



Santander Annual Iberian Conference

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CFO

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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 at a glance

Repsol YPF at a glance:



M €	June – 04		1H – 04
Market Cap.	21,976	EBITDA	3,275
Capital Employed	24,442	EBIT	2,120
Net Debt	5,597	Net Income	1,075
Preferred	3,596	Adj. Net Income *	1,324
Equity	14,741	After tax Cash Flow	2,461

* Net Income before goodwill charges, adjusted for non-recurring and extraordinary items

Comparison Jan.-Jun. 04 vs. Jan.-Jun. 03



	% ▲ in €	+	% ▲ in US\$	+	(*) Adj. by Tax Rate
Operating Income	+2.2%		+13.6%		+13.6%
Net Income	-7.7%		+2.6%		+13.5%
Adj. Net Income	-6.4%		+4.1%		+13.0%
After tax Cash Flow	+0.4%		+11.7%		+17.0%

* Adj. to 38% tax rate

Operating highlights:

UPSTREAM (2003)

	ARGENTINA	ROW	TOTAL
PRODUCTION (K BOE/D)	760	372	1,132
OIL (K BBL/D)	432	162	594
GAS (M CF/D)	1,842	1,179	3,021
RESERVES (MBOE)	2,739	2,694	5,433
OIL (K BBL/D)	1,274	608	1,882
GAS (M CF/D)	8,227	11,715	19,942

Operating highlights:

DOWNSTREAM (2003)

	SPAIN	ARGENTINA	ROW	TOTAL
REFINING CAPACITY (K BOE/D)	740	334	160	1,234
SERV. STATIONS* (NUMBER)	3,611	1,910	1,396	6,917
LPG SALES (KmT)	1,992	308	893	3,193
CHEMICAL CAPACITY (KmT)	4,275	2,241	-	6,516

* In the third quarter 2004, Repsol YPF acquired 338 Service Stations to Shell, that have been added

Operating highlights:

LNG

	2003	1H04
LIQUEFACTION CAPACITY (BCM/A)	3.13	3.55
TRANSPORTATION CAPACITY (K M3)	276	276
COMMERCIALIZATION (BCM)	2.85	4.44 *

* Annualized

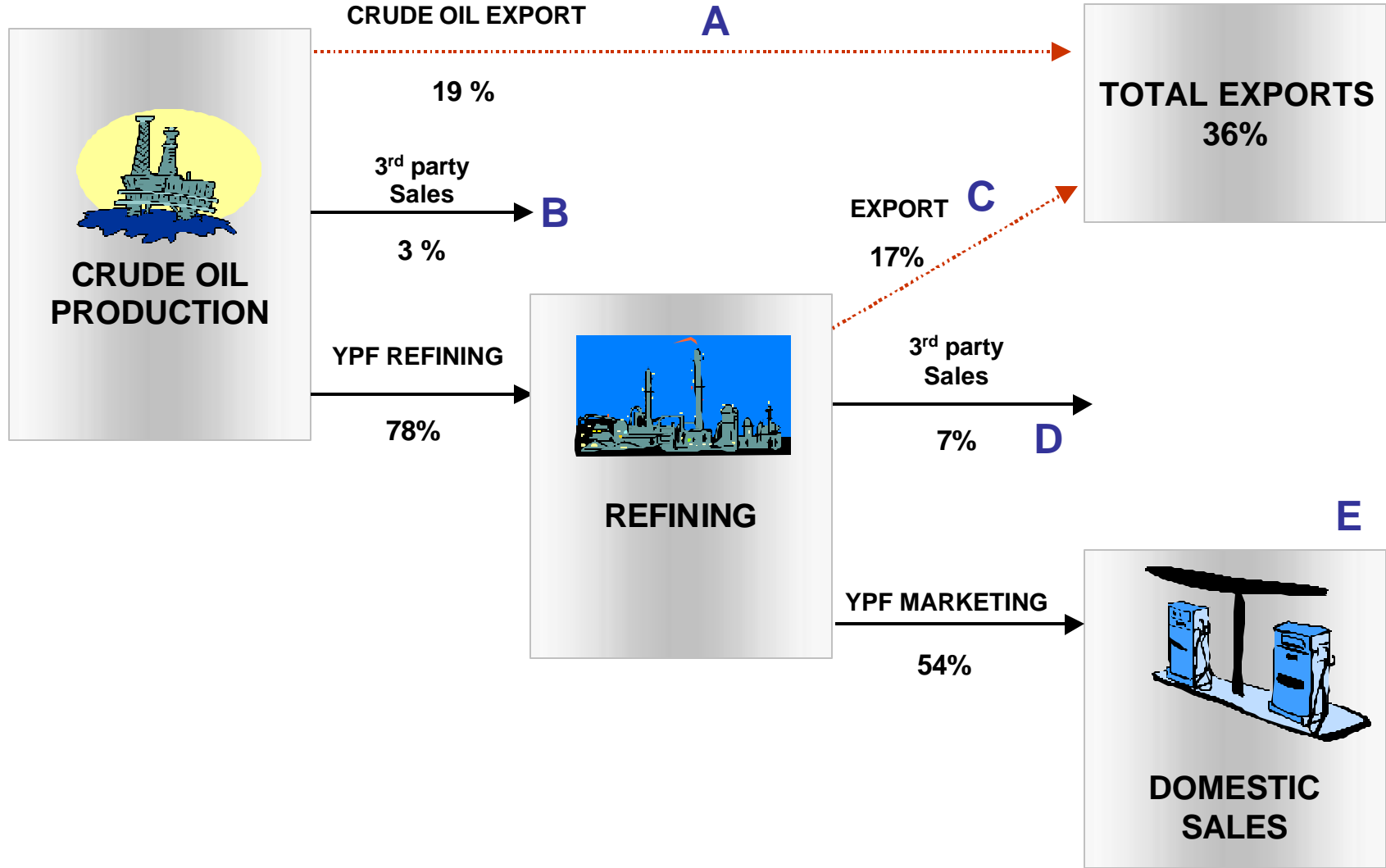


Update on Argentina

ARGENTINA



Balance of Repsol YPF in Argentina 2004E



A. Crude oil export price = (WTI – QA) * (1 - t)

QA = quality + position adjustment

t = effective tax rate (see table)

WTI (US\$/Bbl)	Rate (%)	Effective rate (%)
< 32	25%	20,0%
32.01 to 34.99	28%	21,9%
35 to 36.99	31%	23,7%
37 to 38.99	34%	25,4%
39 to 40.99	37%	27,0%
41 to 42.99	40%	28,6%
43 to 44.99	43%	30,1%
> 45	45%	31,0%

B. Pricing of oil domestically = (WTI – QA) * (1 – d)

QA = quality + position adjustment

d = discount under negotiation (capped by export parity)

NOTE: The export tax costs are showed in production costs in the item royalties and production taxes

C. Exports

Selling price: International prices * (1 - t')

t' = see table

	Gasoline	Diesel	LPG
Export taxes	5%	5%	20%

D. 3rd party Sales

- Established by contract
- Linked to international prices minus a discount

E. Own marketing

- Pump prices have been stable in pesos since August 1st 2004
- Prices were set from January-03 to April-04 on the basis of the stabilization agreement at an equivalent WTI of 28.5 US\$/bbl.
- Increased in May and July 2004: 4% Average

Natural gas

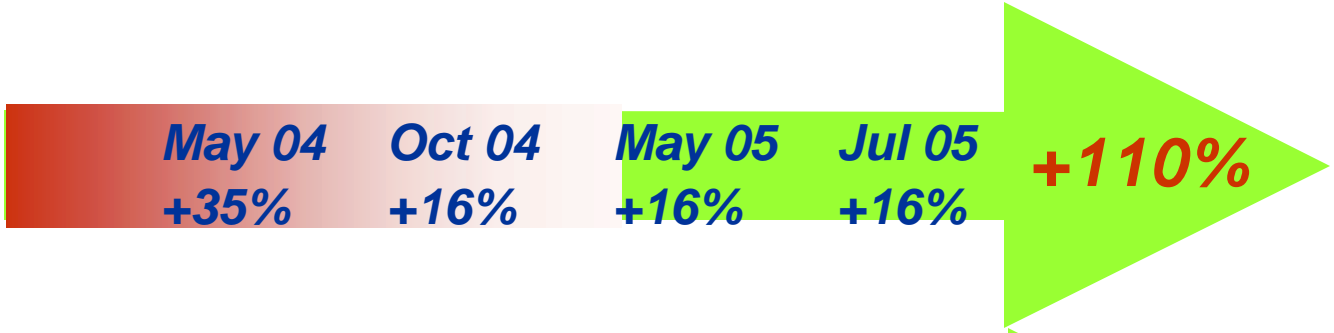
Price schedule



**Exports +
Dolarised
industries**



>9,000 M³/y

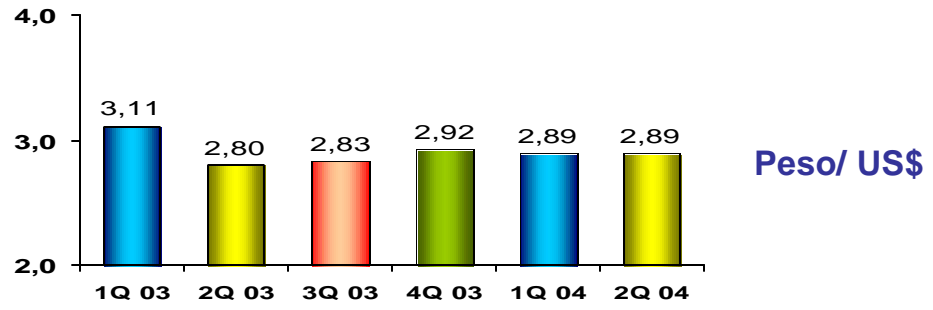
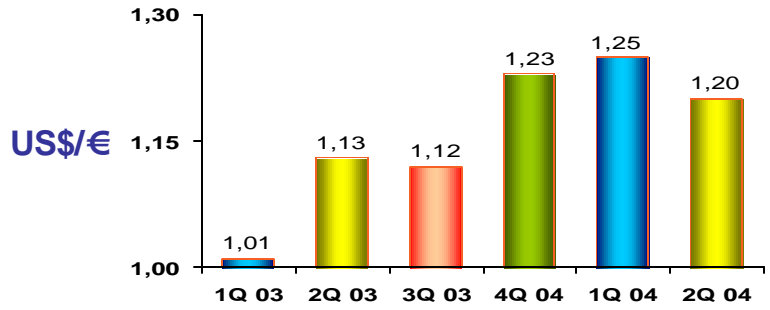


<9,000 M³/y

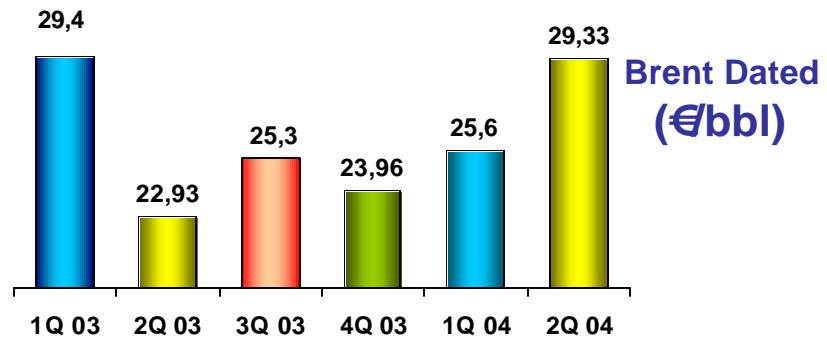
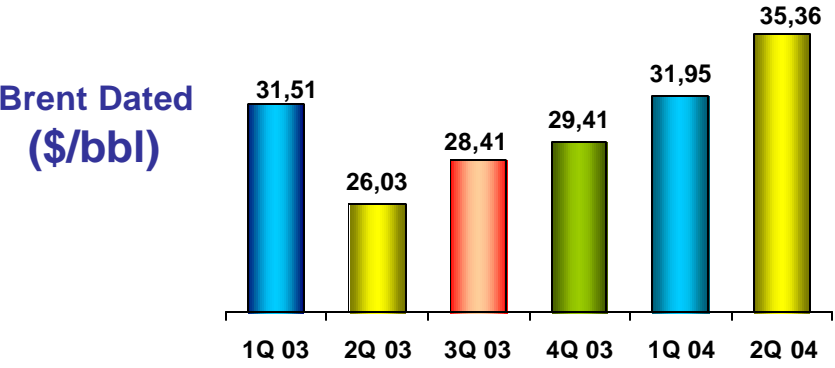




Operations: UPSTREAM

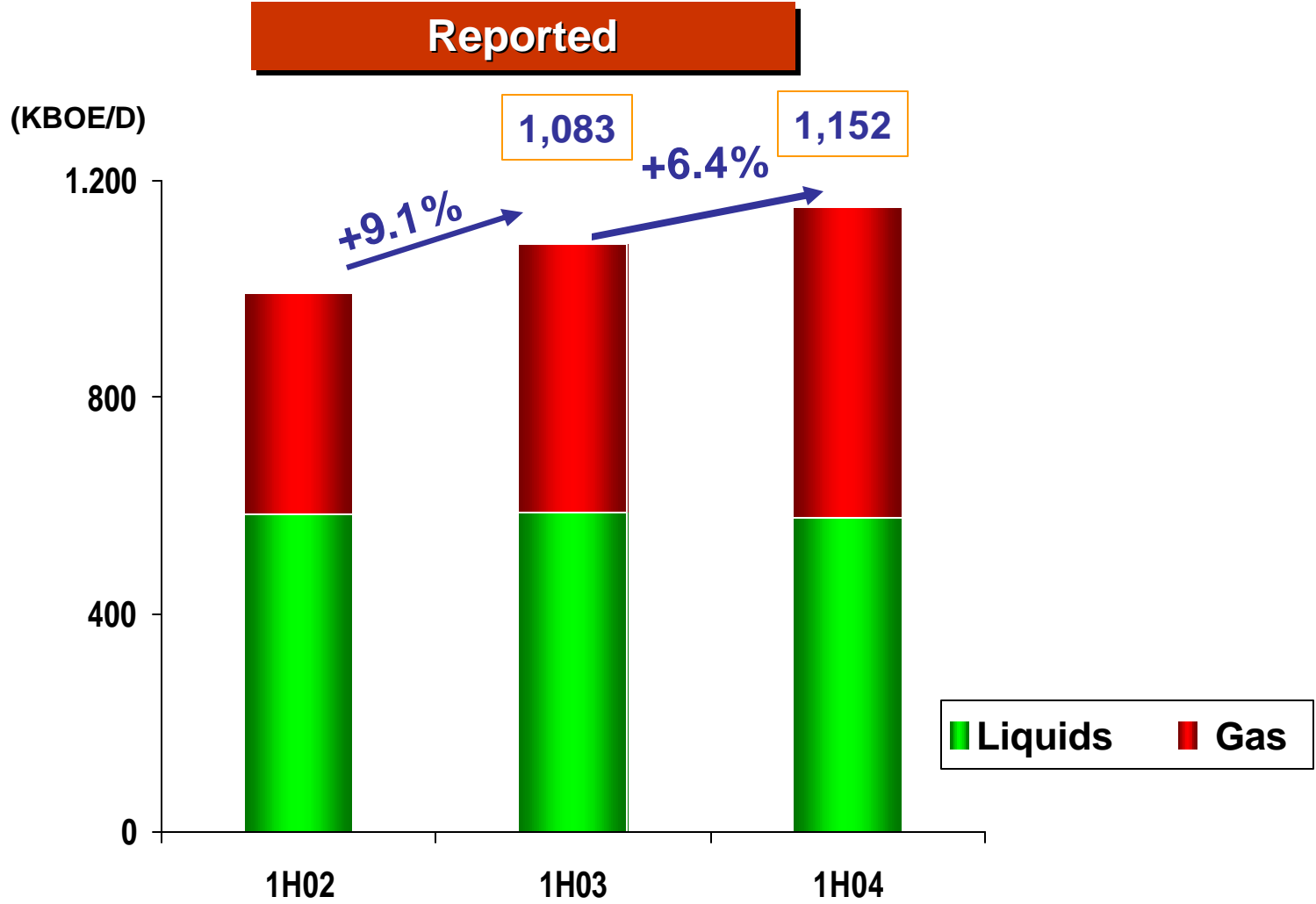


US dollar weakness compared to last year



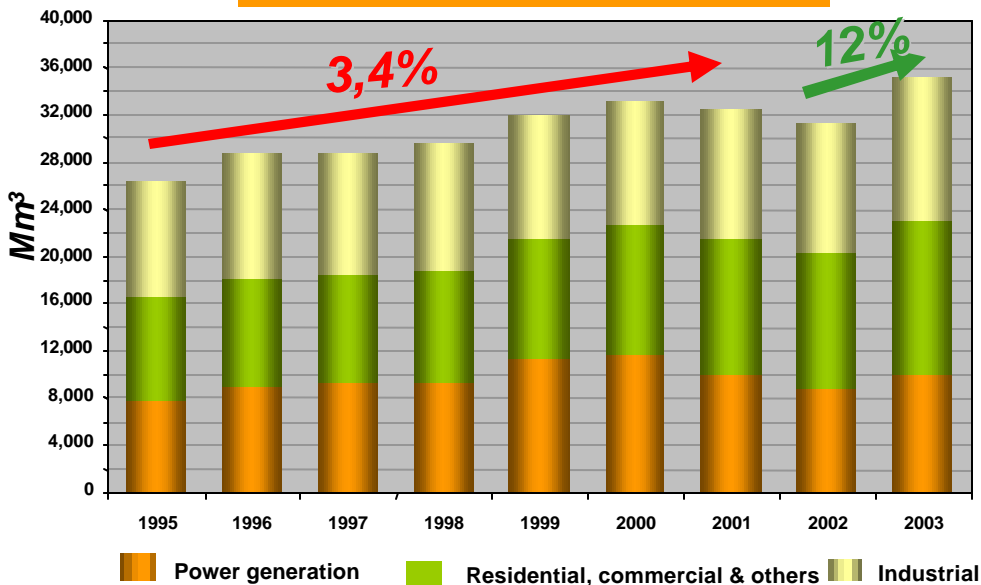
Increases in oil prices continue

Hydrocarbon Production

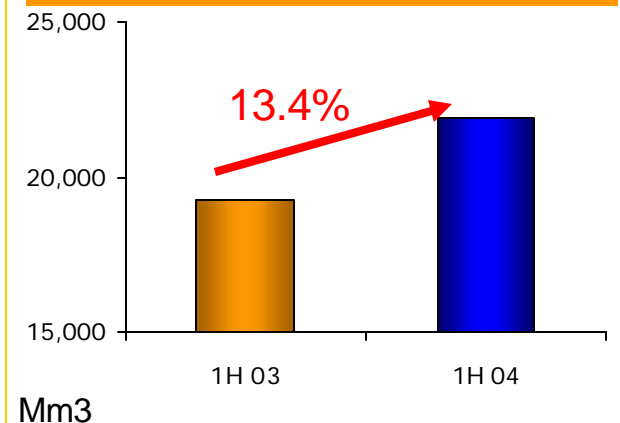


Strong natural gas demand in the Southern Cone

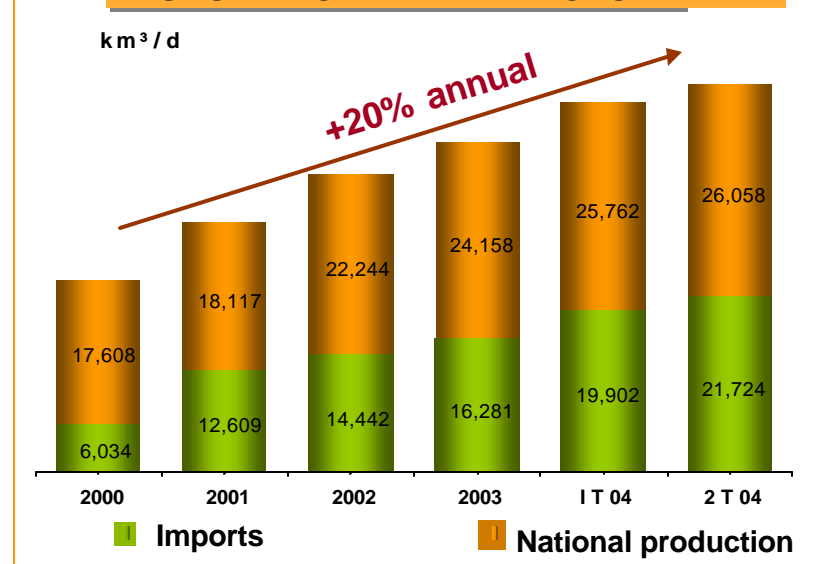
ARGENTINEAN GAS DEMAND BY SEGMENT



GAS DEMAND INCREASE IN ARGENTINA



GROWTH OF BRAZILEAN GAS MARKET



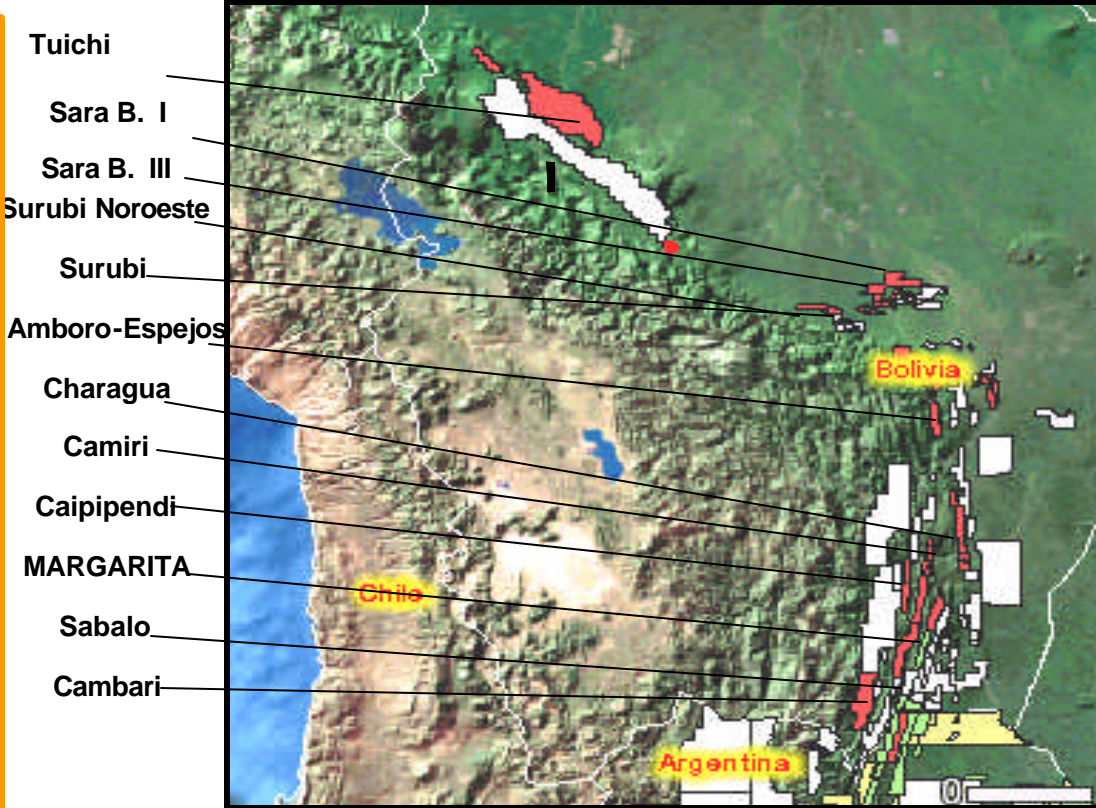
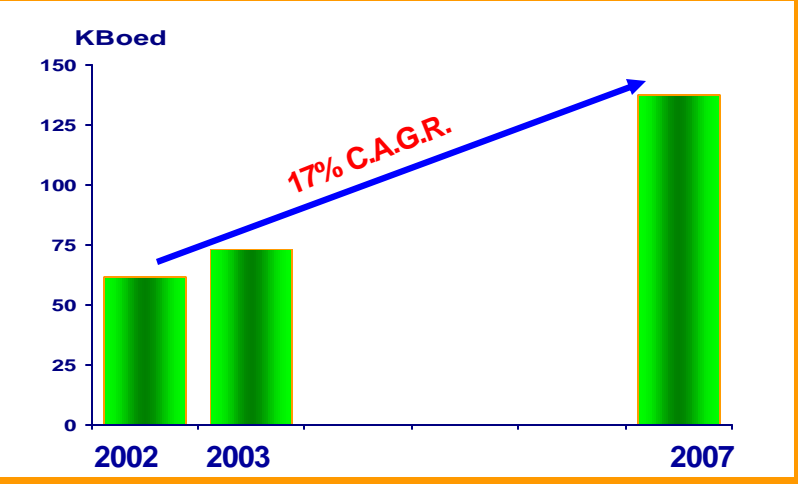
Exploration and Production



BOLIVIA:

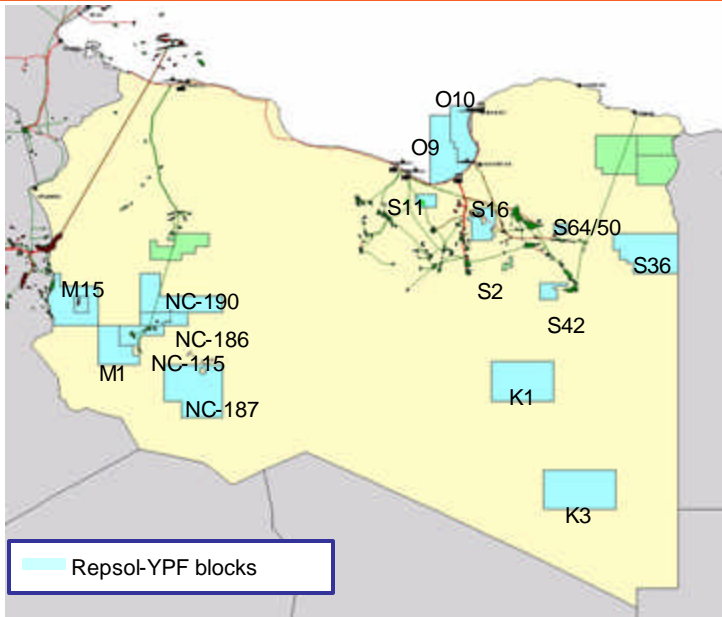
BOLIVIA

- Referendum 5 questions approved
- Current discussion and development of new hydrocarbon law
- Start up of gas exports to Argentina
- Increasing gas volumes to Brazil
- Current early developments of Margarita gas field

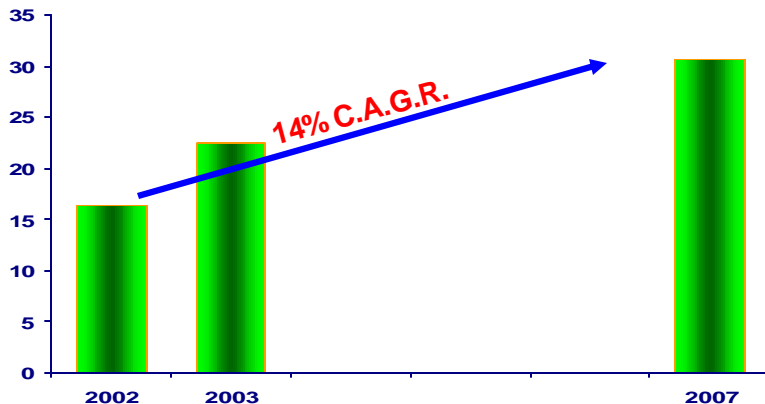


Important projects in OPEC countries

LIBYA:



Net Repsol YPF Production (Kboed)



HIGHLIGHTS

- 1st foreign producer
- Gross Accreage: 140,000 km²
- Current Production:
 - 200,000 bopd in NC-115 (20,000 net Repsol YPF).
 - 9,000 bopd in NC-186 (1,200 net Repsol YPF)
- Highest production margin
- New fields & developments in :
 - ✓ Field A & D (NC-186) currently under/in production
 - ✓ Field B (NC-186) development plan presented for approval
 - ✓ New Discoveries in NC-186 (G&H)
 - ✓ New Discoveries in NC-115 (O&N)
 - ✓ Twelve new exploration blocks (Packages 1 & 3)

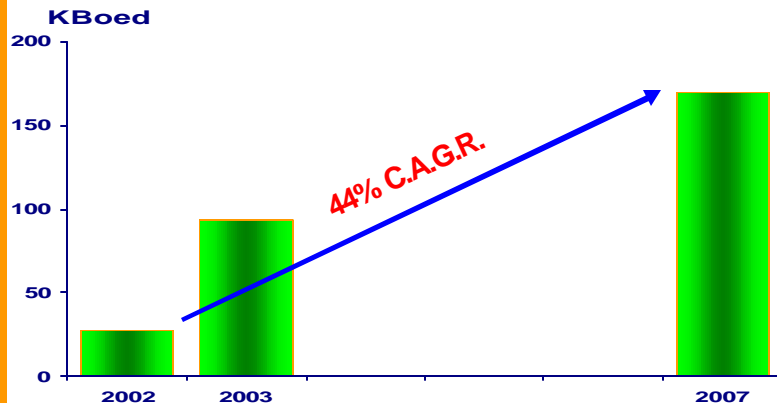
Important projects in OPEC countries



VENEZUELA:

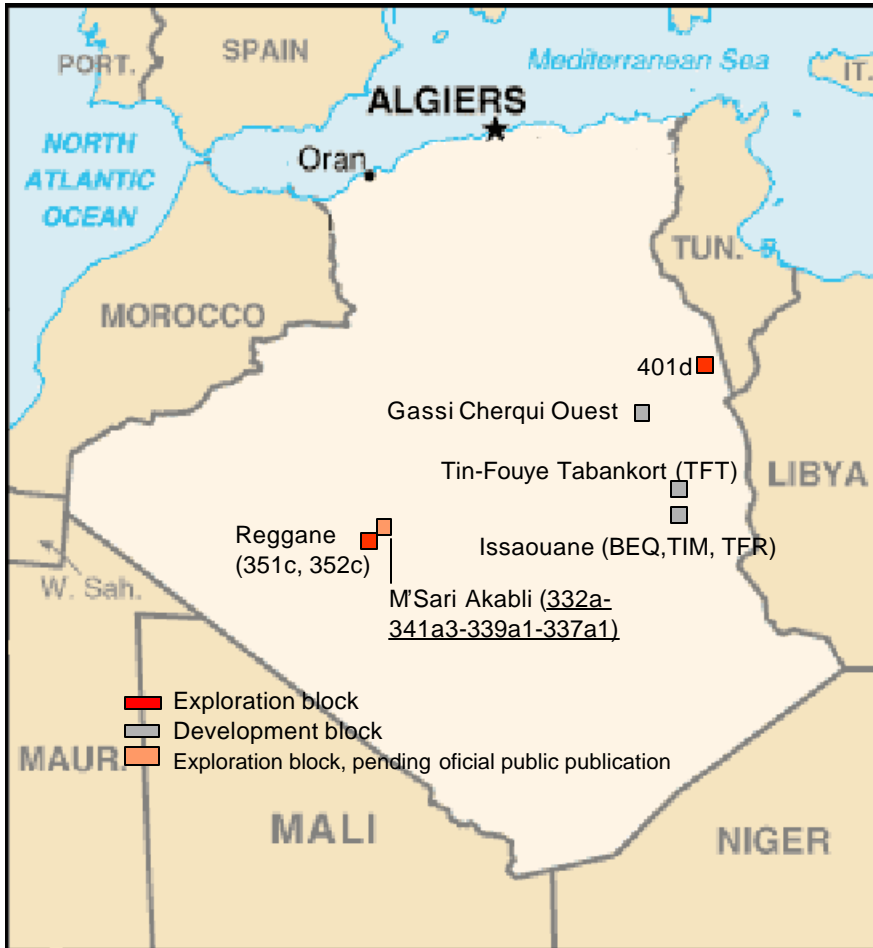
VENEZUELA

- 1st foreign producer: Up to 100.000 BOE/D
- Recent agreement with PDVSA to increase Quiriquire gas production up to 10.5 MCM/d
- Ramp-up of Yucal Placer's fields (RY 15%)
- New gas development projects (Quiamare La Ceiba, Barrancas)
- On-going Exploration in current oil assets
- New opportunities (Deltana Block 1 and others)

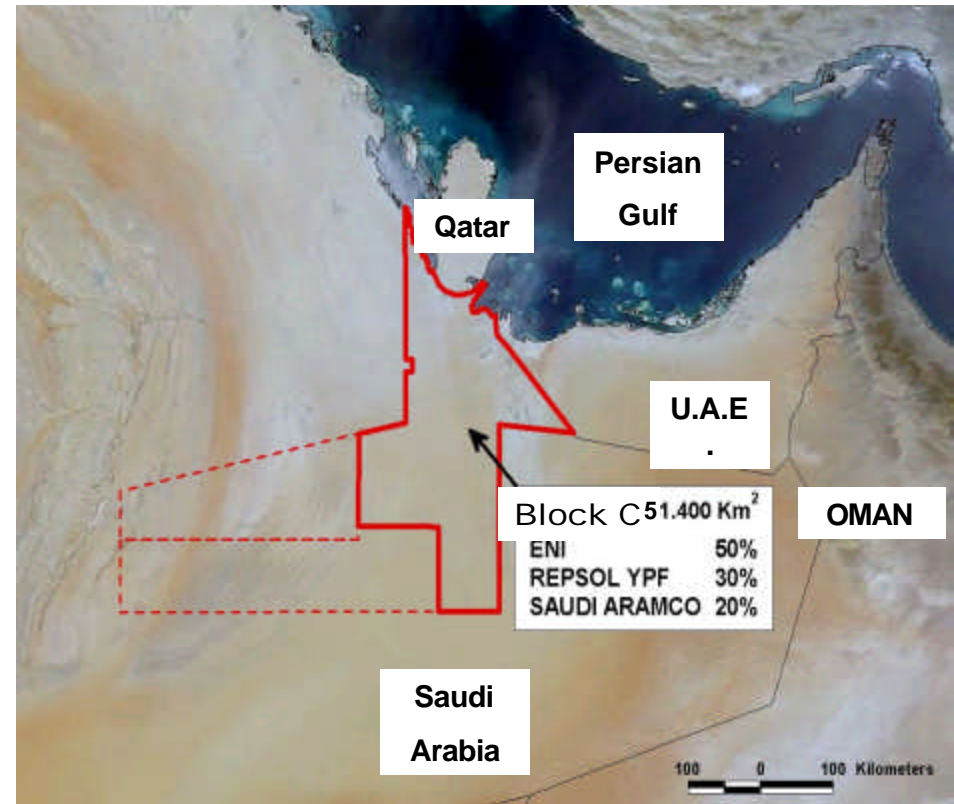


Important projects in OPEC countries

Algeria



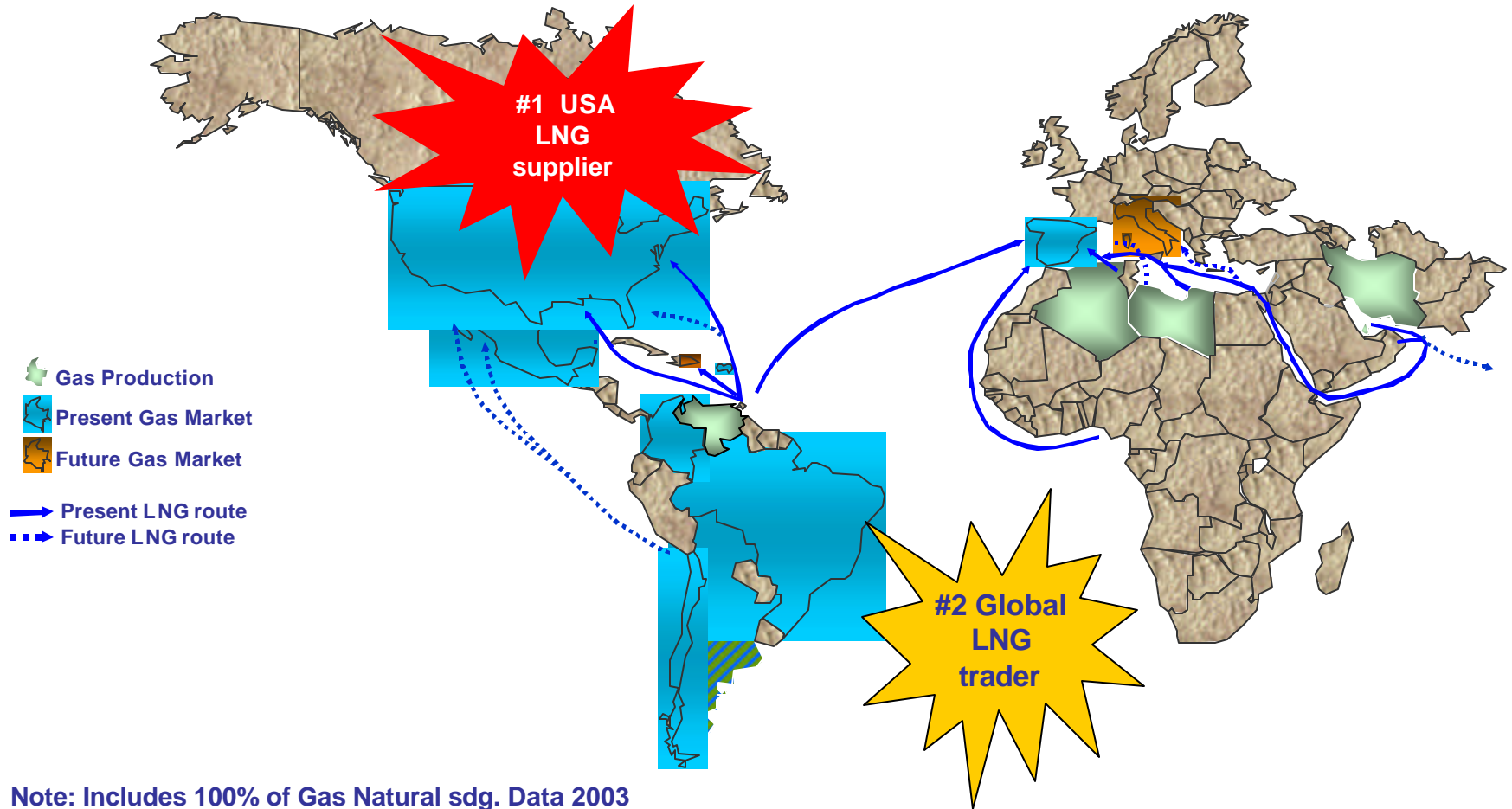
Saudi Arabia



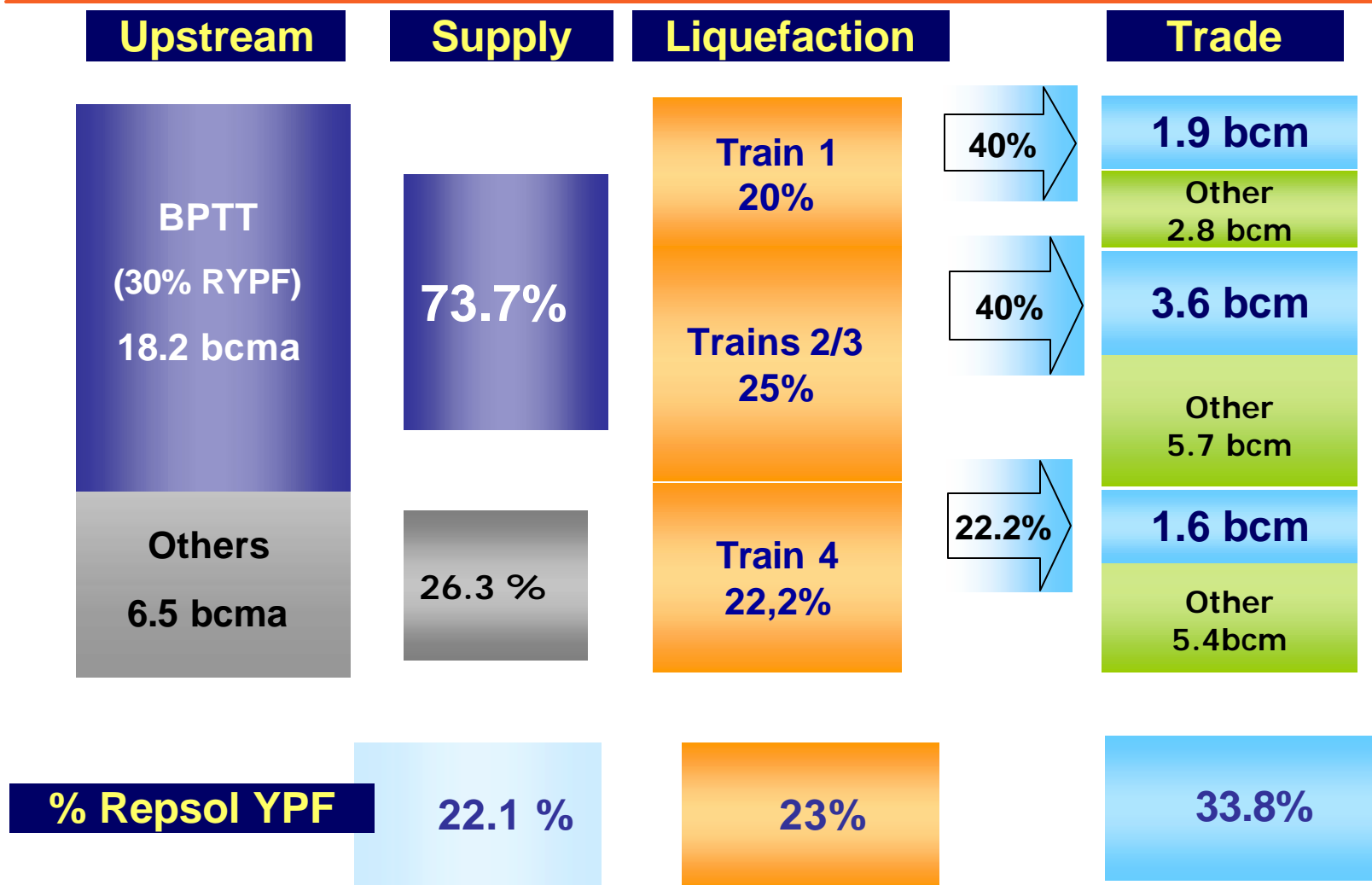


Operations: LNG

BRINGING RESERVES CLOSER TO MARKETS



Strong position in LNG



Note: Includes 100% of Gas Natural sdg

Strong position in LNG

Considering midstream opportunities in the US

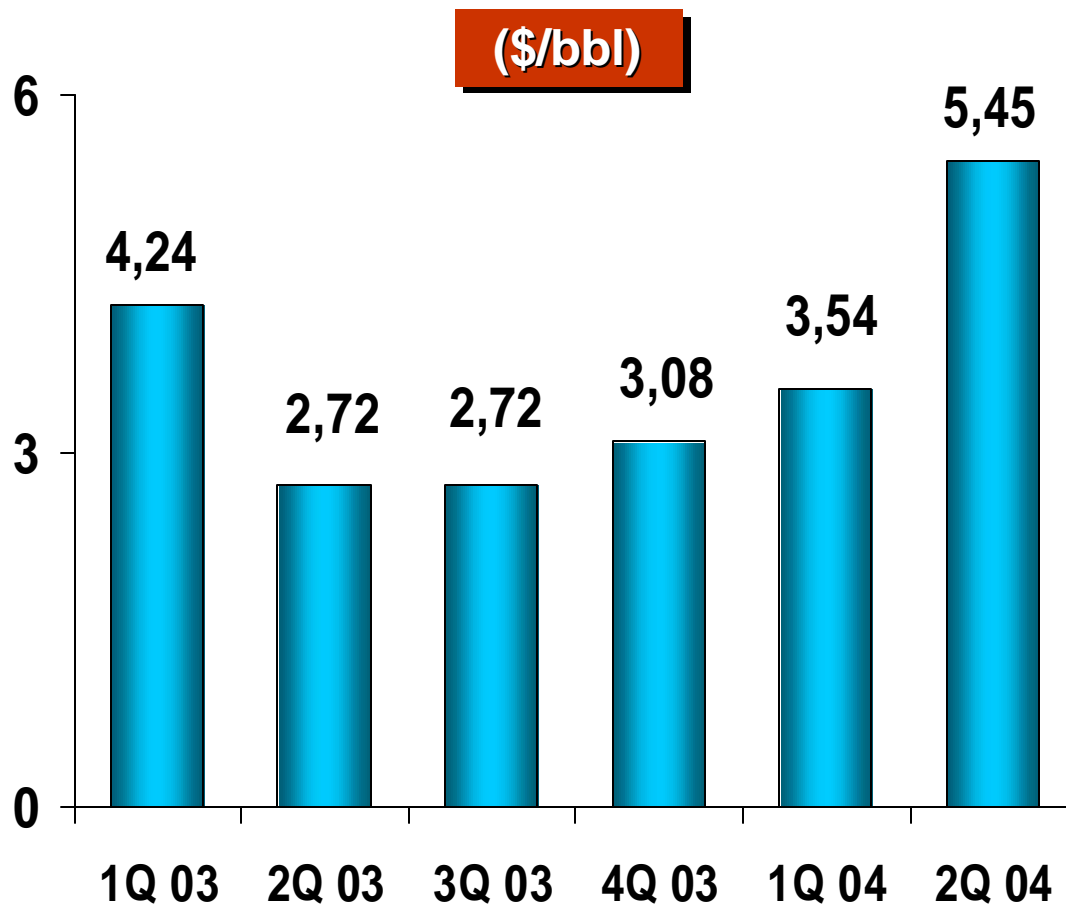




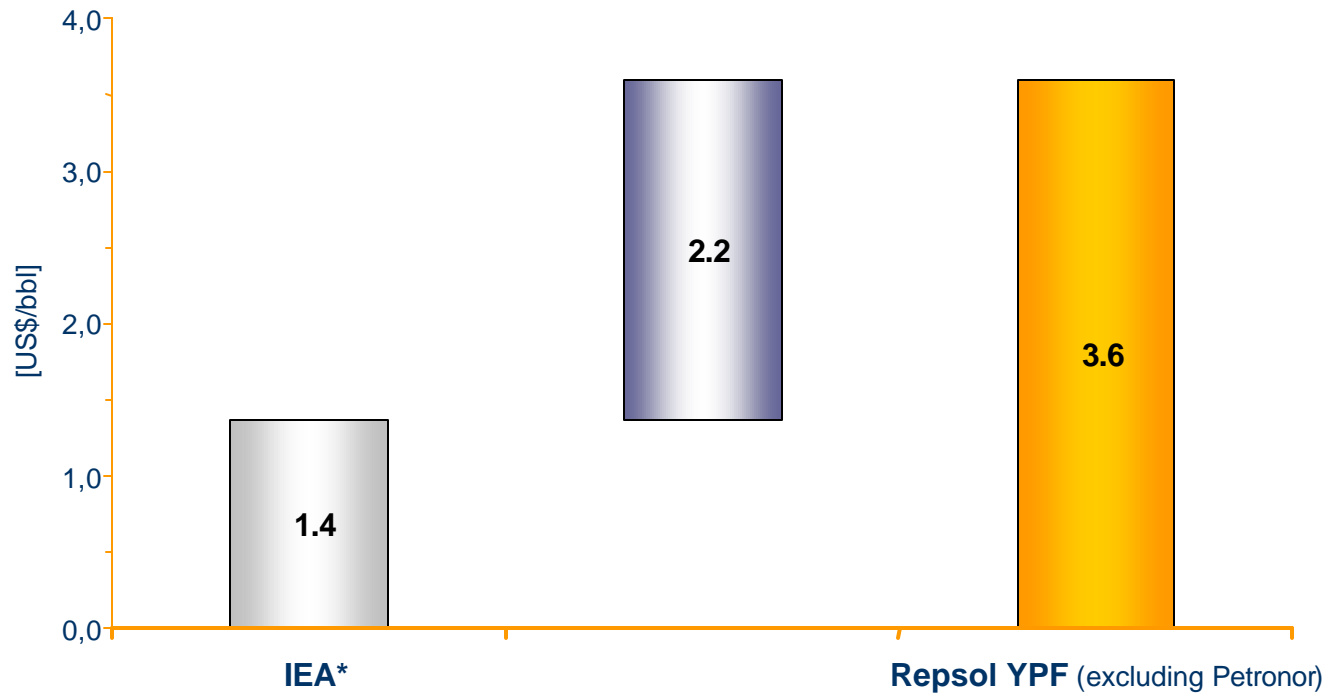
Operations: DOWNSTREAM

Refining and Marketing

Strong refining margins



1998-2002 Average refining Repsol YPF Europe margins

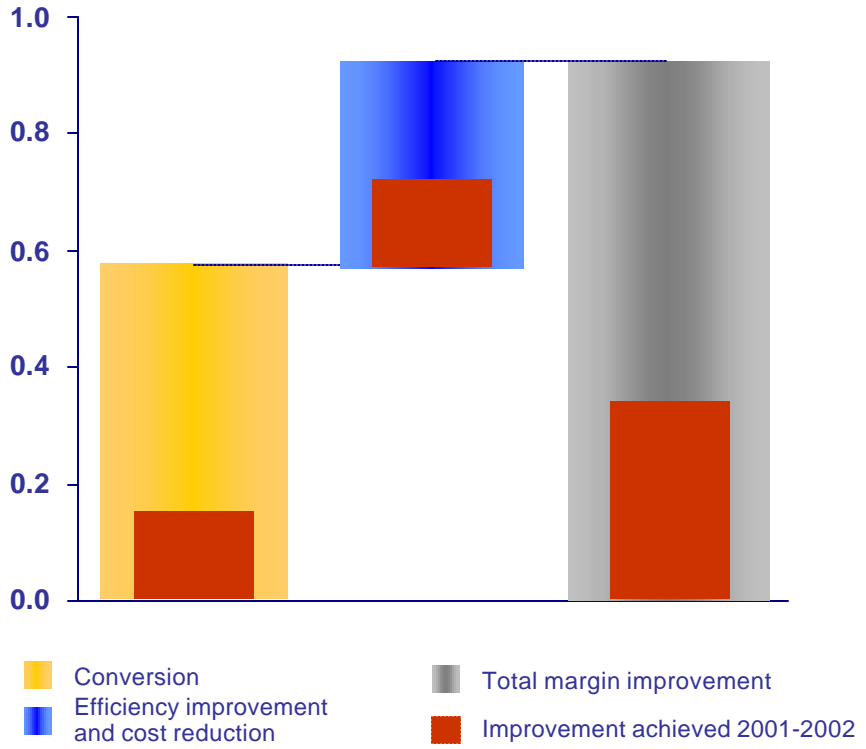


* Average Cracking 50 NWE/50 Med (IEA)

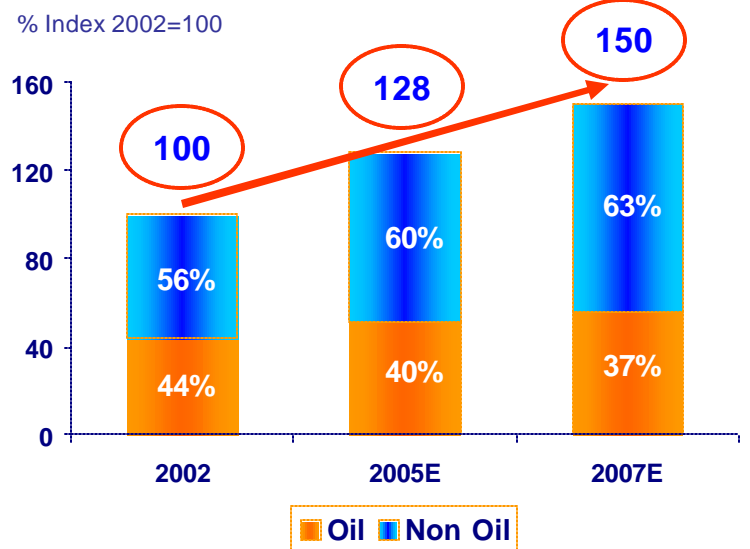
Sustainable profit growth



IMPROVEMENT IN REFINING MARGINS 2001-2007 (US\$/Barrel)



COCO'S NETWORK RETAIL OPERATING REVENUES (SPAIN)



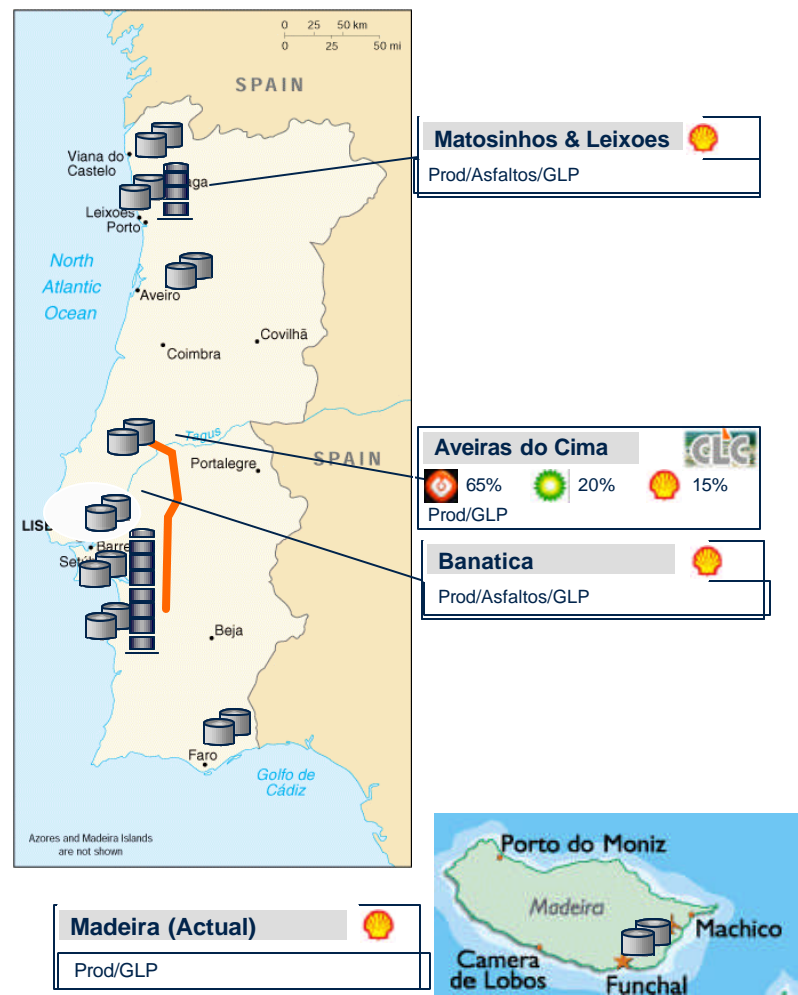
Source: Repsol YPF projections

Refining and Marketing

Portugal

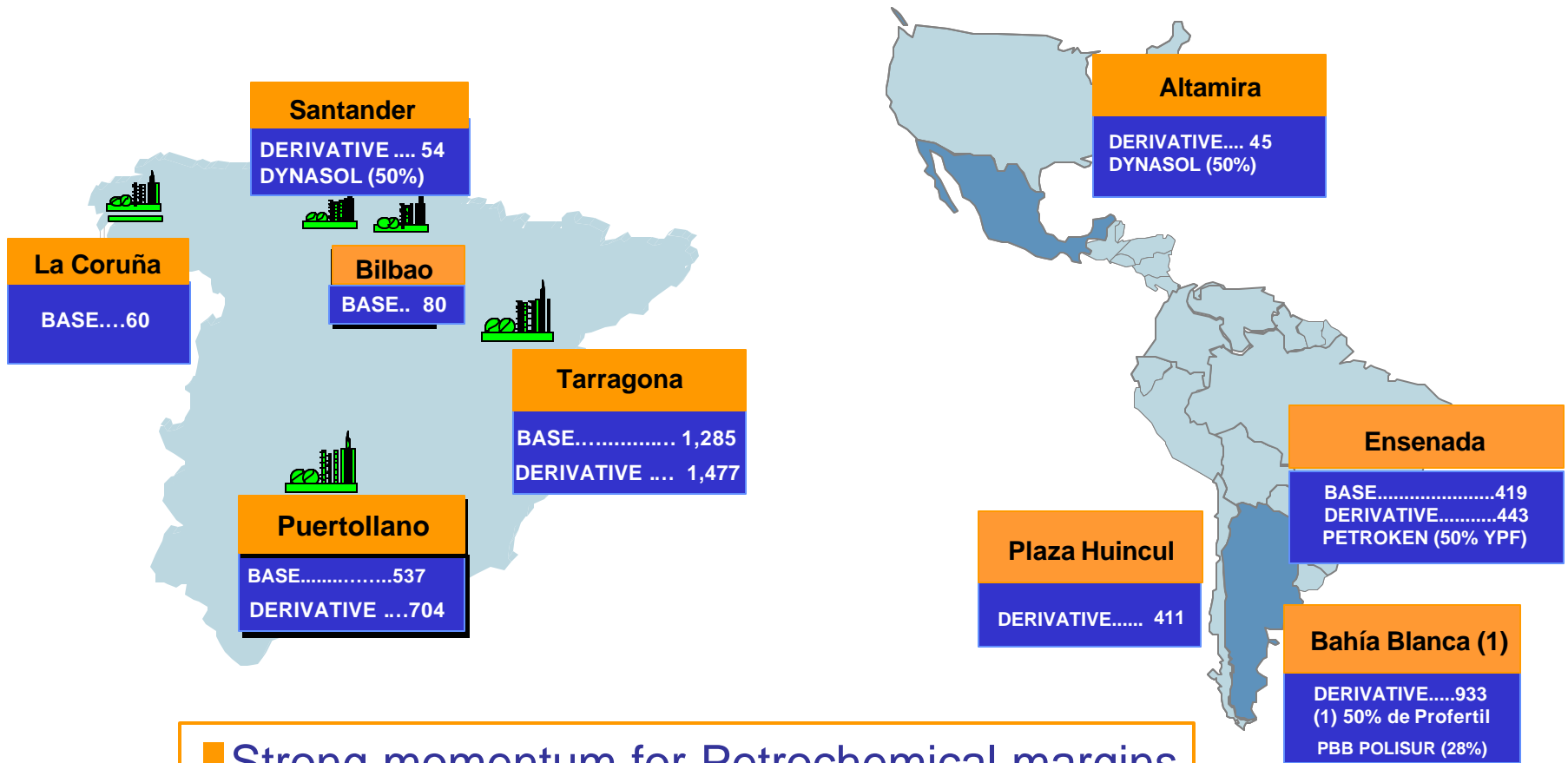
Acquisition of SHELL's marketing and logistics assets.

- ✓ Incorporates 303 service stations, leading to 19% retail market share in Portugal
- ✓ Increases total petroleum product sales by 1.85 million cubic meters.
- ✓ 21% share of direct sales in Portugal.
- ✓ Buys 15% stake in logistics company CLC.



Source: Shell

- Counter cyclical business
- Suffering now from high feedstock prices and fixed Euro prices for Spanish sales. Low margins in low sales months
- Prices in Spain to increase in October. Higher margins for higher sales months



- Strong momentum for Petrochemical margins
- Potential upside when feedstock prices fall

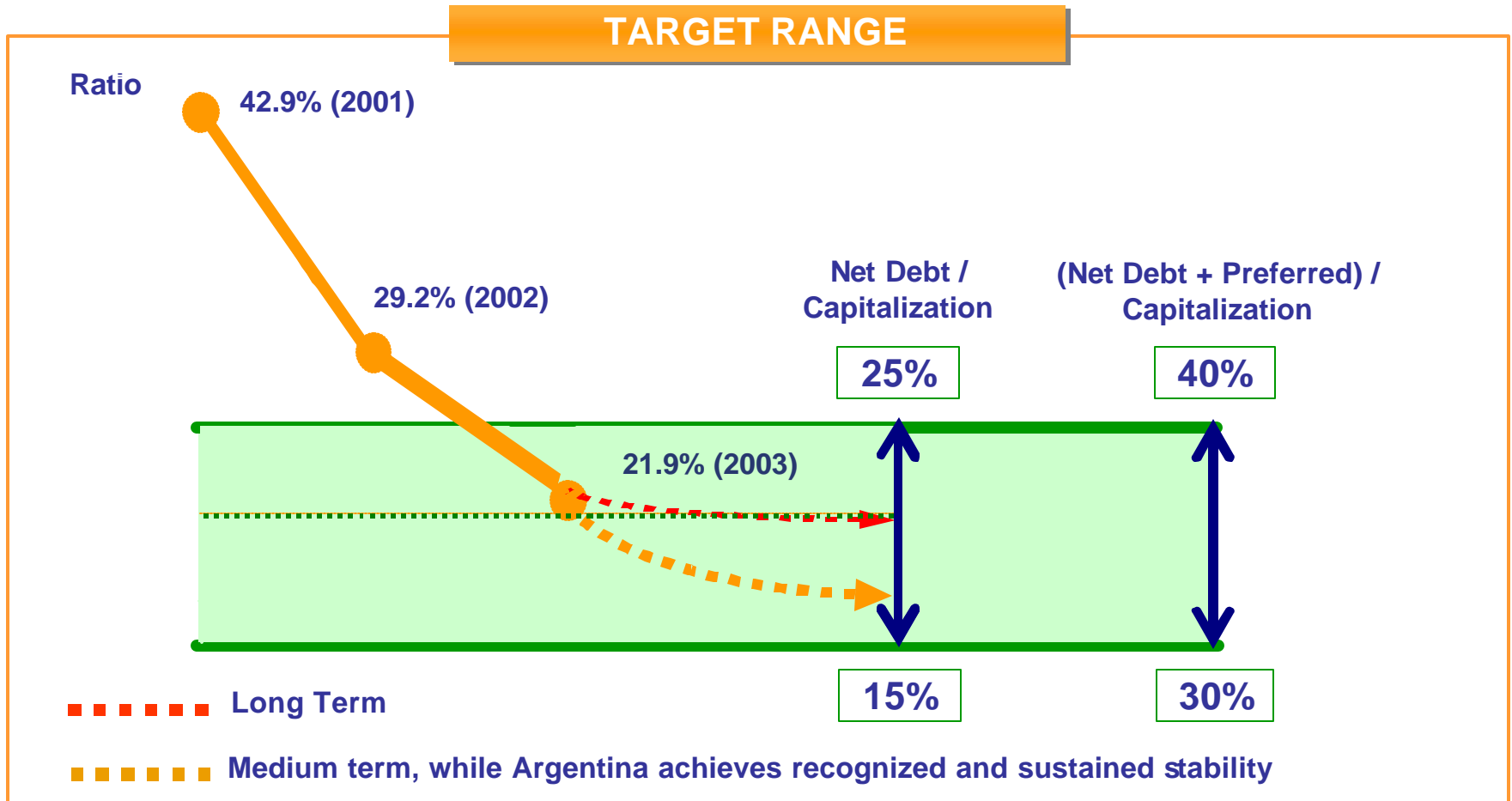


FINANCIAL EVOLUTION

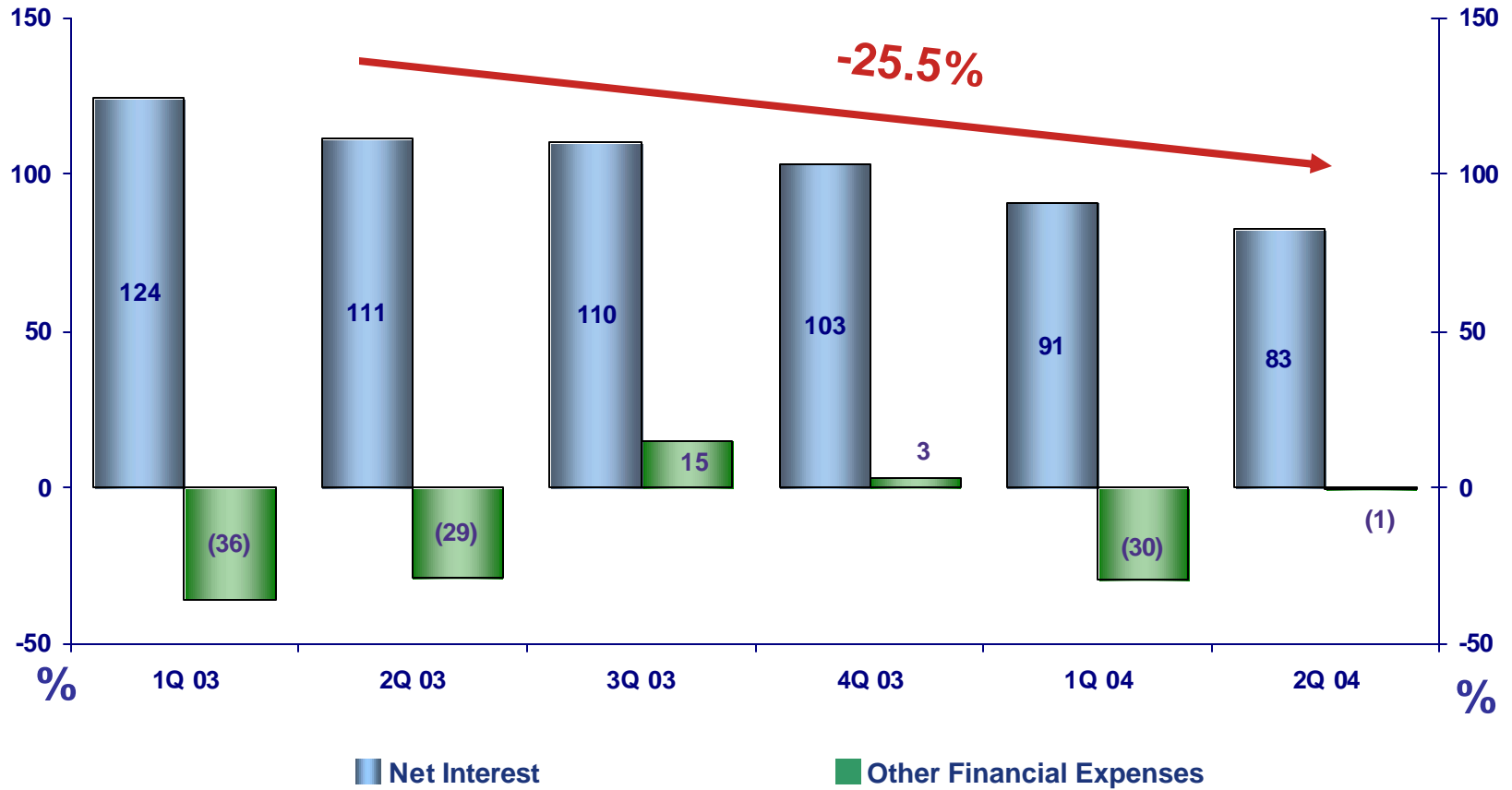
Financial Policy



Debt to Capitalization Ratio



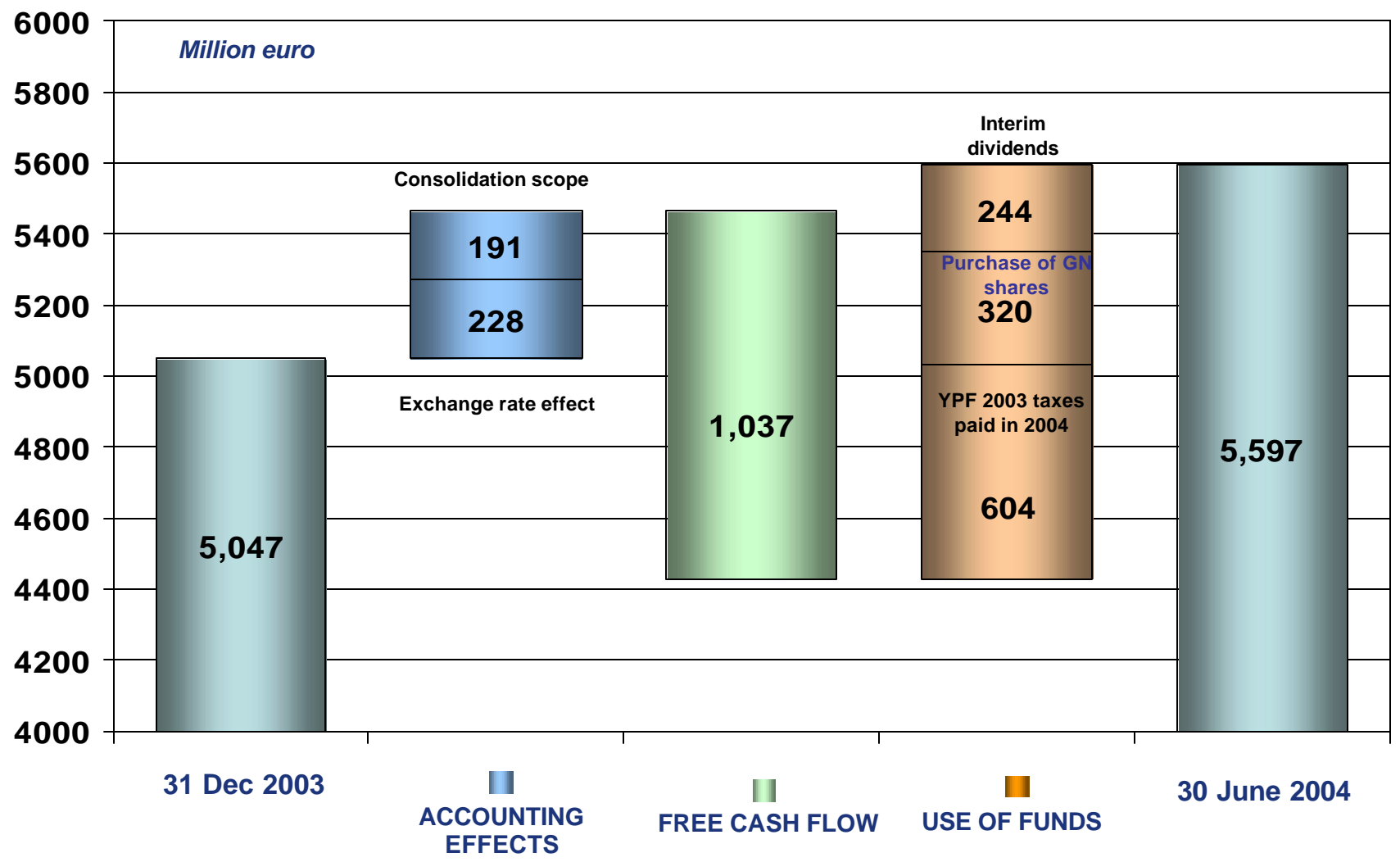
Evolution of Financial Results

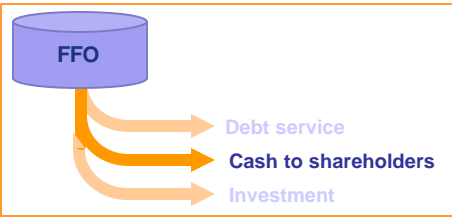


Million euros

Net debt evolution

1st Half 2004





PRINCIPLES

- Dividend should be payable under “acid”/low-cycle scenarios
- Buy backs as a complementary investment option

LONG TERM POLICY

- Dividend Payout band around 40% of Net Income at mid-cycle

2003 div.

- 0.40 €/share (+30%)



SUMMARY

- Strong oil prices
- Positive outlook for refining and petrochemical margins: A lasting effect?
- Recovery of gas prices in Argentina,
- Export tax rates for crude in Argentina increased above 32 \$/bbl WTI
- Upstream opportunities in OPEC countries
- Development of new LNG integrated projects
- Growth in downstream operations in Europe
- Strong free cash flow generation

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