

**REPSOL  
YPF**



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## **MOODY'S ELEVA SU VALORACIÓN DE REPSOL YPF**

La agencia de calificación Moody's ha mejorado la perspectiva sobre la deuda de Repsol YPF de estable a positiva. Según Moody's esta mejora refleja la buena evolución operativa y financiera de la Compañía, así como la evidente recuperación de la situación económica argentina. También eleva la perspectiva de estable a positiva de la deuda de YPF.

Entre las razones que Moody's destaca para esta mejora figuran la disciplina en la política de reducción de deuda abordada por Repsol YPF durante los últimos ejercicios, sus bajos costes operativos, que la sitúan en una sólida posición financiera, la fuerte capacidad de generación de caja y su excelente liquidez.

Además, Moody's valora positivamente la estrategia desarrollada por Repsol YPF de diversificación geográfica que le permite reducir su exposición a Argentina, apuntando al mismo tiempo que la evolución prevista de la situación en este país permitirá en el medio plazo elevar la calificación de la Compañía.

Anexo: Texto del Comunicado de Prensa distribuido por Moody's:



## MOODY'S AMENDS OUTLOOKS OF REPSOL YPF AND YPF FROM STABLE TO POSITIVE

Moody's Investors Service today changed the outlook on Repsol YPF S.A.'s Baa2 senior unsecured debt rating from stable to positive. At the same time the rating agency also amended from stable to positive the outlook on the B1 foreign currency and Baa3 local currency ratings of Repsol YPF's Argentine subsidiary, YPF S.A.

Moody's said the outlook changes reflect both operational and financial performance improvements at Repsol YPF and also the economic recovery evident in Argentina. Moody's stated, additionally, that the ratings could be expected to be raised as a more benign energy environment develops or greater economic stability is achieved in Caa1-rated Argentina, which continues to negotiate with the IMF and its other creditors.

Moody's said that the principal reasons for the outlook changes are the disciplined reduction of debt at both parent and subsidiary company over the past several years which leaves them in a strong financial position to withstand further potential shocks in Argentina, generating sound cash flow to debt and interest coverages and cushioned by robust liquidity, as well as improvements in their operating performance and cost base which will stand the group in good stead when oil prices return to cyclical norms. Also taken into account is Repsol's strategy to contain its exposure to Argentine country risk going forward. This includes the company's aim to maintain solid financial ratios on an ex-Argentina basis in the unlikely event that it should lose access to cash flows from YPF (which it has not done to date even at the worst times of the crisis), and to invest in diversification outside Argentina which accounted for 57% of the group's operating profit in 2003. In addition, Moody's notes Repsol's comparative financial profile on an ex-Argentinian basis is in line with other similarly-rated downstream companies which do not enjoy the benefit of the company's very sizeable upstream cash flows or its solid share in the Iberian downstream markets.

Upstream-focused YPF has benefited from the devaluation of the Argentine peso while selling around half its crude and refined products into international markets. As a result, its production costs have been reduced while export prices have been high, and the company has been able to reduce its net debt to zero with no significant maturities before 2007. Moody's expects that it will retain a low debt position going forward. Moreover, the underlying improvement in Argentina's economic situation provides Moody's with the expectation that YPF, and Repsol YPF group as a whole, will benefit from that country's future stabilization and potential favourable developments in the energy and fiscal policy which will likely enable the rating agency to raise the companies' ratings over the near to intermediate term.

Repsol YPF, headquartered in Madrid, Spain, is a major international oil and gas company with business concentrations in Argentina, where its wholly-owned subsidiary YPF is located, and in Spain.

