

**REPSOL
YPF**



**2008 Second Quarter
PRELIMINARY RESULTS**

***WEBCAST-CONFERENCE CALL
17.00 H CET***

July, 31st 2008

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2Q 2008 HIGHLIGHTS

Miguel Martínez
COO

2Q 2008 Results:

Strong quarterly operating results: 27% higher year-on-year, due to:

- *Higher international oil and gas prices*
- *Stronger refining margins*
- *Strengthen of the Euro against US dollar*

In YPF:

- *Margins have continued its increasing trend*
- *YPF has released strong results*

2Q 2008 Major Events: UPSTREAM (1)

BRAZIL: BM-S-9

- **GUARA: New discovery in Santos Basin**
 - ✓ Located in BM-S-9 block (adjacent to Carioca)
 - ✓ Light oil resources: 28° API.

- **CARIOCA: Evaluation plan approved by the ANP**
 - ✓ 2 appraisal wells in next year
 - ✓ Long production test

2Q 2008 Major Events: UPSTREAM (2)

LIBYA

- **Extension of our licenses in Libya: NC-115 and NC-186:**
 - ✓ Extends the term to 2032
 - ✓ Entitlement share of production 13% for NC-115 and 12% for NC-186
 - ✓ A US\$1 bn signing bonus contracts to be paid by the consortium
 - ✓ Reserves could be increased by 12%
 - ✓ Exploration licenses extended by 5 years
- **I/R field start-up:**
 - ✓ Start up of 1 of the 10 key projects
 - ✓ Production started in June
 - ✓ Current production is 6,300 Bbl/d
 - ✓ Reach plateau of 90,000 Bbl/d in 2012

2Q 2008 Major Events: DOWNSTREAM

DOWNSTREAM

- ✓ *Refining margins in Spain 5% higher*
- ✓ *Lower chemical results as a consequence of international oil prices*
- ✓ *Projects considered in the Strategic Plan on track, on budget and on schedule*

2Q 2008 Major Events: YPF

YPF

- **Strong 2Q08 results:**

- ✓ *Ongoing margins' recovery*
- ✓ *Production affected by strikes*

- **YPF IPO:**

- ✓ *Completion of the 0.1% Petersen Group's bid*
- ✓ *IPO process on scheduled*

- ***Attractive for Repsol***
- ***Fits with strategic targets***
 - ✓ *Reinforce presence in LNG*
 - ✓ *Increase investment in OECD*
 - ✓ *Maintain financial flexibility*
 - ✓ *Dividends policy not affected*

Gas Natural – Acquisition of Unión Fenosa

Accelerating the fulfilment of the Strategic Plan targets



	08–12 Strategic Plan growth targets	Unión Fenosa today	% Achieved
CCGTs (GW)	+3.3	+4.8	143%
Renewables ¹ +CHP (GW)	+0.6	+3.3	550%
Clients ² (m)	+4.3	+9.2	215%
Gas portfolio ³ (bcm)	+9	+6.5	72%
Regasification plants (no.)	+1	+2	200%
Liquefaction plants (no.)	+1	+2	200%
EBITDA (€bn)	+1.6	+2.1 ⁴	131%

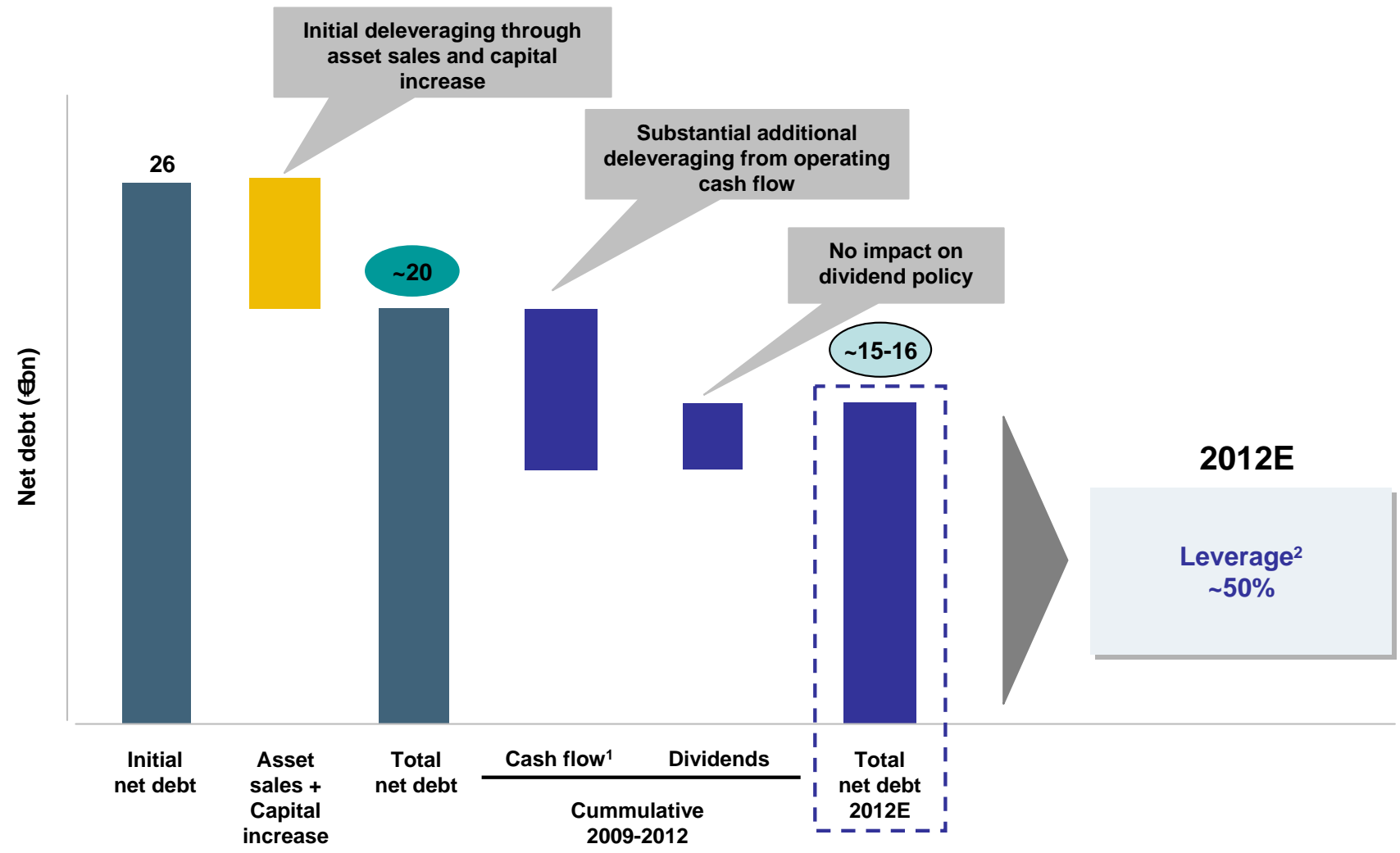
Gas Natural's Strategic Plan non-organic growth is met by the acquisition of Unión Fenosa at a similar relative price, and without execution risk

Notes:

- 1 Including hydro
- 2 Customer connections
- 3 Unión Fenosa Gas
- 4 For the year ended 31-12-2007

Gas Natural – Acquisition of Union Fenosa

Significant balance sheet strengthening in the medium term



Capex optimisation, synergies and cash flow generation potential will account for rapid balance sheet deleveraging

Notes:
 1 Includes operating cash flow after taxes, capex and change in working capital
 2 Defined as Net debt / (Net debt + shareholders equity)



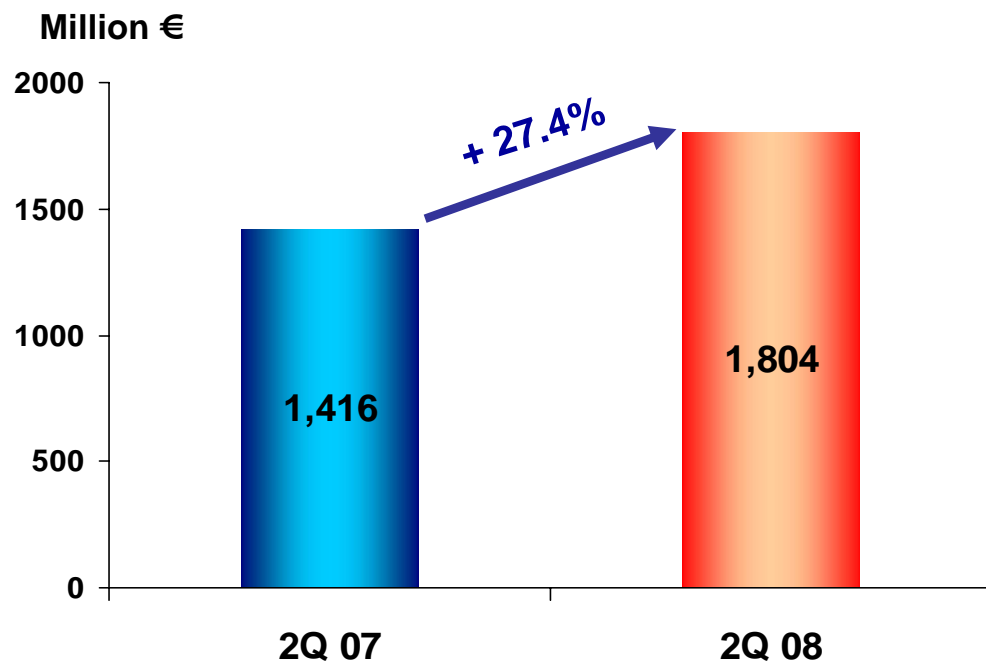
2Q 2008 Results

Miguel Martínez
COO

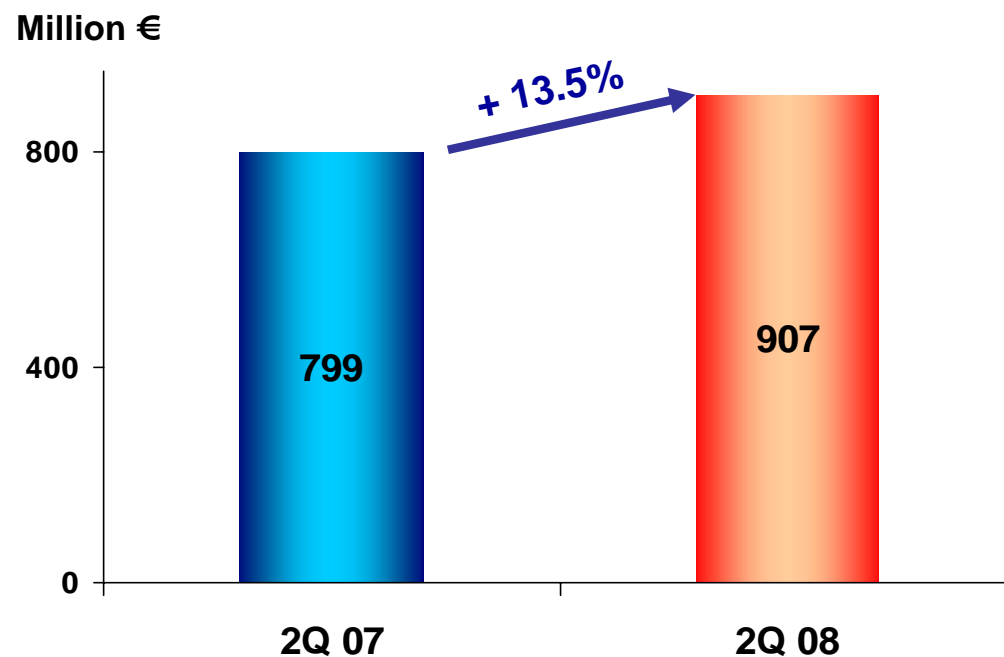
2Q 2008 Results



Operating Income



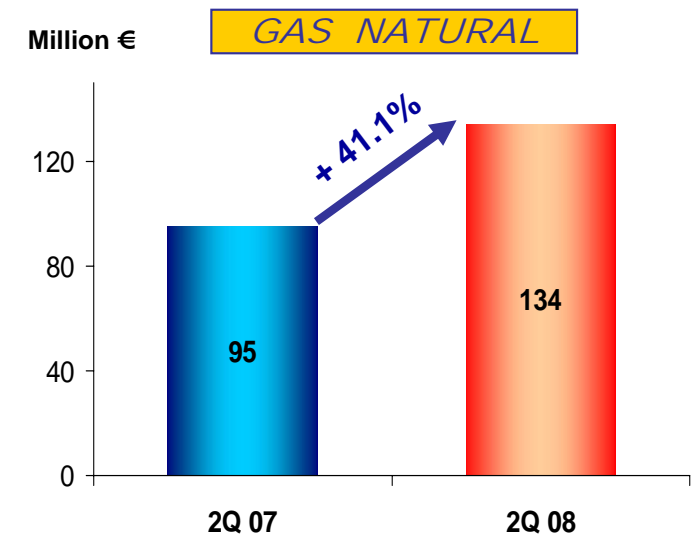
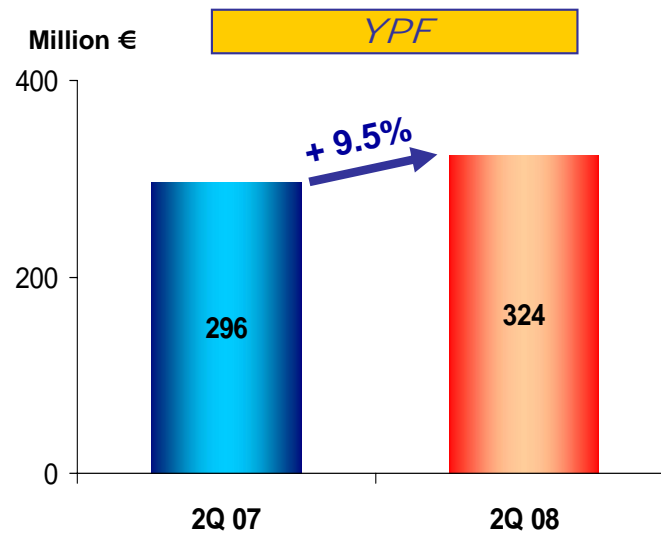
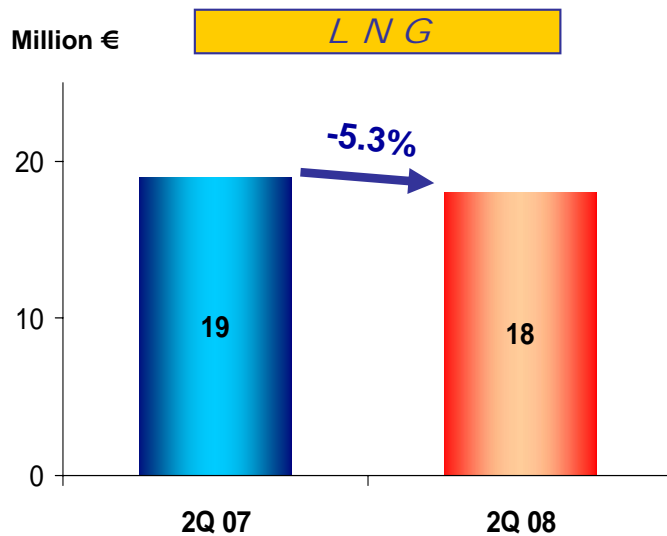
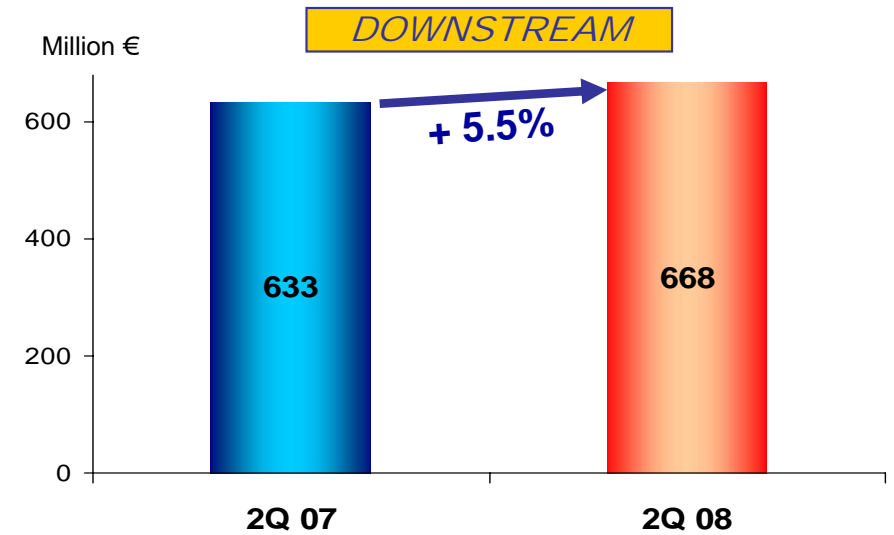
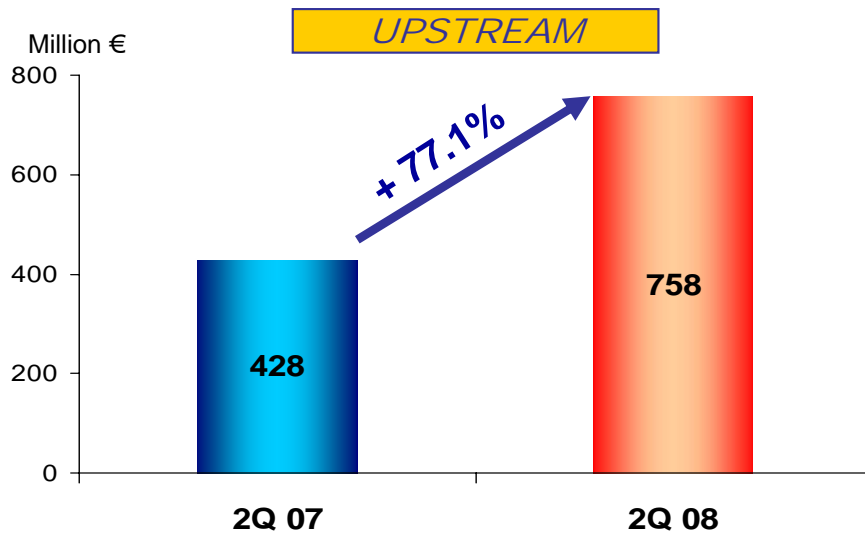
Net Income



2Q 2008 Results



Adjusted Operating Income



2Q 2008 Physical Magnitudes



UPSTREAM:

- *Production practically flat.*

DOWNSTREAM:

- *Crude Oil processed: - 6.5%*
- *Petrochemical products sales: - 11.6%*
- *Own network oil products sales: - 5.6% impacted by transport strikes*
- *LPG: - 7.2%*

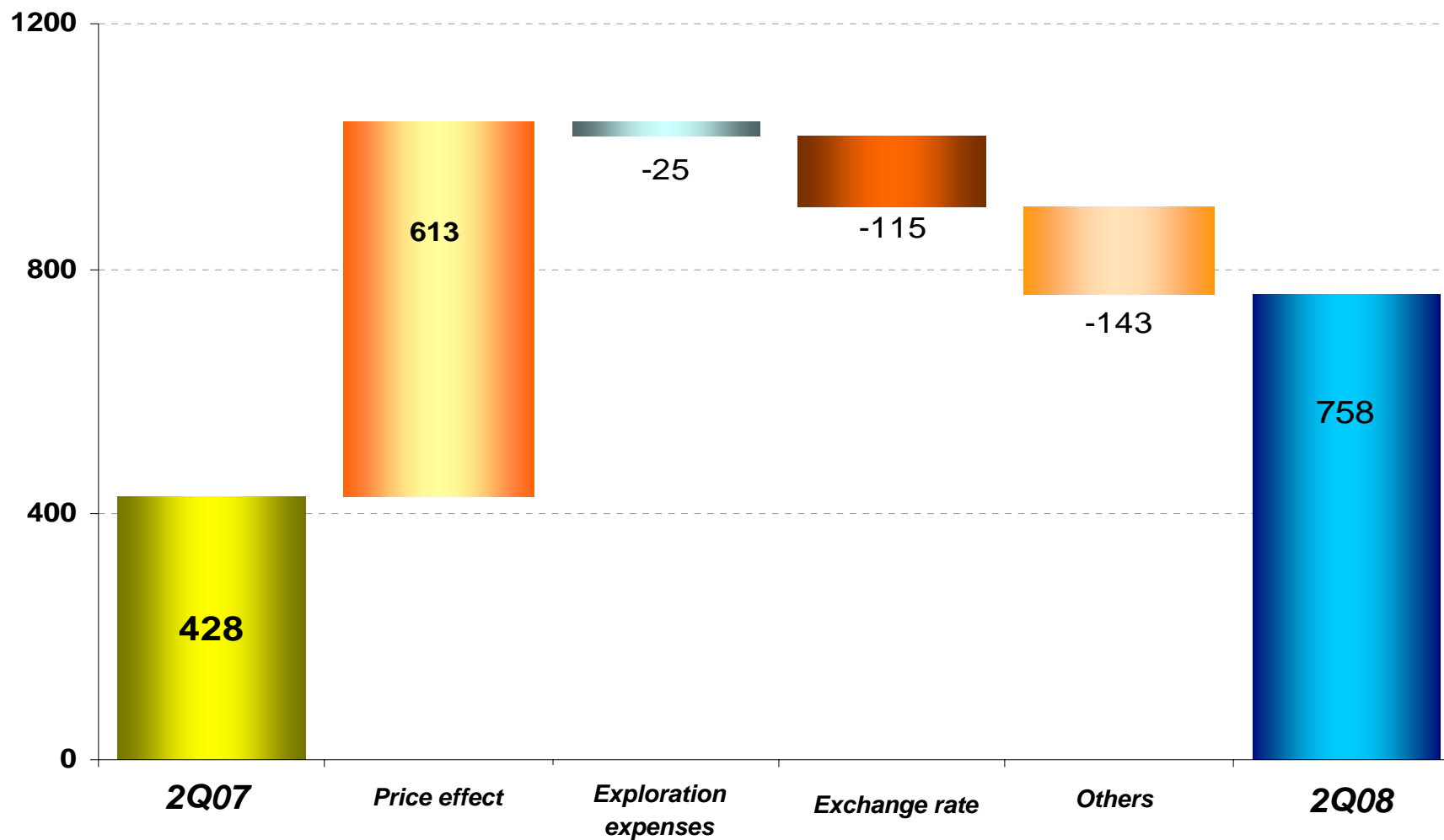
YPF

- *Production: -5.7 %*
- *Crude processed and downstream sales flat.*

2Q 2008 Results: UPSTREAM



UPSTREAM: Adjusted Income from Operations

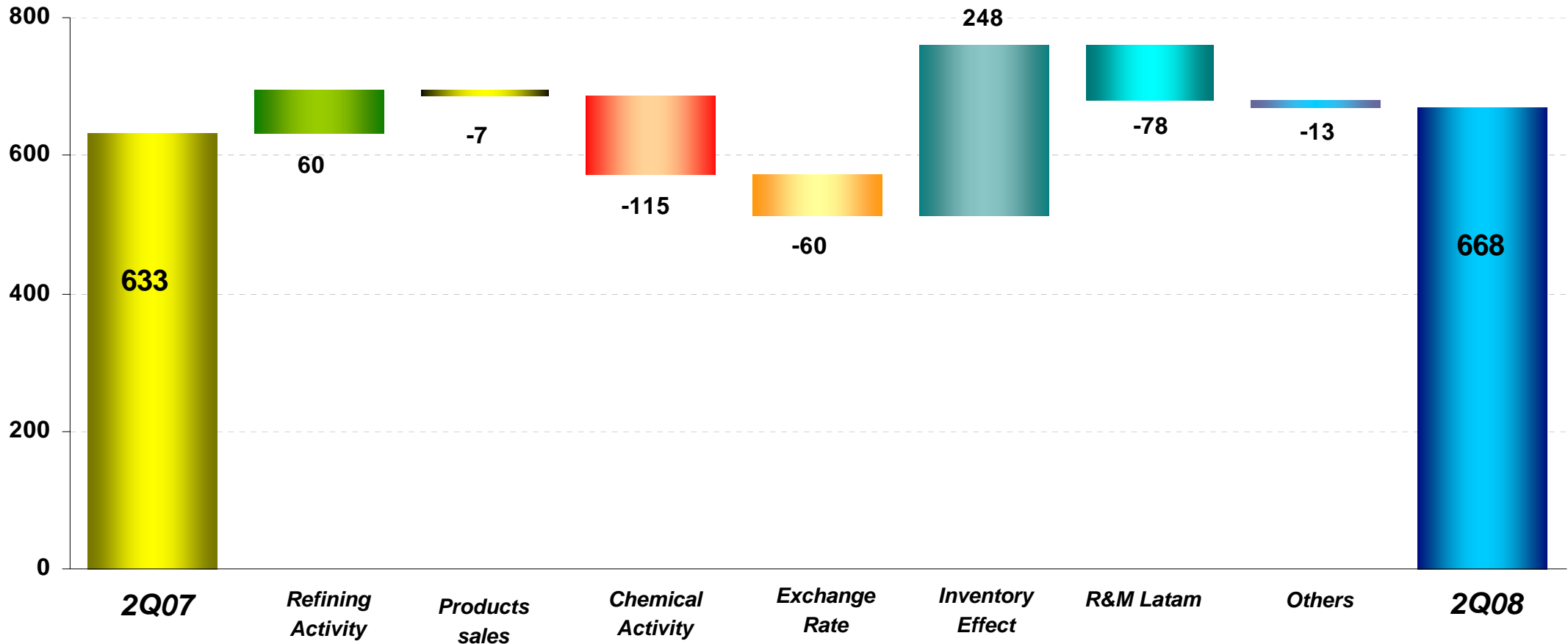


Million Euro

2Q 2008 Results: DOWNSTREAM

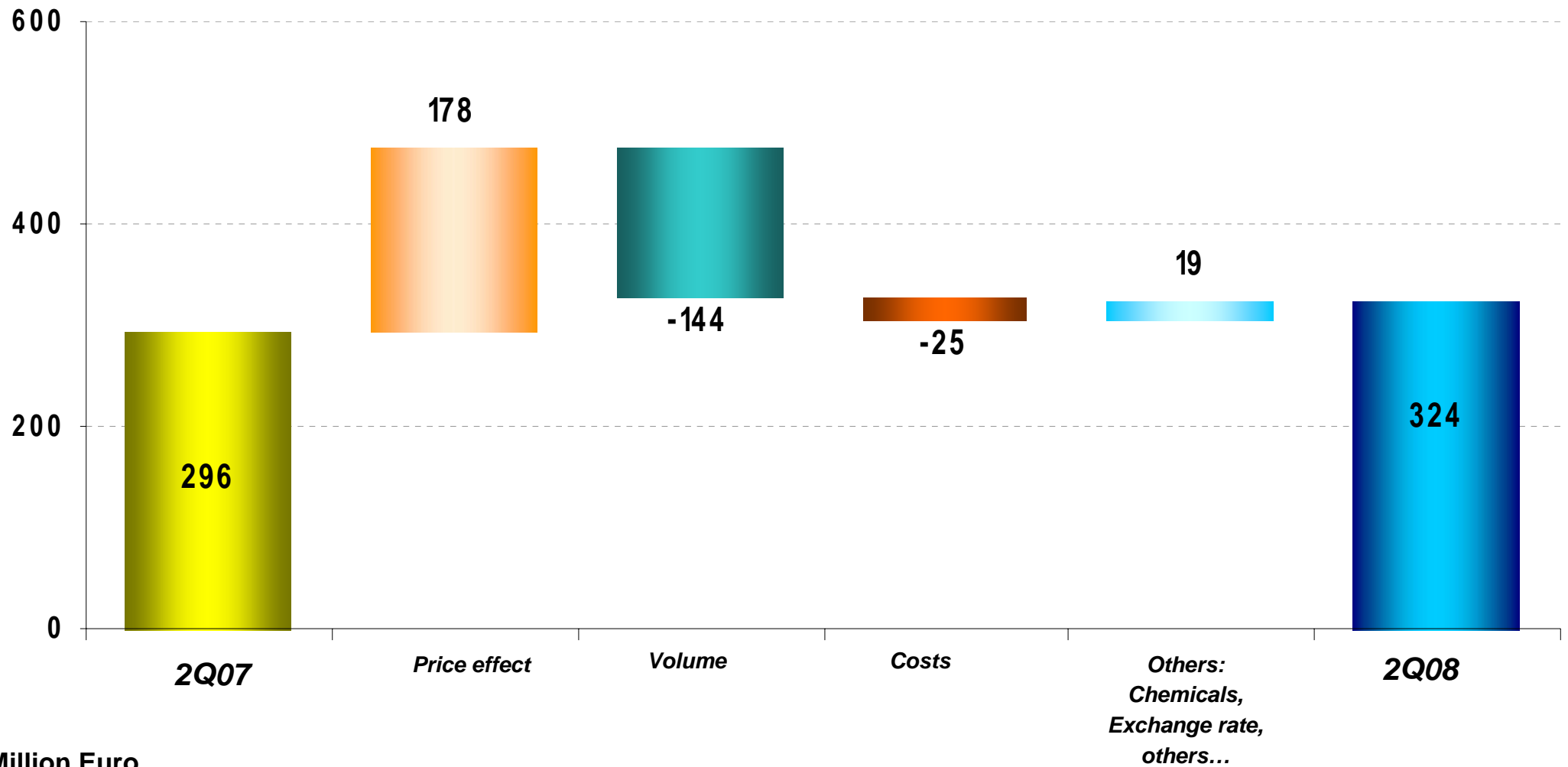


DOWNSTREAM: Adjusted Income from Operations



Million Euro

YPF: Adjusted Income from Operations



Million Euro

Improvement in upstream prices

Strong Refining Margins

***Enhanced performance at our YPF and
Gas Natural affiliates***

A large, light orange arrow pointing upwards, centered on the slide. Inside the arrow, the text "Fully compensated by..." is written in a blue, italicized font.

***Fully
compensated
by...***

Lower chemical margins

Labor and transport strikes

REPSOL YPF 2nd QUARTER 2008 PRELIMINARY RESULTS:

Conference Call details



PLEASE KINDLY TAKE NOTE OF THE DETAILS OF THE CONFERENCE CALL AND WEBCAST:

Tuesday, 31st July 2008: 17.00h (Madrid) 16.00h (London)

SUMMARY:

Listen only mode Intervention followed by a Questions and Answer Session.

You may follow the webcast presentation through www.repsol.com or dial:

Dial in number (on Spain): +34 91 789 51 40

Dial in number (rest of countries): +44 (0) 207 107 06 85

Access code not needed

The conference call will be available for 7 days after the 31st July 2008 (until 7th August 2008) on the following number:

Replay details: Dial in on: +34 91 787 96 70 ---- Pin number: 192114#

On our website replay will be available for the next 6 months

For any further information please contact the Investor Relations team

**REPSOL
YPF**



**2Q 2008
PRELIMINARY RESULTS**

Investor Relations

Pº Castellana 278-280

28046 Madrid (Spain)

Tel: 34 913 48 55 48

Fax: 34 913 48 87 77

E-mail: inversores@repsolypf.com

Website: www.repsol.com