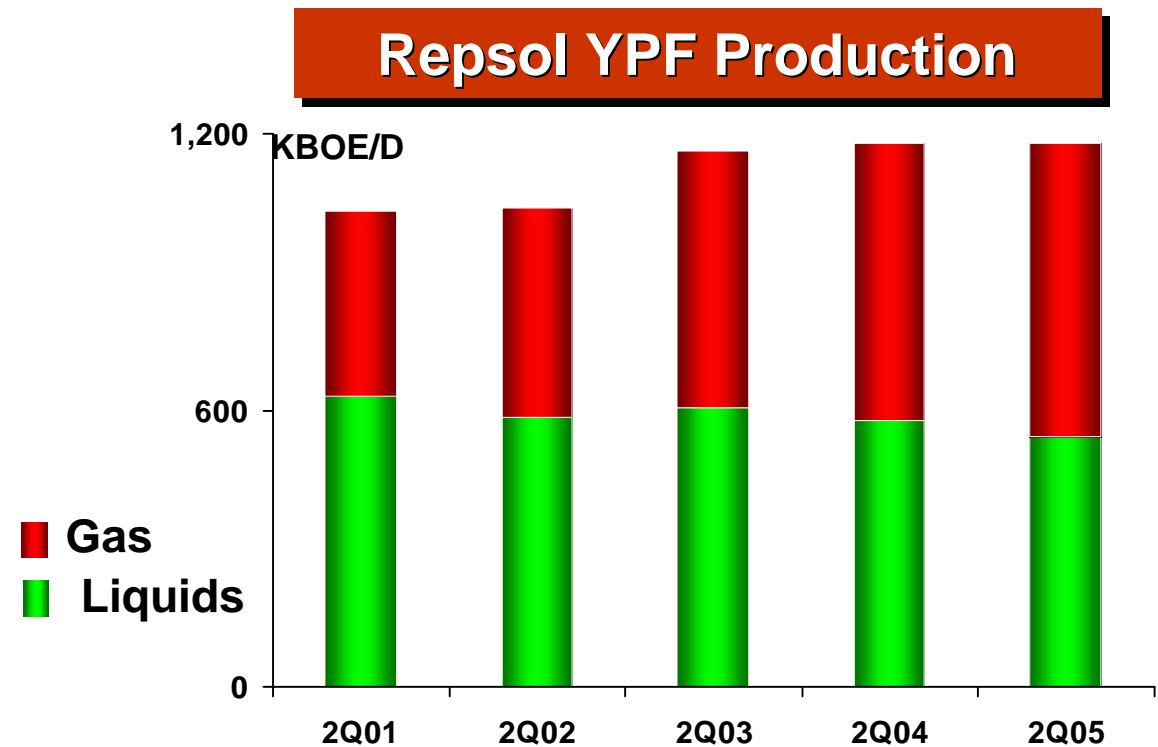


**Spain: GDP
(% year)**

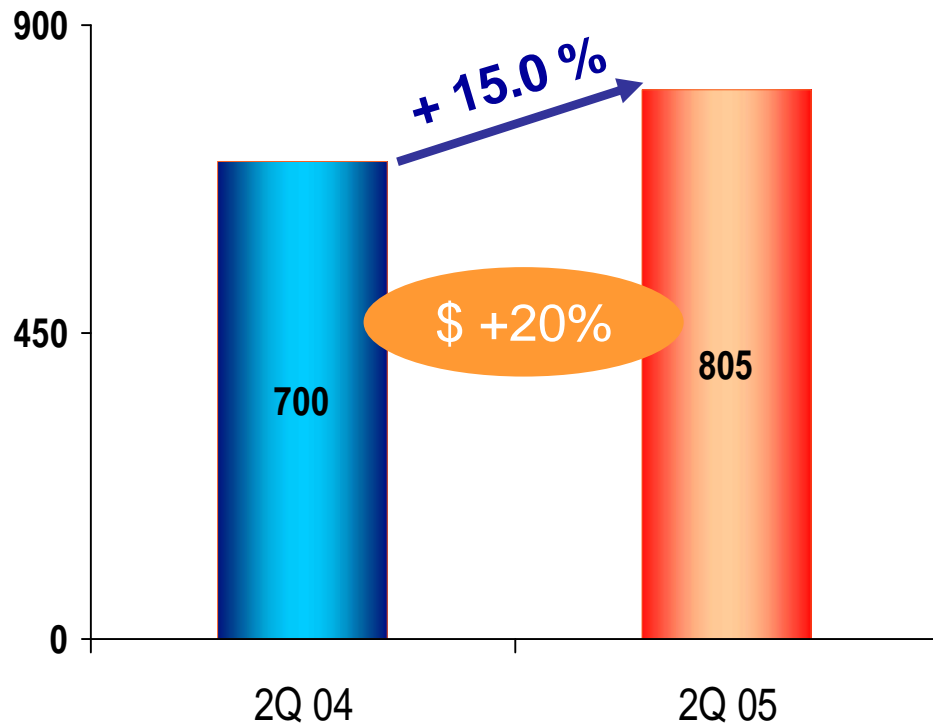


Operating performance

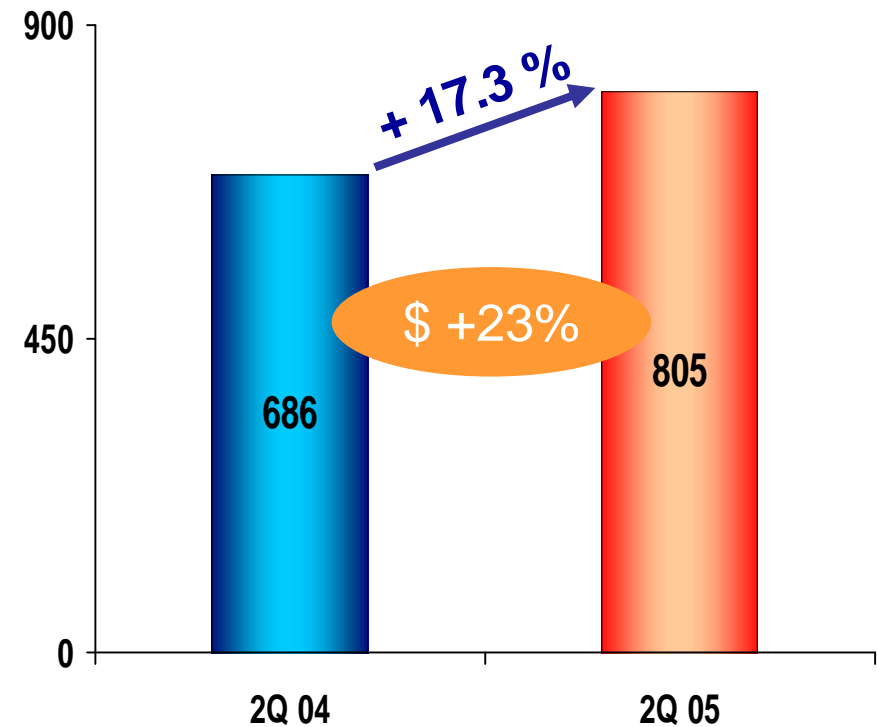
- *E&P volumes flat year on year*
- *Refined volumes lower because of Tarragona Turnaround*
- *Downstream volumes boosted by acquisitions in Portugal:*
 - *Marketing*
 - *LPG*
 - *Petrochemicals*



Net Income

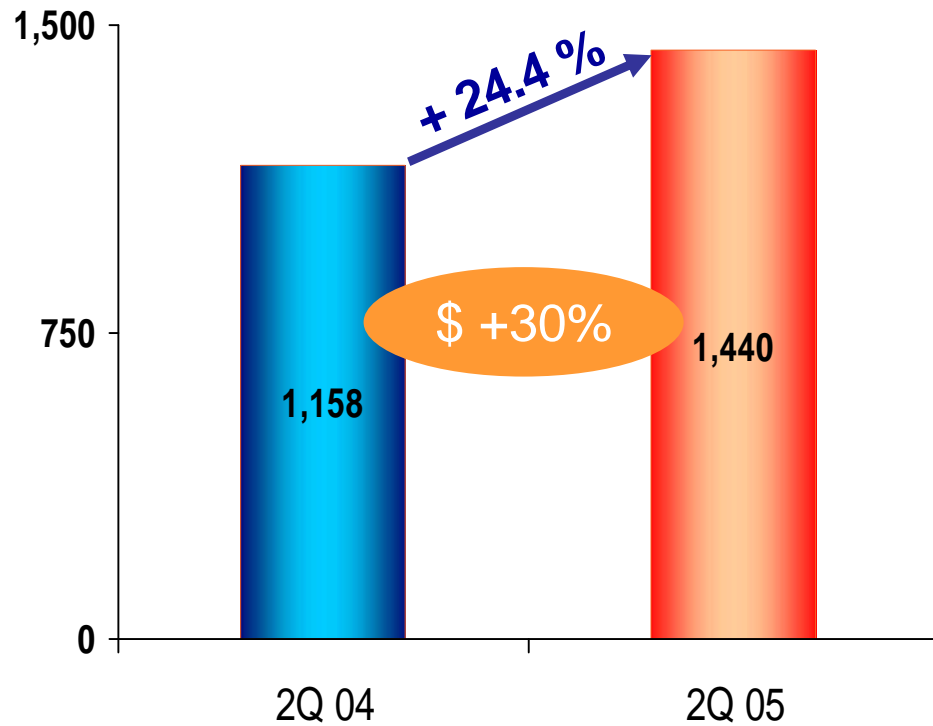


Adj. Net Income

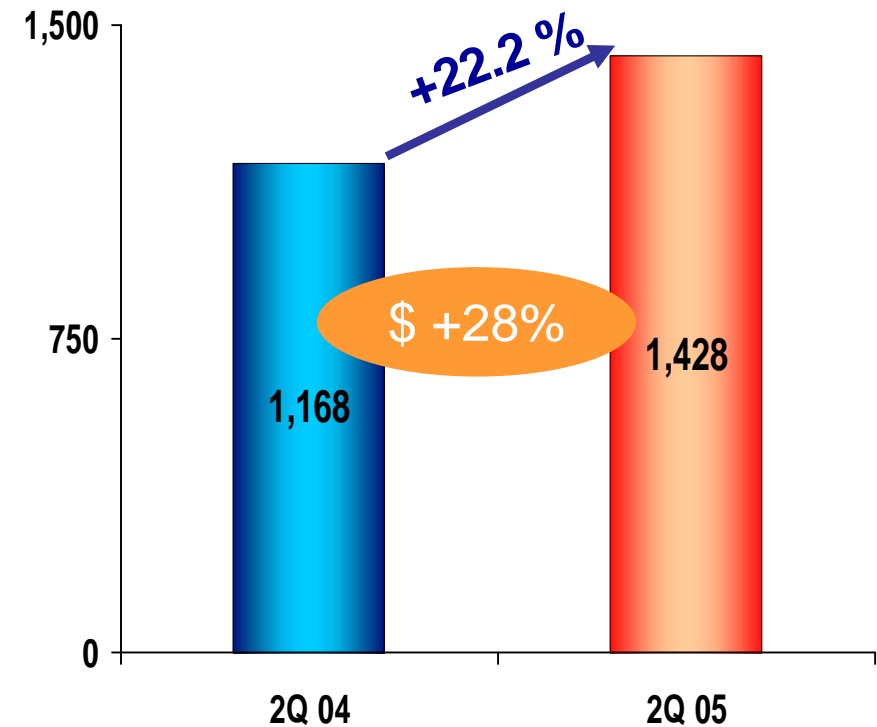


Million Euro

Income from operations

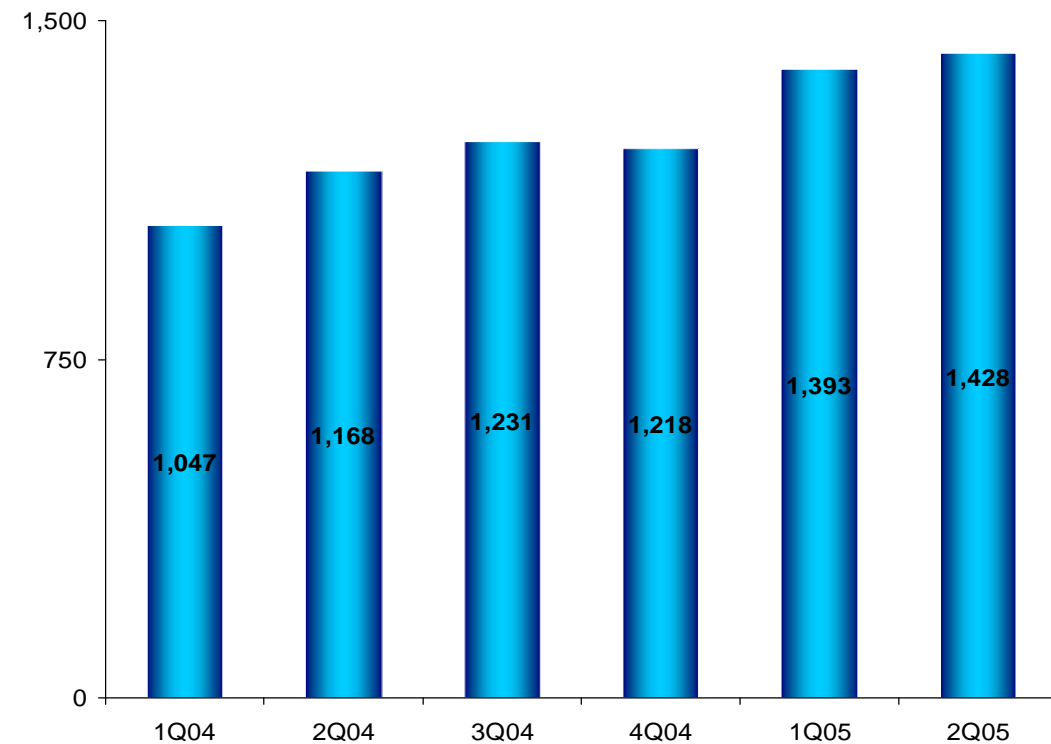


Adj. Income from operations

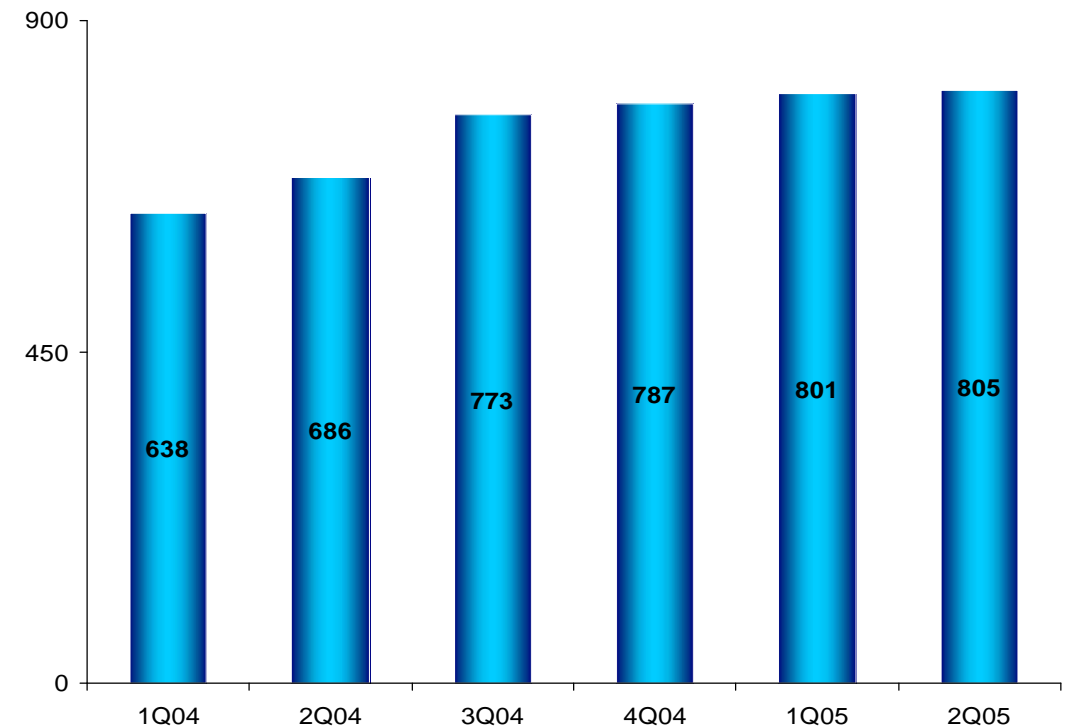


Million Euro

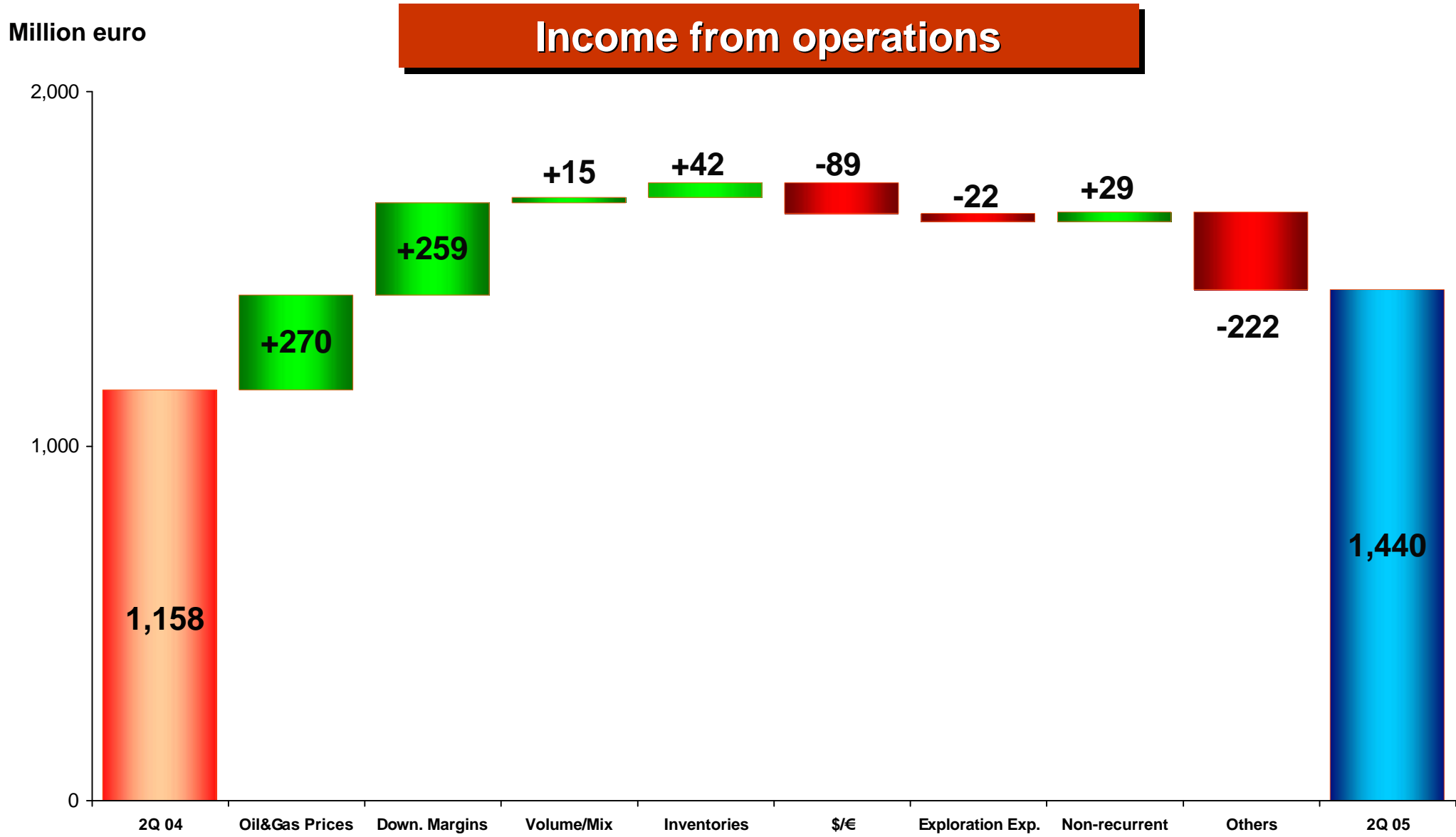
Adj. Income from operations



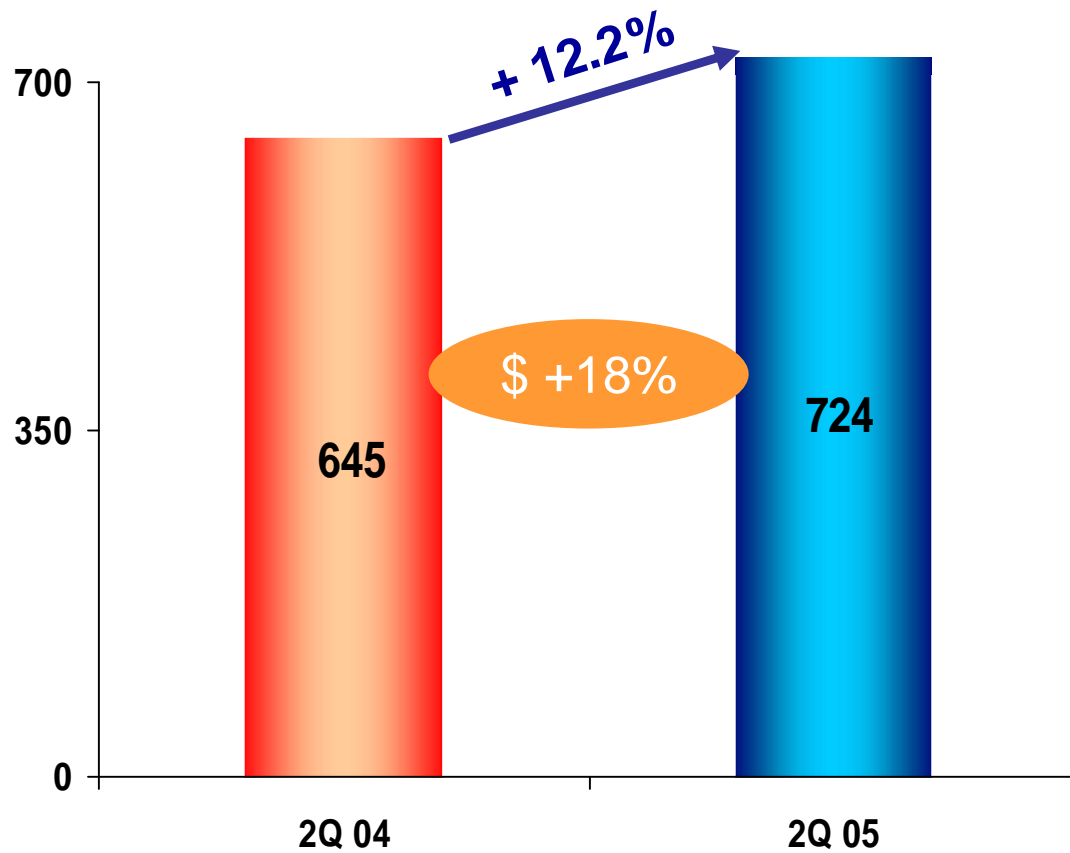
Adj. Net income



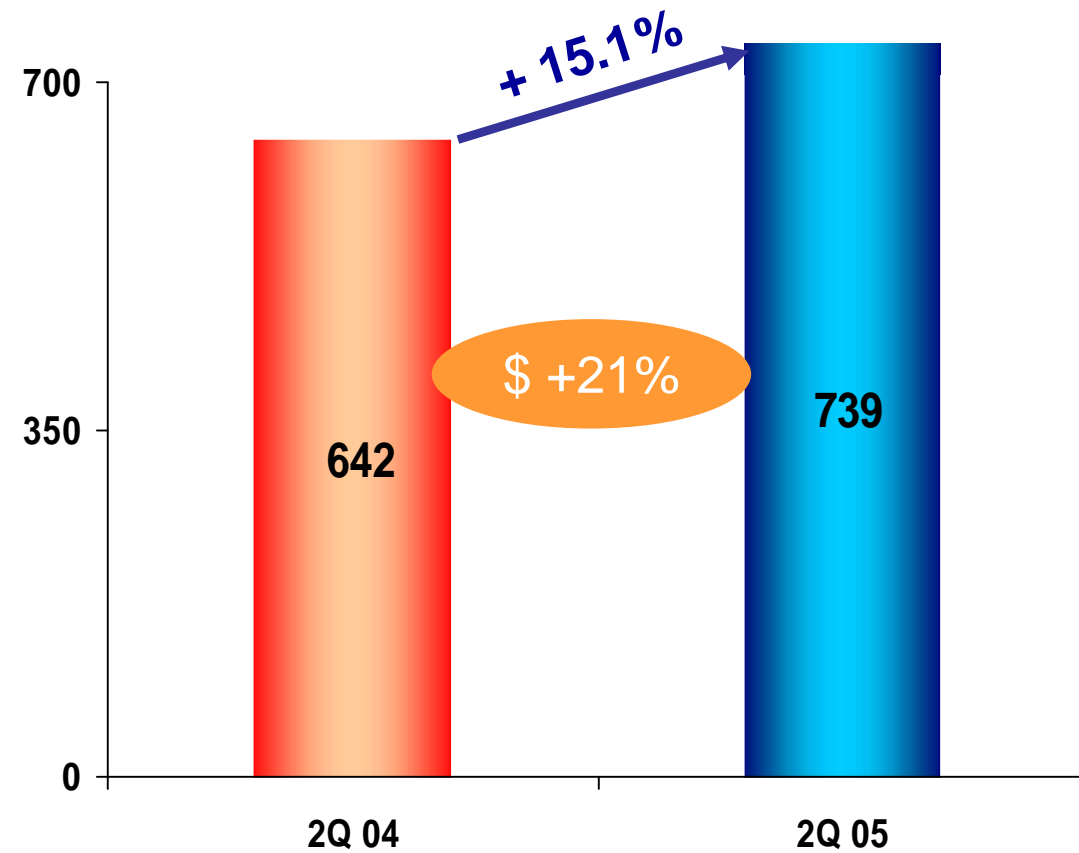
Million Euro



Income from operations



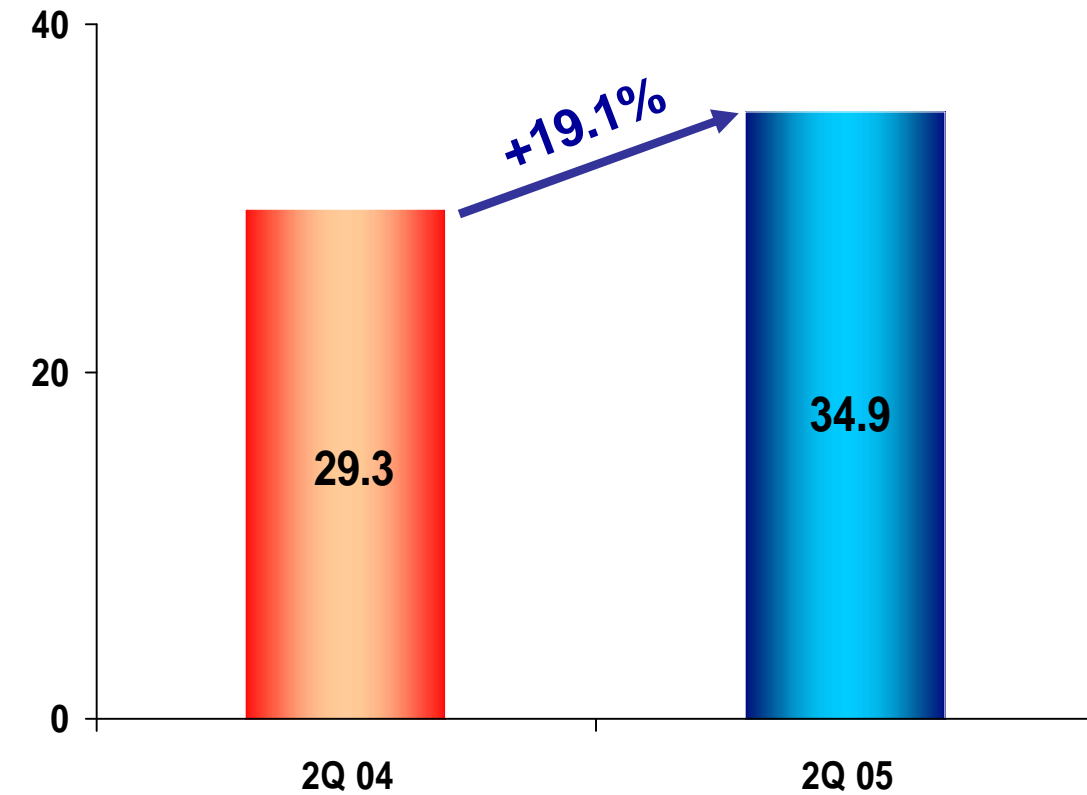
Adj. Income from operations



Million Euro

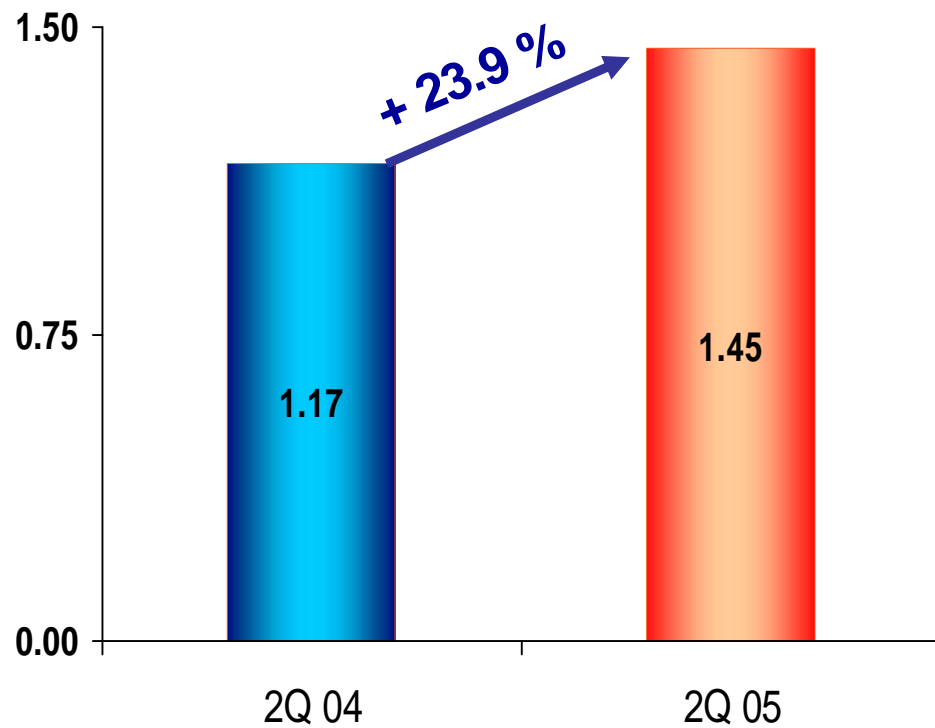
2Q 2005

\$/Bbl

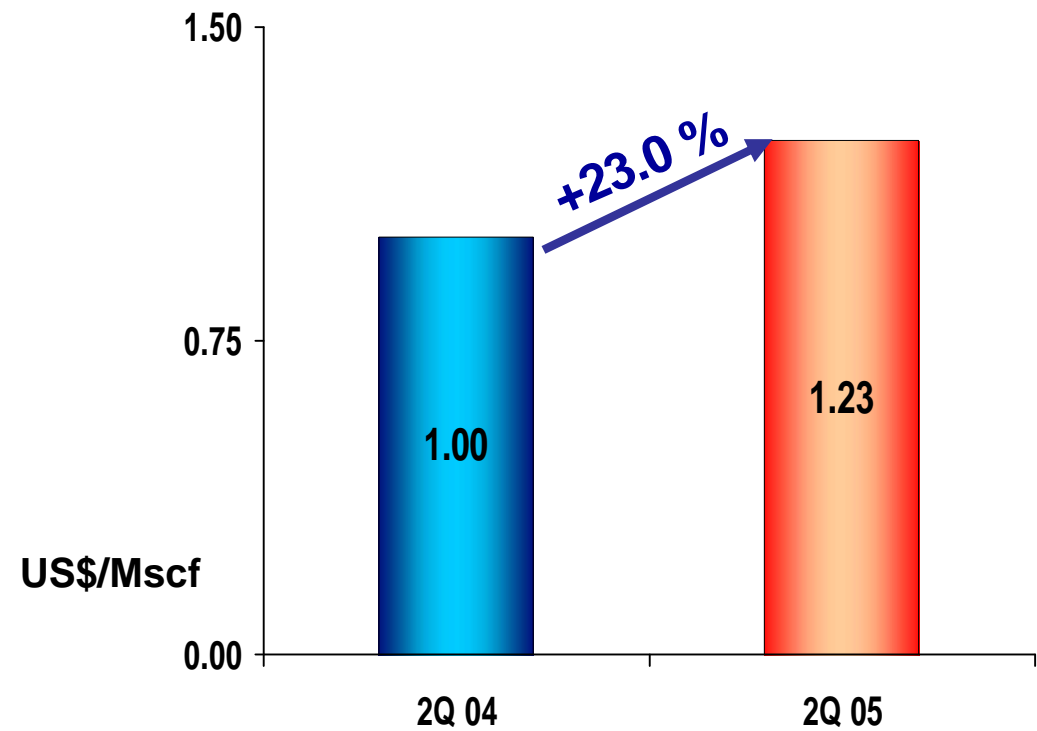


- *Higher reference oil prices*
- *Wider heavy crude oil differentials*
- *Higher export taxes in Argentina*
- *Higher internal discount on international prices in Argentina*

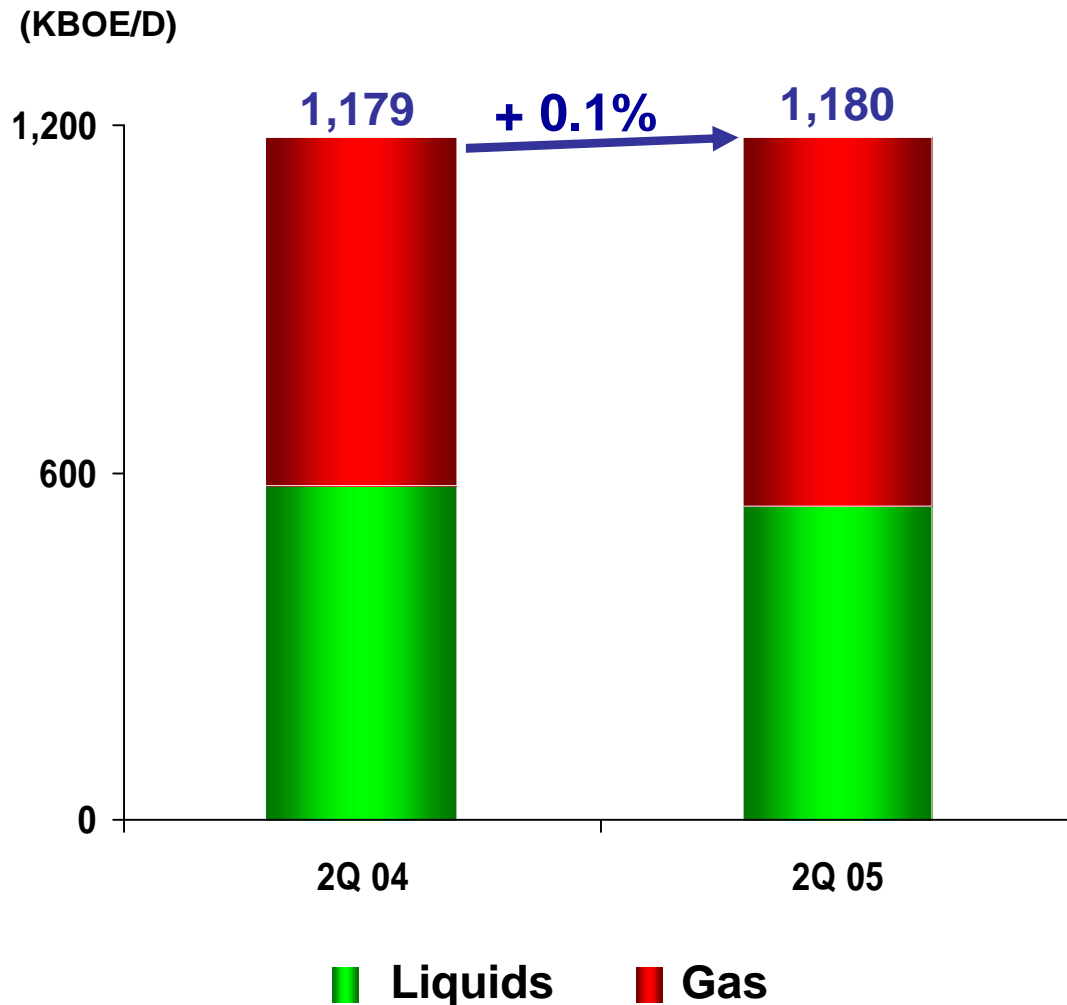
Group Average



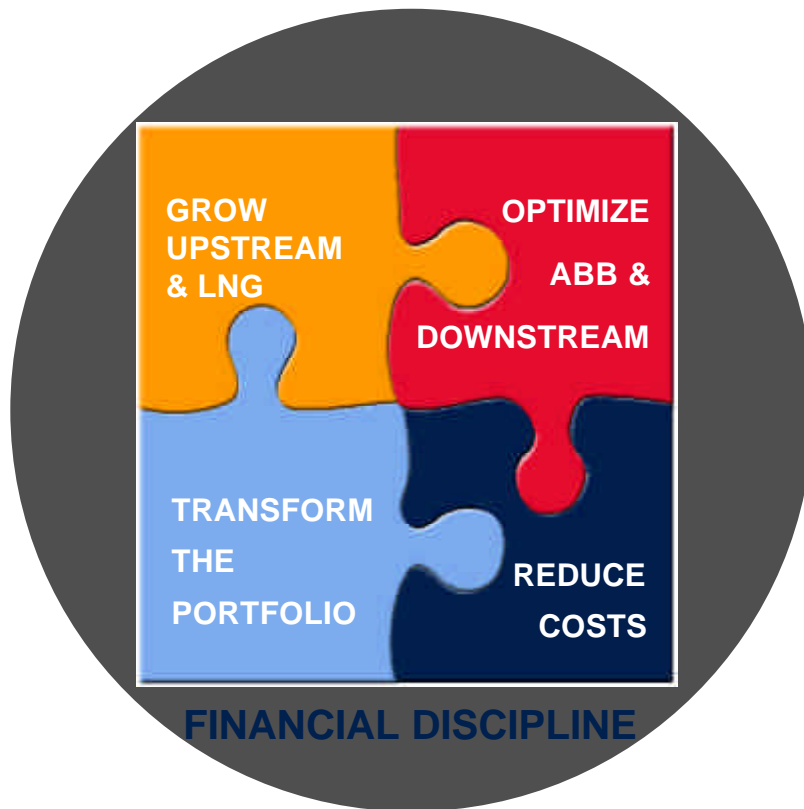
Argentina



Reported



- *Hydrocarbon production excluding PSC effects up by 4,000 Boepd*
- *Higher gas production in Bolivia, T&T and Venezuela*
- *Liquids decline in Argentina, T&T and Dubai; up in Libya*

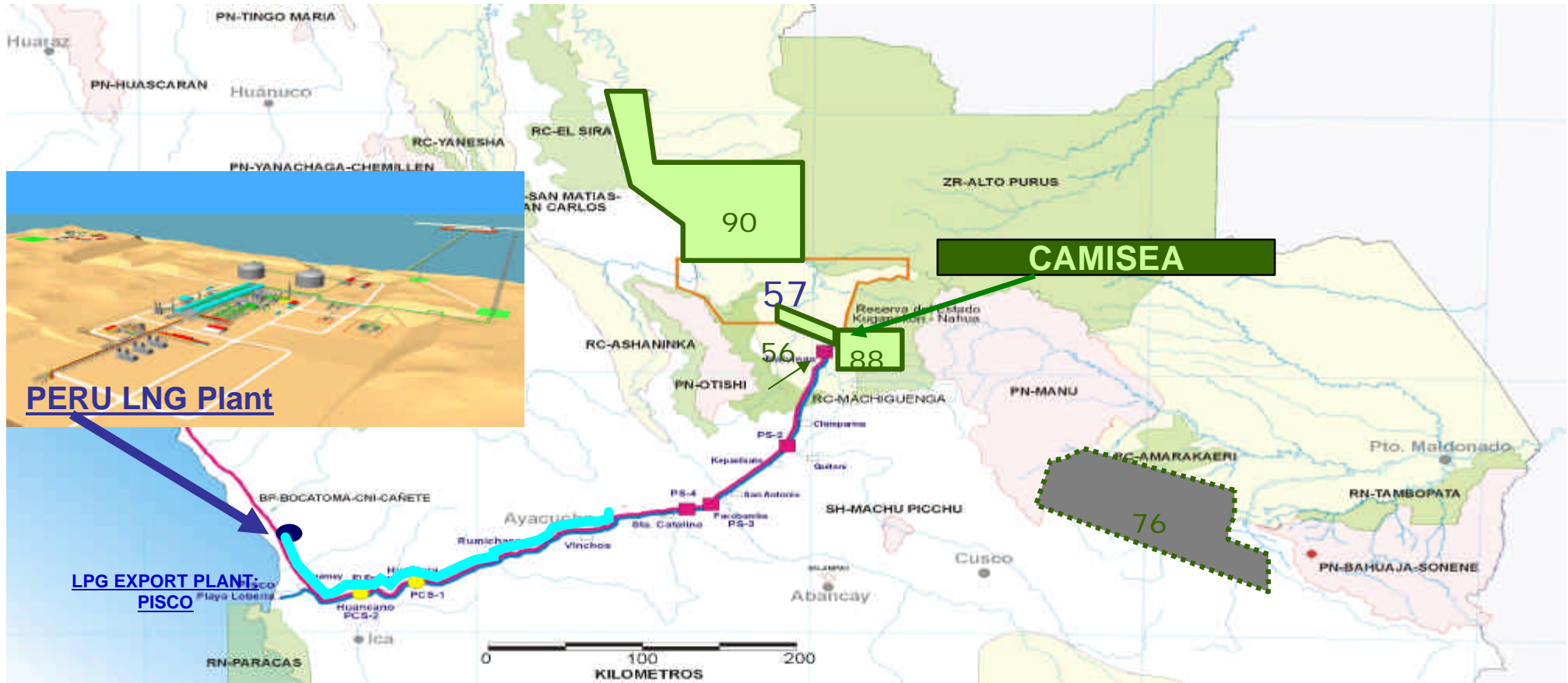


- ✓ **Peru LNG**
- ✓ **Canaport Project**
- ✓ **Increase stake in T&T block**
- ✓ **Deep water: Cuba, Neptune**
- ✓ **Projects coming on stream shortly with additional production: 4th Train in T&T, Albacora Leste, TGN Expansion and Barrancas**
- ✓ **North Africa: Gassi Touil and exploration efforts in Libya and Algeria**

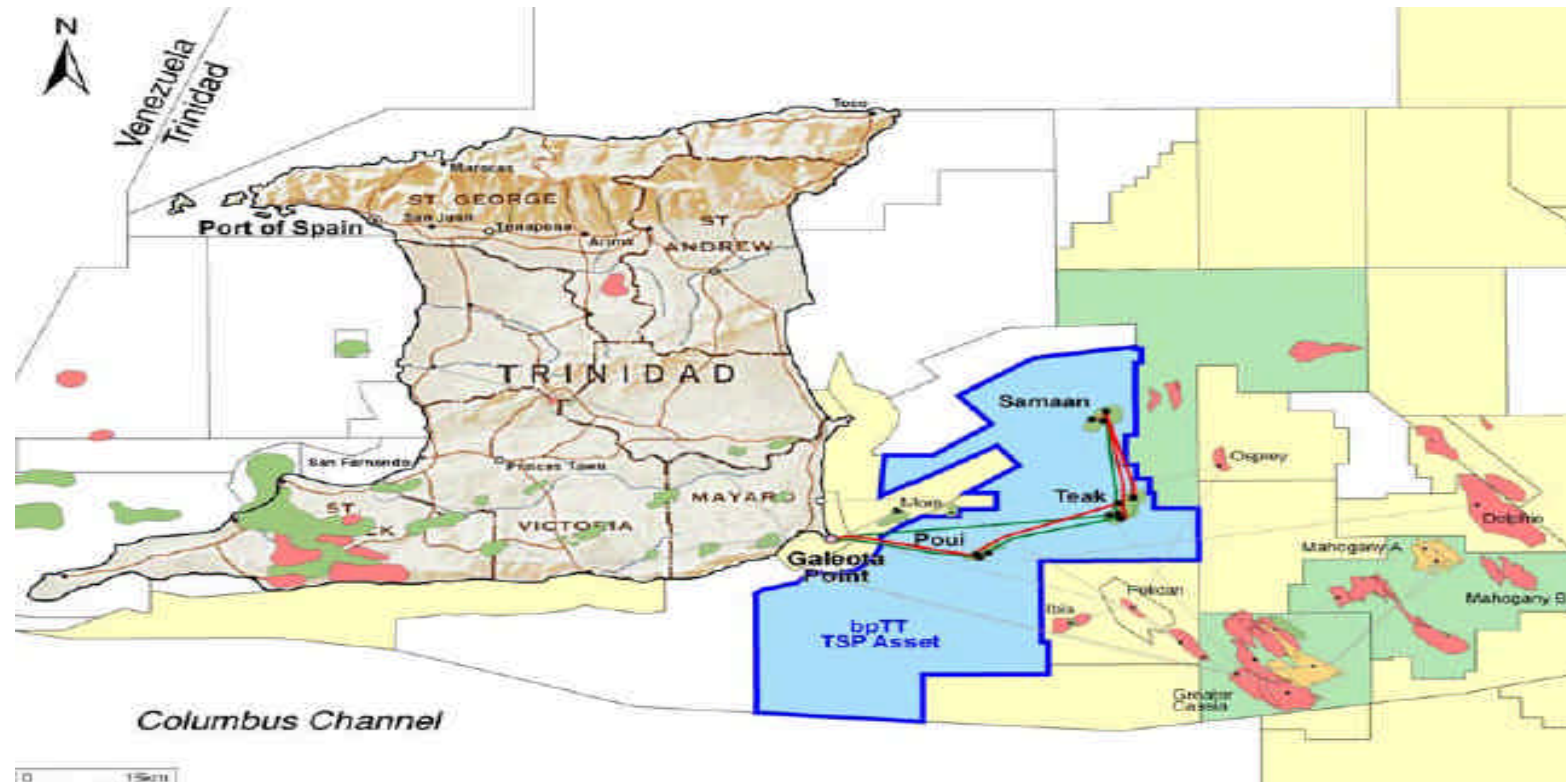
- *Appointment of a new President, after Mesa's resignation*
- *Elections for President and Parliament in December 2005*
- *New hydrocarbon law in application since May 5th*
- *Awaiting further clarification on contract migration*
- *Decision to start arbitration procedure together with other oil companies*
- *Book value of our assets in Bolivia is currently 900 M€, of which 75% correspond to Andina*



- *Operations are scheduled to start in 2009.*
- *Initial capacity of up to 1,000 Mscfd, that may be increased to 2,000 Mscfd.*
- *Repsol YPF will hold a 75% stake in the plant and 100% of capacity.*



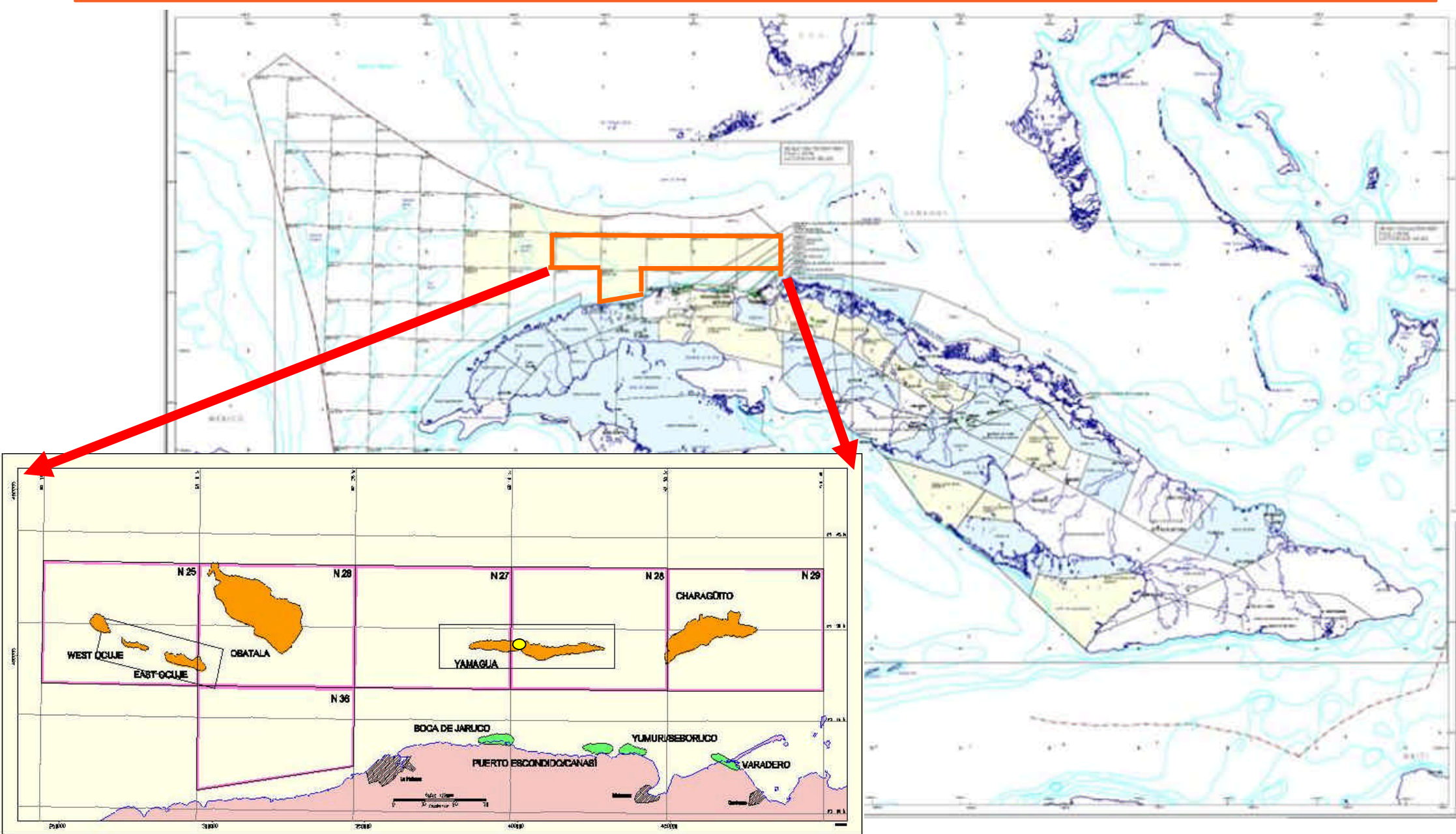
- *MOU with Hunt Oil to participate in Peru LNG and Camisea field*
- *Camisea already selling gas to Lima region*
- *Peru LNG to build a pipeline and liquefaction plant*
- *Plant operational in 2009, producing 4 Mtpa of LNG*



- **Repsol YPF to hold 70% of block (from 30%). Trinitarian NOCs to take 30%.**
- **Oil field currently producing 20,500 Boepd**
- **Onyx gas field to be developed**
- **Increasing proved reserves: 30 Mboe (June 1st 2005)**

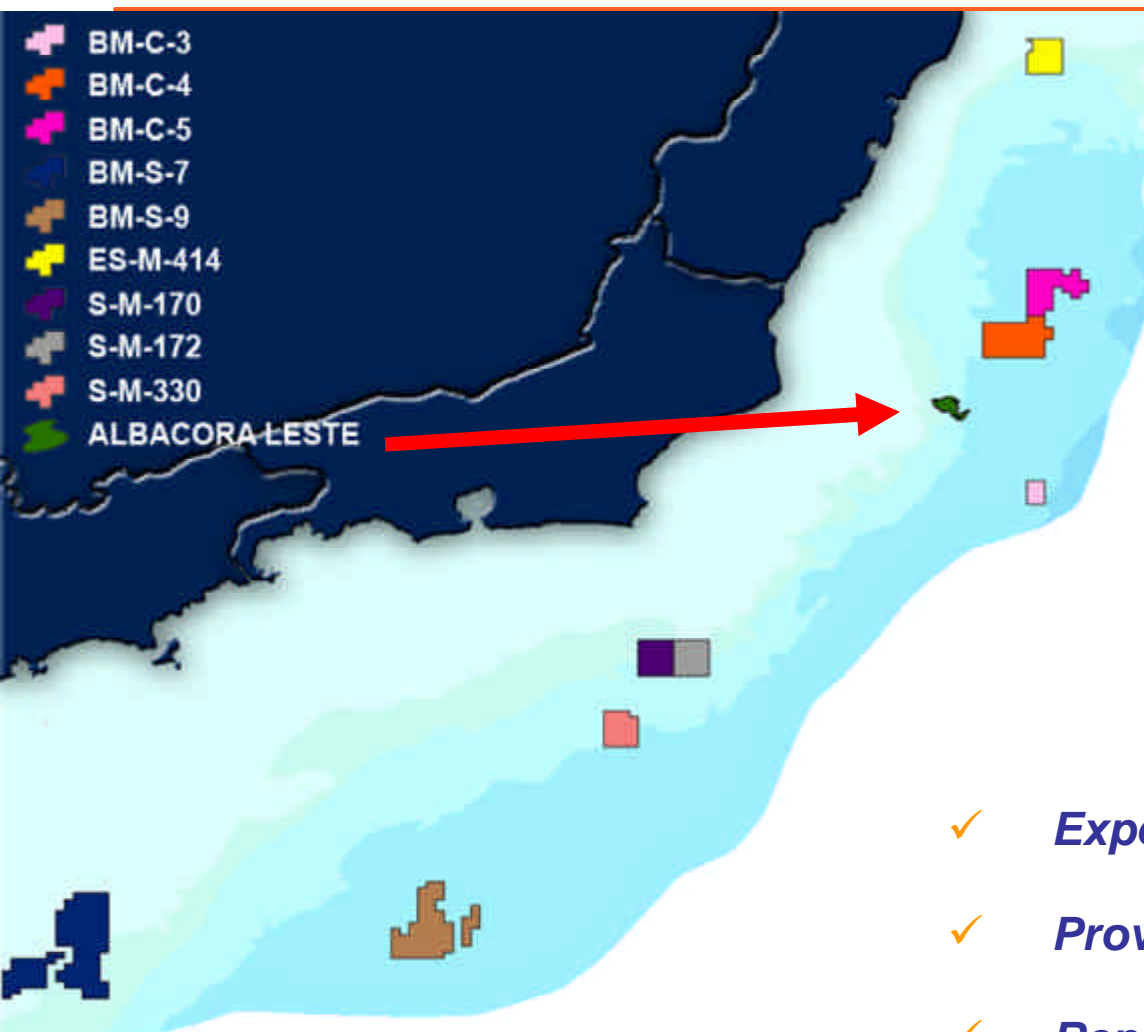
Cuba farm-out

40% Repsol YPF; 30% Norsk Hydro; 30% ONGC



Future Start-ups

Albacora Leste, Brazil



- ✓ *Expected to start production in 4th quarter, 2005*
- ✓ *Proven Repsol YPF reserves: 41 Mboe*
- ✓ *Repsol YPF plateau production: 14,000 Boepd*

4th Train T&T

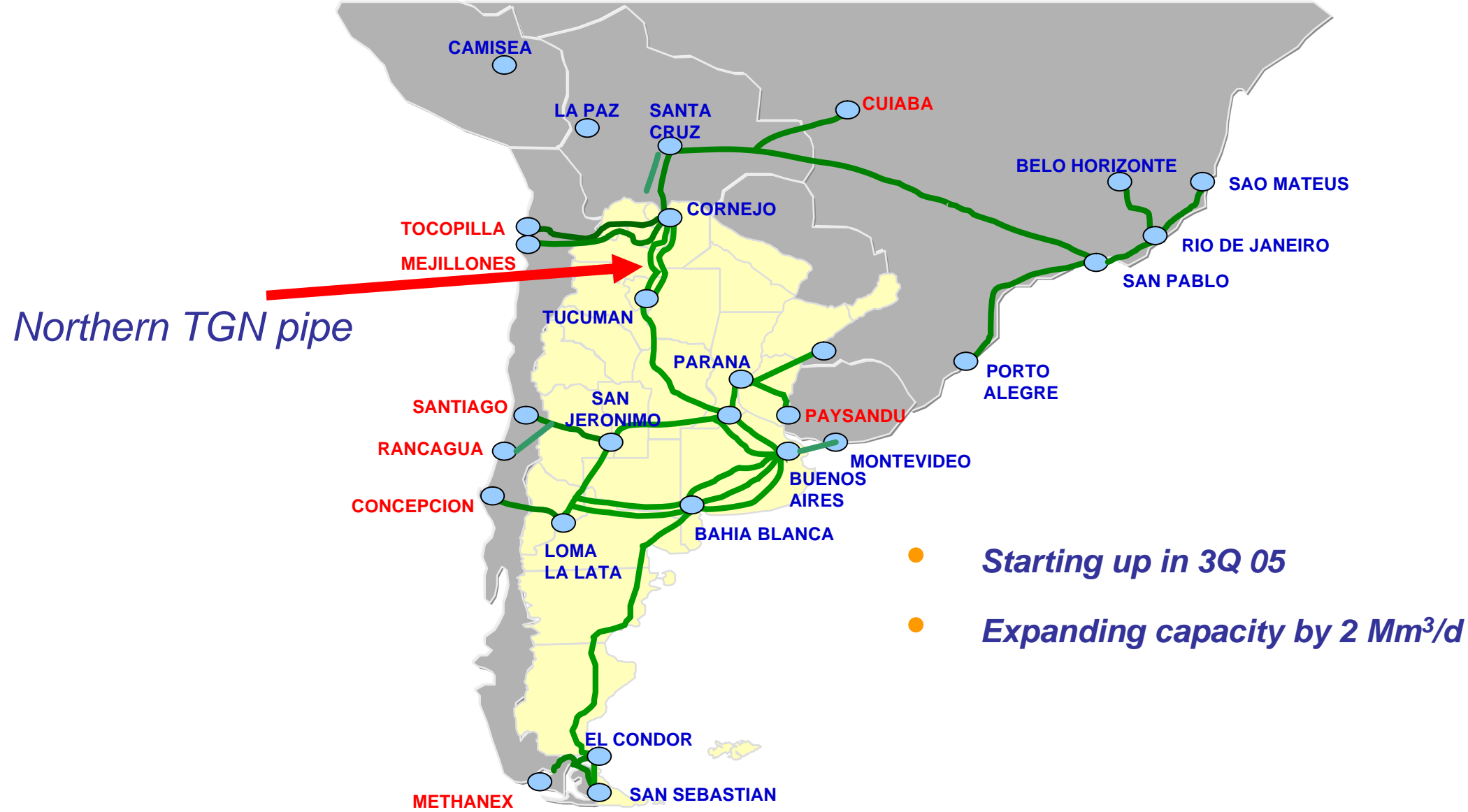


- **1.2 B\$ investment (22% Repsol YPF)**
- **7 Bcm/year capacity (67% supply by BPRY)**
- **Starting end 2005/ beginning 2006**

Future Start-ups



TGN pipeline revamping in Northern Argentina



Algeria: *Gassi Touil formal signature in May 2005*

Project on track

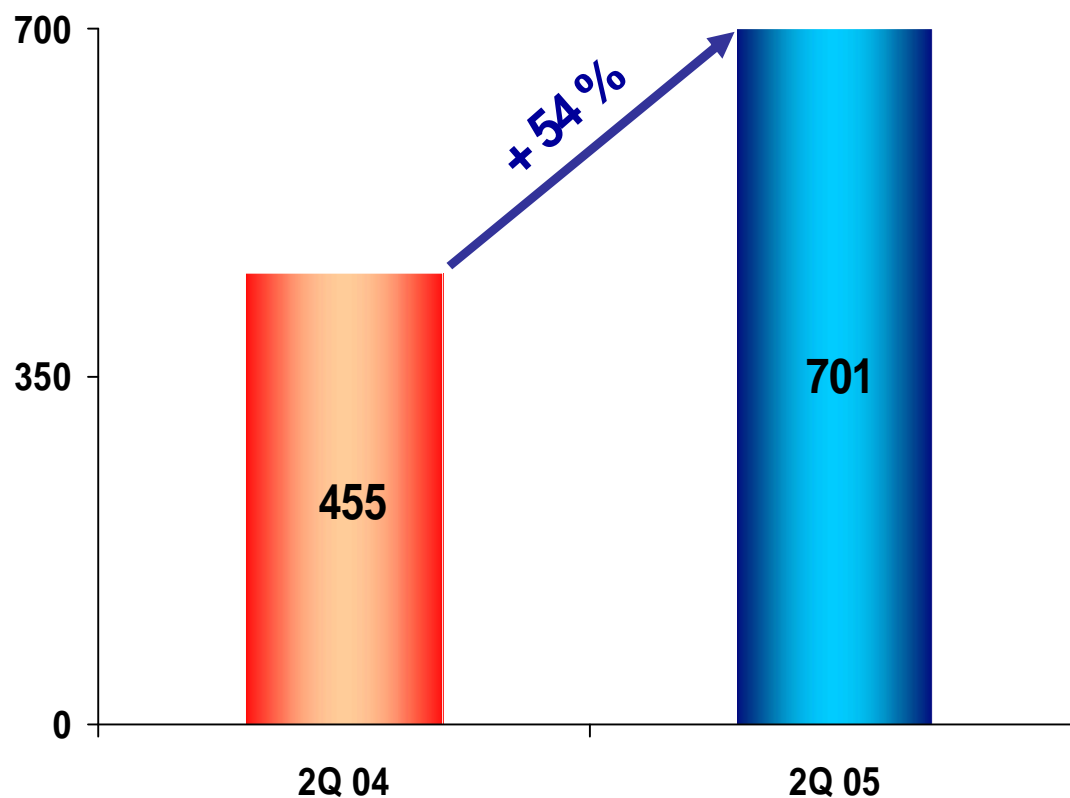
Drilling in Reganne

Libya: *Mayor exploration effort in 2nd half 2005*

Drilling in NC-200, NC-186 and NC-190



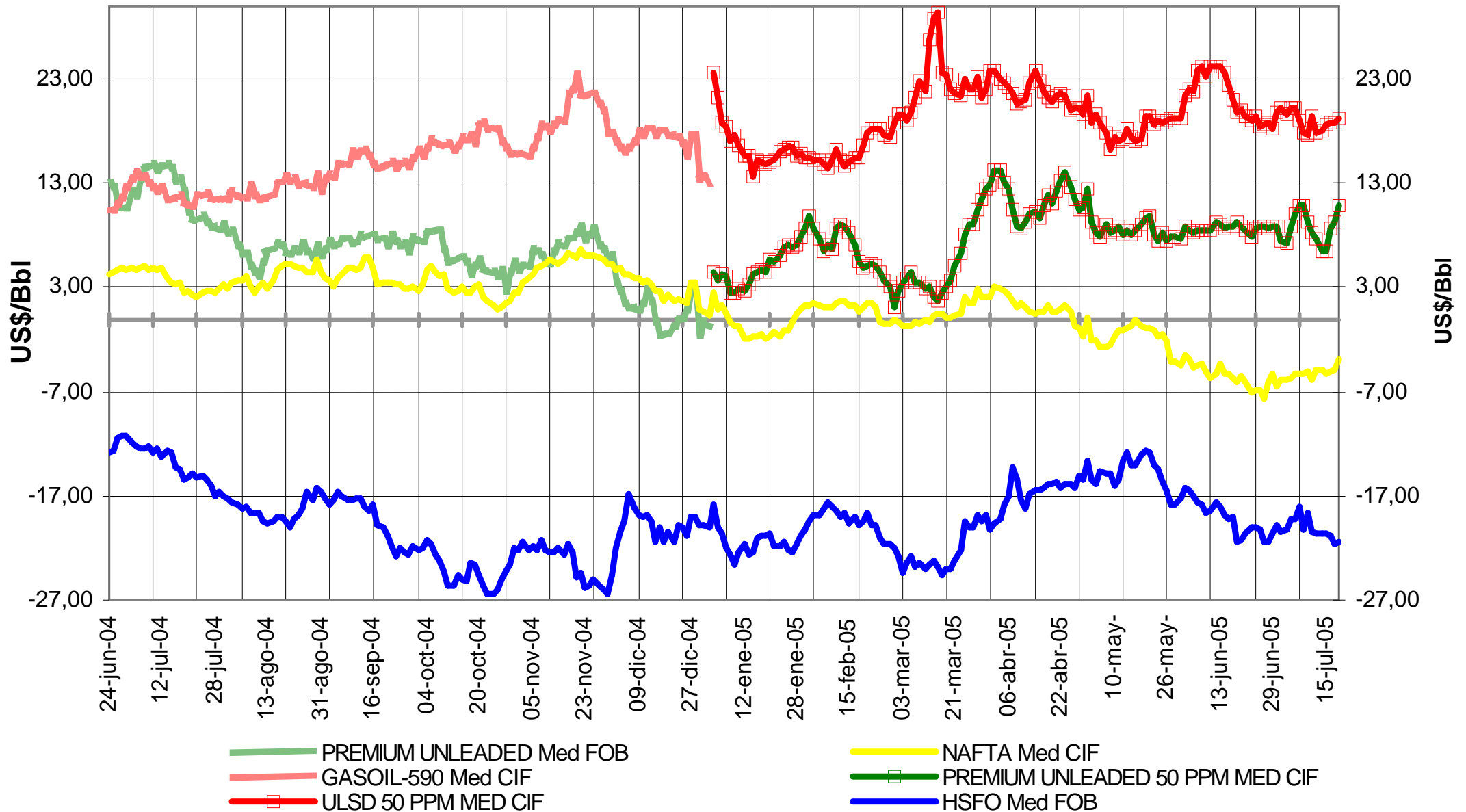
R&M Income from operations



Million Euro

- *Consistently high refining margins*
- *Positive inventory effects*
- *Lower than usual LPG and marketing margins in Europe*
- *Negative marketing margins in Argentina*
- *Lower refining output due to maintenance in Tarragona refinery*

Oil products differentials



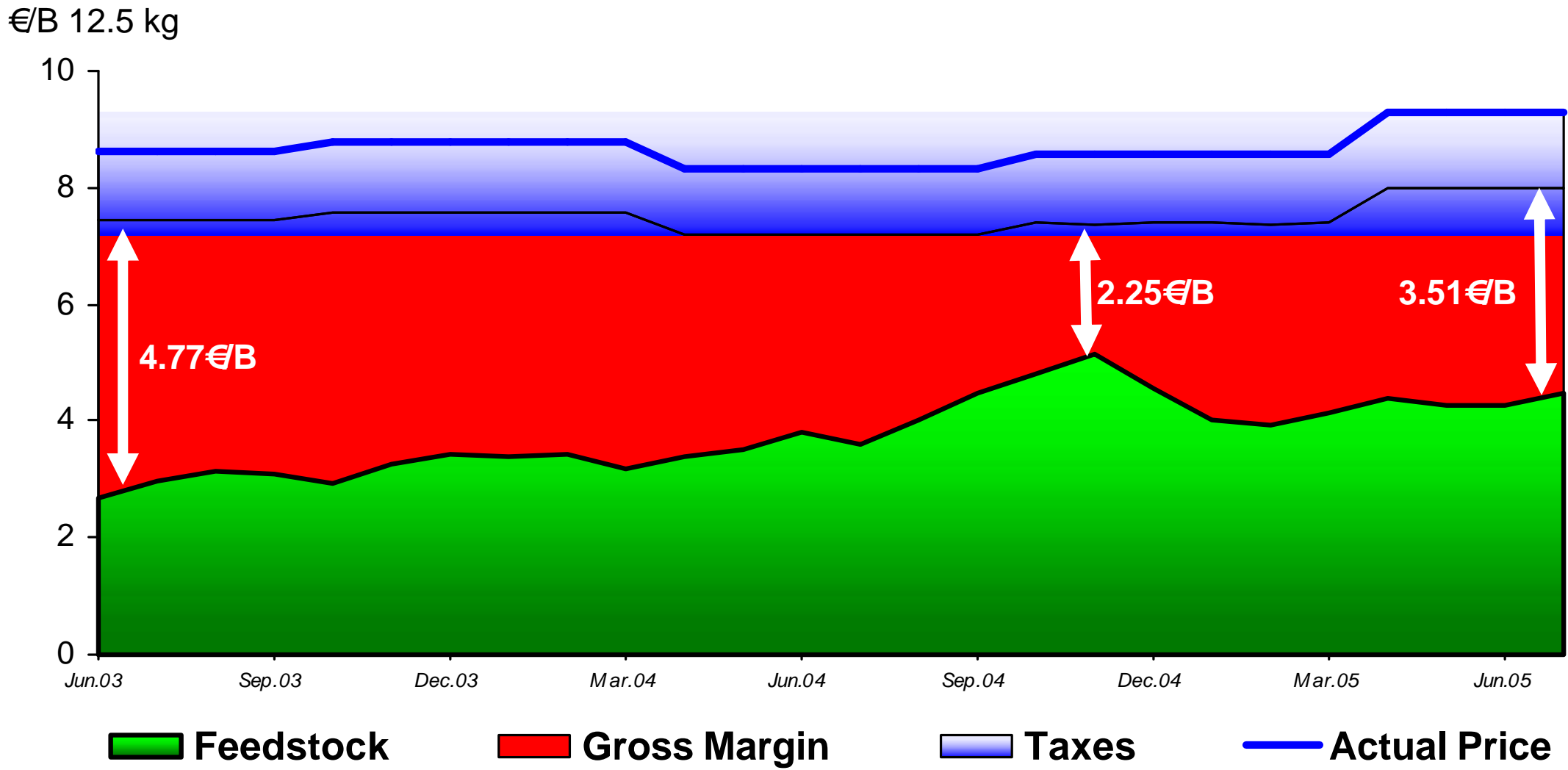


- ***New hydro-treatment unit in La Coruña (Spain)***

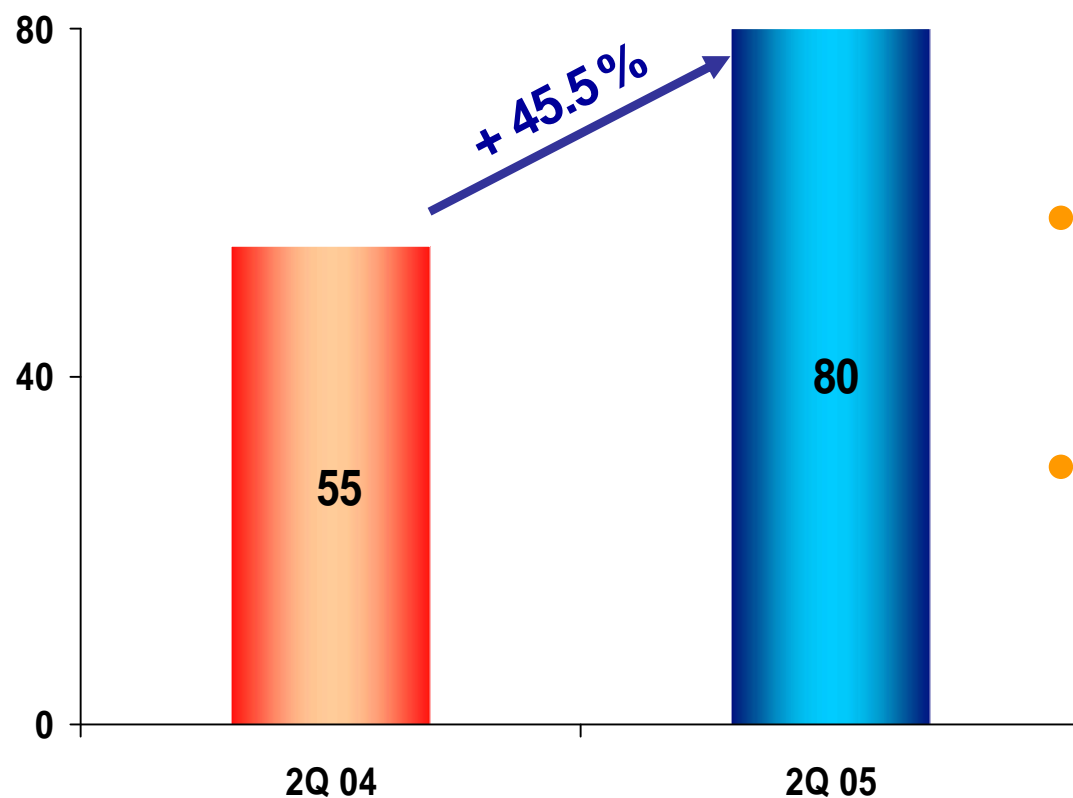


- ***Visbreaker in La Pampilla refinery (Peru)***
- ***Conversion upgrade, with a coking and resid FCC, in REFAP (Brazil)***

Spanish bottled LPG price



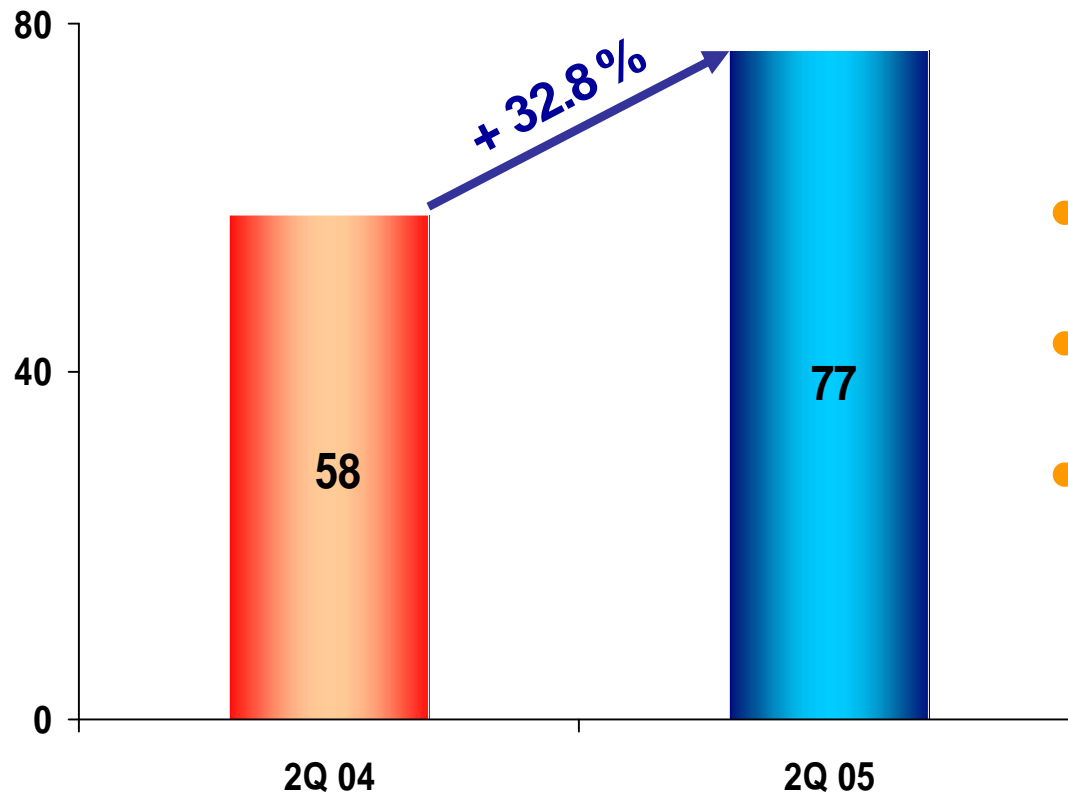
Income from operations



- *Weaker demand for base and derivative petrochemicals in Europe at end 2Q 05*
- *Higher petrochemical margins year-on-year*
- *Income from Sines complex in Portugal*

Million Euro

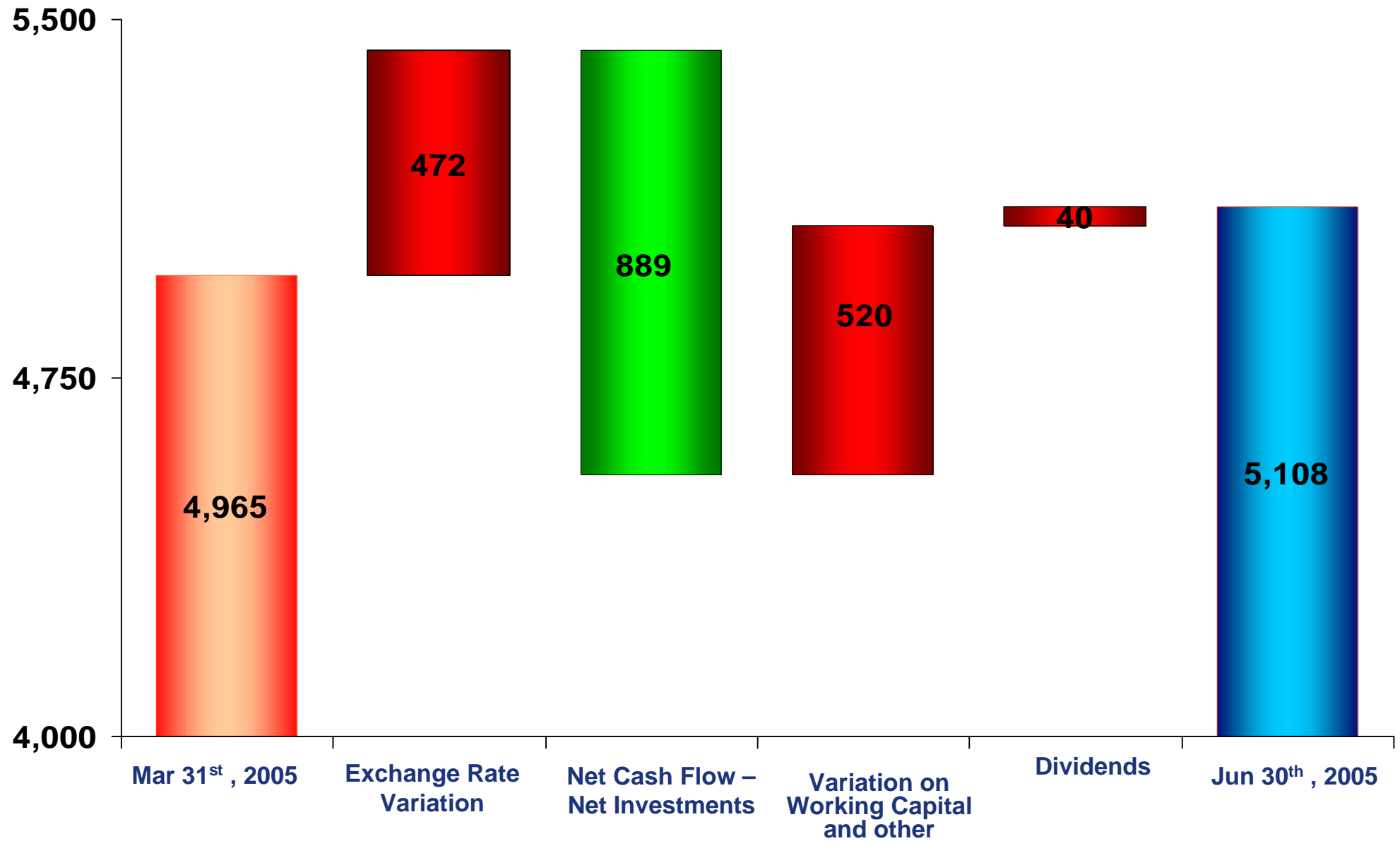
Income from operations



- *Growth in gas distribution in Spain and Latam*
- *Higher electricity pool prices*
- *Larger electricity sales*
- *Negative effect of marketing prices*

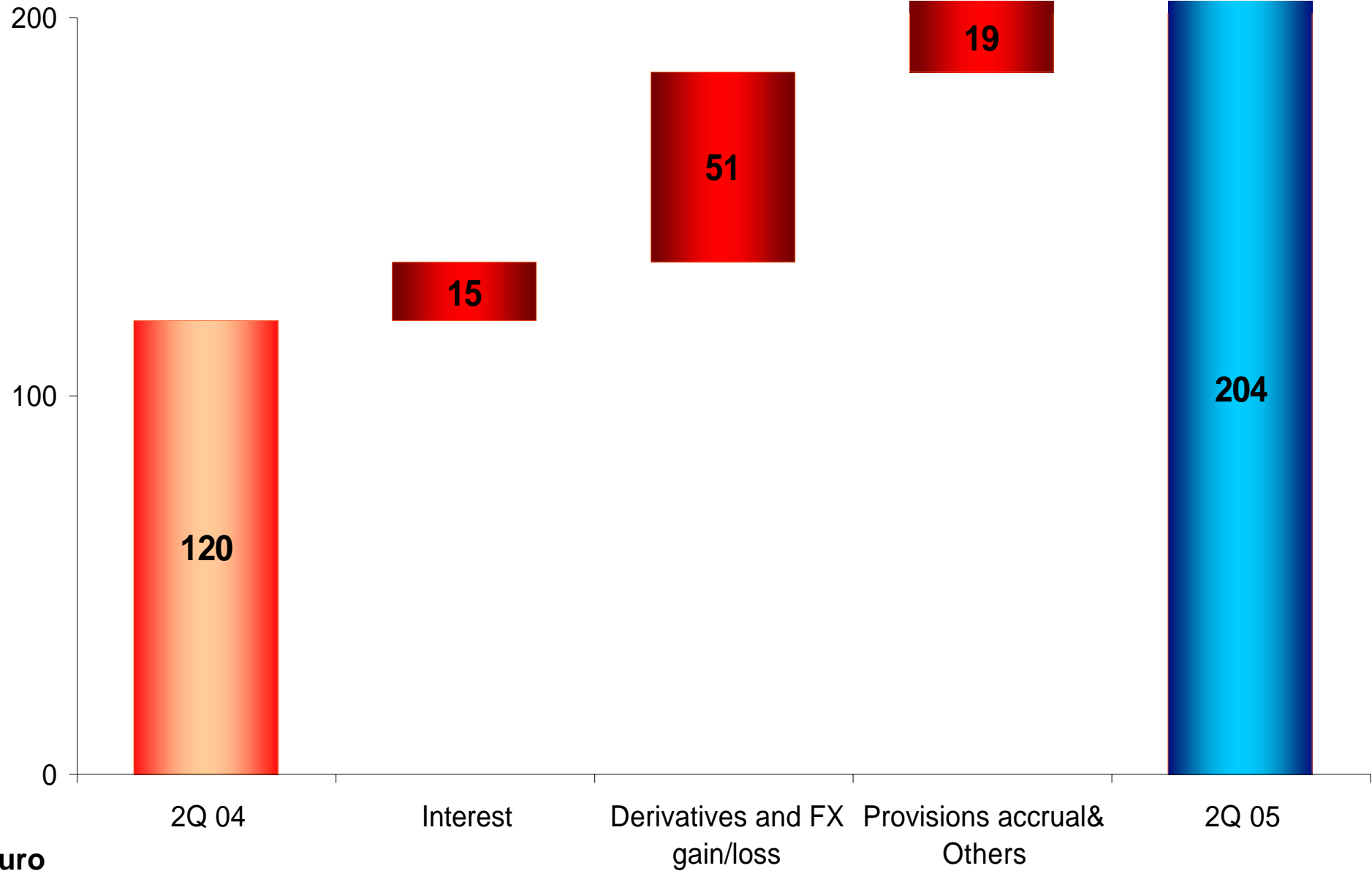
Million Euro

Net debt variation



Million Euro

Financial expenses



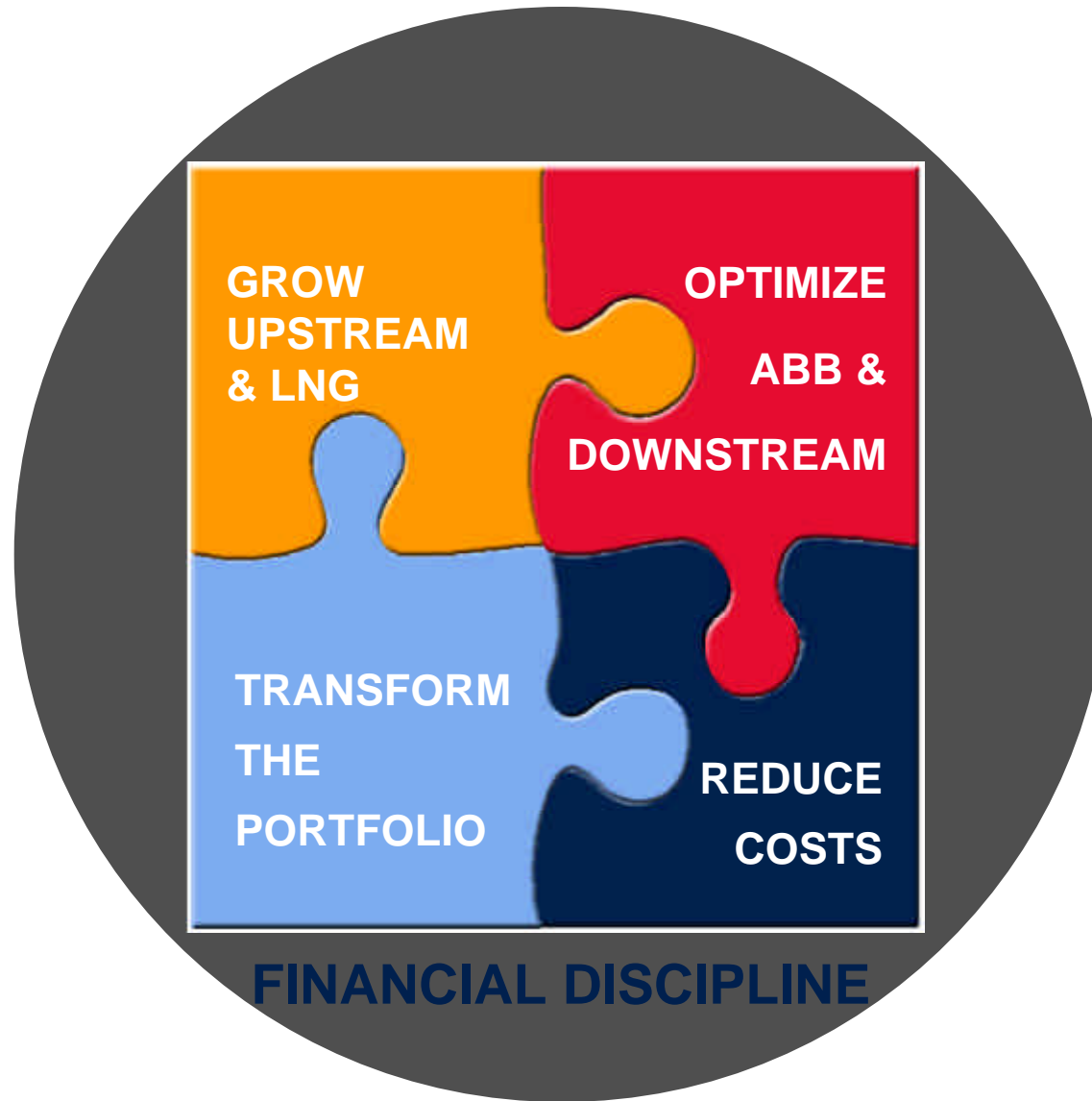
Financial Ratios



Million euro

	END 2004	2Q 2004	2Q 2005
NET DEBT	5,262	5,866	5,108
BOOK CAPITALIZATION	21,752	22,218	23,745
NET DEBT/BOOK CAPITALIZATION (%)	24.2	26.4	21.5
EBITDA	7,002	3,283	3,928
NET DEBT / EBITDA	0.75	0.89	0.65
AFTER CASH-FLOW	4,697	1,860	3,022
AFTER CASH-FLOW* / NET DEBT (%)	89.3	61.6	118.3
NET INTEREST EXPENSES	373	187	205
NET INTEREST EXPENSES + DIVIDENDS PREFERRED	551	276	294
EBITDA / NET INTEREST	18.8	17.5	19.2
EBITDA / NET INTEREST + DIVIDENDS PREFERRED	12.7	11.9	13.4

* Annualized



**REPSOL
YPF**



**2nd QUARTER 2005
PRELIMINARY RESULTS**

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