

# FUNDING STRATEGY

MAY 28 2009



# MAINTAIN A STRONG CAPITAL STRUCTURE AND CONTINUE EXECUTING TRANSFORMATIONAL PROJECTS

	<b>DECISIONS TAKEN</b>	<b>IMPACT 2009-13</b>
<b>CAPEX</b>	▪ Rescheduling/redefining some projects, mainly in Refining & Marketing and Biodiesel businesses	€200 Mln
	▪ Cancellation of some acquisitions in the Gas downstream business	€100 Mln
	▪ Share CCGT with partner and funding CCGT and Wind projects through a project finance scheme	€600 Mln
<b>OPEX</b>	▪ Cost efficiency program	€125 Mln



# MAINTAIN A STRONG CAPITAL STRUCTURE AND CONTINUE EXECUTING TRANSFORMATIONAL PROJECTS (CONT.)

## DECISIONS TAKEN

## IMPACT 2009-13

### SHAREHOLDERS

- Revise dividend policy to €0.20 per share

€500 Mln

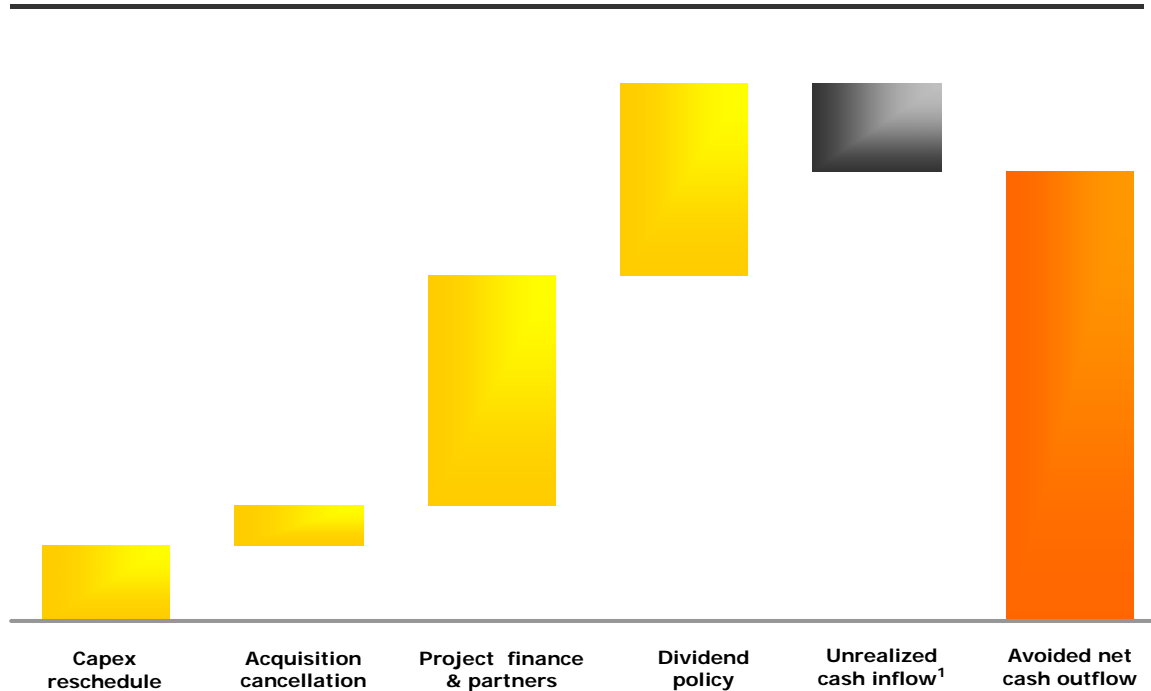
### ADDITIONAL FLEXIBILITY

- Create a legal entity in the natural gas distribution business that will hold and manage all existing regulated assets
- Study a legal structure for the E&P business to optimize tax efficiency and portfolio optimization opportunities



# CASH ALLOCATION PRIORITIZATION TO STICK TO A STRONG CAPITAL STRUCTURE

## AVOIDED NET CASH OUTFLOW (2009-13)

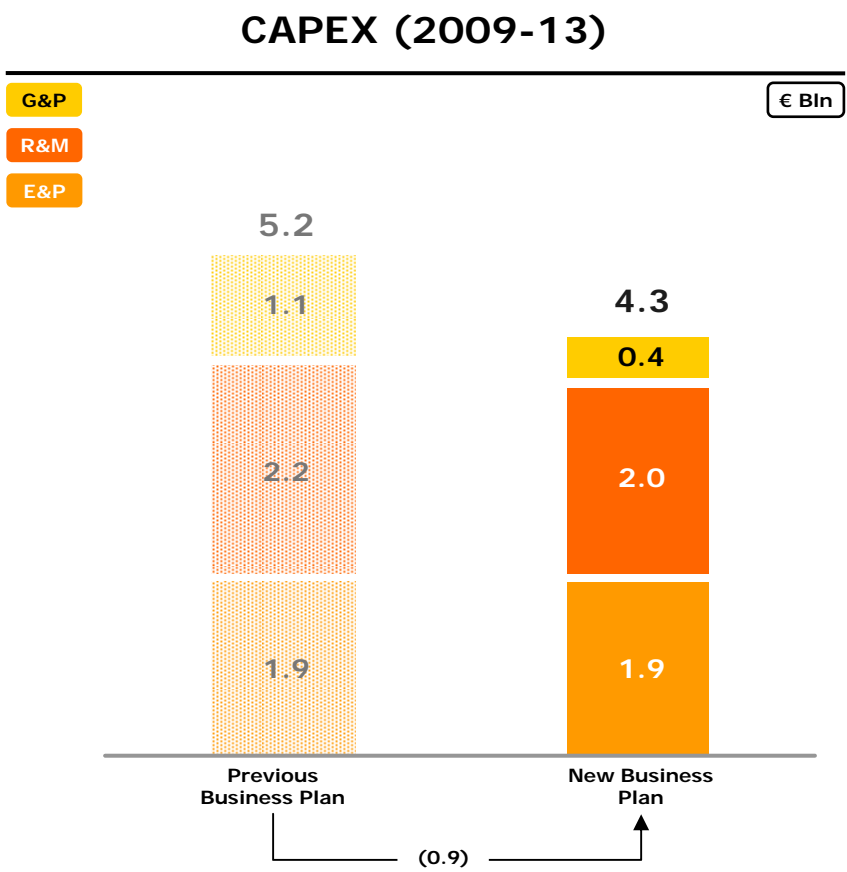


- Capex cut up-front and focused in first 3 years
- New financing scheme through project financing, which significantly improves debt exposure
- Still paying an annual dividend to signal commitment to shareholders

REDUCES NET CASH OUTFLOW OF GALP ENERGIA BY €1.2 BLN



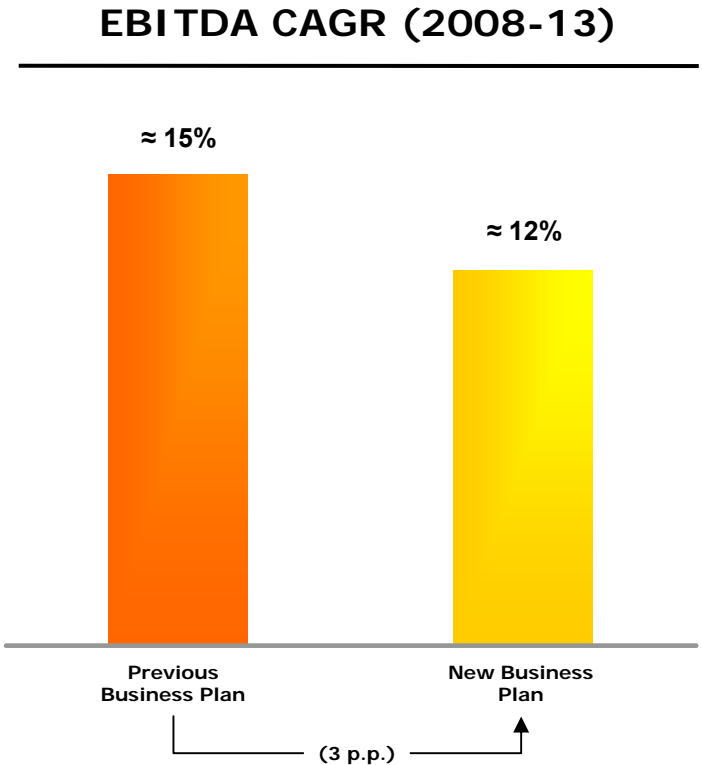
# OPTIMIZATION WILL REDUCE CAPEX BY €0.9 BLN



- All transformational projects being executed
- E&P projects with no changes
- Growth pattern maintained despite capex release of around €0.9 Bln



# DOUBLE DIGIT GROWTH MAINTAINED



- Impact on EBITDA CAGR 2008-13 of around 3 p.p.
- No relevant impact on Net Profit due to equity method consolidation of power projects



# FUNDING IN PLACE TO SUPPORT TRANSFORMATIONAL PROJECTS

## CAPEX

2009 capex below €1 Bln

## LIQUIDITY

Liquidity position of €1.7 Bln <sup>1</sup>

## FUNDING NEEDS

Decisions taken to avoid net cash outflow of €1.2 Bln

## CAPITAL STRUCTURE

Maintain a capital structure in line with investment grade rating

## ADDITIONAL FLEXIBILITY

Natural gas regulated assets monetization or E&P portfolio optimization as potential next steps to be executed

## GROWTH

EBITDA increasing at double digit levels

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# FINANCING STRATEGY

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