

QUALITATIVE AND QUANTITATIVE ANALYSIS OF REPSOL

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Repsol, S.A

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EUS GROUP





INDEX

QUALITATIVE ANALYSIS

1. Introduction	5
1.1 History	6
1.2 Strategy & Strategic Objectives	8
1.3 The Company's vision	9
1.4 Brand	11
1.5 Organisation	12
1.6 Global presence	13
2. Business Areas	14
2.1 Upstream	14
2.2 Liquefied Natural Gas (LNG)	15
2.3 Downstream	16
2.4 YPF	18
2.5 Gas Natural Fenosa	18
3. Corporate Areas	19
3.1 People management	19
3.2 Innovation and Technology	20
3.3 Corporate Responsibility	22
3.3.1 Corporate Responsibility Model	22
3.3.2 Human Rights	23
3.3.3 Ethics and Transparency	23
3.3.4 Sustainable energy and climate change	23
3.3.5 Quality	24
3.3.6 Environment and Safety	24
3.3.7 Communities	25
3.3.8 Partner Relations	26
3.4 Communication	26
3.5 Intangible Asset Management	27
3.6 Sports sponsorship	27



4. Stakeholders	28
4.1 Suppliers and contractors	28
4.2 Customers	29
4.3 Employees	30
4.4 Shareholders	31
4.5 Competitors	33
5. Conclusions	35
<u>RISK ANALYSIS</u>	
1. Analysis of the market risk.	36
2. Analysis of the balance sheet	41
2.1 Long term	43
2.1.1 Leverage Ratio	45
2.2. Short term	46
2.2.1 Solvency short term	46
2.2.1.1 Acid test	46
2.2.1.2 Solvency ratio or liquidity ratio	47
2.2.1.3 Availability ratio	48
2.2.2 Cash cycle	49
2.2.3 Ratio of autonomy	50
2.2.4 Quality of debt	51
2.2.5 Debt ratio	52
3. Financial risk management	53
4. Conclusions	61

**PROFITABILITY ANALYSIS**

1. Leverage Ratio	63
2. Margin Ratio	64
3. Turnover Ratio	66
4. Return on equity (ROE)	67
5. Return on equity before taxes (ROE_{BT})	68
6. The impact of taxes	70
7. Return on assets (ROA)	71
8. The impact of Debt	73
9. Comparison with the companies of EUROSTOXX 50 and with the companies of the same industry	75
10. Margin Ratio vs Turnover Ratio	79
11. Value added	80
12. Salaries ratio	81
13. Analyze of the J and the K	82
14. Analyze G	85
15. PER	87
16. Relationship among ROA, Cash cycle and solvency ratio	88
17. Conclusions	89
18. Bibliography	91
19. Annexes	92
20. Minutes	104

1. INTRODUCTION

Our project is going to be divided in two different parts, which consist on making a qualitative and a financial analysis. The company that we have chosen to do this project is Repsol, which is a Spanish company and we can find it in the EURO STOXX 50 index.

Nowadays, the main European companies are found in the EURO STOXX 50 index, which is the European's leading Blue-chip index for the Eurozone and provides a Blue-chip representation of the super sector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

It was created by the STOXX Limited, a joint venture among Deutsche Börse, AG and SIX Group AG. In this index, we can find important companies such as Iberdrola, Basf, ING Group, Nokia, Volkswagen, etc

In this first part of the project, we will focus on doing a qualitative analysis. We will describe and detail important aspects such as the vision and mission of the company, the different strategies and business areas that Repsol manages, the corporate area, its stakeholders (shareholders, customers, suppliers, competitors...) and a brief introduction to the financial information.

Repsol is a global energy company, which develops activities such as the exploration, production, refining, marketing and new energies. It operates in more than 30 countries. The bulk of its assets are located in Spain. Repsol is a public limited company that comprises 3 different brands: Repsol, Camps and Petronor.





1.1 HISTORY

1927: CAMPSA (Compañía Arrendataria Monopolio de petroleos) was born presided by Primo de Rivera. Its function was to administer the handling over the state monopoly of petroleum companies. The creation of CAMPSA had an impact on the progress of Spanish industry.

1941: The National Institute of Industry (INI) was created to drive and finance Spanish Industry.

1942: The functions of the monopoly were transferred to the INI.

1944: The first research centre was built

1947: The monopoly was reorganized

1948: Creation of REPESA. They commercialize their own brand of petrol, oils and lubricants. REPSOL was the star brand that was created with a clear goal, to be recognised, accepted and chosen by the consumer.

1957: Butano S.A was created, so they delivered butane gas directly to the customer's home.

1961: The Galician refinery was created, formed by the Marathon Oil Company and PETROLIBER. The function was to build and exploit a petroleum refinery.

1964: The first discovery of oil in Spain (La Lora, Burgos)

1965: Hispánica de Petroleos S.A was created.

1968: In Spain the refinery owned by Asfaltos españoles (ASESA) started their production. REPESA observe that there is competence so they create the Escuderia Repsol.

1970: Repsol logo appeared for the first time in a motorcycling sport race.

1971: Creation of ENTASA, a Catalan refinery.

1972: REPESA, ENCASO and ENTASA merge and create EMPETROL

1975: Existence of the Casablanca reservoir on the Tarragona Coast.

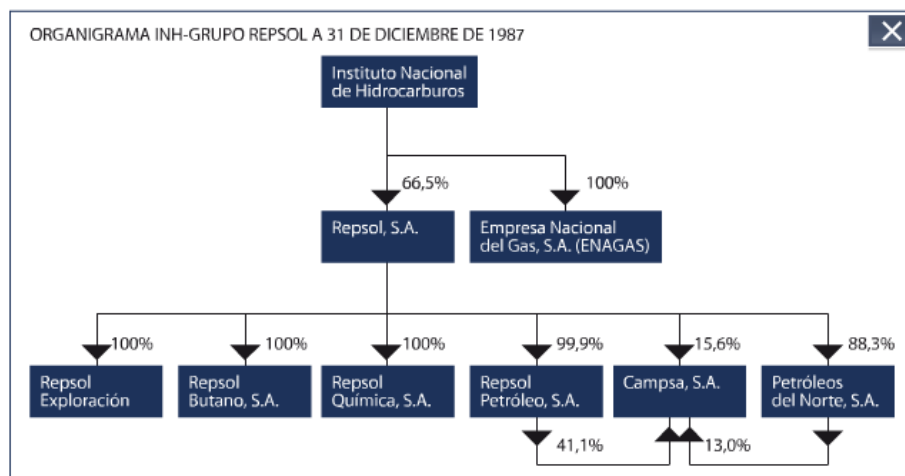
1981: Creation of the INH (National Hydrocarbons Institute)

1984: Liberation of the sector

1985: INH transfers its shares to the three public companies of refinery.

1987: The REPSOL group was born. Repsol goes on to have 5 affiliates. They want to become

the leading brand with prestige and global recognition.



1989: Privatisation begins

1990: Campsa spin-off

1992: Campsa changes their corporate name to CLH (Compañía Logística Hidrocarburos).

1996: Golden Share in Repsol

1997: Privatisation finishes

1999: YPF enters in Repsol and becomes a multinational company more balance and better positioned.

2001: Repsol had a strategy of competitive advantage in the sector of geographical areas and specific projects with great potential.



2002: Technology boost. It was created the largest REPSOL YPF Technology Centre.

2003: Repsol tripled its products and reserves.

2004: Best Engineering Project award

2005: New horizons: Brazil and North America

2006: Was classified as the most transparent oil company

2007: Sale of 19.4 of YPF

1.2 STRATEGY & STRATEGIC OBJECTIVES

Repsol emphasizes the fact of growing from its strengths. This growth strategy has enabled it to develop new and attractive business areas, diversify its portfolio of assets and incorporate key projects to generate value for the company; all of which are strengths that today hold its position in the global energy sector.

The group's strategy is based on four pillars: high growth of Upstream, maximizing the return on Downstream and LNG (Liquefied Natural Gas), financial strength and competitive compensation to shareholders.

- **High growth of Upstream (Exploration and production)**

The Exploration and Production area is the company's engine for growth, with investment focused on its exploration activity and 10 key growth projects, including some of Repsol's biggest exploratory successes in recent years. In these 10 projects, the company will focus its activities on Brazil, the United States, Russia, Spain, Venezuela, Peru, Bolivia and Algeria.

Repsol expects a production growth rate in 2011-2016 of 7%, a production in 2016 of 500.000 barrels of oil per day, a reserve replacement rate in 2011-2016 of above 120% and an average upstream investments of 2950 billion € per year in the following years.

- **Maximizing returns from Downstream and LNG**

The Downstream area (Refining, Marketing, Chemicals and LPG) is becoming a cash-generating business. On the other hand, Repsol's Liquefied Natural Gas (LNG)



business will take advantage of integration across the entire value chain, maximising the profitability of Repsol's strong asset portfolio in the Atlantic and Pacific basins.

Repsol's objectives in this area are reaching an average of Downstream free cash flow of 1,2 billion € per year and an average of Downstream investments of 750 Million € per year.

- **Financial strength**

Repsol's solid financial position and its divestments of non-strategic assets will enable the company to self-finance the investments anticipated under the 2012-2016 Strategic Plan, including those in the most challenging environments.

Repsol expects to obtain a cash generation of 8,1/8,6 billion € from a self-financed plan and a profit of 4/4,5 billion € in 2012-2016 by divestments and by selling shares in treasury stock.

- **Competitive compensation to shareholders**

Repsol will continue to create value for shareholders through a competitive dividend distribution policy, with a payout of between 40 and 55%.

1.3 THE COMPANY'S VISION

The main vision is to be a global company that seeks the welfare of people and it is a step ahead in building a better future through the development of smart energy.

"With effort, talent and enthusiasm, we're making progress to deliver the best energy solutions for society and the planet".

Regarding to this, the new vision emphasizes its sustainable seek for the best energy solutions, the role of the people who make up the company and their great inner energy, which is what really helps Repsol to progress each day towards attaining our goal.



The working philosophy is based on seven values:

- **Team Repsol**

Repsol's team is made up of committed people who share a project for the future whose success is based on proactivity, an innovative attitude, leadership and professional and personal development.

- **Environmental commitment**

Repsol is committed to generating the cleanest energy and to seeking a neutral environmental impact, acting under criteria of maximum safety and reliability in its operations.

- **Responsibility to the social environment**

The company responds to the current and future energy needs of society, under the parameters of respect and development of the communities with which it interacts through a proactive attitude and a good neighbour policy.

- **Technological innovation**

Repsol is constantly searching for energy solutions based on eco-efficiency and new energy, through the development of technologies that guarantee a more sustainable future.

- **Transparency**

This is the main guarantee of Repsol's ethical performance, committed to offering relevant, honest information on the company and maintaining an attitude of dialogue with the different stakeholders.

- **Trusted products and services**

The company achieves the trust of society and its customers through innovative products and services that provide differentiating value, supported by the emotional bond to the Repsol brand.

- **Business solidity**

Repsol ensures solid business growth in the medium and long term, based on the integration of businesses and on successful projects through a strategy focused on constantly generating value.

1.4 BRAND: THE MEANING, EVOLUTION AND PLAN REVITALISATION



The Repsol brand goes beyond visual identity to the various means of communication, so that they can communicate the key values of the company, which set it apart and generate trust amongst its stakeholders.

There has been a clear evolution since the first logo was created in 1951.

The R of Repsol in 1951 came from the leading brand of lubricants REPESA so as to be recognised, accepted and chosen by the consumers.

Later on, in 1987, when Grupo Repsol was established as a public limited company, Wolf Ollins designed the Repsol brand in order to create an identity of the company that could be recognised by its brand. The logo integrated 3 colours (orange, red and blue), which would be used to communicate the notion of the company's diversity and its various dimensions and creating greater possibilities for interaction and communication.

As we had curiosity about the meaning of that logo, we looked for an explanation on the Internet and we found out that the orange part represented the sunset, the blue horizontal line reflected the horizon, the orange part represented the sand and the blue little circle reflected the moon. So we could think of a relationship between Spain, the beach and the weather.



In 1997, Repsol made some changes to its logo by polishing it (reducing the blue horizontal line and eliminating the blue circle) and giving a more geometric shape. That would give Repsol a more modern image, but always maintaining the essence and respecting the most identifiable elements of the previous brand.

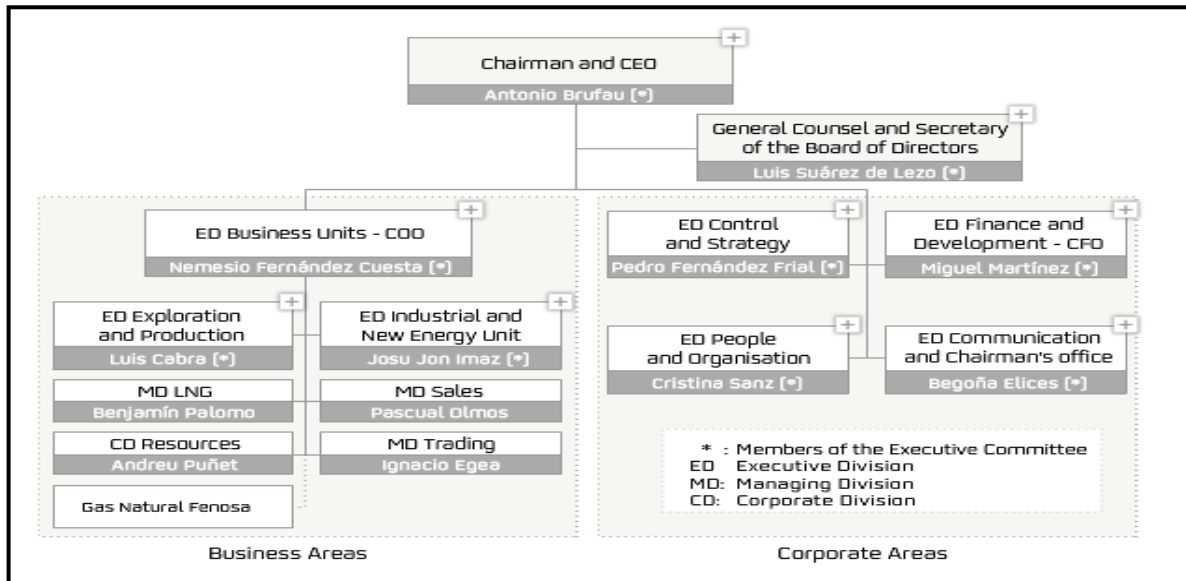
In 1999, Repsol acquired the Argentinean oil company YPF so as to reinforce its international core and take advantage of the positive consequences when opening its new markets. As a result from this acquisition, Repsol added to its logo the word "YPF", so as to make clear that they concentrated their efforts under a common insignia.

In 2012 the brand was modified in two aspects. The first change was the substitution of the blue colour (in the horizontal line) into the white colour. That change would give to the company a more contemporary and vibrant dimension, with the objective of showing an image of transparency and teamwork and reflecting the company's values. The second change was the addition of volume to the brand, which would give the feeling of the brand's progress and capacity to stay ahead of developments.

From the photographic perspective, aside from the colour aspects, three visual perspectives have been established for use in our brand communications: one "macro or global" horizon, one "human or close" horizon and one "micro or detailed" horizon. The purpose of using this triple perspective is primarily to strengthen the new vision of the company, its global reach and future plans, its commitment to people's welfare and its search for innovative solutions to respond to real needs.

1.5 ORGANISATION

As we can see in the following hierarchical tree: At the very top we can find the CEO, which is Antonio Brufau. It is followed by the Secretary of the Board, which is Luis Suarez de Lazo and, finally, we can observe that Repsol's structure is divided in two different areas, which are the business areas and the corporate areas, which have been reinforced with a view to boosting growth over the coming years.

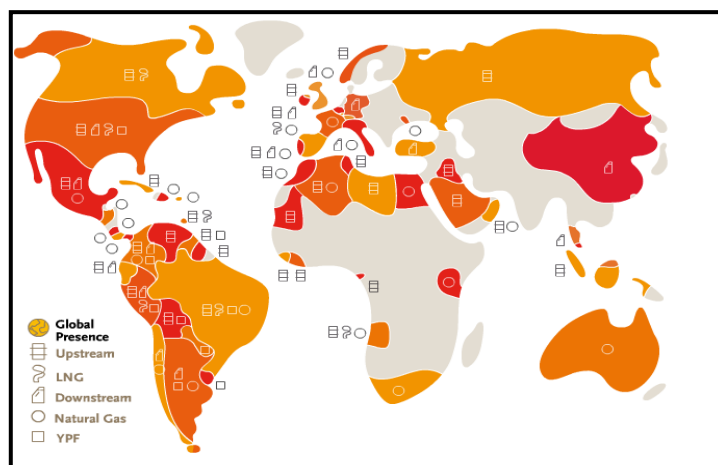


1.6 GLOBAL PRESENCE

Repsol applies the famous sentence of “Think global, act local”. It is a global company present in more than 30 countries, but it also makes some adaptations depending on the circumstances of each country.

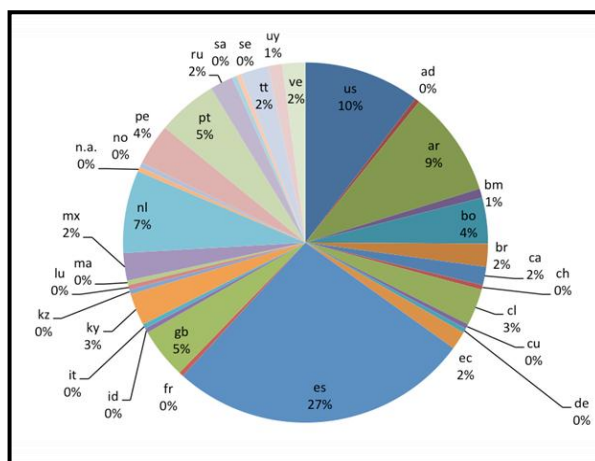
Most of the Repsol’s presence is located in the American continent, followed by the European and the African continent. The ones with the least presence are Asia and Oceania.

The different colours represent, as we have said above in the brand interpretation, the company's diversity and its various dimensions, creating greater possibilities for interaction and communication.



Subsidiaries

Repsol has got 243 subsidiaries. As we have analysed with Amadeus program, we can see that they are distributed in a high range of countries. The ones that have got more subsidiaries are: Spain with 27%, USA with 10%, Argentina with 9% and Netherlands with a 7%.



2. BUSINESS AREAS

2.1 UPSTREAM

The Repsol Upstream is the exploration and production area. So it is basically where the oil and gas come from. Those activities performed by YPF are reported separately since the expropriation in 2012, and so we will have a special section for this part, which we will include all the activities that YPF performs.

The Repsol Upstream division manages its project portfolio with the objective of achieving profitable, diversified and sustainable growth, with a commitment to safety and the environment.

Its strategy is supported by the following objectives:

- Increasing output and reserves
- Diversifying its business geographically by increasing its presence in the OECD countries
- Achieving operating excellence
- Maximizing returns on its assets.



To this end, a number of measures have been taken during the last few years:

- There was a successful investment in human capital to promote growth
- The organizational structure was redefined to reflect the strategic objectives and oriented towards improving the quality of operations
- Technical and commercial processes have been redesigned and standardized
- Technological capacities have been developed to operate successfully in deep waters.

Geographically, the Upstream division's strategy is based on key traditional regions, located in South America and in North Africa, as well as in strategic areas for short and medium-term growth such as the US Gulf of Mexico and the offshore fields in Brazil, that have been consolidated in recent years.

As part of its strategy for geographic diversification, in 2011 the Group succeeded in incorporating areas offering great potential in Alaska, Russia, Ireland, Iraq, Tunisia and Portugal.

OPERATING INCOME (in million €)			
	2010	2011	Variation 2011/2010
North America and Brazil	2.911	419	(86%)
North Africa	642	99	(85%)
Rest of the world	560	895	60%
TOTAL	4.113	1.413	(66%)

In 2012, the operating income reached the 2.208 million of €, so a variation from 2011 to 2012 of a 56,3%. The production also increased 11% from 2011, due to the resumption of the operations in Libya and the launching of new projects.

2.2 LIQUIFIED NATURAL GAS (LNG)

The main activities that the LNG includes are the liquefaction, transportation, marketing and regasification of liquefied natural gas, in addition to electricity



generation activities at the Bahía de Bizkaia Electricidad (BBE) plant in Spain and natural gas marketing in North America.

In 2011, the LNG market was affected by an increase in demand from Japan, caused by the earthquake that rocked the country and the nuclear crisis. This caused a strong increase in prices in the Far East and caused a significant decoupling with European pricing points.

Results

Operating income from LNG operations reached 535 million € in 2012 and 386 million € in 2011, in comparison to the 105 million € posted a year earlier.

The improvement in these results is mainly due to larger LNG volumes (the LNG Peru plant having been operational since June 2010) and LNG sales margins in 2011.

The 26th of February 2013, Repsol agreed with Shell the sale of shares of LNG for 6.653 million of dollars. This operation reinforces the balance sheet and liquidity of Repsol.

2.3 DOWNSTREAM

The Repsol Group Downstream business consists on the supply and trading of crude and other products, oil refining, marketing of oil products and LPG (Liquified Petroleum Gas), and the production and marketing of chemicals.

Results

Operating income in the Downstream business amounted to 1.013 million € in 2012 and 1.207 million € in 2011, down 7.4% on the 1.304 million € posted in 2010. This decline is largely explained by the reduced margins reported by the Refining business, as well as by the lower volumes in the Marketing businesses, as a result of the economic crisis, despite a better showing from Chemicals in the first half of the year and the better results from the Trading division.

- **Refining**

The Repsol Group owns and operates five refineries in Spain (Cartagena, A Coruña, Bilbao, Puertollano and Tarragona), with a combined distillation capacity of 896.000 barrels of oil per day.

PRODUCTION IN SPAIN (in thousand tonnes)		
	2010	2011
Refinery intake		
Crude	34.410	31.483
Other refinery	7.321	9.053
TOTAL	41.731	40.536
Refining production		
Intermediate	18.668	17.835
Gasoline	9.084	8.145
Fuel oil	6.081	6.287
LPG	1.166	1.056
Bitumens	1.478	1.272
Lubricants	275	242
Other (except petrochemicals)	2.250	2.858
TOTAL	39.002	37.695

- **Marketing**

Repsol markets its range of products through an extensive network of service stations. In addition, marketing activity includes other sales channels and the marketing of a wide range of products, such as lube oils, bitumen, coke and derivatives.

- **LPG**

Repsol is one of the leading retail distributors of LPG in the world and ranks first in Spain and Latin America. In 2011, the company operated in nine different European and Latin American countries.



- **Chemical**

The chemical business produces and markets a wide range of products, ranging from basic petrochemicals to derivatives. Its products are marketed in over 90 countries, leading the market on the Iberian Peninsula.

2.4 YPF

Repsol, as all the big companies, has a lot of subsidiaries. One of them, and the major one, was YPF, which was located in Argentina. In 2012, the Government of Argentina decided that it would expropriate 51% of the Repsol-YPF shares, which meant that it would be able to take decisions by its own as the percentage is more than 50%. This fact, has made Repsol loose power in Argentina and so have more difficulties when acquiring resources from there.

2.5 GAS NATURAL FENOSA

At 31 December 2011, Repsol owned 30% of the Gas Natural Fenosa Group. The main operating highlights for the business are Gas distribution, Power distribution, Electricity, Infrastructure and Supply & Marketing.

Results

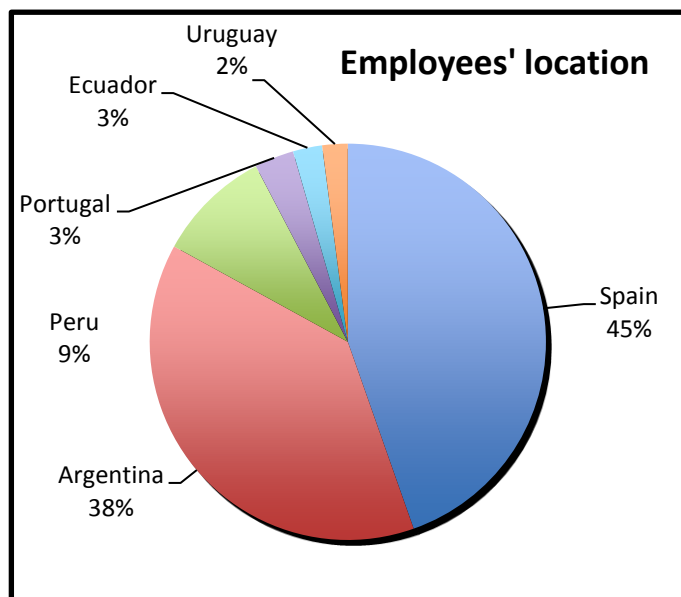
Operating income contributed by the Gas Natural Fenosa Group climbed 0.7% from 2010 to 2011. However, from 2011 to 2012 the operating income went from 887 million € to 920 million €, so an increase in 3,7% with respect to 2011.

Although the capital gains from sales of assets in 2011 couldn't reach the results obtained in 2010, EBITDA remained steady during the two years. This can be explained by the improvements seen in electricity distribution activity in Spain and the rise in the gas sales margins.

The results highlight the fundamentals supported by the Gas Natural Fenosa business model, which aims to achieve an appropriate balance between regulated and deregulated business in the gas and electricity markets, with a growing and diversified contribution made by its international presence.

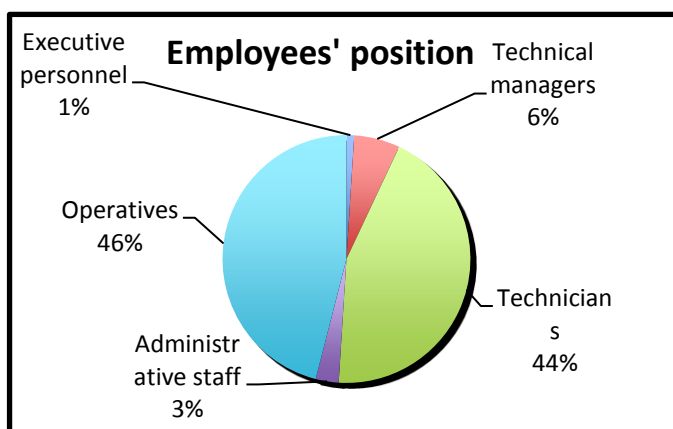
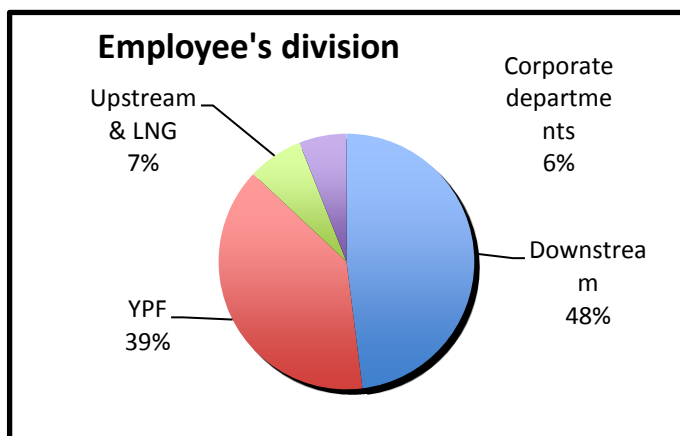
3. CORPORATE AREAS

3.1 PEOPLE MANAGEMENT



At year-end 2011, Repsol had a consolidated workforce of 46,575 people representing over 70 different nationalities.

Of this figure, a total of 39,622 employees were working at companies under the direct control of Repsol. All the information presented in these pie charts makes reference to different aspects related to the employees.



- Change in the organisational structure

During the years, the company has been reorganising its structure in order to be more efficient and gain control of each department. Repsol focuses on consolidating its position and growing in the countries where it operates by magnifying the company's global vision at country level.



- Diversity and work-life balance

Repsol encourages and fosters diversity and work-life balance through multi-disciplinary teams tasked with proposing and promoting initiatives such as telecommuting, recruiting people with different disabilities, making working hours more flexible, adapting facilities and managing time efficiently, among others.

- Cultural change

Last year, the company initiated a process of cultural change, leading to changes in approaches to work and in people management. For example, line managers now play an essential role in transmitting this new culture and spreading the values that Repsol is committed to: transparency, innovation, collaboration, team work and equal opportunities. Another example could be the project that has been carried out of the construction of the new corporate headquarters, which helps to bring new working methods into practice.

- Attracting the finest talent

Within a complex labor market, Repsol remains unflinchingly committed to implementing programs aimed at capturing, motivating and incentivizing top talent, offering them an appealing place to work and guaranteeing and promoting equal opportunities in their professional development.

- Training

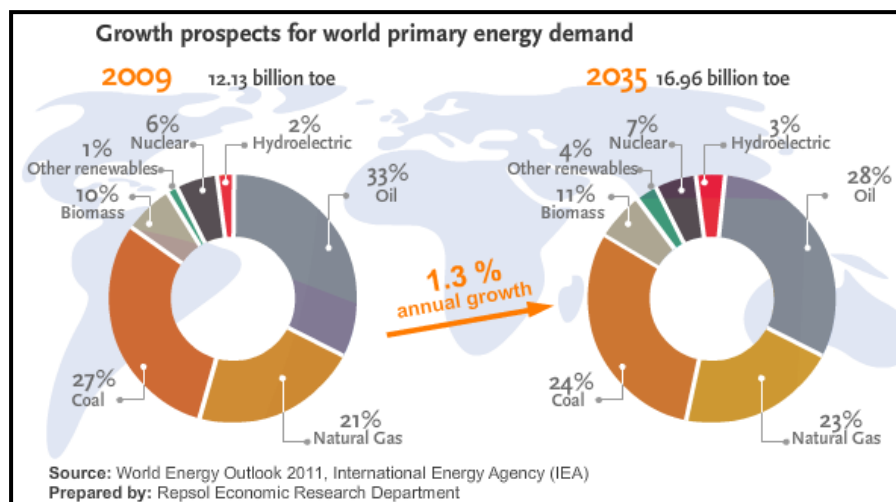
Repsol is a company committed to people; valuing, promoting and facilitating employee training as the key driver behind their personal and professional development. Training must be focused on developing an individual's knowledge, skills and attitudes in order to reach the objectives of the different businesses and units, while being aligned with the company's strategy and geared towards developing Repsol's culture and leadership style.

3.2 INNOVATION AND TECHNOLOGY

At the Repsol Technology Centre they are constantly conducting research to create new products and solutions that respond to the needs of society as a whole. At Repsol they innovate through projects as for instance CENIT Crisálida Project, which is carrying out its strategic research in the field of secondary power distribution, in order to acquire multidisciplinary knowledge to enable a new concept of medium-voltage electrical grid to be completed by 2015.

Innovation is a key element in Repsol's strategy as an energy company that seeks to help providing a safe, sustainable and competitive energy supply.

In the last decades, the consumption of energies has grown very fast, but it is said that in 2030 the consumption will increase nearly in a 50%, due to the increase in the world's population.



Nowadays the most used energies are oil, natural gas, nuclear and hydro electrical power stations. But what people want is to find energy cleaner, smarter, more responsible and more efficient. So this is the challenge for Repsol, to provide the energy in a way that is cleaner and more environmentally friendly. The clue is to provide the smarter energy through innovation, development and research.

In Repsol they are not only interested in providing a conventional energy based on oil and gas, but also they are developing a global model in which there is a place for

conventional energies and the new ones. The development of biofuels from microalgae, Solargas, GLP and Autogas are some of the new energies that they are developing.

Repsol Technology Center has 400 technologists and researchers working, who labor daily in the search for better technological solutions to the challenges they face. They shake all their creativity on creating value and knowledge through R&D&I.

3.3. CORPORATE RESPONSABILITY

3.3.1 CORPORATE RESPONSABILITY MODEL

In April 2011 Repsol approved the *Regulation for the Corporate Responsibility Function*, formalizing *Repsol's current model of Corporate Responsibility (CR)*. This model is the way in which the company, as a whole, contributes to sustainable development.



This model includes:

- The company's values and principles of action resulting from the commitments assumed in the field of Corporate Responsibility.
- The Corporate Responsibility Coordination System, that consists in four elements:



- Corporate Responsibility governance and coordination bodies: The Strategy, Investment and CR Committee of the Board of Directors, the Corporate CR Committee and the National CR Committees.

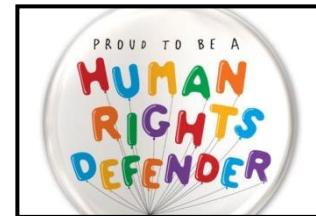
Moreover, in order to implement better the corporate responsibility model, Repsol has created Corporate Responsibility Committees in four of the countries where they operate: Bolivia, Ecuador, Spain and Peru.

3.3.2 HUMAN RIGHTS

One of the fundamental pillars of the development of their activity around the globe is respecting for human rights. The responsibility of respecting human rights is their rule of conduct in every country where they are present and for all their operations.

They have integrated respect for human rights into their company and they try to ensure this respect in their entire area of influence through training and awareness.

They have put communication channels in places to report abuses, through which their employees, contractors or any other stakeholder can report facts that may be considered violations of human rights or breaches of the law or of our current regulations.



3.3.3 ETHICS AND TRANSPARENCY

Ethics is also one of the main values of their corporate culture. The Ethics Regulation guides the day-to-day behaviour of Repsol and its employees everywhere in the world, who in turn are responsible for promoting compliance with its principles by their suppliers and contractors.

On the other hand, the financial transparency is also an important aspect for Repsol. For this reason, Repsol is engaged in promoting the transparency of their financial reports in order to prevent corruption, social inequalities and conflicts.

3.3.4 SUSTAINABLE ENERGY AND CLIMATE CHANGE

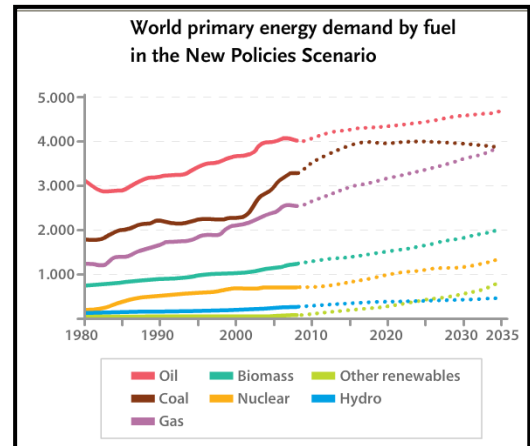
The challenge of Repsol is to develop a new model that it would be compatible with energy safety and climate stability. The world needs more energy, but it needs to be provided in a way that is consistent with energy safety, geopolitical balance and the climate stability of the planet.



Repsol's aim is to reduce 2.5 million tonnes of emissions during the 2005-2013 periods according to the business as usual scenario. The steps taken to date have already helped us comply with our objective.

They have exceeded our annual emissions reduction target in tons of CO2 eq, achieving over 85% of the 2005-2013 strategic objective, such as we can see in the next images.

	2007	2008	2009	2010	2011
DIRECT GREENHOUSE GAS EMISSIONS⁽⁵⁶⁾					
CO ₂ (millions of tons)	23.66	22.83	21.21	20.53	20.07
CH ₄ (millions of tons) ⁽⁵⁶⁾	0.15	0.14	0.14	0.13	0.13
N ₂ O (tons)	-	-	-	-	825
CO ₂ e (millions of tons) ⁽⁵⁷⁻⁵⁸⁾	26.73	25.82	24.08	23.34	23.14
INTENSITY OF GREENHOUSE GASES EMISSIONS					
Intensity of refinery emissions (metric tons of CO ₂ e/metric tons of processed crude oil) ⁽⁵⁹⁾	0.274	0.261	0.267	0.258	0.280
ENERGY CONSUMPTION					
Fuel (millions of metric tons) ⁽⁶⁰⁾	7.23	6.75	6.25	5.96	5.80
Electricity purchased (10 ⁶ MWh)	3.88	3.66	3.10	3.56	3.18
Steam purchased (10 ⁶ GJ)	7.69	16.65	10.26	12.59	9.10
Total energy consumption (10 ⁶ GJ)	344.53	322.56	312.78	298.65	291.12



3.3.5 QUALITY

Repsol has always committed to providing quality service. This is based on management excellence. Excellence business cultures, which is based on a continuous improvement, involves the implementation of outstanding practices in the management of an organization. It takes into consideration both company results and the agents involved, which facilitates improvement in management and competition.

3.3.6 ENVIRONMENT AND SAFETY

Repsol YPF has a series of priorities about environment and safety. The main priority, in this aspect, is to reduce the negative effects on the environment, directing their actions towards minimising atmospheric emissions, optimising water



consumption, reducing pollutant content in discharges... Moreover, they also have as a priority to protect the people who work in their facilities, their customers and all the residents of the local communities where they operate.

To carry out these points Repsol YPF, the Executive Committee sets the targets and the strategic lines in security and environment. Besides, they carry out annual plans with accurate objectives in accordance with safety and environmental regulations and procedures.

3.3.7 COMMUNITIES

Repsol YPF is present in a lot of countries, specifically in 30 countries, that they have different cultures and they have so different characteristics. Repsol has with their activities a lot of influence in the regions that they are. They make some influence in economy, social and politician aspects.

They know and they are aware that all their activities cause impacts, direct or indirect, positive or negative in the neighbouring towns and communities for instance, infrastructure construction, job creation and so on.



For this reason, their commitment is to work maximizing the positive impacts and opportunities to generate shared value, while preventing and minimizing the negative impacts through dialog and engagement with the local communities.

Finally, they know that to begin their insertion into a local population they need to get to know them as well as possible. They have to know their identity and their social, economic and cultural characteristics.

Besides, they develop their social investment through foundations that they have in Spain and Ecuador. Their social commitment action lines seek to respond to community needs through long-lasting programs aimed at providing the community with the means for self-development.



3.3.8 PARTNER RELATIONS

Repsol operates with other companies. They establish partnerships or joint ventures, which are regulated by Joint Operating Agreements (JOA). The purpose of a JOA is to outline the responsibilities and limits that each of the partners will have in the operation and management of an asset.

In those activities where Repsol is the operating partner, they implement their regulations and standards. Aware of how important it is that their partners uphold similar ethical, social and environmental standards to their own in the activities in which Repsol is not the operating partner, they use our capacity of influence to ensure their regulations and management systems are implemented or that principles and systems are followed that are equivalent to theirs.

3.4 COMMUNICATION

In the relationships with the society, Communication is the most important key. In order to adequately manage communications, Repsol offers some online and offline tools through which it effectively and transparently reports on its activities and businesses.

Repsol has a Shareholder Information Office (SIO) and Investor Relation Department, through which it serves its investors and securities analysts. All shareholders can visit the office, call to a free number or write a post or email in order to obtain any information required. Also in the web (www.repsol.com) it is possible to find all the information about the company.

The corporate website includes a Press Room where information about the Repsol Group and its activities is available to media professionals. In addition to press releases, it includes graphs and multimedia files, publications, specific dossiers and newsletters intended for journalists from all over the world. In 2011 Repsol developed through the web three important aspects:

1. They create a new digital, audio-visual and interactive content available on the Internet.

2. Repsol apps to make the users some facilities
3. Web with 2.0. Innovation technology.

3.5 INTANGIBLE ASSET MANAGEMENT

The intangible assets are a significant part of the value of Repsol. There are two strategic values for differentiation and the generation of trust among the stakeholders. These ones are the brand and the reputation. The brand constitutes a key asset in Repsol because it concentrates all the company's value. Repsol has been recognised as one of the best brands in Spain. That means that Repsol is a brand which is consolidated in the market, giving guarantee of quality and trust for the public in more than 80 countries over the world.

Reputation is for Repsol a differentiating element, which is the capacity to generate trust, respect and admiration among all the stakeholders. A good reputation makes them more competitive because it has a direct impact on financial results, talent attraction and loyalty, product recommendation and crisis management.

Repsol is a pioneering company in terms of reputation. It was a founding member of the Corporate Reputation Forum. Repsol has retained its position among the top ten places of national and international reputation indicators such as MERCO and Fortune's World's Most Admired Companies (Oil & Gas sector).

3.6 SPORTS SPONSORSHIP

Repsol took part in the top motorcycle racing competitions in the world, such as the World Motorcycling Championship, which is the best testing ground for its fuels and lubricants. Repsol is nowadays the leader in research and development, and one of the reasons is because it takes part in the races so it has to do innovations and fulfill the customers' expectations.





4. STAKEHOLDERS

4.1 SUPPLIERS AND CONTRACTORS

Repsol ensures integrity in the relationships that the company maintains with its suppliers and contractors. The supply chain, which is global in scope, adheres to the corporate regulations, which guarantee compliance with the company's ethical, social, labour, safety and environmental standards.

- Purchasing model:

Repsol strengthens its regulations and supply chain management system so that contractors and suppliers behave according to the standards Repsol has committed to meet. The communication channels that Repsol uses are the website and also an external supplier registration system, called Achilles, which provides completed information about its suppliers and contractors.

Repsol collaborates with 21.579 suppliers from over 80 different countries. Spain is the main country with the maximum number of suppliers, followed by Portugal (maybe for its proximity) and South America, which involves Peru, Ecuador and Brazil.

- Supplier Management Model:

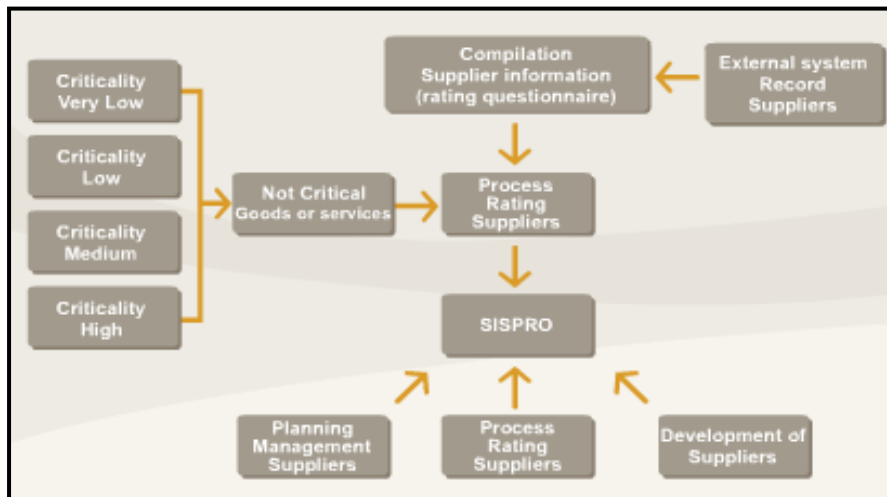
In the rating processes, Repsol analyzes various aspects of the supplier's activity (economic-financial, quality, management ability, safety/environment, ethics and humans rights, etc.) to determine whether they are in a position to meet the established requirements or not.

So as to evaluate the performance of suppliers and prevent the company from being affected by bad practices, Repsol has a unified supplier information management system, known as SISPRO. This system operates worldwide and it includes information generated in supplier rating, performance appraisal, development and planning processes.

Repsol has also established an obligatory requirement for suppliers and contractors, which is that before starting commercial relationships, they must fulfill an approval

process in accordance with the criticality of the goods and services that they are to supply.

This critically decides the extent of the approval process. The selection process is objective and impartial, evaluating both quality and cost.



The process of the supplier management is shown in this picture.

- Control mechanisms

Repsol manages ethical, social and environmental risks in the supply chain by carrying out audits and performance evaluations on its providers, and by evaluating their performance to identify potential risk situations and correct them.

4.2 CUSTOMERS

Repsol has a very huge diverse customer base that goes from institutions and large companies to SME and individuals. The group of customers that they are addressed to are: drivers, haulage contractors, households, industrial clients, airlines, civil works, workshops, farmers, ship-owners, fishermen and charterers.

The company's aim is to satisfy the needs of their customers through products and services. The way that they arrive to their clients could be directly, through distributors or in their 7,000 service stations.

Their main customers are attended by their downstream business units: Liquified Petroleum Gas, Repsol Chemicals and Marketing Europe.



Repsol wants their customers to know what they are consuming. That's because that knowledge will make Repsol to improve their products making some differentiation and provide complementary services. The company is committed to meeting the expectations of its customers, developing safer and more sustainable products, and encouraging responsible consumption.

Repsol has got different tools to know the satisfaction of their clients, as for example the CSI (Customer Satisfaction Index). The results obtained are useful to know which areas need to make some improvements.

4.3 EMPLOYEES

Repsol is present in more than 30 countries where their employees are of different genders, ages, nationalities and professional profiles. They focus on the workers equality, personal development, integration, diversity, talent and talent promotion, a balance between work and personal life and well being in the workplace.

The company wants to attract, motivate and retain the best professionals. They offer them a place to work guaranteeing and providing opportunities for professional development in a leading company.

To make a good management of the workforce is nowadays what gives a competitive advantage in front of the others. They also established in the Policy on Respect for People on their Diversity all their principles as the commitment to their personal development and to enabling them to balance their jobs with personal lives.

They offer programs to attract and motivate people. They want their employees to have a talent. Repsol gives them good salaries to motivate and help them to develop professionally. However, they use a tool to evaluate people's performance, which is called GxC (Management by commitment).

Repsol is located in a lot of places around the world, these allow professionals to develop their knowledge in their environments, participating in projects abroad or being part of international working teams.

4.4 SHAREHOLDERS

- **SHARES**

Repsol provides information about the company's evolution and strategy in "Information for shareholders and investors". It includes the annual reports, quarterly economic-financial information, daily market classes and everything related to the annual shareholder's meeting.

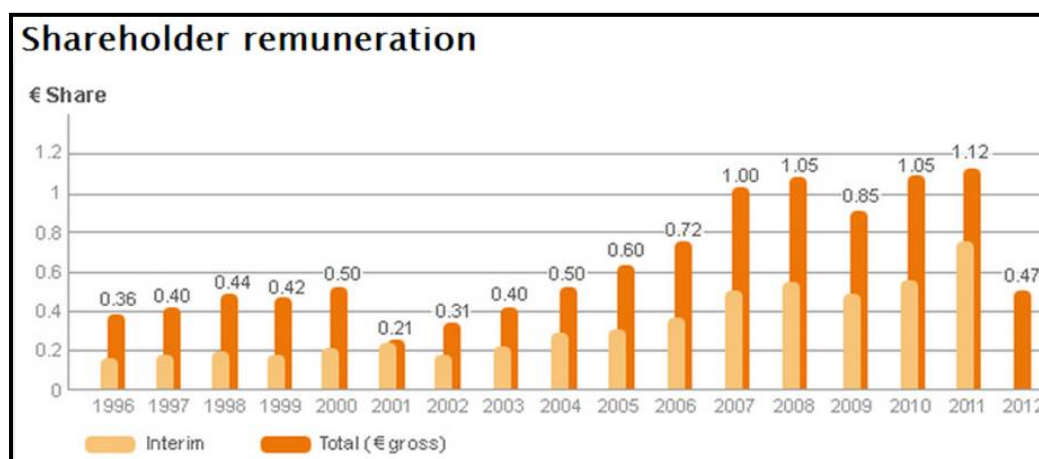
Caixabank, Sacyr Vallermoso, PEMEX and Termasek are the four most important shareholders that Repsol has.

There are some people correlated with Repsol and at the same time with one or more shareholders. That is because the shareholder companies, as they have many shares in Repsol, they put a person in the management of the firm and can have a better control.

Mr. Antonio Brufau Niubó is the president of Repsol and also works to Caixabank. Mr. Juan Abelló Gallo is the vice-president of Repsol and since a few days ago was the owner of some shares from Sacyr Vallermoso. Finally D. Isidro Fainé Casas, also vice-president of Repsol and president of Caixabank.

- **DIVIDENDS**

Repsol is a company that shares dividends such as we can see in the next chart. Specifically, Repsol destine between the 40% and 55% of their net income to share dividends. Moreover, each year the quantity of dividends is growing.





For this reason, we can say that the dividends of Repsol have a bullish tendency and this is a good tendency for the new and old investors.

The Repsol Flexible Dividend Program is a program that exists since 2012. It is a reward program that allows shareholders to decide whether to receive some or all of their remuneration in cash or in Repsol bonus shares, without payment by the shareholder.

In 2012, a total of 69.01% of Repsol shareholders opted to get the interim dividend from 2012 earnings paid in shares. These results, reflect the shareholders' interest in the Company's flexible dividend proposal, and their positive expectations for the shares. This confirms the tendency started in July 2012, when 63.64% of the shareholding base chose to receive shares for the final dividend from 2011 earnings. To satisfy this demand, Repsol issued 26,269,701 shares, representing a 2.09% capital increase. As we shown in the next table among 2000 and 2011 the capital didn't increase. However, this tendency has changed since 2012 thanks to the "Flexible Dividend Program"

EVOLUTION	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Number of shares (billion)	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.221	1.256	1.282
Nominal Value (euros per share)	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Nowadays, the company's capital is comprised of 1,282,448,428 shares at a nominal value of 1 euro, fully subscribed and paid, and admitted in its entirety for official listing on the continuous market of the Spanish and Buenos Aires stock exchanges.

Diciembre 2000	Ampliación de capital con cargo a aportaciones dinerarias (acciones Repsol Comercial de Productos Petrolíferos, S.A. - RCPP)	Emisión de 354.885 acciones (1€ de VN)	19,7%€ 12 acciones de Repsol YPF por cada 20 euros acciones ordinarias de RCPP	1.220.863.463
Julio 2012	Ampliación de capital con cargo a reservas voluntarias procedentes de beneficios no distribuidos	Emisión de 35.315.264 acciones (1€ de VN)	Ampliación de capital liberada	1.256.178.727
Enero 2013	Ampliación de capital con cargo a reservas voluntarias procedentes de beneficios no distribuidos	Emisión de 26.269.701 acciones (1€ de VN)	Ampliación de capital liberada	1.282.448.428

- **STOCK MARKET EVOLUTION**

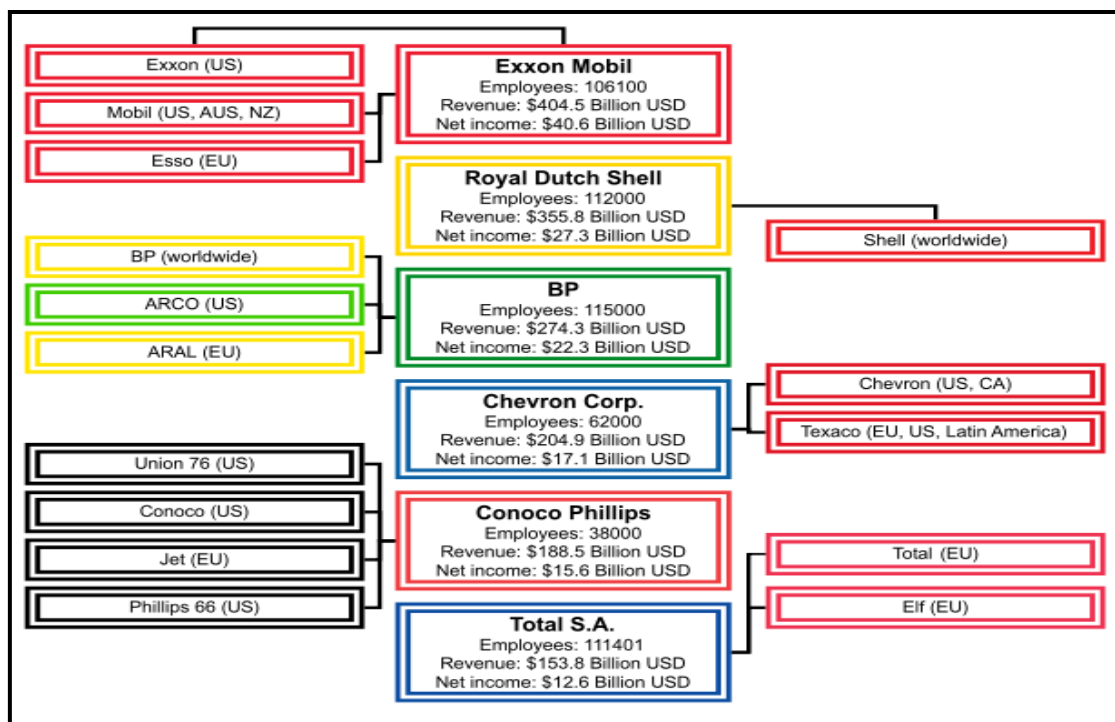


In this graph, we can see the evolution of the Repsol's shares. We have remarked two aspects. The first one is the maximum and the minimum of the shares during the last 12 months. This aspect indicates us the significant volatility of the shares in the last year. The second one is the market capitalization, which indicates us the huge volume of shares that Repsol owns. It is one of the companies that have the major number of shares in the IBEX 35.

4.5. COMPETITORS

Repsol has a lot of competitors but we have only identified, in more detail, the biggest ones. The principal competitors of Repsol are five: Exxon mobil, BP, Royal Dutch Shell, Chevron and total. These five companies are called "supermajor" oil companies in the world because they are global groups of companies of Europe and USA. The largest oil company in the world, if we take into account the revenues and the net income, is Exxon Mobile. Moreover, it is the second largest publicly trade company in the stock market, only surpassed by Apple.

Royal Dutch Shell is the second most important competitor of Repsol but they have carried out some joint ventures and they have done some projects together. The third competitor is BP. It is a direct competitor of Repsol in most of areas. The last two important competitors are Total, which is a French multinational, and Chevron.



	Exxon Mobil	Royal Dutch Shell	BP	Total	Chevron Corporation
Activities	<ol style="list-style-type: none"> Oil and gas exploration. Production. Supply. Transportation. Marketing worldwide 	<ol style="list-style-type: none"> Oil and gas exploration. Production. Refining 	<ol style="list-style-type: none"> Oil and gas exploration. Activities related with alternatives energies 	Cover the entire oil and gas chain, from crude oil and natural gas exploration until product trading.	Activities related with: <ol style="list-style-type: none"> Petroleum, chemical and mining operations. Power generation and energy services.
Companies	<ol style="list-style-type: none"> Exxon (USA) Mobil (USA, AUS, NZ) Esso (EU) 	Shell (worldwide)	<ol style="list-style-type: none"> BP (Worldwide) Arco (USA) Aral (EU) 	<ol style="list-style-type: none"> Total (EU) Elf (EU) 	<ol style="list-style-type: none"> Chevron (USA, CA) Texaco (EU, USA)
Gas Station	25.000	25. 000	24.000	16.400	22.000
Countries	+ 100	+100	+ 100	+ 100	+100
Other data	36 refines in 21 countries			Leadership positions in Western Europe and Africa.	



5. CONCLUSIONS

Repsol as we have seen is a multinational company, which have different business areas. It is a company that acts in several countries and make several impacts on them, which have received a strong influence about it.

As we have seen during all the qualitative analysis, Repsol is a firm that cares about all the details of the company. It is an energy firm, which acts in an oligopoly market. In this sector there exists high competition and it is a market with high barriers of entering so lots of companies can't stay in the same market because there are high costs that they can't afford.

As we have been detailing during all the work, it is an international company that has a strong guidelines with their employees, their customers, their suppliers and so on. All of these guidelines involve all the countries where they act, always in a responsible and safety way.

1. ANALYSIS OF THE MARKET RISK

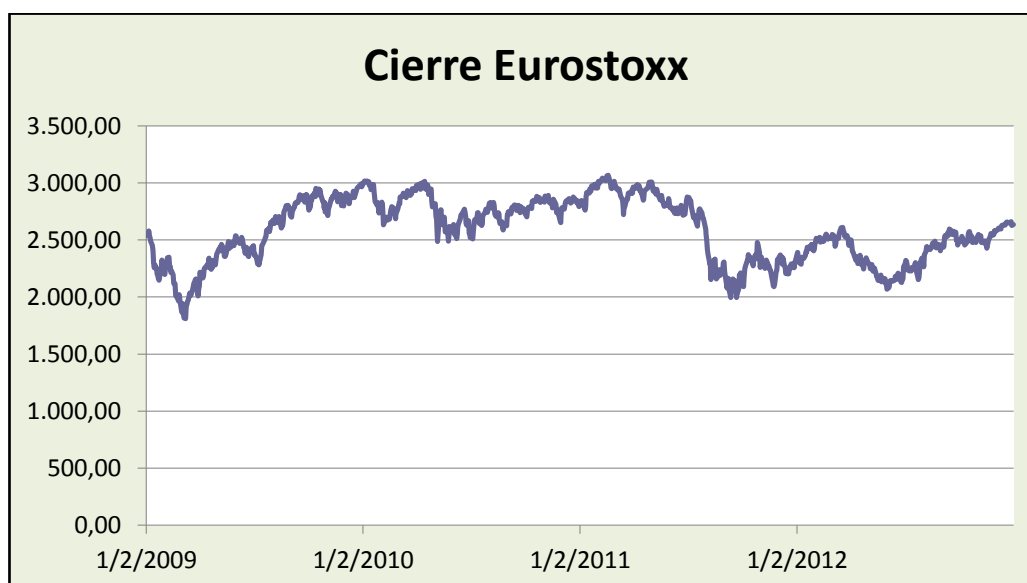
In this first part of the project we are going to analyse the market risk in comparison with our company risk, which is Repsol.

So as to make it clear for readers, we would like to point out that the concept of risk that we are going to talk about is more related to volatility, which refers to the probability of being below the mean, but not to the fact of losing money. Many times the concept of risk is confused with the probability of having losses, and so we wanted to make it clear to avoid any misunderstanding.

Risk is analysed with the evolution of the price of the shares in the case of a single firm (for example Repsol) or the punctuation given by the general indexes as Eurostoxx 50, which will give us an idea of how have they evolved and what happened in the different moments of time.

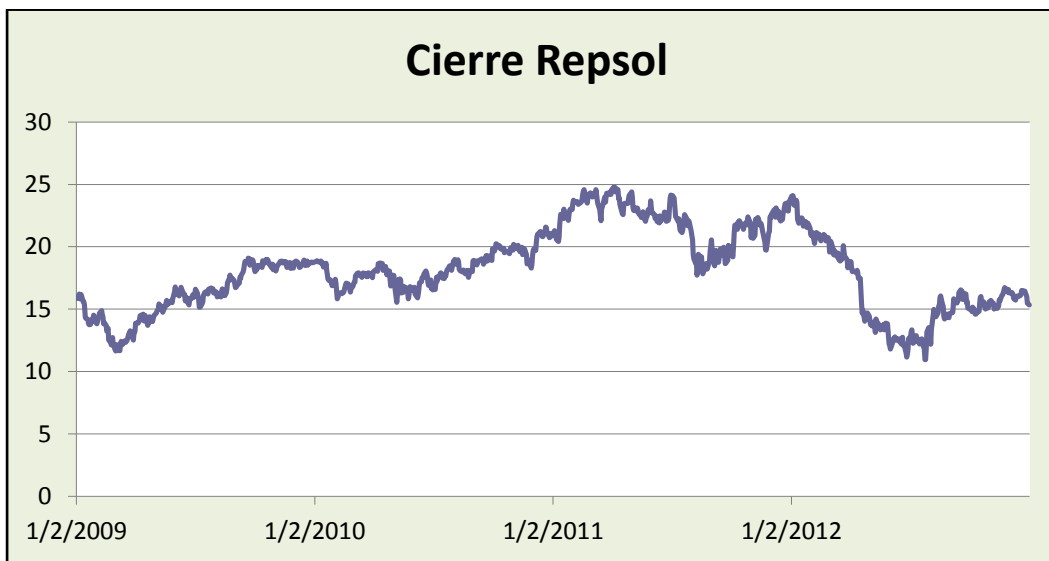
So as to make a comprehensive and practical graph, we are going to gather information about the closing price of shares of the 4 previous years since now; that is, from 02/01/2009 to 01/01/13.

As we can observe in the Eurostoxx Index, the stock fell down when the crisis started in 2008-09, but then it remained a little bit higher during the following 3 years. The crisis has affected all of the 50 companies in the Eurostoxx Index, but some of them have had a higher impact than others.



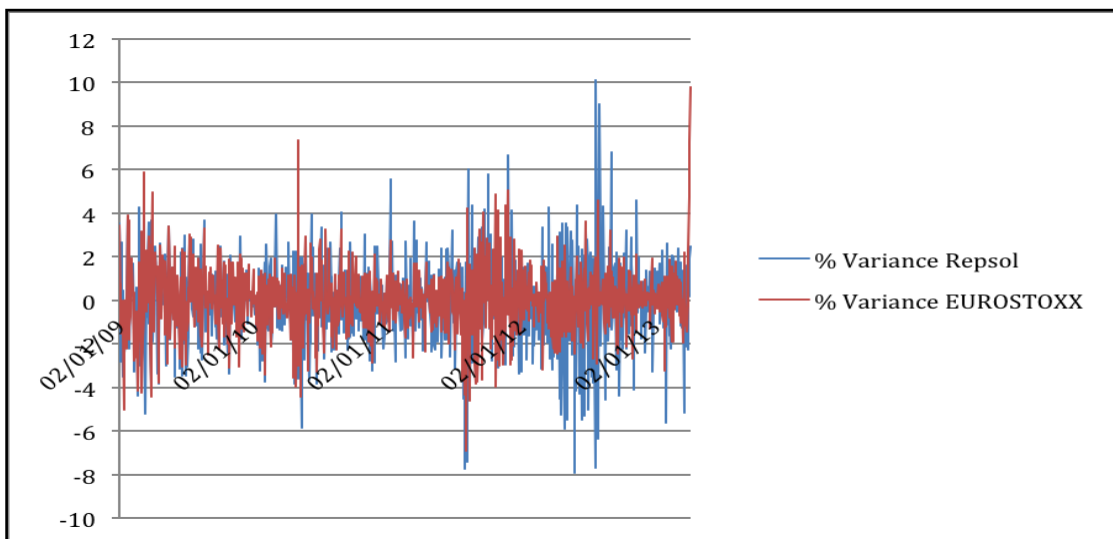


As for Repsol in particular, it was affected by the crisis in 2008-09 and its price during the 4 years has increased from approximately 17€/share in 2009 to 24€/share in 2011 but decreased to 11€/share in 2012. Nowadays, the price of the Repsol shares are 17,32€/share. However, its price hasn't been as much affected as other companies. The reason for this could be the fact that being an oil and gas company, which is a basic need for the society, don't matter what the price is, that people keep consuming them and so, investors believe in a quite constant evolution of its shares price and with no trend as we can observe in the graph.



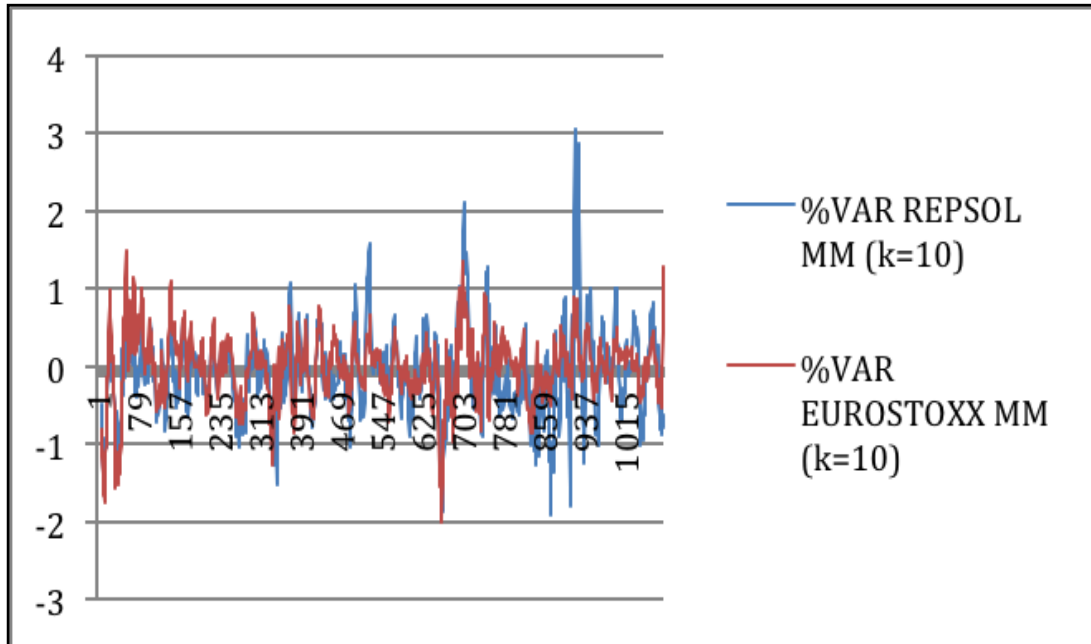
As from these graphs we can't appreciate the volatility of Repsol and Eurostoxx, now we are going to show in another graph the percentage of variation, which will be

calculated as:
$$\frac{(\text{Final value} - \text{Initial value})}{\text{Initial value}} * 100$$

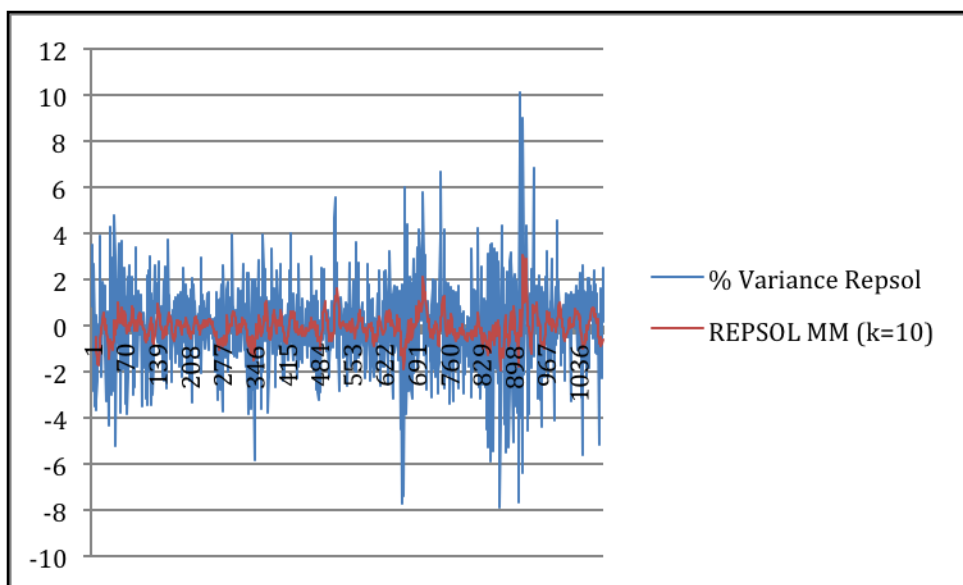


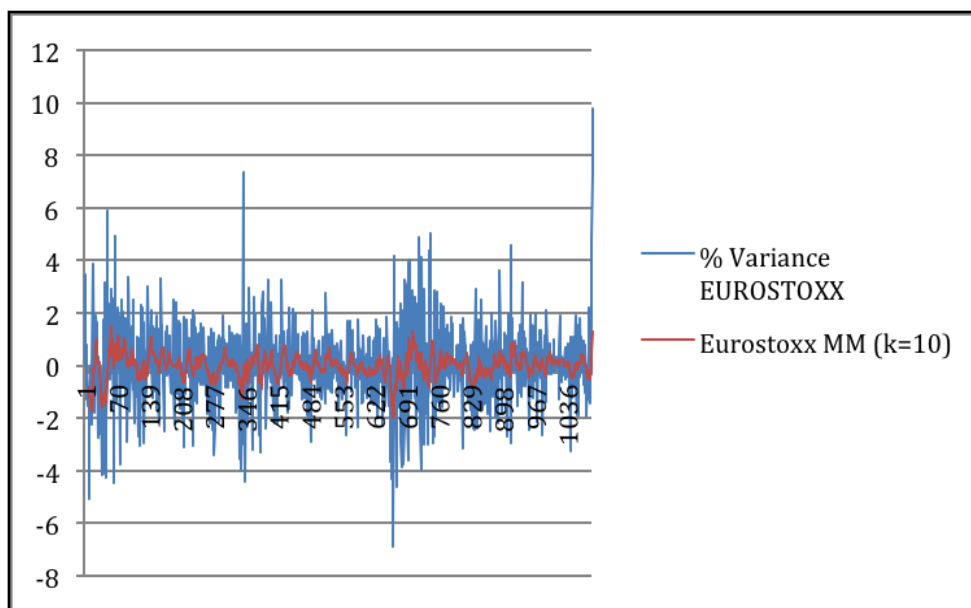


From this graph, we can observe a higher volatility in Repsol than in the Eurostoxx in general. This is because the Eurostoxx Index has a lot of data, and so it smoothes automatically the graph. So as to reduce this variability and smooth it, we are going to make the moving averages with a k=10.



So as to make it clear, we are going to separate the moving averages in two different graphs:





Some measures that we can analyse from introducing all the data of the 4 years in an Excel sheet, apart from these graphs, are the Variation coefficient, the mean, the standard deviation, the variance, the deviation respect to the mean, the rank, the annual and daily interest received by investors and the negative semivariance. All these measures are formulas, which we will put them in the Annex.

Analysing all these aspects, we can say that the variation coefficient is higher in Repsol (17,88%) than in the Eurostoxx (10,74%), which means that there is more volatility in the price of the Repsol shares than in the Eurostoxx in general. Moreover, if we calculate the daily interest of Repsol, we can observe that is negative in -0,0282. This means that every day, in average, the price of the Repsol shares decrease in 2,82%. The reason for this could be the financial crisis that we are suffering nowadays and that makes investors to be doubtful. Finally, the negative semi variance, which is the percentage of values that are below the mean (risk situation) is 24,98% in the case of Repsol and 24,84% in the Eurostoxx. This means that in Repsol there is a bit lower percentage of values that are below the mean, which represents less risk.

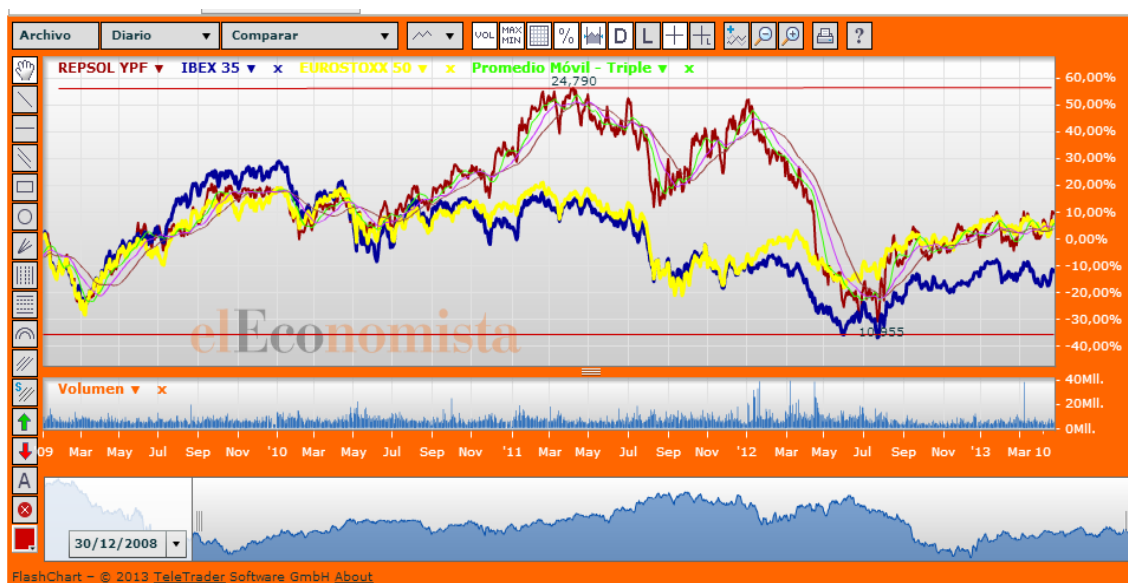
Repsol's beta is 0.94, so that means when the EUROSTOXX 50 index increase in 1% Repsol shares increase in 0.94%, and when the index decrease in 1%, Repsol shares decrease in 0.94%.

Last but not least, in order to finish this first section of the market risk, we would like to briefly comment on the following graph, which is found in www.eleconomista.es website.

The first part of the graph represents the evolution of the price of the shares since 2009. The red line is the Repsol share price evolution, the yellow line shows the evolution for the Eurostoxx 50 in general, the blue line for the IBEX 35 and the 3 thin lines represent the short, medium and long term evolution. More specifically, they are called the triple moving averages.

If we look for more detailed information, we can appreciate the volatility of Repsol's shares in comparison with the 2 indexes, which have been fairly constant during the last 4 years (highly correlated). Repsol has been above the 2 indexes during the 2011 year. Moreover, we should take a look at the 3 moving averages, whose cut-off points show a trend change, meaning that if there is a bullish trend, the cut-off point will derive to a bearish trend.

If we look at the long-term trend, we can appreciate that its cut-off points are always retarded, which means that it tries to reduce risks by taking long-term decisions, but also with a lower profitability. However, both the short and medium term lines converge a lot, which means that they take the same risks (higher than long-term ones) but also achieve more profitability. When the 3 lines diverge a lot, this means that the trend is much more emphasized.



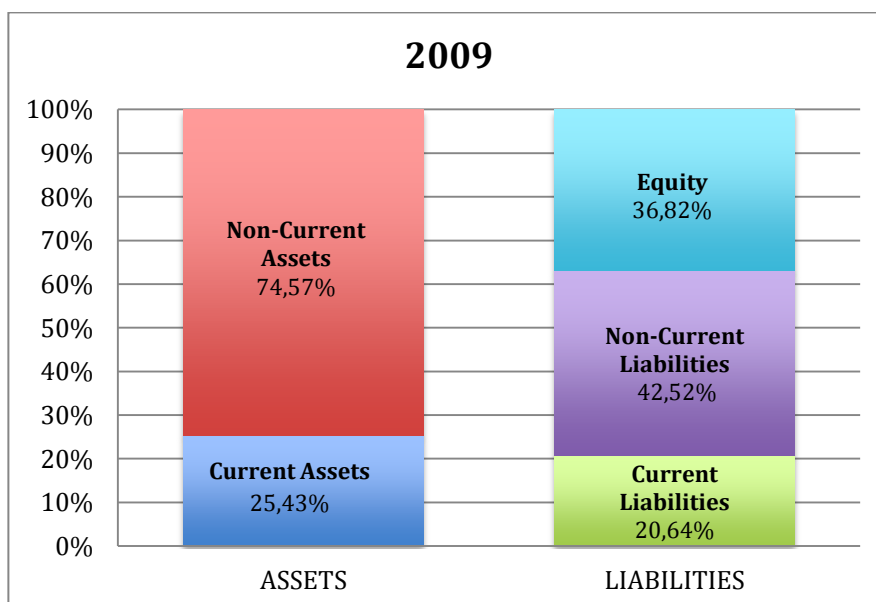
In addition, we would like to point out the fact of putting the two horizontal red lines, which represent the limits of the share price. Despite the increase and decrease of the share price, Repsol has kept inside these two borders and nowadays, the market value is more or less the same than 4 years ago.

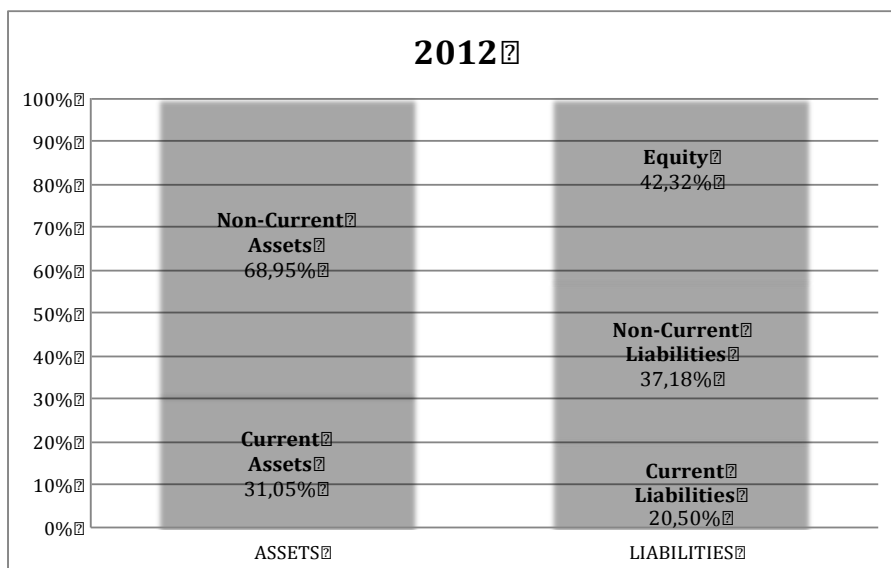
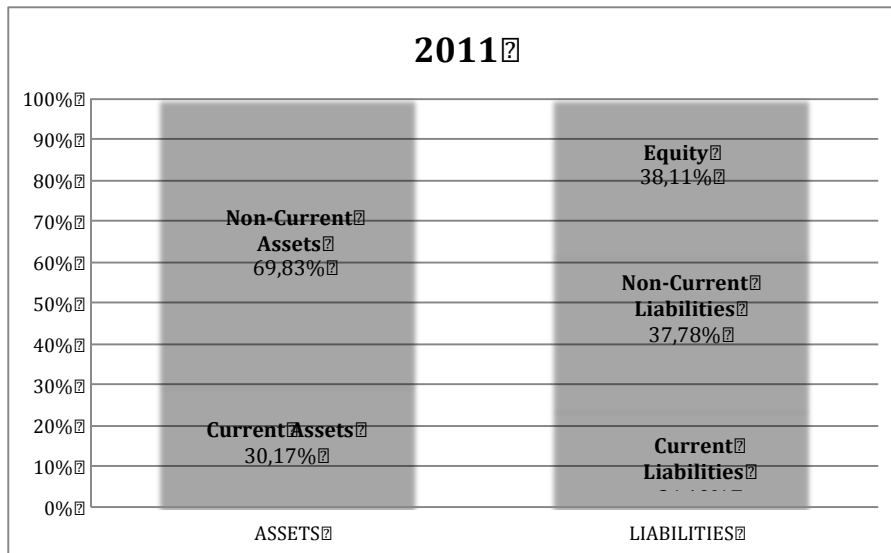
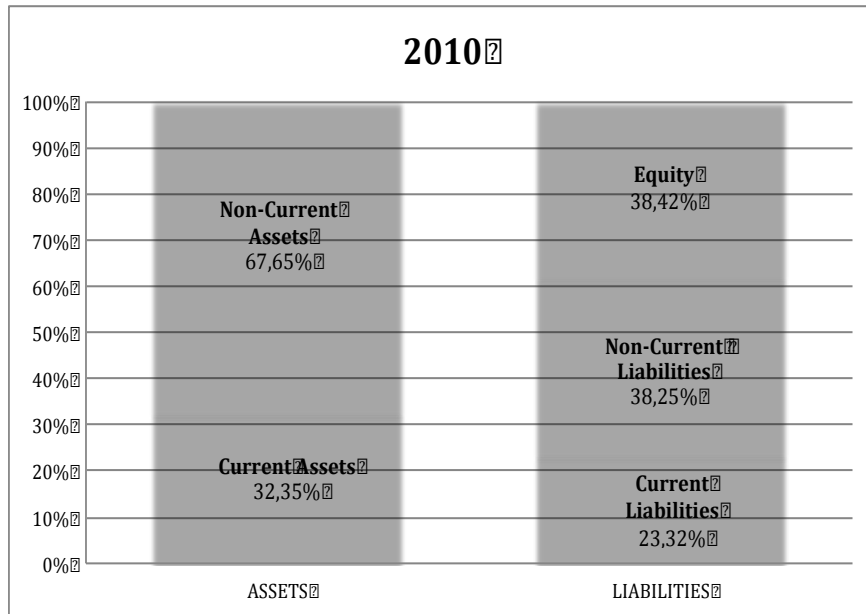
The second part of the graph represents the volume of shares that are bought and sold at that moment of time. Repsol has nowadays a volume in securities of 82.716.400€ . And finally, the third part of the graph shows from which date to which date we want to analyse the data.

2. ANALYSIS OF THE BALANCE SHEET

We have analysed the balance sheet during the last four years (2009-2012). To do it we have distinguished between long term and short term. Assets and liabilities maturing within 12 months have been classified as current items and the ones that they maturity is more than 12 months are non-current items.

First of all, before getting into more detail, we would like to analyse the evolution of the Balance Sheet during the last 4 years.





As we can observe from these graphs, the Non-Current Assets, Non-Current Liabilities and Current Liabilities have slightly decreased. However, the Current Assets and Equity have increased a little bit.

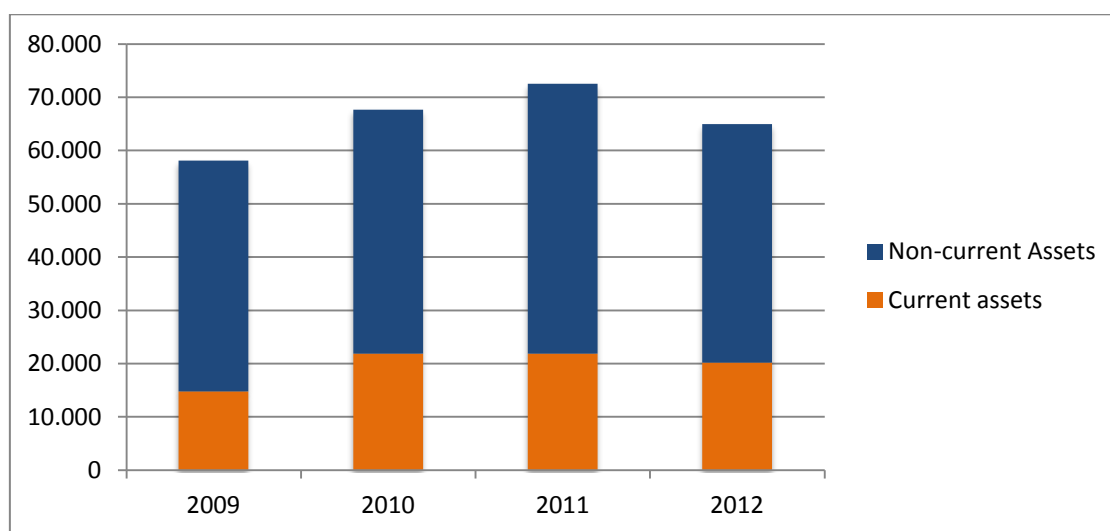
If we analyse this information, we realize that Repsol can now better finance its Current Liabilities with the increase in Current Assets. That is to say that the Working Capital has improved. Last but not least, the fact that Equity has increased a little its %, means that it could have been due to the capital increase or the growth in the number of shareholders that rely on Repsol.

2.1 LONG TERM

Investments

We have divided the investments of Repsol between Current and Non current assets. We can see that the most important part in this company are the non current assets because to do the basic activities of the business areas are necessary a high investment. Last year the non current assets were nearly the 69% of the total assets, and if we analyse it more in detail, we observe that the high investment is realized to “Property, plant and equipment”, which are the most relevant elements needed.

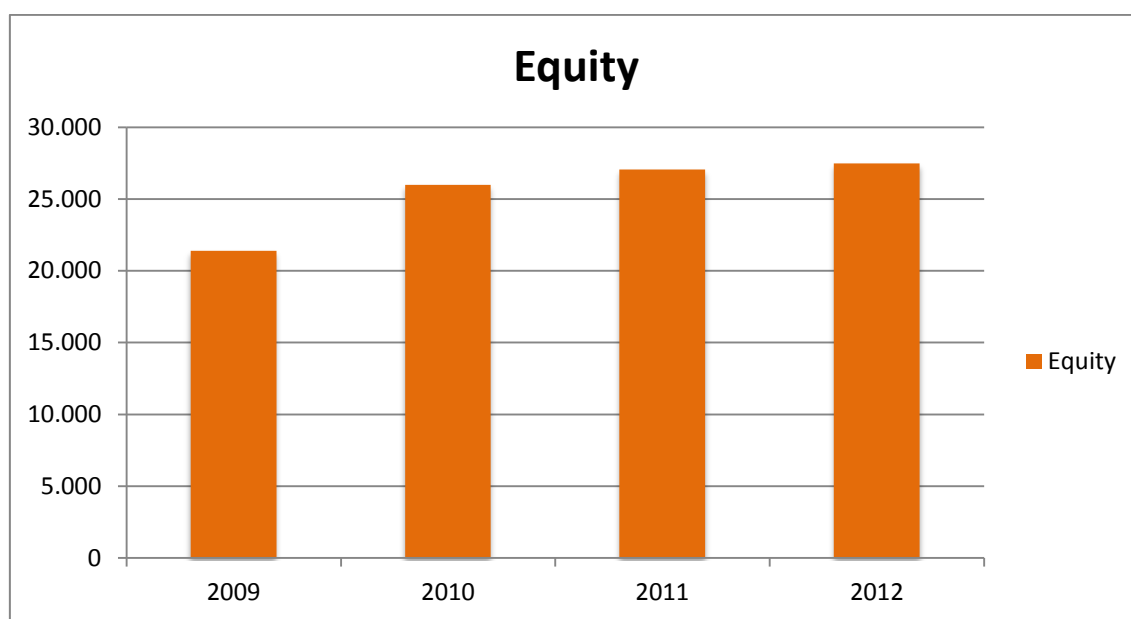
	2009	2010	2011	2012
Non Current Assets	43.310	45.753	50.628	44.760
Current Assets	14.773	21.878	21.878	20.161
Total Assets	58.083	67.631	70.957	64.921



Equity

The equity of Repsol has a bullish trend. It has increased in nearly 7% during the last four years. The element that has made that the equity increase is “Retained earnings and other reserves” and the decrease of “Treasury shares and own equity investments”.

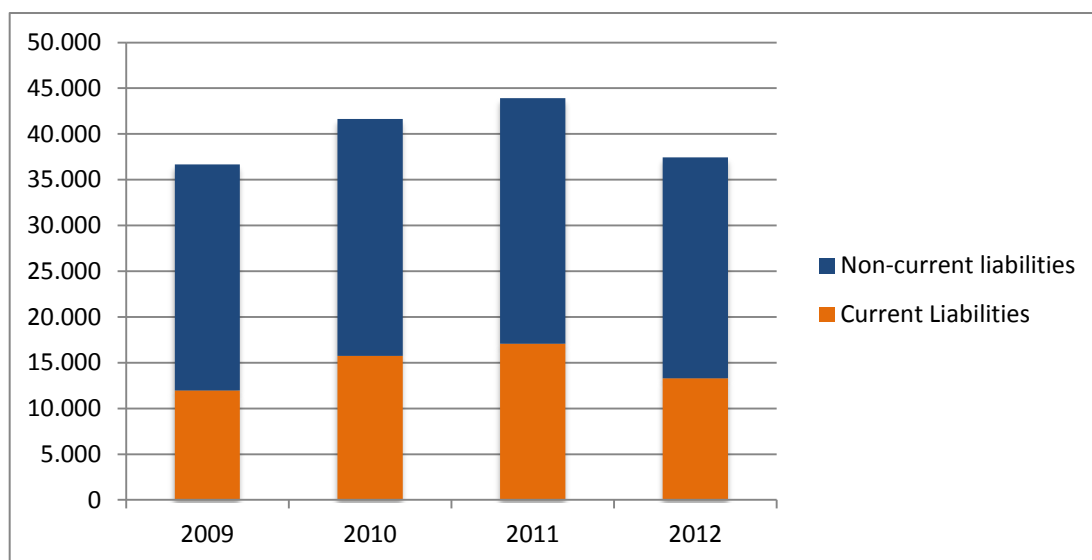
	2009	2010	2011	2012
Equity	21.391	25.986	27.043	27.472



Liabilities

As we can see in the table below, approximately the 60% of the liabilities of the company have maturity higher than 12 months. From 2009 to 2011 it had a bullish trend, but in 2012 it changed the slope. The total liabilities decreased in approximately 6%. Short term debts and long term debts have decreased both proportionally.

	2009	2010	2011	2012
Non Current Liabilities	24.699	25.872	26.810	24.139
Current Liabilities	11.993	15.773	17.104	13.310
Total Liabilities	36.692	41.645	43.914	37.449

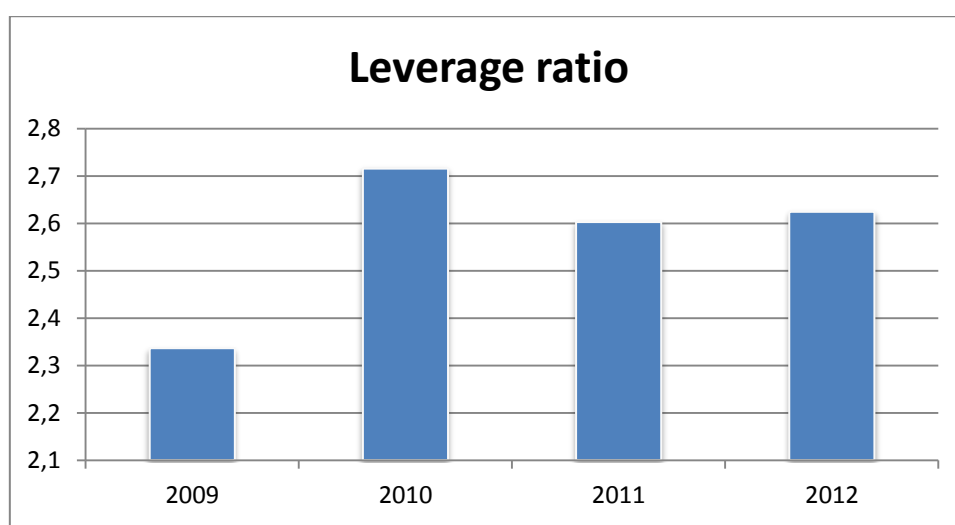


2.1.1 GEARING RATIO = LEVERAGE RATIO

$$\text{Leverage ratio} = \frac{\text{Total Assets}}{\text{Total Equity}}$$

Gearing is a measure of financial leverage, demonstrating the degree to which a firm's activities are funded by owner's funds versus creditor's funds. The higher the leverage ratio, the higher the risk is.

	2008	2009	2010	2011	2012
Assets	49064	58.083	67.631	70.957	64.921
Equity	21004	21.391	25.986	27.043	27.472
Leverage Ratio		2,335936	2,7153008	2,6025937	2,624



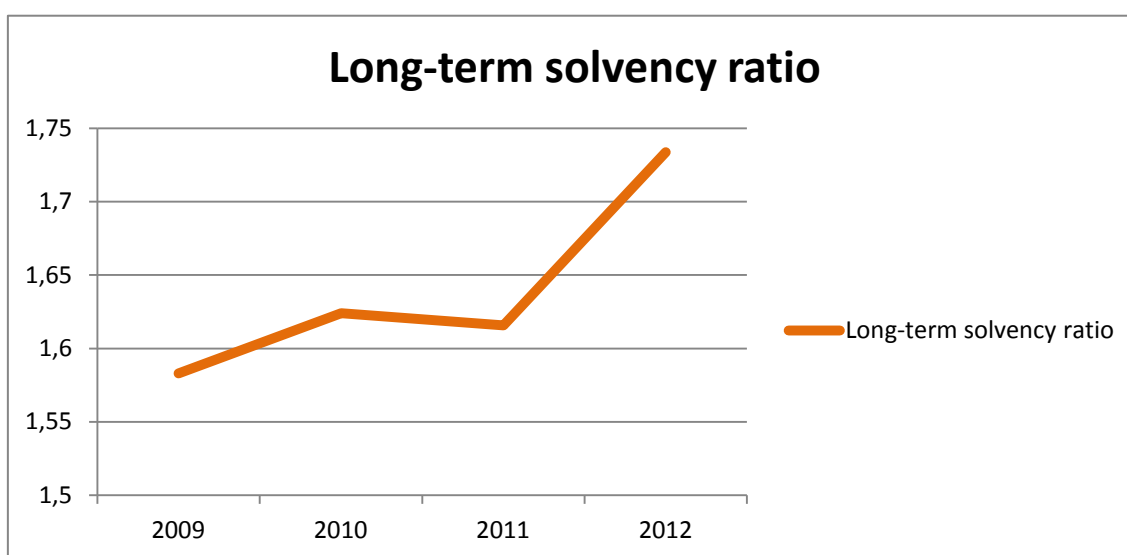
Long-term solvency ratio = Guarantee ratio

This ratio calculates if we can afford all the debts that have the company with all the assets that own.

To measure it we do the next formula: $\frac{\text{Total Assets}}{\text{Total Liabilities}}$

The ratio has to be between 1 and 2, but it's better if it's closer to 2 than to 1. In Repsol we can see that the last four years it oscillate between 1,50 and 1,75 so the firm could be able to pay all the debts that have if they sell all their assets.

	2009	2010	2011	2012
Total Assets	58.083	67.631	70.957	64.921
Total liabilities	36.692	41.645	43.914	37.449
Long-term solvency ratio	1,582988117	1,623988474	1,615817279	1,733584341



2.2 SHORT TERM

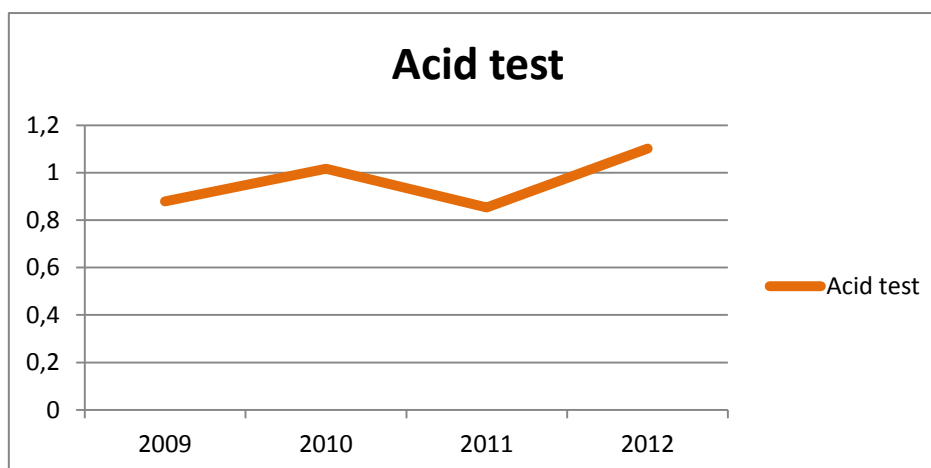
2.2.1 SOLVENCY SHORT TERM

2.2.1.1 ACID TEST OR TRASURY RATIO

It is an indicator that determines if the firm has enough short-term assets to cover its immediate liabilities (current liabilities) without selling inventory. The acid test should be higher than 1, so as we see below in 2010 and 2012, Repsol could cover it.

$$\text{Acid test ratio} = \frac{(\text{Current Assets} - (\text{Inventories} + \text{Prepayments}))}{\text{Current Liabilities}}$$

	2009	2010	2011	2012
Current Assets	14.773	21.878	21.878	20.161
Inventories	4233	5839	7278	5501
Current Liabilities	11.993	15.773	17.104	13.310
Acid test	0,8788459	1,01686426	0,853601497	1,10142749



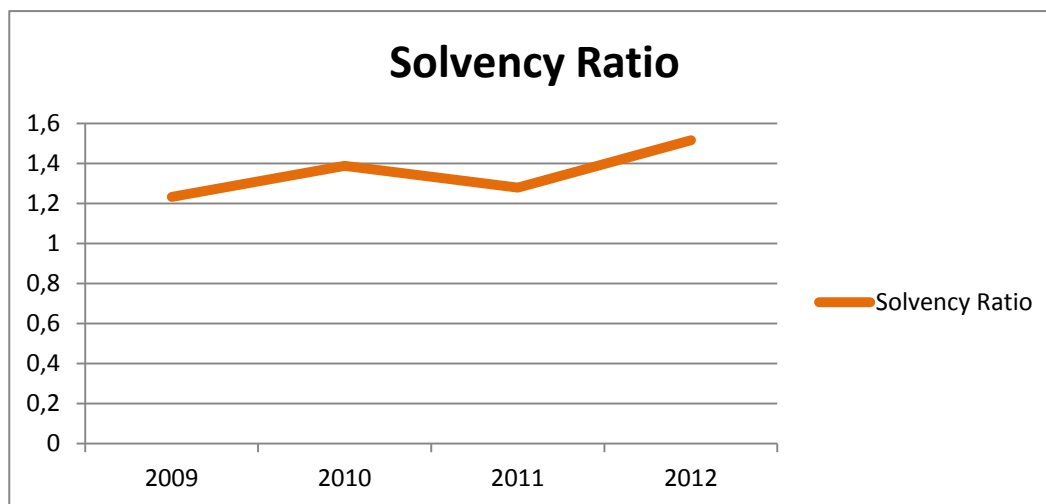
2.2.1.2 SOLVENCY RATIO OR LIQUIDITY RATIO

It is also known as “Working capital ratio”. It is used to determine a company's ability to pay off its short-terms debts obligations

The formula used to calculate it is: $\frac{\text{Current assets}}{\text{Current liabilities}}$

This ratio has to be between 1,5 and 2, which means that the company will not have problems of liquidity. As we can see below, Repsol hasn't fit between the recommended ratios during 2009 to 2011, but in 2012 it has changed and we can observe that the firm could afford well the payments. The most important thing is to have a ratio value higher than 1 because if not we could say that there is some liquidity problems.

	2009	2010	2011	2012
Current Assets	14.773	21.878	21.878	20.161
Current Liabilities	11.993	15.773	17.104	13.310
Solvency	1,2318018	1,387053826	1,279115996	1,51472577



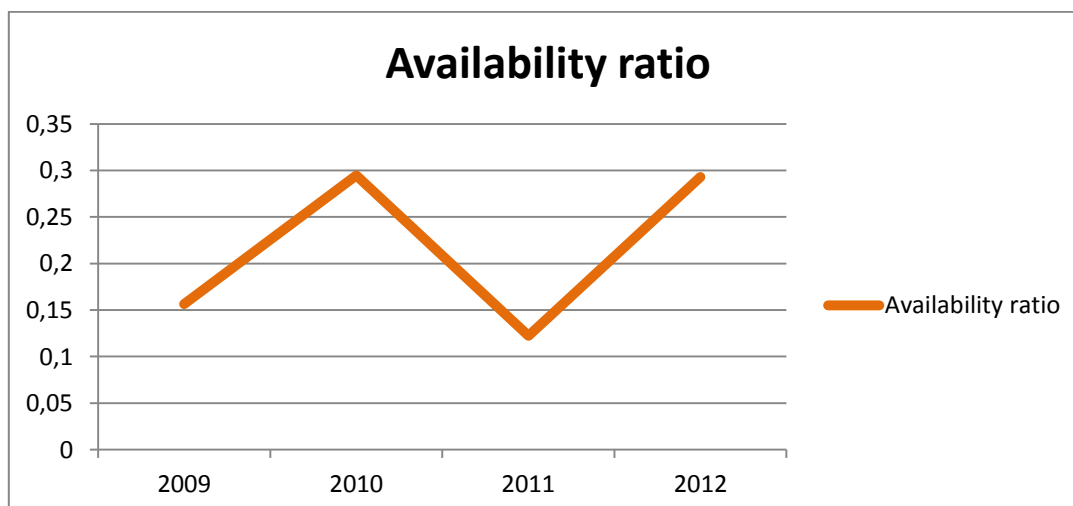
2.2.1.3. AVAILABILITY RATIO

The availability ratio indicates how much liquidity has the company to be able to pay some proportion of their debts.

The formula used to calculate it is:
$$\frac{\text{Total cash and other liquid assets}}{\text{Current Assets}}$$

The optimal values that this ratio has to be are 0.3 to 0.4. Repsol is below this ratio so this means that it hasn't got liquidity to pay immediately.

	2009	2010	2011	2012
Total cash and other liquid assets	2308	6448	2677	5903
Current Assets	14.773	21.878	21.878	20.161
Availability ratio	0,15623	0,29472529	0,12236	0,2927930



2.2.2 CASH CYCLE

Cash cycle = Average period of payment – Average period of income

$$\text{Average period of payment} = \left(\frac{\text{Payables}}{\text{Purchases}} \right) \times 365$$

$$\text{Average period of cash} = \left(\frac{\text{Receivables}}{\text{Sales}} \right) \times 365$$

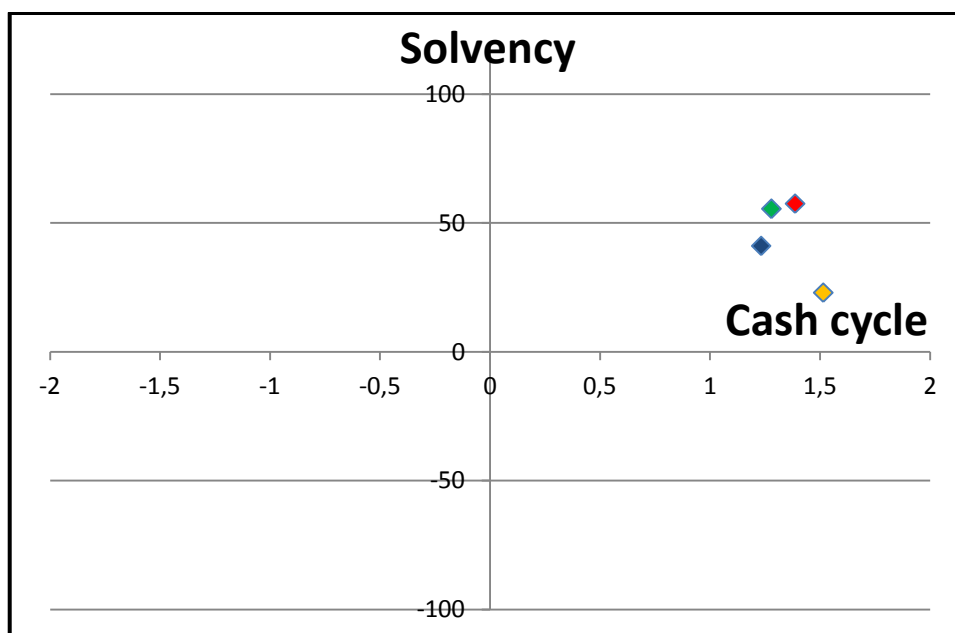
The cash cycle expresses the duration of time, in days, that it takes for a company to convert resource inputs into cash flows. To calculate it we have to compute two formulas. The first one is the average period of payment, which means the average period taken by the company in making payments to its creditors. The second one needed is the average period of cash that needs the receivables and the sales to compute it.

The table below shows us the elements used to calculate all the formulas. And at the last row we can find the cash cycle. In 2009 it was needed 42 days, in 2010 it increased to 58 days, in 2011 decreased to 56 and last year also decreased to 23 days to cover it.

	2009	2010	2011	2012
Payables	8.027	10.854	11.653	9.202
Purchases	24699	25872	26810	24139
Sales	45827	53.663	60.122	57193
Receivables	6773	8398	9222	7781
Average period of payments	94,998703	114,573139	111,4374641	72,6243297
Average period of cash	53,9451633	57,12073496	55,98666046	49,65756299
Cash cycle	41,05	57,45	55,45	22,96

Down below we can see the graph formed with the solvency and cash cycle. Repsol is a company that these last four years has been quite well situated in the A zone, because all of their ratios are positive.

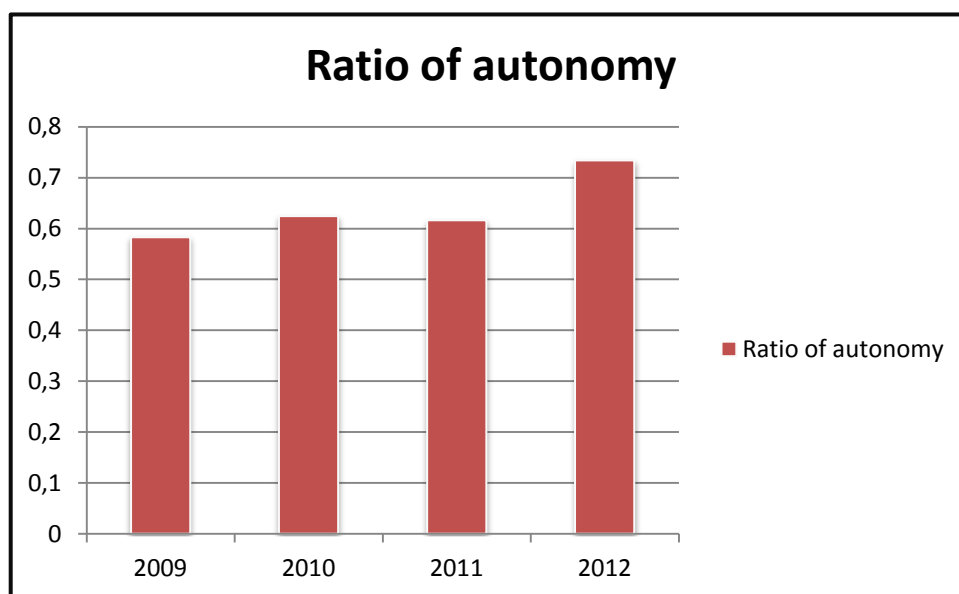
Years	Solvency ratio	Cash cycle	Quadrant
2009	1,23180188	41,05	A
2010	1,38705383	57,45	A
2011	1,279116	55,45	A
2012	1,51472577	22,96	A



2.2.3 RATIO OF AUTONOMY

Ratio of autonomy: $\frac{\text{Equity}}{\text{Total liabilities}}$

	2009	2010	2011	2012
Equity	21.391	25.986	27.043	27.472
Liabilities	36.692	41.645	43.914	37.449
Ratio of autonomy	0,58298812	0,62398847	0,61581728	0,73358434



The Ratio of autonomy is a measure of the financial independence in front of third parties. This ratio measures a company's ability to finance. It is the relationship between equity existent company with total permanent capital necessary for funding, which also includes loans and other medium and long term. This ratio will indicate us for each monetary unit of external resources, how much does the firm use to finance the own resources.

Value of the ratio: The higher the value of the ratio the lower dependency that the firm will have of the external financing. This data serves as an indicator of financial stability enjoyed by the company. In edge of crisis interest that the index will be high, instead, in times of growth the firms have the tendency of borrow more. If the ratio is close to zero or has a negative value means that the company is on the verge of bankruptcy technique. A high value indicates that external financing has little say in the company and creditors therefore little influence on it.

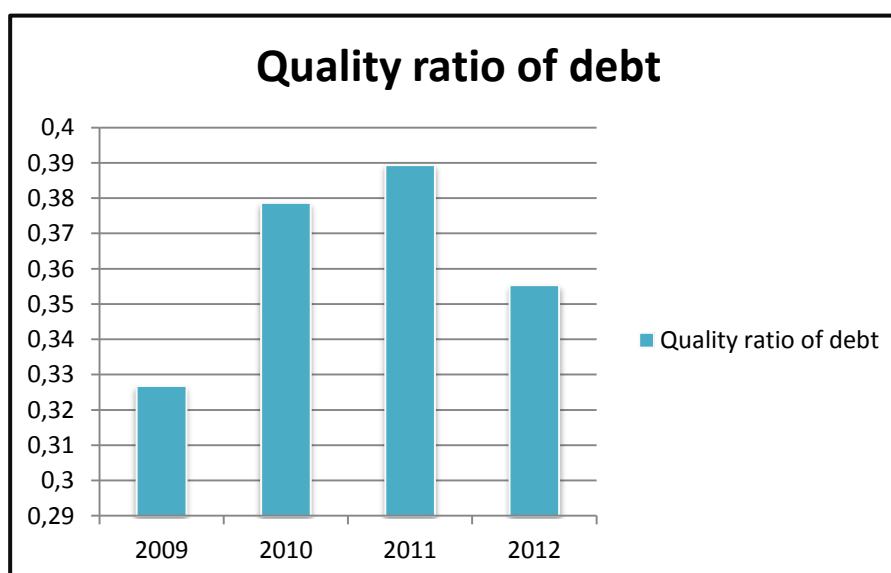
Its ideal value is between 0,7 and 1,5.

As we can see in the table before, this ratio was below the ideal value since 2009 until 2011. But in the last year, after years growing the ratio, it have changed and it is inside the ideal value. However, the value is lower and it means that Repsol has dependency of the external financing.

2.2.4 QUALITY RATIO OF DEBT

Quality ratio of debt:
$$\frac{\text{Current liabilities}}{\text{Total liabilities}}$$

	2009	2010	2011	2012
Current Liabilities	11.993	15.773	17.104	13.310
Liabilities	36.692	41.645	43.914	37.449
Quality ratio of debt	0,32685599	0,37874895	0,38948855	0,3554167



It measures the percentage of current liabilities that Repsol has out of the total liabilities. It is useful to know if Repsol copes with the third parties in the short term.

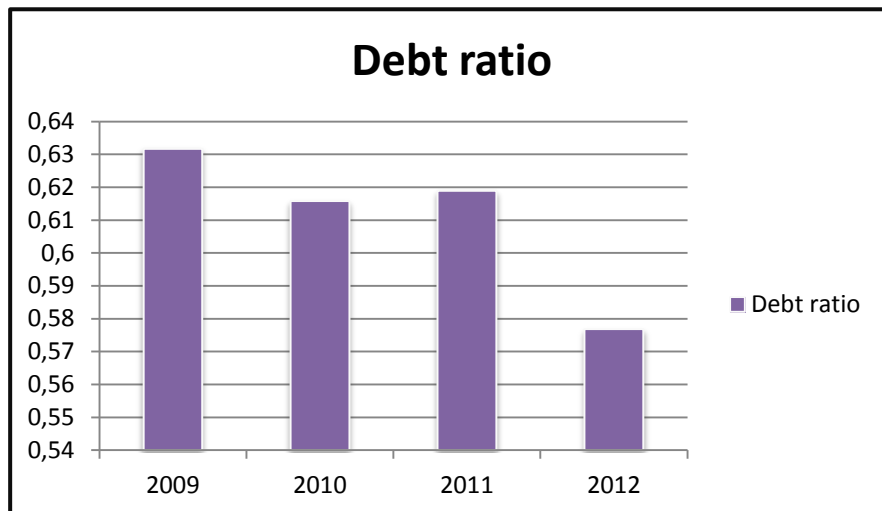
In this ratio we don't find any reference value, since usually we considered as smaller than its value better for the company.

As we can observe in the graph and in the table this value had increased a lot between 2009 and 2011. This trend was "bad" for the firm because it means that Repsol increased its current liabilities with its suppliers. However, in 2012 this ratio decreased.

2.2.5 DEBT RATIO

$$\text{Debt ratio: } \frac{\text{Total liabilities}}{(\text{Total liabilities} + \text{Total equity})} \text{ or } \frac{\text{Total liabilities}}{\text{Total assets}}$$

	2009	2010	2011	2012
Liabilities	36.692	41.645	43.914	37.449
Equity	21.391	25.986	27.043	27.472
Liabilities + Equity	58.083	67.631	70.957	64.921
Debt ratio	0,63171668	0,61576792	0,61888186	0,57683954



A ratio that indicates what proportion of debt a company has relative to its assets. The measure gives an idea to the leverage of the company along with the potential risks the company faces in terms of its debt-load. It indicates us if Repsol has excess or lack of equity. The ideal value is between 0,4 and 0,6.

If the value is lower than 0,4 indicates us an excess of equity. However, if the ratio value is higher than 0,6 indicates us that Repsol has a excess of debts and, therefore, it means that Repsol has a lack of equity.

As we can see in the table and in the graph, in 2012 Repsol's ratio is inside the ideal value. It means that there isn't an excess or lack of equity. It is a good new because among 2009 and 2011 the ratio was a little bit above the ideal value due to Repsol had an excess of debts.

We find out a video that explain very clearly the concept of Debt ratio:

<http://www.investopedia.com/video/play/debt-to-equity-ratio/>

3. FINANCIAL RISK MANAGEMENT

Looking for the hedge policy that carries out Repsol has been the most difficult part to analyze, because the information that we have found is very ambiguous and doesn't really explain what are the instruments used in the company to hedge themselves.



In the following lines we are going to explain which are the risks that Repsol assumes and the derivative operations that it carries out, but as we have said, we are limited to the information given in the Annual Report.

The Group businesses expose the financial statements to a series of financial risks: market risk, credit risk and liquidity risk. Repsol YPF has in place a risk management structure and systems that enable it to identify, measure and control the risks to which the Group is exposed.

1. Market Risk

Market risk is the potential loss faced due to adverse movements in market variables. The Group is exposed to several types of market risks: exchange rate risk, interest rate risk and commodity risk.

The Company monitors exposure to market risk through ongoing sensitivity analysis. For each of the market risk factors detailed below, there is a table depicting the sensitivity of Group profit and equity to the main risks to which its financial instruments are exposed.

This sensitive analysis uses variations on significant risk factors based on its historical performance. The estimates made depict the impact of favorable and adverse changes. The impact on profit and/or equity is estimated as a function of the financial instruments held by the Group at each year end.

1.1 Exchange rate risk

The Group's profit and equity are exposed to fluctuations in the rates of exchange of the currencies in which it transacts. The Group's most significant foreign currency exposure is to the US dollar. Repsol YPF obtains part of its financing in dollars, either directly or indirectly through the use of foreign Exchange derivatives. The next graph shows us the fluctuations in the rates of the currencies EUR/USD. This risk is so important because it can affect the transactions and, for this reason, Repsol has a hedge for it.



1.2. Interest rate risk:

Fluctuations in interest rates can affect interest income and expense through financial assets and liabilities with variable interest rates; which can also impact the fair value of financial assets and liabilities with a fixed interest rate.

Repsol YPF occasionally enters into interest rate derivative transactions to mitigate the risk of changes in its finance costs or in the fair value of its debt. Generally, these derivatives are designated as hedging instruments for accounting purposes.

1.3 Commodity price risk:

As a result of its trade operations and activities, the Group's results are exposed to volatility in the prices of oil, natural gas and their derivative products. Repsol YPF enters into derivative transactions to mitigate its exposure to price risk.

These derivatives provide an economic hedge of the Group's results, although not always designated as hedging instruments for accounting purposes.

2. Liquidity Risk

Liquidity risk is associated to the ability of the Group to finance its obligations at reasonable market prices, as well as to carry out its business plans with stable financing sources.

In accordance with its conservative financial policy, Repsol YPF held sufficient cash, other liquid cash equivalents and undrawn credit lines which cover 49% of total gross debt and 41% if preference shares are included. The Group had €5,482 and €5,690 million in undrawn credit lines at year end 2011 and 2010, respectively.

The tables below present an analysis on the maturities of the financial liabilities existing at December 31, 2011 and 2010:

DECEMBER 31, 2011							
	MATURITY DATE						TOTAL
	2012	2013	2014	2015	2016	Subsequent year	
Millions of euros							
Trade payables	4,757	–	–	–	–	–	4,757
Other payables	6,522	–	–	–	–	–	6,522
Loan and other financial debts ⁽¹⁾	5,305	3,014	3,534	1,753	1,721	3,917	19,244
Preference shares ^{(1) (2)}	164	343	156	156	152	3,000	3,970
Derivatives ⁽³⁾	104	28	56	15	10	65	278

DECEMBER 31, 2010							
	MATURITY DATE						TOTAL
	2011	2012	2013	2014	2015	Subsequent year	
Millions of euros							
Trade payables	4,539	–	–	–	–	–	4,539
Other payables	5,550	–	–	–	–	–	5,550
Loan and other financial debts ⁽¹⁾	4,071	2,157	2,703	3,140	1,631	4,099	17,801
Preference shares ^{(1) (2)}	632	137	310	130	130	3,000	4,339
Derivatives ⁽³⁾	40	20	11	33	4	15	123

3. Credit Risk

Credit risk is defined as the possibility of a third party not complying with his contractual obligations, thus creating losses for the Group. Credit risk in the Group is measured and controlled in relation to the customer or individual third party. The Group has its own systems for the permanent credit evaluation of all its debtors and the determination of risk limits with respect to third parties, in line with best practices.

The exposure of the Group to credit risk is mainly attributable to commercial debts from trading transactions, whose amounts are shown on the consolidated balance sheet net of allowances for doubtful accounts and any other impairment provisions for



an amount of €8,147 million and €7,471 million, respectively at December 31, 2011 and 2010.

The allowances for doubtful accounts are measured by the following criteria:

- The seniority of the debt
- The existence of bankruptcy proceedings
- The analysis of the capacity of the customer to return the credit granted.

The allowances for doubtful accounts and any other impairment provisions on trade and other current and non-current receivables are shown at December 31, 2011 and 2010. These allowances represent the best estimates of the Group for the losses incurred in relation to its accounts receivable.

The maximum exposure to credit risk of the Group, according to the type of financial instruments and without excluding the amounts covered by guarantees and other arrangements mentioned below, is detailed below at December 31, 2011 and 2010:

Maximum exposure			
Millions of euros	Note	2011	2010
Commercial debts	14	8,683	7,760
Derivatives	12	234	110
Cash and cash equivalents	12	2,677	6,448
Other non-current financial assets	12	2,343	1,639
Other current financial assets ⁽¹⁾	12	138	90

The Group's credit risk on trade receivables is not significantly concentrated as it is spread out among a large number of customers and other counterparties.

The maximum net exposure to a third party, including official bodies and public sector entities, does not exceed 6%, and no single private client accumulates risk exposure of more than 1%.



As a general rule, the Group establishes a bank guarantee issued by the financial entities as the most suitable instrument of protection from credit risk. In some cases, the Group has contracted insurance credit policies whereby this transfers partially to third parties the credit risk related to the business activity of some of their businesses.

Effective third party guarantees extended to the Group amounted to €3,732 million at December 31, 2011 and €3,219 million at December 31, 2010. Of this amount, commercial debts at December 31, 2011 and 2010 covered by guarantees amounted to €973 million and €1,009 million, respectively.

During 2011, the Group executed guarantees received for an amount of €14 million. During 2010 this figure was €23 million.

The following table discloses the aging of the non-provisioned due debt:

Due date	2011	2010
Millions of euros		
Not due debt	6,835	6,539
Due debt 0-30 days	570	269
Due debt 31-180 days	410	402
Due debt for more than 180 days ⁽¹⁾	332	261
TOTAL	8,147	7,471

Derivatives

Repsol to avoid all these risks realizes a variety of hedges. During 2011 the Repsol YPF Group carried out the following types of hedging transactions:

1) Fair value hedges of assets or liabilities

A. Swaps in USD : Is a derivative in which counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument.

Repsol includes hedges vinculated to the acquisition of the methan carriers.



B. Interest rate Collar: An investment strategy that uses derivatives to hedge an investor's exposure to interest rate fluctuations. The investor purchases an interest rate ceiling for a premium, which is offset by selling an interest rate floor. This strategy protects the investor by capping the maximum interest rate paid at the collar's ceiling, but sacrifices the profitability of interest rate drops.

2) Cash flow hedges

They are hedges related to the variation of the cash flows that are attributed to a particular risk associated with an asset or liability recognized and that could affect the final result of the period.

3) Hedges of Net Investments in foreign operations

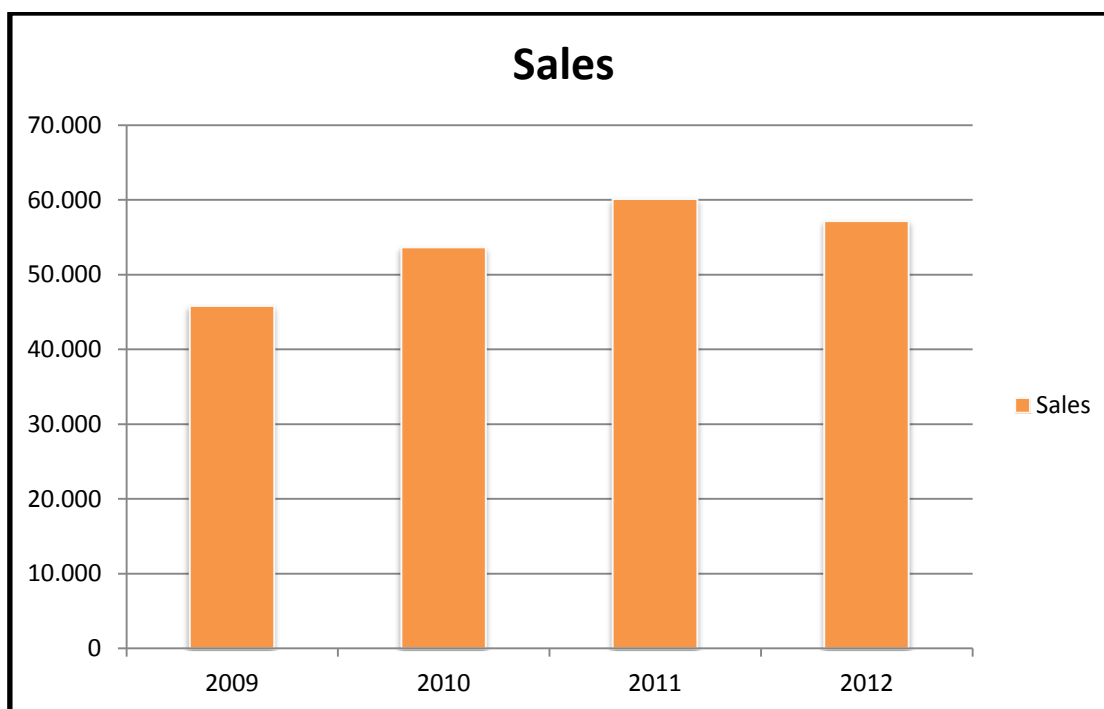
They are hedges related to the variations of the exchange rate associated with the participation in the net assets of the foreign operations. Repsol YPF subscribes purchase and sales contracts of currencies as part of its global strategy to manage the exchange rate risk of the investment in its foreign subsidiaries.

4) Other derivative transactions

Repsol YPF has contracted additionally a series of derivative instruments in order to carry out the management of the interest risk, exchange rate risk and future contracts on commodities.

PRODUCTION RISK

	2009	2010	2011	2012
Sales	45.827	53.663	60.122	57.193



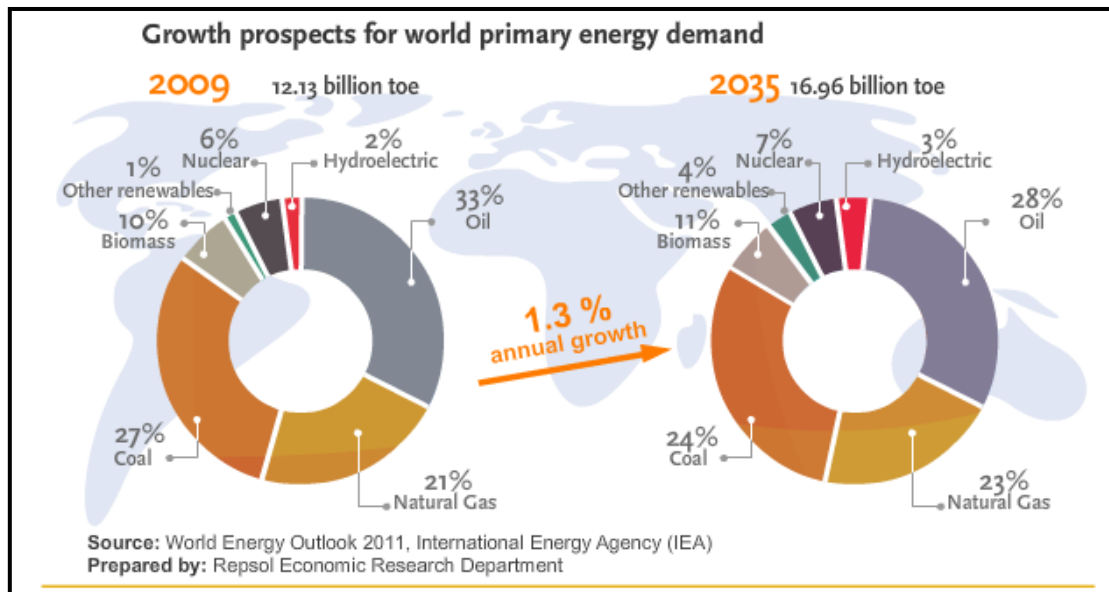
As we can see in the table and in the graph before between 2009 and 2011 the evolution of sales followed a bullish trend. The sales increased despite the crisis.

This affect was produced because the products which Repsol offer to the consumers are inelastic. This means that the products which Repsol offer are always necessary even if there is global crisis. It has a stable demand and they don't have the risk of lose money because they have a huge margin. Moreover, Repsol is a company which is in a sector where there aren't a lot of companies. We are talking about an oligopoly sector. These two facts make that the global crisis don't affect so much as it affect to the other sectors. However, Repsol has a big share of market in Spain. Last year, the Spanish economy got in another time in a recession period, and this fact have produced a decrease of the economic activity, variable that affect directly in to the consumption of fuel. For this reason, we believe that the decrease in the sales in the last year.

Nevertheless, the perspectives of growth of the global demand of primary energy are positives. It is forecast that they increase a 1,3% annual thank to the strong growth of the emergent countries like China, India or Brazil with a density of population so high.

Besides, in recent decades, the consumption of energy has seen unprecedented growth. In the coming years the International Energy Agency estimates an even greater increase, of around 50% of current consumption between now and 2030.

For all of these we can say that the forecast of the Repsol's sales are good.



4. CONCLUSIONS

- Our first conclusion of this second project comes to the fact that the goods that we are offering are price inelastic, which means that no matter what the price is, that people keep consuming them. For this reason, although the financial crisis that we are suffering nowadays, there is a constant evolution of the shares price, which have maintained stable and with no tendency to decrease in these last years.
- Another point that we would like to remark is the fact that the volatility of Repsol is higher than the Eurostoxx one. We have explained this reason in the project, so we won't extend so much. Just to say that we have to be attentive to this volatility in order not to be affected in an unexpected moment in time.
- The negative daily interest is a shortcoming for us. We would like to change this percentage into a positive one, because then, the image of Repsol would be better and investors would be interested in investing in our company.



- As for a Beta coefficient of 0'94, this means that we are very sensitive to the changes in the Eurostoxx. So if the price of a company in the Eurostoxx changes, this will affect us.
- When we analysed the balance sheet of the different years, we can appreciate that the working capital has increased, so nowadays if all the current assets are sold, Repsol can afford all the short term debts that has.
- The leverage ratio that shows how many assets are covered with the company's equity is more risky when it's higher. In the last four years it has decreased in a proportional way.
- After analysing the solvency ratio, that shows that the firm hasn't problems with liquidity, and the cash cycle of Repsol, which is the time needed to convert the resource inputs into cash flows, we can see that both values are positive. So Repsol is situated in the quadrant A, which is the best situation for a company.
- With regard to the hedge policy we have noticed that there isn't enough information about the kind of instruments that they use. For this reason, we would recommend to explain in more detail all this part, so as to show a better image and strength of the company.
- According our analysis of Repsol's production risk, we can say that Repsol is a company which operates in the oligopoly market and it means that the products that they offer are necessities. It significance that the products of Repsol have an inelastic demand. Therefore, the sales practically unaffected and the perspectives of future are so positives.

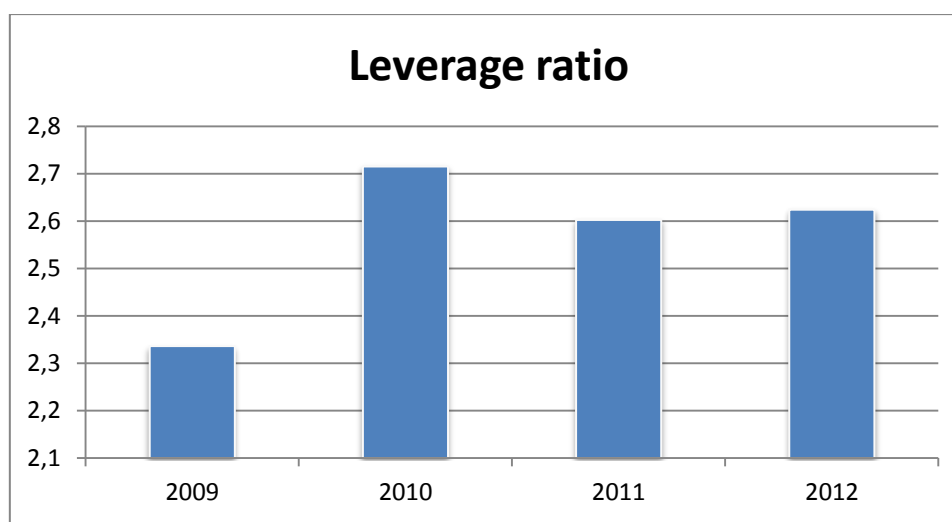
1. LEVERAGE RATIO

The leverage ratio is a ratio used to know how much debt a company needs to finance its investments. This ratio can be calculated by these two formulas:

$$\text{Leverage ratio} = \frac{\text{Total Assets}}{\text{Total Equity}} = 1 + \frac{\text{Liabilities}}{\text{Equities}}$$

Using these formulas, the leverage ratio for Repsol from year 2009 to 2012 are the following ones:

	2008	2009	2010	2011	2012
Assets	49064	58.083	67.631	70.957	64.921
Equity	21004	21.391	25.986	27.043	27.472
Leverage Ratio		2,335936	2,7153008	2,6025937	2,624



If we analyse this graph, we can observe that in 2010 the leverage ratio increased in a high amount. This is due to the high increase in assets and equity, which increased a 16,43% and a 21,48% respectively, from year 2008 to 2009 (*all the increments are made by calculating its growth rate*).

The assets which are the most relevant to take into account are the property, plant and equipment which play an active role in Repsol and keep increasing year by year. As for the equity, Repsol puts a lot of emphasis on retained earnings, which involve almost the half of its equity.

2. MARGIN RATIO

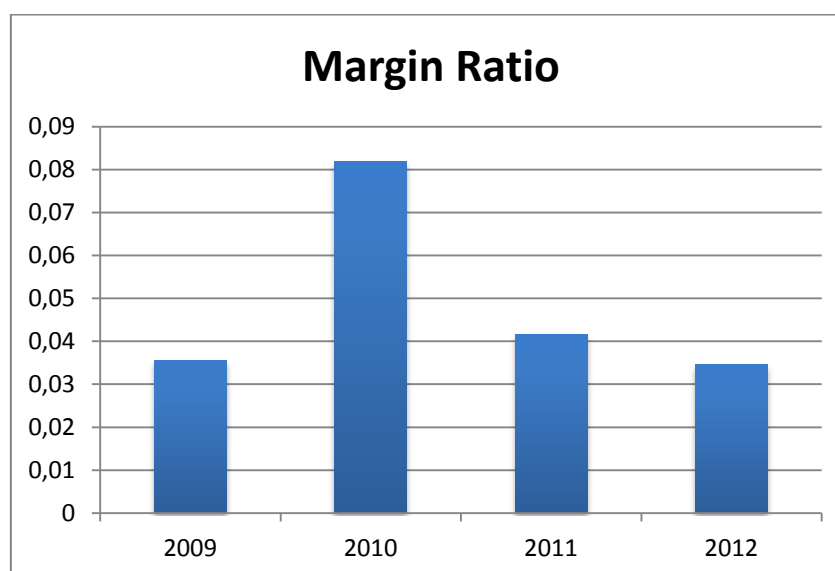
This ratio is used to calculate how much earnings a company obtains from each dollar sold. So, the higher the margin ratio is, the more profitable the company will be. The margin ratio can be calculated in two different ways. The first formula to calculate it is:

$$\text{Margin ratio} = \frac{\text{Net Income}}{\text{Revenues}}$$

This ratio is the same as saying: $\frac{(\text{Selling price} - \text{Purchasing price}) * \text{N}^{\circ} \text{units sold}}{\text{Selling price} * \text{N}^{\circ} \text{units sold}}$

If we apply the first formula to our company, we obtain the following results:

	2009	2010	2011	2012
Net Income	1559	4947	2193	2060
Revenues	49032	60430	52637	59593
Margin Ratio	0,03556861	0,0818633	0,0416627	0,0345678



In our case, we can observe that Repsol increased its margin ratio in 2010 with respect to 2009, because of the higher increase in the net income (183,6%) with respect to the revenues (23,24%). This means that the earnings per dollar sold increased in a huge amount in 2010.

Another aspect that we would like to remark is the fact that although there was a high increase in the margin ratio in 2010, the rest of the years have maintained constant, which means that there is no relevant tendency to increase or decrease.

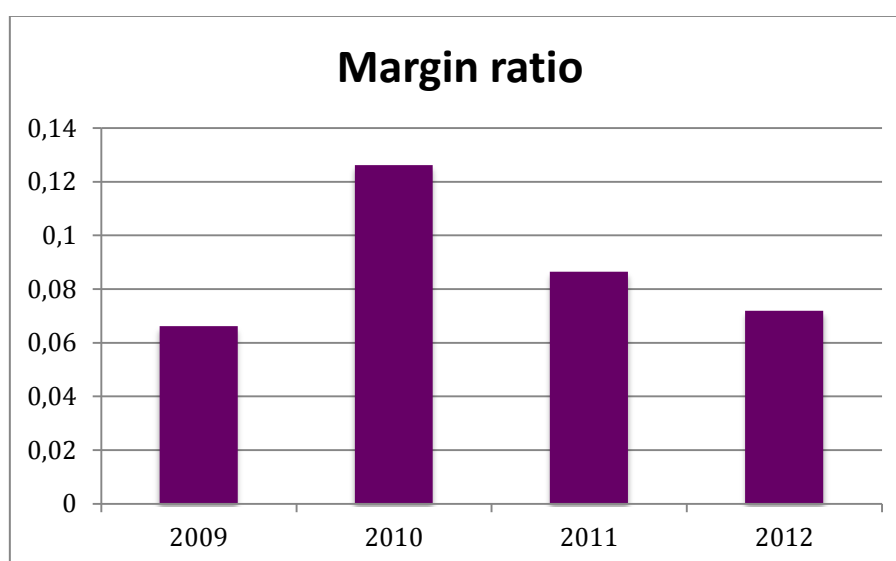
Last but not least, we would like to point out that there isn't an ideal value for the margin ratio. However, we know that the higher the value, the higher the profit per unit sold will be. So we will try to achieve the highest value possible.

The second formula to calculate it is:

$$\text{Margin ratio} = \frac{\text{EBIT}}{\text{Revenues}}$$

If we apply the second formula to our company, we obtain these results:

	2009	2010	2011	2012
EBIT	3244	7621	4549	4286
Revenues	49032	60430	52637	59593
Margin ratio	0,0661609	0,1261129	0,0864221	0,0719212



When we calculate the margin ratio with the EBIT in the numerator, it doesn't matter if the company is localized in one country or another, because it's not being affected by the different types of taxes or interests that we can find in each country.

On the other hand, if we calculate it with the net income in the numerator, we have to take into account the taxes and the interests applied in the each country.

3. TURNOVER RATIO

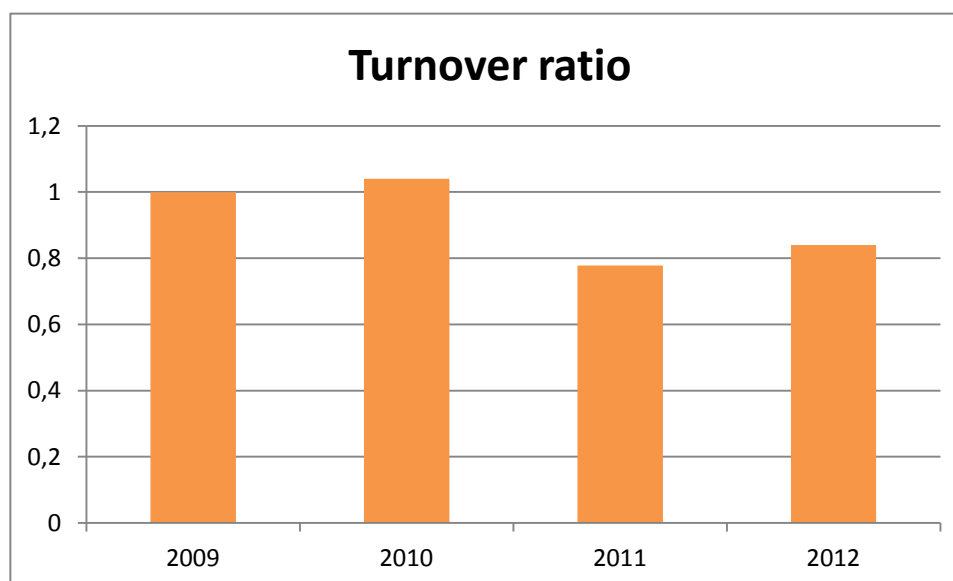
$$\text{Turnover} = \frac{\text{Revenues}_{31-12}}{\text{Assets}_{1-1}}$$

The turnover ratio allows us to know the number of times a company's inventory is replaced given a time period. When the company has high turnover ratio means that it is more efficient because it takes less time to compute a determinate level of activity. This happens because the company is producing and selling its goods and services so quickly so the profitability is higher.

To compute this ratio there are necessary the revenues of the company, which corresponds to the sales the company has done, and the assets at the beginning of the year. The aim of every firm is to maximize their sales with the minimum assets, so if this happens, the liabilities will decrease and it will be needed less equities, so the company will become more efficient.

	2008	2009	2010	2011	2012
Assets	49.064	58.083	67.631	70.957	64.921
Revenues	61.771	49.032	60.430	52.637	59.593
Turnover ratio		0,99934779	1,04040769	0,77829693	0,8398467

%	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
Variation Revenues		23,25	-12,90	13,22
Variation Assets	18,38	16,44	4,92	-8,51
Variation Turnover		4,11	-25,19	7,91



As we can observe in this graph, Repsol doesn't present any trend in this ratio. It fluctuates up and down among the different years. For example from 2009 to 2010 the revenues and the assets of Repsol increased in 23% and 16% respectively.

So if both increased the ratio also increased proportionally. In contrast from 2010 to 2011 the revenues decreased in 12% but the assets continue growing but in a lower measure only in a 4%. So this involves a lower turnover ratio, because if there are fewer revenues and more assets the ratio decreases. Finally in the last two years happens the other way round. What increase now are the revenues and the assets decrease in nearly an 8.5%, so the ratio increases.

4. RETURN ON EQUITY (ROE)

Return on equity (ROE) measures the rate of return on the ownership interest (shareholders' equity) of the common stock owners. It measures a firm's efficiency at generating profits from every unit of shareholders' equity. ROE shows how well a company uses investment funds to generate earnings growth.

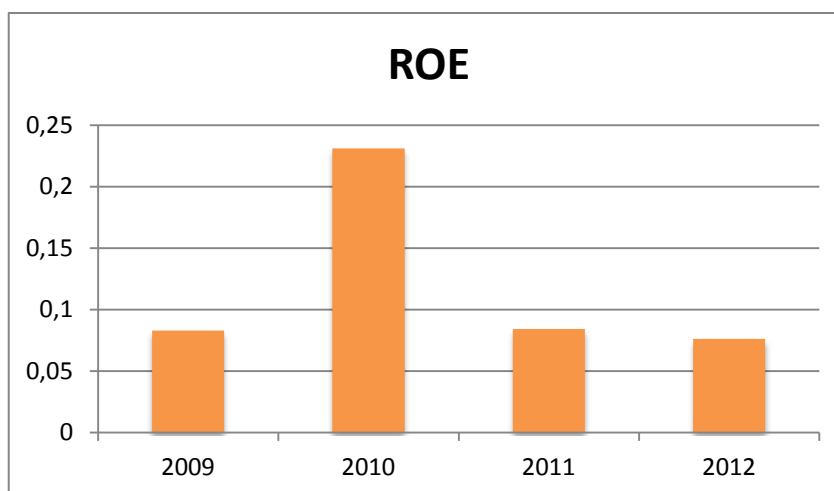
There are two ways to calculate ROE:

$$1. ROE = \text{Return On Equities} = \frac{\text{Net income (31/12/XI)}}{\text{Equities (1/1/XI)}}$$

$$2. ROE = \frac{\text{Net income}}{\text{Revenues}} * \frac{\text{Revenues (31/12)}}{\text{Assets}} * \frac{\text{Assets}}{\text{Equities}}$$

	2009	2010	2011	2012
Leverage Ratio	2,335936	2,7153008	2,6025937	2,6238583
Margin Ratio	0,03556861	0,0818633	0,0416627	0,0345678
Turnover ratio	0,9993478	1,0404077	0,7782969	0,8398467
ROE	0,0830318	0,2312655	0,0843916	0,076175
	0,0830318	0,2312655	0,0843916	0,076175

%	2009 - 2010	2010 - 2011	2011 - 2012
Variation Leverage ratio	16,24	-4,15	0,82
Variation Margin Ratio	130,16	-49,11	-17,03
Variation Turnover Ratio	4,11	-25,19	7,91
Variation ROE	178,52	-63,51	-9,74



If we analyze the ROE, as we can see in the previous table and in the graph, we observe that if we compare 2009 with 2010 we find that the three indicators that we use to calculate ROE increased, specially Margin Ratio with a variation between 2009 and 2010 of 130%.

However, in 2011 the ROE was situated around the same value that Repsol obtained in 2009. This reduction in ROE is reflected in the table with the negative values of the three indicators. Finally, in 2012 the value of ROE was nearly in the same value of 2009 and 2011. Repsol obtained a positive variation in leverage ratio and in Turnover ratio but not enough in order to change the trend of ROE to negative until positive because Margin ratio continued decreasing.

Finally, if we analyze the ROE with more perspective we can say that except 2010, where we find a huge increase, ROE values are constants, around 7% - 8% every year. It means that the shareholders obtain between 7% and 8% of profitability for each euro that they invest in the company.

5. ROE BEFORE TAXES

As we have already explained, ROE shows how well a company uses investment funds to generate earnings growth.

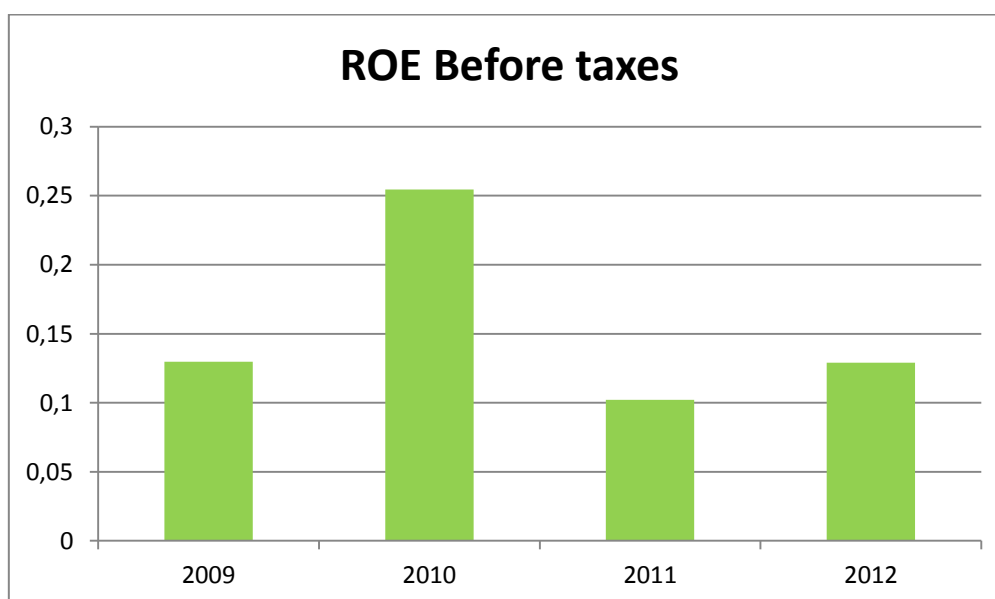
If we focus on the ROE before taxes, we are considering the net income obtained before taxes, which will be obviously slightly different and higher from the net income studied in the ROE explanation. For this reason, the values of ROE before taxes are higher than the values of ROE.

The formula that we are going to use is the following one:

$$ROE_{BT} = \frac{\text{Earnings Before Taxes}}{\text{Equities}} = \frac{\text{Net income} * (1 - \frac{\text{tax}}{\text{rate}})}{\text{Equities}}$$

If we apply this formula to our data, we obtain the following results:

	2009	2010	2011	2012
Earnings before taxes	2776	6613	2759	3546
Equity	21.391	25.986	27.043	27.472
ROE(before taxes)	0,1297742	0,2544832	0,1020227	0,1290769



If we analyse this graph, we can appreciate a strong increase in the return on equity before taxes in 2010. This fact could be explained due to the high increase in the earnings before taxes and also the increase in equity, but not as much as the earnings before taxes. However, the point of doing that, would be trying to identify which aspect made the earnings BF and so, the net income before taxes, increase in such a big way.

We tried to analyse the profit and loss account and we observed that the financial expenses and the changes in the fair value of financial instruments were very low in comparison to year 2009. This fact made the financial result be higher as usual and so achieve a high net income before taxes.

Nevertheless, between 2010 and 2011 the variation was negative. As we have observed in the previous table this fact was produced due to an important decrease in earnings before taxes and, as well, the equity remained almost constant.

6. THE IMPACT OF TAXES

Now that we have already calculated the ROE and the ROE BT, we can analyze the impact of taxes. We do that because then we will know if the decrease in our ROE has been due to the change in the tax rate or not. In order to do that, we are going to show the different tax rates of the 4 years and how they affected the ROE.

	2009	2010	2011	2012
ROE	0,083031808	0,231265449	0,08439158	0,07617494
ROE(before taxes)	0,129774204	0,254483183	0,1020227	0,12907688
Taxes	0,407060518	0,26042757	0,35918811	0,44585448
Impact of taxes = ROE BT - ROE	0,046742397	0,023217734	0,01763113	0,05290194

As we can observe in the table, the ROE BT is always higher than the ROE. The reason for this is because we avoid the impact of taxes, which means if we took into account only the ROE BT, shareholders would obtain a higher profitability for every euro invested in the company.

If we take differences of the ROE BT and the ROE, we will know which is the percentage in absolute terms that is lost due to applying taxes.

However, if we apply a 100% of profitability to the ROE BT and we subtract the taxes, we will obtain the ROE and, therefore, the “real” profitability that is obtained out of 100. As we are interested in knowing what are the real losses, we will subtract the 100% minus the “real” profitability obtained.

In other words, we are trying not to analyze the difference between the ratios, but to analyze the “real” loss of profitability.

So as to make it clearer, we are going to put into practise what we have explained now for the year 2009:

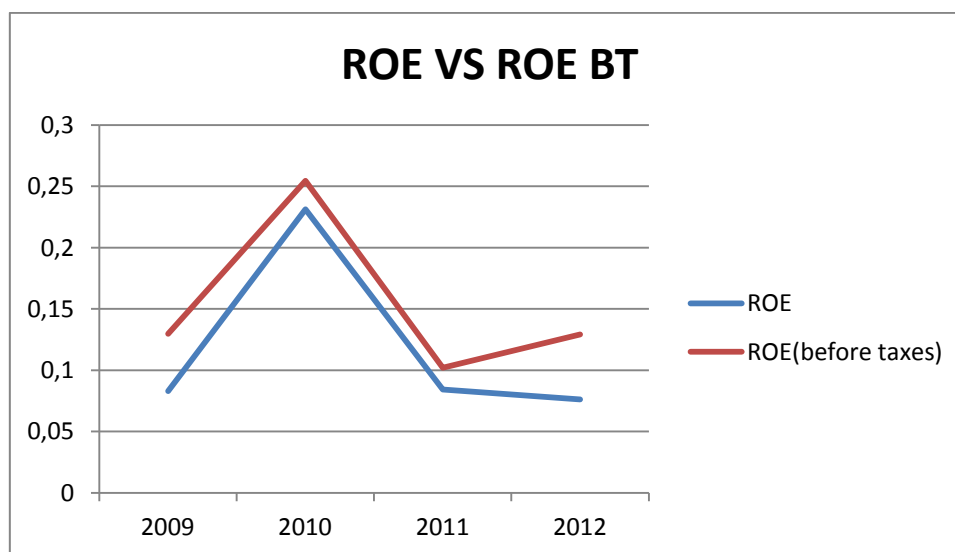
	2009		2009
ROE BT	0,129774204	Maximum profitability	1
ROE	0,083031808	Real profitability	0,63981751
Impact of taxes	0,046742397	Real loss	0,36018249

The impact of taxes is a 4'67%, but the impact of the shareholders is a 36,01%, because its profitability has decreased in this percentage.

So as to show the evolution of the 4 years, we are going to represent both impacts in a table:

	2009	2010	2011	2012
ROE BT	0,129774204	0,254483183	0,1020227	0,12907688
ROE	0,083031808	0,231265449	0,08439158	0,07617494
Impact of taxes	0,046742397	0,023217734	0,01763113	0,05290194
Maximum profitability	1	1	1	1
Real profitability	0,639817505	0,908765153	0,82718428	0,59015171
Real loss	0,360182495	0,091234847	0,17281572	0,40984829

If we analyze this table, we can appreciate that when taxes have been higher (years 2009 and 2012), the impact of taxes and also the real loss has been also higher. This has a lot of sense and a firms what we have just explained.



7. RETURN ON ASSETS (ROA)

ROA (return on assets) is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. It's calculated with the EBIT divided by assets of the previous year. We use EBIT to calculate it despite of in all books of economy put net income. We have done it to this way because this indicator can be so different if we take into account the interests and the taxes of every country.

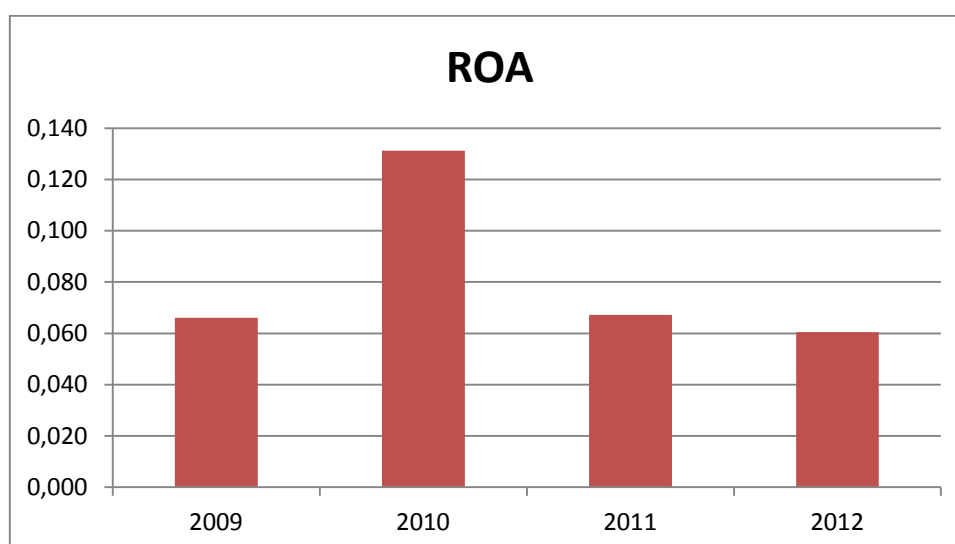
What we mean by this? It means that depending on where are localized the company this indicator can give different results because the interest and the taxes change depending of every country.

Moreover, ROA is displayed as a percentage and sometimes we can find it in the books as "return on investment". We have calculated it with the follow formula:

$$ROA = \frac{Ebit \text{ (Earnings before interests and taxes)}}{Assets_{1-1}}$$

	2008	2009	2010	2011	2012
Assets	49064	58.083	67.631	70.957	64.921
EBIT		3244	7621	4549	4286
Margin ratio		0,0662	0,1261	0,0864	0,0719
Turn-over ratio		0,9993	1,0404	0,7783	0,8398
ROA		0,0661	0,1312	0,0673	0,0604
		0,0661	0,1312	0,0673	0,0604

%	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
Variation EBIT		134,93	-40,31	-5,78
Variation Assets	18,38	16,44	4,92	-8,51
Variation ROA		98,447224	-48,736624	-10,197838



If we analyze the ROA, we can observe that it have done the same movement that ROE and ROE before taxes. In 2009 the value of ROA was around 6%. Nevertheless, in 2010 this indicator increased until 13% thanks to the 134% of increase of EBIT.

However, after, in 2011 and 2012 the value decrease again until, approximately to the same value of 2009. Why the value of ROA decreased so much between 2010 and 2011? Because the earnings before interests and taxes decreased a 40,30% and also the assets increased approximately a 5%. However, in 2012 the ROA also decreased but not so much as 2011. This fact was produced because the assets also decreased (-8,50%) and produced that the diminution of the ROA was smoother.

Finally, if we look the table of ROA, we can say that in the lasts two years the tendency has been negative. However, during the last 4 years the value of ROA has been positive and indicates us that the company has obtained a positive profitability. For example, as we can see in the previous table and in the graph, in 2012 the company has obtained 0,06 € for each euro of its assets.

Before concluding the point of these three variables (ROE, ROE before taxes and ROA) we want to remark that during the last 4 years ROE, ROE before taxes and ROA have done the same evolution as we have analyzed previously. This fact is normal because these three variables are related between them and if one variable goes in one direction the other variables follow it.

8. THE IMPACT OF DEBT

If we compare the ROA and the ROE BT, we can see the impact of debt. That is because if we analyze the numerators of each of the formula, the only difference between them is that one is calculated taking into account the EBIT and the other one the EBT. For this reason, the only difference is the interest.

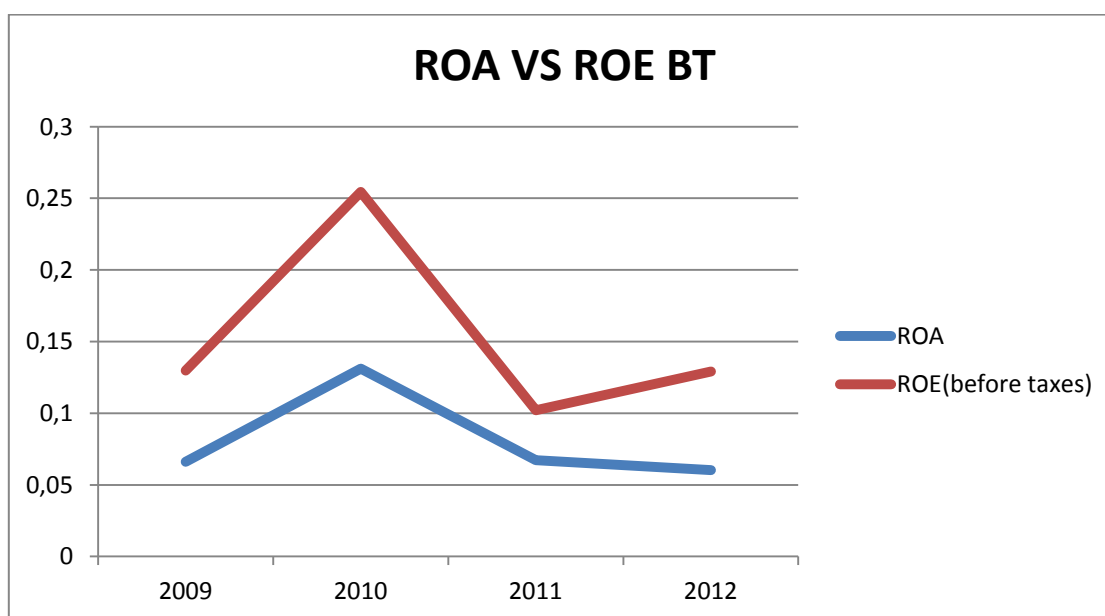
Regarding both formulas seen in the section of ROE BT and ROA, we can analyze in more detail the evolution of the debts.

	2009	2010	2011	2012
ROA	0,066117724	0,131208787	0,067262054	0,060402779
EBIT	3244	7621	4549	4286
Assets	49064	58083	67631	70957

	2009	2010	2011	2012
ROE BT	0,129774204	0,254483183	0,102022705	0,129076878
EBT	2776	6613	2759	3546
Equity	21.391	25.986	27.043	27.472

First of all, we are going to focus on the numerators of the formulas, which are EBIT and EBT respectively. As we can appreciate from the tables, the EBIT and EBT are quite different during the 4 years, a little bit closer in the years 2009 and 2012 but fairly distant in 2010 and 2011. As for the

Moreover, if we focus on the denominators, which are the Assets and Equity respectively, we can see that Assets are much higher than Equity during the 4 years, which means that Repsol is funded mostly by foreign debt and not by equity. This fact causes that the equity return, regardless of taxes, is greater than the return by assets.



In this graph it can be observed all the aspects explained in the previous paragraph.

9. COMPARISON WITH THE COMPANIES OF EUROSTOXX 50 AND WITH THE COMPANIES OF THE SAME INDUSTRY

2012	ROE	Margin	Turnover	Leverage
Bayer	12,70%	0,062	0,754	2,738
basf	19%	0,061	1,223	2,492
Siemens	14,50%	0,057	0,723	3,523
LVMh	15,25%	0,122	0,597	2,09
l'oreal	13,70%	0,13	0,76	1,41
Nestlé	18,95%	0,1199	0,808	1,95
Iberdrola	8,64%	0,038	0,35	2,84
Repsol	7,60%	0,034	0,83	2,62
Carrefour	15,74%	0,017	1,67	5,48
Telefónica	15,91%	0,07	0,48	4,69
Inditex	31,75%	0,1484	1,46	1,47
Volkswagen	26,75%	0,113	0,622	3,78

2011	ROE	Margin	Turnover	Leverage
Bayer	13,10%	0,068	0,709	2,726
Phillips	-0,09%	-0,05793	0,6907	2,14
BASF	24,34%	0,0841	1,2014	2,4098
Repsol	8,44%	0,041663	0,778297	2,6025
LVMH	17,80%	0,1295	0,63	2,16
BMW	18,10%	0,071	0,5575	4,554
Nokia	-9,17%	-0,0384	0,98	2,4
Telef	22,77%	0,09	0,48	4,7
Inditex	30,29%	0,141	1,4	1,53
Iberdrola	9,17%	0,091	0,33	2,92
Siemens	19,50%	0,084	0,705	3,306
Danone	14,00%	0,086	0,689	2,38
Nestle	19,92%	0,14909	0,74925	1,78345
L'oreal	13,82%	0,1198	0,7572	1,5227
Volskswagen	11,41%	0,0454	0,6279	4,01

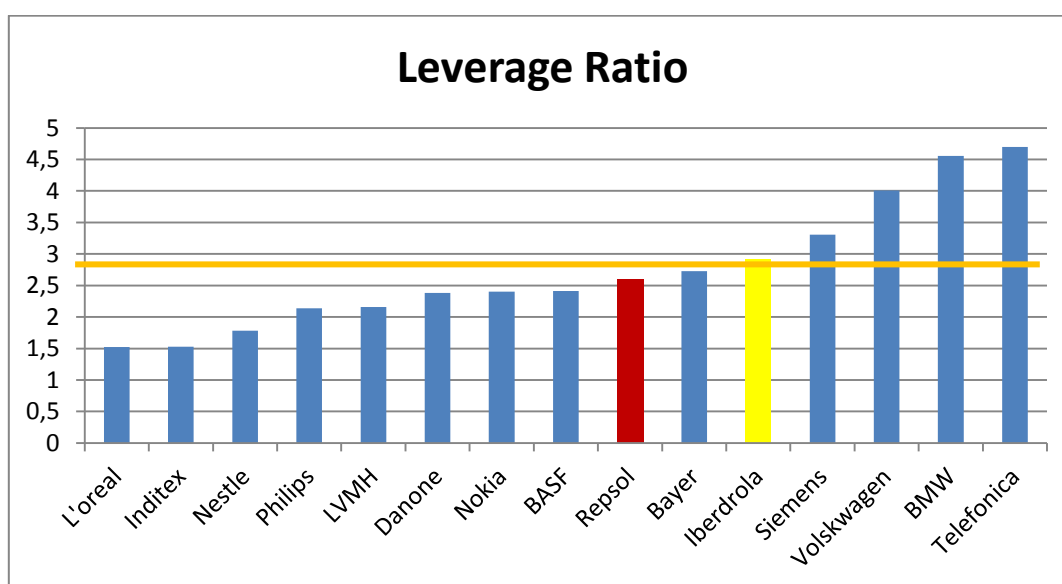
In this paragraph we are going to compare the leverage ratio, the margin ratio, the turnover ratio and the ROE of Repsol with the other companies in the EUROSTOXX 50. Also we are going to compare in more detail those issues with the company Iberdrola which it is a company that operates in the same sector as Repsol and we also find it in the EUROSTOXX 50.

We only analyzed deeply the year 2011 because it is the only year that we have all the companies studied in class. However, if we look 2012 we can arrive to the same conclusions. There aren't important changes.

First of all, we have compared the leverage ratio. As we can see in the previous table and in the graph the leverage ratio of Repsol is just in the middle of the all values. It means that Repsol doesn't have a big Leverage but it neither has it low. If we look the competence, in this case, we have to look Iberdrola, we can see that Iberdrola's leverage is higher than Repsol, which it means that Iberdrola has more gearing (more debts) than Repsol.

When we compare the leverage ratio of the companies, we see that the mean is in 2.7428. Repsol is situated bellow the mean and Iberdrola is above. L'oreal is the one that has the lowest leverage ratio and Telefonica the highest.

	LEVERAGE	Company
Mean	2,7428	
Min.	1,52	L'oreal
Max.	4,7	Telefonica



If we analyze Margin Ratio, we have to say that Repsol has the lowest value of the EUROSTOXX's companies analyzed. Only is surpassed by Nokia that nowadays it isn't on the EUROSTOXX index.

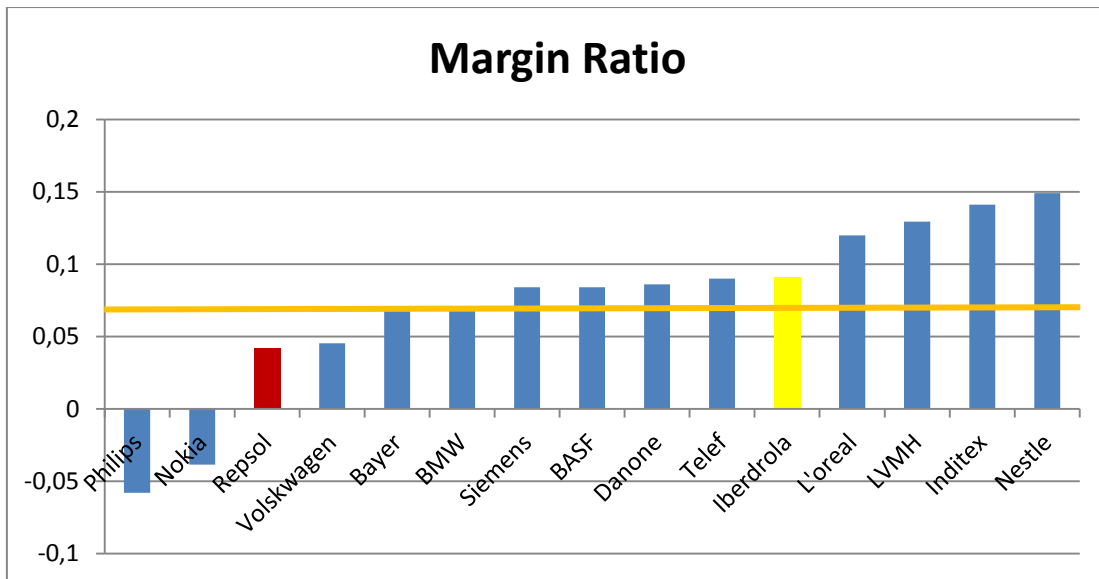
However, the Iberdrola's margin is not so high but it is better than Repsol. It indicates that Repsol doesn't have a good control over its costs compared to its competitors,



nevertheless Iberdrola is in better position because it has a higher profit margin and it has better control over its costs respect to its competitors.

When we compare the margin ratio of the companies, we see that the mean is in 0,0736. Repsol is situated bellow the mean and Iberdrola too. Phillips is the one that has the lowest margin ratio and Inditex the highest.

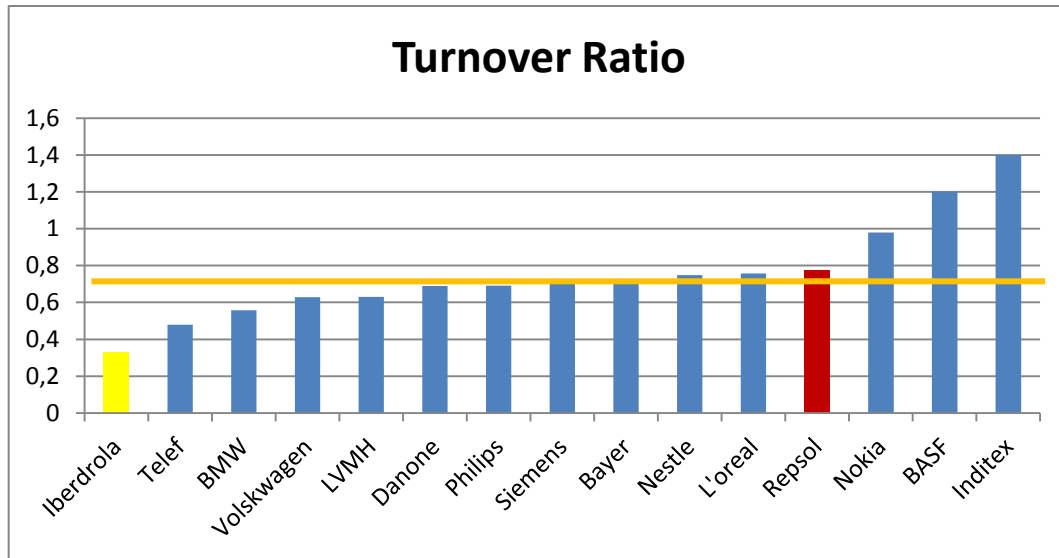
	MARGIN	Company
Mean	0,0736	
Min.	-0,05793	Phillips
Max.	0,149	Inditex



If we focus in to analyze turnover ratio we can say that occur the inverse situation of before it. Now, Iberdrola’s turnover ratio value is the lowest of the all companies in EUROSTOXX and, however, Repsol has this value higher. It means that Repsol replace more times its goods and services than Iberdrola. Also it indicates that Repsol is producing and selling quicker than its competitors, in this case Iberdrola.

When we compare the turnover ratio of the companies, we see that the mean is in 0.7523. Repsol is situated above the mean and Iberdrola below and also is the one with the lowest turnover ratio and Inditex the highest.

	TURNOVER	Company
Mean	0,7523	
Min.	0,33	Iberdrola
Max.	1,4	Inditex

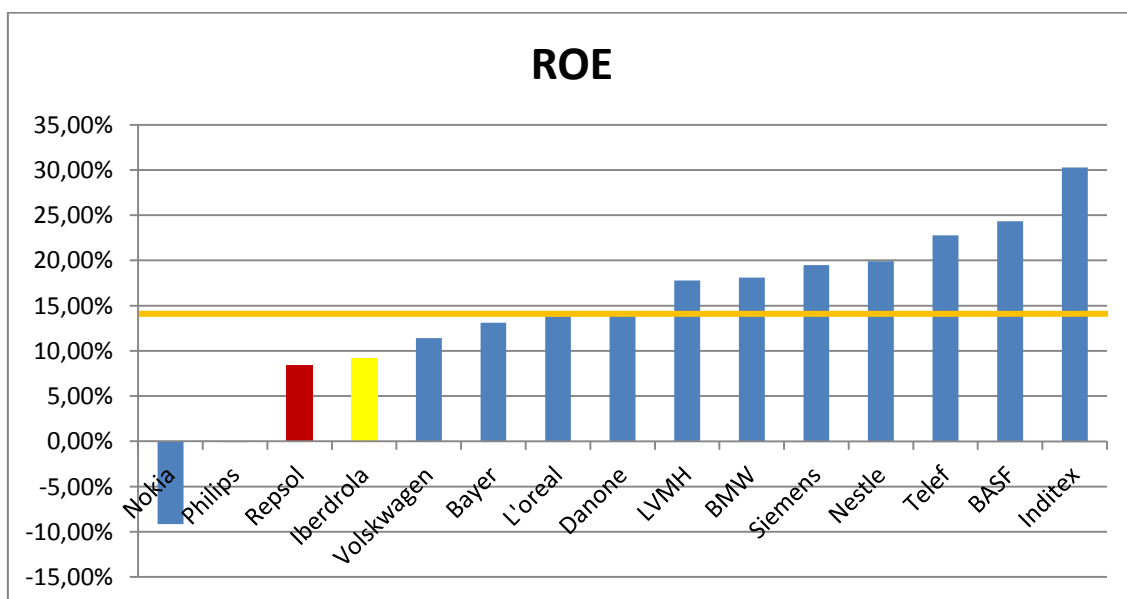


Finally, to conclude this paragraph we have compared the ROE of Repsol with the rest of the companies. ROE is useful for comparing the profitability of a company to that of other firms in the same industry.

When we compare the ROE of the companies, we see that the mean is in 14,23%. Repsol is situated below the mean and Iberdrola too. Nokia is the one that has the lowest ROE and Inditex the highest.

	ROE	Company
Mean	14,23%	
Min.	-9,17%	Nokia
Max.	30,29%	Inditex

Besides Repsol is the second company with less ROE in the EUROSTOXX 50 follow by Iberdrola (principal competitor of Repsol). It means that Repsol generates less profit than Iberdrola for each euro that the shareholders have invested in the company.

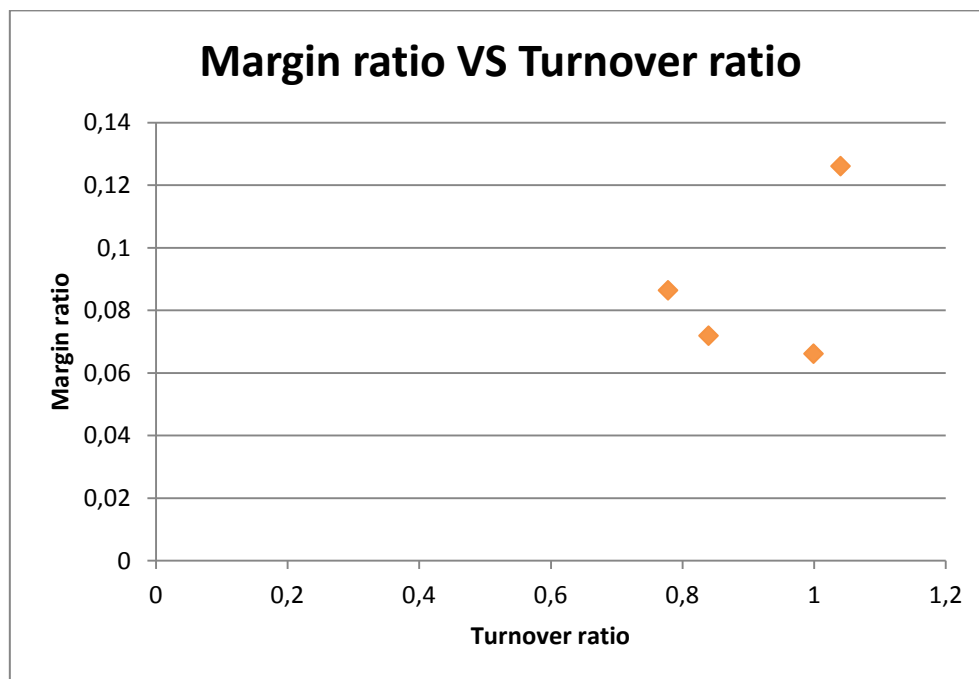


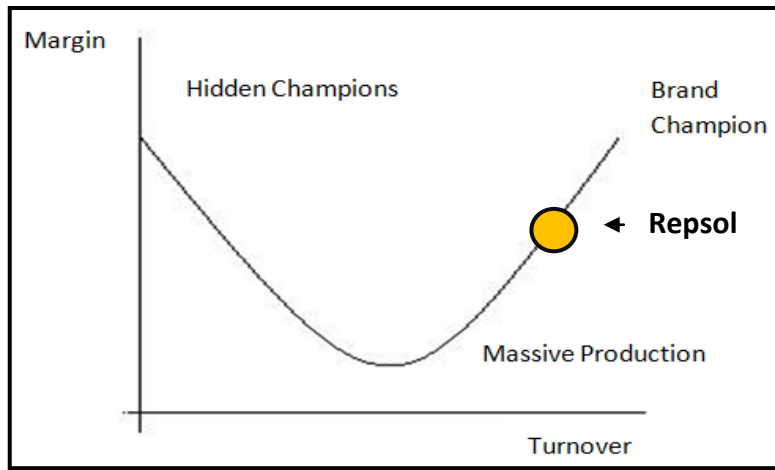
10. MARGIN RATIO VS TURNOVER RATIO

We have analysed which type of company Repsol is, and as it has a low margin and a high turnover, we can say that Repsol has a massive production.

On the other hand, if we look the principal competitor of Repsol in the EUROSTOXX 50 which is Iberdrola, it has a higher margin but a lower turnover (as we can see in the previous point). For this reason, regarding the competence we can say that Repsol should increase its margin and it should maintain or increase the turnover because it is already higher than Iberdrola's one. If Repsol increase the margin ratio, the ROE's value also increase and it means that the shareholders of Repsol will obtain more profit for each euro that they will invest in the company (more profitability) and consequently, Repsol will be more attractive for the investors.

As we have said before, to convert Repsol into a brand champion Repsol should to increase the margin and the turnover, and one way to achieve it, it is increasing the advertisements.

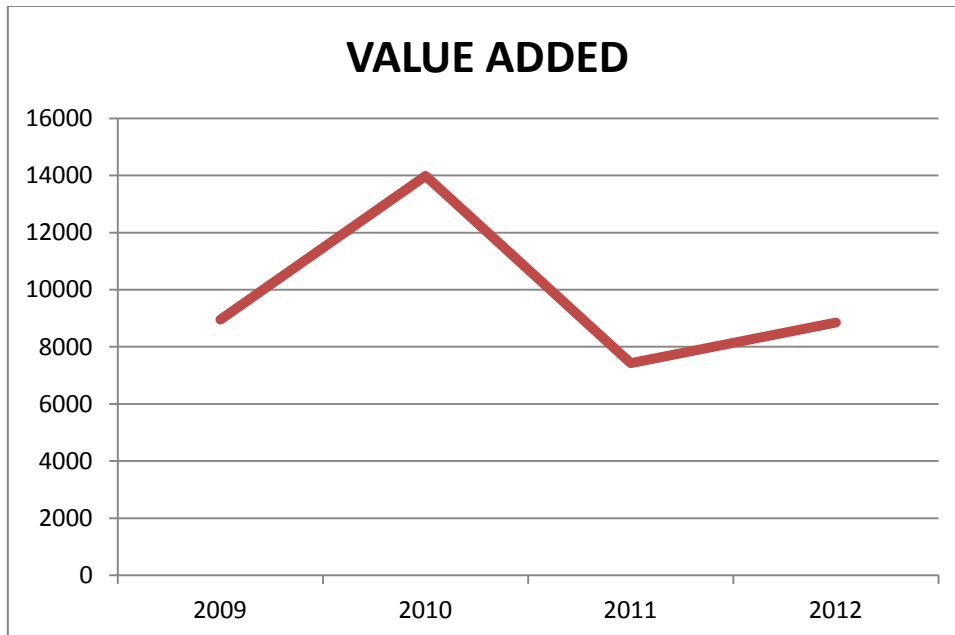




11. VALUE - ADDED

$$Value - Added = EBITDA + Wages$$

Value-Added	2009	2010	2011	2012
EBITDA	6864	11568	5618	6873
Personnel expenses = Wages	2087	2411	1809	1977
VALUE ADDED = EBITDA + WAGES	8951	13979	7427	8850



To add value to the firm, the company has to create one product that has to be valued for the consumers in a higher way and it doesn't have to be affected by the wages in the margin.



There are two ways to increase the margin:

1. Decreasing the costs
2. Increasing Revenues

There way to decrease costs is to offshore the company to other countries where costs of labour is lower. But it doesn't mean that the value-added is going to increase. To increase the value-added is necessary to increase the value of the product in the way that the consumer perceives it, so it is not necessary to increase the price.

In Repsol it's quite difficult to reduce costs because the company can't decide where to produce. They produce where the raw materials are extracted and then the products are distributed around the world.

Repsol produces raw materials so for that it's quite difficult to give them some value-added. Although this difficulty, thanks to technology and to the money that had been invested in R+D, they have achieved producing with a lower cost. So they can maintain the salaries of the workers that the company has around the world for example in Tarragona.

12. SALARIES RATIO

The salaries ratio measures how much are the workers of the company contributing to the EBITDA. To calculate it we use the next formula:

$$\text{Salaries Ratio} = \frac{\text{EBITDA}}{\text{Wages}}$$

So as we can see in Repsol it has increased in 2010 a lot because of EBITDA increase. Personal expenses changes year per year but not in a huge consideration, it remains more or less constant.

	2009	2010	2011	2012
EBITDA	6864	11568	5618	6873
Personnel expenses	2087	2411	1809	1977
Salaries ratio	3,288931481	4,798009125	3,105583195	3,476479514

The salaries ratio measures how much are the workers of the company contributing to the EBITDA. So as we can see in Repsol it has increased in 2010 a lot because of EBITDA increase. Personal expenses changes year per year but not in a huge consideration, it remains more or less constant.



13. ANALIZE OF THE "J" AND THE "K"

YEAR 2012:

$$ROE BT = ROA + (ROA - e) * \left(\frac{Liabilities}{Equities} * 100 \right) - j * \left(\frac{Liabilities}{Equities} * 100 \right)^2$$

$$12,91\% = 6,04\% + (6,04\% - 0,49\%) * \left(\frac{37449000000}{27472000000} * 100 \right) - j * \left(\frac{37449000000}{27472000000} * 100 \right)^2$$

$$j = \frac{749,6892239}{18582,3183} = 0,040344225$$

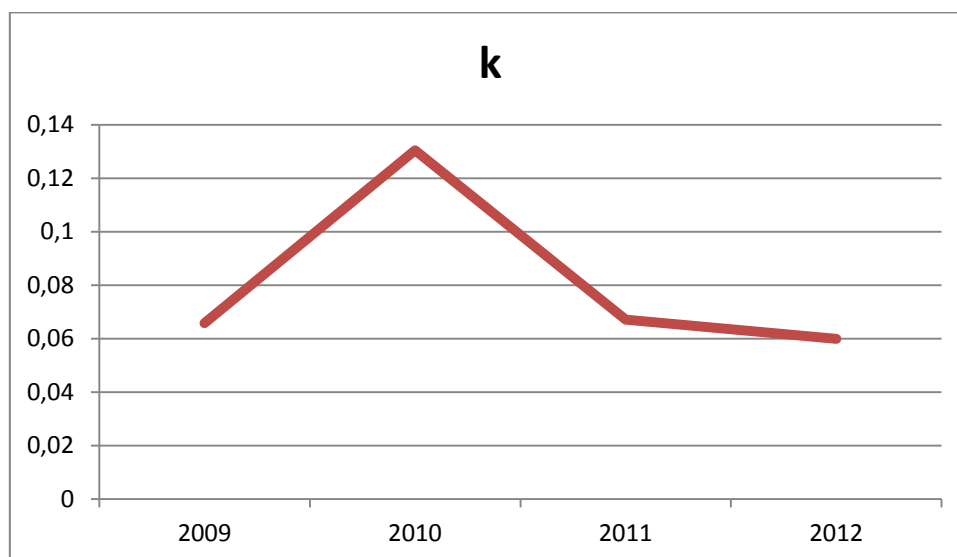
$$K = e + \left(\frac{Liabilities}{Equities} * 100 \right) * j = 0,49\% + \left(\frac{37449}{27472} * 100 \right) * 0,040344225$$

$$k = 5,989602803 \%$$

The j is the sensitivity that the Bank has with a company (in our case is Repsol). So that means, if you have a certain euribor and indebtedness very high, the reliance on you will be lower and so the j will be higher. If the j is higher, the premium risk is higher and so the K will be higher, which means that the cost of financing or the interest percentage will be very high for Repsol.

If we compute also the J and the K for the other 3 years as we have done with the year 2012, we obtain these results:

	J	K
YEAR 2009	0,03832957	6,574674 %
YEAR 2010	0,08139273	13,043948 %
YEAR 2011	0,04128943	6,704818 %
YEAR 2012	0,04034422	5,989603 %





If we compare the different K that the company has had during the last 4 years, we observe that it increased quite a lot in 2010, but has been decreasing quite a lot since that time. This means that in 2010 there might have been some uncertainty in the firm that made the Bank do not rely very much on Repsol's capacity of financing.

Moreover, we can appreciate a similar evolution of the J and the K. This is because if the J increases, the K increases too.

Another aspect that we have to talk about is the fact that a company can achieve its highest Return on equity before taxes by borrowing debt. But, what is the optimum level of indebtedness in order to achieve the highest ROE before taxes? In order to find the optimum level of $\left(\frac{Liab}{Equit}\right)^*$ for the year 2012, we are going to make some Algebra to arrive to a final solution.

First of all, if we make a derivative of the ROE BT with respect to Liabilities/Equities, we arrive to this equation:

$$\frac{\partial ROE BT}{\partial \left(\frac{Liab}{Equit}\right)} = 0 + (ROA - e) * 1 - 2 * j * \frac{Liab}{Equit} =$$

$$= (ROA - e) - 2 * j * \left(\frac{Liab}{Equit}\right) = 0$$

Then, to find out the optimum level of indebtedness, we have to equal 0 the derivative and isolate the $\left(\frac{Liab}{Equit}\right)$ like this:

$$\left(\frac{Liab}{Equit}\right)^* = \frac{(ROA - e)}{2 * j} = \frac{(0,06040278 - 0,0049)}{2 * 0,04034422} = 0,687865324$$

So now we know that 0,687865324 is the optimum level, but we have to find out what's the level of ROE BT for this amount.

If we remember the formula of the ROE BT:

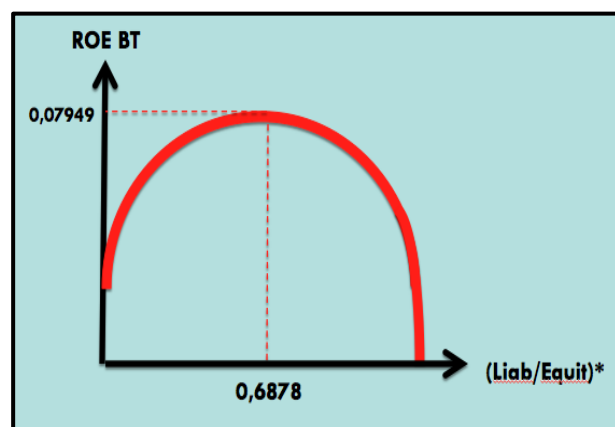
$$ROE\ BT = ROA + (ROA - e) * \left(\frac{Liabilities}{Equities}\right) - j * \left(\frac{Liabilities}{Equities}\right)^2$$

We can now introduce the value of the optimum level into this formula and obtain the best ROE BT for the level of indebtedness.

$$ROE\ BT = 0,06040278 + (0,06040278 - 0,0049) * (0,687865324) - 0,04034422 * (0,687865324)^2 = 0,098581217 - 0,019089218 = 0,079491998$$

As we can appreciate, the value of the maximum ROE BT is lower than the original one, which could be confusing at a first sight. However, we are aware that we haven't used all the tools to calculate this maximum and so this could happen. If we had all the techniques to compute it, the maximum ROE BT should be higher than the original one for the year 2012.

So as to make it clearer, we are going to make a graph representing both the optimum level of indebtedness and the "maximum" level of ROE BT achieved.



14. ANALYZE "g"

Another thing that we have to take into consideration when we analyze the profitability of a company is the growth rate that assumes the dividends from year to year.

So to compute the growth rate of the dividends, which is the g , we will use this formula:

$$g = (1 - tax\ rate) * (1 - payout) * ROA$$

If we calculate the g for the 4 years we get these results:

	2009	2010	2011	2012
g	0,02753708	0,08446480	0,03062171	0,03048220

The tax rate is calculated by dividing the income tax in the P&L Account by the Earnings before tax. The Payout is calculated by dividing the total dividends paid by the Net Income for the year.

Looking at the table, we can observe a high increase in the dividends from the year 2009 to 2010 with an increase of 8,44%, but a decrease in the following 2 years. This situation can be easily detected in the balance sheet of the company during 2011 and 2012, whose dividends decreased substantially while the retained earnings increased.

Last but not least, we would like to point out the concept of the Gordon Shapiro Model, which is a model that assumes the growth rate of the dividends is constant year by year. It also assumes that a stock's price is determined by the estimated future dividends, discounted by the excess of internal growth over the firm's estimated dividend growth rate.

	2009	2010	2011	2012
Dividends	519	610	645	184
Retained earnings	12619	13309	17186	18465

The formula of the Gordon Shapiro Model is the following one:

$$Price = \frac{Dividends}{I1 - g}$$

To compute this formula, we need the values of the Return on Investments, which is the I1. This value is obtained from dividing 1/PER. Thanks to our calculations in the spreadsheet used in Excel, we have worked out these values for the 4 years:

I = Return on Investments = 1/PER	0,056657224	0,079681275	0,066622252	0,105042017
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Now that we have all the values, we can compute the formula so as to obtain the price for each year:

Price = Dividends / I * g	332655,1076	95241,45105	311261,1426	57465,66178
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15. PER

Another aspect to be considered is the Price to Earnings Ratio (PER), which is a ratio used to know how many times the earnings per share is included in the price of it.

The formula to calculate it is the following one:

$$PER = \frac{Price}{EPS}$$

The price is given by the market and the EPS can be found in the balance sheet. We will take into account the one which says "Basic". If we compute this formula for the 4 years we obtain these results:

	2009	2010	2011	2012
Price	16,09790514	18,25913725	22,048125	16,19757813
EPS	1,29	3,84	1,72	1,7
PER	12,47899623	4,75498366	12,81867733	9,527987132

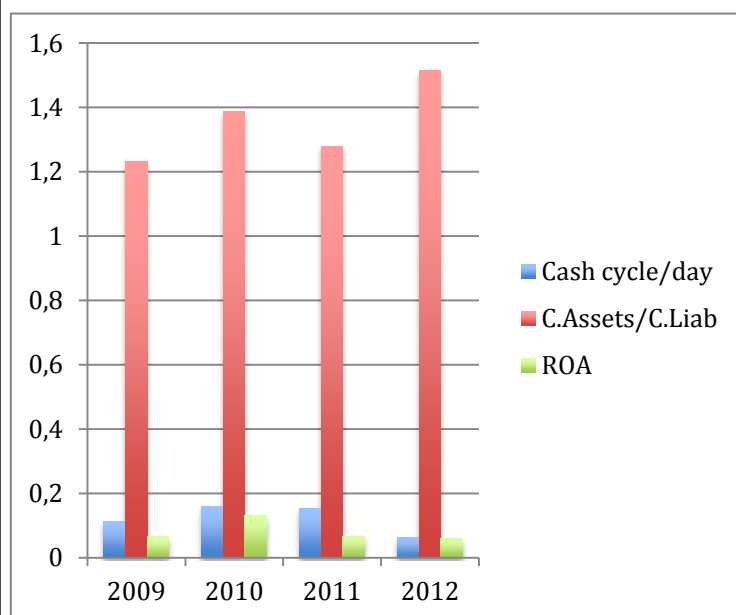
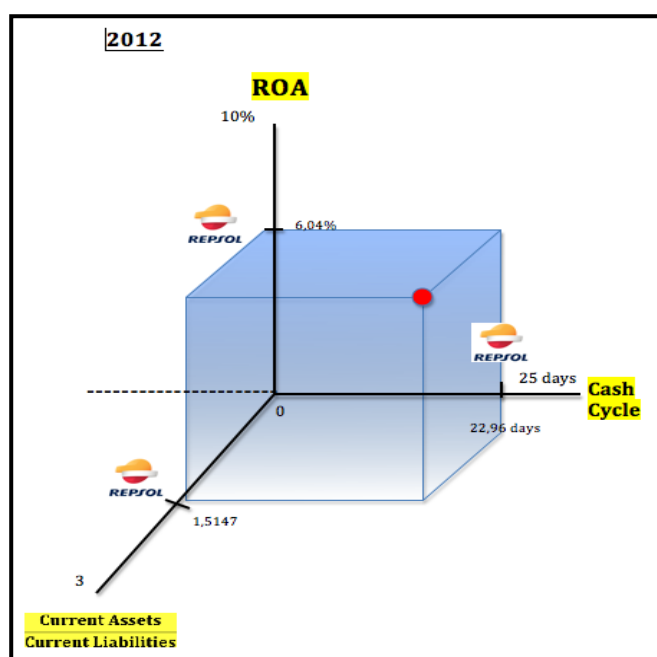
N/A	A company with no earnings has an undefined P/E ratio. By convention, companies with losses (negative earnings) are usually treated as having an undefined P/E ratio, even though a negative P/E ratio can be mathematically determined.
0–10	Either the stock is undervalued or the company's earnings are thought to be in decline. Alternatively, current earnings may be substantially above historic trends or the company may have profited from selling assets.
10–17	For many companies a P/E ratio in this range may be considered fair value.
17–25	Either the stock is overvalued or the company's earnings have increased since the last earnings figure was published. The stock may also be a growth stock with earnings expected to increase substantially in the future.
25+	A company whose shares have a very high P/E may have high expected future growth in earnings, or this year's earnings may be considered to be exceptionally low, or the stock may be the subject of a speculative bubble.

From the previous table (evolution PER 2009 – 2012), we can observe that the Price to Earnings Ratio has decreased a little bit since 2009 and this is because of the Earnings per Share, which have slightly increased from 1,29 to 1,7.

At first sight, it is obvious that if a PER increases, this means that investors will be paying more for each earning per share. In order to make a better analysis, we can take a look at this table extracted from the Wikipedia:

According to this table, we can situate our average PER of the 4 years in the range between 10-17, which means that our PER ratio may be considered fair value. However, in 2010 and 2012 they went a little bit out of this range, making the company's earnings thought to decline.

16. RELATIONSHIP AMONG ROA, CASH CYCLE AND SOLVENCY RATIO



In these three graphs we are analysing the relationship among the Cash Cycle, the Working Capital ratio (Current Assets/Current Liabilities) and the ROA.

	2009	2010	2011	2012
Cash cycle/day	0,114027778	0,159583333	0,154027778	0,063777778
C.Assets/C.Liab	1,231801884	1,387053826	1,279115996	1,51472577
ROA	0,066117724	0,131208787	0,067262054	0,0604



First of all, we can appreciate that all the values from the table are positive, which is a good point, because if we drew the graph with the three lines of the 4 years, all the values would be situated in the first quadrant. As an example, we have drawn the values of the year 2012.

Moreover, we can observe that the solvency ratio is over 1 during the four years, which means that the Current Assets are higher than the Current Liabilities and so, if Repsol had to dissolve, it would be able to pay back its debts.

Another point that we would like to highlight is the fact that the ROA achieved its maximum in 2010, but then it started to decline. These could be explained by the decrease in the Sales, which made the EBIT decrease in a great amount.

17. CONCLUSIONS

1. During the last 4 years the profitability of ROE, ROE before taxes and ROA have been positive and it means that Repsol has obtained profits and, furthermore, it has achieved a positive profitability.
2. During the last 4 years ROE, ROE before taxes and ROA have done the same evolution. It's normal because these three variables are related between them.
3. Comparing with the rest of the companies which are in the EUROSTOXX market, Repsol has a low ROE's value. But the important comparison is with our competitors, in this case, with Iberdrola. After comparison we can say that ROE of Repsol is lower than Iberdrola and, furthermore, it means that Repsol generates less profit than Iberdrola for each euro that the shareholders have invested in the company.
4. It's quite difficult to increase the value added of Repsol because we are talking about a company that produces raw materials, so they have to produce in the



place where there are extracted, and to give more value to them the only thing that they can do is to invest more in research and development.

5. The Price to Earnings ratio shows how many each investor is paying for each unit of profit, so it's better to be the lowest one and during the last four years this ratio has decreased, making Repsol a company with more profitability.
6. Repsol has a massive production because has a low margin ratio and a high turnover ratio. To convert it into a brand champions, what it has to do is to increase the margin ratio and a little bit of turnover.
7. Another important point to mention is the fact that all the values from the ROA, Cash Cycle and Solvency Ratio are positive, which means that they will be located in the 1st quadrant. This is a good point for us.
8. In this third project, we have analysed the J and the K. We have seen that there is a high correlation between them, because when the bank sensitivity increase, the cost of financing increases too. The lower these values are, the better the image of the company. We have seen that since 2010, Repsol has decreased its values.
9. Finally, we have seen that the percentage of payout has decreased during the last 2 years. This is because of the decrease in the Net Income, which inhibits the company to maintain the amount of dividends paid to the shareholders.
10. After analyzing in detail the three parts of the project, we can conclude that Repsol is an attractive company for investors. We have seen that most of the variables analysed are positive. However, we are aware that there are certain aspects of the company where the competitors are better, so we should improve them in order to catch the attention of our potential investors.



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19. ANNEXES

In the following pages we have included the balance sheet and the income statement of the last four years of Repsol (2009-2012). All of them consolidated accounts.

We have to indicate that in 2011 there is some data and then when 2012 was done they changed the 2011 data because of the expropriation of YPF.

REPSOL YPF, S.A. AND INVESTEEES COMPRISING THE REPSOL YPF GROUP Consolidated Balance Sheets at December 31, 2009 and 2008

ASSETS	Note	Millions of euros	
		12/31/2009	12/31/2008 (*)
Intangible assets:		6,818	4,283
a) Goodwill	6	4,733	3,055
b) Other Intangible assets	7	2,085	1,228
Property, plant and equipment	8	31,900	26,094
Investment property	9	35	31
Investments accounted for using the equity method	11	531	525
Non-current financial assets	13	1,732	2,465
Deferred tax assets	25	2,021	1,530
Other non-current assets		273	276
NON-CURRENT ASSETS		43,310	35,204
Non-current assets held for sale	12	746	163
Inventories	14	4,233	3,641
Trade and other receivables		6,773	6,636
a) Trade receivables	13	4,644	4,228
b) Other receivables	13	1,909	2,164
c) Income tax assets		220	244
Other current financial assets	13	713	498
Cash and cash equivalents	13	2,308	2,922
CURRENT ASSETS		14,773	13,860
TOTAL ASSETS		58,083	49,064

Notes 1 to 39 are an integral part of these consolidated balance sheets.

(*)To facilitate comparison with 2009, the 2008 figures included in the 2008 consolidated financial statements have been amended as necessary (see Note 3).



REPSOL YPF, S.A. AND INVESTEES COMPRISING THE REPSOL YPF GROUP
Consolidated Balance Sheets at December 31, 2009 and 2008

LIABILITIES AND EQUITY	Millions of euros	
	Note	(*)
	12/31/2009	12/31/2008
EQUITY		
Share capital	1,221	1,221
Share premium	6,428	6,428
Reserves	247	247
Treasury shares	-	(241)
Retained earnings	12,619	11,427
Profit attributable to the equity holders of the parent	1,559	2,555
Dividends	(519)	(634)
EQUITY	15	21,555
Financial assets available for sale	2	(7)
Hedge transactions	(120)	(150)
Translation differences	(1,486)	(1,012)
ADJUSTMENTS FOR CHANGES IN VALUE	15	(1,604)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	15	19,951
MINORITY INTERESTS	15	1,440
TOTAL EQUITY		21,391
Grants	22	124
Non-current provisions for contingencies and expenses	20-21	3,097
Non-current financial liabilities	17	15,411
a) Bank borrowings, bonds and other securities		15,268
b) Other financial liabilities		143
Deferred tax liabilities	25	3,395
Other non-current liabilities	22-23	2,672
NON-CURRENT LIABILITIES		24,699
Liabilities related to non-current assets held for sale	12	185
Current provisions	20-21	282
Current financial liabilities:	17	3,499
a) Bank borrowings, bonds and other securities		3,433
b) Other financial liabilities		66
Trade payables and other payables:		8,027
a) Trade payables	24	3,491
b) Other payables	24	4,127
c) Income tax liabilities	24	409
CURRENT LIABILITIES		11,993
TOTAL EQUITY AND LIABILITIES		58,083
		49,064

Notes 1 to 39 are an integral part of these consolidated balance sheets.

(*) To facilitate comparison with 2009, the 2008 figures included in the 2008 consolidated financial statements have been amended as necessary (see Note 3).



REPSOL YPF, S.A. AND INVESTEEES COMPRISING THE REPSOL YPF GROUP
Consolidated Income Statements for the years ended December 31, 2009 and 2008

	Millions of euros		
	Note	12/31/2009	12/31/2008 ^(*)
Sales		45,827	58,475
Services rendered and other income		1,450	1,893
Changes in inventories of finished goods and work in progress inventories		94	(274)
Income from reversal of impairment losses and gains on disposal of non-current assets		371	183
Allocation of subsidies on non-financial assets and other subsidies	22	16	18
Other operating income		1,274	1,416
OPERATING REVENUE	27	49,032	61,711
Supplies		(31,433)	(41,395)
Personnel expenses		(2,087)	(2,023)
Other operating expenses		(8,503)	(10,023)
Depreciation and amortisation of non-current assets		(3,620)	(3,115)
Impairment losses recognised and losses on disposal of non-current assets		(145)	(135)
OPERATING EXPENSES	27	(45,788)	(56,691)
OPERATING INCOME		3,244	5,020
Finance income		173	230
Finance expenses		(1,012)	(805)
Changes in the fair value of financial instruments		192	(22)
Net exchange gains/(losses)		148	53
Impairment and gains / (losses) on disposal of financial instruments		31	-
FINANCIAL RESULT	28	(468)	(544)
NET INCOME BEFORE TAX AND SHARE OF RESULTS OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD		2,776	4,476
Income Tax	25	(1,130)	(1,861)
Share of results of companies accounted for using the equity method	11	86	66
Net income for the year from continuing operations		1,732	2,681
Net income for the year from discontinued operations		12	-
CONSOLIDATED NET INCOME FOR THE YEAR		1,744	2,681
Net income attributable to minority interests		(185)	(126)
NET INCOME ATTRIBUTABLE TO THE PARENT		1,559	2,555

Notes 1 to 39 are an integral part of these consolidated income statements.

(*) To facilitate comparison with 2009, the 2008 figures included in the 2008 consolidated financial statements have been amended as necessary (see Note 3).



REPSOL YPF, S.A: AND INVESTEES COMPRISING THE REPSOL YPF GROUP
Consolidated Balance Sheets at December 31, 2010 and 2009

ASSETS	Note	Millions of euros	
		12/31/2010	12/31/2009
Intangible Assets:		7,453	6,818
a) Goodwill	5	4,617	4,733
b) Other intangible assets	6	2,836	2,085
Property, plant and equipment	7	33,585	31,900
Investment property	8	26	35
Investments accounted for using the equity method	10	585	531
Non-current financial assets	12	1,789	1,732
Deferred tax assets	24	1,993	2,021
Other non-current assets	12	322	273
NON-CURRENT ASSETS		45,753	43,310
Non current assets held for sale	11	340	746
Inventories	13	5,837	4,233
Trade and other receivables		8,569	6,773
a) Trade receivables	14	5,795	4,644
b) Other receivables	14	2,405	1,909
c) Income tax assets		369	220
Other current financial assets	12	684	713
Cash and cash equivalents	12	6,448	2,308
CURRENT ASSETS		21,878	14,773
TOTAL ASSETS		67,631	58,083

Notes 1 to 38 are an integral part of these consolidated balance sheets.



REPSOL YPF; S.A: AND INVESTEEES COMPRISING THE REPSOL YPF GROUP
Consolidated Balance Sheets at December 31, 2010 and 2009

LIABILITIES AND EQUITY	Note	Millions of euros	
		12/31/2010	12/31/2009
EQUITY			
Issued Share capital		1,221	1,221
Share premium		6,428	6,428
Reserves		247	247
Retained earnings		13,309	12,619
Profit attributable to the equity holders of the parent		4,693	1,559
Dividends		(641)	(519)
EQUITY	15	25,257	21,555
Financial assets available for sale		6	2
Hedge transactions		(131)	(120)
Translation differences		(992)	(1,486)
ADJUSTMENTS FOR CHANGES IN VALUE	15	(1,117)	(1,604)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	15	24,140	19,951
MINORITY INTERESTS	15	1,846	1,440
TOTAL EQUITY		25,986	21,391
Grants	16	110	124
Non-current provisions for contingencies and expenses	17	3,772	3,097
Non-current financial liabilities	19	14,940	15,411
a) Bank borrowings, bonds and other securities		14,805	15,268
b) Other financial liabilities		135	143
Deferred tax liabilities	24	3,387	3,395
Other non-current liabilities	22	3,663	2,672
NON-CURRENT LIABILITIES		25,872	24,699
Liabilities related to non-current assets held for sale	11	153	185
Current provisions	17	404	282
Current financial liabilities:	19	4,362	3,499
a) Bank borrowings, bonds and other securities		4,224	3,433
b) Other financial liabilities		138	66
Trade payables and other payables:		10,854	8,027
a) Trade payables	23	4,539	3,491
b) Other payables	23	5,550	4,127
c) Income tax liabilities	23	765	409
CURRENT LIABILITIES		15,773	11,993
TOTAL EQUITY AND LIABILITIES		67,631	58,083

Notes 1 to 38 are an integral part of these consolidated balance sheets.



REPSOL YPF, S.A. AND INVESTEEES COMPRISING THE REPSOL YPF GROUP
Consolidated Income Statements for the years ended December 31, 2010 and 2009

	Note	Millions of euros	
		12/31/2010 Amount	12/31/2009 Amount
Sales		53,663	45,827
Services rendered and other income		1,872	1,450
Changes in inventories of finished goods and work in progress inventories		517	94
Income from reversal of impairment losses and gains on disposal of non-current assets		3,188	371
Allocation of grants on non-financial assets and other grants	16	15	16
Other operating income		1,175	1,274
OPERATING REVENUE	26	60,430	49,032
Supplies		(36,184)	(31,433)
Personnel expenses		(2,411)	(2,087)
Other operating expenses		(9,916)	(8,503)
Depreciation and amortisation of non-current assets		(3,947)	(3,620)
Impairment losses recognised and losses on disposal of non-current assets		(351)	(145)
OPERATING EXPENSES	26	(52,809)	(45,788)
OPERATING INCOME		7,621	3,244
Finance income		159	173
Finance expenses		(1,086)	(1,012)
Changes in the fair value of financial instruments		(255)	192
Net exchange gains/ (losses)		173	148
Impairment and gains/ (losses) on disposal of financial instruments		1	31
FINANCIAL RESULT	27	(1,008)	(468)
NET INCOME BEFORE TAX AND SHARE OF RESULTS OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD		6,613	2,776
Income Tax	24	(1,742)	(1,130)
Share of results of companies accounted for using the equity method	10	76	86
Net income for the year from continuing operations		4,947	1,732
Net income for the year from discontinued operations		-	12
CONSOLIDATED NET INCOME FOR THE YEAR		4,947	1,744
Net income attributable to minority interests		(254)	(185)
NET INCOME ATTRIBUTABLE TO THE PARENT		4,693	1,559
EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT			
Basic (euros)	15	3.84	1.29
Diluted (euros)		3.84	1.29

Notes 1 to 38 are an integral part of these consolidated income statements.



REPSOL YPF, S.A : AND INVESTEEES COMPRISING THE REPSOL YPF GROUP
Consolidated Balance Sheets at December 31, 2011 and 2010

ASSETS	Note	Millions of euros	
		12/31/2011	12/31/2010
Intangible Assets:		7,783	7,453
a) Goodwill	5	4,645	4,617
b) Other intangible assets	6	3,138	2,836
Property, plant and equipment	7	36,759	33,585
Investment property	8	24	26
Investments accounted for using the equity method	10	699	585
Non-current financial assets	12	2,450	1,789
Deferred tax assets	24	2,569	1,993
Other non-current assets	12	344	322
NON-CURRENT ASSETS		50,628	45,753
Non current assets held for sale	11	258	340
Inventories	13	7,278	5,837
Trade and other receivables		9,222	8,398
a) Trade receivables	14	6,555	5,795
b) Other receivables	14	2,147	2,234
c) Income tax assets	14	520	369
Other current assets	12	220	171
Other current financial assets	12	674	684
Cash and cash equivalents	12	2,677	6,448
CURRENT ASSETS		20,329	21,878
TOTAL ASSETS		70,957	67,631

Notes 1 to 38 are an integral part of these consolidated balance sheets.

REPSOL YPF, S.A : AND INVESTEES COMPRISING THE REPSOL YPF GROUP
Consolidated Balance Sheets at December 31, 2011 and 2010

LIABILITIES AND EQUITY	Note	Millions of euros	
		12/31/2011	12/31/2010
Issued share capital		1,221	1,221
Share premium		6,428	6,428
Reserves		247	247
Treasury shares and own equity investments		(2,572)	-
Retained earnings and other reserves		17,186	13,309
Profit attributable to the equity holders of the parent		2,193	4,693
Dividends		(635)	(641)
EQUITY	15	24,068	25,257
Financial assets available for sale		(4)	6
Hedge transactions		(181)	(131)
Translation differences		(345)	(992)
ADJUSTMENTS FOR CHANGES IN VALUE	15	(530)	(1,117)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	15	23,538	24,140
MINORITY INTERESTS	15	3,505	1,846
TOTAL EQUITY		27,043	25,986
Grants	16	118	110
Non-current provisions for contingencies and expenses	17	3,826	3,772
Non-current financial liabilities	19	15,345	14,940
a) Bank borrowings, bonds and other securities		15,137	14,805
b) Other financial liabilities		208	135
Deferred tax liabilities	24	3,839	3,387
Other non-current liabilities	22	3,682	3,663
NON-CURRENT LIABILITIES		26,810	25,872
Liabilities related to non-current assets held for sale	11	32	153
Current provisions	17	452	404
Current financial liabilities:	19	4,985	4,362
a) Bank borrowings, bonds and other securities		4,902	4,224
b) Other financial liabilities		83	138
Trade payables and other payables:		11,635	10,854
a) Trade payables	23	4,757	4,539
b) Other payables	23	6,522	5,550
c) Income tax liabilities	23	356	765
CURRENT LIABILITIES		17,104	15,773
TOTAL EQUITY AND LIABILITIES		70,957	67,631

Notes 1 to 38 are an integral part of these consolidated balance sheets.

REPSOL YPF, S.A. AND INVESTEEES COMPRISING THE REPSOL YPF GROUP
Consolidated Income Statements for the years ended December 31, 2011 and 2010

	Note	Millions of euros	
		12/31/2011	12/31/2010
		Amount	Amount
Sales		60,122	53,663
Services rendered and other income		1,380	1,872
Changes in inventories of finished goods and work in progress inventories		1,004	517
Income from reversal of impairment losses and gains on disposal of non-current assets		208	3,188
Allocation of grants on non-financial assets and other grants	16	17	15
Other operating income		1,001	1,175
OPERATING REVENUE	26	63,732	60,430
Supplies		(42,904)	(36,184)
Personnel expenses		(2,579)	(2,411)
Other operating expenses		(9,740)	(9,916)
Depreciation and amortization of non-current assets		(3,519)	(3,947)
Impairment losses recognised and losses on disposal of non-current assets		(185)	(351)
OPERATING EXPENSES	26	(58,927)	(52,809)
OPERATING INCOME		4,805	7,621
Finance income		261	159
Finance expenses		(1,035)	(1,086)
Changes in the fair value of financial instruments		76	(255)
Net exchange gains/ (losses)		(125)	173
Impairment and gains/ (losses) on disposal of financial instruments		1	1
FINANCIAL RESULT	27	(822)	(1,008)
Share of results of companies accounted for using the equity method - net of taxes	10	75	76
NET INCOME BEFORE TAX		4,058	6,689
Income tax	24	(1,514)	(1,742)
CONSOLIDATED NET INCOME FOR THE YEAR		2,544	4,947
Net income attributable to minority interests		(351)	(254)
NET INCOME ATTRIBUTABLE TO THE PARENT		2,193	4,693
EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT			
Basic (euros)	15	1.80	3.84
Diluted (euros)		1.80	3.84

Notes 1 to 38 are an integral part of these consolidated income statements

REPSOL, S.A. AND INVESTEEES COMPRISING THE REPSOL GROUP
Consolidated balance sheet at December 31, 2012 and 2011

ASSETS	Note	Millions of euros	
		12/31/2012	12/31/2011
Intangible Assets:		5,514	7,783
a) Goodwill	6	2,678	4,645
b) Other intangible assets	7	2,836	3,138
Property, plant and equipment	8	28,227	36,759
Investment property	9	25	24
Investment accounted for using the equity method	11	737	699
Non-current assets held for sale subject to expropriation	5	5,392	-
Non-current financial assets	13	1,313	2,450
Deferred tax assets	25	3,310	2,569
Other non-current assets	13	242	344
NON-CURRENT ASSETS		44,760	50,628
Non current assets held for sale	12	340	258
Inventories	14	5,501	7,278
Trade and other receivables		7,781	9,222
a) Trade receivables	15	6,081	6,555
b) Other receivables	15	1,284	2,147
c) Income tax assets	15	416	520
Other current assets		221	220
Other current financial assets	13	415	674
Cash and cash equivalents	13	5,903	2,677
CURRENT ASSETS		20,161	20,329
TOTAL ASSETS		64,921	70,957

Notes 1 to 39 are an integral part of this consolidated balance sheet.



REPSOL, S.A. AND INVESTEEES COMPRISING THE REPSOL GROUP
Consolidated balance sheet at December 31, 2012 and 2011

LIABILITIES AND EQUITY	Note	Millions of euros	
		12/31/2012	12/31/2011
Issued share capital		1,282	1,221
Share premium		6,428	6,428
Reserves		247	247
Treasury shares and own equity investments		(1,245)	(2,572)
Retained earnings and other reserves		18,465	17,186
Profit attributable to the equity holders of the parent		2,060	2,193
Dividends and remunerations		(184)	(635)
EQUITY	16	27,053	24,068
Financial assets available for sale		42	(4)
Other financial instruments		15	-
Hedge transactions		(210)	(181)
Translation differences		(198)	(345)
ADJUSTMENTS FOR CHANGES IN VALUE	16	(351)	(530)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	16	26,702	23,538
MINORITY INTERESTS	16	770	3,505
TOTAL EQUITY		27,472	27,043
Grants	17	61	118
Non-current provisions	18	2,258	3,826
Non-current financial liabilities	20	15,300	15,345
a) Bank borrowings, bonds and other securities		15,073	15,137
b) Other financial liabilities		227	208
Deferred tax liabilities	25	3,063	3,839
Other non-current liabilities	23	3,457	3,682
NON-CURRENT LIABILITIES		24,139	26,810
Liabilities related to non-current assets held for sale	12	27	32
Current provisions	18	291	452
Current financial liabilities:	20	3,790	4,985
a) Bank borrowings, bonds and other securities		3,721	4,902
b) Other financial liabilities		69	83
Trade payables and other payables:		9,202	11,635
a) Trade payables	24	4,376	4,757
b) Other payables	24	4,507	6,522
c) Non-current income tax liabilities	24	319	356
CURRENT LIABILITIES		13,310	17,104
TOTAL EQUITY AND LIABILITIES		64,921	70,957

Notes 1 to 39 are an integral part of this consolidated balance sheet



REPSOL, S.A. AND INVESTEEES COMPRISING THE REPSOL GROUP
Consolidated income statement for the years ended December 31, 2012 and 2011

	Note	Millions of euros	
		12/31/2012	12/31/2011 ⁽¹⁾
Sales		57,193	49,994
Services rendered and other income		1,731	909
Changes in inventories of finished goods and work in progress inventories		(389)	711
Income from reversal of impairment losses and gains on disposal of non-current assets		273	206
Allocation of grants on non-financial assets and other grants	17	13	17
Other operating income		772	800
OPERATING REVENUE	27	59,593	52,637
Supplies		(44,471)	(39,607)
Personnel expenses		(1,977)	(1,809)
Other operating expenses		(6,128)	(5,421)
Depreciation and amortization of non-current assets		(2,587)	(2,069)
Impairment losses recognised and losses on disposal of non-current assets		(144)	(182)
OPERATING EXPENSES	27	(55,307)	(49,088)
OPERATING INCOME		4,286	3,549
Finance income		128	166
Finance expenses		(994)	(871)
Changes in the fair value of financial instruments		26	150
Net exchange gains/ (losses)		11	(308)
Impairment and gains/(losses) on disposal of financial instruments		(28)	1
FINANCIAL RESULT	28	(857)	(862)
Share of results of companies accounted for using the equity method-net of tax	11	117	72
NET INCOME BEFORE TAX		3,546	2,759
Income tax	25	(1,581)	(991)
Net income for the period from continuing operations		1,965	1,768
Net income for the period from continuing operations attributable to minority interests		(75)	(111)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE PARENT		1,890	1,657
Net income for the period from discontinued operations after taxes	5	279	776
Net income for the period from discontinued operations attributable to minority interests	5	(109)	(240)
NET INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO THE PARENT	5	170	536
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT		2,060	2,193
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		Euros / share	Euros / share ⁽²⁾
Basic	16	1.70	1.72
Diluted	16	1.70	1.72

(1) Includes the necessary modifications with respect to the consolidated financial statements for the year 2011 in connection with the expropriation process of YPF S.A. and YPF Gas S.A. shares in accordance with the contents of Note 3.3 "Comparison of information".

(2) Includes the necessary modifications with respect to the consolidated financial statements for the year 2011 in connection with the capital increase carried out as part as the compensation scheme known as the "Flexible Repsol dividend" described in Note 16.1, and according with the contents of Note 3.3 "Comparison of information".

Notes 1 to 39 are an integral part of these consolidated income statements





MINUTE Page 1/2

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130228

DATE: 28/02/2013

AGENDA

We have chosen Banco Santander. Today, we have been getting familiar with the website. We have made a very general search of the main concepts of Banco Santander.

Moreover, we have done the Gantt.

We have agreed that the next meeting will be 8/03/2013.

Summary: (Things to do today)

- Get used to use (familiarize) with the page web. Where are the principal contents in the web.
- Analyze the principal contents and do the index.
- Carrying out Gantt

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc

We have ACCOMPLISHED all the points.

PRESENTATION

18 APRIL 2012

Rev: 1.0

FOLLOW AND CONTROL

H.1

DATE



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130308

DATE: 8/03/2013

AGENDA

We have changed the company because in the Amadeus session they told us that the information of the banks weren't available.

Today, we have been getting familiar with the website. We have made a very general search of the main concepts of Repsol. After reading over the concepts, we have been doing the index based on the main content of the website. Then, we have verified with the teacher that the index it is good and then we have divided the index points between the three people that we are in the group. We consider to do individually the first, second and third points of the index.

We had already done the Gantt of Banco Santander but today we have modified the Gantt adapting it to Repsol.

We have agreed that the next meeting will be 12/03/2013.

Summary: (Things to do today)

- Get used to use (familiarize) with the page web. Where are the principal contents in the web.
- Analyze the principal contents and do the index.
- Ask to the teacher if we have done well the index
- Divide the points of index among three components of the group (points: 1,2,3)
- Modification of the Gantt.

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc

1. Get used to use (familiarize) with the page web.
 2. Where are the principal contents in the web.
 3. Analyze the principal contents and do the index.
 4. Ask to the teacher if we have done well the index
 5. Divide the points of index among three components of the group (points: 1,2,3) —————> APPROVED
 6. Modification of the Gantt. —————> REVISED
- } ACCOMPLISHED



PRESENTATION

SC ABRIL 2012

Rev: 1.0

FOLLOW AND CONTROL

We have seen that all the points mention we accomplished quite well, but maybe the points have to be revised another time when we finish all the work.

H.1

DATE



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130312

DATE: 12/03/2013

AGENDA

Today, we have put in common all the information that we have been writing during these four days (point 1,2,3). We have discussed the approach of the point three. Moreover,we consider to do individually the four and fifth points of the index.

Finally, we have done the most important point the conclusions.

We have agreed that the next meeting will be 15/03/2013.

Summary: (Things to do today)

- Put in common the information
- Discuss some things
- Divide the points of index among three components of the group (points: 4,5)
- Carry out the conclusions

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc

1. Put in common the information → REVISED
2. Discuss some things → APPROVED
3. Divide the points of index among three components of the group (points: 4,5) → APPROVED
4. Carry out the conclusions → REVISED



PRESENTATION

18 ABRIL 2012

Rev: 1.0

FOLLOW AND CONTROL

We have accomplished everything except the point 3.3 in the part of Corporate Areas that by the time has not been finished.

H.1

DATE



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130315

DATE: 15/03/2013

AGENDA

Today, first of all we have put in common all the information that we have been writing during these three days.

We have done the power point and we have divided the points that we are going to explain in the presentation.

We have agreed that the next meeting will be 17/03/2013.

Summary: (Things to do today)

- Put in common the information
- Elaboration of power point
- Division points of the presentation

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc

1. Put in common the information → REVISED
2. Elaboration of power point → APROVED
3. Division points of the presentation → APROVED



PRESENTATION

18 ABRIL 2012

Rev: 1.0

FOLLOW AND CONTROL

We have accomplished all but we think that everything have to be revised another time to do it perfect.

H.1

DATE



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130317

DATE: 17/03/2013

AGENDA

First of all, we have changed some aspects of the power point. Also, we have elaborated bibliography. We have printed the “minute doc” and the power point. Finally, we have realized the presentation

The duration of the last meeting has been more or less three hours.

Summary: (Things to do today)

- Modification of the power point
- Realization of the bibliography
- Print the documents
- Rehearse the presentation

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc

1. Modification of the power point → APROVED
2. Realization of the bibliography → APROVED
3. Print the documents → APROVED
4. Rehearse the presentation → REVISED



PRESENTATION

18 ABRIL 2012

Rev: 1.0

FOLLOW AND CONTROL

We accomplished all the statements.

H.1

DATE



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130411

DATE: 11/4/2013

AGENDA

Today we have met to distribute the work related with the analysis of the balance sheet and the ratios. We analysed every point to do exactly the same. Explain each ratio, put the formula and do a graph that shows the evolution of the ratios and the optimal values more clear.

We have agreed that the next meeting will be 18/04/2013.

Summary: (Things to do today)

- Analyse each ratio
- Analysis of the balance sheet

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc

We have ACCOMPLISHED all the points.



PRESENTATION

11 APRIL 2013

Rev: 1.0

FOLLOW AND CONTROL

H.1

DATE



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130418

DATE: 18/04/2013

AGENDA

Today we have done the comparison of the shares of Repsol with the different indexes where Repsol quote in. Also we create an indicator that shows the company in long term, medium term and short term. With these we analysed the changes in the trend.

Summary: (Things to do today)

- Comparison of Repsol shares with indexes
- Indicators in long, medium and short term

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc



PRESENTATION

18 ABRIL 2013

Rev: 1.0

FOLLOW AND CONTROL

H.1

DATE



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130428

DATE: 28/04/2013

AGENDA

We have met to put in common all the work. Every member of the group have done his part so we can analyse it in detail and correct some imperfections that we have found. Finally we summarized it and created the presentation power point.

Summary: (Things to do today)

- Put the work in common
- Create the power point

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

28 ABRIL 2012

Rev: 1.0

FOLLOW AND CONTROL

H.1

DATE



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130514

DATE: 14/5/2013

AGENDA

During the last two days in class we have analysed the variation of the profitability when has more debt. And also the different types of companies that could be hidden champions, massive production and brand champions. So we analysed which type of company Repsol is.

Summary: (Things to do today)

- Repsol as a massive production

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc



PRESENTATION

21 MAY 2013

Rev: 1.0

FOLLOW AND CONTROL

H.1



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130515

DATE: 17/5/2013

AGENDA

Today we have finished calculating the ROE, ROE before taxes and the ROA ratio. We analysed each one and how have changed during the last four years in Repsol. Also we have compared the Margin, turnover and leverage ratio and the ROE with the companies that our classmates have chosen. In this comparison we looked for the mean value and the minimum and the maximum value and located Repsol and the other company more similar which is Iberdrola.

Summary: (Things to do today)

- ROE, ROEbf, ROA
- Comparison between companie

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc



PRESENTATION

17 MAY 2013

Rev: 1.0

FOLLOW AND CONTROL

H.1



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130521

DATE: 21/5/2013

AGENDA

Today we have analysed the value-added of Repsol and the salaries ratio. Also we have revised the points that we had done from ROE, ROA and ROE before taxes and we noticed that we have some doubts when we have computed them. We have arranged a meeting with our teacher for tomorrow to ask him the questions we have. Also we have decided when we will meet again to change the doubts and finish the computations of "j" and "g".

Summary: (Things to do today)

- Value-added
- Salaries ratio
- Revise ROE, ROEbt, ROA

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc



PRESENTATION

21 MAY 2013

Rev: 1.0

FOLLOW AND CONTROL

H.1



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130422

DATE: 22/5/2013

AGENDA

Today we met our professor and he answered the doubts we had. So we realized that we had done the ROA incorrectly and after the meeting we changed it. Also he explained us how we have to interpret the value-added so we analysed it better another time. Moreover, we finished the computations and analysis of the bank sensibility and the growth of dividends.

Summary: (Things to do today)

- Correction ROA
- Interpretation value-added
- Computations “j” and “g”

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc



PRESENTATION

22 MAY 2013

Rev: 1.0

FOLLOW AND CONTROL

H.1



MINUTE Page 1/3

PROGRAM

EUS anglès 2012 – 2013

NAME

PRESENTACION

MEETING CODE Minute meeting 20130525

DATE: 25/5/2013

AGENDA

Today we revised the last things of our work and we have done the presentation of Repsol that we have to expose on Monday at class. We decided which parts have to present each one. Moreover, we helped each other in the way we have to present the profitability of Repsol with clear ideas.

Summary: (Things to do today)

- Power point presentation
- Review all the work

ATTENDEES LIST

Desvalls Moreno, Miriam

Garcia Nogués, Gloria

Pujol Pujol, Sergi



PRESENTATION

Document

NUM. Doc



PRESENTATION

25 MAY 2013

Rev: 1.0

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H.1