

YPF SOCIEDAD ANONIMA
Form 6-K
August 12, 2016
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer

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

of the Securities Exchange Act of 1934

For the month of August, 2016

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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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Table of Contents

YPF Sociedad Anonima

TABLE OF CONTENTS

ITEM

1 Translation of Condensed Interim Consolidated Financial Statements as of June 30, 2016 and Comparative Information.

Table of Contents

SOCIEDAD ANONIMA

Condensed Interim Consolidated

Financial Statements as of June 30,
2016

and Comparative Information

Table of Contents**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2016 AND COMPARATIVE INFORMATION**

Index	Page
<u>Cover</u>	1
<u>Condensed interim consolidated statements of financial position</u>	2
<u>Condensed interim consolidated statements of comprehensive income</u>	3
<u>Condensed interim consolidated statements of changes in shareholders' equity</u>	4
<u>Condensed interim consolidated statements of cash flow</u>	6
<u>Notes to the condensed interim consolidated financial statements:</u>	
1) <u>Basis of preparation of the condensed interim consolidated financial statements</u>	
a. <u>Basis of preparation</u>	7
b. <u>Significant accounting policies</u>	7
c. <u>Accounting estimates and judgments</u>	8
d. <u>Comparative information</u>	8
2) <u>Seasonality of operations</u>	8
3) <u>Acquisitions and disposals</u>	8
4) <u>Financial risk management and fair value measurements</u>	
a. <u>Financial risk</u>	9
b. <u>Fair value measurements</u>	9
5) <u>Segment information</u>	10
6) <u>Financial instruments by category</u>	11
7) <u>Analysis of the main accounts of the condensed interim consolidated financial statements</u>	
a. <u>Intangible assets</u>	12
b. <u>Property, plant and equipment</u>	12
c. <u>Investments in associates and joint ventures</u>	14
d. <u>Inventories</u>	19
e. <u>Other receivables</u>	19
f. <u>Trade receivables</u>	19
g. <u>Cash and cash equivalents</u>	19
h. <u>Provisions</u>	20
i. <u>Income tax</u>	21

<i>j. <u>Loans</u></i>	22
<i>k. <u>Accounts payable</u></i>	24
<i>l. <u>Revenues</u></i>	24
<i>m. <u>Costs</u></i>	24
<i>n. <u>Expenses by nature</u></i>	25
<i>o. <u>Other operating results, net</u></i>	26
<i>p. <u>Financial results, net</u></i>	26
8) <u>Investments in joint operations</u>	26
9) <u>Shareholders equity</u>	27

Table of Contents

10) <u>Earnings per share</u>	27
11) <u>Provisions for pending lawsuits, claims and environmental liabilities</u>	28
12) <u>Contingent liabilities, contingent assets, contractual commitments, main regulations and other</u>	
a. <u>Contingent liabilities</u>	30
b. <u>Contingent assets</u>	31
c. <u>Contractual commitments</u>	31
d. <u>Main regulations and other</u>	31
13) <u>Balances and transactions with related parties</u>	37
14) <u>Employee benefit plans and similar obligations</u>	39
15) <u>Information required by regulatory authorities</u>	40
16) <u>Assets and liabilities in currencies other than the Argentine peso</u>	41
17) <u>Subsequent events</u>	42

Table of Contents

English translation of the condensed interim consolidated financial statements originally filed in Spanish with the Argentine Securities Commission (CNV). In case of discrepancy, the condensed interim consolidated financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA

Macacha Güemes 515 Autonomous City of Buenos Aires, Argentina

FISCAL YEAR NUMBER 40

BEGINNING ON JANUARY 1, 2016

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2016 AND FOR THE

SIX-MONTH PERIOD ENDED JUNE 30, 2016 AND COMPARATIVE INFORMATION

LEGAL INFORMATION

Principal business of the Company: exploration, development and production of oil, natural gas and other minerals and refining, transportation, marketing and distribution of oil and petroleum products and petroleum derivatives, including petrochemicals, chemicals and non-fossil fuels, biofuels and their components; production of electric power from hydrocarbons; rendering telecommunications services, as well as the production, industrialization, processing, marketing, preparation services, transportation and storage of grains and their derivatives.

Filing with the Public Register: Bylaws filed on February 5, 1991 under No. 404, Book 108, Volume A , Corporations, with the Public Registry of Buenos Aires City, in charge of Inspección General de Justicia (Argentine Registrar of Companies); and Bylaws in substitution of previous Bylaws, filed on June 15, 1993, under No. 5109, Book 113, Volume A , Corporations, with the above mentioned Registry.

Duration of the Company: through June 15, 2093.

Last amendment to the bylaws: April 29, 2016.⁽¹⁾

Optional Statutory Regime related to Compulsory Tender Offer provided by Decree No. 677/2001 art. 24: not incorporated (modified by Law No. 26,831).

Capital structure as of June 30, 2016

(expressed in Argentine pesos)

Subscribed, paid-in and authorized for stock exchange listing	3,933,127,930 ⁽²⁾
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- (1) In process of registration with the Argentine Securities Commission
- (2) Represented by 393,312,793 shares of common stock, Argentine pesos 10 per value and 1 vote per share

MIGUEL ANGEL GUTIERREZ
President

1

Table of Contents

English translation of the condensed interim consolidated financial statements originally filed in Spanish with the Argentine Securities Commission (CNV). In case of discrepancy, the condensed interim consolidated financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND SUBSIDIARIES**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS OF JUNE 30, 2016 AND DECEMBER 31, 2015**

(Amounts expressed in millions of Argentine Pesos, except shares and per share amounts expressed in Argentine Pesos, and as otherwise indicated Note 1.b)

	Notes	June 30, 2016	December 31, 2015
ASSETS			
Noncurrent assets			
Intangible assets	7.a	8,471	7,279
Property, plant and equipment	7.b	316,356	270,905
Investments in associates and joint ventures	7.c	4,857	4,372
Deferred income tax assets, net	7.i	893	954
Other receivables	7.e	2,206	2,501
Trade receivables	7.f	297	469
Total noncurrent assets		333,080	286,480
Current assets			
Inventories	7.d	22,225	19,258
Other receivables	7.e	14,447	19,413
Trade receivables	7.f	37,883	22,111
Investment in financial assets	6	150	804
Cash and cash equivalents	7.g	15,893	15,387
Total current assets		90,598	76,973
TOTAL ASSETS		423,678	363,453
SHAREHOLDERS' EQUITY			
Shareholders' contributions		10,352	10,349
Reserves, other comprehensive income and retained earnings		129,144	110,064
Shareholders' equity attributable to the shareholders of the parent company		139,496	120,413

Non-controlling interest		(103)	48
TOTAL SHAREHOLDERS EQUITY		139,393	120,461
LIABILITIES			
Noncurrent liabilities			
Provisions	7.h	41,821	39,623
Deferred income tax liabilities, net	7.i	50,970	44,812
Taxes payable		162	207
Loans	7.j	105,262	77,934
Accounts payable	7.k	698	625
Total noncurrent liabilities		198,913	163,201
Current liabilities			
Provisions	7.h	1,706	2,009
Income tax liability		216	1,487
Taxes payable		5,643	6,047
Salaries and social security		2,393	2,452
Loans	7.j	33,822	27,817
Accounts payable	7.k	40,703	39,979
Dividends payable		889	
Total current liabilities		85,372	79,791
TOTAL LIABILITIES		284,285	242,992
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		423,678	363,453

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

MIGUEL ANGEL GUTIERREZ
President

Table of Contents

English translation of the condensed interim consolidated financial statements originally filed in Spanish with the Argentine Securities Commission (CNV). In case of discrepancy, the condensed interim consolidated financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND SUBSIDIARIES**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****FOR THE SIX-MONTH AND THREE-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015**

(amounts expressed in millions of Argentine Pesos, except shares and per share amounts expressed in Argentine Pesos, and as otherwise indicated Note 1.b)

	Notes	For the six-month period ended June 30,		For three-month period ended June 30,	
		2016	2015	2016	2015
Revenues	7.1	99,693	75,134	52,759	40,003
Costs	7.m	(82,950)	(56,961)	(42,819)	(30,456)
Gross profit		16,743	18,173	9,940	9,547
Selling expenses	7.n	(6,744)	(5,478)	(3,699)	(2,886)
Administrative expenses	7.n	(3,319)	(2,556)	(1,833)	(1,358)
Exploration expenses	7.n	(1,192)	(578)	(738)	(387)
Other operating results, net	7.o	1,448	486	1,648	662
Operating income		6,936	10,047	5,318	5,578
Income on investments in associates and joint ventures	7.c	263	16	166	54
Finance income	7.p	11,109	3,637	1,988	1,863
Finance cost	7.p	(12,170)	(5,265)	(6,690)	(2,991)
Other financial results	7.p	419	320	42	205
Financial results, net	7.p	(642)	(1,308)	(4,660)	(923)
Net income before income tax		6,557	8,755	824	4,709
Income tax	7.i	(6,455)	(4,348)	(1,577)	(2,411)
Net income (loss) for the period		102	4,407	(753)	2,298

Net income (loss) for the period attributable to:

Shareholders of the parent company		253	4,424	(743)	2,297
Non-controlling interest		(151)	(17)	(10)	1

Earnings (losses) per share attributable to shareholders of the parent company basic and diluted

	10	0.65	11.28	(1.89)	5.86
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Other comprehensive income

Translation differences from investments in associates and joint ventures ⁽¹⁾		(616)	(165)	(81)	(82)
Translation differences from YPF S.A. ⁽²⁾		20,332	5,188	4,390	2,674

Total other comprehensive income for the period ⁽³⁾

		19,716	5,023	4,309	2,592
Total comprehensive income for the period		19,818	9,430	3,556	4,890

(1) Will be reversed to net income at the moment of the sale of the investment or full or partial reimbursement of the capital.

(2) Will not be reversed to net income.

(3) Entirely assigned to the parent company's shareholders.

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

MIGUEL ANGEL GUTIERREZ
President

Table of Contents

English translation of the condensed interim consolidated financial statements originally filed in Spanish with the Argentine Securities Commission (CNV). In case of discrepancy, the condensed interim consolidated financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND SUBSIDIARIES**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY****FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015**

(amounts expressed in millions of Argentine Pesos, except shares and per share amounts expressed in Argentine Pesos, and as otherwise indicated Note 1.b)

	For the six-month period ended June 30, 2016								
	Shareholders contributions		Adjustment		Share Acquisition		Share Issuance		
	Subscribed capital	to contributions	Treasury shares	to treasury shares	based on plans	cost of treasury shares	trading premium	Share Issuance premiums	Total
Amount at beginning of year	3,922	6,083	11	18	67	(277)	(115)	640	10,349
Accrual of share-based benefit plans					57				57
Repurchase of treasury shares	(2)	(3)	2	3		(55)			(55)
Settlement of share-based benefit plans		1		(1)	(11)	27	(15)		1
As decided by Ordinary and Extraordinary Shareholders meeting of April 29, 2016 ⁽²⁾									
As decided by the Board of Directors of June 9, 2016 ⁽²⁾									
Other comprehensive income									
Net income									
Amount at end of period	3,920	6,081	13	20	113	(305)	(130)	640	10,352

For the six-month period ended June 30, 2016

	Reserves		Purchase of Initial treasury shares		Other Comprehensive Income		Equity attributable to Shareholders of the Non-parent controlling company		Total Shareholders equity
	Future dividends	Investments	IFRS adjustment	Other income	Retained earnings	Shareholders of the Non-parent controlling company	Shareholders equity		

Amount at beginning of year	2,007	5	21,264	440	3,648	78,115	4,585	120,413	48	120,461
Accrual of share-based benefit plans								57		57
Repurchase of treasury shares								(55)		(55)
Settlement of share-based benefit plans								1		1
As decided by Ordinary and Extraordinary Shareholders meeting of April 29, 2016 ⁽²⁾		889	3,640	50			(4,579)			
As decided by the Board of Directors of June 9, 2016 ⁽²⁾		(889)						(889)		(889)
Other comprehensive income						19,716		19,716		19,716
Net income							253	253	(151)	102
Amount at end of period	2,007	5	24,904	490	3,648	97,831 ⁽¹⁾	259	139,496	(103)	139,393

(1) Includes 101,314 corresponding to the effect of the translation of the financial statements of YPF S.A. and (3,483) corresponding to the effect of the translation of the financial statements of investments in subsidiaries, associates and joint ventures with functional currency different to dollar, as detailed in Note 1.b.1 to the annual consolidated financial statements.

(2) See Note 9.

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Table of Contents

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YPF SOCIEDAD ANONIMA AND SUBSIDIARIES**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY****FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015 (Cont.)**

(amounts expressed in millions of Argentine Pesos, except shares and per share amounts expressed in Argentine Pesos, and as otherwise indicated Note 1.b)

	For the six-month period ended June 30, 2015									
	Shareholders contributions		Adjustments			Share-Acquisition		Issuance		
	Subscribed capital	to contributions	Treasury shares	to treasury shares	benefit plans	treasury shares	based cost of trading premium	Share premiums	Total	
Amount at beginning of year	3,922	6,083	11	18	51	(310)	(15)	640	10,400	
Accrual of share-based benefit plans					53				53	
Repurchase of treasury shares	(2)	(2)	2	2		(45)			(45)	
Contributions of non-controlling interest										
As decided by Ordinary and Extraordinary Shareholders meeting of April 30, 2015										
As decided by the Board of Directors of June 8, 2015										
Other comprehensive income										
Net income										
Amount at end of period	3,920	6,081	13	20	104	(355)	(15)	640	10,408	

	For the six-month period ended June 30, 2015								
	Reserves		Purchase of Initial Other			Equity attributable to Shareholders of the Non-Total		Total	
	Future dividends	Investments	treasury shares	IFRS adjustment	comprehensive income	Retained earnings	parent company	controlling interest	Shareholders equity

Amount at beginning of year	2,007	5	12,854	320	3,648	34,363	9,033	72,630	151	72,781
Accrual of share-based benefit plans								53		53
Repurchase of treasury shares								(45)		(45)
Contributions of non-controlling interest									50	50
As decided by Ordinary and Extraordinary Shareholders meeting of April 30, 2015		503	8,410	120			(9,033)			
As decided by the Board of Directors of June 8, 2015		(503)						(503)		(503)
Other comprehensive income						5,023		5,023		5,023
Net income							4,424	4,424	(17)	4,407
Amount at end of period	2,007	5	21,264	440	3,648	39,386 ⁽¹⁾	4,424	81,582	184	81,766

(1) Includes 40,952 corresponding to the effect of the translation of the financial statements of YPF S.A. and (1,566) corresponding to the effect of the translation of the financial statements of investments in subsidiaries, associates and joint ventures with functional currency different to dollar, as detailed in Note 1.b.1 to the annual consolidated financial statements.

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

MIGUEL ANGEL GUTIERREZ
President

Table of Contents

English translation of the condensed interim consolidated financial statements originally filed in Spanish with the Argentine Securities Commission (CNV). In case of discrepancy, the condensed interim consolidated financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND SUBSIDIARIES**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW****FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015**

(Amounts expressed in millions of Argentine Pesos, except shares and per share amounts expressed in Argentine Pesos, and as otherwise indicated Note 1.b)

	For the six-month periods ended June 30,	
	2016	2015
Operating activities:		
Net income	102	4,407
<i>Adjustments to reconcile net income to cash flows provided by operating activities:</i>		
Income on investments in associates and joint ventures	(263)	(16)
Depreciation of property, plant and equipment	21,759	12,066
Amortization of intangible assets	323	160
Consumption of materials and retirement of property, plant and equipment and intangible assets, net of provisions	2,605	1,439
Income tax	6,455	4,348
Net increase in provisions	2,503	1,559
Exchange differences, interest and other ⁽¹⁾	(700)	1,608
Share-based benefit plans	57	53
Accrued insurance		(523)
Income on deconsolidation of subsidiaries	(1,528)	
<i>Changes in assets and liabilities:</i>		
Trade receivables	(14,888)	(1,503)
Other receivables	4,735	(3,095)
Inventories	(119)	765
Accounts payable	(1,620)	2,011
Taxes payables	(449)	1,649
Salaries and social security	(51)	(273)
Decrease in provisions due to payment/use	(948)	(900)
Dividends received	420	179
Proceeds from collection of lost profit insurance	607	1,673
Income tax payments	(1,561)	(3,674)
Net cash flows provided by operating activities	17,439	21,933

Investing activities:⁽²⁾

Acquisition of property, plant and equipment and intangible assets	(32,602)	(30,867)
Contributions and acquisitions of interests in associates and joint ventures		(163)
Investments in financial assets	910	
Proceeds from collection of damaged property's insurance	355	
Net cash flows used in investing activities	(31,337)	(31,030)

Financing activities:⁽²⁾

Payments of loans	(33,954)	(11,972)
Payments of interest	(6,893)	(3,145)
Proceeds from loans	54,466	28,227
Repurchase of treasury shares	(55)	(45)
Contributions of non-controlling interest	50	
Net cash flows provided by financing activities	13,614	13,065

Translation differences provided by cash and cash equivalents **938** **512**

Deconsolidation of subsidiaries (148)

Net increase in cash and cash equivalents **506** **4,480**

Cash and cash equivalents at the beginning of year	15,387	9,758
Cash and cash equivalents at the end of period	15,893	14,238

Net increase in cash and cash equivalents **506** **4,480**

- (1) Does not include exchange differences generated by cash and cash equivalents, which are exposed separately in the statement.
- (2) The main investing and financing transactions that have not affected cash and cash equivalents correspond to:

	For the six-month periods ended June 30,	
	2016	2015
Acquisition of property, plant and equipment and concession extension easements not paid	3,879	4,607
Dividends payable	889	503
Contributions of non-controlling interests		50
Dividends receivable	100	4

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

MIGUEL ANGEL GUTIERREZ

Table of Contents

English translation of the condensed interim consolidated financial statements originally filed in Spanish with the Argentine Securities Commission (CNV). In case of discrepancy, the condensed interim consolidated financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA AND SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2016 AND COMPARATIVE INFORMATION

(amounts expressed in millions of Argentine Pesos, except shares and per share amounts expressed in Argentine Pesos, and as otherwise indicated Note 1.b)

1. BASIS OF PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1.a) Basis of preparation

The condensed interim consolidated financial statements of YPF S.A. (hereinafter YPF or the Company) and its subsidiaries (hereinafter and all together, the Group) for the six-month period ended June 30, 2016, are presented in accordance with International Accounting Standards (IAS) No. 34 Interim Financial Reporting . The adoption of the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) was determined by the Technical Resolution No. 26 (ordered text) issued by Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and the Regulations of the Argentine Securities Commission (CNV).

Also, some additional information required by the Law 19,550 of Argentine Corporations and its amendments and/or regulations of the CNV was included. Such information was included in the Notes to the mentioned condensed interim consolidated financial statements only to comply with regulatory requirements.

These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group as of December 31, 2015 (the annual consolidated financial statements) prepared in accordance with IFRS.

These condensed interim consolidated financial statements were approved by the Board of Directors meeting and authorized to be issued on August 4, 2016.

These condensed interim consolidated financial statements corresponding to the six-month period ended on June 30, 2016 are unaudited. Management believes they include all necessary adjustments to fairly present the results of each period on a consistent basis with the annual consolidated financial statements. Income for the six-month period ended on June 30, 2016 does not necessarily reflect the proportion of the Group s full-year income.

1.b) Significant Accounting Policies

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements, except for the valuation

policy for Income Tax detailed in Note 7.i). The most significant accounting policies are described in Note 1.b) to such annual consolidated financial statements.

Functional and reporting currency

As mentioned in Note 1.b.1 to the annual consolidated financial statements, YPF has defined the U.S. dollar as its functional currency. In addition, according to General Resolution No. 562 of the CNV, YPF shall submit its financial statements in Argentine Pesos.

Table of Contents

1.c) Accounting Estimates and Judgments

The preparation of financial statements at a certain date requires Management to make estimates and assessments affecting the amount of assets and liabilities recorded, contingent assets and liabilities disclosed at such date, as well as income and expenses recorded during the period. Actual future results might differ from the estimates and assessments made as of the date of preparation of these condensed interim consolidated financial statements.

In preparing these condensed interim consolidated financial statements, significant estimates and judgments made by Management in applying the Group's accounting policies and the main sources of uncertainty were the same as those applied by the Group in the preparation of the annual consolidated financial statements, which are disclosed in Note 1.c) Accounting Estimates and Judgments to those financial statements.

1.d) Comparative information

Amounts and other information corresponding to the year ended on December 31, 2015 and to the six-month period ended on June 30, 2015 are an integral part of these condensed interim consolidated financial statements and are intended to be read only in relation to these financial statements. Certain reclassifications have been made in order to present amounts comparatively with the current period.

2. SEASONALITY OF OPERATIONS

Historically, the Group's results have been subject to seasonal fluctuations during the year, particularly as a result of the increase in natural gas sales during the winter. After the 2002 devaluation of the Argentine Peso, and as a consequence of the natural gas price freeze imposed by the Argentine government, the use of natural gas has been diversified, generating an increase in demand throughout the entire year. However, sales of natural gas are still typically higher in the winter to the residential sector of the Argentine domestic market, which has lower prices than other sectors of the Argentine market. Notwithstanding the foregoing, under the Additional Injection Stimulus Program regulation (see Note 11.d) to the annual consolidated financial statements), gas producing companies were invited to file with the Ministry of Energy and Mining (MINEM) before June 30th, 2013 projects to increase natural gas injection, in order to receive an increased price of US\$ 7.50/MMBTU for all additional natural gas injected. These projects shall comply with the minimum requirements established in the aforementioned Program, and will be subject to approval by the MINEM, including a maximum term of five years, renewable at the request of the beneficiary, upon decision of the MINEM. If the beneficiary company does not reach the committed production increase in a given month, it will have to make up for such volumes not produced. The natural gas pricing program was incorporated into the Hydrocarbons Law, as modified by Law No. 27,007.

In view of the foregoing, seasonality of the Group operations is not significant.

3. ACQUISITIONS AND DISPOSALS

During the six-month period ended June 30, 2016, there have been no significant acquisitions or disposals.

On May 13, 2016, the companies Y-GEN Eléctrica S.R.L. (Y-GEN) and Y-GEN Eléctrica II S.R.L. (Y-GEN II) were created for the purpose of tendering in the competitive bidding established by Resolution No. 21/2016 of the Ministry of Energy and Mining (MINEM), for the new generation of energy and thermal power which, if awarded, would result in the execution with CAMMESA of a sale agreement of the energy offered during a term of 5 to 10 years, according

to the offer, with a dollar price. The created companies submitted bids for construction projects of new thermal generation plants in Loma Campana (Añelo, Province of Neuquén) and in Central El Bracho (Province of Tucumán), which were ultimately awarded.

In both companies, 66.67% of the capital stock is held by the subsidiary YPF Energía Eléctrica S.A. (Managing Shareholder) and the remaining 33.33% is held by Guayama PR Holdings (Non Managing Shareholder) of the General Electric Group. Under the agreement signed, shareholders are required to supply during the current fiscal year and the next two years, the necessary funds as capital contributions. In addition, there is a service agreement between both companies and YPF Energía Eléctrica S.A. whereby YPF Energía Eléctrica S.A., in its capacity as Managing Shareholder , has the responsibility, among other things, to perform certain management jobs of the companies.

Table of Contents

The Group has followed the guidelines of IFRS 10 Consolidated financial statements and has concluded that it has joint control over Y-GEN I and Y-GEN II. Accordingly, it has applied IFRS 11, Joint Arrangements, defining such companies as joint ventures, and has measured them by the equity method in accordance with IAS 28 Investments in associates and joint ventures.

Some of the main facts considered were: (i) Contractually, both shareholders exercise joint control over each of the companies, whereby decisions on the relevant activities thereof are made jointly and must be unanimous, there being no power of one party (shareholder) over the other in relation to the investment, irrespective of their different holding percentages; and (ii) There is no power, as defined in IFRS 10, of one party to the detriment of the other party, whether in connection with the voting rights for the appointment of Directors or personnel (whether key or not), in the management of the company to obtain self-benefit or to unilaterally change the variable yields of investments, or, ultimately, to unilaterally direct any of the decisions related to relevant activities.

Finally, as of the date of issuance of these condensed interim consolidated financial statements, the said companies had not made any relevant transactions other than the execution of the agreements for the organization thereof.

The expected power to be installed is 108MW for Y-GEN (Central Loma Campana, Neuquén) and 270MW for Y-GEN II (Central El Bracho, Tucumán), with the power plants construction commencement dates being August and July 2016, respectively, and the estimated commencement of the electricity operations and generation being November 2017 and January 2018, respectively.

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

4.a) Financial Risks

The Group's activities are exposed to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk. The Group maintains an organizational structure and systems that allow for the identification, measurement and control of the risks to which it is exposed.

The condensed interim consolidated financial statements do not include all the information and disclosures on financial risk management; therefore, they should be read in conjunction with the Group's annual consolidated financial statements.

There have been no changes in the risk management or risk management policies applied by the Group since the last year end.

4.b) Fair value measurements

Fair value measurements are described in Note 5 to the annual consolidated financial statements.

Between December 31, 2015 and June 30, 2016, there have been no significant changes in the business or economic circumstances affecting the fair value of the Group's financial assets and liabilities, either measured at fair value or amortized cost. In addition, no transfer has occurred among the different hierarchies used to determine the fair value of the Group's financial instruments.

Table of Contents**5. SEGMENT INFORMATION**

	Exploration and Production	Downstream	Corporate and Other	Consolidation Adjustments ⁽¹⁾	Total
For the six-month period ended June 30, 2016					
Revenues from sales	10,522	87,915	1,256		99,693
Revenues from intersegment sales	46,647	733	3,274	(50,654)	
Revenues	57,169	88,648	4,530	(50,654)	99,693
Operating income	6,157	2,638	79	(1,938)	6,936
Income on investments in associates and joint ventures		263			263
Depreciation of property, plant and equipment	18,830 ⁽²⁾	2,623	306		21,759
Acquisitions of property, plant and equipment	23,649	4,867	708		29,224
Assets	249,892	149,207	27,326	(2,747)	423,678
For the six-month period ended June 30, 2015					
Revenues from sales	7,404	67,130	600		75,134
Revenues from intersegment sales	30,728	898	2,697	(34,323)	
Revenues	38,132	68,028	3,297	(34,323)	75,134
Operating income (loss)	4,794	5,359	(1,061)	955	10,047
Income (loss) on investments in associates and joint ventures	(5)	21			16
Depreciation of property, plant and equipment	10,421	1,471	174		12,066
Acquisitions of property, plant and equipment	23,053	3,444	555		27,052
As of December 31, 2015					
Assets	223,035	113,805	26,708	(95)	363,453

(1) Corresponds to eliminations between segments of the YPF group.

(2) Includes depreciation of the provision for impairment of property, plant and equipment.

There have been no changes in the Group's structure, its business segments or its financial reporting information criteria with respect to the annual consolidated financial statements. In addition, it should be noted that on March 15, 2016, the Gas and Energy Executive Vice-President Office was created, which shall be in charge of, among other things, natural gas sales and distribution, the management of their respective installations, and the generation of electric energy, both conventional and renewable. As of the date of these condensed interim consolidated financial statements, the Group is still in the process of determining the complete management scope of this new business unit;

thus, its financial information as of June 30, 2016 is shown under the Downstream and the Exploration and Production segments.

Table of Contents**6. FINANCIAL INSTRUMENTS BY CATEGORY**

The tables below show the Group's financial assets measured at fair value as of June 30, 2016 and December 31, 2015, and their allocation to their fair value levels:

Financial assets	As of June 30, 2016			Total
	Level 1	Level 2	Level 3	
Investments in financial assets:				
- Mutual funds	150			150
	150			150
Cash and cash equivalents:				
- Mutual funds	3,700			3,700
	3,700			3,700
	3,850			3,850

Financial assets	As of December 31, 2015			Total
	Level 1	Level 2	Level 3	
Investments in financial assets:				
- Mutual funds	340			340
- Other financial assets	464			464
	804			804
Cash and cash equivalents:				
- Mutual funds	774			774
	774			774
	1,578			1,578

The Group has no financial liabilities at fair value through profit or loss.

Fair value of financial assets and financial liabilities measured at amortized cost

The estimated fair value of loans, considering unadjusted listed prices (Level 1) for Negotiable Obligations and interest rates offered to the Group (Level 3) in connection with the remainder of the loans, amounted to 145,287 and 106,336 as of June 30, 2016 and December 31, 2015, respectively.

The fair value of the following financial assets and financial liabilities do not differ significantly from their book value:

Other receivables

Trade receivables

Cash and cash equivalents

Accounts payable

Table of Contents**7. ANALYSIS OF THE MAIN ACCOUNTS OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****7.a) Intangible assets:**

	June 30, 2016	December 31, 2015
Net book value of intangible assets	8,471	7,359
Provision for impairment of intangible assets	(1)	(80)
	8,471	7,279

(1) During the six-month periods ended June 30, 2016 a conversion of (10) and a recovery of 90 have been recorded. Changes in the Group's intangible assets for the six-month period ended June 30, 2016 and comparative information are as follows:

Main account	At beginning of		Translation	2016 Cost	Decreases and reclassifications	At the end of period
	year	Increases				
Service concessions	9,527	275	1,470		6	11,278
Exploration rights	2,990		432		(99)	3,323
Other intangibles	4,260	55	650		90	5,055
Total 2016	16,777	330	2,552		(3)	19,656
Total 2015	10,289	318	650		(38)	11,219

Main account	2016 Amortization		Translation	Decreases and	2016 Cost	At the end of period	Net book value 06-30	Net book value 06-30	Net book value 12-31
	At beginning of year	Increases							
Service concessions	5,554	185	862			6,601	4,677	2,542	3,973
Exploration rights	155			(6)		149	3,174	1,952	2,835
Other intangibles	3,709	138	588			4,435	620	301	551
Total 2016	9,418	323	1,450	(6)		11,185	8,471		
Total 2015	5,896	160	374	(6)		6,424		4,795	7,359

7.b) Property, plant and equipment:

	June 30, 2016	December 31, 2015
Net book value of property, plant and equipment	319,670	274,122
Provision for obsolescence of materials and equipment	(890)	(762)
Provision for impairment of property, plant and equipment	(2,424)	(2,455)
	316,356	270,905

Table of Contents

Changes in the Group's property, plant and equipment for the six-month period ended June 30, 2016 and comparative information are as follows:

Main account	2016		Translation effect	Decreases and reclassifications	At the end of period
	At beginning of year	Increases			
Land and buildings	13,949	118	2,061	460	16,588
Mineral property, wells and related equipment	458,066	175	71,683	18,116	548,040
Refinery equipment and petrochemical plants	69,429		10,843	5,863	86,135
Transportation equipment	3,650	3	549	434	4,636
Materials and equipment in warehouse	13,478	3,739	1,814	(4,104)	14,927
Drilling and work in progress	76,803	24,629	11,321	(28,757)	83,996
Exploratory drilling in progress ⁽²⁾	3,647	512	513	(683)	3,989
Furniture, fixtures and installations	5,603	20	849	278	6,750
Selling equipment	10,778	1	1,677	551	13,007
Infrastructure for natural gas distribution	2,931			76	3,007
Electric power generation facilities	1,573			99	1,672
Other property	8,291	27	1,166	(73)	9,411
Total 2016	668,198	29,224	102,476	(7,740)⁽³⁾	792,158
Total 2015	392,399	27,052	24,560	(1,452)	442,559

Main account	2016				2015			
	At beginning of year	Increases	Translation effect	Decreases and reclassifications	At the end of period	Net book value 06-30	Net book value 06-30	Net book value 12-31
Land and buildings	5,920	169	877		6,966	9,622	5,610	8,029
Mineral property, wells and related equipment	324,922	18,985	50,751	(4,608)	390,050	157,990 ⁽¹⁾	78,396 ⁽¹⁾	133,144 ⁽¹⁾
Refinery equipment and petrochemical plants	41,138	1,936	6,411		49,485	36,650	18,497	28,291
Transportation equipment	2,392	185	356	(6)	2,927	1,709	761	1,258
Materials and equipment in warehouse						14,927	9,842	13,478

Drilling and work in progress					83,996	57,685	76,803
Exploratory drilling in progress ⁽²⁾					3,989	2,565	3,647
Furniture, fixtures and installations	4,699	232	720	(13)	5,638	1,112	904
Selling equipment	6,921	299	1,077		8,297	4,710	3,857
Infrastructure for natural gas distribution	1,181	36		(2)	1,215	1,792	1,687
Electric power generation facilities	1,283	58			1,341	331	290
Other property	5,620	153	799	(3)	6,569	2,842	2,671
Total 2016	394,076	22,053	60,991	(4,632)⁽³⁾	472,488	319,670	
Total 2015	235,156	12,066	14,909	(45)	262,086	180,473	274,122

(1) Includes 8,973, 6,274 and 8,435 of mineral property as of June 30, 2016 and June 30, and December 31, 2015, respectively.

(2) As of June 30, 2016, there are 52 exploratory wells in progress. During the six-month period then ended, 11 wells have been drilled and 17 wells have been charged to exploration expenses.

(3) Includes disposals as a result of deconsolidation of subsidiaries of 395, net.

Table of Contents

The Group capitalizes the financial cost as part of the cost of the assets. For the six-month periods ended on June 30, 2016 and 2015 the rate of capitalization was 12.46% and 12.15%, respectively, and the capitalized amount was 639 and 453, respectively, for the periods above mentioned.

Set forth below is the evolution of the provision for obsolescence of materials and equipment for the six-month periods ended on June 30, 2016 and 2015:

	For the six-month period ended June 30,	
	2016	2015
Amount at beginning of year	762	313
Increase charged to expenses	12	2
Translation differences	116	20
Amount at end of period	890	335

Set forth below is the evolution of the provision for impairment of property, plant and equipment for the six-month periods ended on June 30, 2016 and 2015:

	For the six-month period ended June 30,	
	2016	2015
Amount at beginning of year	2,455	
Decrease charged to income ⁽¹⁾	(294)	
Translation differences	368	
Deconsolidation of subsidiaries	(105)	
Amount at end of period	2,424	

(1) Included in the line Depreciation of property, plant and equipment in Note 7.n).

7.c) Investments in associates and joint ventures:

The Group does not participate in subsidiaries with a significant non-controlling interest. Furthermore, no investments in associates or joint ventures are deemed individually material.

The following table shows in aggregate, considering that none of the companies is individually material, the amount of investments in associates and joint ventures as of June 30, 2016 and December 31, 2015:

June 30, 2016	December 31, 2015
--------------------------	------------------------------

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Amount of investments in associates	1,385	1,248
Amount of investments in joint ventures	3,484	3,136
Provision for impairment of investments in associates and joint ventures	(12)	(12)
	4,857	4,372

Investments in associates with negative shareholders equity are disclosed in Accounts payable .

Table of Contents

The main changes that affected the amount of the investments previously mentioned, during the six-month periods ended on June 30, 2016 and 2015, are the following:

	For the six-month periods ended on June 30,	
	2016	2015
Amount at the beginning of year	4,372	3,177
Acquisitions and contributions		163
Income on investments in associates and joint ventures	263	16
Translation difference	742	123
Reclassification of investments in companies with negative shareholders equity		4
Distributed dividends	(520)	(183)
Amount at the end of period	4,857	3,300

The following table shows the main magnitudes of net income (loss) from the Group's investments in associates and joint ventures, calculated according to the equity method, for the six-month periods ended on June 30, 2016 and 2015. YPF has made adjustments, where applicable, to the amounts reported by such companies in order to conform the accounting principles used by such companies to those used by the Group:

	Associates		Joint ventures	
	2016	2015	2016	2015
Net income (loss)	142	70	121	(54)
Other comprehensive income	22	6	720	117
Comprehensive income for the period	164	76	841	63

In connection with the Maxus Entities' Filing with the Bankruptcy Court on June 17, 2016, as described in detail in Note 11, the Company's Management believes that this is an event that requires reconsideration of whether consolidation of such entities continues to be appropriate. In making this analysis, the Company has followed the guidelines set forth in IFRS 10 Consolidated financial statements in order to reconsider whether it will keep control over the activities of the Maxus Entities. This analysis was supplemented by the criteria established in U.S. ASC 810 published by the Financial Accounting Standards Board, whose principles are consistent with previously mentioned IFRS 10, but which deal in more detail with issues related to the consolidation of entities that enter into a specific reorganization process under Chapter 11 of U.S. Bankruptcy Code.

In general, when a company files a petition under Chapter 11 of U.S. Bankruptcy Code, shareholders lose the power to make decisions that have a significant impact in the economic performance of the entities' business, as this power is typically transferred to the Bankruptcy Court approval.

The filing of the Chapter 11 petitions by the Maxus Entities under Chapter 11 of the Bankruptcy Code has relevant effects on the rights to which YPF Holdings, Inc., is entitled in its capacity as shareholder of those entities, because Creditors substitute the Shareholders in their legal capacity to file derivative suits against Directors on behalf of the

entities on the grounds of non-performance of their fiduciary duties, as Creditors must be the primary beneficiaries of any increase in the value of said entities. However, it should be noted that YPF Holdings, Inc. retains its right to appoint the Debtors' Directors through Shareholders' Meetings, unless the Bankruptcy Court orders otherwise.

In addition, the filing made before the Bankruptcy Court also has effects on the duties and liabilities of the Board of Directors and the Management of Maxus Entities. Each of the Maxus Entities has become a Debtor-in-Possession, whereby, according to the Bankruptcy Code, they retain possession of their property, and, subject to certain limitations, are authorized to carry on their normal course of business, unless the Bankruptcy Court otherwise orders. However, during the term of the reorganization process, the Debtors' Board of Directors does not have absolute discretion, for any transaction outside the ordinary course of business of the Debtors, such as the sale of a significant asset, the expansion of a line of business involving the use of large amounts (or the commitment to do so) or the execution of loans or other kind of financing, shall be subject to the Bankruptcy Court's approval.

Accordingly, as a result of the filing made under Chapter 11 of the Bankruptcy Code, YPF Holdings, Inc. cannot unilaterally make decisions that would significantly affect the Maxus Debtors' business or economic performance. Indeed, the Maxus Debtors should seek Bankruptcy Court approval for seemingly ordinary course business activities if such activities could have a significant effect on the Maxus Debtors' operations or their stakeholders.

Table of Contents

Taking into account the foregoing, the Company's Management believes that YPF Holdings, Inc., despite keeping 100% of the equity interest in the Maxus Entities, no longer has the capacity to use its power over said entities to significantly influence their relevant activities, a necessary condition set forth by IFRS 10 to establish the existence of a controlling financial interest and, therefore, has proceeded to the deconsolidation of the investments in Maxus Entities as of June 17, 2016.

According to ASC 810, this loss of control may involve a gain or loss for the parent company, as the parent company will have to remeasure its non-controlling interest at its fair value after the deconsolidation of the assets and liabilities of the entities. For this calculation it has also been taken into account the liabilities related to the reorganization process incurred as described in Note 11. Thus, the Group has recorded a gain of 1,528 disclosed in Other operating income, net .

As a result of the deconsolidation, the condensed consolidated statement of financial position as of June 30, 2016 is not comparable to that issued as of December 31, 2015. As of December 31, 2015, the following balances of assets and liabilities were consolidated in relation to the Maxus Entities:

Item	Debtors' balances as of 12/31/2015
Noncurrent Assets	731
Current Assets	422
Total assets	1,153
Noncurrent Liabilities	3,966
Current Liabilities	669
Total Liabilities	4,635
Total Liabilities and Shareholders' Equity	1,153

The effects on the condensed interim consolidated statements of comprehensive income and the condensed interim consolidated statements of cash flow as of June 30, 2016, by including the income and the cash flow, respectively, for the 169-day period until June 17, 2016 during which YPF kept control, are not significant when compared to the respective financial statements issued as of June 30, 2015.

Table of Contents

The following table shows the investments in associates and joint ventures:

Name and Issuer	Description of the Securities			Main Business	Information of the issuer		Last Financial Statement Available		
	Class	Face Value	Amount		Registered Address	Date	Capital stock	Net income (loss)	
Subsidiaries:⁽⁹⁾									
YPF International S.A. ⁽⁷⁾	Common Bs.	100	66,897	Investment	Street La Plata 19, Santa Cruz de la Sierra, República de Bolivia	06-30-16	13	2	
YPF Holdings Inc. ⁽⁷⁾	Common US\$	0.01	810,614	Investment and finance	10333 Richmond Avenue I, Suite 1050, TX, U.S.A.	12-31-15	10,529	(571)	
Operadora de Estaciones de Servicios S.A.	Common \$	1	163,701,747	Commercial management of YPF's gas stations	Macacha Güemes 515, Buenos Aires, Argentina	06-30-16	164	185	
A-Evangelista S.A.	Common \$	1	307,095,088	Engineering and construction services	Macacha Güemes 515, Buenos Aires, Argentina	06-30-16	307	96	
YPF Servicios Petroleros S.A.	Common \$	1	50,000	Wells perforation and/or reparation services	Macacha Güemes 515, Buenos Aires, Argentina	06-30-16	(⁽⁸⁾)	26	
Metrogas S.A.	Common \$	1	398,419,700	Providing the public service of natural gas distribution	Gregorio Aráoz de Lamadrid 1360, Buenos Aires, Argentina.	06-30-16	569	(677)	
YPF Energía Eléctrica S.A.	Common \$	1	30,006,540	Exploration, development, industrialization and marketing of hydrocarbons, and generation, transportation and marketing of	Macacha Güemes 515, Buenos Aires, Argentina	06-30-16	30	306	

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YPF Chile S.A. ⁽⁷⁾	Common		50,968,649	electric power Lubricants and aviation fuels trading and hydrocarbons research and exploration	Villarica 322; Módulo B1, Qilicura, Santiago	06-30-16	684	
YPF Tecnología S.A.	Common \$	1	234,291,000	Investigation, development, production and marketing of technologies, knowledge, goods and services	Macacha Güemes 515, Buenos Aires, Argentina	06-30-16	459	85
YPF Europe B.V. ⁽⁷⁾	Common US\$	0.01	15,660,437,309	Investment and finance	Prins Bernardplein 200, 1097 JB, Amsterdam, Holanda	06-30-16	2,347	69
YSUR Argentina Investment S.à r.l. ⁽⁷⁾	Common US\$	1	20,001	Investment	13-15, Avenue de la Lierté, L-1931, Luxemburgo	03-31-16	(8)	(8)
YSUR Argentina Corporation ⁽⁷⁾	Common US\$	1	10,000,001	Investment	Boundary Hall, Cricket Square P.O. Box 1111 George Town, Grand Cayman, Cayman Islands KY1-1102	12-31-15	130	(6)
YSUR Petrolera Argentina S.A. ⁽⁷⁾	Common \$	1	634,284,566	Exploration, extraction, exploitation, storage, transportation, industrialization and marketing of hydrocarbons, as well as other operations related thereto	Macacha Güemes 515, Buenos Aires, Argentina	06-30-16	634	54
Compañía de Inversiones Mineras S.A.	Common \$	1	17,043,060	Exploration, exploitation, processing, management,	Macacha Güemes 515, Buenos Aires, Argentina	06-30-16	17	(6)

storage and
transport of all
types of
minerals;
assembly,
construction and
operation of
facilities and
structures and
processing of
products related
to mining

Table of Contents**06-30-2016**

Description of the Securities	Face Value	Amount	Book value ⁽³⁾	Cost ⁽²⁾	Main Business	Registered Address	Information of the issuer Last Financial Statements Available				Holding Capital Stock
							Date	Capital stock	Net income (loss)	Equity	
Common	\$ 1	244,246,140	1,370		Separation, fractionation and transportation of natural gas liquids	San Martín 344, P. 10°, Buenos Aires, Argentina	03-31-16	643	332	2,380	38.0
Common	\$ 1	391,291,320	1,682		Production and marketing of fertilizers	Alicia Moreau de Justo 740, P. 3, Buenos Aires, Argentina	03-31-16	783	(190)	263	50.0
Common	\$ 1	45,803,655	430		Refining	Maipú 1, P. 2°, Buenos Aires, Argentina	03-31-16	92	(12)	861	50.0
			3,482								
Common	\$ 10	4,072,749	152 ⁽¹⁾		Oil transportation by pipeline	Florida 1, P. 10°, Buenos Aires, Argentina	06-30-16	110	67	414	37.0
Common	\$ 10	476,034	94		Oil storage and shipment	Av. Leandro N. Alem 1180, P. 11°, Buenos Aires, Argentina	03-31-16	14	37	292	33.0
Common	\$ 10	351,167	154		Hydrocarbon transportation and storage	Terminal Marítima Puerto Rosales Provincia de Buenos Aires, Argentina.	06-30-16	12	96	127	30.0
Preferred	\$ 1	15,579,578	27		Gas transportation by pipeline	San Martín 323, P.13°, Buenos Aires, Argentina	12-31-15	156	54	229	10.0
Common	\$ 0.01	11,869,095,145	164	136	Electric power generation and bulk marketing	Pasaje Ingeniero Butty 220, P.16°, Buenos Aires, Argentina	12-31-15	1,231	469	1,614	10.0
Common	\$ 1	355,270,303	519	445	Investment and finance	Pasaje Ingeniero Butty 220, P.16°, Buenos Aires,	12-31-15	829	329	1,166	42.0

erred	\$	1	12,135,167	35	Oil transportation by pipeline	Argentina Macacha Güemes 515, P.3°, Buenos Aires, Argentina	03-31-16	34	9	96	36.
				242	135						
				1,387	716						
				4,869	716						

- (1) Holding shareholder's equity, net of intercompany profits (losses).
- (2) Cost net of cash dividends and stock redemption.
- (3) Holding in shareholders' equity plus adjustments to conform to YPF accounting principles.
- (4) Includes Gasoducto del Pacífico (Cayman) Ltd., A&C Pipeline Holding Company, Poligás Luján S.A.C.I., Oleoducto Transandino (Chile) S.A., Bizoy S.A., Civeny S.A., Bioceres S.A., Lestery S.A. and YPF Gas S.A.
- (5) Additionally, the Company has a 29.99% indirect holding in capital stock through Inversora Dock Sud S.A.
- (6) As stipulated by shareholders' agreement, joint control is held in this company by shareholders.
- (7) The U.S. dollar has been defined as the functional currency of this company.
- (8) No value is disclosed as the carrying value is less than 1.
- (9) Additionally consolidates Compañía Minera de Argentina S.A., YPF Services USA Corp, YPF Perú S.A.C., YPF Brasil Comercio Derivado de Petróleo Ltda, Wokler Investment S.A., YPF Colombia S.A.S., Miwen S.A., Eleran Inversiones 2011 S.A.U., YSUR Argentina Holdings S.à r.l., and Energía Andina S.A.

Table of Contents**7.d) Inventories:**

	June 30, 2016	December 31, 2015
Refined products	12,792	10,709
Crude oil and natural gas	7,368	7,155
Products in process	417	169
Construction works in progress for third parties	147	85
Raw materials, packaging materials and others	1,501	1,140
	22,225 ⁽¹⁾	19,258 ⁽¹⁾

(1) As of June 30, 2016 and December 31, 2015, the cost of inventories does not exceed its net realizable value.

7.e) Other receivables:

	June 30, 2016		December 31, 2015	
	Noncurrent	Current	Noncurrent	Current
Trade		962		928
Tax credit and export rebates	272	3,703	304	8,058
Loans to clients and balances with related parties ⁽¹⁾	395	2,938	297	2,366
Collateral deposits	16	443	318	895
Prepaid expenses	183	1,244	198	682
Advances and loans to employees	9	293	8	285
Advances to suppliers and custom agents ⁽²⁾		2,655		3,147
Receivables with partners in joint operations and other agreements	1,189	1,513	1,118	1,881
Insurance receivables				808
Miscellaneous	156	736	271	402
	2,220	14,487	2,514	19,452
Provision for other doubtful accounts	(14)	(40)	(13)	(39)
	2,206	14,447	2,501	19,413

(1) See Note 13 for information about related parties.

(2) Includes, among others, advances to customs agents for the payment of taxes and import rights related to the imports of fuels and goods.

7.f) Trade receivables:

	June 30, 2016		December 31, 2015	
	Noncurrent	Current	Noncurrent	Current
Accounts receivable and related parties ⁽¹⁾	297	38,876	469	22,959
Provision for doubtful trade receivables		(993)		(848)
	297	37,883	469	22,111

(1) See Note 13 for information about related parties.

Changes in the provision for doubtful trade receivables

	For the six-month period ended June 30,			
	2016		2015	
	Noncurrent	Current	Noncurrent	Current
Amount at beginning of year		848	7	866
Increases charged to expenses		83		264
Decreases charged to income		(15)		(30)
Amounts incurred due to utilization			(7)	(16)
Exchange and translation differences, net		77		7
Amount at the end of period		993		1,091

7.g) Cash and cash equivalents:

	June 30, 2016	December 31, 2015
Cash	6,898	13,920
Short-term investments	5,295	693
Financial assets at fair value through profit or loss (Note 6)	3,700	774
	15,893	15,387

Table of Contents**7.h) Provisions:**

	For the six-month period ended June 30, 2016									
	Provision for pending lawsuits and contingencies		Provision for environmental liabilities		Provision for hydrocarbon wells abandonment obligations		Provision for pensions		Total	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount at beginning of year	10,375	149	1,620	1,400	27,380	429	248	31	39,623	2,009
Increases charged to expenses	620	162	452		1,376		97		2,545	162
Decreases charged to income	(158)	(35)					(1)		(159)	(35)
Amounts incurred due to payments/utilization		(183)		(503)		(249)		(13)		(948)
Exchange and translation differences, net	900	1	156	50	4,275	65	26	3	5,357	119
Deconsolidation of subsidiaries	(2,213)	(11)	(1,351)	(607)	(515)		(357)	(34)	(4,436)	(652)
Reclassifications and other	(288)	215	(555)	555	(253)	268	(13)	13	(1,109)	1,051
Amount at the end of period	9,236	298	322	895	32,263	513			41,821	1,706

	For the six-month period ended June 30, 2015									
	Provision for pending lawsuits and contingencies		Provision for environmental liabilities		Provision for hydrocarbon wells abandonment obligations		Provision for pensions		Total	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount at beginning of year	7,014	851	1,269	1,145	18,087	376	194	27	26,564	2,399
Increases charged to expenses	542	76	157		767		8		1,474	76
Decreases charged to income	(172)	(47)			(7)	(1)			(179)	(48)
Amounts incurred due to payments/utilization		(324)		(422)		(119)		(35)		(900)
	306	33	55	23	1,163	23	12	3	1,536	82

Exchange and translation differences, net										
Reclassifications and other	(346)	346	(280)	280	(171)	114	(35)	35	(832)	775
Amount at the end of period	7,344	935	1,201	1,026	19,839	393	179	30	28,563	2,384

Table of Contents**7.i) Income tax:**

According to IAS 34, income tax expense is recognized in each interim period based on the best estimate of the effective income tax rate expected as of the year-end. Amounts calculated for income tax expense for the six-month period ended June 30, 2016 may have to be adjusted in subsequent periods if, based on new judgment elements, the estimate of the effective expected income tax rate changes.

The reconciliation of pre-tax income included in the condensed interim consolidated statement of comprehensive income, at the statutory tax rate, to income tax as disclosed in the condensed interim consolidated statements of comprehensive income for the six-month periods ended June 30, 2016 and 2015, respectively, is as follows:

	For the six-month period ended June 30,	
	2016	2015
Net income before income tax	6,557	8,755
Statutory tax rate	35%	35%
Statutory tax rate applied to net income before income tax	(2,295)	(3,064)
Effect of the valuation of property, plant and equipment and intangible assets measured in functional currency	(11,869)	(2,750)
Exchange differences	8,912	2,014
Effect of the valuation of inventories measured in functional currency	(1,254)	(303)
Income on investments in associates and joint ventures	92	6
Miscellaneous	(41)	(251)
Income tax expense	(6,455)	(4,348)

The Group did not recognize the following deferred income tax assets since they do not meet the recognition criteria set forth under IFRS:

As of June 30, 2016, the Group did not recognize 1,046, corresponding to tax loss carry forwards from subsidiaries, of which 1,005 will expire from 2017 on and 41 have an undetermined expiration date.

As of December 31, 2015, the Group did not recognize 4,373, of which 2,041 corresponds to taxable temporary differences not recoverable and 2,332 corresponds to tax loss carry forwards from subsidiaries.

In addition, as of June 30, 2016, 100 have not been recorded for minimum presumed income tax, which will expire between 2016 and 2024.

The composition of the Group's deferred income tax assets and liabilities as of June 30, 2016 and December 31, 2015 is as follows:

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	June 30, 2016	December 31, 2015
<u>Deferred tax assets</u>		
Nondeductible provisions and other liabilities	3,477	3,093
Tax loss carryforward and other tax credits	5,620	3,236
Miscellaneous	67	83
Total deferred tax assets	9,164	6,412
<u>Deferred tax liabilities</u>		
Property, plant and equipment	(53,578)	(45,393)
Miscellaneous	(5,663)	(4,877)
Total deferred tax liabilities	(59,241)	(50,270)
Net deferred tax liability	(50,077)	(43,858)

Table of Contents

As of June 30, 2016 and December 31, 2015, 893 and 954, respectively, have been classified as deferred income tax assets and 50,970 and 44,812, respectively, as deferred income tax liabilities arising from the deferred income tax net balance of each individual company that take part in these condensed interim consolidated financial statements.

As of June 30, 2016 and December 31, 2015, the factors that generated charges under Other comprehensive income did not generate temporary differences subject to income tax.

7.j) Loans:

	Interest rate ⁽¹⁾		Maturity	June 30 , 2016		December 31 , 2015	
				Noncurrent	Current	Noncurrent	Current
<u>Argentine pesos:</u>							
Negotiable obligations	24.90	37.44%	2016-2024	20,010	3,543	19,280	2,050
Loans	15.25	35.38%	2016-2020	2,413 ⁽³⁾	1,475 ⁽³⁾	1,224	792
Account overdraft	28.00	34.00%	2016		5,403 ⁽⁵⁾		4,737 ⁽⁵⁾
				22,423	10,421	20,504	7,579
<u>Currencies other than the Argentine peso:</u>							
Negotiable obligations ⁽²⁾⁽⁴⁾	1.29	10.00%	2016-2028	74,495	8,107	52,651	9,981
Exports pre-financing	3.50	7.60%	2016-2019	2,178	6,443	1,039	3,680
Imports financing	4.10	6.81%	2016-2017	246	5,132		4,736
Loans	3.50	7.98%	2016-2021	5,920	3,719	3,740	1,841
				82,839	23,401	57,430	20,238
				105,262	33,822	77,934	27,817

(1) Annual interest rate as of June 30, 2016.

(2) Disclosed net of 652 and 1,349, corresponding to YPF's outstanding Negotiable Obligations repurchased through open market transactions as of June 30, 2016 and December 31, 2015, respectively.

(3) Includes 2,158 corresponding to loans granted by Banco Nación Argentina, of which 158 accrue a fixed interest rate of 15% until March 2016 and then accrue variable interest of BADLAR plus a spread of 4 percentage points and 2,000 accrue variable interest of BADLAR plus a spread of 3.5 percentage points. See Note 13.

(4) Includes 7,301 and 9,970 as of June 30, 2016 and December 31, 2015, respectively, of face value negotiable obligations, to be cancelled in Argentine pesos at the prevailing exchange rate according to the terms of the issued series.

(5) Includes 1,513 and 1,926 of account overdrafts granted by Banco Nación Argentina as of June 30, 2016 and December 31, 2015. See Note 13.

The breakdown of the Group's borrowings for the six-month period ended June 30, 2016 and 2015 is as follows:

	For the six-month periods ended June 30,	
	2016	2015
Amount at beginning of year	105,751	49,305
Proceeds from loans	54,466	28,227
Payments of loans	(33,954)	(11,972)
Payments of interest	(6,893)	(3,145)
Accrued interest ⁽¹⁾	7,744	3,533
Exchange and translation differences, net	11,970	2,993
Amount at the end of period	139,084	68,941

(1) Includes capitalized financial costs, as mentioned in Note 7.b).

Table of Contents

Details regarding the Negotiable Obligations of the Group are as follows:

Year	Face value		Ref.	Class	Interest rate ⁽³⁾	Maturity	June 30, 2016			
							Noncurrent	Current	Noncurrent	
1998	US\$	15	(1) (6)		Fixed	10.00%	2028	58	4	4
2012	US\$	552	(2) (4) (5) (6) (8)	Class X	Fixed	6.25%	2016		3,757	
2012	\$	2,110	(2) (4) (6) (8)	Class XI	BADLAR plus 4.25%	33.27%	2017		2,204	1,000
2012/3	\$	2,828	(2) (4) (6) (8)	Class XIII	BADLAR plus 4.75%	35.38%	2018	2,828	30	2,858
2013	\$	2,250	(2) (4) (6) (8)	Class XVII	BADLAR plus 2.25%	30.68%	2020	2,250	117	2,223
2013	US\$	89	(2) (5) (6)	Class XIX	Fixed	1.29%	2017		1,337	1,118
2013	\$	1,265	(2) (4) (6)	Class XX	BADLAR plus 2.25%	32.86%	2020	1,265	15	1,250
2013	US\$	92	(2) (5) (6)	Class XXII	Fixed	3.50%	2020	727	187	640
2013	US\$	150	(2) (6)	Class XXIV	Libor plus 7.50%	8.12%	2018	661	541	802
2013/5	US\$	862	(2)	Class XXVI	Fixed	8.88%	2018	12,691	31	11,000
2014/5	US\$	1,325	(2)	Class XXVIII	Fixed	8.75%	2024	19,862	420	17,200
2014	\$	500	(2) (6) (8)	Class XXIX	BADLAR	30.18%	2020	500	10	510
2014	\$	465	(2) (6)	Class XXXII			2016			
2014	US\$	66	(2) (5) (6)	Class XXXIII	Fixed	2.00%	2017		662	200
2014	\$	1,000	(2) (6) (8)	Class XXXIV	BADLAR plus 0.1%	25.00%	2024	1,000	68	1,068
2014	\$	750	(2) (4) (6)	Class XXXV	BADLAR plus 3.5%	28.40%	2019	750	58	702
2015	\$	950	(2) (8) (6)	Class XXXVI	BADLAR plus 4.74%	28.06%	2020	950	104	954
2015	\$	250	(2) (6) (7)	Class XXXVII	BADLAR plus 3.49%	32.32%	2017		262	200
2015	\$	935	(2) (4) (6)	Class XXXVIII	BADLAR plus 4.75%	30.42%	2020	935	64	999
2015	US\$	1,500	(2)	Class XXXIX	Fixed	8.50%	2025	22,350	808	19,300
2015	\$	500	(2)	Class XL	BADLAR plus 3.49%	31.15%	2017	500	32	532
2015	\$	1,900	(2)(8)	Class XLI	BADLAR	24.90%	2020	1,900	128	1,900
2015	\$	1,697	(2) (4)	Class XLII	BADLAR plus 4%	28.90%	2020	1,697	133	1,697
2015	\$	2,000	(2) (8)	Class XLIII	BADLAR	26.22%	2023	2,000	102	2,000
2015	\$	1,400	(2)	Class XLIV	BADLAR plus 4.75%	35.15%	2018	1,400	28	1,400
2016	\$	150	(2)	Class XLV	BADLAR plus 4%	34.11%	2017	150	4	150
2016	\$	1,350	(2) (4)	Class XLVI	BADLAR plus 6%	32.60%	2021	1,350	143	1,350
2016	US\$	1,000	(2)	Class XLVII	Fixed	8.50%	2021	14,990	347	14,990
2016	US\$	46	(2) (5)	Class XLVIII	Fixed	8.25%	2020	687	11	687

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016	\$	535	(2)	Class XLIX	BADLAR plus 6%	37.44%	2020	535	41	
013	US\$	177		Series A-L	Fixed	8.88%	2018	2,262	2	1,9
013	US\$	18		Series A-U	Fixed	8.88%	2018	207		1
								94,505	11,650	71,9

- (1) Corresponds to the 1997 M.T.N. Program for US\$ 1,000 million.
- (2) Corresponds to the 2008 M.T.N. Program for US\$ 10,000 million.
- (3) Interest rate as of June 30, 2016.
- (4) The ANSES and/or the Fondo Argentino de Hidrocarburos have participated in the primary subscription of these negotiable obligations, which may, at the discretion of the respective holders, be subsequently traded in the securities market where these negotiable obligations are authorized to be traded.
- (5) The payment currency of these Negotiable Obligations is the Argentine peso at the Exchange rate applicable under the terms of the series issued.
- (6) As of the date of issuance of these condensed interim consolidated financial statements, the Group has fully complied with the use of proceeds disclosed in the pricing supplements.
- (7) Until the course of twelve months since the date of issuance and liquidation to a fixed nominal annual rate of 25.75%; and then and until the date of maturity of the negotiable obligations to a variable nominal annual rate of BADLAR plus 3.49%.
- (8) Negotiable Obligations classifying as productive investment, computable as such for purposes of subsection 35.8.1, paragraph K of General Regulations applicable to Insurance Activities issued by the Argentine Insurance Supervision Bureau.

Table of Contents**7.k) Accounts payable:**

	June 30, 2016		December 31, 2015	
	Noncurrent	Current	Noncurrent	Current
Trade and related parties ⁽¹⁾	275	39,374	204	38,782
Investments in companies with negative shareholders equity		1		1
Extension of concessions	355	391	340	412
Guarantee deposits	7	473	8	467
Miscellaneous	61	464	73	317
	698	40,703	625	39,979

(1) For more information about related parties, see Note 13.

7.l) Revenues:

	For the six-month periods ended June 30,	
	2016	2015
Sales ⁽¹⁾	102,975	77,149
Production incentive program (Note 13)		612
Revenues from construction contracts	335	182
Turnover tax	(3,617)	(2,809)
	99,693	75,134

(1) Includes 9,568 and 5,641 for the six-month periods ended on June 30, 2016 and 2015, respectively, associated with revenues related to the natural gas additional injection stimulus program created by Resolution 1/2013 of the Ex-Planning and Strategic Coordination Commission of the National Plan of Hydrocarbons Investment.

7.m) Costs:

	For the six-month periods ended June 30,	
	2016	2015
Inventories at beginning of year	19,258	13,001
Purchases for the period	22,731	16,158
Production costs	60,338	40,038
Translation effect	2,848	736

Inventories at end of period	(22,225)	(12,972)
Cost of sales	82,950	56,961

Table of Contents**7.n) Expenses by nature:**

	For the six-months periods ended June 30,					
	2016				2015	
	Production costs ⁽³⁾	Administrative expenses	Selling expenses	Exploration expenses	Total	Total
Salaries and social security taxes	4,780	1,274	725	123	6,902	5,252
Fees and compensation for services	414	736 ⁽²⁾	194	12	1,356	1,109
Other personnel expenses	1,334	210	57	20	1,621	1,308
Taxes, charges and contributions	907	160	1,651		2,718 ⁽¹⁾	2,391 ⁽¹⁾
Royalties, easements and canons	8,297		11	18	8,326	5,735
Insurance	471	22	38		531	492
Rental of real estate and equipment	2,440	12	230	1	2,683	1,773
Survey expenses				269	269	75
Depreciation of property, plant and equipment	21,015	289	455		21,759	12,066
Amortization of intangible assets	208	97	18		323	160
Industrial inputs, consumable materials and supplies	2,686	19	39	5	2,749	1,780
Operation services and other service contracts	4,581	178	431	68	5,258	4,124
Preservation, repair and maintenance	7,747	152	150	13	8,062	6,172
Unproductive exploratory drillings				656	656	331
Transportation, products and charges	3,215	6	2,212		5,433	3,892
Provision for doubtful trade receivables			68		68	234
Publicity and advertising expenses		74	105		179	185
Fuel, gas, energy and miscellaneous	2,243	90	360	7	2,700	1,571
Total 2016	60,338	3,319	6,744	1,192	71,593	
Total 2015	40,038	2,556	5,478	578		48,650

- (1) Includes approximately 666 and 656 corresponding to hydrocarbon export withholdings for the six-month periods ended June 30, 2016 and 2015, respectively.
- (2) Includes 102 corresponding to YPF's Directors and Statutory Auditor's fees and remunerations for all concepts. On April 29, 2016, the General Ordinary and Extraordinary Shareholder's meeting of YPF decided to ratify fees of 140 for the 2015 year and decided to approve as fees and remunerations for all concepts in advance for the 2016 year the sum of approximately 127.
- (3) The expense recognized in the condensed interim consolidated statements of comprehensive income related to research and development activities during the six-month periods ended June 30, 2016 and 2015 amounted to 151 and 116, respectively.

Table of Contents**7.o) Other operating results, net:**

	For the six-month periods ended June 30,	
	2016	2015
Lawsuits	(457)	(162)
Construction incentive ⁽¹⁾	228	264
Temporary economic assistance		356 ⁽²⁾
Income on deconsolidation of subsidiaries ⁽³⁾	1,528	
Miscellaneous	149	28
	1,448	486

(1) Corresponds to the incentive to Argentine manufacturers of capital goods received by A-Evangelista S.A. under the provisions of Executive Order No. 379/2001 of the Argentine Ministry of Economy, for the six-month periods ended June 30, 2016 and 2015.

(2) Corresponds to the temporary economic assistance received by Metrogas S.A. ordered by the Argentine Energy Secretariat in Resolution No. 263/2015 for the six-month period ended June 30, 2015 (see Note 13).

(3) See Note 7.c)

7.p) Financial results, net:

	For the six-month periods ended June 30,	
	2016	2015
<u>Finance income</u>		
Interest income	514	404
Exchange differences	10,595	3,233
Total finance income	11,109	3,637
<u>Finance cost</u>		
Interest expense	(8,225)	(3,712)
Finance accretion	(1,504)	(936)
Exchange differences	(2,441)	(617)
Total finance cost	(12,170)	(5,265)
<u>Other financial results</u>		
Fair value gains on financial assets at fair value through profit or loss	205	320
Gains on derivative financial instruments	214	

Total other financial results	419	320
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Financial results, net	(642)	(1,308)
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8. INVESTMENTS IN JOINT OPERATIONS

The Group participates in joint operations and other agreements which give the Group a contractually established percentage of the rights to the assets and obligations governed by the contracts. Interests in such joint operations have been consolidated line by line on the basis of the mentioned interest over the assets, liabilities, income and expenses related to each contract. Interests in joint operations have been calculated based upon the latest available financial statements as of the end of each year, taking into consideration significant subsequent events and transactions as well as available management information.

The exploration and production joint operations and other agreements in which the Group participates allocate hydrocarbon production to each partner based on its ownership interest; consequently, such hydrocarbons are commercialized directly by the partners, each of them recognizing the corresponding economic effects.

Table of Contents

The assets and liabilities as of June 30, 2016 and December 31, 2015, and main magnitudes of profit or loss for the six-month periods ended on June 30, 2016 and 2015 of the joint operations and other agreements are detailed below:

	June 30, 2016	December 31, 2015
Noncurrent assets	58,958	47,322
Current assets	881	944
Total assets	59,839	48,266
Noncurrent liabilities	4,897	4,593
Current liabilities	6,493	6,391
Total liabilities	11,390	10,984
	For the six-month periods ended June 30,	
	2016	2015
Production cost	9,782	6,068
Exploration expenses	360	111

9. SHAREHOLDERS EQUITY

On April 29, 2016, the General Ordinary and Extraordinary Shareholders meeting was held, which approved the financial statements of YPF for the year ended December 31, 2015 and additionally decided the following in relation to the distribution of earnings: (a) to allocate the amount of 50 to a reserve for future acquisition of YPF shares under the performance and bonus program mentioned in the Director s report, giving the Board of Directors the opportunity to acquire shares when it considers it convenient and to comply with the commitments assumed and to be assumed in relation with the mentioned program; (b) to allocate the amount of 3,640 to constitute a reserve for investment in accordance with article 70, paragraph 3 of Law 19,550 of Argentine Corporations and its amendments; and (c) to allocate the amount of 889 to a reserve for future dividends, empowering the Board of Directors to determine when to make a payment so long as it occurs before the end of the present fiscal year. On June 9, 2016, the Board of Directors of the Company decided to pay a dividend of 2.26 per share, for an amount of 889, which was made available to shareholders on July 7, 2016.

10. EARNINGS PER SHARE

The following table shows the net income and the number of shares that have been used for the calculation of the basic earnings per share:

	For the six-month periods ended on June 30,	
	2016	2015
Net income	253	4,424
Average number of shares outstanding	391,943,076	392,326,489
Basic and diluted earnings per share	0.65	11.28

Basic and diluted earnings per share are calculated as shown in Note 1.b.13 to the annual consolidated financial statements.

Table of Contents

11. PROVISIONS FOR PENDING LAWSUITS, CLAIMS AND ENVIROMENTAL LIABILITES

Provisions for pending lawsuits, claims and environmental liabilities are described in Note 10 to the annual consolidated financial statements.

As of June 30, 2016, the Group has accrued pending lawsuits, claims and contingencies which are probable and can be reasonably estimated, amounting to 9,534.

In relation to environmental obligations, and in addition to the hydrocarbon wells abandonment legal obligations for 32,776, as of June 30, 2016, the Group has accrued 1,217 corresponding to environmental remediation, which evaluations and/or remediation works are probable and can also be reasonably estimated, based on the Group's existing remediation program.

Developments during the six-month period ended June 30, 2016, concerning the most significant pending lawsuits and contingencies are described below.

With respect to the AES Uruguaiana Emprendimientos S.A. (AESU) and Transportadora Gas del Mercosur S.A. (TGM) arbitration proceedings and the writ of nullity filed on February 2, 2016 by AESU and Companhia do Gas do Estado do Rio Grande do Sul (SULGAS), on February 23, 2016, the Court of Appeals denied the motion in limine . AESU and SULGAS filed a motion before the Supreme Court against this denial, which was communicated to YPF on March 31, 2016. On the same date, the Court of Appeals rejected the motion to appeal before the Supreme Court filed by TGM on February 2, 2016.

On April 26, 2016, Division IV of the Court of Appeals denied the motion filed by AESU and SULGAS and passed a new resolution declaring the nullity and ineffectiveness of all proceedings filed by the parties until then and by the Arbitration Tribunal regarding the second stage of the Arbitration, on the basis that they lacked legal grounds. In turn, the resolution recalls the legal order arising from Section 34, subsection 5, paragraph b, of the Argentine Civil and Commercial Code of Procedures (CPCCN), advising the Arbitration Tribunal that it may not issue any resolution regarding the second stage of the arbitration, including a final award on damages, and also advising AESU, SULGAS and TGM that any of their respective acts to that end or any act of the Arbitration Tribunal that might involve them, in violation of the above referred judgment, shall be evaluated by such Court Division in the exercise of the powers vested on it by the CPCCN as process manager (section 45 and related sections). In addition, this Division ordered to notify the Arbitration Tribunal and the International Arbitration Secretary's Office for the International Chamber of Commerce (ICC), advising them that the Arbitration Tribunal is not in a position to issue an award in accordance with applicable law.

This resolution was communicated by YPF to the Arbitration Tribunal, the parties and the ICC. On the same date but following this notification, YPF was given notice of the damages arbitration award issued by a majority of the Arbitration Tribunal, whereby the Company was ordered to pay damages of US\$185 million to AESU, for the early termination of the gas export contract in 2009, and on account of the delivery or pay penalty, and of US\$ 319 million to TGM on account of the principal invoices amount, irrevocable contributions and damages for the early termination of the transportation contract.

On May, 2, 2016, YPF filed with the ICC and the Arbitration Tribunal the relevant writ of nullity against the said arbitration award. On the same date, it also filed a writ of nullity before Division IV of the Federal Contentious Administrative Tribunal, and in an auxiliary manner filed a reconsideration motion from denial of appeal.

On May 4, 2016, the Arbitration Tribunal passed a resolution resolving that it would refrain from issuing a decision regarding the writ of nullity filed by YPF. Considering this resolution a dismissal of the writ of nullity, on May 5, 2016, YPF filed before Division IV of the Federal Contentious Administrative Tribunal a motion for reconsideration against the decision rendered by the Arbitration Tribunal to deny the writ of nullity filed by the Company.

On May 5, 2016, AESU filed in the jurisdiction of New York, South District an action for the acknowledgment and enforcement of the Partial Liability Award issued in 2013. As of the date hereof, YPF has neither been given notice nor has it received the Final Award on Damages.

In connection with the complaint filed by Users and consumers association against YPF, the Company filed an appeal against the relevant judgment, which was admitted with staying effect. Plaintiff also filed an appeal against the judgment and both parties filed their respective appellate briefs, which were

Table of Contents

answered. On April 4, 2016, the file was raised to the Court of Appeals. The updated judgement amount as of the date of these consolidated condensed interim financial statements amounts to approximately 544 plus legal costs.

As to the administrative environmental issues related to the lower 8 miles of the Passaic River, affecting Maxus Energy Corporation (Maxus) and Tierra Solutions, Inc. (TS) (companies deconsolidated on June 17, 2016 see Note 7.c)) on March 4, 2016, the U.S. Environmental Protection Agency (EPA) issued the Record of Decision (ROD) for the lower 8.3 miles of the Passaic River, which is a part of the Diamond Alkali Superfund Site - Essex and Hudson Counties, New Jersey. The ROD selects the so-called Alternative 3 as the remedy for the removal of contaminated sediments with an estimated cost of US\$1,382 million (net present value at a 7% rate).

The ROD requires the removal of 3.5 million cubic yards of sediment from the lower 8.3 miles of the Passaic River by bank-to-bank dredging, to a depth of approximately 5 to 30 feet in the federal navigation channel from mile 0 to mile 1.7, and approximately 2.5 feet in the remaining areas of the lower 8.3 miles of the Passaic River. A two-foot thick cap will be installed over the dredged areas. Contaminated segments will be transported to disposal sites outside the state. The EPA estimates the whole project will take approximately 11 years, including one year for negotiations among potentially responsible parties, three to four years for project design and six years for its implementation.

On March 31, 2016, the EPA notified all potentially responsible parties, including Occidental Chemical Corporation (OCC), of the liabilities relating to the 8.3 miles area of the Passaic River relating to the ROD. In the same notice the EPA stated that it expected OCC (against whom Maxus is litigating a dispute over indemnity) to prepare the remediation plan design and that it would send a second letter with an administrative proposal to this end, which was received by counsel to OCC, Maxus and TS on April 26, 2016.

As of June 17, 2016, OCC, Maxus and TS were holding discussions with EPA to define their participation in a potential negotiation aimed at taking part in the design of EPA's proposed remediation plan, taking into account that the ROD has identified over one hundred potentially responsible parties and eight contaminants of concern, many of which have not been generated at the Lister Site. As of such date Maxus was evaluating the situation resulting from the issuance of the ROD by the EPA, as well as its subsequent associated letters.

In connection with the Passaic River litigation, in which the New Jersey Department of Environmental Protection (DEP) holds with YPF, YPF Holdings Inc. and other subsidiaries (including Maxus, a company that was deconsolidated on June 17, 2016 See Note 7.c)), with respect to the contamination of the lower Passaic River with dioxin and other hazardous substances discharged by the Newark plant, the parties appealed the recommendations of the Special Judge to Judge Furnari (presiding Judge of the legal proceedings) on February 16, 2016, who, nevertheless, adopted the Special Masters' recommendations in their entirety. In addition, having been completed discovery of all relevant evidence, the acting Judge issued Case Management Order XXVIII, which sets forth, among other procedural deadlines, June 20, 2016 as the date for the commencement of the trial. On April 25, 2016, all the parties moved to request permission to file interlocutory appeals and a stay of the litigation during the appellate proceedings. Maxus filed a motion requesting permission to appeal the ruling granting summary judgment to OCC against Maxus, which held that Maxus is liable under the stock purchase and sale agreement for all obligations under, or arising from, the Lister Site, even if attributable to OCC's own acts. YPF filed a motion requesting permission to appeal the ruling denying its motion for summary judgment seeking a decision indicating that OCC may not use allegedly fraudulent transfers which are prescribed as a basis for its alter ego claims against YPF. OCC filed only one motion, appealing the ruling that granted to Repsol the motion for summary judgment, whereby all claims against Repsol were dismissed. OCC did not appeal the rulings that (a) denied OCC's motion to file

additional cross claims; (b) denied OCC's motion for a declaratory judgment regarding future costs; and (c) denied OCC's motion for summary judgment seeking a dismissal of Repsol's Spill Act contribution claim against OCC (all of the foregoing without prejudice to reserving the right to file post-trial motions of appeal on these issues).

Table of Contents

However, all litigation against Maxus has been stayed upon Maxus' filing under Chapter 11 of the Bankruptcy Code, which is explained below.

On June 17, 2016, voluntary petitions under Chapter 11 of the Bankruptcy Code were filed with the Bankruptcy Court of the District of Delaware of the United States (hereafter, the Bankruptcy Court) by (a) Maxus Energy Corporation and its subsidiaries Maxus International Energy Company, Maxus (US) Exploration Company and Gateway Coal Company; and (b) Tierra Solutions Inc. (all of them hereafter referred to as the Maxus Entities or Debtors, subsidiaries of YPF Holdings, Inc.).

The Debtors' businesses are divided into three areas: (a) management of interests related to the exploitation of hydrocarbons carried out by Maxus and its subsidiaries; (b) management of remediation activities carried out by Tierra Solutions Inc.; and (c) management of benefits of former employees who are currently retired.

In this framework, Debtors have entered into an agreement (the Agreement) with YPF S.A., jointly with its subsidiaries YPF Holdings Inc., CLH Holdings Inc., YPF International S.A. and YPF Services USA Corp (jointly, YPF Entities) to settle all Debtors' claims against YPF Entities, including any alter ego claims which, in YPF Entities' opinion, have no merits.

The Agreement provides: i) the granting of a loan by YPF Holdings for an amount of US\$ 63.1 million (DIP Loan) to finance Debtors' activities during the estimated term of the reorganization procedure in order that, ultimately, the reorganization procedure under Chapter 11 might allow them to restructure their operations in a sustainable manner; ii) a payment of US\$ 130 million to Maxus Entities (Settlement Payment) for all potential claims that the Debtors might have against YPF Entities.

The first hearing corresponding to the filing under Chapter 11 of the Bankruptcy Code (the Filing) took place on June 20, 2016. At that hearing, the Bankruptcy Court approved, among other things, the Debtors' motions to continue, as Debtors-in-Possession, to maintain their day-to-day operations, including the Debtors' use of the system for fund management and payment of salaries and benefits to retired employees. The case is pending before United States Bankruptcy Judge Christopher S. Sontchi.

Subject to certain exceptions under the Bankruptcy Code, effective as of the date of the filing of the Chapter 11 petitions with the Bankruptcy Court, most decisions, as well as the issues related to creditors' claims and actions for the collection of their claims that arose prior to the filing date are automatically stayed (among others, those corresponding to claims against Maxus Entities at the local court of New Jersey related to the Passaic River litigation see Note 11 to these consolidated condensed interim financial statements and also Note 11 to the annual consolidated financial statements).

12. CONTINGENT LIABILITIES, CONTINGENT ASSETS, CONTRACTUAL COMMITMENTS, MAIN REGULATIONS AND OTHERS

Contingent liabilities, contingent assets, contractual commitments, main regulations and others are described in Note 11 to the annual consolidated financial statements.

Developments during the six-month period ended June 30, 2016 concerning the above are detailed below.

a) Contingent Liabilities

In connection with the complaint filed by Petersen Energía Inversora, S.A.U and Petersen Energía, S.A.U., on July 20, 2016, a hearing was held at the Court, at which the parties made their arguments regarding the motion to dismiss, answering the questions asked by the Judge. The Court is expected to soon issue a resolution with respect to the motions to dismiss.

In connection with Resolution No. 17/2012, issued by the Secretariat of the Interior of the ex-Federal Ministry of Economy and Public Finance, which ordered YPF, Shell Compañía Argentina de Petróleo S.A. and Esso Petrolera Argentina S.R.L. to supply jet fuel for the domestic and international air transport at a price net of taxes not to exceed 2.7% of the price net of taxes of Super gasoline (not Premium) offered at their respective service stations closest to the relevant airport, maintaining the current fuel supply logistics

Table of Contents

in its ordinary and usual supply quantities, finally, in December 2015, the Argentine Supreme Court (CSJN) ruled sustaining the appeal filed by the Federal Government. Thus, the CSJN confirmed the jurisdiction of the Secretariat of Commerce to issue administrative precautionary measures under Section 35 of Law No. 25,156. In addition, it ordered that the records of the case be returned to the original court so that the person concerned may issue a new ruling on the basis of the decision. As a result, the Federal Court must issue a new ruling on the lawfulness or unlawfulness of Resolution 17/2012 on the basis of the additional grounds previously alleged by YPF regarding the substance of this issue.

b) Contingent Assets*Cerro Divisadero:*

Concerning the fire that damaged the facilities of the Crude Oil Treatment Plant of Cerro Divisadero in Mendoza, as of December 31, 2015 the claim settlement proceedings were concluded, with the final settlement amount agreed at US\$ 122 million, of which US\$ 45 million was related to property damage and US\$ 77 million was related to production losses, for which a US\$ 60 million advance had already been received as of such date. During the six-month period ended June 30, 2016, the Company received the second and final payment of US\$ 62 million.

c) Contractual commitments*Agreements for project investments*

With respect to the Investment Project Agreement executed by and between the Company and subsidiaries of Chevron Corporation with the objective of the joint exploitation of unconventional hydrocarbons in the province of Neuquén, in the Loma Campana area, during the six-month period ended June 30, 2016, the Company and Compañía de Hidrocarburo No Convencional S.R.L. (CHNC) have completed transactions, including mainly the purchases of gas and crude oil by YPF for 2,779. These transactions were completed under general and regulatory market conditions. The net balance payable to CHNC as of June 30, 2016 amounts to 1,128.

Concerning the acquisition by Pampa Energía S.A. (PEPASA) of the whole capital stock of Petrobras Participaciones S.L., which holds 67.2% of the capital and votes of Petrobras Energía S.A. (PESA), YPF and PEPASA have entered into an agreement subject to certain conditions precedent whereby, upon formalization of the acquisition of the controlling interest in PESA by PEPASA, the latter shall assign to YPF participations in the exploitation concessions of two areas located in the Neuquén Basin with production and high development potential of gas (of the tight and shale type), to be operated by YPF, according to the following percentages: (i) 33.33% interest in Río Neuquén Area, located in the Province of Neuquén and in the Province of Río Negro; and (ii) 80% interest in the Aguada de la Arena Area in the Province of Neuquén.

In order to give effect to this agreement, PEPASA and YPF have signed the Financing and Interest Acquisition Framework Agreement and a Loan Agreement whereby YPF, on July 25, 2016, granted PEPASA a secured loan for the indirect acquisition of the aforementioned areas in the amount of US\$ 140 million, equal to the acquisition cost of the mentioned interests. Upon the approval of the aforementioned interest assignment by PESA's Board of Directors, the mentioned loan may be used for the payment of YPF's acquisition of the interests in concession and joint

operations with; (i) PESA and an affiliate of Petróleo Brasileiro S.A. for the Río Neuquén Area, and (ii) Petrouuguay S.A. for the Aguada de la Arena Area.

d) Main regulations and others

Natural gas regulatory requirements - Producers and Distribution Companies
Temporary Agreement with Natural Gas Network Distribution Companies

On February 24, 2016, within the framework of the process for renegotiating public services contracts provided by Law No. 25,561 and supplementary regulations, Metrogas entered into a Temporary Agreement with the Ministry of Energy and Mining (MINEM) and the Ministry of Economy and Public Finance whereby a provisional tariff regime was established for the collection of higher revenues than those collected under the Temporary Agreement of 2014 and ENARGAS Resolution No. I/2407/2012 issued on November 27, 2012.

Table of Contents

The new Temporary Agreement, which is not subject to ratification by the Federal Executive, establishes an interim tariff regime effective from April 1, 2016, consisting of the readjustment of tariffs, taking into account the guidelines necessary to maintain service continuity and common criteria with the other distribution licensees, and considering tariff regulations, including changes in the gas price at the Transportation System Entry Points (TSEPs).

Furthermore, the Temporary Agreement provides that, between its execution date and December 31, 2016, the parties shall reach an agreement relating to the method, time frames and timing of the execution of the Memorandum of Agreement for Comprehensive Contractual Renegotiations.

The Temporary Agreement also provides that it will incorporate any transfer that results from changes in tax regulations that remain outstanding, except for the income tax, and imposes a mandatory investment plan on Metrogas for an amount of 715.

On April 1, 2016 the MINEM issued the following Resolutions:

- (1) Resolution No. 28/2016 passed by the MINEM, which, among other things:

Sets the new prices for natural gas at the Transportation System Entry Points (TSEPs), broken up by basin and user category, and provides discounts to those Residential Users reducing their consumption by fifteen percent (15%) or more as compared to the same period of the previous year, taking effect for consumption starting from April 1, 2016.

Sets the new Propane Gas Prices for Undiluted Propane Gas distribution, as well as provides discounts to those Residential Users recording a savings in their consumption equal to or higher than fifteen percent (15%) compared to the same period of the previous year.

Instructs the ENARGAS to adapt the Registry of Persons Exempt from the Argentine Government Policy of Subsidy Reallocation through which ENARGAS adopts for Residential Users the Eligibility Criteria to benefit from a Social Tariff , with a one hundred percent (100%) discount on the Natural Gas price or the Propane Gas price consumed by such users. On May 6, 2016, the Registry of Persons Exempt from the Argentine Government Policy of Subsidy Reallocation was modified by ENARGAS Resolution No. 3,784/2016.

Revokes resolutions passed by the former ex-Ministry of Federal Planning, Public Investment and Services under Section 6 of Executive Order No. 2,067/2008 and Section 7 of Resolution No. 1,451/2008, related to the assessment of tariff charges, to which end it instructs ENARGAS to take the necessary measures to cease applying those charges in the bills issued to users.

- (2) Resolution No. 31 of the MINEM instructs ENARGAS to implement the procedure for the Comprehensive Tariff Review established in the Memorandum of Agreement for Comprehensive Contractual Renegotiations entered into with Licensees within the framework of Law No. 25,561, its amendments and complementary

rules, to be executed within a maximum term of one year as from March 29, 2016. It further established the application of a provisional tariff.

- (3) Resolution No. 34/2016 passed by the MINEM, which, among other things:

Sets the new prices at TSEPs for natural gas supply to Compressed Natural Gas (CNG) stations, taking into effect consumption from April 1.

Provides that from May 1, natural gas for CNG supply stations must be acquired by distributors.

Table of Contents

On April 4, 2016, ENARGAS Resolution No. 3726/2016 was published in the Argentine Official Gazette whereby:

A new tariff scheme applicable to Metrogas users was approved, effective from April 1, 2016, in line with the provisions of Resolution No. 28/2016 issued by the MINEM.

Additionally, new tariffs are established for residential users recording a saving in their consumption equal to or higher than fifteen percent (15%) compared to the same period of the previous year and for users registered with the registry established under ENARGAS Resolution No. I-2,905/2015 as amended by section 5 of Resolution No. 28/2016 issued by the MINEM (social tariff).

It orders Metrogas to:

- i. No longer include the amounts derived from the charge imposed by Executive Decree No. 2,067/2008;
- ii. Instrument the collection of bills which are issued bi-monthly as a monthly payment obligation, establishing to such end two monthly payments, each equal to 50% of the total amount of the bi-monthly bill, with a thirty-day period between each other;
- iii. Not to make dividend distributions without previously evidencing before the ENARGAS full compliance with the Mandatory Investment Plan.

Subsequently, on June 1, 2016, the MINEM published Resolution No. 89 whereby:

The ENARGAS is required to elaborate a procedure modifying and supplementing the provisions of ENARGAS Resolutions No. 716/1998 and 1,410/2010, and setting forth the daily operating conditions of the Transportation and Distribution Systems.

It establishes the volumes the Distribution Companies may request to supply the priority demand and sets forth that if natural gas is contracted with a Producer for such purpose, the request of natural gas from such producer will be reduced under Resolution No. 1,410/2010 to the extent of the volume contracted.

Pursuant to this Resolution, on June 5, 2016 ENARGAS Resolution No. I/3833 was issued, whereby the Supplementary Procedure for Gas Requests, Confirmations and Control was established.

On June 7, 2016, MINEM Resolution No. 99 was issued, under which:

The ENARGAS, in exercise of its powers, is required to establish the necessary measures so that during 2016, the amounts before taxes of bills issued by providers of the gas distribution public service in all the

territory, to be paid by Residential users (category R and its subcategories) and users of the Small General Service category with full service (subcategories P1, P2 and P3, and equivalent categories in the undiluted propane gas distribution service), for consumption made from April 1, 2016, shall not exceed by more than 400% and 500%, respectively, the final amount, before taxes, that should have been invoiced for such consumptions, if the tariffs effective as of March 31, 2016 had been applied to the same user and for the volume consumed in the new billing period.

On June 8, 2016, ENARGAS, through Resolution No. 3,843/2016, regulated these limits until December 31, 2016. According to Resolution No. 99/2016 of the MINEM, any differences arising from the final amount resulting from the application of the relevant limit and the tariff schemes applicable as of that date shall be determined during 2016 as a discount on the prices to be billed by natural gas Producers to Distribution Companies.

Table of Contents

On July 12, 2016, the MINEM, through Resolution No. 129/2016:

Amended Resolution No. 99/2016 and instructed ENARGAS to take the necessary steps in order that during 2016, the aggregate amount, after taxes, of the bills issued by Gas Distribution Companies to be paid by Residential users (category R and its subcategories), Small General Service category (with full service) and equivalent categories in the undiluted propane network distribution service for consumptions made as of April 1, 2016, do not exceed by more than 400% and 500%, respectively, the final amount, after tax, of the bill issued to the same user, for the same billing period of the previous year, i.e. the amount billed should not exceed an amount equivalent to 5 or 6 times, respectively, the final amount of the bill issued to the same user for the same billing period of the previous year.

Instructed ENARGAS to take the necessary steps to complete, before December 31, 2016, the comprehensive Tariff Review process (referred to in Section 1 of Resolution No. 31 dated March 29, 2016).

The public hearing for such Tariff Review process shall be held before October 31, 2016.

As a result of the Temporary Agreement with Natural Gas Distribution Companies and the tariff schemes issued accordingly, there has been, throughout the Argentine territory a large number of legal actions (motions for protection of constitutional rights, precautionary measures, etc.) against the tariff scheme in force. Among them is the Center of Studies for the Promotion of Equality and Solidarity (CEPIS) case, whereby on April 7, 2016, CEPIS (a Civil Association registered with the Provincial Registrar of Legal Persons) filed a motion for protection of constitutional rights seeking a decree of nullity of Resolutions No. 28/2016 and 31/2016 of the MINEM. The first instance court rejected the motion and ordered the Federal Government MINEM to call a public hearing in order to validate Resolutions No. 28/2016 and 31/2016.

On July 7, 2016, and as a result of the appeals filed by the parties, Division II of the Federal Court of Appeals of La Plata determined the nullity of Resolutions No. 28/2016 and 31/2016 of the Federal Ministry of Energy and Mining, whereby the tariff regime in the whole country went back to the one in force before the issuance of both resolutions. The decision was appealed by the MINEM on July 12, 2016 to the Supreme Court, which will be in charge of deciding the issue.

Although Metrogas is not a party to the CEPIS Case and resolution dated July 7, 2016 says nothing about the tariff schemes approved by the ENARGAS, on July 27, 2016, the ENARGAS informed, through Note No. 6877 that, as a result of the decision in the CEPIS Case and until the appeal filed by the MINEM to the Supreme Court is not solved, it is not feasible to apply the ENARGAS Resolutions related to tariff increases, including, among others, Resolutions No. 3,726/2016 and 3,843/2016. Accordingly, Metrogas has estimated revenues from sales of gas and from the transportation and distribution service, as well as the costs of gas supply and transportation as of June 30, 2016, by applying the tariffs in force as of March 31, 2016.

However, Metrogas anticipates an agreement with the Argentine Government concerning the guidelines contained in the Annex to the 2016 Temporary Agreement related to the methods, time periods and timelines of the execution of the Memorandum of Agreement for Comprehensive Contractual Renegotiations, so as to facilitate the restructuring of the economic-financial standing.

In turn, in connection with ENARGAS Resolution No. 1,410/2010, approving a Procedure for Gas Requests, Confirmations and Controls , which had been appealed by YPF, on December 9, 2015, the ENARGAS rejected YPF s challenge to such resolution. YPF is evaluating the course of action that it will follow.

Table of Contents

Natural Gas New Projects Stimulus Program

On May 18, 2016, MINEM Resolution No. 74/2016 created the Natural Gas New Projects Stimulus Program in order to foster natural gas production for those companies submitting new natural gas projects, provided they are not beneficiaries of the Natural Gas Additional Injection Stimulus Program or the Natural Gas Injection Stimulus for Companies with Reduced Injection, respectively created by Resolutions No. 1/2013 and 60/2013 of the former Strategic Planning and Coordination Commission of the Hydrocarbon Investments Nation Plan.

The submission of new projects, which must be approved by the Hydrocarbon Resources Secretariat, may obtain a stimulus price of 7.50 US\$/MMBTU.

The Natural Gas Injection Stimulus for Companies without Injection, created by Resolution No. 185/2015 of the former Strategic Planning and Coordination Commission of the Hydrocarbon Investments Nation Plan has been abolished, but any projects submitted under such program which are pending approval must be evaluated under the Natural Gas New Projects Program.

The Natural Gas New Projects Program shall be effective as from the publication of the relevant resolution in the Official Gazette (May 18, 2016) until December 31, 2018.

Following this Resolution, no new projects may be submitted under the natural gas production incentive Program known as Gas Plus, created by Resolution No. 24/2008 of the former ex-Energy Secretariat of the ex-Ministry of Federal Planning, Public Investment and Services, as amended. Notwithstanding the foregoing, any projects approved under said Program shall remain in full force according to the terms of their respective approvals.

The requirements to be fulfilled by gas to be involved in a new natural gas project are the following: a) it must come from an exploitation concession granted as a result of a discovery reported after the effective date of Resolution No. 1/2013 of the former Strategic Planning and Coordination Commission of the Hydrocarbon Investments Nation Plan; or b) come from an exploitation concession of areas classified as Tight Gas or Shale Gas, or c) belong to companies without natural gas injection registers which acquire an interest in areas belonging to companies registered in the Natural Gas Additional Injection Stimulus Program or the Natural Gas Injection Stimulus for Companies with Reduced Injection, respectively created by Resolutions No. 1/2013 and 60/2013 of the former Strategic Planning and Coordination Commission of the Hydrocarbon Investments Nation Plan, but which, during the period in which the selling company shall have calculated its Basic Injection, the Total Injection coming from the areas in question shall have been null, including the acquisition of entire areas.

On May 20, 2016, Executive Order No. 704/2016 was issued, which converted into pesos the debt under the Natural Gas Additional Injection Stimulus Program, the Natural Gas Injection Stimulus for Companies with Reduced Injection and those derived from the Agreement for the Supply of Propane Gas for Undiluted Propane Gas Distribution Networks, taking into account the closing rate of exchange for each period, and Argentine Government Bonds denominated in US dollars will be delivered at an 8% interest rate with maturity in 2020 (BONAR 2020 US\$) for the cancellation thereof.

In order to request the cancellation of outstanding payments, beneficiaries must subscribe and file to the Hydrocarbon Resources Secretariat of the MINEM the letters of accession. YPF has filed the letters of accession and has reserved the right to claim the exchange differences and interest.

On July 13, 2016, the Company has received, under the Natural Gas Additional Injection Stimulus Program, BONAR 2020 US\$, for a face value of US\$ 630 million.

Regulatory framework for the electric power industry:

Law No. 27,191, amending Law No. 26,190 on Argentina's Scheme for Promotion of Use of Energy Renewable Sources intended for Electricity Production, binds Large Users to incorporate at least 8% of energy from renewable sources into their electric power usage by December 31, 2017.

Table of Contents

Federal Executive Order No. 531/2016 (Regulations of Law No. 27,191), dated March 31, 2016. Among other things, this Executive Order establishes that before December 31, 2017, users shall provide evidence of subscription of self and joint generation contracts or projects. Upon revision of compliance with the purposes of the Law, if energy shortage is found, a penalty shall be imposed, but no further details are provided.

Resolution No. 22/2016 issued by the Energy Secretariat, dated March 30, 2016. Pursuant to this Resolution, the Energy Secretariat amended SE Resolution No. 482/2015 and adjusted tariff components collected by generators who have adhered to SE Resolutions Nos. 95/2013, 529/14 and 482/2015. The resolution modifies remunerative components of financial transactions retroactively to February 2016.

MINEM Resolution No. 41/2016 issued on April 13, 2016. It sets the new prices at the entry points to the natural gas transportation system for each basin of origin, which prices will be applied to natural gas acquisitions made to be used for the generation of electricity to be sold in the Wholesale Electricity Market (MEM) or, generally, to be supplied to the electricity distribution public service.

Resolution No. 21/2016 issued by the Energy Secretariat published on March 22, 2016. This resolution calls generators, self-generators and joint generators interested in bidding on a new capacity of thermal power generation and associated electricity production, undertaking to be available in the Wholesale Electricity Market during summer (2016/2017 and 2017/2018) and winter 2017.

MINEM Resolution No. 71/2016, dated May 18, 2016. This resolution provides for the commencement of the open competitive bidding process for contracting, in the MEM, electric energy from renewable generation sources in order to achieve the contribution goals from renewable energy sources scheduled by December 31, 2017, in Sections 2 of Law No. 26,190 and 8 of Law No. 27,191 (*Programa Renovar (Ronda 1)*) (Renewal Program (Round 1))

SEE Resolution No. 155/2016 dated June 15, 2016. This Resolution informs the first projects awarded under the call for bids set forth by SEE Resolution No. 21/2016, including, among others, Thermal Power Plant El Bracho (Province of Tucumán) awarded to Y-GEN II, in which YPF Energía Eléctrica S.A. has a 66.67% interest. See Note 3.

SEE Note 355/2016, dated June 28, 2016, gives bidders who have exceeded the technical offers the opportunity to improve their financial offers in order to be again taken into consideration in the award of the call for bids set forth in SEE Resolution No. 21/2016.

SEE Resolution No.216/2016 dated July 15, 2016 informs the new projects awarded under the call for bids set forth by SEE Resolution No. 21/2016, including, among others, Thermal Power Plant Loma Campana (Province of Neuquén) awarded to Y-GEN I, in which YPF Energía Eléctrica S.A. has a 66.67% interest. See Note 3.

Table of Contents**13. BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

The Group enters into operations and transactions with related parties according to general market conditions, which are part of the normal operation of the Group with respect to their purpose and conditions.

The information detailed in the tables below shows the balances with associates and joint ventures as of June 30, 2016 and December 31, 2015 and transactions with the mentioned parties for the six-month periods ended June 30, 2016 and 2015.

	June 30, 2016			December 31, 2015		
	Other receivables Current	Trade receivables Current	Accounts payable Current	Other receivables Current	Trade receivables Current	Accounts payable Current
Joint ventures:						
Profertil S.A.	104	99	69	110	209	35
Compañía Mega S.A.	11	570	55	12	481	381
Refinería del Norte S.A.		225	24		125	11
Bizoy S.A.	4			4		
	119	894	148	126	815	427
Associates:						
Central Dock Sud S.A.		330			194	
YPF Gas S.A. ⁽¹⁾	26	377	43	33	98	44
Oleoductos del Valle S.A.			71			56
Terminales Marítimas Patagónicas S.A.			42			44
Oleoducto Trasandino (Argentina) S.A.			2			2
Oleoducto Trasandino (Chile) S.A.	2			1		
Gasoducto del Pacífico (Argentina) S.A.	4		26	4		27
Oiltanking Ebytem S.A.			61			45
	32	707	245	38	292	218
	151	1,601	393	164	1,107	645

	For the six-month period ended on June 30,			
	2016		2015	
	Revenues	Purchases and services	Revenues	Purchases and services
Joint ventures:				
Profertil S.A.	480	199	471	105
Compañía Mega S.A.	1,096	182	714	97
Refinería del Norte S.A.	566	71	395	75
	2,142	452	1,580	277

Associates:

Central Dock Sud S.A.	413		207	
YPF Gas S.A. ⁽¹⁾	332	19	59	5
Oleoductos del Valle S.A.		187		99
Terminales Marítimas Patagónicas S.A.		157		94
Oleoducto Trasandino (Argentina) S.A.		10		10
Gasoducto del Pacífico (Argentina) S.A.		79		50
Oiltanking Ebytem S.A.		181		88
	745	633	266	346
	2,887	1,085	1,846	623

(1) Disclosed balances and transactions since the date of the acquisition of interest.

Additionally, in the normal course of business, and taking into consideration that YPF is the main oil and gas company in Argentina, its client/suppliers portfolio encompasses both private sector entities as well as national, provincial and municipal public sector entities. As required by IAS 24 Related party disclosures, the most important transactions mentioned above are:

CAMMESA: the provision of fuel oil, which is destined to thermal power plants, and the revenues and purchases of energy (the operations of sale and purchase for the six-month period ended on June 30, 2016 amounted to 10,570 and 979, respectively, and on June 30, 2015 amounted to 5,952 and 643, respectively, while the net balance as of June 30, 2016 and December 31, 2015 was a trade receivable of 3,223 and 1,960, respectively);

ENARSA: rendering of services in the regasification projects of liquefied natural gas in Bahía Blanca and Escobar and the purchase of natural gas and crude oil (the operations for the six-month period

Table of Contents

ended on June 30, 2016, amounted to 1,188 and 871, respectively, and on June 30, 2015 amounted to 807 and 364, respectively, while the net balance as of June 30, 2016 and December 31, 2015 was a trade payable of 343 and 135, respectively);

Aerolíneas Argentinas S.A. and Austral Líneas Aéreas Cielos del Sur S.A.: the provision of jet fuel (the operations for the six-month periods ended on June 30, 2016 and 2015, amounted to 1,273 and 1,055, respectively, while the net balance as of June 30, 2016 and December 31, 2015 was a trade receivable of 364 and 255, respectively);

Ministry of Energy and Mining: the benefits of the incentive scheme for the Additional Injection of natural gas (the operations for the six-month periods ended on June 30, 2016 and 2015, amounted to 9,568 and 5,641, respectively, while the net balance as of June 30, 2016 and December 31, 2015 was a trade receivable of 19,441 and 9,859, respectively; however see Note 12.d)) and for the crude oil production incentive program (the net balance as of June 30, 2016 and December 31, 2015 was a trade receivable of 2,035 and 1,988, respectively, while no other transaction existed for the six-month periods ended on June 30, 2016, while the operations for the six-month periods ended on June 30, 2015 amounted to 612); and the temporary economic assistance to Metrogas (the net balance as of June 30, 2016 and December 31, 2015 was a trade receivable of 149; while no other transaction existed for the six-month periods ended on June 30, 2016, while the operations for the six-month periods ended on June 30, 2015 amounted to 356);

Ministry of Transport: the compensation for providing gas oil to the public transport of passengers at a differential price (the operations for the six-month periods ended on June 30, 2016 and 2015, amounted to 2,568 and 1,691, respectively, while the net balance as of June 30, 2016 and December 31, 2015 was a trade receivable of 935 and 412, respectively);

Industry Secretariat: incentive for domestic manufacturing of capital goods, for the benefit of A-Evangelista S.A. (the operations for the six-month period ended on June 30, 2016 amounted to 228 and 264, respectively, while the net balance as of June 30, 2016 and December 31, 2015 was a trade receivable of 194 and 27, respectively).

Such transactions are generally based on medium-term agreements and are provided according to general market and/or regulatory conditions, as applicable.

Additionally, the Group has entered into certain financing and insurance transactions with entities related to the national public sector, as defined in IAS 24. Such transactions consist of certain financial transactions that are described in Note 7.j) of these condensed interim consolidated financial statements, and transactions with Nación Seguros S.A. related to certain insurance policies contracts, and in connection therewith, to the reimbursement from the insurance coverage for the incident mentioned in Note 11.b) to the annual consolidated financial statements and in Note 12.b) of these condensed interim consolidated financial statements.

Furthermore, in relation to the investment agreement signed between YPF and Chevron subsidiaries, YPF has an indirect non-controlling interest in CHNC with which YPF carries out transactions in connection with the mentioned investment agreement. See Note 11.c) to the annual consolidated financial statements and Note 12.c) of these condensed interim consolidated financial statements.

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The table below discloses the compensation for the Company's key management personnel, including members of the Board of Directors and vice president managers with executive functions appointed by the Board of Directors, for the six-month periods ended June 30, 2016 and 2015:

	2016⁽¹⁾	2015⁽¹⁾
Short-term employee benefits ⁽²⁾	83	73
Share-based benefits	9	26
Post-retirement benefits	4	2
Termination benefits	61	
	157	101

- (1) Includes the compensation for YPF's key management personnel which developed their functions during the mentioned periods.
- (2) Do not include Social Security contributions for 21 and 16 for the six-month periods ended on June 30, 2016 and 2015, respectively.

Table of Contents

14. EMPLOYEE BENEFIT PLANS AND OTHER OBLIGATIONS

Note 1.b.10 to the annual consolidated financial statements describes the main characteristics and accounting treatment for benefit plans implemented by the Group. The charges recognized during the six-month periods ended on June 30, 2016 and 2015 are as follows:

i. Retirement plan:

The total charges recognized under the Retirement Plan amounted to approximately 42 and 35 for the six-month periods ended on June 30, 2016 and 2015, respectively.

ii. Performance Bonus Programs and Performance evaluation:

The amount charged to expenses related to the Performance Bonus Programs was 604 and 463 for the six-month periods ended on June 30, 2016 and 2015, respectively.

iii. Share-based benefit plan:

The amounts recognized in net income in relation with the Share-based Plans, which are disclosed according to their nature, amounted to 57 and 53 for the six-month periods ended on June 30, 2016 and 2015, respectively.

During the six-month periods ended June 30, 2016 and 2015, the Company has repurchased 171,330 and 154,514 treasury shares for an amount of 55 and 45, respectively, in order to comply with the share-based plans described in Note 1.b.10.iii) to the annual consolidated financial statements. The cost of such repurchases is reflected in the shareholders' equity under the name of Treasury shares acquisition cost, while the face value and the adjustment resulting from the monetary restatement carried out in accordance with the Previous Accounting Principles have been reclassified from the accounts Subscribed Capital and Capital Adjustment to the accounts Treasury shares and Treasury shares comprehensive adjustment respectively.

Table of Contents

15. INFORMATION REQUIRED BY REGULATORY AUTHORITIES

a) CNV General Resolution No. 622

- i. Pursuant to section 1, Chapter III, Title IV of such resolution, there follows a description of the notes to the condensed interim consolidated financial statements containing information required under the Resolution in the form of exhibits.

Exhibit A	Fixed Assets	Note 7.b) Property, plant and equipment
Exhibit B	Intangible assets	Note 7.a) Intangible assets
Exhibit C	Investments in companies	Note 7.c) Investments in associates and joint ventures
Exhibit D	Other investments	Note 6 Financial instruments by category
Exhibit E	Provisions	Note 7.f) Trade receivables
		Note 7.e) Other receivables
		Note 7.c) Investments in associates and joint ventures
		Note 7.b) Property, plant and equipment
		Note 7.h) Provisions
Exhibit F	Cost of goods sold and services rendered	Note 7.m) Costs
Exhibit G	Assets and liabilities in foreign currency	Note 16 Assets and liabilities in currencies other than the Argentine peso

- ii. On March 18, 2015, the Company was registered with the CNV under the category Settlement and Clearing Agent and Trading Agent - Own account , record No. 549. Considering the Company s business, and the CNV Rules and its Interpretative Criterion No. 55, the Company shall not, under any circumstance, offer brokerage services to third parties for transactions in markets under the jurisdiction of the CNV, and it shall also not open operating accounts to third parties to issue orders and trade in markets under the jurisdiction of the CNV.

Besides, in accordance with the provisions of Section VI, Chapter II, Title VII of the CNV Rules and its Interpretative Criterion No. 55, the Company s equity exceeds the minimum required equity under such rules, which is 15, while the minimum required counterparty capital, which is 3, is comprised of checking accounts in Pesos No. 52326/6/999/5 at Banco Galicia and No. 001-025890/7 at Banco Credicoop for 3 and 2, respectively, corresponding to the Company as of June 30, 2016.

b) CNV General Resolution No. 629

Due to General Resolution No. 629 of the CNV, the Company informs that supporting documentation of YPF s operations, which is not in YPF s headquarters, is stored in the following companies:

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Adea S.A. located in Barn 3 Route 36, Km. 31.5 Florencio Varela Province of Buenos Aires.

File S.R.L., located in Panamericana and R.S. Peña Blanco Encalada Luján de Cuyo Province of Mendoza. Besides, it is also placed on record that the detail of the documentation given in custody is available at the registered office, as well as the documents mentioned in section 5, subsection a.3), Section I, Chapter V, Title II of the CNV Rules.

Table of Contents**16. ASSETS AND LIABILITIES IN CURRENCIES OTHER THAN THE ARGENTINE PESO**

	June 30, 2016			December 31, 2015		
	Amount in currencies other than the Argentine peso	Exchange rate ⁽¹⁾	Total	Amount in currencies other than the Argentine peso	Exchange rate ⁽¹⁾	Total
Noncurrent Assets						
<u>Other receivables</u>						
US Dollar	32	14.80	474	46	12.94	595
Real	10	4.65	47	10	3.31	33
Total noncurrent assets			521			628
Current Assets						
<u>Trade receivables</u>						
US Dollar	315	14.80	4,662	307	12.94	3,973
Chilean peso	11,687	0.02	234	16,971	0.02	339
Real	27	4.65	126	15	3.31	50
<u>Other receivables</u>						
US Dollar	261	14.80	3,863	407	12.94	5,267
Euro	2	15.50	31	6	14.07	84
Real	7	4.65	33	7	3.31	23
Chilean peso	20	0.02		27	0.02	1
Yens	101	0.14	14	119	0.11	13
<u>Cash and equivalents</u>						
US Dollar	785	14.80	11,618	1,009	12.94	13,056
Chilean peso	395	0.02	8	502	0.02	10
Real	1	4.65	5	4	3.31	13
Total current assets			20,594			22,829
Total assets			21,115			23,457
Noncurrent Liabilities						
<u>Provisions</u>						
US Dollar	2,534	15.20	38,517	2,774	13.04	36,173
<u>Loans</u>						
US Dollar	5,450	15.20	82,834	4,403	13.04	57,417
Real	1	4.69	5	4	3.35	13
<u>Accounts payable</u>						
US Dollar	33	15.20	502	37	13.04	482
Total noncurrent liabilities			121,858			94,085

Current Liabilities

<u>Provisions</u>						
US Dollar	35	15.20	532	80	13.04	1,043
<u>Taxes payable</u>						
Real	5	4.65	23	6	3.31	20
Chilean peso	916	0.02	18	1,077	0.02	22
<u>Salaries and social security</u>						
US Dollar	6	15.20	91	7	13.04	91
Real	1	4.69	5	2	3.35	7
Chilean peso	433	0.02	9	423	0.02	8
<u>Loans</u>						
US Dollar	1,525	15.20	23,175	1,543	13.04	20,121
Real	48	4.69	226	35	3.35	117
<u>Accounts payable</u>						
US Dollar	1,627	15.20	24,730	1,877	13.04	24,476
Euro	24	17.50	420	26	14.21	369
Chilean peso	1,765	0.02	35	1,283	0.02	26
Real	14	4.69	66	14	3.35	47
Yens	2	0.15		29	0.11	3
Total current liabilities			49,330			46,350
Total liabilities			171,188			140,435

(1) Exchange rate in pesos as of June 30, 2016 and December 31, 2015 according to Banco Nación Argentina.

Table of Contents

17. SUBSEQUENT EVENTS

In July 2016, the Company issued Series L Negotiable Obligations in an amount of 11,248. Series L Negotiable Obligations shall accrue interest at a variable rate (BADLAR plus 4%) with a principal amount maturing in 2020.

As of the date of issuance of these condensed interim consolidated financial statements, there are no other significant subsequent events that require adjustments or disclosure in the condensed interim consolidated financial statements of the Group as of June 30, 2016 which were not already considered in such consolidated financial statements according to IFRS.

Table of Contents

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 12, 2016

By: /s/ Diego Celaá
Name: Diego Celaá
Title: Market Relations Officer