



**YPF**

# 1st Quarter 2016 Earnings Webcast

May 11, 2016

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, 2015 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.

The background of the slide features a close-up profile of a man wearing a white hard hat with the YPF logo, dark safety glasses, and a blue work shirt with orange reflective stripes. In the background, a white pickup truck with a tracked system is parked on a gravel surface under a clear blue sky.

**1** Q1 2016 Results

**2** Financial Situation

**3** Summary

Revenues of Ps 46.9 billion (+35.2%)

Adj. EBITDA<sup>(1)</sup> reached Ps 12.5 billion (+22.4%)

Operating Income was Ps 1.6 billion (-63.8%)

Total Capex was Ps 14.7 billion (+19.4%)

Crude oil production was 249.0 Kbb/d (+0.8%)

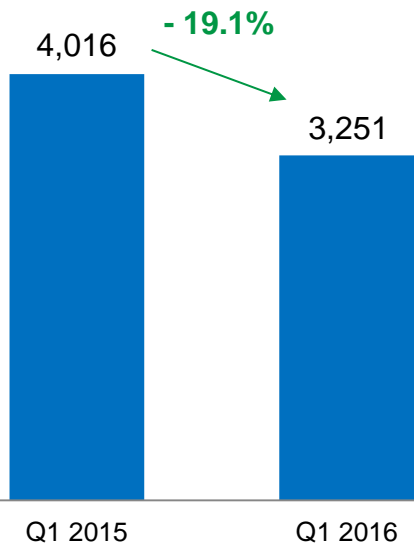
Natural gas production was 44.0 Mm<sup>3</sup>/d (+1.1%)

Crude processed was 294 Kbb/d (-1.9%)

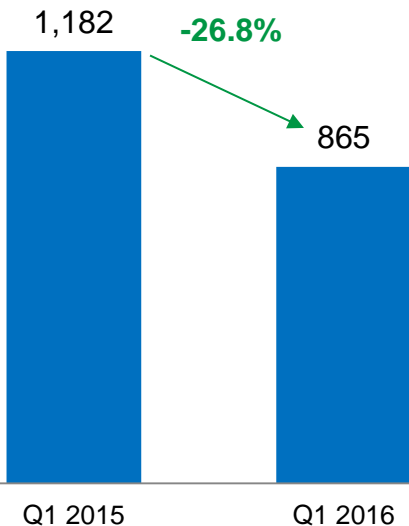
(1) See description of Adj. EBITDA in footnote (2) on page 5

The devaluation of the local currency resulted in an immediate reduction of Revenues and Adj. EBITDA; Operating Income suffered additional effects of higher depreciation.

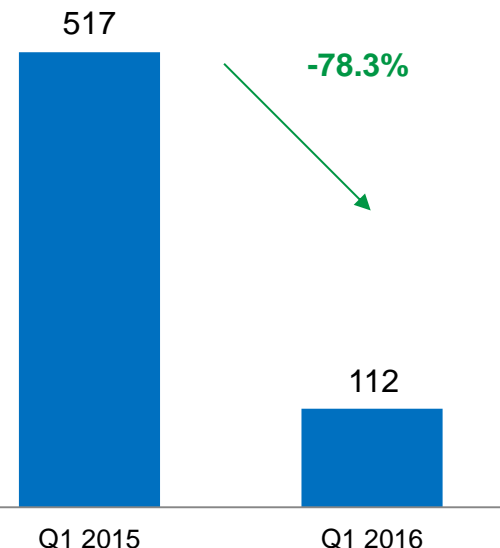
**Revenues** <sup>(1)</sup>  
(in millions of USD)



**Adj. EBITDA** <sup>(1) (2)</sup>  
(in millions of USD)



**Operating Income** <sup>(1)</sup>  
(in millions of USD)

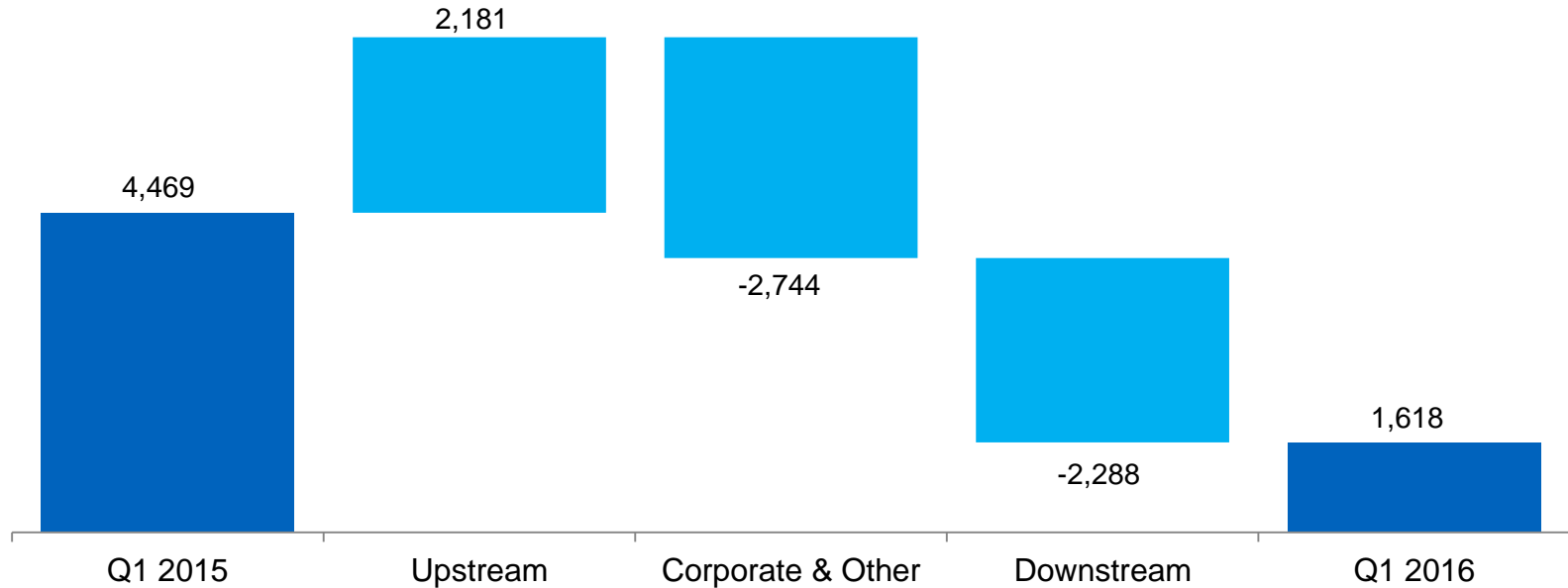


(1) YPF financial statement values in IFRS converted to USD using average exchange rate of Ps 8.6 and Ps 14.4 per U.S \$1.00 for Q1 2015 and Q1 2016, respectively.

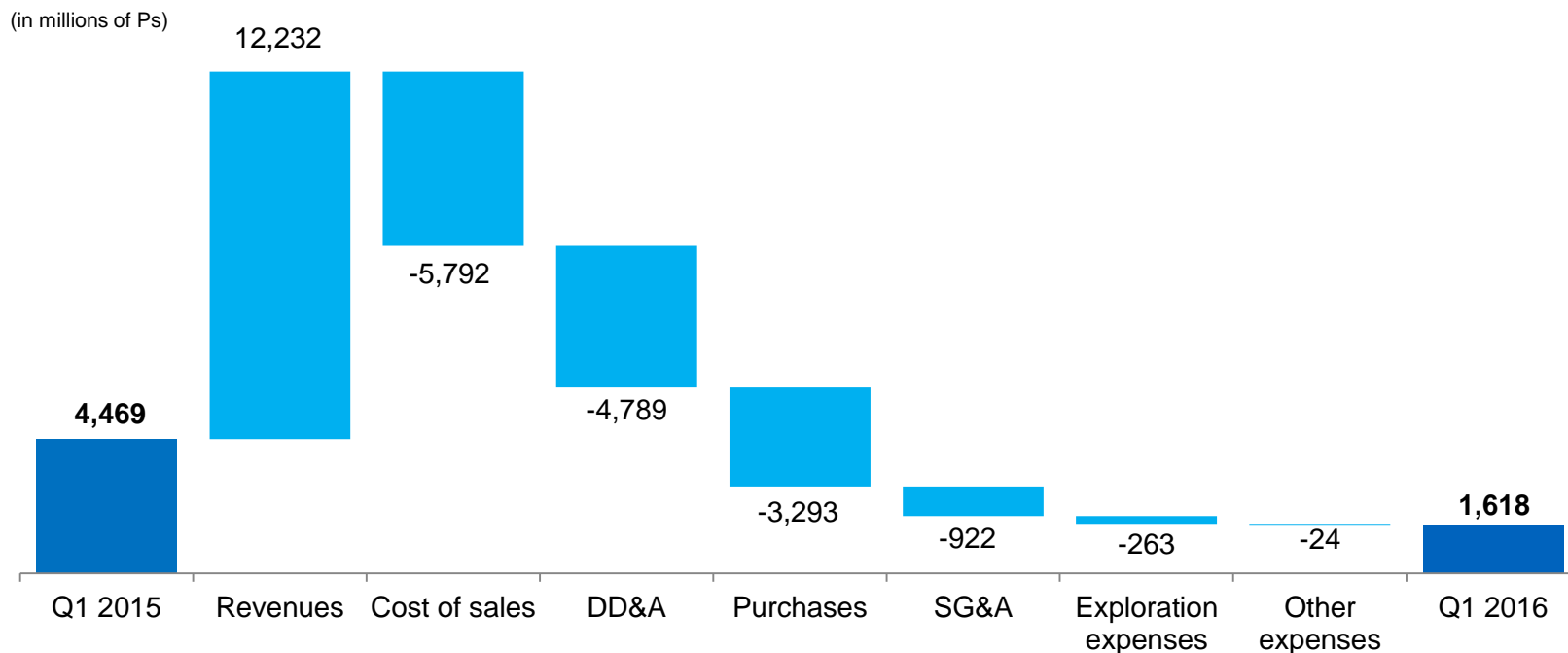
(2) Adjusted EBITDA = Net income attributable to shareholders + Net income (loss) for non-controlling interest - Deferred income tax - Income tax - Financial income gains (losses) on liabilities - Financial income gains (losses) on assets - Income on investments in companies + Depreciation of fixed assets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

The Upstream segment benefited from the devaluation whereas the Downstream segment suffered the negative effects; additionally, value of product stocks was written down, as shown in Corporate & Other.

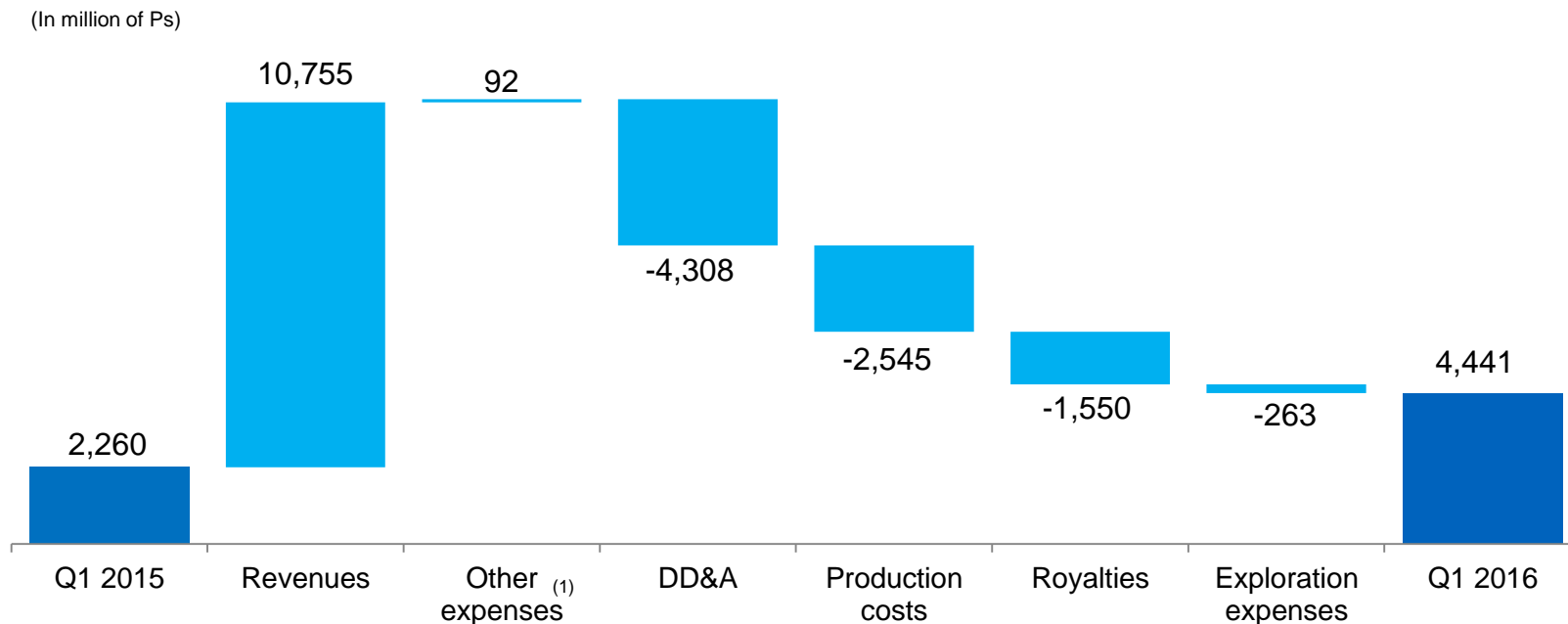
(in millions of Ps)



Revenues were up in line with most of our cash costs; but higher depreciation on our dollar-based assets resulted in a 64% decline in Operating Income



Upstream Operating Income almost doubled as prices are dollar-denominated and the majority of our costs are in pesos.

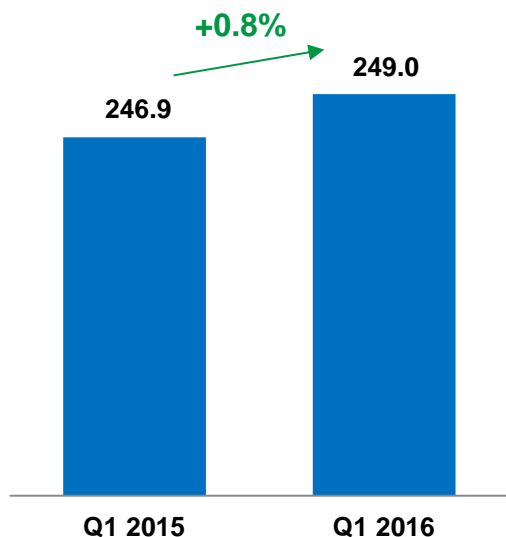


(1) Other expenses include: +Ps 80 of Other expenses, +Ps 45 of SG&A and -Ps 33 of Purchases

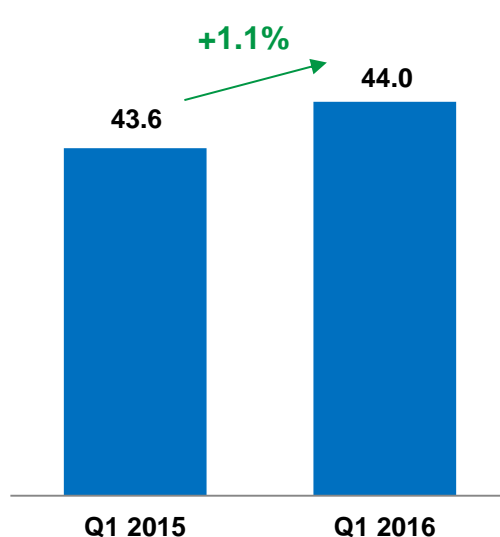


Total production was slightly above last year's, with 0.8% growth in crude oil and 1.1% growth in natural gas production.

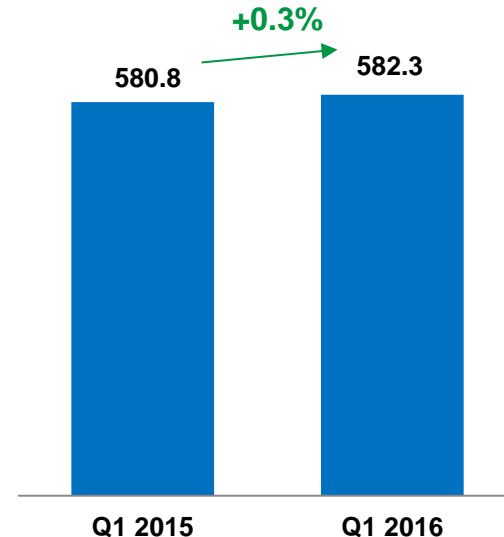
**Crude oil production**  
(Kbbl/d)

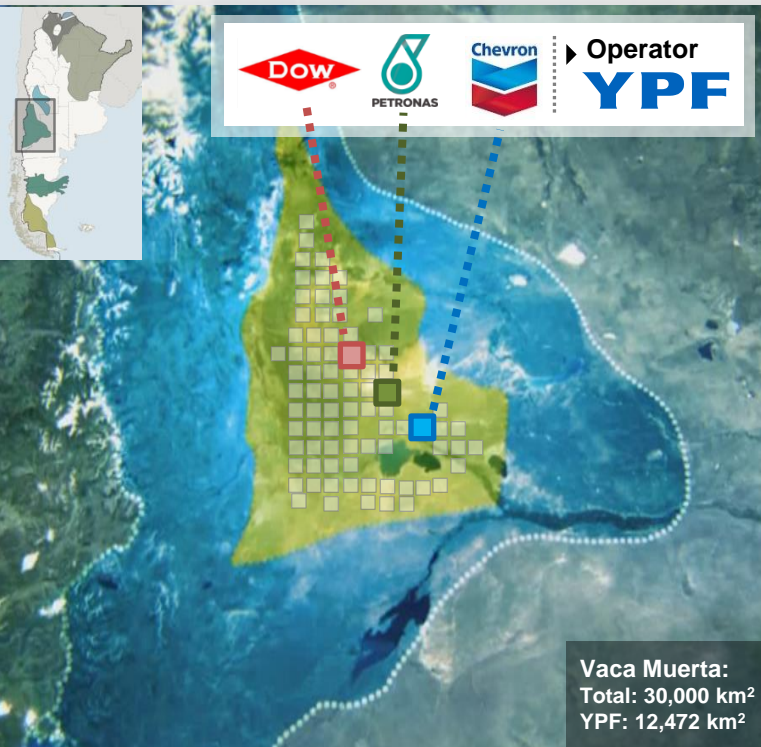


**Natural gas production**  
(Mm<sup>3</sup>/d)

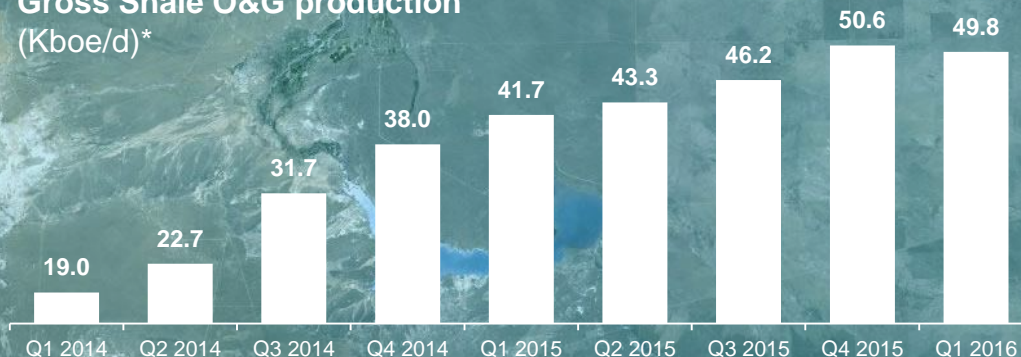


**Total production**  
(Kboe/d)





## Gross Shale O&G production (Kboe/d)\*



## Q1 2016 Highlights

- Low stimulation activity in December 2015 affected Q1 production
- Migration to horizontal wells; 23 out of 34
- Cost per well in Loma Campana below USD 12 million
- Initial production in line with type curves
- New PAD of 4 aligned wells pilot reduced the number of drilling days to an average of 22 per well
- Initiative to increase stages per day from current 4 to 6 per bundle

# 456

Producing wells

# 34

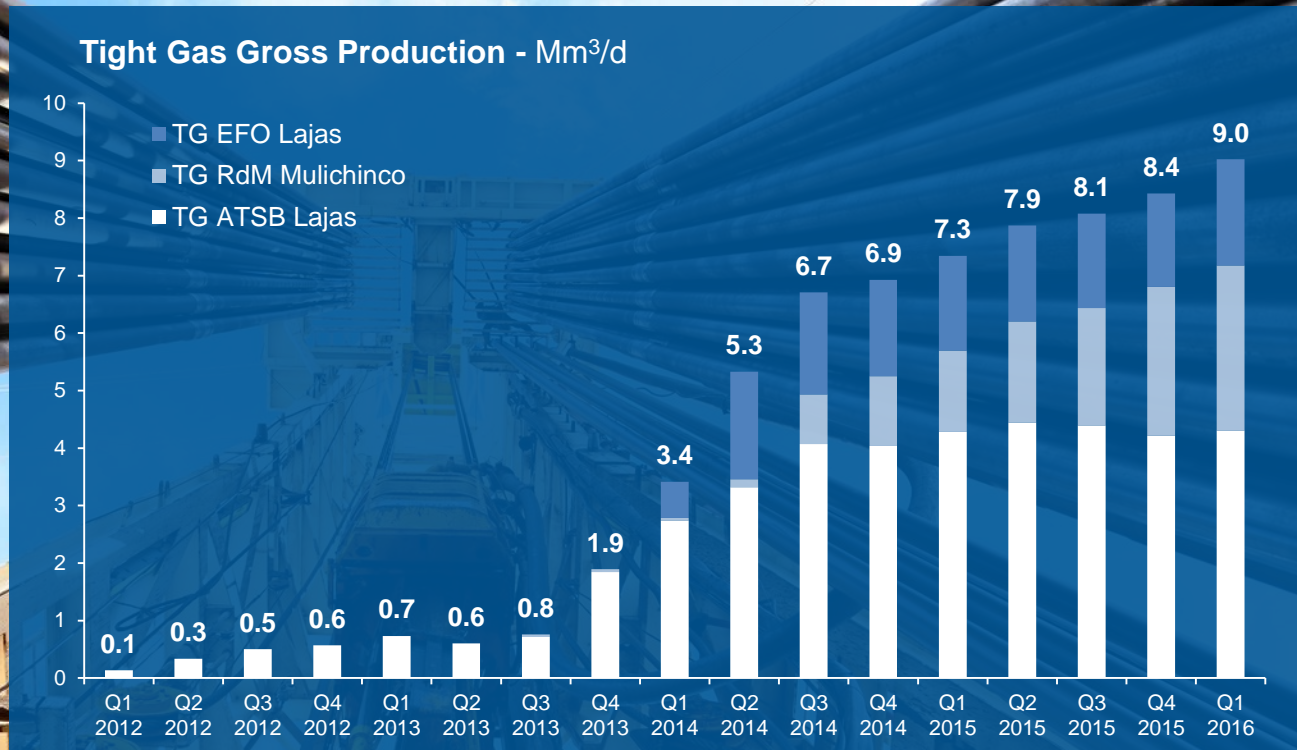
New wells in Q1 2016

# 49.8

Kboe/d Q1 2016 Shale production

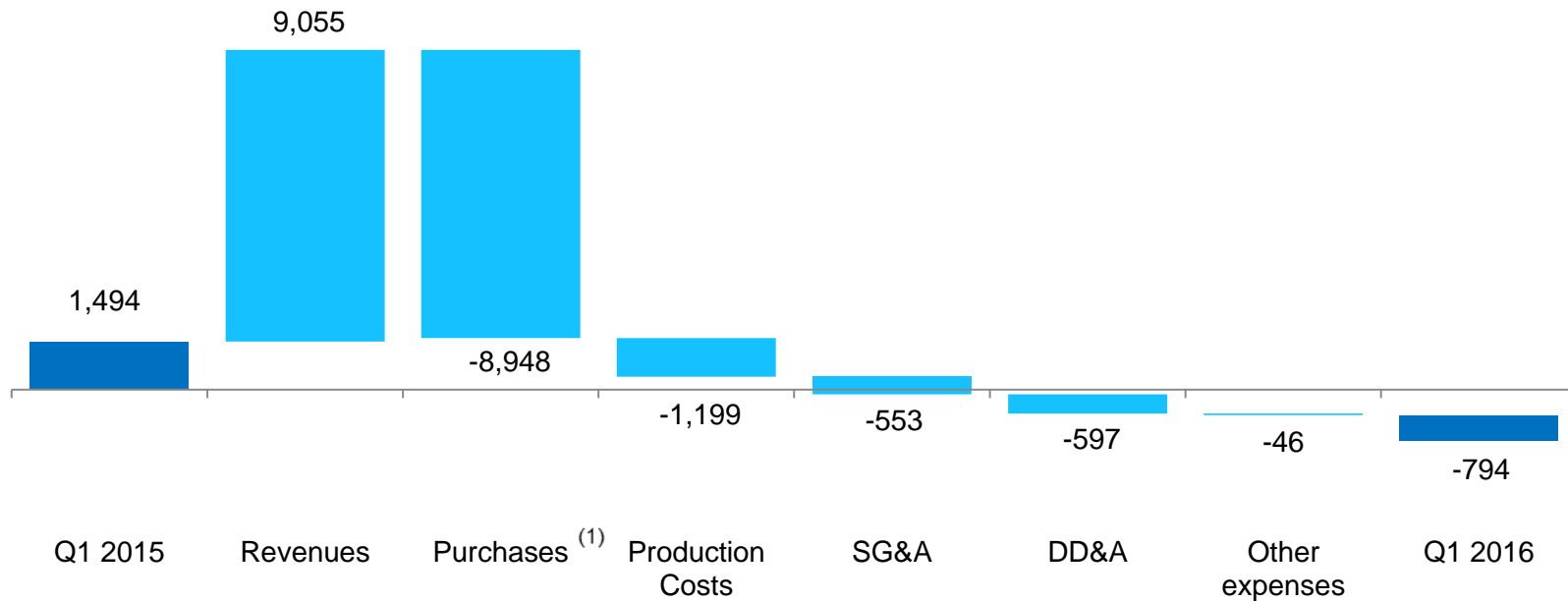
\*Total operated production (Loma Campana + El Orejano + Bandurria + La Amarga Chica )

Tight gas production represented 20% of total natural gas production in Q1 2016.



Downstream Operating Income declined 53% as higher crude oil prices, driven by peso devaluation, resulted in an increase in Purchases that fully offsets Revenue increase.

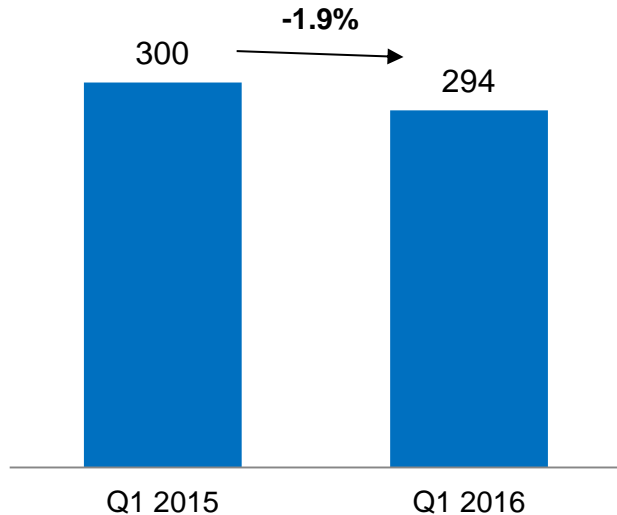
(in millions of Ps)



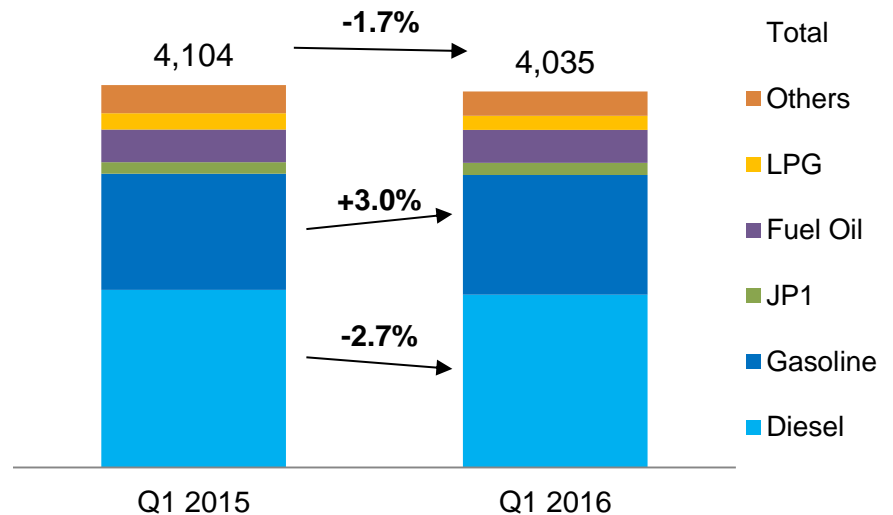
(1) Includes products stock variations

Refinery output affected by scheduled maintenance activity in La Plata refinery. Sales volumes were down by 1.7% due to lower diesel and LPG sales despite higher gasoline demand.

**Crude processed**  
(kbbbl/d)

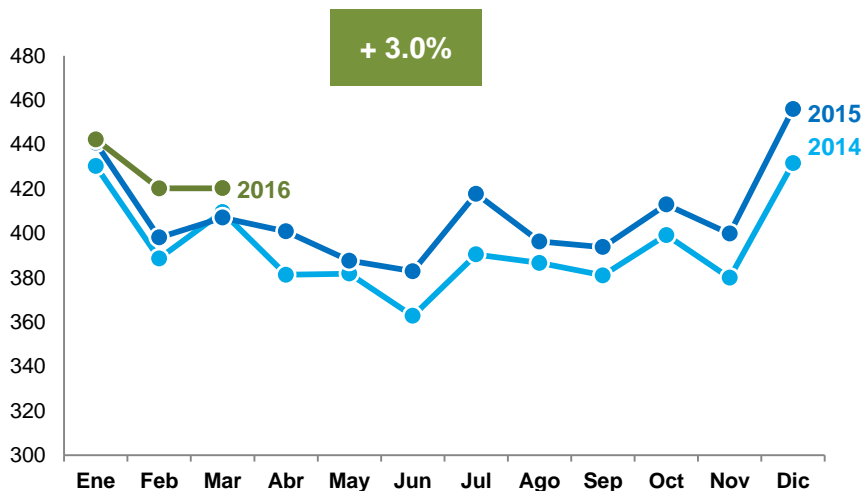


**Domestic sales of refined products**  
(Km<sup>3</sup>)



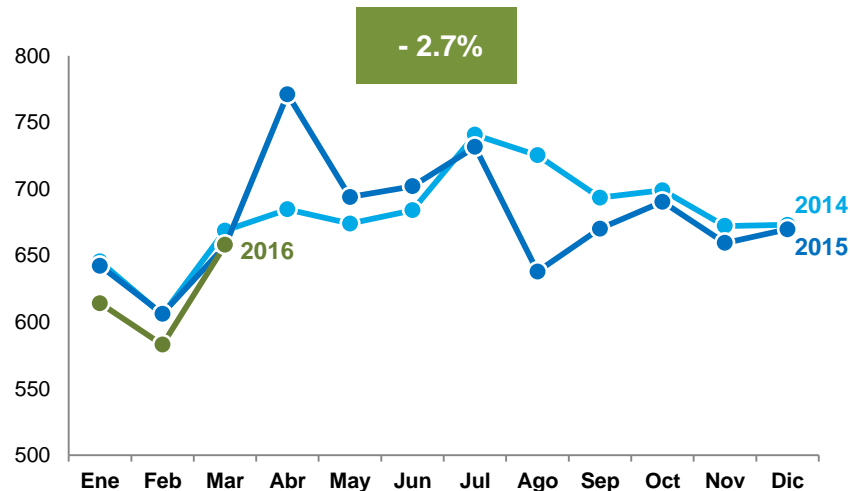
Gasoline sales consistently above previous years, diesel sales were down by 2.7%; slight reduction in market share.

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



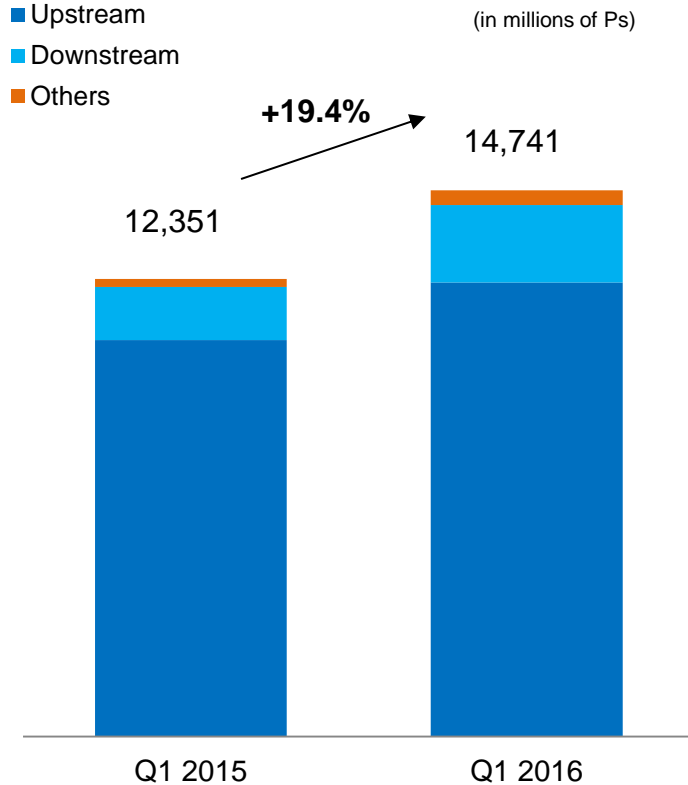
	2014	2015	2016
<b>Gasoline</b> Market Share	57.7%	56.8%	56.7%

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



	2014	2015	2016
<b>Diesel</b> Market Share	60.0%	58.5%	56.8%

Capex in line with guidance of 25% reduction in dollar terms.



## Upstream

**Activity breakdown:** 66% in drilling, 15% in facilities, 11% in workovers and 8% in exploration and other upstream activities.

**Neuquina basin:** Loma Campana, Aguada Toledo, Rincón del Mangrullo, El Orejano, Chachahuen and Cañadon Amarillo.

**Golfo San Jorge basin:** Manantiales Behr, El Trébol and Cañadón La Escondida.

**Cuyana basin:** La Ventana, Barrancas and Vizcacheras.

## Downstream

Progress of the new coke unit at the La Plata Refinery and other multi-year projects.

The background of the slide features a close-up profile of a man wearing a white hard hat with the YPF logo, dark safety glasses, and a blue work shirt with orange reflective stripes. In the background, a white pickup truck with a tracked system is parked on a gravel surface under a clear blue sky.

1 Q1 2016 Results

2 **Financial Situation**

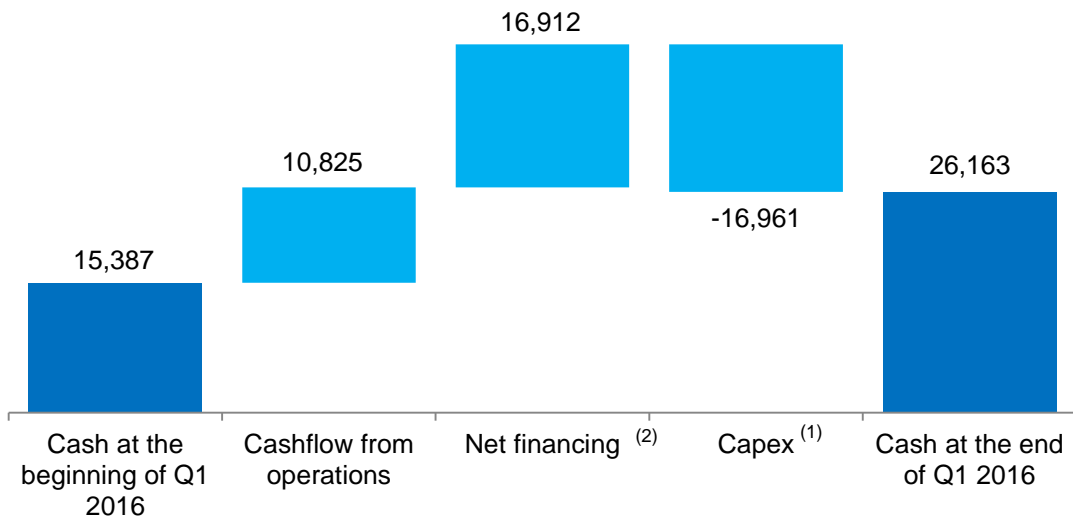
3 Summary



Strong cash position at the end of Q1 2015 despite currency devaluation.  
Operating Cash Flow was down due to working capital build-ups.

## Consolidated statement of cash flows

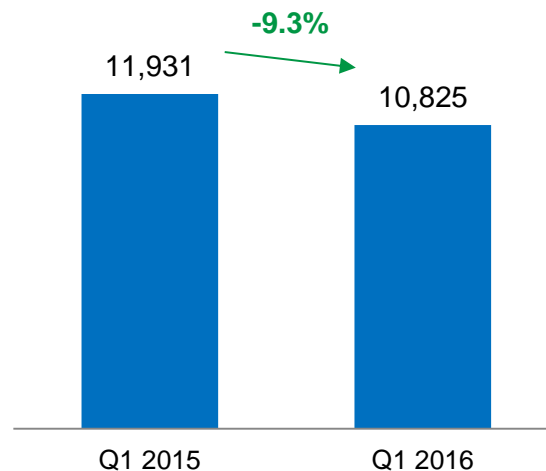
(in million of Ps)



- (1) Effective spendings in fixed asset acquisitions during the quarter.
- (2) Includes effect of changes in exchange rates.

## Cash flow from operations

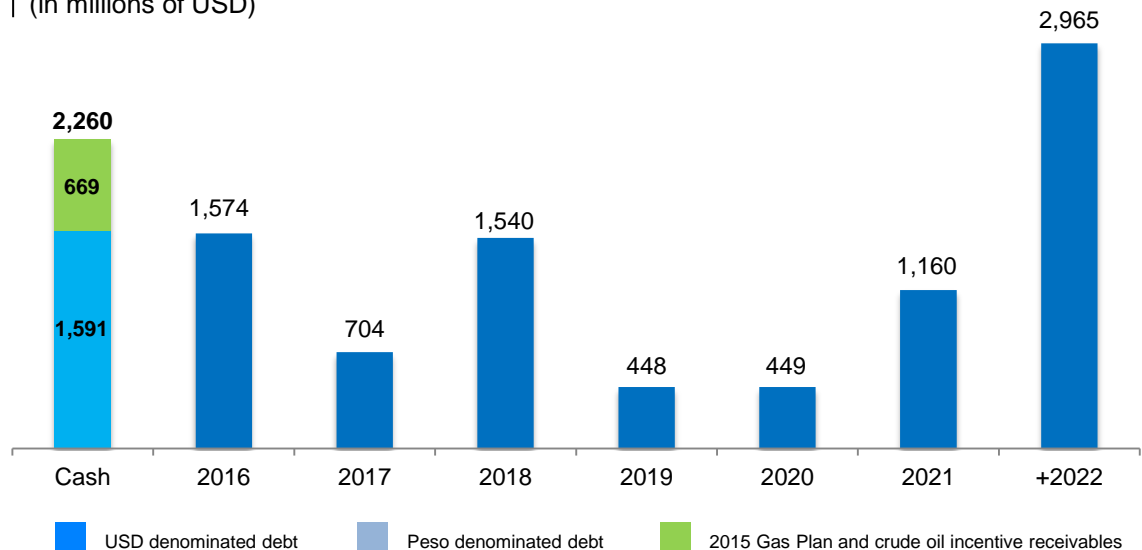
(in million of Ps)



Cash position covers debt maturities for the rest of the year.  
Leverage ratio in line with target.

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

(in millions of USD)



## Debt profile highlights

Peso denominated debt:  
**21% of total debt**

Average interest rates of **7.75%**  
in USD and **28.67%** in pesos

Average life of almost  
**4.4 years**

Net Debt / Adj. LTM EBITDA <sup>(3)</sup> = 1.53x;  
proforma including receivables = 1.39x

(1) As of March 31, 2016, does not include consolidated companies

(2) Converted to USD using the March 31, 2016 exchange rate of Ps 14.7 to U.S \$1.00.

(3) Net debt to Adj. EBITDA calculated in USD, Net debt at period end exchange rate of Ps 14.7 to U.S \$1.00 and Adj. EBITDA LTM calculated as sum of quarters; 7,429 / 4,842 = 1.53

- 1 Q1 2016 Results
- 2 Financial Situation
- 3 **Summary**

Quarter negatively affected by currency devaluation; partial pass through to prices to continue in following quarters

Focused on cost reduction and efficiencies

Difficult operating environment in the Downstream segment partially compensated with better Upstream results

Sound cash position with funds raised early in the year

Tight and shale gas development progressing well; shale oil development addressing learning curve challenges



A Scania tanker truck is driving on a road covered in snow and ice. The truck is white with "SCANIA" written on the front. The road is wet and reflective, with large piles of snow and ice on the sides. The background shows a steep, rocky hillside with patches of snow under a grey, overcast sky.

# Questions and Answers

1st Quarter 2016 Earnings Webcast



**YPF**

# 1st Quarter 2016 Earnings Webcast

May 11, 2016