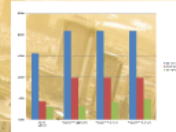


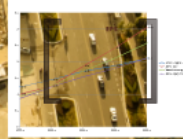
Repsol - YPF

CONTENT

1. Background Report
2. YPF
3. Decision to acquire
4. Terms of Payments: "1" and "2"
5. Scenario Analysis: Financing Alternatives
6. Letter to the Board of Directors



Template by Missing Link
Images from Shutterstock.com



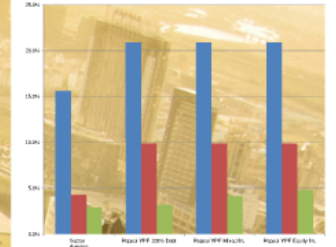
Repsol - YPF

CONTENT

1. Background
Repsol
YPF
2. Decision to acquire
3. Forms of Payments: "+" and "-"
4. Scenario Analysis: Financing Alternatives
5. Letter to the Board of Directors

SYNERGY VALUE

Repsol	2015	2016	2017
YPF	2015	2016	2017
Repsol YPF (2015-2017)	2015	2016	2017
Repsol YPF (2015-2017)	2015	2016	2017



THANK YOU



CONTENT

- 1. Background
Repsol
YPF**
- 2. Decision to acquire**
- 3. Forms of Payments: “+” and “-”**
- 4. Scenario Analysis: Financing Alternatives**
- 5. Letter to the Board of Directors**



BACKGROUND

Repsol

- **Dominant Oil and Gas Company, Spain**
- **1.1 billion barrels in reserves**
- **Was founded in 1987**
- **Operates in 26 countries**

YPF

**Dominant Oil Company,
Argentina
3.1 billion barrels in reserves
Was founded in 1922**

An aerial photograph of a city street, showing a road sign on the left and a large building on the right. The image is framed by a dark, L-shaped border in the top-left and bottom-right corners.

ACQUISITION

- **International expansion**
- **Expansion of reserves**
- **Diversification: gas/power**
- **Competition**
- **Economies of scale**



ENVIRONMENT

- M&A boom
- Volatility of Oil Prices
- Developing country
- “Golden Share”

BACKGROUND

pany,
reserves

ACQUISITION

- **First Step: Planning the tender offer**
Acquire 85% of YPF's equity (\$44.78 per YPF share)
- **Second Step: Forms of Payment**
Cash vs. Stock-to-Stock
- **Third Step: Financing Alternatives**
 - 100% Debt
 - Mixed: 55.5% Equity and 44.5% Debt
 - 100% Equity

An aerial photograph of a city with a grid of streets and buildings, viewed from a high angle. Several birds, possibly swallows, are in flight over the city. The image has a warm, golden-brown color palette. A dark grey frame is overlaid on the image, containing text.

Payment

Cash vs. Stock-to-Stock

Repsol

YPF

Current bylaws

Fixed price

Full control

Repsol's stock

Hard to finance

Risk