

YPF SOCIEDAD ANONIMA

Form 6-K

August 07, 2014

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**FORM 6-K**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Report of Foreign Issuer**

**Pursuant to Rule 13a-16 or 15d-16**

**of the Securities Exchange Act of 1934**

**For the month of August, 2014**

**Commission File Number: 001-12102**

**YPF Sociedad Anónima**

**(Exact name of registrant as specified in its charter)**

**Macacha Güemes 515**

**C1106BKK Buenos Aires, Argentina**

**(Address of principal executive office)**

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**Adj. EBITDA for Q2 2014 reached ARS 10,464 million, 82% above Q2 2013**

| Q2 (*)<br>2013 | Q1<br>2014 | Q2<br>2014    | Var.%<br>Q2 14/Q2<br>13 | (Unaudited Figures)                | Jan - Jun (*)<br>2013 | Jan - Jun<br>2014 | Var.%<br>2014/2013 |
|----------------|------------|---------------|-------------------------|------------------------------------|-----------------------|-------------------|--------------------|
|                |            |               |                         | <b>Revenues</b>                    |                       |                   |                    |
| 21,941         | 30,664     | <b>35,330</b> | 61.0%                   | (Million ARS)                      | 40,575                | <b>65,994</b>     | 62.6%              |
|                |            |               |                         | <b>Operating income</b>            |                       |                   |                    |
| 2,218          | 4,384      | <b>5,950</b>  | 168.2%                  | (Million ARS)                      | 4,751                 | <b>10,334</b>     | 117.5%             |
|                |            |               |                         | <b>Net income (**)</b>             |                       |                   |                    |
| 1,091          | 2,881      | <b>1,526</b>  | 39.9%                   | (Million ARS)                      | 2,349                 | <b>4,407</b>      | 87.6%              |
|                |            |               |                         | <b>Adj. EBITDA</b>                 |                       |                   |                    |
| 5,765          | 8,360      | <b>10,464</b> | 81.5%                   | (Million ARS)                      | 11,130                | <b>18,824</b>     | 69.1%              |
|                |            |               |                         | <b>Earnings per share ARS (**)</b> |                       |                   |                    |
| 2.77           | 7.34       | <b>3.89</b>   | 40.1%                   | (ARS per Share)                    | 5.97                  | <b>11.23</b>      | 88.0%              |
|                |            |               |                         | <b>Comprehensive Income</b>        |                       |                   |                    |
| 2,911          | 14,026     | <b>2,948</b>  | 1.3%                    | (Million ARS)                      | 5,554                 | <b>16,974</b>     | 205.6%             |
|                |            |               |                         | <b>Capital Expenditures (***)</b>  |                       |                   |                    |
| 6,510          | 9,722      | <b>10,866</b> | 66.9%                   | (Million ARS)                      | 10,792                | <b>20,588</b>     | 90.8%              |

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. (\*) Q2 2013 and Jan - Jun 2013 results do not include the provision of claims relating to AESU and TGM arbitration. (\*\*) Attributable to controlling shareholder. (\*\*\*) Q1 2014 capital expenditures do not include expenditures relating to the acquisitions of Apache Group assets in Argentina (collectively, YSUR ) and expenditures relating to the 38.45% interest acquired in the Puesto Hernández joint venture, both of which occurred in Q1 2014.

**1. MAIN MILESTONES AND ECONOMIC MAGNITUDES OF Q2 2014**

Revenues for Q2 2014 were ARS 35,330 million, 61% higher than Q2 2013.

Operating income for Q2 2014 was ARS 5,950 million, 168.2% higher than the same period in the previous year.

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Adjusted EBITDA for Q2 2014 was ARS 10,464 million, 81.5% higher compared to Q2 2013.

Net income for Q2 2014 was ARS 1,526 million, 39.9% higher than the same period in 2013.

Operating cash flow for Q2 2014 reached ARS 11,430 million, 251% above the ARS 3,253 million reported for Q2 2013.

For Q2 2014, total hydrocarbon production increased by 15.5% compared to the same period in 2013 to reach 555.8 Kboed. Natural gas production reached 43.5 Mm3d, 31.8% higher compared to the same period in 2013, while crude oil production increased by 5.6% to reach 240.9 Kbbld.

In the Downstream business segment, the total crude processing level in Q2 2014 was 91%, 20% higher than same period last year, as a consequence of the partial recovery of refining capacity after the incident affecting the La Plata Refinery on April 2, 2013.

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Consolidated Results Q2 2014

Investment in fixed assets for Q2 2014 was ARS 10,866 million, a 66.9% increase compared to ARS 6,510 million invested in Q2 2013.

**2. ANALYSIS OF OPERATING RESULTS FOR Q2 2014**

Ordinary income for Q2 2014 was ARS 35,330 million, 61% higher than the same period in the previous year. This increase was driven mainly by higher sales in the domestic market in terms of gasoline and diesel of ARS 7,513 million (an increase of 59%), natural gas of ARS 1,860 million (an increase of 84%), fuel oil of ARS 1,033 million (an increase of 397%) and petrochemical products of ARS 459 million (an increase of 81%). Exports increased ARS 380 million (an increase of 12%), as a result of increases in average prices in Argentine peso terms due to exchange rate fluctuation partially offset by the decrease in crude oil exports, which reached ARS 1,029 million in Q2 2013, due to an incident at the La Plata Refinery reported in the period, while in Q2 2014 they reached ARS 9 million. Exports of flour and oils increased by 70% to a total of ARS 1,074 million and sales of fuel oil were ARS 874 million this quarter (an increase of 209%).

Costs of sales for Q2 2014 were ARS 25,427 million, 53.4% higher than Q2 2013. Purchases increased principally due to the price increase in Argentine peso terms for crude oil purchased in the domestic market. Imports of diesel and gasoline decreased by 8%, although the decrease in imports was partially offset by higher average prices in Argentine peso terms of the imported products. Other costs of sales increased mainly on account of (i) higher depreciation of fixed assets of ARS 1,808 million due to increased investment activity, (ii) greater activity and expenses for construction and service contracts of ARS 1,051 million, and (iii) higher royalties paid of ARS 869 million (as a consequence of greater production volumes and higher wellhead prices in Argentine peso terms). As a result of the damage to the La Plata Refinery in Q2 2013, insurance compensation of ARS 420 million was received in Q2 2014 for lost profits affecting YPF's business.

The financial results for Q2 2014 were negative ARS 1,082 million, compared to positive ARS 231 million for the same period of 2013. Foreign exchange gains on net monetary liabilities decreased due to slowing depreciation of the Argentine peso during Q2 2014. As a result, the negative financial results increased due to increases in the size of debt in Argentine pesos.

The income tax amount for Q2 2014 was ARS 3,351 million, approximately ARS 2,150 million higher than Q2 2013 income tax of ARS 1,201 million. This increase arises principally from current tax liability of ARS 2,891 million (an increase of ARS 1,732 million) primarily as a result of higher results and to a lesser extent the increase of deferred income tax of ARS 418 million.

Net income for the quarter was ARS 1,526 million, 39.9% higher compared to the same period in 2013.

Total investment in fixed assets for the quarter was ARS 10,866 million, 66.9% higher than that for Q2 2013. This greater investment arises from (i) an increase in development activities, principally well drilling and workovers, and (ii) progress in the set of projects developed in YPF's Downstream business segment.



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**3. ANALYSIS OF RESULTS BY BUSINESS UNIT FOR Q2 2014****3.1 UPSTREAM**

| Q2 (*)<br>2013 | Q1<br>2014 | Q2<br>2014    | Var. %<br>Q2 14/Q2<br>13 | (Unaudited Figures)                              | Jan - Jun (*)<br>2013 | Jan - Jun<br>2014 | Var. %<br>2014/2013 |
|----------------|------------|---------------|--------------------------|--------------------------------------------------|-----------------------|-------------------|---------------------|
|                |            |               |                          | <b>Operating income</b>                          |                       |                   |                     |
| 1,443          | 3,013      | <b>3,305</b>  | 129.0%                   |                                                  | 3,315                 | <b>6,318</b>      | 90.6%               |
|                |            |               |                          | (Million ARS)                                    |                       |                   |                     |
|                |            |               |                          | <b>Revenues</b>                                  |                       |                   |                     |
| 10,224         | 14,919     | <b>16,685</b> | 63.2%                    |                                                  | 19,061                | <b>31,604</b>     | 65.8%               |
|                |            |               |                          | (Million ARS)                                    |                       |                   |                     |
|                |            |               |                          | <b>Crude oil production</b>                      |                       |                   |                     |
| 228.2          | 241.6      | <b>240.9</b>  | 5.6%                     |                                                  | 227.3                 | <b>241.2</b>      | 6.1%                |
|                |            |               |                          | (Kbbld)                                          |                       |                   |                     |
|                |            |               |                          | <b>NGL production</b>                            |                       |                   |                     |
| 45.7           | 54.0       | <b>41.2</b>   | -9.8%                    |                                                  | 50.2                  | <b>47.6</b>       | -5.2%               |
|                |            |               |                          | (Kbbld)                                          |                       |                   |                     |
|                |            |               |                          | <b>Gas production</b>                            |                       |                   |                     |
| 33.0           | 37.2       | <b>43.5</b>   | 31.8%                    |                                                  | 32.2                  | <b>40.4</b>       | 25.5%               |
|                |            |               |                          | (Mm3d)                                           |                       |                   |                     |
|                |            |               |                          | <b>Total production</b>                          |                       |                   |                     |
| 481.4          | 529.7      | <b>555.8</b>  | 15.5%                    |                                                  | 479.8                 | <b>542.8</b>      | 13.1%               |
|                |            |               |                          | (Kboed)                                          |                       |                   |                     |
|                |            |               |                          | <b>Exploration costs</b>                         |                       |                   |                     |
| 170            | 197        | <b>727</b>    | 327.6%                   |                                                  | 246                   | <b>924</b>        | 276.2%              |
|                |            |               |                          | (Million ARS)                                    |                       |                   |                     |
|                |            |               |                          | <b>Capital Expenditures (**)</b>                 |                       |                   |                     |
| 5,514          | 8,603      | <b>8,672</b>  | 57.3%                    |                                                  | 9,168                 | <b>17,275</b>     | 88.4%               |
|                |            |               |                          | (Million ARS)                                    |                       |                   |                     |
|                |            |               |                          | <b>Depreciation</b>                              |                       |                   |                     |
| 2,173          | 3,301      | <b>3,745</b>  | 72.3%                    |                                                  | 4,014                 | <b>7,046</b>      | 75.5%               |
|                |            |               |                          | (Million ARS)                                    |                       |                   |                     |
|                |            |               |                          | Realization Prices                               |                       |                   |                     |
|                |            |               |                          | <b>Crude oil prices in domestic market (***)</b> |                       |                   |                     |
| 71.4           | 66.5       | <b>75.5</b>   | 5.8%                     |                                                  | 70.0                  | <b>71.0</b>       | 1.4%                |
|                |            |               |                          | Period average (USD/bbl)                         |                       |                   |                     |
|                |            |               |                          | <b>Average gas price (****)</b>                  |                       |                   |                     |
| 3.80           | 4.27       | <b>4.18</b>   | 9.8%                     |                                                  | 3.73                  | <b>4.22</b>       | 13.2%               |
|                |            |               |                          | (USD/Mmbtu)                                      |                       |                   |                     |

(\*) Q2 2013 and Jan - Jun 2013 results do not include the impact of provision for claims relating to AESU and TGM arbitration. (\*\*) Q1 capital expenditures do not include expenditures relating to the acquisition of Apache Group assets in Argentina (collectively, YSUR ) and expenditures

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relating to the 38.45% interest acquired in the Puesto Hernández joint venture, both of which occurred in Q1 2014. (\*\*\*) Q2 2014 includes YSUR crude oil sales price, which was excluded from Q1 2014. (\*\*\*\*) Figures have been recalculated. Also, Q2 2014 includes sales related to YSUR, which were excluded from Q1 2014.

Upstream operating income was ARS 3,305 million, 129% higher compared to Q2 2013.

Sales increased by 63.2% in Q2 2014 compared to same period in 2013, primarily due to stronger sales of crude oil and natural gas. Crude oil sales increased by 66.6% (ARS 5,180 million) due to a 62.2% increase in the price per barrel in Argentine peso terms, and greater volumes produced and transferred to YPF's Downstream business segment, which was partially offset by a decrease of crude oil exports of ARS 1,020 million. Natural gas income increased by 82% compared to Q2 2013 due to higher volumes produced and a higher average sales price.

The price in USD terms for crude oil in the domestic market for Q2 2014 increased by 5.8% to 75.5 USD/bbl. For natural gas, the average price was 4.18 USD/Mmbtu, which was 9.8% higher than Q2 2013. In both products, the average sales price for crude oil and natural gas from YSUR of 81.23 USD/bbl and 3.17 USD/Mmbtu, respectively, was fully consolidated in Q2 2014.

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During Q2 2014 total hydrocarbon production was 555.8 Kboed, 15.5% higher than Q2 2013; crude oil production was 240.9 Kbbld (an increase of 5.6%); natural gas production was 43.5 Mm3d, (an increase of 31.8%) and NGL production was 41.2 Kbbld (a decrease of 9.8%).

During the full quarter, production from YSUR was consolidated. Average daily hydrocarbon production was 49.5 Kboed, including 9.9 Kbbld of crude oil, 1.9 Kbbld of NGL and 6 Mm3d of natural gas.

During Q2 2014, production from unconventional areas totaled 23.2 Kboed of hydrocarbons, including 13.6 Kbbld of crude oil, 4.9 Kbbld of NGL and 0.8 Mm3d of natural gas, of which YPF's participation is approximately 50%. As for development activity in Loma Campana, over 50 wells have been drilled targeting Vaca Muerta, where operations continue with 21 active drilling rigs and 8 workovers.

Crude oil production in the second quarter was negatively affected by the fire that occurred on March 21 at the Cerro Divisadero crude oil treating plant, located in province of Mendoza. The Cerro Divisadero plant concentrates the production of 10 oilfields in the area of Malargüe that normally totals a daily average crude oil production of approximately 9.2 Kbbld. The actual production in Q2 2014 was 4 Kbbld, 5.2 Kbbld lower than before the incident.

Costs for Q2 2014 increased by 52.4% (an increase of ARS 4,599 million), mainly due to (i) higher amortization (an increase of ARS 1,572 million) resulting from higher investment and higher valuations of assets in Argentine pesos terms, (ii) increased royalties (an increase of ARS 869 million), mainly due to higher production volumes and higher Argentine peso-denominated prices at the wellhead, (iii) an increase in costs for outsourced services (an increase of ARS 911 million), and (iv) increases in exploration costs (an increase of ARS 557 million) for asset retirement corresponding to research wells in the provinces of La Rioja, Mendoza, Santa Cruz, Chubut and Neuquén, as well as research expenses relating to exploratory areas belonging to YPF Chile. During Q2 2014, unit cash costs in US dollars decreased 18% in comparison with Q2 2013 as a consequence of both higher production and the impact of the currency devaluation.

Operating income in Q2 2014 from affiliated Upstream companies, including mainly YSUR, YPF Holdings, YPF International, YPF Energía Eléctrica (including solely the Ramos oil field) and YPF Servicios Petroleros, was ARS 53 million compared to a loss of ARS 30 million for Q2 2013. It should be noted that this variation is included in the explanation mentioned above.

**CAPEX**

Capital expenditures in the Upstream business segment were ARS 8,672 million in Q2 2014, 57.3% higher than the ARS 5,514 million reported for the same period in 2013.

In the Neuquina basin, capital expenditures during Q2 2014 focused mainly on the development of blocks in Loma Campana, Aguada Toledo-Sierra Barrosa, Rincón del Mangrullo, Loma La Lata, Chihuido de la Sierra Negra and Cañadón Amarillo. Development activities continue in Cuyana Basin, mainly in the Vizcacheras block, while in Golfo San Jorge basin, most of the investments were focused in Barranca Baya, Los Perales and Cañadón Yatel, in the province of Santa Cruz and Manantiales Behr, El Trébol and Escalante in the province of Chubut.

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With respect to tight gas activity, 12 wells were drilled to the Lajas formation during Q2 2014; the average production of natural gas was 3.33 Mm3d.

As for exploration activities during Q2 2014, capital expenditures were made in the Neuquina basin mainly in the areas of Bajo del Piche, Bajo del Toro, Cañadón Amarillo, Cerro Arena, Cerro Partido, Filo Morado, Loma La Lata, Los Candeleros and Paso de las Bardas; as well as in the areas of Los Perales and Manantiales Behr, part of the Golfo San Jorge basin. To date 18 exploratory wells and 3 workovers have been completed this year.

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**3.2 DOWNSTREAM**

| <b>Q2<br/>2013</b> | <b>Q1<br/>2014</b> | <b>Q2<br/>2014</b> | <b>Var.%<br/>Q2 14/Q2<br/>13</b> | <b>(Unaudited Figures)</b>                                    | <b>Jan - Jun<br/>2013</b> | <b>Jan - Jun<br/>2014</b> | <b>Var.%<br/>2014/2013</b> |
|--------------------|--------------------|--------------------|----------------------------------|---------------------------------------------------------------|---------------------------|---------------------------|----------------------------|
|                    |                    |                    |                                  | <b>Operating income</b>                                       |                           |                           |                            |
| 1,210              | 2,453              | <b>2,921</b>       | 141.4%                           | (Million ARS)                                                 | 2,420                     | <b>5,374</b>              | 122.1%                     |
|                    |                    |                    |                                  | <b>Revenues</b>                                               |                           |                           |                            |
| 20,721             | 29,571             | <b>33,079</b>      | 59.6%                            | (Million ARS)                                                 | 38,985                    | <b>62,650</b>             | 60.7%                      |
|                    |                    |                    |                                  | <b>Sales of refined products in domestic market</b>           |                           |                           |                            |
| 3,819              | 3,999              | <b>4,087</b>       | 7.0%                             | (Km3)                                                         | 7,708                     | <b>8,086</b>              | 4.9%                       |
|                    |                    |                    |                                  | <b>Exportation of refined products</b>                        |                           |                           |                            |
| 265                | 455                | <b>375</b>         | 41.5%                            | (Km3)                                                         | 715                       | <b>829</b>                | 15.9%                      |
|                    |                    |                    |                                  | <b>Sales of petrochemical products in domestic market (*)</b> |                           |                           |                            |
| 195                | 185                | <b>216</b>         | 10.8%                            | (Ktn)                                                         | 374                       | <b>401</b>                | 7.1%                       |
|                    |                    |                    |                                  | <b>Exportation of petrochemical products (*)</b>              |                           |                           |                            |
| 86                 | 57                 | <b>55</b>          | -36.2%                           | (Ktn)                                                         | 156                       | <b>112</b>                | -28.3%                     |
|                    |                    |                    |                                  | <b>Crude oil processed</b>                                    |                           |                           |                            |
| 243                | 275                | <b>292</b>         | 20.0%                            | (Kboed)                                                       | 266                       | <b>284</b>                | 6.8%                       |
|                    |                    |                    |                                  | <b>Refinery utilization</b>                                   |                           |                           |                            |
| 76%                | 86%                | <b>91%</b>         | 20.0%                            | (%)                                                           | 83%                       | <b>89%</b>                | 6.8%                       |
|                    |                    |                    |                                  | <b>Capital Expenditures</b>                                   |                           |                           |                            |
| 925                | 999                | <b>1,833</b>       | 98.2%                            | (Million ARS)                                                 | 1,521                     | <b>2,832</b>              | 86.2%                      |
|                    |                    |                    |                                  | <b>Depreciation</b>                                           |                           |                           |                            |
| 313                | 547                | <b>589</b>         | 88.0%                            | (Million ARS)                                                 | 599                       | <b>1,136</b>              | 89.6%                      |

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| Average domestic market gasoline price |     |            |      |  |  |     |            |       |
|----------------------------------------|-----|------------|------|--|--|-----|------------|-------|
| 740                                    | 707 | <b>774</b> | 4.6% |  |  | 716 | <b>739</b> | 3.3%  |
| (USD/m3)                               |     |            |      |  |  |     |            |       |
| Average domestic market diesel price   |     |            |      |  |  |     |            |       |
| 802                                    | 742 | <b>811</b> | 1.1% |  |  | 780 | <b>777</b> | -0.3% |
| (USD/m3)                               |     |            |      |  |  |     |            |       |

(\*) Fertilizer sales not included

Operating income in YPF's Downstream business segment for Q2 2014 was ARS 2,921 million, a 141.4% increase compared to ARS 1,210 million for Q2 2013.

Net sales increased by 59.6% compared to Q2 2013, primarily due to a higher average price in Argentine peso terms for gasoline and diesel, resulting in higher income of ARS 2,522 million and ARS 4,684 million, respectively. In addition, volumes of gasoline sold increased by 6.2% compared to Q2 2013 (an increase of ARS 356 million), while volumes of diesel sold decreased by 0.7%. The decrease in diesel had almost no impact on revenues due to improvements in the mix of products sold. Additionally, in Q2 2014 sales of fuel oil reflected increases in both the domestic and international market to reach ARS 2,167 million (an increase of ARS 1,625 million) and exports of flour and oils increased ARS 1,074 million (an increase of ARS 440); sales of jet fuel increased to ARS 772 million (an increase of ARS 266 million) and LPG increased to ARS 114 million (an increase of ARS 32 million). Sales in the domestic and international markets for petrochemical products reached ARS 1,475 million (an increase of ARS 276 million), an increase driven by higher prices in Argentine peso terms for the products sold.

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Costs increased by 54.6% (an increase of ARS 10,647 million) compared to the same period in 2013. This increase was due to (i) increases in crude oil transferred from YPF's Upstream business segment (an increase of ARS 5,714 million) and crude oil purchased from other producers (an increase of ARS 1,026 million), (ii) higher price and greater volumes of biofuel purchased (an increase of ARS 695 million) and (iii) higher amortization (an increase of ARS 276 million). In addition, imports of diesel and gasoline dropped by 8% compared to Q2 2013 from ARS 2,517 million to ARS 2,305 million. The 52% (94 Km<sup>3</sup>) drop in imported volumes of gasoline and 34% (275 Km<sup>3</sup>) drop in imported volumes of diesel was partially offset by the higher prices in Argentine peso terms.

With respect to the incident that occurred at the La Plata Refinery in Q2 2013, insurance compensation of ARS 420 million was received in Q2 2014 for lost profits affecting YPF's business. This amount was recorded as a reduction to cost of sales based on the premise that lower volumes of refined products would have been imported if the refinery had not been damaged.

Crude oil processing volume was 292 Kboed, 20% higher than Q2 2013, showing substantial recovery of refining capacity after the incident affecting the La Plata Refinery on April 2, 2013 and the completion of maintenance activities at the Lujan de Cuyo Refinery on April 15, 2014.

Q2 2014 operating income for Downstream controlled companies, including mainly Opessa, YPF Inversora Energética (the controlling company of GASA and Metrogas), YPF Brazil, YPF Chile and YPF Energía Eléctrica (except the Ramos oil field) was ARS 223 million, compared to ARS 48 million for Q2 2013. It should be noted that this variation is included in the explanation mentioned above.

**CAPEX**

Capital expenditures in YPF's Downstream business segment for Q2 2014 were ARS 1,833 million, which was 98.2% higher than Q2 2013. Multi-year projects and the engineering work for new units are under way. They are intended to increase gasoline and diesel production capacity as well as to improve the quality of such products. In addition, YPF has worked to implement a coke unit and a new alkylation unit at the La Plata Refinery as well as new coke gasoline hydrogenation units in La Plata and Mendoza, together with the projects intended to improve YPF's logistics facilities and projects addressing optimization of safety and environmental performance.

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**3.3 CORPORATE AND OTHERS**

This business segment involves mainly corporate costs and other activities that are not reported in any of the previously-mentioned business segments.

Corporate operating income for Q2 2014 was a loss of ARS 365 million, ARS 62 million lower compared to a loss of ARS 303 million in Q2 2013. Increased costs were due to higher corporate salaries and social charges and other corporate expenses, which offset better results from YPF's controlled companies AESA and YPF Tecnología.

Consolidation adjustments relating to eliminating results among business segments not transferred to third parties were positive ARS 89 million in Q2 2014 and negative ARS 132 million in Q2 2013.

**3.4 RELATED COMPANIES**

Q2 2014 results from companies YPF invests in but does not control were ARS 26 million, compared to Q2 2013, which was ARS 133 million. This variation was mainly due to poorer results from Central Dock Sud.

**4. LIQUIDITY AND SOURCES OF CAPITAL**

During Q2 2014, cash flow generation reached ARS 11,430 million, 251% higher than same period in 2013 (an increase of ARS 8,177 million), mainly due to the higher net income before income tax (an increase of ARS 3,167 million). In addition, there was a reduction in other receivables and liabilities (an increase of ARS 3,292 million) and higher fixed assets depreciation (an increase of ARS 1,929 million). Compared to the end of Q1 2014, YPF's cash and equivalents increased by ARS 8,339 million to ARS 11,448 million by the end of Q2 2014, mainly due to higher cash flow generation and the issuance of Series XXVIII Notes for USD 1 billion in the international capital markets. Net financial debt decreased by ARS 818 million (a decrease of 2.3%) to reach ARS 34,743 million by the end of Q2 2014.

The average cost of debt denominated in Argentine pesos for Q2 2014 was 28.04%, while the average cost of debt denominated in U.S. dollars was 6.76%.

On July 10, 2014 dividends were paid at 1.18 ARS per share, in compliance with the decision taken at the Ordinary General Shareholders Meeting held on April 30, 2014, which provided for distribution of dividends within a term not exceeding the end of the present period.



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YPF Notes issued during Q2 2014 are detailed below.

| <b>YPF Note</b>           | <b>Amount</b> | <b>Interest Rate</b> | <b>Maturity</b> |
|---------------------------|---------------|----------------------|-----------------|
| Series XXVI (Q4 2013) (*) | 587 MUSD      | 8.875%               | 60 months       |
| Series XXVIII (Q2 2014)   | 1,000 MUSD    | 8.75%                | 120 months      |
| Series XXXI (Q2 2014)     | 201 MARS      | 20% + Margin         | 12 months       |
| Series XXXII (Q2 2014)    | 465 MARS      | BADLAR + 3.20%       | 21 months       |
| Series XXXIII (Q2 2014)   | 66 MUSD       | 2.00%                | 33 months       |

(\*) On April 2, 2014 YPF S.A. announced the results of the exchange of medium term Notes at 10% (Series C) with maturity in 2028 for Unsubordinated Notes with maturity in 2018; the exchange covered USD 87 million of Notes.

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**5. TABLES AND NOTES**

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**5.1 CONSOLIDATED STATEMENT OF INCOME****YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES**

(Unaudited, figures expressed in millions of pesos)

| Q2           | Q1             | Q2             | Var.%           |                                                  | Jan - Jun     | Jan - Jun      | Var.%          |
|--------------|----------------|----------------|-----------------|--------------------------------------------------|---------------|----------------|----------------|
| 2013         | 2014           | 2014           | Q2 14/Q2        |                                                  | 2013          | 2014           | 2014/2013      |
| 21,941       | 30,664         | 35,330         | 61.0%           | Revenues                                         | 40,575        | 65,994         | 62.6%          |
| (16,573)     | (23,016)       | (25,427)       | 53.4%           | Costs of sales                                   | (30,511)      | (48,443)       | 58.8%          |
| <b>5,368</b> | <b>7,648</b>   | <b>9,903</b>   | <b>84.5%</b>    | <b>Gross profit</b>                              | <b>10,064</b> | <b>17,551</b>  | <b>74.4%</b>   |
| (2,088)      | (2,204)        | (2,317)        | 11.0%           | Selling expenses                                 | (3,569)       | (4,521)        | 26.7%          |
| (686)        | (817)          | (1,180)        | 72.0%           | Administration expenses                          | (1,235)       | (1,997)        | 61.7%          |
| (170)        | (197)          | (727)          | 327.6%          | Exploration expenses                             | (246)         | (924)          | 275.6%         |
| (1,061)      | (46)           | 271            | (125.5%)        | Other expenses                                   | (1,118)       | 225            | (120.1%)       |
| <b>1,363</b> | <b>4,384</b>   | <b>5,950</b>   | <b>336.5%</b>   | <b>Operating income</b>                          | <b>3,896</b>  | <b>10,334</b>  | <b>165.2%</b>  |
| <b>133</b>   | <b>(3)</b>     | <b>26</b>      | <b>(80.5%)</b>  | Income on investments in companies               | <b>133</b>    | <b>23</b>      | <b>(82.7%)</b> |
|              |                |                |                 | <b>Financial income (expenses), net</b>          |               |                |                |
| <b>(221)</b> | <b>(1,124)</b> | <b>102</b>     | <b>(146.2%)</b> | <b>Gains (losses) on assets</b>                  | <b>(268)</b>  | <b>(1,022)</b> | <b>281.3%</b>  |
| 177          | 280            | 318            | 79.7%           | Interests                                        | 316           | 598            | 89.2%          |
| (398)        | (1,404)        | (216)          | (45.7%)         | Exchange differences                             | (584)         | (1,620)        | 177.4%         |
| <b>452</b>   | <b>5,707</b>   | <b>(1,184)</b> | <b>(361.9%)</b> | <b>(Losses) gains on liabilities</b>             | <b>694</b>    | <b>4,523</b>   | <b>551.7%</b>  |
| (817)        | (1,568)        | (1,943)        | 137.8%          | Interests                                        | (1,425)       | (3,511)        | 146.4%         |
| 1,269        | 7,275          | 759            | (40.2%)         | Exchange differences                             | 2,119         | 8,034          | 279.1%         |
| <b>1,727</b> | <b>8,964</b>   | <b>4,894</b>   | <b>183.4%</b>   | <b>Net income before income tax</b>              | <b>4,455</b>  | <b>13,858</b>  | <b>211.1%</b>  |
| (1,159)      | (139)          | (2,891)        | 149.4%          | Income tax                                       | (2,003)       | (3,030)        | 51.3%          |
| (42)         | (6,038)        | (460)          | 995.2%          | Deferred income tax                              | (668)         | (6,498)        | 872.8%         |
| (9)          | (94)           | 17             |                 | Net income (loss) for noncontrolling interest    | (9)           | (77)           |                |
| <b>535</b>   | <b>2,881</b>   | <b>1,526</b>   | <b>185.2%</b>   | <b>Net income for the period (*)</b>             | <b>1,793</b>  | <b>4,407</b>   | <b>145.8%</b>  |
| <b>1.36</b>  | <b>7.34</b>    | <b>3.89</b>    | <b>185.5%</b>   | <b>Earnings per share, basic and diluted (*)</b> | <b>4.56</b>   | <b>11.23</b>   | <b>146.2%</b>  |

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|              |               |               |               |                                                  |              |               |               |
|--------------|---------------|---------------|---------------|--------------------------------------------------|--------------|---------------|---------------|
| 1,829        | 11,239        | 1,405         | (23.2%)       | Other comprehensive Income                       | 3,214        | 12,644        | 293.4%        |
| <b>2,355</b> | <b>14,026</b> | <b>2,948</b>  | <b>25.2%</b>  | <b>Total comprehensive income for the period</b> | <b>4,998</b> | <b>16,974</b> | <b>239.6%</b> |
| <b>3,948</b> | <b>8,360</b>  | <b>10,464</b> | <b>165.0%</b> | <b>Adj. EBITDA (**)</b>                          | <b>8,690</b> | <b>18,824</b> | <b>116.6%</b> |

Note: Information reported in accordance with International Financial Reporting Standards (IFRS), except adjusted EBITDA.

(\*) Attributable to controlling shareholder.

(\*\*) 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

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**5.2 CONSOLIDATED BALANCE SHEET****YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES****(Q2 2014 figures unaudited, figures expressed in millions of pesos)**

|                                               | <b>12/31/2013</b> | <b>06/30/2014</b> |
|-----------------------------------------------|-------------------|-------------------|
| <b>Noncurrent Assets</b>                      |                   |                   |
| Intangible assets                             | 2,446             | 4,610             |
| Fixed assets                                  | 93,496            | 132,352           |
| Investments in companies                      | 2,124             | 2,510             |
| Deferred income tax assets                    | 34                | 98                |
| Other receivables and advances                | 2,927             | 2,271             |
| Trade receivables                             | 54                | 18                |
| <b>Total Non-current assets</b>               | <b>101,081</b>    | <b>141,859</b>    |
| <b>Current Assets</b>                         |                   |                   |
| Inventories                                   | 9,881             | 11,977            |
| Other receivables and advances                | 6,506             | 7,847             |
| Trade receivables                             | 7,414             | 11,891            |
| Assets available for sale                     |                   | 1,576             |
| Cash and equivalents                          | 10,713            | 11,448            |
| <b>Total current assets</b>                   | <b>34,514</b>     | <b>44,739</b>     |
| <b>Total assets</b>                           | <b>135,595</b>    | <b>186,598</b>    |
| <b>Shareholders' equity</b>                   |                   |                   |
| Shareholders' contributions                   | 10,600            | 10,575            |
| Reserves and unappropriated retained earnings | 37,416            | 54,003            |
| Noncontrolling interest                       | 224               | 147               |
| <b>Total Shareholders' equity</b>             | <b>48,240</b>     | <b>64,725</b>     |
| <b>Noncurrent Liabilities</b>                 |                   |                   |
| Provisions                                    | 19,172            | 23,421            |
| Deferred income tax liabilities               | 11,459            | 19,294            |
| Other taxes payable                           | 362               | 344               |
| Salaries and social security                  | 8                 |                   |
| Loans                                         | 23,076            | 35,296            |
| Accounts payable                              | 470               | 621               |

|                                                   |                |                |
|---------------------------------------------------|----------------|----------------|
| <b>Total Noncurrent Liabilities</b>               | <b>54,547</b>  | <b>78,976</b>  |
| <b>Current Liabilities</b>                        |                |                |
| Provisions                                        | 1,396          | 1,561          |
| Income tax liability                              | 122            | 1,395          |
| Other taxes payable                               | 1,045          | 2,074          |
| Salaries and social security                      | 1,119          | 1,186          |
| Loans                                             | 8,814          | 10,895         |
| Accounts payable                                  | 20,312         | 25,322         |
| Dividends payable                                 |                | 464            |
| <b>Total Current Liabilities</b>                  | <b>32,808</b>  | <b>42,897</b>  |
| <b>Total Liabilities</b>                          | <b>87,355</b>  | <b>121,873</b> |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>135,595</b> | <b>186,598</b> |

Note: Information reported in accordance with International Financial Reporting Standards (IFRS).

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**5.3 CONSOLIDATED STATEMENT OF CASH FLOW****YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES**

(Unaudited, figures expressed in millions of pesos)

| Q2<br>2013                                  | Q1<br>2014   | Q2<br>2014    |                                                                                 | Jan - Jun<br>2013 | Jan - Jun<br>2014 |
|---------------------------------------------|--------------|---------------|---------------------------------------------------------------------------------|-------------------|-------------------|
| <b>Cash Flows from operating activities</b> |              |               |                                                                                 |                   |                   |
| 526                                         | 2,787        | 1,543         | Net income                                                                      | 1,784             | 4,330             |
| (133)                                       | 3            | (26)          | Income from investments in companies                                            | (133)             | (23)              |
| 2,533                                       | 3,903        | 4,414         | Depreciation of fixed assets                                                    | 4,701             | 8,317             |
| 52                                          | 73           | 100           | Amortization of intangible assets                                               | 93                | 173               |
|                                             |              |               | Consumption of materials and fixed assets and intangible assets retired, net of |                   |                   |
| 666                                         | 1,015        | 788           | provisions                                                                      | 1,091             | 1,803             |
| 1,410                                       | 604          | 939           | Net increase in provisions                                                      | 1,826             | 1,543             |
| (36)                                        |              | (53)          | Acquisition of own shares                                                       | (36)              | (53)              |
| <b>Changes in assets and liabilities:</b>   |              |               |                                                                                 |                   |                   |
| (1,018)                                     | (1,996)      | (1,447)       | Trade receivables                                                               | (2,483)           | (3,443)           |
| (978)                                       | (3,052)      | 2,314         | Other receivables and liabilities                                               | (1,041)           | (738)             |
| (1,072)                                     | (1,660)      | (381)         | Inventories                                                                     | (1,414)           | (2,041)           |
| 1,286                                       | (1,144)      | 1,484         | Accounts payable                                                                | 1,491             | 340               |
| (145)                                       | 1,598        | (674)         | Other Taxes payable                                                             | 246               | 924               |
| (4)                                         | (196)        | 208           | Salaries and Social Securities                                                  | (128)             | 12                |
| (152)                                       | (744)        | (410)         | Decrease in provisions from payments                                            | (274)             | (1,154)           |
| (62)                                        | 143          | 558           | Interest, exchange differences and other                                        | 181               | 701               |
| 121                                         |              | 215           | Dividends from investments in companies                                         | 121               | 215               |
| 22                                          | 14           | 14            | Stock compensation plan                                                         | 22                | 28                |
|                                             | (741)        | (386)         | Accrued insurance                                                               |                   | (1,127)           |
|                                             |              | 591           | Insurance charge for loss of profit                                             |                   | 591               |
| 237                                         | 6,108        | 1,639         | Net charge of income tax payment                                                | 976               | 7,747             |
| 1,201                                       | 6,177        | 1,010         | Income tax                                                                      | 2,671             | 9,528             |
| (964)                                       | (69)         | (479)         | Income tax payments                                                             | (1,695)           | (1,781)           |
| <b>3,253</b>                                | <b>6,715</b> | <b>11,430</b> | <b>Net cash flows provided by operating activities</b>                          | <b>7,023</b>      | <b>18,145</b>     |
| <b>Cash flows from investing activities</b> |              |               |                                                                                 |                   |                   |
| <b>Payments for investments:</b>            |              |               |                                                                                 |                   |                   |
| (5,993)                                     | (11,817)     | (10,335)      | Acquisitions of fixed assets and Intangible assets                              | (10,737)          | (22,152)          |
|                                             | (85)         |               | Capital contributions in non-current investments                                |                   | (85)              |
|                                             | 1,531        | 180           | Liabilities of sales of fixed assets                                            |                   | 1,711             |
|                                             | (326)        | (186)         | Acquisitions of participation in UTEs                                           |                   | (512)             |
| 107                                         | (6,102)      | (1)           | Acquisition of subsidiaies net of adquired funds                                | 107               | (6,103)           |
|                                             | 608          | 1,210         | Insurance charge for material damages                                           |                   | 1,818             |

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|                                                                   |                |               |                                                                    |              |               |
|-------------------------------------------------------------------|----------------|---------------|--------------------------------------------------------------------|--------------|---------------|
| (5,886)                                                           | (16,191)       | (9,132)       | <b>Net cash flows used in investing activities</b>                 | (10,630)     | (25,323)      |
| <b>Cash flows from financing activities</b>                       |                |               |                                                                    |              |               |
| (1,625)                                                           | (2,143)        | (3,839)       | Payment of loans                                                   | (3,581)      | (5,982)       |
| (570)                                                             | (939)          | (1,360)       | Payment of interests                                               | (1,101)      | (2,299)       |
| 5,617                                                             | 4,252          | 10,949        | Proceeds from loans                                                | 8,627        | 15,201        |
| <b>3,422</b>                                                      | <b>1,170</b>   | <b>5,750</b>  | <b>Net cash flows provided by financing activities</b>             | <b>3,945</b> | <b>6,920</b>  |
| <b>36</b>                                                         | <b>702</b>     | <b>291</b>    | <b>Effect of changes in exchange rates on cash and equivalents</b> | <b>55</b>    | <b>993</b>    |
| <b>825</b>                                                        | <b>(7,604)</b> | <b>8,339</b>  | <b>Increase (Decrease) in Cash and Equivalents</b>                 | <b>393</b>   | <b>735</b>    |
| 4,315                                                             | 10,713         | 3,109         | Cash and equivalents at the beginning of the period                | 4,747        | 10,713        |
| 5,140                                                             | 3,109          | 11,448        | Cash and equivalents at the end of the period                      | 5,140        | 11,448        |
| <b>825</b>                                                        | <b>(7,604)</b> | <b>8,339</b>  | <b>Increase (Decrease) in Cash and Equivalents</b>                 | <b>393</b>   | <b>735</b>    |
| <b>COMPONENTS OF CASH AND EQUIVALENT AT THE END OF THE PERIOD</b> |                |               |                                                                    |              |               |
| 443                                                               | 1,325          | 6,202         | Cash                                                               | 443          | 6,202         |
| 4,697                                                             | 1,784          | 5,246         | Other Financial Assets                                             | 4,697        | 5,246         |
| <b>5,140</b>                                                      | <b>3,109</b>   | <b>11,448</b> | <b>TOTAL CASH AND EQUIVALENTS AT THE END OF THE PERIOD</b>         | <b>5,140</b> | <b>11,448</b> |

Note: Information reported in accordance with International Financial Reporting Standards (IFRS).



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**5.4 CONSOLIDATED BUSINESS SEGMENT INFORMATION**

(Unaudited, figures expressed in millions of pesos)

| Q2 2014                          | Upstream      | Downstream    | Corporate and<br>Other    | Consolidation<br>Adjustments | Total          |
|----------------------------------|---------------|---------------|---------------------------|------------------------------|----------------|
| Revenues                         | 2,365         | 32,713        | 252                       |                              | <b>35,330</b>  |
| Revenues from intersegment sales | 14,320        | 366           | 1,339                     | -16,025                      |                |
| <b>Revenues</b>                  | <b>16,685</b> | <b>33,079</b> | <b>1,591</b>              | <b>-16,025</b>               | <b>35,330</b>  |
| <b>Operating Income (loss)</b>   | 3,305         | 2,921         | -365                      | 89                           | <b>5,950</b>   |
| Investments in companies         | -1            | 27            |                           |                              | <b>26</b>      |
| Depreciation of fixed assets     | 3,745         | 589           | 80                        |                              | <b>4,414</b>   |
| Acquisitions of fixed assets     | 8,672         | 1,833         | 361                       |                              | <b>10,866</b>  |
| Assets                           | 106,989       | 64,959        | 17,446                    | -2,796                       | <b>186,598</b> |
| Q2 2013                          | Upstream      | Downstream    | Corporate<br>and<br>Other | Consolidation<br>Adjustments | Total          |
| Revenues                         | 1,281         | 20,398        | 262                       |                              | <b>21,941</b>  |
| Revenues from intersegment sales | 8,943         | 323           | 516                       | -9,782                       |                |
| <b>Revenues</b>                  | <b>10,224</b> | <b>20,721</b> | <b>778</b>                | <b>-9,782</b>                | <b>21,941</b>  |
| <b>Operating Income (loss)</b>   | 588           | 1,210         | -303                      | -132                         | <b>1,363</b>   |
| Investments in companies         |               | 133           |                           |                              | <b>133</b>     |
| Depreciation of fixed assets     | 2,173         | 313           | 47                        |                              | <b>2,533</b>   |
| Acquisitions of fixed assets     | 5,514         | 925           | 71                        |                              | <b>6,510</b>   |
| Assets                           | 50,636        | 40,291        | 8,867                     | -1,302                       | <b>98,492</b>  |

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**5.5 MAIN DOLLAR DENOMINATED FINANCIAL MAGNITUDES (unaudited figures)**

| <i>Million USD</i>                          | <b>2013<br/>Q2 (*)</b> | <b>2014<br/>Q1</b> | <b>2014<br/>Q2</b> | <b>Var<br/>Q2 14/Q2 13</b> | <b>2013<br/>Jan - Jun (*)</b> | <b>2014<br/>Jan - Jun</b> | <b>Var<br/>2014/2013</b> |
|---------------------------------------------|------------------------|--------------------|--------------------|----------------------------|-------------------------------|---------------------------|--------------------------|
| <b>INCOME STATEMENT</b>                     |                        |                    |                    |                            |                               |                           |                          |
| Revenues                                    | 4,203                  | 4,040              | 4,413              | 5.0%                       | 7,911                         | 8,430                     | 6.6%                     |
| Costs of sales                              | -3,175                 | -3,032             | -3,176             | 0.0%                       | -5,949                        | -6,188                    | 4.0%                     |
| <b>Gross profit</b>                         | <b>1,028</b>           | <b>1,008</b>       | <b>1,237</b>       | <b>20.3%</b>               | <b>1,962</b>                  | <b>2,242</b>              | <b>14.3%</b>             |
| Selling expenses                            | -400                   | -290               | -289               | -27.6%                     | -696                          | -578                      | -17.0%                   |
| Administration expenses                     | -131                   | -108               | -147               | 12.2%                      | -241                          | -255                      | 5.9%                     |
| Exploration expenses                        | -33                    | -26                | -91                | 178.8%                     | -48                           | -118                      | 146.1%                   |
| Other expenses                              | -203                   | -6                 | 34                 | -116.7%                    | -218                          | 29                        | -113.2%                  |
| <b>Operating income</b>                     | <b>425</b>             | <b>578</b>         | <b>743</b>         | <b>74.9%</b>               | <b>926</b>                    | <b>1,320</b>              | <b>42.5%</b>             |
| Depreciation of fixed assets                | 485                    | 514                | 551                | 13.6%                      | 917                           | 1,062                     | 15.9%                    |
| Amortization of intangible assets           | 10                     | 10                 | 12                 | 25.4%                      | 18                            | 22                        | 21.9%                    |
| <b>Adj. EBITDA (**)</b>                     | <b>920</b>             | <b>1,101</b>       | <b>1,307</b>       | <b>42.0%</b>               | <b>1,861</b>                  | <b>2,405</b>              | <b>29.2%</b>             |
| <b>UPSTREAM</b>                             |                        |                    |                    |                            |                               |                           |                          |
| Revenues                                    | 1,959                  | 1,966              | 2,084              | 6.4%                       | 3,716                         | 4,037                     | 8.6%                     |
| Operating income                            | 276                    | 397                | 413                | 49.3%                      | 646                           | 807                       | 24.9%                    |
| Depreciation                                | 416                    | 435                | 468                | 12.4%                      | 783                           | 900                       | 15.0%                    |
| Capital expenditures                        | 1,056                  | 1,133              | 1,083              | 2.5%                       | 1,788                         | 2,207                     | 23.4%                    |
| <b>DOWNSTREAM</b>                           |                        |                    |                    |                            |                               |                           |                          |
| Revenues                                    | 3,970                  | 3,896              | 4,132              | 4.1%                       | 7,601                         | 8,003                     | 5.3%                     |
| Operating income                            | 232                    | 323                | 365                | 57.4%                      | 472                           | 686                       | 45.5%                    |
| Depreciation                                | 60                     | 72                 | 74                 | 22.6%                      | 117                           | 145                       | 24.2%                    |
| Capital expenditures                        | 177                    | 132                | 229                | 29.2%                      | 297                           | 362                       | 22.0%                    |
| <b>CORPORATE AND OTHER</b>                  |                        |                    |                    |                            |                               |                           |                          |
| Operating income                            | -58                    | -47                | -46                | -21.5%                     | -154                          | -92                       | -40.4%                   |
| Capital expenditures                        | 14                     | 16                 | 45                 | 231.5%                     | 20                            | 61                        | 206.0%                   |
| <b>CONSOLIDATION ADJUSTMENTS</b>            |                        |                    |                    |                            |                               |                           |                          |
| Operating income                            | -25                    | -96                | 11                 | -144.0%                    | -38                           | -82                       | 115.8%                   |
| <b>Average exchange rate for the period</b> | <b>5.22</b>            | <b>7.59</b>        | <b>8.01</b>        |                            | <b>5.13</b>                   | <b>7.83</b>               |                          |

NOTE: The calculation of the main financial figures in U.S. dollars is derived from the calculation of the financial results expressed in Argentine pesos using the average exchange rate for each period.

(\*) For these periods, results do not include the impact of the provision for claims related to the AES Uruguaiiana Empprendimientos S.A. (AESU) and Transportadora de Gas del Mercosur S.A. (TGM) arbitrations.

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(\*\*) 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

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**5.6 MAIN PHYSICAL MAGNITUDES (Unaudited figures)**

|                                              | Unit        | Q1            | Q2            | 2013<br>Q3    | Q4            | Cum. 2013      | Q1            | 2014<br>Q2    | Cum. 2014     |
|----------------------------------------------|-------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| <b>Upstream</b>                              |             |               |               |               |               |                |               |               |               |
| Crude oil production                         | Kbbl        | 20,365        | 20,770        | 21,625        | 22,019        | 84,780         | 21,742        | 21,918        | 43,660        |
| NGL production                               | Kbbl        | 4,918         | 4,162         | 3,471         | 5,033         | 17,584         | 4,858         | 3,751         | 8,608         |
| Gas production                               | Mm3         | 2,824         | 3,001         | 3,272         | 3,262         | 12,359         | 3,350         | 3,960         | 7,311         |
| <b>Total production</b>                      | <b>Kbpe</b> | <b>43,045</b> | <b>43,806</b> | <b>45,675</b> | <b>47,568</b> | <b>180,094</b> | <b>47,672</b> | <b>50,577</b> | <b>98,249</b> |
| <b>Henry Hub</b>                             | USD/Mmbtu   | 3.48          | 4.09          | 3.58          | 3.60          | 3.69           | 4.94          | 4.67          | 4.80          |
| <b>Brent</b>                                 | USD/bbl     | 112.48        | 102.58        | 110.27        | 109.21        | 108.63         | 108.17        | 109.70        | 108.93        |
| <b>Downstream</b>                            |             |               |               |               |               |                |               |               |               |
| <b>Sales of petroleum products</b>           |             |               |               |               |               |                |               |               |               |
| <b>Domestic market</b>                       |             |               |               |               |               |                |               |               |               |
| Gasoline                                     | Km3         | 1,159         | 1,060         | 1,121         | 1,206         | 4,545          | 1,229         | 1,126         | <b>2,355</b>  |
| Diesel                                       | Km3         | 1,946         | 2,057         | 2,048         | 2,047         | 8,098          | 1,920         | 2,043         | <b>3,962</b>  |
| Jet fuel and kerosene                        | Km3         | 108           | 111           | 112           | 118           | 449            | 124           | 108           | <b>232</b>    |
| Fuel Oil                                     | Km3         | 129           | 100           | 293           | 239           | 760            | 294           | 297           | <b>591</b>    |
| LPG                                          | Km3         | 168           | 220           | 265           | 144           | 796            | 146           | 210           | <b>356</b>    |
| Others (*)                                   | Km3         | 379           | 270           | 350           | 340           | 1,338          | 286           | 304           | <b>590</b>    |
| <b>Total domestic market</b>                 | <b>Km3</b>  | <b>3,889</b>  | <b>3,819</b>  | <b>4,188</b>  | <b>4,094</b>  | <b>15,988</b>  | <b>3,999</b>  | <b>4,087</b>  | <b>8,086</b>  |
| <b>Export market</b>                         |             |               |               |               |               |                |               |               |               |
| Petrochemical naphtha                        | Km3         | 0             | 0             | 0             | 0             | 0              | 0             | 0             | <b>0</b>      |
| Jet fuel and kerosene                        | Km3         | 131           | 121           | 127           | 126           | 505            | 129           | 116           | <b>246</b>    |
| LPG                                          | Km3         | 123           | 36            | 30            | 104           | 293            | 124           | 35            | <b>159</b>    |
| Bunker (Diesel and Fuel Oil)                 | Km3         | 186           | 98            | 189           | 191           | 664            | 194           | 205           | <b>398</b>    |
| Others (*)                                   | Km3         | 10            | 10            | 9             | 11            | 39             | 8             | 18            | <b>26</b>     |
| <b>Total export market</b>                   | <b>Km3</b>  | <b>450</b>    | <b>265</b>    | <b>355</b>    | <b>432</b>    | <b>1,502</b>   | <b>455</b>    | <b>375</b>    | <b>829</b>    |
| <b>Total sales of petroleum products</b>     | <b>Km3</b>  | <b>4,339</b>  | <b>4,084</b>  | <b>4,542</b>  | <b>4,526</b>  | <b>17,490</b>  | <b>4,454</b>  | <b>4,462</b>  | <b>8,916</b>  |
| <b>Sales of petrochemical products</b>       |             |               |               |               |               |                |               |               |               |
| <b>Domestic market</b>                       |             |               |               |               |               |                |               |               |               |
| Fertilizers                                  | Ktn         | 24            | 27            | 68            | 105           | 224            | 32            | 39            | <b>71</b>     |
| Methanol                                     | Ktn         | 49            | 57            | 64            | 66            | 236            | 47            | 73            | <b>120</b>    |
| Others                                       | Ktn         | 130           | 138           | 143           | 132           | 543            | 138           | 143           | <b>281</b>    |
| <b>Total domestic market</b>                 | <b>Ktn</b>  | <b>203</b>    | <b>222</b>    | <b>276</b>    | <b>303</b>    | <b>1,003</b>   | <b>217</b>    | <b>255</b>    | <b>472</b>    |
| <b>Export market</b>                         |             |               |               |               |               |                |               |               |               |
| Methanol                                     | Ktn         | 8             | 22            | 1             | 10            | 41             | 33            | 22            | <b>55</b>     |
| Others                                       | Ktn         | 62            | 64            | 75            | 39            | 240            | 24            | 33            | <b>57</b>     |
| <b>Total export market</b>                   | <b>Ktn</b>  | <b>70</b>     | <b>86</b>     | <b>76</b>     | <b>49</b>     | <b>281</b>     | <b>57</b>     | <b>55</b>     | <b>112</b>    |
| <b>Total sales of petrochemical products</b> | <b>Ktn</b>  | <b>273</b>    | <b>308</b>    | <b>352</b>    | <b>352</b>    | <b>1,284</b>   | <b>274</b>    | <b>310</b>    | <b>584</b>    |
| <b>Sales of other products</b>               |             |               |               |               |               |                |               |               |               |
| <b>Grain, flours and oils</b>                |             |               |               |               |               |                |               |               |               |
| Domestic market                              | Ktn         | 39            | 30            | 24            | 31            | 124            | 20            | 22            | <b>42</b>     |
| Export market                                | Ktn         | 87            | 239           | 284           | 159           | 769            | 85            | 251           | <b>336</b>    |
| <b>Total Grain, flours and oils</b>          | <b>Ktn</b>  | <b>126</b>    | <b>269</b>    | <b>308</b>    | <b>190</b>    | <b>893</b>     | <b>105</b>    | <b>273</b>    | <b>378</b>    |

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### Main products imported

|                        |     |     |     |     |     |              |     |     |            |
|------------------------|-----|-----|-----|-----|-----|--------------|-----|-----|------------|
| Gasolines and Jet Fuel | Km3 | 94  | 198 | 0   | 0   | 292          | 179 | 94  | <b>274</b> |
| Diesel                 | Km3 | 183 | 420 | 296 | 351 | <b>1,250</b> | 473 | 275 | <b>748</b> |

(\*) Principally includes sales of oil and lubricant bases, grease, asphalt and residual carbon, among others.

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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 as of the date hereof of YPF and its management, including statements with respect to trends affecting 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 the future price of petroleum and petroleum products, 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 in circumstances and other factors that 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 the future price of petroleum and petroleum products, 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 fluctuations in the price of petroleum and petroleum products, 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 before the Comisión Nacional de Valores in Argentina and with the U.S. 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 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 elsewhere.

The information contained herein has been prepared to assist interested parties in making their own evaluations of YPF.

**Investors Relations**

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**YPF Sociedad Anónima**

Date: August 7, 2014

By: /s/ Alejandro Cheriñacov

Name: Alejandro Cheriñacov

Title: Market Relations Officer