

A large oil pumpjack (jackal) is the central focus, its black frame and red counterweight silhouetted against a bright blue sky with scattered white clouds. The pumpjack's long arm extends from the bottom right towards the top center. In the background, another smaller pumpjack is visible on the left, and a range of low mountains stretches across the horizon under a clear sky.

# **YPF**

## **Full Year 2014 Earnings Webcast**

February 27, 2015 Buenos Aires, Argentina

Safe harbor statement under the US Private Securities Litigation Reform Act of 1995.

This document contains statements that YPF believes constitute forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995.

These forward-looking statements may include statements regarding the intent, belief, plans, current expectations or objectives of YPF and its management, including statements with respect to YPF's future financial condition, financial, operating, reserve replacement and other ratios, results of operations, business strategy, geographic concentration, business concentration, production and marketed volumes and reserves, as well as YPF's plans, expectations or objectives with respect to future capital expenditures, investments, expansion and other projects, exploration activities, ownership interests, divestments, cost savings and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond YPF's control or may be difficult to predict.

YPF's actual future financial condition, financial, operating, reserve replacement and other ratios, results of operations, business strategy, geographic concentration, business concentration, production and marketed volumes, reserves, capital expenditures, investments, expansion and other projects, exploration activities, ownership interests, divestments, cost savings and dividend payout policies, as well as actual future economic and other conditions, such as future crude oil and other prices, refining margins and exchange rates, could differ materially from those expressed or implied in any such forward-looking statements. Important factors that could cause such differences include, but are not limited to, oil, gas and other price fluctuations, supply and demand levels, currency fluctuations, exploration, drilling and production results, changes in reserves estimates, success in partnering with third parties, loss of market share, industry competition, environmental risks, physical risks, the risks of doing business in developing countries, legislative, tax, legal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, wars and acts of terrorism, natural disasters, project delays or advancements and lack of approvals, as well as those factors described in the filings made by YPF and its affiliates with the Securities and Exchange Commission, in particular, those described in "Item 3. Key Information—Risk Factors" and "Item 5. Operating and Financial Review and Prospects" in YPF's Annual Report on Form 20-F for the fiscal year ended December 31, 2013 filed with the US Securities and Exchange Commission. In light of the foregoing, the forward-looking statements included in this document may not occur.

Except as required by law, YPF does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.

These materials do not constitute an offer for sale of YPF S.A. bonds, shares or ADRs in the United States or otherwise.

- 1 Highlights 2014**
- 2 Review of Operations
- 3 Financial Results
- 4 Financial Situation
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Increased sales by 6.4% in USD driven by volume and price increase across most products

Increased Adj. EBITDA by 16.8% in USD, Operating Income by 11.0% in USD and operating cash flow by 120% in USD, expanding Adj. EBITDA margin to 29.2%

Upstream production increase of 13.5% to 560.1 KBOE/d

Increased Proven Reserves by 11.9%; RRR was 163%

Continued development of shale and tight opportunities

Executed selected acquisitions that enhance our asset base

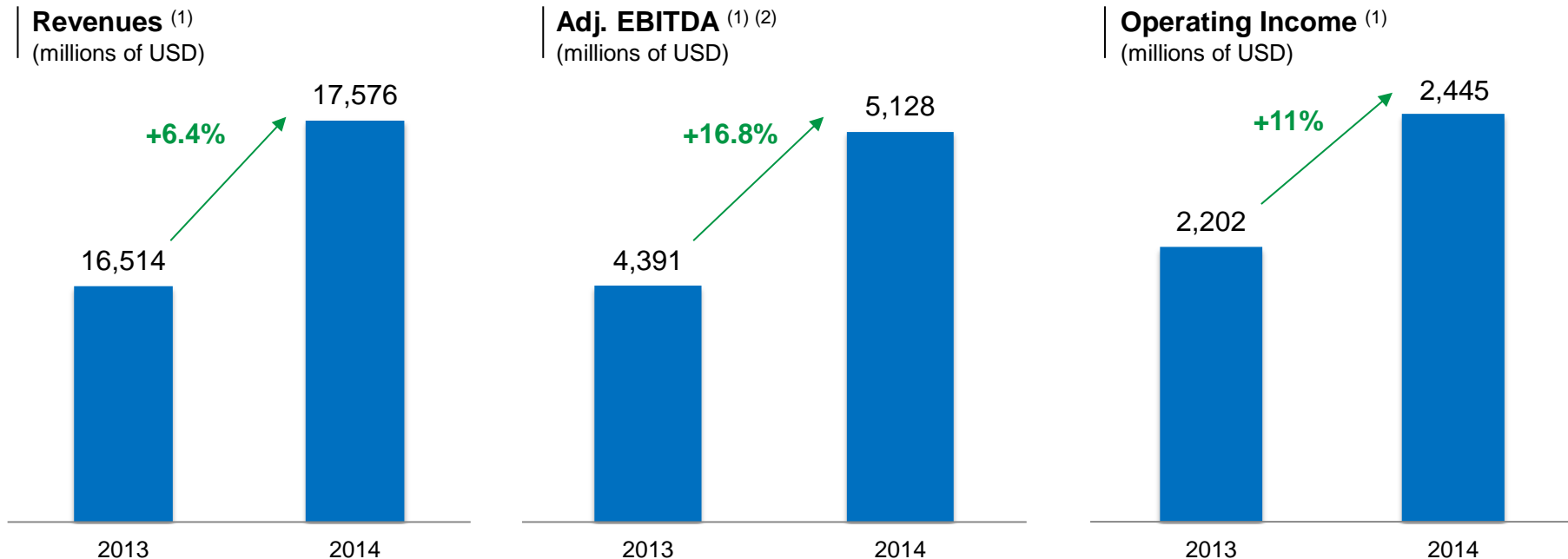
Raised USD 1 billion in the international markets and maintained sound capital structure: Net Debt / EBITDA = 0.9x



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Volume and sales growth resulted in margin expansion.

Adj. EBITDA grew by 17% and operating income by 11% y-o-y.

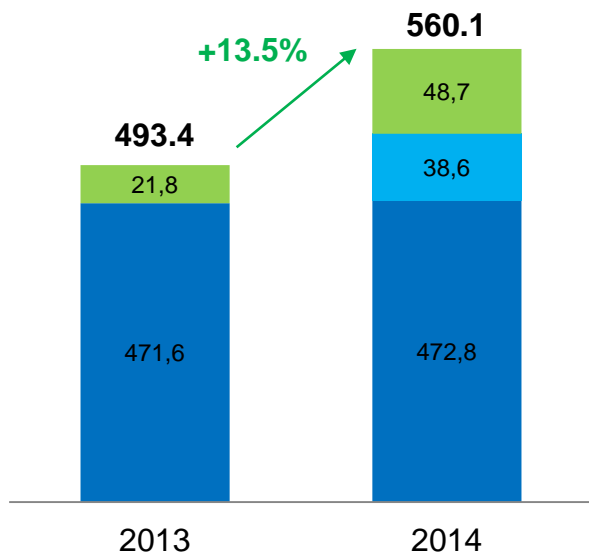


(1) YPF financial statement values in IFRS converted to USD using an average exchange rate of Ps 5.5 and Ps 8.1 to U.S.\$1.00 for 2013 and 2014, respectively.

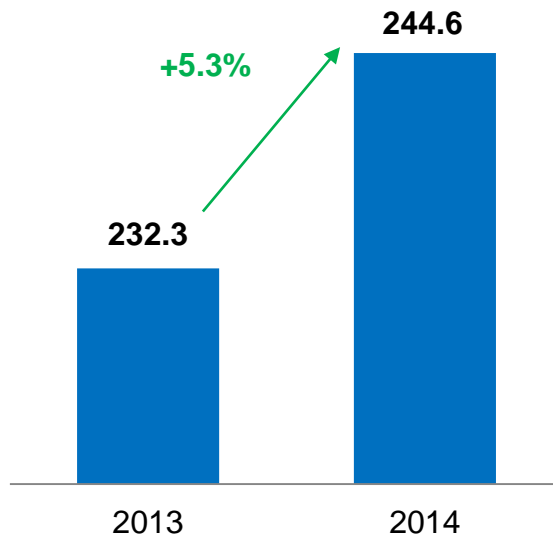
(2) Adjusted EBITDA = Net income attributable to shareholders + Net income (loss) for non-controlling interest - Deferred income tax - Income tax - Financial income (losses) gains on liabilities - Financial income gains (losses) on assets - Income on investments in companies + Depreciation of fixed assets + Amortization of intangible assets + Unproductive exploratory drillings.

Production increase resulting from development of shale + tight, conventional fields and acquisitions.

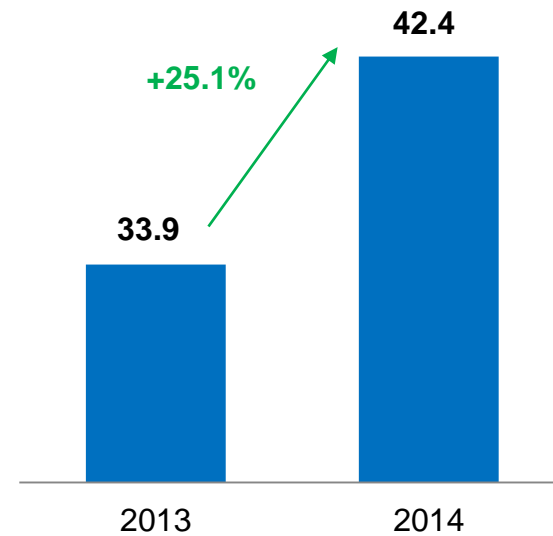
**Total Production (Kboe/d)**



**Crude Oil Production (Kbbl/d)**



**Natural Gas Production (Mm<sup>3</sup>/d)**

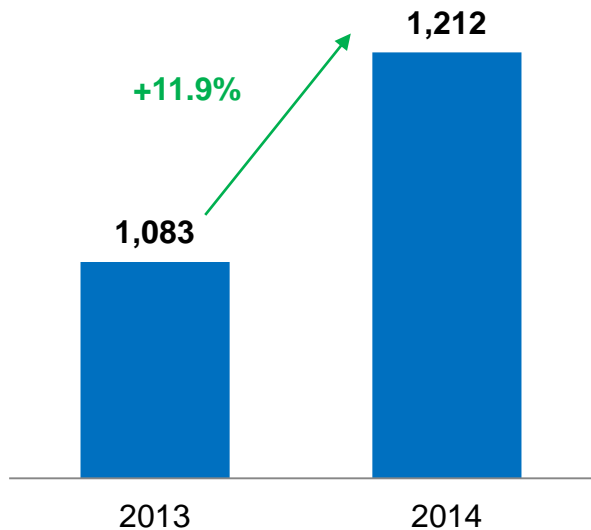


■ Conventional 
 ■ Tight + Shale 
 ■ YSUR

Boosted proved reserves by 11.9%. Solid results coming from secondary recovery projects, tight gas and shale formations, extension of concessions and acquisitions.

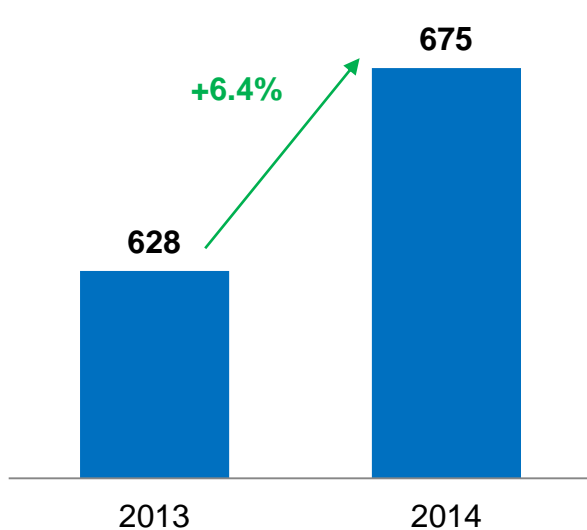
**Total Hydrocarbon (Mboe)**

RRR 163%



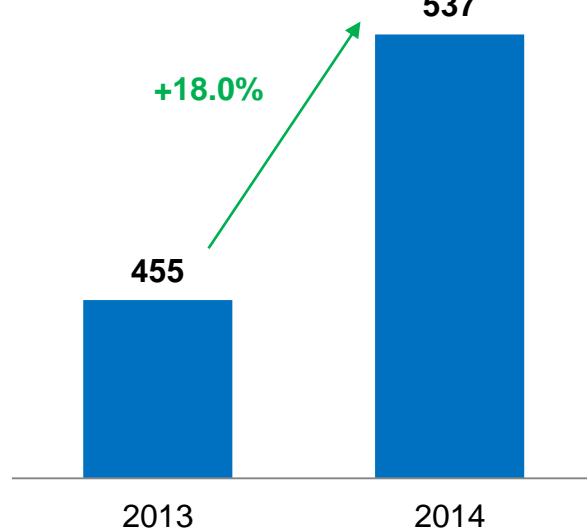
**Liquids (Mbbbl)**

RRR 144%



**Natural Gas (Mboe)**

RRR 184%





# 290

Shale wells in production

# 182

Shale wells drilled in 2014

# 41.2<sup>(1)</sup>

KBOE/D Shale Production

## Loma Campana (Oil)

- Horizontal well sweet spot identified in Loma Campana
- Three distinct horizons evaluated with delineation wells
- 2015 focus shifting to more cost effective horizontal wells

## El Orejano (Gas)

- First operated shale gas pilot started, with positive initial results
- 2015 focus on completing the pilot project with vertical and horizontal wells
- Sufficient gas processing capacity available

(1) January 2015 gross production.

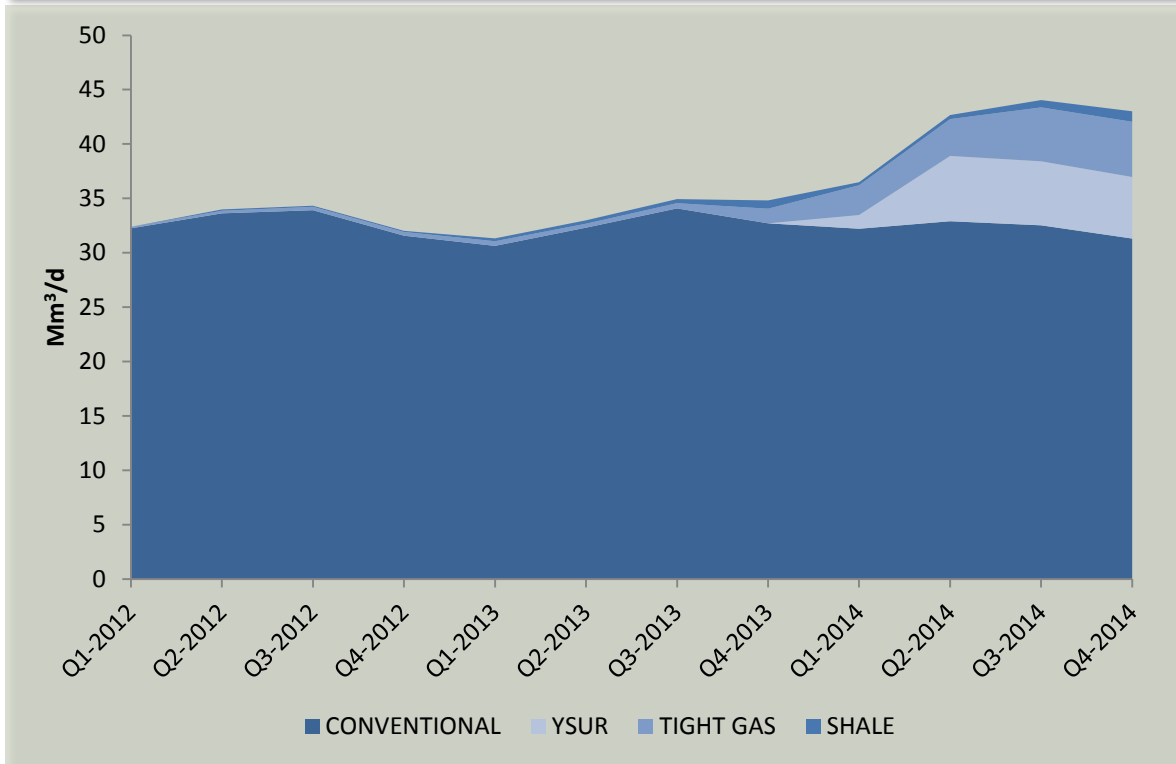
## Ongoing Initiatives

- Increase the extension and number of fractures of horizontal wells.
- Optimize costs by using national sand and new stimulation service contracts.
- Low-cost monobore 3 ½" horizontal wells for areas with low productivity.

## Future Challenges

- Development of the horizontal sweet spot in factory mode, across different horizons.
- Understanding the subsurface to resolve interferences detected between wells.
- Vertical supply chain integration (sand, distribution, etc.).

## Gas production boosted mainly due to YSUR and Tight Gas performance



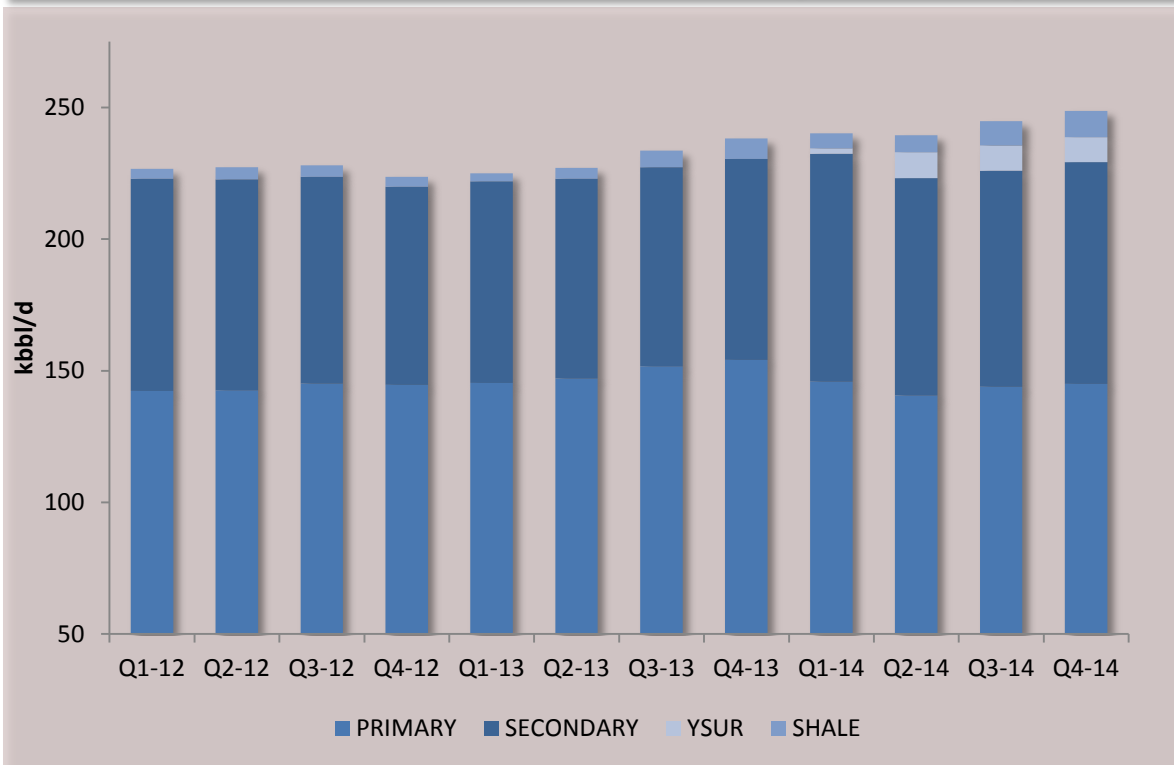
**110**  
Gas wells drilled in 2014

**25%**  
Production Growth Y-o-Y

**42.4**  
Mm<sup>3</sup>/d Gas Production\*

(\*) Includes YSUR, MAXUS and Ramos YEE

## Focus on Secondary Recovery of Mature Fields



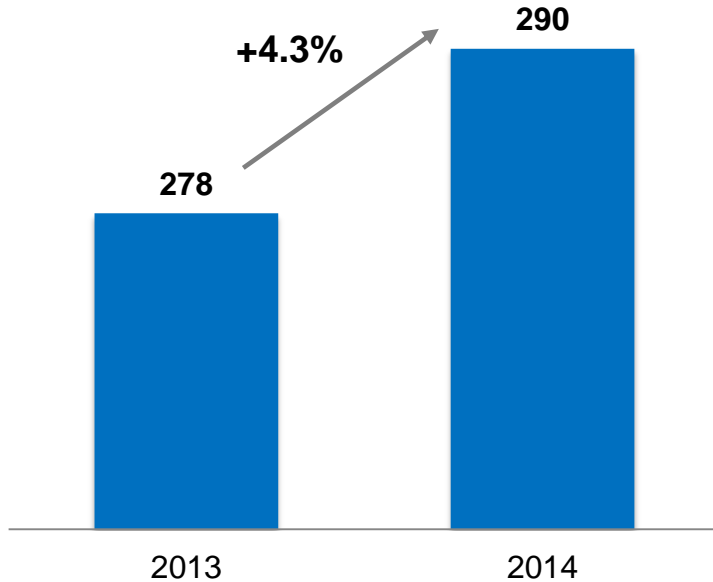
**40%**  
Of total Oil Production

**1 billion**  
Barrels of water Injected

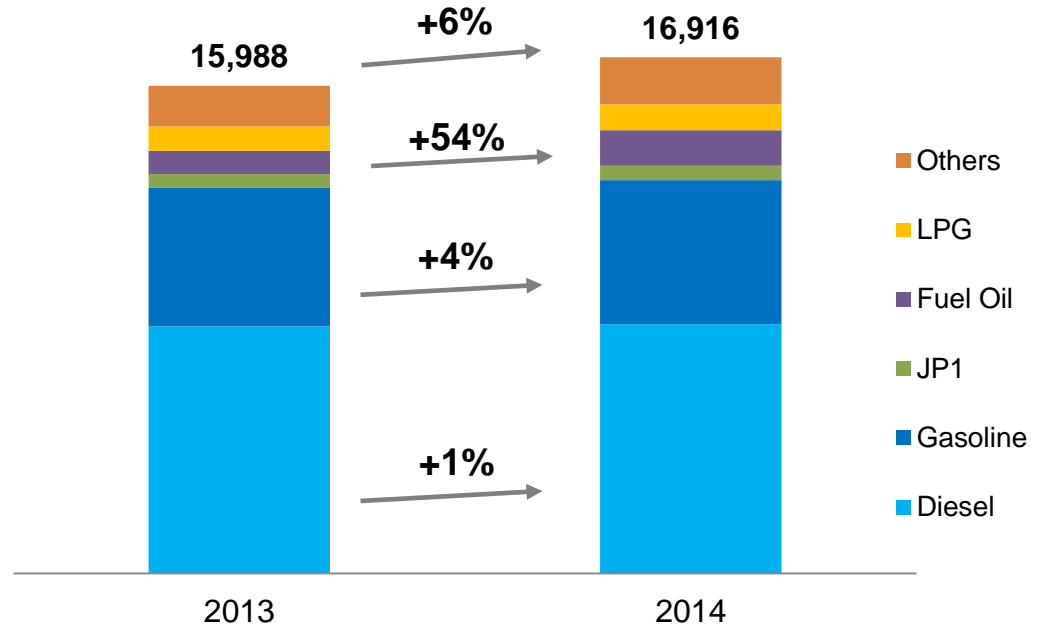
**10%**  
Production Growth Y-o-Y

Crude processing up 4% to 91% of capacity.  
Sales volume growth across most products.

**Crude processed (kbbbl/d)**

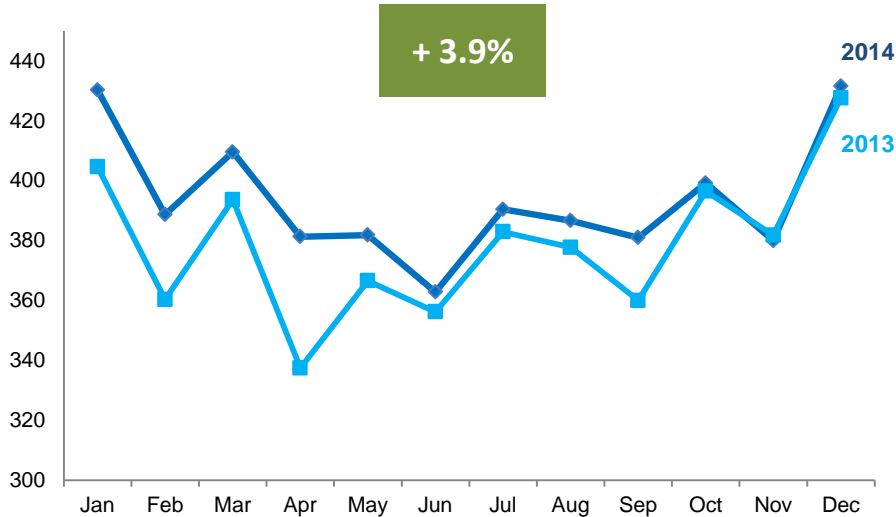


**Domestic sales of refined products (Km<sup>3</sup>)**

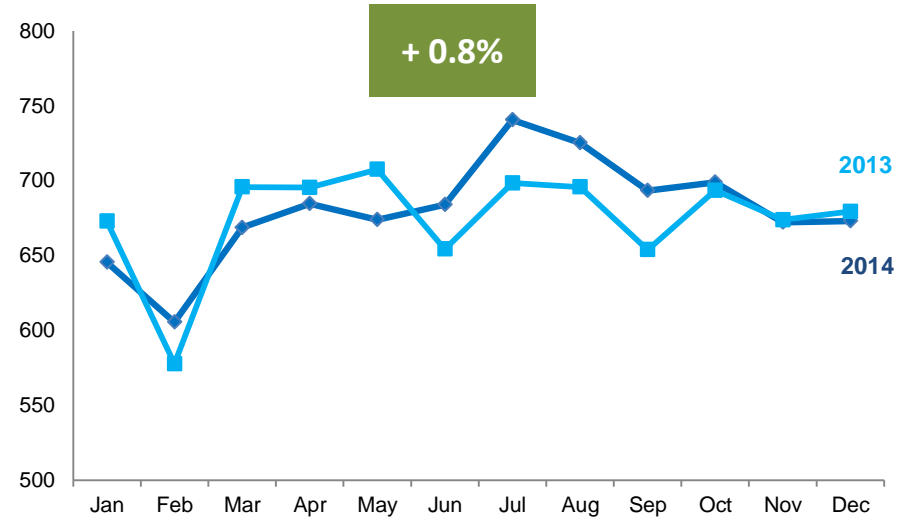


Brand recognition; solid demand based on slight market share growth.

### Monthly Gasoline Sales (Km<sup>3</sup>)



### Monthly Diesel Sales (Km<sup>3</sup>)



2013

Gasoline Market Share

2014

54.6%

57.7%

2013

Diesel Market Share

2014

57.7%

60.0%



**5% reduction of gasoline and diesel prices at the pump, partially supported by federal taxes reduction. (Dec. 2579/14)**



Understanding among various sectors and the Argentine Federal Government to reduce domestic crude oil prices by U.S.\$7/Bbl.

- **Lower cost for YPF on domestic crude oil purchases (~20% of total processed crude)**
- **Reduction on royalties paid amounts to provinces due to lower wellhead prices**



**Additional U.S.\$3/Bbl compensation for producers that maintain or increase production from one year to another.**



**Reduction of export taxes for all products to 1%, while Brent price is below U.S.\$71/Bbl. (Resolution 1077/14 - Ministry of Economy)**

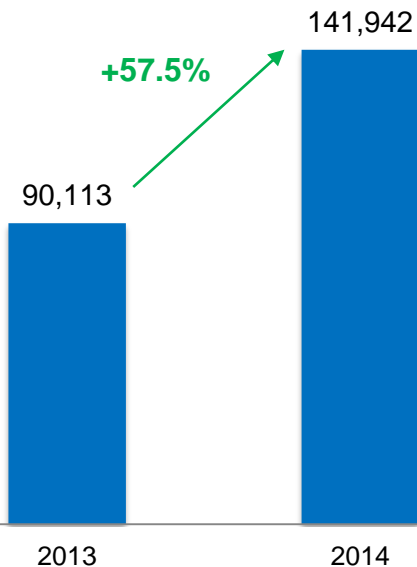


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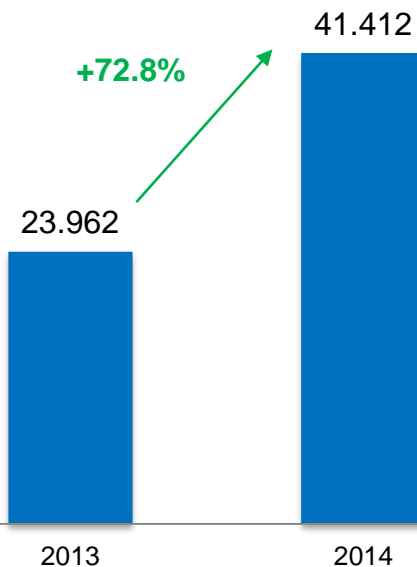


Production and sales volume growth, coupled with pricing discipline, led to solid financial results and healthy margins.

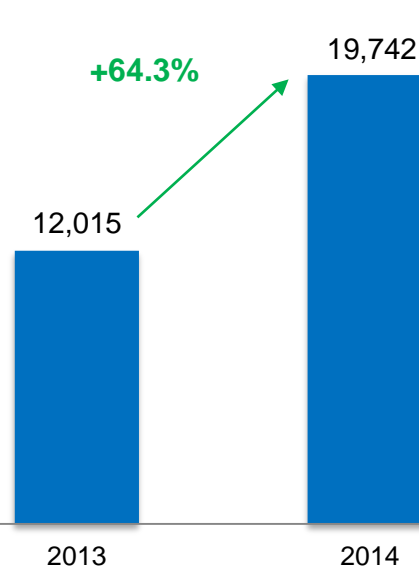
**Revenues** (millions of Ps)



**Adj.EBITDA** (millions of Ps) <sup>(1)</sup>



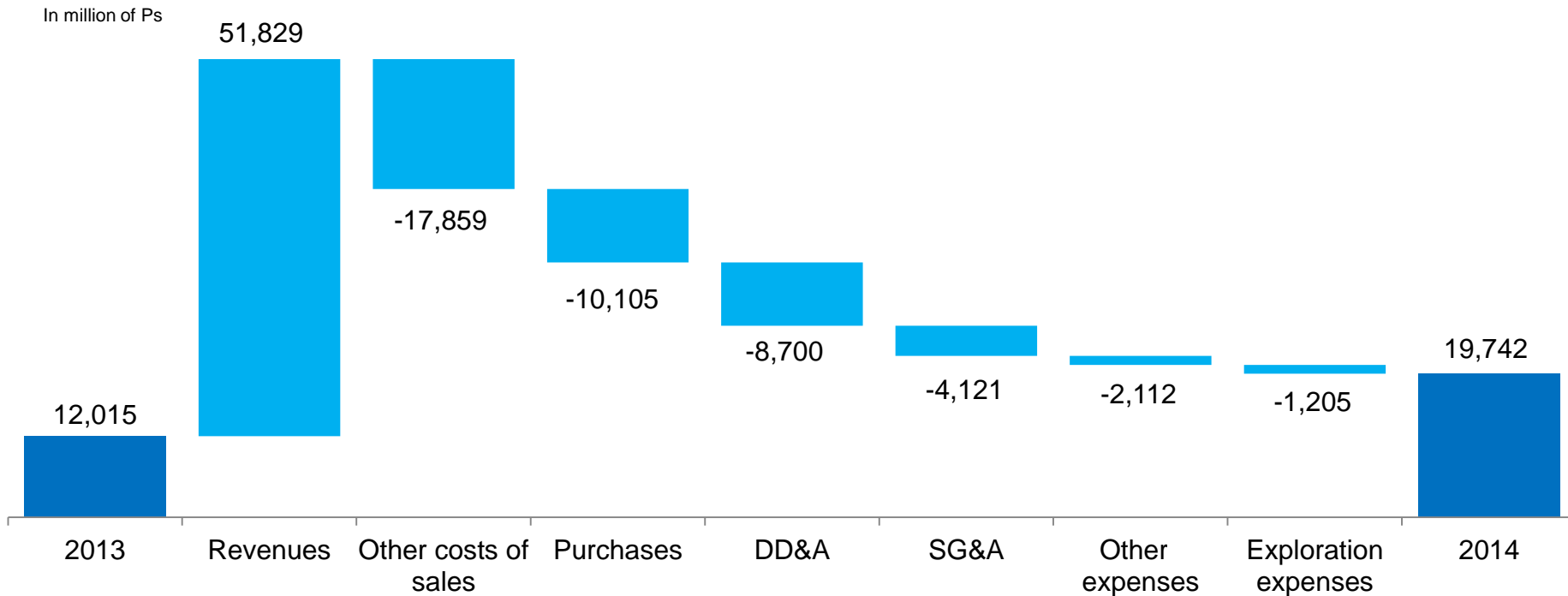
**Operating Income** (millions of Ps)



(1) Adjusted EBITDA = Net income attributable to shareholders + Net income (loss) for non-controlling interest - Deferred income tax - Income tax - Financial income (losses) gains on liabilities - Financial income gains (losses) on assets - Income on investments in companies + Depreciation of fixed assets + Amortization of intangible assets + Unproductive exploratory drillings.

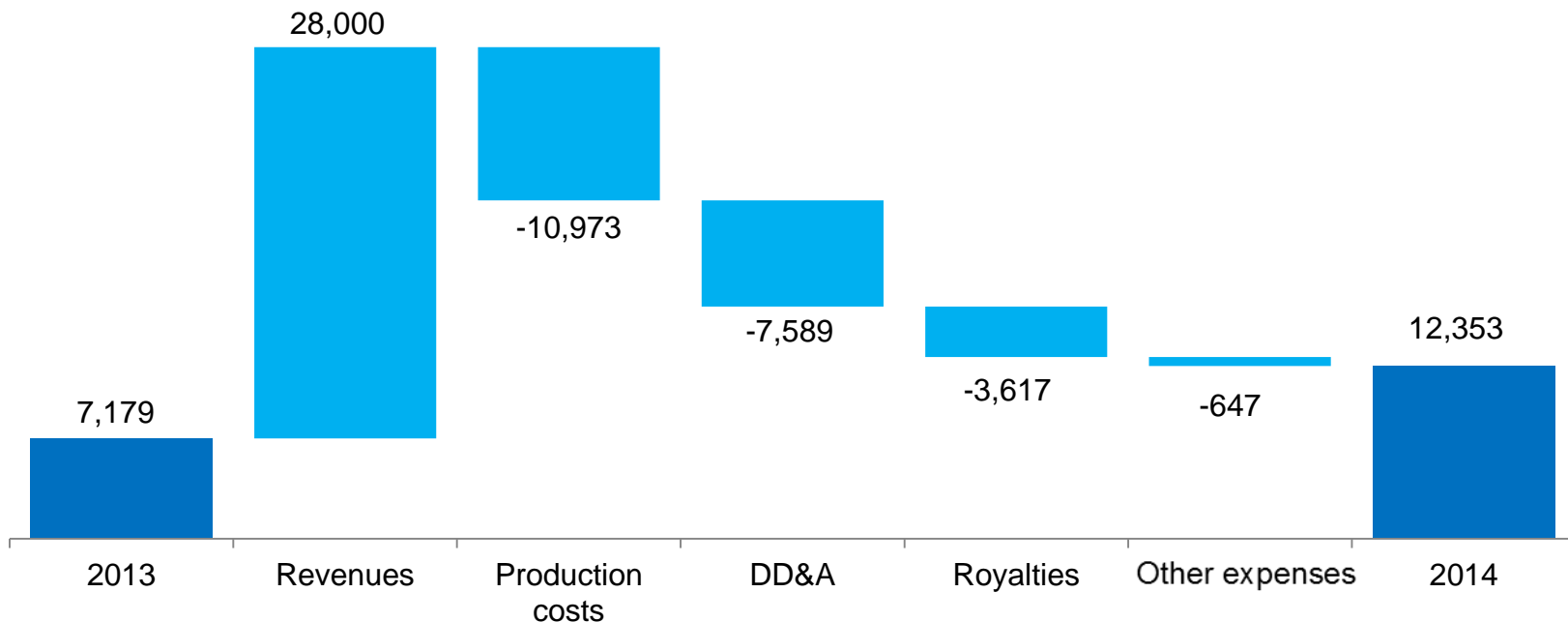
Operating income reached Ps 19.7 billion during 2014, 64% above 2013, despite Ps 1.2 billion of non-cash provision at Maxus

In million of Ps



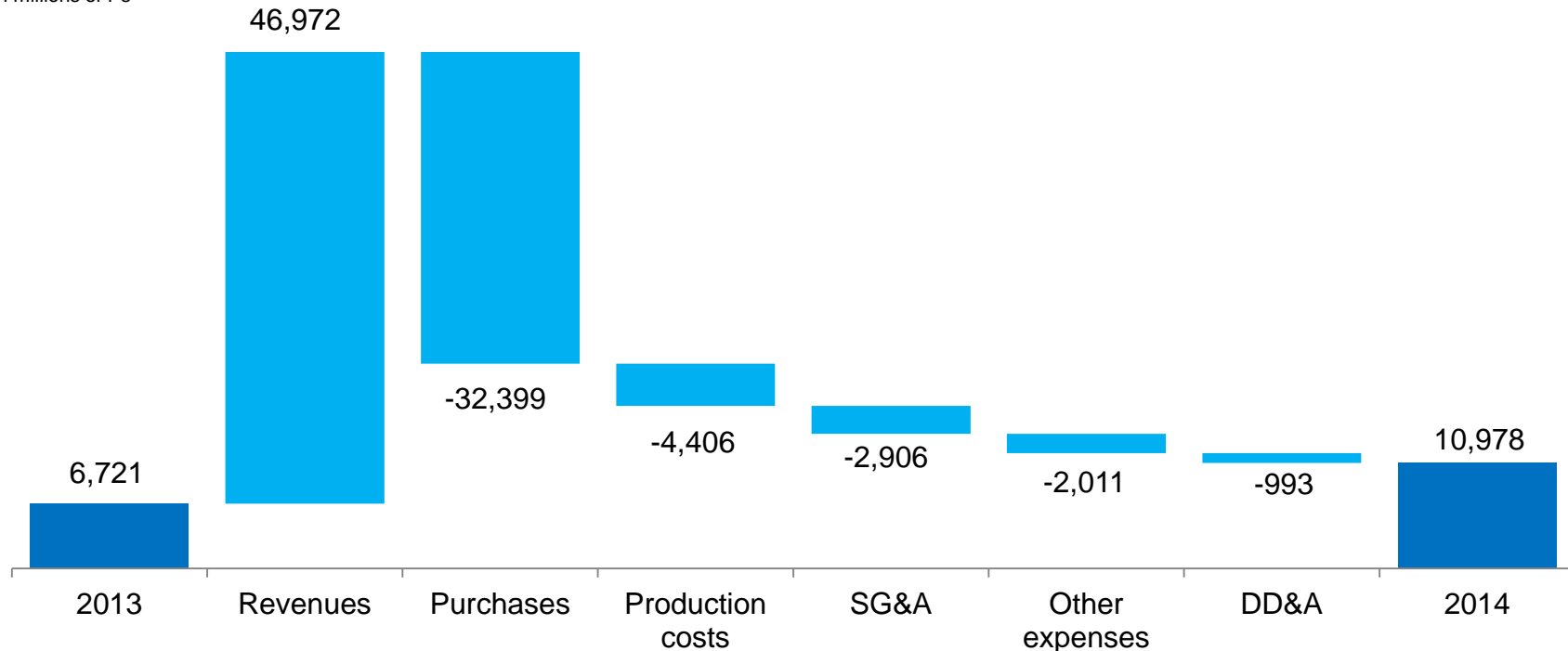
Upstream operating income grew 72% due to higher revenues driven by an increase of production and better prices for crude oil and natural gas.

In millions of Ps



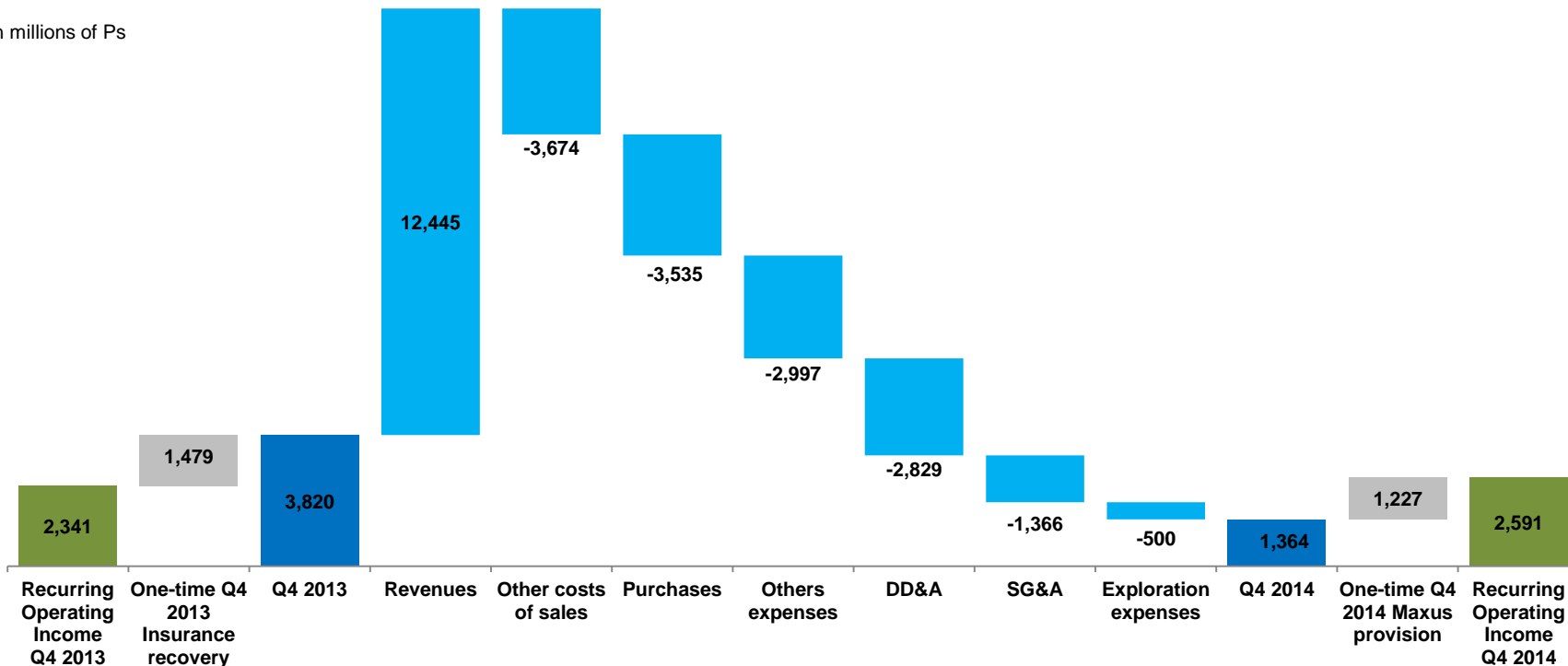
Downstream operating income was positively impacted by higher sales volume and prices.

In millions of Ps



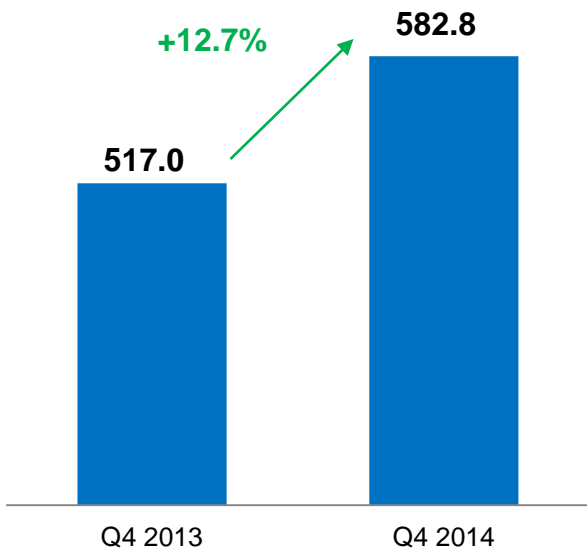
Although operating income decreases, mainly because of the impact of two one-time charges, recurring results were positive by 10.7%.

In millions of Ps

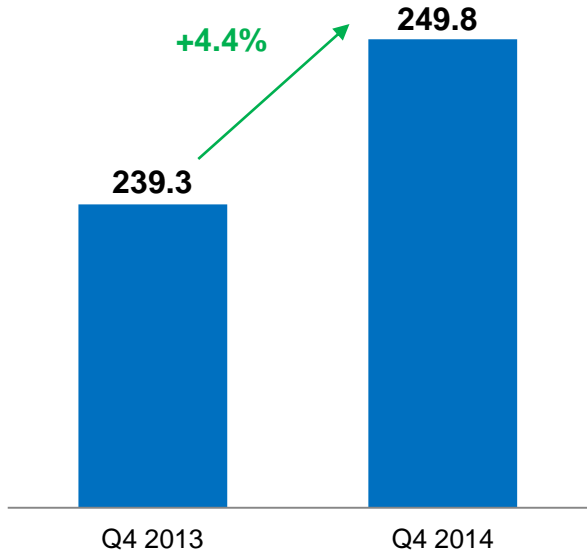


Total production grew by 12.7% boosted by a strong increased of 23% in natural gas.

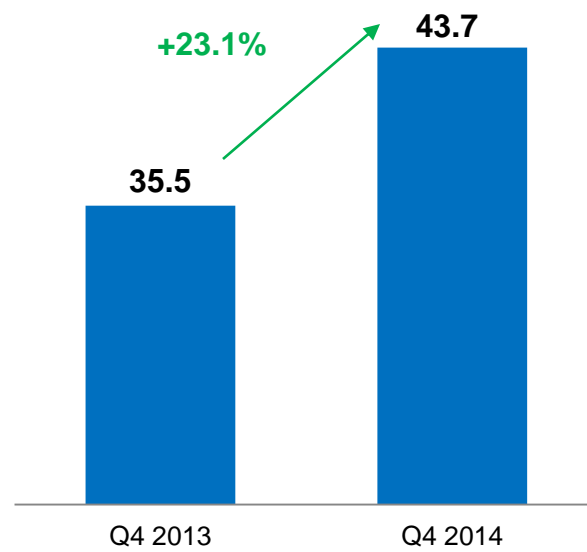
**Total production (kboe/d)**



**Crude oil production (kbbbl/d)**

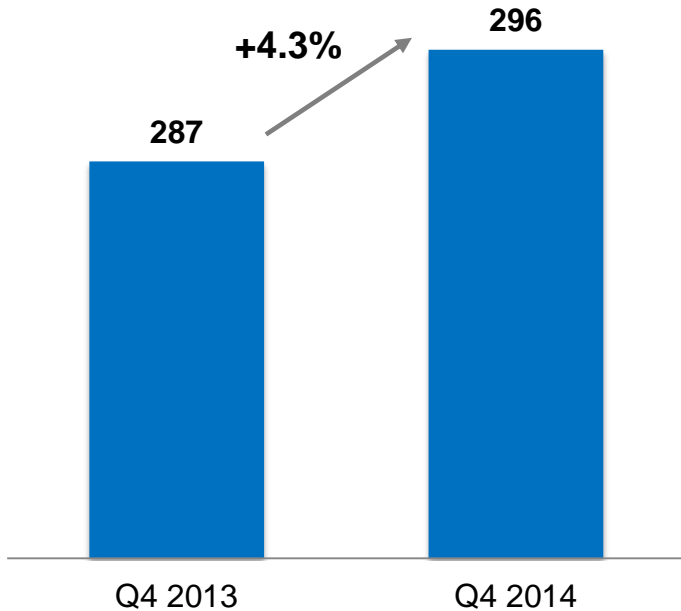


**Natural gas production (Mm<sup>3</sup>/d)**

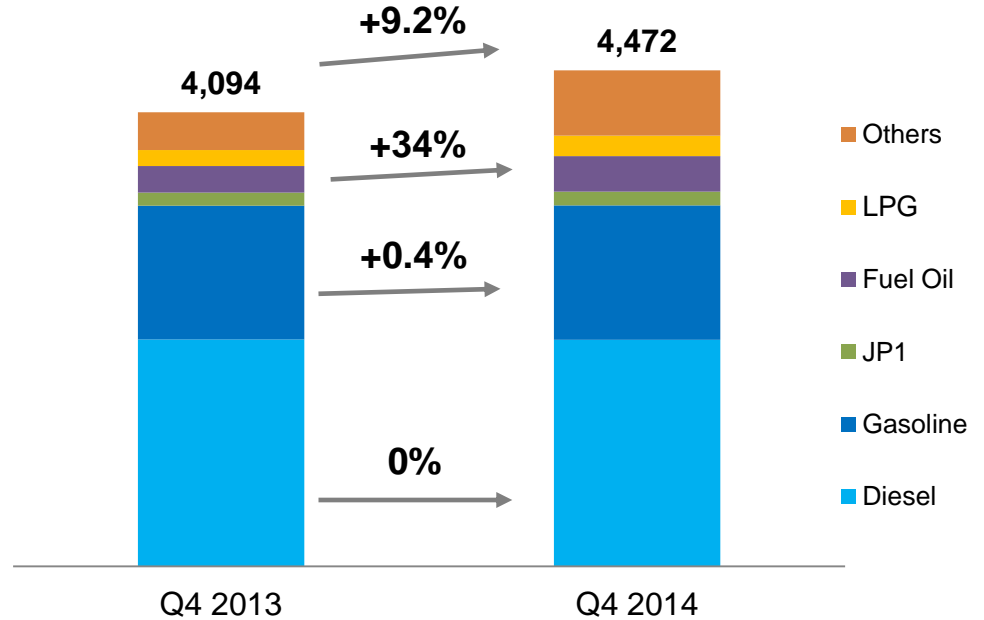


Refinery utilization reached 93% helped by lighter crude coming from unconventional production. All product demand grew by 9%.

Crude processed (kbbbl/d)



Domestic sales of refined products (Km<sup>3</sup>)



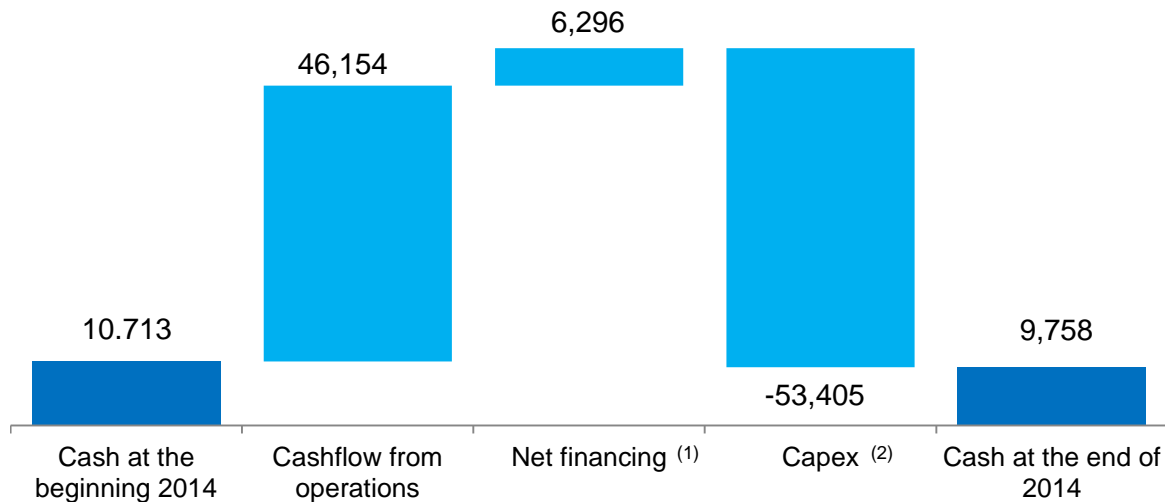
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Cash flow from operations grew Ps 25 billion against 2013.  
 Sound capital structure; Net Debt / Adj. EBITDA LTM down to 0.9x<sup>(3)</sup>.

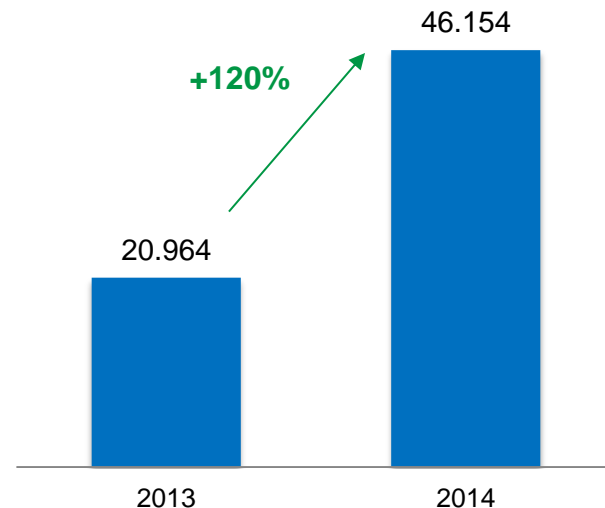
## Consolidated statement of cash flows

(in millions of Ps)



## Cash flow from operations

(in millions of Ps)



(1) Includes effect of changes in exchange rates.

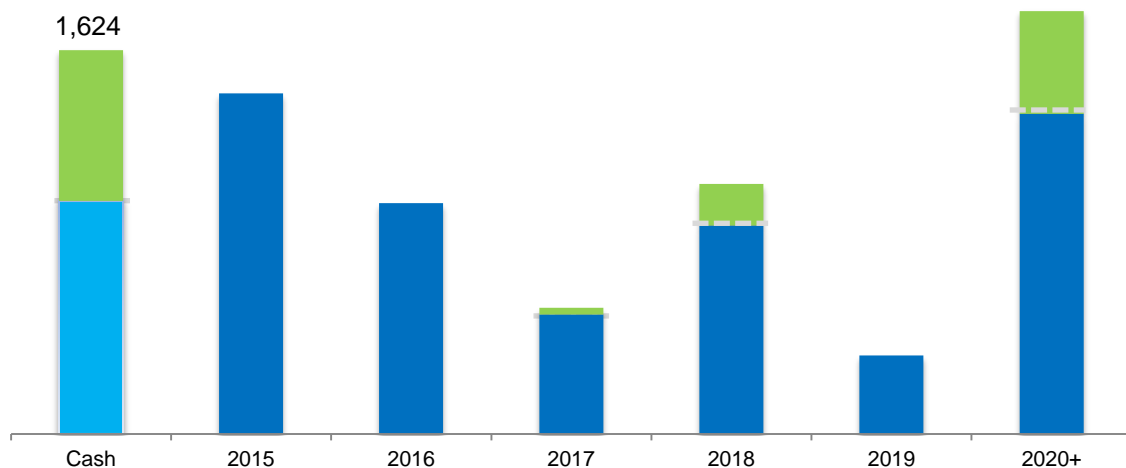
(2) Effective spendings in fixed asset acquisitions during the year net of the insurance recovery of Ps 1,818 million.

(3) Net debt to Adj. EBITDA calculated in USD, Net debt at period end exchange rate of Ps 8.5 to U.S.\$1.00 and Adj. EBITDA at average 2014 of Ps 8.1 to U.S.\$1.00; 5,128 / 4,652 = 0.9.

Cash position strengthened by additional indebtedness in the international and local markets during Q1 2015.

## Financial debt amortization schedule <sup>(1) (2)</sup>

(in millions of USD)



Includes additional issuances in the international market of Notes Series XXVI and XXXVII of U.S.\$175 million and U.S.\$325 million, respectively and Series XXXVI and XXXVII of Ps 950 million and Ps 250 million respectively

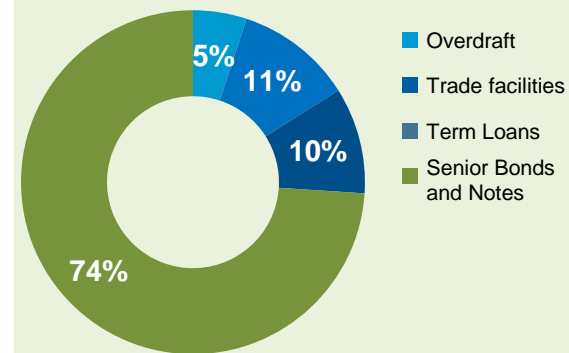
(1) As of December 31, 2014, does not include consolidated companies

(2) Converted to USD using the December 31, 2014 exchange rate of Ps 8.5 to U.S.\$1.00 and February 10, 2015 of Ps 8.7 U.S.\$1.00 for pro-forma figures of Notes series XXXVI and XXXVII.

Peso denominated debt **35%**

Average interest rates of **6.84%** in USD and **23.05%** in Pesos

Average life of almost **3.5** years



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**Track  
Record**

**Delivered 2012, 2013 and 2014 results ahead of expectations and built a strong base to face the challenges of a transition year**

**2015**

**Adapt to a new business environment by:**

- Maintaining activity to avoid compromising long term growth
- Focusing on cost reduction opportunities
- Executing our JV projects
- Finalizing our new coke project to increase gasoline and diesel production by 10%
- Maintaining leverage below 1.5x (Net Debt / Adj. EBITDA)



# Questions and Answers

Full Year 2014 & 4<sup>th</sup> Quarter 2014 Earnings Webcast

The background of the slide is a photograph of an oil pumpjack in a desert landscape. The pumpjack is black with a prominent red counterweight. The sky is bright blue with scattered white clouds. In the distance, there are low mountains. Another pumpjack is visible in the lower-left corner.

# **YPF**

## **Full Year 2014 Earnings Webcast**

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