YPF SOCIEDAD ANONIMA
Form 6-K
March 11, 2016
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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 March, 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)

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 x 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 x

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 x

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YPF Sociedád Anonima

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English translation of the report originally issued in Spanish, except

for the omission of certain disclosures related to formal legal

requirements for reporting in Argentina and the inclusion of the last

paragraph.

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Independent Auditors Report

To the President and Board of Directors of

YPF SOCIEDAD ANONIMA

Macacha Güemes 515

Buenos Aires City

Report on financial statements

1. Identification of the consolidated financial statements subject to audit

We have audited the accompanying consolidated financial statements of YPF SOCIEDAD ANONIMA (an Argentine corporation, hereinafter mentioned YPF SOCIEDAD ANONIMA or the Company) and its controlled companies (which are detailed in Note 16 of such consolidated financial statements) which comprise the consolidated Statement of financial position as of December 31, 2015, and the related consolidated statements of comprehensive income, changes in shareholders equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information included in their notes 1 to 19.

The figures and other information corresponding to the years ended on December 31, 2014 and 2013 are an integral part of these consolidated financial statements above mentioned and are intended to be read only in relation to the amounts and other disclosures relating to the current year.

2. Company s Board of Directors responsibility for the consolidated financial statements

The Company s Board of Directors is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with International Financial Reporting Standards adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional financial standard as they were approved by the International Accounting Standards Board (IASB) and incorporated by the Argentine Securities Commission to its regulations. Moreover, the Board of Directors is responsible of an internal control system as it determines necessary to enable the preparation of consolidated financial statements that are free from material misstatements.

3. Auditor s responsibility

Our responsibility is to express an opinion about the accompanying consolidated financial statements, based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA) adopted by Technical Resolution No. 32 issued by the FACPCE. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures, substantially on a test basis, to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor s professional judgment, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the Company s preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company s Board of Directors and Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion, the consolidated financial statements referred to in the first paragraph of section 1 of this report, presents fairly, in all material respects, the financial position of YPF SOCIEDAD ANONIMA and its controlled companies as of December 31, 2015, and the comprehensive results of their operations, changes in its shareholders equity and their cash flow for the year then ended, in accordance with the International Financial Reporting Standards.

5. English translation of statutory financial statements

This report and the consolidated financial statements referred to in section 1, have been translated into English for the convenience of English-speaking readers. The accompanying consolidated financial statements are the English translation of those originally issued by YPF SOCIEDAD ANÓNIMA in Spanish and presented in accordance with International Financial Reporting Standards.

Buenos Aires City, Argentina

March 3, 2016

Deloitte & Co. S.A.

Guillermo D. Cohen

Partner

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SOCIEDAD ANONIMA

Consolidated Financial Statements

as of December 31, 2015

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CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015 AND COMPARATIVE INFORMATION

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English translation of the consolidated financial statements originally filed in Spanish with the Argentine Securities Commission (CNV). In case of discrepancy, the 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 39

BEGINNING ON JANUARY 1, 2015

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015 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 its derivatives.

Filing with the Public Registry: 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 14, 2010.

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 December 31, 2015

(expressed in Argentine pesos)

Subscribed, paid-in and authorized for stock exchange listing	3,933,127,930 (1)

(1) Represented by 393,312,793 shares of common stock, Argentine pesos 10 per value and 1 vote per share

MIGUEL MATIAS GALUCCIO
Presidente

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

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2015, 2014 AND 2013

(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)

	Notes	2015	2014	2013
ASSETS				
Noncurrent Assets				
Intangible assets	6.a	7,279	4,393	2,446
Fixed assets	6.b	270,905	156,930	93,496
Investments in companies	6.c	4,372	3,177	2,124
Deferred income tax assets, net	6.i	954	244	34
Other receivables	6.e	2,501	1,691	2,927
Trade receivables	6.f	469	19	54
Total noncurrent assets		**286,480**	**166,454**	**101,081**
Current Assets				
Inventories	6.d	19,258	13,001	9,881
Other receivables	6.e	19,413	7,170	6,506
Trade receivables	6.f	22,111	12,171	7,414
Investment in financial assets	5	804		
Cash and cash equivalents	6.g	15,387	9,758	10,713
Total current assets		**76,973**	**42,100**	**34,514**
TOTAL ASSETS		**363,453**	**208,554**	**135,595**
SHAREHOLDER S EQUITY				
Shareholders contributions		10,349	10,400	10,600
Reserves, other comprehensive income and retained earnings		110,064	62,230	37,416
SHAREHOLDERS EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		**120,413**	**72,630**	**48,016**
Non-controlling interest		48	151	224

TOTAL SHAREHOLDERS EQUITY		**120,461**	**72,781**	**48,240**
LIABILITIES				
Noncurrent Liabilities				
Provisions	6.h	39,623	26,564	19,172
Deferred income tax liabilities, net	6.i	44,812	18,948	11,459
Taxes payable		207	299	362
Salaries and social security				8
Loans	6.j	77,934	36,030	23,076
Accounts Payable	6.k	625	566	470
Total noncurrent liabilites		**163,201**	**82,407**	**54,547**
Current Liabilities				
Provisions	6.h	2,009	2,399	1,396
Income tax liability		1,487	3,972	122
Taxes payable		6,047	1,411	1,045
Salaries and social security		2,452	1,903	1,119
Loans	6.j	27,817	13,275	8,814
Accounts Payable	6.k	39,979	30,406	20,312
Total current liabilities		**79,791**	**53,366**	**32,808**
TOTAL LIABILITIES		**242,992**	**135,773**	**87,355**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		**363,453**	**208,554**	**135,595**

Accompanying notes are an integral part of consolidated financial statements.

MIGUEL MATIAS GALUCCIO
Presidente

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

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015, 2014 and 2013

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

	Notes	2015	2014	2013
Revenues	6.l	156,136	141,942	90,113
Cost of sales	6.m	(119,537)	(104,492)	(68,094)
Gross profit		**36,599**	**37,450**	**22,019**
Selling expenses	6.n	(11,099)	(10,114)	(7,571)
Administrative expenses	6.n	(5,586)	(4,530)	(2,686)
Exploration expenses	6.n	(2,473)	(2,034)	(829)
Other operating results, net	6.o	(853)	(1,030)	227
Operating income		**16,588**	**19,742**	**11,160**
Income on investments in companies	7	318	558	353
Financial income	6.p	27,263	11,301	8,740
Financial loss	6.p	(16,016)	(9,826)	(6,008)
Other financial results	6.p	910	297	103
Financial results, net	6.p	**12,157**	**1,772**	**2,835**
Net income before income tax		**29,063**	**22,072**	**14,348**
Income tax	6.i	(24,637)	(13,223)	(9,269)
Net income for the year		**4,426**	**8,849**	**5,079**
Net income for the year attributable to:				
Shareholders of the parent company		4,579	9,002	5,125

Non-controlling interest		(153)	(153)	(46)
Earnings per share attributable to shareholders of the parent company basic and diluted	9	11.68	22.95	13.05
Other comprehensive income:				
Actuarial results Pension plans[1]		6	25	6
Exchange differences from investments in companies[2]		(189)		
Translation differences from investments in companies[3]		(1,466)	(677)	(416)
Translation differences from YPF S.A. [4]		45,407	16,928	12,441
Total other comprehensive income for the year[5]		**43,758**	**16,276**	**12,031**
Total comprehensive income for the year		**48,184**	**25,125**	**17,110**

(1) Immediately reclassified to retained earnings
(2) Exchange differences as recognized by the indirectly controlled company Gas Argentino S.A. in its statement of comprehensive income, which was reclassified by YPF as other comprehensive income upon the acquisition of negotiable obligations of the said controlled company (See Note 6.j).
(3) Will be reversed to net income at the moment of the sale of the investment or full or partial reimbursement of the capital.
(4) Will not be reversed to net income.
(5) Entirely assigned to the parent company s shareholders.

Accompanying notes are an integral part of consolidated financial statements.

MIGUEL MATIAS GALUCCIO
Presidente

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YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015, 2014 AND 2013

(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)

	2015								
	Shareholders contributions								
	Subscribed capital	Adjustment to contributions	Treasury shares	Adjustment to treasury shares	Share-based benefit plans	Acquisition cost of treasury shares	Share trading premium	Issuance premiums	Total
Balances as of December 31, 2014	3,922	6,083	11	18	51	(310)	(15)	640	10,400
Accrual of share-based benefit plans					124				124
Repurchase of treasury shares	(4)	(6)	4	6		(120)			(120)
Settlement of share-based benefit plans [3]	4	6	(4)	(6)	(108)	153	(100)		(55)
Balances as of December 31, 2015	3,922	6,083	11	18	67	(277)	(115)	640	10,349

	2015									
	Reserves									
	Legal	Future dividends	Investments	Purchase of treasury shares	Initial IFRS adjustment	Other comprehensive income	Retained earnings	Equity attributable to Shareholders of the parent company	Non-controlling interest	Total shareholders equity
Balances as of December 31, 2014	2,007	5	12,854	320	3,648	34,363	9,033	72,630	151	72,781

Accrual of share-based benefit plans								124		124
Repurchase of treasury shares								(120)		(120)
Settlement of share-based benefit plans [3]								(55)		(55)
Contributions of non-controlling interest									50	50
As decided by Ordinary and Extraordinary Shareholders meeting of April 30, 2015[4]		503	8,410	120			(9,033)			
As decided by the Board of Directors of June 8, 2015[4]		(503)						(503)		(503)
Actuarial gains reclassification Pension Plan [2]						(6)	6			
Other comprehensive income						43,758		43,758		43,758
Net income							4,579	4,579	(153)	4,426
Balances as of December 31, 2015	2,007	5	21,264	440	3,648	78,115[1]	4,585	120,413	48	120,461

(1) Includes 80,982 corresponding to the effect of the translation of the financial statements of YPF S.A. and (2,867) corresponding to the effect of the translation of the financial statements of investments in companies with functional currency different to U.S. dollar, as detailed in Note 1.b.1

(2) Pension plans of investments in controlled companies.

(3) Net of employees income tax withholding related to the share-based benefit plans

(4) See Note 8.

MIGUEL MATIAS GALUCCIO
Presidente

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YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015, 2014 AND 2013 (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.1)

	2014								
	Shareholders contributions								
	Subscribed capital	Adjustment to contributions	Treasury shares	Adjustment to treasury shares	Share-based benefit plans	Acquisition cost of treasury shares	Share trading premium	Issuance premiums	Total
Balances as of December 31, 2013	3,924	6,087	9	14	40	(110)	(4)	640	10,600
Accrual of share-based benefit plans					80				80
Repurchase of treasury shares	(6)	(10)	6	10		(200)			(200)
Settlement of share-based benefit plans [3]	4	6	(4)	(6)	(69)		(11)		(80)
Balances as of December 31, 2014	3,922	6,083	11	18	51	(310)	(15)	640	10,400

	2014									
	Reserves							Equity attributable to		
	Legal	Future dividends	Investments	Purchase of treasury shares	Initial IFRS adjustment	Other comprehensive income	Retained earnings	Parent company shareholders	Non-controlling interest	Total shareholders equity
Balances as of December 31, 2013	2,007	4	8,394	120	3,648	18,112	5,131	48,016	224	48,240
Accrual of share-based benefit								80		80

plans										
Repurchase of treasury shares								(200)		(200)
Accrual of share-based benefit plans (3)								(80)		(80)
Contributions of non-controlling interest									80	80
As decided by Ordinary and Extraordinary Shareholders meeting of April 30, 2014		465	4,460	200			(5,125)			
As decided by the Board of Directors of June 11, 2014		(464)						(464)		(464)
Other comprehensive income						16,276		16,276		16,276
Actuarial gains reclassification Pension Plan (2)						(25)	25			
Net income							9,002	9,002	(153)	8,849
Balances as of December 31, 2014	2,007	5	12,854	320	3,648	34,363(1)	9,033	72,630	151	72,781

(1) Includes 35,764 corresponding to the effect of the translation of the financial statements of YPF S.A. and (1,401) corresponding to the effect of the translation of the financial statements of investments in companies with functional currency different to U.S. dollar, as detailed in Note 1.b.1.
(2) Pension plans of investments in controlled companies.
(3) Net of employees income tax withholding related to the share-based benefit plans

MIGUEL MATIAS GALUCCIO
Presidente

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

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015, 2014 AND 2013 (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.1)

	2013								
	Shareholders contributions								
	Subscribed capital	Adjustment to contributions	Treasury shares	Adjustment to treasury shares	Share - based benefit plans	Acquisition cost of treasury shares	Share trading premium	Issuance premiums	Total
Balances as of December 31, 2012	3,933	6,101						640	10,674
Accrual of share-based benefit plans					81[4]				81
Repurchase of treasury shares	(12)	(19)	12	19		(120)			(120)
Settlement of share-based benefit plans [3]	3	5	(3)	(5)	(41)	10	(4)		(35)
Balances as of December 31, 2013	3,924	6,087	9	14	40	(110)	(4)	640	10,600

	2013									
	Reserves									
	Legal	Future dividends	Investments	Purchase of treasury shares	Initial IFRS adjustment	Other comprehensive income	Retained earnings	Equity attributable to Shareholders of the parent company	Non-controlling interest	Total shareholders equity
Balances as of December 31, 2012	2,007		5,751			6,087	6,741	31,260		31,260
Accrual of share-based benefit plans								81		81

Repurchase of treasury shares								(120)		(120)
Settlement of share-based benefit plans (3)								(35)		(35)
Purachase of equity interest in controlled company									178	178
Contributions of non-controlling interest									92	92
As decided by Ordinary and Extraordinary Shareholders meeting of April 30, 2013		330	2,643	120	3,648		(6,741)			
As decided by the Board of Directors of August 9, 2013		(326)						(326)		(326)
Other comprehensive income						12,031		12,031		12,031
Actuarial gains reclassification Pension Plan (2)						(6)	6			
Net income							5,125	5,125	(46)	5,079
Balances as of December 31, 2013	2,007	4	8,394	120	3,648	18,112(1)	5,131	48,016	224	48,240

(1) Includes 18,836 corresponding to the effect of the translation of the financial statements of YPF S.A. and (724) corresponding to the effect of the translation of the financial statements of investments in companies with functional currency different to U.S. dollar, as detailed in Note 1.b.1 During fiscal year ended on December 31, 2013, (115) have been reclassified for purposes of the effect of the conversion of Pluspetrol Energy S.A s financial statements due to the said company s spin off.
(2) Pension plans of investments in controlled companies.
(3) Net of employees income tax withholding related to the share-based benefit plans.
(4) Includes 38 corresponding to long-term benefit plans as of December 31, 2012, which were converted to share-based benefit plans (see Note 1.b.10) and 43 corresponding to the accrual of share-based benefit plans for the year ended December 31, 2013.

Accompanying notes are an integral part of consolidated financial statements.

MIGUEL MATIAS GALUCCIO
Presidente

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YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2015, 2014 AND 2013

(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)

	2015	2014	2013
Cash flows from operating activities			
Net income	4,426	8,849	5,079
Adjustments to reconcile net income to cash flows provided by operating activities:			
Result on investments in companies	(318)	(558)	(353)
Depreciation of fixed assets	26,685	19,936	11,236
Amortization of intangible assets	323	469	197
Consumption of materials and retirement of fixed assets and intangible assets, net of provisions	3,773	4,041	2,336
Charge on income tax	24,637	13,223	9,269
Net increase in provisions	6,133	5,561	3,390
Exchange differences, interest and other (1)	(13,449)	(2,116)	(3,669)
Share-based benefit plan	124	80	81
Accrued insurance	(1,688)	(2,041)	(1,956)
Changes in assets and liabilities:			
Trade receivables	(8,031)	(3,824)	(2,627)
Other receivables	(6,143)	248	(1,332)
Inventories	101	(244)	(732)
Accounts payable	6,211	5,067	3,243
Taxes payables	4,544	218	272
Salaries and social security	549	727	253
Decrease in provisions due to payment/use	(1,758)	(1,974)	(713)
Dividends received	180	299	280
Proceeds from collection of lost profit insurance	2,036	1,689	
Income tax payments	(6,931)	(3,496)	(3,290)
Net cash flows provided by operating activities	**41,404**	**46,154**	**20,964**
Investing activities:(2)			
Acquisition of fixed assets and intangible assets	(63,774)	(50,213)	(27,639)
Contributions and acquisitions of interests in companies and joint operations	(163)	(967)	(20)

Advances received from sale of fixed and intangible assets		2,060	5,351
Acquisition of subsidiaries net of acquired cash and cash equivalents		(6,103)	107
Investments in financial assets	(324)		
Proceeds from collection of damaged property s insurance	212	1,818	
Net cash flows used in investing activities	**(64,049)**	**(53,405)**	**(22,201)**
Financing activities:[(2)]			
Payments of loans	(24,090)	(13,320)	(6,804)
Payments of interest	(6,780)	(5,059)	(2,696)
Proceeds from loans	55,158	23,949	16,829
Repurchase of treasury shares	(120)	(200)	(120)
Contributions of non-controlling interests		80	96
Dividends paid	(503)	(464)	(326)
Net cash flows provided by financing activities	**23,665**	**4,986**	**6,979**
Translation differences provided by cash and cash equivalents	**4,609**	**1,310**	**224**
Net increase (decrease) in cash and cash equivalents	**5,629**	**(955)**	**5,966**
Cash and cash equivalents at the beginning of year	9,758	10,713	4,747
Cash and cash equivalents at the end of year	15,387	9,758	10,713
Net increase (decrease) in cash and cash equivalents	**5,629**	**(955)**	**5,966**
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
- Cash	13,920	6,731	4,533
- Cash equivalents	1,467	3,027	6,180
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**15,387**	**9,758**	**10,713**

(1) Does not include exchange differences generated by cash and cash equivalents, which is exposed separately in the statement.

(2) The main investing and financing transactions that have not affected cash and cash equivalents correspond to :

	2015	**2014**	**2013**
Acquisition of fixed assets and concession extension easements not paid	6,799	7,567	5,604
Net increases (decreases) related to hydrocarbon wells abandonment obligation costs	(1,281)	(268)	4,357
Dividends receivable	100		
Decrease of loans for El Orejano agreement	2,373		
Contributions of non-controlling interests	50		
Capital contributions in kind from investments in companies		342	133

Accompanying notes are an integral part of consolidated financial statements.

MIGUEL MATIAS GALUCCIO
Presidente

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

YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015 AND COMPARATIVE INFORMATION

(Amounts expressed in millions of Argentine pesos, except where otherwise indicated Note 1.b.1)

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.a. Basis of preparation

Application of International Financial Reporting Standards

The consolidated financial statements of YPF S.A. (hereinafter YPF or the Company) and its controlled companies (hereinafter and all together, the Group) for the year ended December 31, 2015 are presented in accordance with International Financial Reporting Standard (IFRS). The adoption of these standards 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 issues required by the Argentine General Corporations Law and/or CNV s regulations have been included. This information is contained in the Notes to these consolidated financial statements, only for purposes of fulfillment of these regulatory requirements.

The amounts and other information corresponding to the years ended on December 31, 2014 and 2013 are an integral part of the consolidated financial statements mentioned above and are intended to be read only in relation to these financial statements.

These consolidated financial statements were approved by the Board of Directors meeting and authorized to be issued on March 3, 2016.

Current and non-current classification

The presentation in the statement of financial position makes a distinction between current and non-current assets and liabilities, according to the activities operating cycle.

The operating cycle for the Group activities is 12 months. Therefore, current assets and liabilities include assets and liabilities which are realized or settled within the 12-month period from the end of the fiscal year.

All other assets and liabilities are classified as non-current. Current and deferred tax assets and liabilities are presented separately from each other and from other assets and liabilities, as current and non-current, respectively.

Fiscal year-end

The Company s fiscal year begins on January 1 and ends on December 31, each year.

Use of estimates

The preparation of financial statements at a certain date requires the 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 at the date of preparation of these consolidated financial statements.

Significant judgments made by Management in applying the Group s accounting policies and the main estimations and critical judgments are disclosed in Note 1.c)

Consolidation policies

a) General criteria

For purpose of presenting the consolidated financial statements, the full consolidation method was used with respect to those subsidiaries in which the Company holds, either directly or indirectly, control, understood as the ability to establish/manage the financial and operating policies of a company to obtain benefits from its activities. This capacity is, in general but not exclusively, obtained by the ownership, directly or indirectly of more than 50% of the voting shares of a company.

Interest in joint operations and other agreements which gives the Company a percentage contractually established over the rights of the assets and obligations that emerge from the contract (joint operations), have been consolidated line by line on the basis of the mentioned participation over the assets, liabilities, income and expenses related to each contract. Assets, liabilities, income and expenses of joint operations are presented in the consolidated financial position and in the consolidated statement of comprehensive income, in accordance with their respective nature.

Note 16 details the fully consolidated controlled companies. Note 17 details the main joint operations, on a *pro rata* consolidation basis.

In the consolidation process, balances, transactions and profits between consolidated companies and joint operations have been eliminated.

The Company s consolidated financial statements are based on the most recent available financial statements of the companies in which YPF holds control, taking into consideration, where necessary, significant subsequent events and transactions, information available to the Company s management and transactions between YPF and such controlled companies, which could have produced changes to their shareholders equity. The date of the financial statements of such controlled companies used in the consolidation process may differ from the date of YPF s financial statements due to administrative reasons. The accounting principles and procedures used by controlled companies have been homogenized, where appropriate, with those used by YPF in order to present the consolidated financial statements based on uniform accounting and presentation policies. The financial statements of controlled companies whose functional currency is different from the presentation currency are translated using the procedure set out in Note 1.b.1.

The Company, directly and indirectly, holds approximately 100% of capital of the consolidated companies, with the exception of the indirect holdings in Metrogas S.A. (Metrogas) and YPF Tecnología S.A. In accordance with the previously mentioned, there are no material non-controlling interests to be disclosed, as required by IFRS 12 Disclosure of Interests in Other Entities .

b) Business combinations

As detailed in Note 2, on February 12, 2014, YPF and its subsidiary YPF Europe B.V. accepted the offer made by Apache Overseas Inc. and Apache International S.à.r.l. for the acquisition of 100% of its interest in companies controlling Apache Group s assets in Argentina completing the precedent conditions set forth in that agreement on March 13, 2014 (take over control date). Additionally, during the second quarter of 2013 the Company obtained control over Gas Argentino S.A. (GASA), parent company of Metrogas, and as from August, 2013, over YPF Energía Eléctrica S.A. (YPF Energía Eléctrica), a company resulting from the spin-off of Pluspetrol Energy S.A.

The Company has consolidated the results of operations of Apache Group (hereinafter YSUR), GASA, and consequently of its subsidiaries, and of YPF Energía Eléctrica as from the moment in which it obtained control over such companies. The accounting effects of the above mentioned transactions, which include the purchase price allocation to the assets and liabilities acquired, are disclosed in Note 2.

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1.b) Significant Accounting Policies

1.b.1) Functional and Reporting Currency and tax effect on Other Comprehensive Income

Functional Currency

YPF based on parameters set out in IAS 21 The effects of change in foreign exchange rates , has defined the U.S. dollar as its functional currency. Consequently, non-monetary cost-based measured assets and liabilities, as well as income or expenses, are remeasured into functional currency by applying the exchange rate prevailing at the date of the transaction.

Transactions in currencies other than the functional currency of the Company are deemed to be foreign currency transactions and are remeasured into functional currency by applying the exchange rate prevailing at the date of the transaction (or, for practical reasons and when exchange rates do not fluctuate significantly, the average exchange rate for each month). At the end of each year or at the time of cancellation the balances of monetary assets and liabilities in currencies other than the functional currency are measured at the exchange prevailing at such date and the exchange differences arising from such measurement are recognized as Financial results, net in the consolidated statement of comprehensive income for the year in which they arise.

Assets, liabilities and results of controlled companies and investments in other companies are shown in their respective functional currencies. The effects of the conversion into U.S. dollars of the financial information of those companies whose functional currency is other than U.S. dollar are recorded as Other comprehensive income in the Consolidated Statement of Comprehensive Income.

Presentation currency:

According to CNV Resolution No. 562, the Company must present its financial statements in pesos. Therefore, the financial statements prepared in the Company s functional currency are converted into the presentation currency, as per the following procedures:

Assets and liabilities of each of the balance sheets presented are converted using the exchange rate at the balance sheet closing date;

Entries in the Consolidated Statement of Comprehensive Income are converted using the exchange rate at the time the transactions were generated (or, for practical reasons, and provided the exchange rate has not changed significantly, using each month s average exchange rate);

All translation differences resulting from the foregoing are recognized under Other Comprehensive Income .

Tax effect on Other comprehensive Income:

Results included in Other Comprehensive Income in connection with conversion differences generated by investments in companies whose functional currency is other than US dollar as well as conversion differences arising from the conversion of YPF´s financial statements into its presentation currency (pesos), have no effect on the income tax or in the deferred tax since at the time they were generated, the relevant transactions did not make any impact in the accounting or tax profits.

1.b.2) <u>Financial Assets</u>

a) Classification

In accordance with IFRS 9 Financial instruments , the Group classifies its financial assets into two categories: assets measured at fair value and assets measured at amortized cost. This classification depends on whether the financial asset is a debt instrument or an equity instrument.

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i. Debt instruments

Financial assets at amortized cost

A debt instrument is classified as an asset measured at amortized cost if both of the following criteria are met: (i) the objective of the Group s business model is to hold the assets to collect the contractual cash flow, and (ii) the contractual terms only require specific dates for payment of capital and interest.

As of the closing date of these financial statements, the Group s financial assets at amortized cost include certain elements of cash and cash equivalent, trade receivables and other receivables.

Financial assets at fair value through profit or loss

If either of the two criteria above is not met, the debt instrument is classified as an asset measured at fair value through profit or loss .

Changes in fair values and gains from disposals of financial assets at fair value through profit or loss (except for the derivative instruments referred to in Note 1.b.17) are recorded within Financial Results, net , in the Consolidated Statement of Comprehensive Income.

As of the closing date of these financial statements, the Group s financial assets at fair value through profit or loss include derivative financial instruments and mutual funds.

ii. Equity instruments

As of the closing date of these financial statements, the Group does not hold any equity instrument.

b) Recognition and measurement

Purchases and sales of financial assets are recognized on the date on which the Group commits to purchase or sell the assets. Financial assets are derecognized when the rights to receive cash flows from the investments and the risks and rewards of ownership have expired or have been transferred.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset which is not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the income statement.

In general, the Group uses the transaction price to ascertain the fair value of a financial instrument on initial recognition. In the other cases, the Group records a gain or loss on initial recognition only if the fair value of the financial instrument can be supported by other comparable and observable market transactions for the same type of instrument or if it is based in a technical valuation that only inputs observable market information. Unrecognized gains or losses on initial recognition of a financial asset are recognized later on, only to the extent they arise from a change in the factors (including time) that market participants would consider upon setting the price.

Gains/losses on debt instruments measured at amortized cost and not included for hedging purposes are charged to income when the financial assets are derecognized or an impairment loss is recognized and during the amortization process using the effective interest rate method.

The Group reclassifies all affected debt instruments only when its business model for managing those assets changes.

c) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets and such impairment may be reliably measured.

Evidence of impairment may include indications that debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankrupt or other financial reorganization, and when observable information indicates that there is a measurable decrease in the estimated future cash flows.

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The impairment amount is measured as the difference between the asset s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset s original effective interest rate . The carrying amount of the asset is reduced and the amount or the loss is recognized in the statement of comprehensive income. For practical purposes, the Group may measure impairment on the basis of an instrument s fair value, using an observable market price. If, in a subsequent period, the amount the impairment loss decreases and the decrease can be related objectively to and event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the statements of income.

d) Offsetting financial instruments

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

1.b.3) <u>Inventories</u>

Inventories are valued at the lower of their cost and their net realizable value. Cost includes acquisition costs (less trade discount, rebates and other similar items), transformation and other costs which have been incurred when bringing the inventory to its present location and condition.

In the case of refined products, costs are allocated in proportion to the selling price of the related products (isomargen method) due to the difficulty for distributing the production costs to each product.

The Group assesses the net realizable value of the inventories at the end of each year and recognizes in profit or loss in the consolidated statement of comprehensive income the appropriate valuation adjustment if the inventories are overstated. When the circumstances that previously caused impairment no longer exist or when there is clear evidence of an increase in the inventories net realizable value because of changes in economic circumstances, the amount of a write-down is reversed.

Raw materials, packaging and others are valued at their acquisition cost.

1.b.4) <u>Intangible assets</u>

The Group initially recognizes intangible assets at their acquisition or development cost. This cost is amortized on a straight-line basis over the useful lives of these assets (see Note 6.a). At the end of each year, such assets are measured at cost, considering the criteria adopted by the Group in the transition to IFRS, less any accumulated amortization and any accumulated impairment losses.

The main intangible assets of the Group are as follows:

I. *Service concessions arrangements:* includes transportation and storage concessions (see Note 6.a). These assets are valued at their acquisition cost, considering the criteria adopted by the Group in the transition to IFRS, net of accumulated amortization. They are depreciated using the straight-line method during the course of the concession period.

II. *Exploration rights:* the Group recognizes exploration rights as intangible assets, which are valued at their cost, considering the criteria adopted by the Group in the transition to IFRS, net of the related impairment, if applicable. Investments related to unproved properties are not depreciated. These investments are reviewed for impairment at least once a year or whenever there are indicators that the assets may have become impaired. Any impairment loss or reversal is recognized in profit or loss in the consolidated statement of comprehensive income. Exploration costs (geological and geophysical expenditures, expenditures associated with the maintenance of unproved reserves and other expenditures relating to exploration activities), excluding exploratory wells drilling costs, are charged to expense in the consolidated statement of comprehensive income as incurred.

III. *Other intangible assets:* mainly includes costs relating to computer software development expenditures, as well as assets that represent the rights to use technology and knowledge (know how) for the manufacture and commercial exploitation of equipment related to oil extraction. These items are valued at their acquisition cost, considering the criteria adopted by the Group in the transition to IFRS, net of the related depreciation and impairment, if applicable. These assets are amortized on a straight-line basis over their useful lives, which range between 3 and 14 years. The Group reviews annually the mentioned estimated useful life.

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Service concessions: the Argentine Hydrocarbons Law permits the executive branch of the Argentine government to award 35-year concessions for the transportation of oil, gas and petroleum products following submission of competitive bids. The term of a transportation concession may be extended for an additional ten-year term. Pursuant to Law No. 26,197, provincial governments have the same powers. Holders of production concessions are entitled to receive a transportation concession for the oil, gas and petroleum products that they produce. The holder of a transportation concession has the right to:

- transport oil, gas and petroleum products;
- construct and operate oil, gas and products pipelines, storage facilities, pump stations, compressor plants, roads, railways and other facilities and equipment necessary for the efficient operation of a pipeline system.

In addition, a transportation concession holder is under an obligation to transport hydrocarbons to third parties, without discrimination, for a tariff. This obligation, however, is applicable to oil or gas producers only to the extent the concession holder has available additional capacity, and is expressly subject to the transportation requirements of the concession holder. Transportation tariffs are subject to approval by the Federal Energy Secretariat for oil and petroleum derivatives pipelines, and by ENARGAS, for gas pipelines. Upon expiration of a transportation concession, oil pipelines and related facilities revert to the Argentine Government, without any payment to the concession holder.

In connection with the foregoing, the Privatization Law granted the Company 35-year transportation concessions for the transportation facilities operated by Yacimientos Petroquímicos Fiscales as of such date. The main pipelines related to said transportation concessions are the following:

- La Plata / Dock Sud
- Puerto Rosales / La Plata
- Monte Cristo / San Lorenzo
- Puesto Hernández / Luján de Cuyo
- Luján de Cuyo / Villa Mercedes

Thus, assets meeting certain requirements set forth by the IFRIC 12, which at Management s judgment are met in the facilities mentioned in the preceding paragraphs, are recognized as intangible assets.

The Group has no intangible assets with indefinite useful lives as of December 31, 2015, 2014 and 2013.

1.b.5) **Investments in companies**

Investments in affiliated companies and Joint Ventures are valued using the equity method. Affiliated companies are considered those in which the Company has significant influence, understood as the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. Significant influence is presumed when the Company has an interest of 20% or more in a company.

Under the provisions of IFRS 11, Joint Arrangements , and IAS 28 (2011), Investments in Associates and Joint Ventures , investments in which two or more parties have joint control (defined as a Joint Arrangement) shall be classified as either a Joint Operation (when the parties that have joint control have rights to the assets and obligations for the liabilities relating to the Joint Arrangement) or a Joint Venture (when the parties that have joint control have rights to the net assets of the Joint Arrangement). Considering such classification, Joint Operations shall be proportionally consolidated and Joint Ventures shall be accounted for under the equity method.

The equity method consists in the incorporation in the balance sheet line Investments in companies , of the value of net assets and goodwill, if any, of the participation in the affiliated company or Joint Venture. The net income or expense for each year corresponding to the interest in these companies is reflected in the statement of comprehensive income in the Income on investments in companies line.

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Investments in companies have been valued based upon the latest available financial statements of these companies as of the end of each year, taking into consideration, if applicable, significant subsequent events and transactions, available management information and transactions between YPF and the related company which have produced changes on the latter s shareholders equity. The dates of the financial statements of such related companies and Joint Operations used in the consolidation process may differ from the date of the Company s financial statements due to administrative reasons. The accounting principles and procedures used by affiliated companies have been homogenized, where appropriate, with those used by YPF in order to present the consolidated financial statements based on uniform accounting and presentation policies. The financial statements of affiliated companies whose functional currency is different from the presentation currency are translated using the procedure set out in Note 1.b.1).

Investments in companies in which the Company has no joint control or significant influence, have been valued at cost.

Investments in companies with negative shareholders equity are disclosed in the Accounts payable account.

The carrying value of the investments in companies does not exceed their estimated recoverable value.

In Note 16 are detailed the investments in companies.

As from the effective date of Law No. 25,063, dividends, either in cash or in kind, that the Company receives from investments in other companies and which are in excess of the accumulated income that these companies carry upon distribution shall be subject to a 35% income tax withholding as a sole and final payment. YPF has not recorded any charge for this tax since it has estimated that dividends from earnings recorded by the equity method will not be subject to such tax.

1.b.6) <u>Fixed assets</u>

i. General criteria:

Fixed assets are valued at their acquisition cost, plus all the costs directly related to the location of such assets for their intended use, considering the criteria adopted by the Group in the transition to IFRS.

Borrowing costs of assets that require a substantial period of time to be ready for their intended use are capitalized as part of the cost of these assets.

Major inspections, necessary to restore the service capacity of the related asset are capitalized and depreciated on a straight-line basis over the period until the next overhaul is scheduled.

The costs of renewals, betterments and enhancements that extend the useful life of properties and/or improve their service capacity are capitalized. As fixed assets are retired, the related cost and accumulated depreciation are derecognized.

Repair, conservation and ordinary maintenance expenses are recognized in the statement of comprehensive income as incurred.

These assets are reviewed for impairment at least once a year or whenever there are indicators that the assets may have become impaired.

The carrying value of the fixed assets based on each cash generating unit, as defined in Note 1.b.8, does not exceed their estimated recoverable value.

ii. Depreciation:

Fixed assets, other than those related to oil and gas exploration and production activities, are depreciated using the straight-line method, over the years of estimated useful life of the assets, as follows:

	Years of Estimated Useful Life
Buildings and other constructions	50
Refinery equipment and petrochemical plants	20-25
Infrastructure of natural gas distribution	20-50
Transportation equipment	5-25
Furniture, fixtures and installations	10
Selling equipment	10
Electric power generation facilities	15-20
Other property	10

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Land is classified separately from the buildings or facilities that may be located on it and is deemed to have an indefinite useful life. Therefore, it is not depreciated.

The Group reviews annually the estimated useful life of each class of assets.

iii. Oil and gas exploration and production activities:

The Group recognizes oil and gas exploration and production transactions using the successful-efforts method. The costs incurred in the acquisition of new interests in areas with proved and unproved reserves are capitalized as incurred under Mineral properties, wells and related equipment. Costs related to exploration permits are classified as intangible assets (see Notes 1.b.4 and 6.a).

Exploration costs, excluding the costs associated to exploratory wells, are charged to expense as incurred. Costs of drilling exploratory wells, including stratigraphic test wells, are capitalized pending determination as to whether the wells have found proved reserves that justify commercial development. If such reserves are not found, the mentioned costs are charged to expense. Occasionally, an exploratory well may be determined to have found oil and gas reserves, but classification of those reserves as proved cannot be made. In those cases, the cost of drilling the exploratory well shall continue to be capitalized if the well has found a sufficient quantity of reserves to justify its completion as a producing well, and the Group is making sufficient progress assessing the reserves as well as the economic and operating viability of the project. If any of the mentioned conditions are not met, cost of drilling exploratory wells is charged to expense. In addition, the exploratory activity involves, in many cases, the drilling of multiple wells through several years in order to completely evaluate a project. As a consequence some exploratory wells may be kept in evaluation for long periods, pending the completion of additional wells and exploratory activities needed to evaluate and quantify the reserves related to each project. The detail of the exploratory well costs in evaluation stage is described in Note 6.b).

Intangible drilling costs applicable to productive wells and to developmental dry holes, as well as tangible equipment costs related to the development of oil and gas reserves, have been capitalized.

The capitalized costs described above are depreciated as follows:

a) The capitalized costs related to productive activities have been depreciated by field on a unit-of-production basis by applying the ratio of produced oil and gas to the estimated proved and developed oil and gas reserves.

b) The capitalized costs related to the acquisition of property and the extension of concessions with proved reserves have been depreciated by field on a unit-of-production basis by applying the ratio of produced oil and gas to the estimated proved oil and gas reserves.

Revisions in oil and gas proved reserves are considered prospectively in the calculation of depreciation. Revisions in estimates of reserves are performed at least once a year. Additionally, estimates of reserves are audited by independent petroleum engineers on a three-year rotation plan.

iv. Costs related to hydrocarbon wells abandonment obligations:

Costs related to hydrocarbon wells abandonment obligations are capitalized at their discounted value along with the related assets, and are depreciated using the unit-of-production method. As compensation, a liability is recognized for this concept at the estimated value of the discounted payable amounts. Revisions of the payable amounts are performed upon consideration of the current costs incurred in abandonment obligations on a field-by-field basis or other external available information if abandonment obligations were not performed. Due to the number of wells in operation and/or not abandoned and likewise the complexity with respect to different geographic areas where the wells are located, current costs incurred in plugging activities are used for estimating the plugging activities costs of the wells pending abandonment. Current costs incurred are the best source of information in order to make the best estimate of asset retirement obligations. Future changes in the costs above mentioned, as well as changes in regulations related to abandonment obligations, which are not possible to be predicted at the date of issuance of these financial statements, could affect the value of the abandonment obligations and, consequently, the related asset, affecting the results of future operations.

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v. Environmental tangible assets:

The Group capitalizes the costs incurred in limiting, neutralizing or preventing environmental pollution only in those cases in which at least one of the following conditions is met: (a) the expenditure improves the safety or efficiency of an operating plant (or other productive assets); (b) the expenditure prevents or limits environmental pollution at operating facilities; or (c) the expenditure is incurred to prepare assets for sale and do not raise the assets carrying value above their estimated recoverable value.

The environmental related assets and the corresponding accumulated depreciation are disclosed in the consolidated financial statements together with the other elements that are part of the corresponding assets which are classified according to their accounting nature.

1.b.7) Provisions

The Group makes a distinction between:

a) Provisions: represent legal or assumed obligations, arising from past events, the settlement of which is expected to give rise to an outflow of resources and which amount and timing are uncertain. Provisions are recognized when the liability or obligation giving rise to an indemnity or payment arises, to the extent that its amount can be reliably estimated and that the obligation to settle is probable or certain. Provisions include both obligations whose occurrence does not depend on future events (such as provisions for environmental liabilities and provision for hydrocarbon wells abandonment obligations), as well as those obligations that are probable and can be reasonably estimated whose realization depends on the occurrence of a future events that are out of the control of the Company (such as provisions for contingencies). The amount recorded as provision corresponds to the best estimate of expenditures required to settle the obligation, taking into consideration the relevant risks and uncertainties (see Note 10); and

b) Contingent liabilities: represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company, or present obligations arising from past events, the amount of which cannot be estimated reliably or whose settlement is not likely to give rise to an outflow of resources embodying future economic benefits. Contingent liabilities are not recognized in the consolidated financial statements, but rather are disclosed to the extent they are significant, as required by IAS 37, Provisions, contingent liabilities and contingent assets (see Note 11).

When a contract qualifies as onerous, the related unavoidable liabilities are recognized in the consolidated financial statements as provisions, net of the expected benefits.

Except for provisions for hydrocarbon wells abandonment obligations, where the timing of settlement is estimated on the basis of the work plan of the Group, and considering the estimated production of each field (and therefore its abandonment) and provisions for pension plans, in relation to other noncurrent provisions, it is not possible to reasonably estimate a specific schedule of settlement of the provisions considering the characteristics of the concepts included.

1.b.8) Impairment of fixed assets and intangible assets

For the purpose of evaluating the impairment of fixed assets and intangible assets, the Group compares their carrying value with their recoverable amount at the end of each year, or more frequently, if there are indicators that the carrying value of an asset may not be recoverable.

In order to assess impairment, assets are grouped into Cash-Generating Units (CGU), whereas the assets do not generate cash flows that are independent of those generated by other assets or CGU, considering regulatory, economic, operational and commercial conditions. Considering the above mentioned, the Group´s assets were grouped into eleven CGU.

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Exploration and Production Segment

The assets included in this segment have been grouped into seven CGU. One that gathers the assets of YPF fields, which basically have crude oil reserves; five CGU that group the assets of YPF and YSUR fields which basically have natural gas reserves, according to Argentina s basins, and another one that gathers the assets in the United States fields.

CGU Oil YPF;

CGU Oil YPF Holdings

CGU Gas Neuquina Basin YPF;

CGU Gas Noroeste Basin YPF;

CGU Gas Austral Basin YPF;

CGU Gas Neuquina Basin YSUR;

CGU Gas Austral Basin YSUR.

Downstream Segment

The assets included in this segment have been grouped in three CGU. The YPF Downstream CGU which mainly includes the assets assigned to the crude oil refining activity (or that complement such activity), the petrochemical industry and marketing of such products. The Metrogas CGU, which includes assets related to the distribution of natural gas and YPF Energía Eléctrica CGU, which includes assets related to generation and commercialization of electric energy.

Corporate Segment

A-Evangelista CGU mainly included of the assets used for the construction activity related to the Company s business.

This aggregation is the best reflection of how the Group currently makes its management decisions for the generation of separate cash flows of the assets.

The recoverable amount is the higher of, the fair value less costs of disposal and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a rate that reflects the weighted average capital cost employed for each CGU.

If the recoverable amount of a CGU is estimated to be less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount, and an impairment loss is recognized as an expense under Other operating results, net   in the Consolidated Statement of Comprehensive Income.

Any impairment loss is allocated to the assets comprising the CGU on a pro-rata basis based on their carrying amount. Consequently, the basis for future depreciation or amortization will take into account the reduction in the value of the asset as a result of any accumulated impairment losses.

Upon the occurrence of new events or changes in existing circumstances, which prove that an impairment loss previously recognized could have disappeared or decreased, a new estimate of the recoverable amount of the corresponding asset is calculated to determine whether a reversal of the impairment losses recognized in previous periods needs to be made.

In the event of a reversal, the carrying amount of the asset (or the CGU) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined in case no impairment loss had been recognized for the asset (or the CGU) in the past.

1.b.9) Methodology used in the estimation of recoverable amounts

Group   s General Criteria: The recoverable amount of fixed assets and intangible assets is generally estimated on the basis of their value in use, calculated on the basis of future expected cash flows derived from the use of the assets, discounted at a rate that reflects the weighted average capital cost employed.

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In the assessment of the value in use, cash flow forecasts based on the best estimate of income and expense available for each CGU using sector inputs, past results and future expectations of business evolution and market development are utilized. The most sensitive aspects included in the cash flows used in all the CGU are the purchase and sale prices of hydrocarbons (including gas distribution applicable fees), outstanding regulations, estimation of cost increase, employee costs and investments.

The cash flows from the exploration and production assets are generally projected for a period that covers the economically productive useful lives of the oil and gas fields and is limited by the contractual expiration of the concessions permits, agreements or exploitation contracts. The estimated cash flows are based on production levels, commodity prices and estimates of the future investments that will be necessary in relation to undeveloped oil and gas reserves, production costs, field decline rates, market supply and demand, contractual conditions and other factors. The unproved reserves are weighted with risk factors, on the basis of the type of each one of the exploration and production assets.

Downstream cash flows are estimated on the basis of the projected sales trends, contribution margins by unit, fixed costs and investment flows, in line with the expectations regarding the specific strategic plans of each business. However, cash inflows and outflows relating to planned restructurings or productivity enhancements are not considered. The projections evaluation horizon is 10 years, considering an annual rent for the last period, based on the long useful life of this GCU assets.

The reference prices considered are based on a combination of market prices available in those markets where the Group operates, also taking into consideration specific circumstances that could affect different products the Group commercializes and management s estimations and judgments.

Estimated net future cash flows are discounted to its present value using a rate that reflects the weighted average capital cost employed for each CGU.

1.b.10) <u>Employee benefit plans and share-based payments</u>

i. Retirement plan:

Effective March 1, 1995, the Group have established a defined contribution retirement plan that provides benefits for each employee who elects to join the plan. Each plan member will pay an amount between 3% and 10% of his monthly compensation and the Group will pay an amount equal to that contributed by each member.

The plan members will receive from the Group the contributed funds before retirement only in the case of voluntary termination under certain circumstances or dismissal without cause and, additionally, in case of death or incapacity. The Group has the right to discontinue this plan at any time, without incurring termination costs.

ii. Performance Bonus Programs:

These programs cover certain YPF and its controlled companies personnel. These bonuses are based on compliance with business unit objectives and performance. They are calculated considering the annual compensation of each employee, certain key factors related to the fulfillment of these objectives and the performance of each employee and are paid in cash.

iii. *Share-based benefit plan:*

From the year 2013, YPF has decided to implement a share-based benefit plan. This plan organized in annual programs, covers certain executive and management positions and key or with critical technical knowledge personnel. The above mentioned plan is aimed at aligning the performance of these personnel with the objectives of the strategic plan of the Company.

This plan consists in giving participation, through shares of the Company, to each selected employee with the condition of remaining in it for the previously defined period (up to three years from the grant date, hereinafter service period), being this the only condition necessary to access the agreed final retribution. During the year 2013, the implementation of these plans has included the conversion of certain long term compensation plans existing to date of implementation.

Consequently, during the month of June 2013, the Company has converted these existing plans to new share-based schemes, reversing a liability of 38 corresponding to existing plans as of December 31, 2012.

Consistent with share-based benefit plans approved in 2013, the Board of Directors at its meeting held on June 11, 2014, approved the creation of a new share-based benefit plan 2014-2016, which will be valid for three years from July 1, 2014 (grant date), with similar characteristics to those of the 2013-2015 plan.

Likewise, the Board of Directors at its meeting held on June 8, 2015, approved the creation of a new share-based benefit plan 2015-2017, which will be valid for three years from July 1, 2015 (grant date), with similar characteristics to the existing plans.

For accounting purposes, YPF recognizes the effects of the plans in accordance with the guidelines of IFRS 2, Share-based Payment . In this order, the total cost of the plans granted is measured at the grant date, using the fair value or market price of the Company s share in the United States market. The above mentioned cost is accrued in the Company s net income for the year, over the vesting period, with the corresponding increase in Shareholders equity in the Share-based Benefit Plans account.

iv. Pension plans and other Post- Retirement and Post- employment for YPF Holdings Inc.:

YPF Holdings Inc., which has operations in the United States of America, has certain defined benefit plans and post-retirement and post-employment benefits.

The funding policy related to the defined benefit plan, is to contribute amounts to the plan sufficient to meet the minimum funding requirements under governmental regulations, plus such additional amounts as management may determine to be appropriate.

In addition, YPF Holdings Inc. provides certain health care and life insurance benefits for eligible retired employees, and also certain insurance, and other post-employment benefits for eligible individuals in the event employment is terminated by YPF Holdings Inc. before their normal retirement. Employees become eligible for these benefits if they meet minimum age and years-of-service requirements. YPF Holdings Inc. accounts for benefits provided when payment of the benefit is probable and the amount of the benefit can be reasonably estimated. No assets were specifically reserved for the post-retirement and post-employment benefits, and consequently, payments related to them are funded as claims are received.

The plans mentioned above are valued at their net present value, are accrued based on the years of active service of the participating employees and are disclosed as noncurrent liabilities in the Salaries and social security account. The actuarial gains and losses arising from the remeasurement of the defined benefit liability of pension plans are recognized in Other Comprehensive Income as a component of shareholders equity, and are transfer directly to the retained earnings. YPF Holdings Inc. updates its actuarial assumptions at the end of each fiscal year.

Additional disclosures related to the mentioned plans, are included in Note 13.

Additionally, Management believes that the deferred tax asset generated by the cumulative actuarial losses related to the pension plans of YPF Holdings Inc., will not be recoverable based on estimated taxable income generated in the jurisdiction in which they are produced.

1.b.11) <u>Revenue recognition</u>

General criteria

Revenue is recognized on sales of crude oil, refined products and natural gas, in each case, when title and risks are transferred to the customer following the conditions described below:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group does not retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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Revenue recognition related to Government incentive programs

Incentives to the Additional Injection of natural gas and to the production of crude oil (see Note 11.c) granted by the Planning and Strategic Coordination Commission of the National Plan of Hydrocarbons Investment by Resolutions No. 1/2013 and No. 14/2015, respectively, fall within the scope of the IAS 20 Accounting for Government grants and disclosure of government assistance , as they constitute economic compensations for the companies committed to increasing their respective production. Incentives have been included in Revenues in the Consolidated Statement of Comprehensive Income.

Likewise, these regulations also apply to the temporary economic assistance by Metrogas (see Note 11.c), as approved by Resolution No. 263/2015 of the Federal Energy Secretariat as its purpose is to fund the expenses and investments related to the normal operation of the natural gas distribution service through networks, while preserving the chain of payment to natural gas producers until the Tariff Review is concluded. The incentives have been included in the item Other operating results, net in the Consolidated Statement of Comprehensive Income.

In addition, Argentine tax authorities provide a tax incentive for investment in capital goods, computers and telecommunications for domestic manufacturers through a fiscal bond, provided that manufacturers have industrial establishments located in Argentina, a requirement that is satisfied by the controlled company A-Evangelista S.A. The Group recognizes such incentive when the formal requirements established by Decrees No. 379/01, 1551/01, its amendments and regulations are satisfied, to the extent that there is reasonable certainty that the grants will be received. The bond received may be computed as a tax credit for the payment of national taxes (i.e., Income Tax, Tax on Minimum Presumed Income, Value Added Tax and Domestic Taxes) and may also be transferred to third parties. The incentives have been included in the item Other operating results, net in the Consolidated Statement of Comprehensive Income.

Recognition of this income is made at its fair value when there is a reasonable certainty that incentives will be received and that regulatory requirements related therewith have been fulfilled.

Recognition of revenues and costs associated with construction contracts method

Revenues and costs related to construction activities performed by A-Evangelista S.A. are accounted for in the consolidated statement of comprehensive income for the year using the percentage of completion method, considering the final contribution margin estimated for each project at the date of issuance of the financial statements, which arises from technical studies on sales and total estimated costs for each of them, as well as their physical progress.

The adjustments in contract values, changes in estimated costs and anticipated losses on contracts in progress are reflected in earnings in the year when they become evident.

The table below details information related to the construction contracts as of December 31, 2015, 2014 and 2013:

	Contracts in progress			
	Revenues of the year	Costs incurred plus accumulated recognized profits	Advances received	Retentions
2015	455	577		

2014	419	418	
2013	312	2,359	368

1.b.12) <u>Leases</u>

<u>Operating leases</u>

A lease is classified as an operating lease when the lessor does not transfer substantially to the lessee the entire risks and rewards incidental to ownership of the asset.

Costs related to operating leases are recognized on a straight-line basis in Rental of real estate and equipment and Operation services and other service contracts of the Consolidated Statement of Comprehensive Income for the year in which they arise.

<u>Financial Leases</u>

The Group has no financial leases as they are defined by IFRS.

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1.b.13) Earnings per share

Basic earnings per share is calculated by dividing the net income for the year attributable to YPF s shareholders by the weighted average of shares of YPF outstanding during the year net of repurchased shares as mentioned in Note 8.

Diluted earnings per share is calculated by dividing the net income for the fiscal year by the weighted average of shares outstanding, and when dilutive, adjusted for the effect of all potentially dilutive shares, including share options, on an as if they had been converted.

In computing diluted earnings per share, income available to ordinary shareholders, used in the basic earnings per share calculation, is adjusted by those results that would result of the potential conversion into ordinary stock. The weighted average number of ordinary shares outstanding is adjusted to include the number of additional ordinary shares that would have been outstanding if the dilutive potential ordinary shares had been issued. Diluted earnings per share is based on the most advantageous conversion rate or exercise price over the entire term of the instrument from the standpoint of the security holder. The calculation of diluted earnings per share excludes potential ordinary shares if their effect is anti-dilutive.

As of the date of the issuance of these financial statements, there are no YPF´s instruments outstanding that imply the existence of potential ordinary shares (also taking into account the Company s intent to cancel the Share-based benefit plans through their repurchase in the market). Thus the basic earnings per share matches the diluted earnings per share. See Note 9.

1.b.14) Financial liabilities

Financial liabilities are initially recognized at their fair value less the transaction costs incurred. Since the Group does not have financial liabilities whose characteristics require the recognition at their fair value, according to IFRS, after their initial recognition, financial liabilities are measured at amortized cost Any difference between the financing received (net of transaction costs) and the repayment value is recognized in the consolidated statement of comprehensive income over the life of the related debt instrument, using the effective interest rate method.

The Group derecognizes financial liabilities when the related obligations are settled or expire.

At the closing of these consolidated financial statements, the Group s financial liabilities at amortized cost include account payables and loans.

In order to account for the exchange of debt obligations arising from the voluntary reorganization petition of Metrogas and GASA for new negotiable obligations executed on January 11, 2013 and March 15, 2013, respectively, the Group has followed the guidelines provided by IFRS 9, Financial Instruments .

IFRS 9 states that an exchange of debt instruments between a borrower and a lender shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability when the instruments have substantially different terms. The difference between the carrying amount of the financial liability extinguished and the consideration paid, which includes any non-cash assets transferred or liabilities assumed, is recognized in net incomef for the period or fiscal year. The Group considers that the terms of the outstanding debt obligations, arising from the voluntary reorganization petition, subject to the exchange are substantially different from the new negotiable obligations. Additionally, the Group has evaluated and positively concluded over the estimated funds that such companies will have to comply with the terms of the debt and that allows the recognition of the debt relief. Consequently, Metrogas and GASA have recorded the debt instruments exchange following the guidelines mentioned above. Also, according to IFRS 9 the new negotiable obligations were recognized initially at fair value, net of transaction costs incurred and subsequently measured at amortized cost. In the initial recognition, the fair value of such debt has been estimated using the discounted cash flow method, in the absence of quoted prices in active markets representative for the amount issued.

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1.b.15) Taxes, withholdings and royalties

Income tax and tax on minimum presumed income

The Group recognizes the income tax applying the liability method, which considers the effect of the temporary differences between the financial and tax basis of assets and liabilities and the tax loss carry forwards and other tax credits, which may be used to offset future taxable income, at the current statutory rate of 35%.

Additionally, the Group calculates tax on minimum presumed income applying the current 1% tax rate to taxable assets as of the end of each year. This tax complements income tax. The Company s tax liability will coincide with the higher between the determination of tax on minimum presumed income and the Company s tax liability related to income tax, calculated applying the current 35% income tax rate to taxable income for the year. However, if the tax on minimum presumed income exceeds income tax during one tax year, such excess may be computed as prepayment of any income tax excess over the tax on minimum presumed income that may be generated in the next ten years.

Under Law No. 25,063, dividends distributed, either in cash or in kind, in excess of accumulated taxable income as of the end of the year immediately preceding the dividend payment or distribution date, shall be subject to a 35% income tax withholding as a sole and final payment, except for those distributed to shareholders resident in countries benefited from treaties for the avoidance of double taxation, which will be subject to a minor tax rate.

Additionally, on September 20, 2013, Law No. 26,893 was enacted, establishing changes to the Income Tax Law, and determining, among other things, an obligation respecting such tax as a single and final payment of 10% on dividends paid in cash or in kind (except in shares) to foreign beneficiaries and individuals residing in Argentina, in addition to the 35% retention mentioned above. The dispositions of this Law came in force on September 23, 2013, date of its publication in the Official Gazette.

Personal assets tax Substitute responsible

Individuals and foreign entities, as well as their undistributed estates, regardless of whether they are domiciled or located in Argentina or abroad, are subject to personal assets tax of 0.5% of the value of any shares or ADSs issued by Argentine entities, held at December 31 of each year. The tax is levied on the Argentine issuers of such shares or ADSs, such as YPF, which must pay this tax in substitution of the relevant shareholders, and is based on the equity value (following the equity method), or the book value of the shares derived from the latest financial statements at December 31 of each year. Pursuant to the Personal Assets Tax Law, the Group is entitled to seek reimbursement of such paid tax from the applicable shareholders, using the method the Group considers appropriate.

Royalties and withholding systems for hydrocarbon exports

A 12% royalty is payable on the estimated value at the wellhead of crude oil production and the commercialized natural gas volumes. The estimated value is calculated based upon the approximate sale price of the crude oil and gas produced, less the costs of transportation and storage. To calculate royalties, the Company has considered price agreements according to crude oil buying and selling operations obtained in the market for certain qualities of such product, and has applied these prices, net of the discounts mentioned above, according to regulations of Law No. 17,319 and its amendments. In addition, and pursuant to the extension of the original terms of exploitation concessions, the Company has agreed to pay an extraordinary production royalty and in some cases a royalty of 10% is payable over the production of unconventional hydrocarbons (see Note 11).

Royalty expense and the extraordinary production royalties are accounted for as a production cost.

Law No. 25,561 on Public Emergency and Exchange System Reform (Public emergency law), issued in January 2002, established duties for hydrocarbon exports for a five-year period. In January 2007, Law No. 26,217 extended this export withholding system for an additional five-year period and also established specifically that this regime is also applicable to exports from Tierra del Fuego province , which were previously exempted. In addition, Law No. 26,732 published in the Official Gazette in December 2011 extended for an additional 5 years the mentioned regime. On November 16, 2007, the Ministry of Economy and Production (MEP) published Resolution No. 394/2007, modifying the withholding regime on exports of crude oil and other refined products. In addition, the Resolution No. 1/2013, published on January 3, 2013 and the Resolution No. 803/2014 published on October 21, 2014 from the Ministry of Economy and Public Finance modified the reference and floor prices.

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Resolution No. 1,077/2014 dated on December 29, 2014 repealed Resolution No. 394/2007 and amended and established a new withholding system based on the International Price of crude oil (IP), calculated on the basis of the Brent value applicable to the export month minus eight dollars per barrel (US$ 8.0 per barrel). The new regime establishes a general nominal rate of 1% while IP is below US$ 71 per barrel. Additionally, the Resolution establishes an increasing variable rate for export of crude oil while IP is above US$ 71 per barrel; therefore, the producer will collect a maximal value of about US$ 70 per exported barrel, depending on the quality of crude oil sold. Likewise, the Resolution establishes a variable increasing withholding rates for exports of diesel, gasoline, lubricants and other petroleum derivatives when IP exceeds US$ 71 per barrel by using formulas allowing the producer to collect a portion of such higher price.

Furthermore, in March 2008, Resolution No. 127/2008 of the MEP increased the natural gas export withholding rate to 100% of the highest price from any natural gas import contract. This resolution has also established a variable withholding system applicable to liquefied petroleum gas, similar to the one established by the Resolution No. 394/2007.

1.b.16) Shareholders equity accounts

Shareholders equity accounts have been valued in accordance with accounting principles in effect as of the transition date. The accounting transactions that affect shareholders equity accounts were accounted for in accordance with the decisions taken by the Shareholders meetings, and legal standards or regulations.

Subscribed capital stock and adjustments to contributions

Consists of the shareholders contributions represented by shares and includes the outstanding shares at face value net of treasury shares mentioned in the following paragraph Treasury shares and adjustment to treasury shares . The subscribed capital account has remained at its historical value and the adjustment required previous Argentine GAAP to state this account in constant Argentine pesos is disclosed in the Adjustments to contributions account.

The adjustment to contributions cannot be distributed in cash or in kind, but is allowed its capitalization by issuing shares. Also, this item may be used to compensate accumulated losses.

Treasury shares and adjustments to treasury shares

Corresponds to the reclassification of the nominal value and the corresponding adjustment in constant peso (Adjustment to Contributions) of shares issued and repurchased by YPF in market transactions, as is required by the CNVs regulations in force.

Share-based benefit plans

Corresponds to the balance related to the share-based benefit plans as mentioned in Note 1.b.10.iii).

Acquisition cost of repurchased shares

Corresponds to the cost incurred in the acquisition of the shares that YPF holds as treasury shares (see Note 8).

Considering the CNV regulations RG 562, the distribution of retained earnings is restricted by the balance of this account.

Share trading premium

Corresponds to the difference between accrued amount in relation to the shared-based benefit plan and acquisition cost of the shares settled during the year in relation with the mentioned plan.

Considering the debit balance of the premium, distribution of retained earnings is restricted by the balance of this premium.

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Issuance premiums

Corresponds to the difference between the amount of subscription of the capital increase and the corresponding face value of the shares issued.

Legal reserve

In accordance with the provisions of Law No. 19,550, YPF has to appropriate to the legal reserve no less than 5% of the algebraic sum of net income, prior year adjustments, transfers from other comprehensive income to retained earnings and accumulated losses from previous years, until such reserve reaches 20% of the subscribed capital plus adjustment to contributions. As of December 31, 2015, the legal reserve has been fully integrated amounting 2,007.

Reserve for future dividends

Corresponds to the allocation made by the YPF s Shareholders meeting, whereby a specific amount is transferred to the reserve for future dividends.

Reserve for investments and reserve for purchase of treasury shares

Corresponds to the allocation made by the YPF s Shareholders meeting, whereby a specific amount is being assigned to be used in future investments and in the purchase of YPF s shares to meet the obligations arising from share-based benefit plan described in Note 1.b.10.iii).

Initial IFRS adjustment reserve

Corresponds to the initial adjustment in the transition to IFRS application, which was approved by the Shareholders meeting of April 30, 2013, in accordance with the General Resolution No. 609 of the CNV.

Such reserve cannot be used in distributions in cash or in kind to the shareholders or owners of YPF and may only be reversed for capitalization or absorption of an eventual negative balance on the Retained earnings account according the aforementioned Resolution.

Other comprehensive income

Includes income and expenses recognized directly in equity accounts and the transfer of such items from equity accounts to the income statement of the year or to retained earnings, as defined by IFRS.

Retained earnings

Includes accumulated gains or losses without a specific appropriation that being positive can be distributed upon the decision of the Shareholders meeting, while not subject to legal restrictions. Additionally, it includes the net income of previous years that was not distributed, the amounts transferred from other comprehensive income and adjustments to income of previous years produced by the application of new accounting standards.

Additionally, pursuant to the regulations on the CNV, when the net balance of other comprehensive income account is positive, it shall not be distributed, capitalized nor used to compensate accumulated losses, and when the net balance of these results at the end of a year is negative, a restriction on the distribution of retained earnings for the same amount will be imposed.

Non-controlling interest

Corresponds to the interest in the net assets acquired and net income of Metrogas (30%) and YPF Tecnología S.A. (49%), representing the rights on shares that are not owned by YPF.

1.b.17) Derivative financial instruments and hedge transactions

Derivative financial instruments are recognized at fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedge instrument, and, if so, the nature of the item being hedged.

The Group manages exposures to several risks using different financial instruments. The Group does not use derivative financial instruments for speculative purposes. As of this date, the Group has used US dollar future exchange rate agreements.

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The Group s policy is to apply hedge accounting to hedging relationships where it is both permissible under IFRS 9, practical to do so and its application reduces volatility. Transactions that may be effective hedges in economic terms may not always qualify for hedge accounting under IFRS 9. As of this date, the Group has not applied hedge accounting to its derivative financial instruments. Gains or losses from these derivative financial instruments are classified as Financial results, net , in the statement of comprehensive income.

Fair values of derivative financial instruments that are traded in active markets are computed by reference to market prices. The fair value of derivative financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each fiscal year. As of December 31, 2015, the Group only holds derivative instruments traded on active markets

1.b.18) Trade receivables and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

A provision for bad debt is created where there is objective evidence that the Group may not be able to collect all receivables within the original payment terms. Indicators of bad debts include significant financial distress of the debtor, the debtor potentially filing a petition for reorganization or bankrupt, or any event of default or past due account.

In the case of larger non-homogenous receivables, the impairment provision is calculated on an individual basis. When assessed individually, the Group records a provision for impairment which amounts to the difference between the value of the discounted expected future cash flows of the receivable and its carrying amount, taking into account existing collateral, if any. This provision takes into consideration the financial condition of the debtor, the resources, payment track-record and, if applicable, the value of collateral.

The Group does not hold significant homogeneous credits.

The carrying amount of the assets is reduced through the use of the provision account, and the amount of the loss is recognized in the statement of comprehensive income within Selling expenses . Subsequent recoveries of amounts previously written off are credited against Selling expenses in the statement of comprehensive income.

1.b.19) Cash and cash equivalents

In the consolidated statement of cash flow, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquidity investments with original maturities of three months or less. They do not include bank overdrafts.

1.b.20) Dividends distribution

Dividends payable by the Group are recognized as liabilities in the period in which they are approved.

1.b.21) Business combinations

Business combinations are accounted for by applying the acquisition method when YPF takes effective control over the acquired company.

The Group recognizes in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest and, goodwill, if any, in accordance with IFRS 3.

The acquisition cost is measured as the sum of the consideration transferred, measured at fair value at their acquisition date and the amount of any non-controlling interest in the acquired entity. The Group will measure the non-controlling interest in the acquired entity at fair value or at the non-controlling interest s proportionate share of the acquired entity s identifiable net assets.

If the business combination is achieved in stages, the Group shall remeasure its previously held equity interest in the acquired entity at its acquisition date fair value and recognize a gain or loss in the statement of comprehensive income.

The goodwill cost is measured as the excess of the consideration transferred over the identifiable assets acquired and liabilities assumed net by the Group. If this consideration is lower than the fair value of the assets identifiable and liabilities assumed, the difference is recognized in the statement of comprehensive income.

1.b.22) Total or partial disposal of foreign operation whose functional currency is other than the U.S. Dollar

On the disposal of a foreign operation (that is, a disposal of the Group s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all of the translation differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated translation differences are re-attributed to non-controlling interest and are not recognized in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences arising are recognized in other comprehensive income.

1.b.23) Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the top authority decision-maker, who is the person responsible for allocating resources and assessing the performance of the operating segments. Operating segments are described in Note 4.

1.b.24) New standards issued

As required by IAS 8, Accounting policies, changes in accounting estimates and errors , we show below a brief summary of the rules or interpretations issued by the IASB, whose application is mandatory as of the closing date of these consolidated financial statements, as well as of those whose application has not been mandatory as of the closing date of these consolidated financial statement and, therefore, have not been adopted by the Group.

The standards, interpretations and related amendments published by the IASB whose application is mandatory as of the closing date of these consolidated financial statements and, therefore, have been applied by the Group, are the following:

IAS 19 Employee Benefits

In November 2013, IASB issued an amendment to IAS 19, to simplify the accounting on employees contribution or third party to the defined benefit plans, allowing recognition of the aforementioned contribution as a reduction in the service cost in the period in which the related service was rendered rather than recognizing it at the service period.

It is applicable for fiscal years beginning on or after July 1, 2014.

Annual improvements of IFRS 2010-2012 Cycle

The 2010-2012 annual improvements are applicable to fiscal years beginning on or after July 1, 2014. There follows a summary of the main standards amended and the purposes thereof.

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Standard	Purpose of the amendment
IFRS 2 *Share-based payment*	Definition of the vesting conditions.
IFRS 3 *Business Combinations*	Accounting for the contingent consideration under a business combination
IFRS 8 Operating Segments	(i) Statement of criteria applied to decided whether or not to include operating segments, (ii) when is reconciliation of all assets of the reportable segments to the assets of an entity
IFRS 13 Fair value measurement	Short-term receivables and payables
IAS 16 *Property, Plant and Equipment and IAS 38 Intangible assets*	Method of revaluation, pro rata restructuring of acumulated depreciation (amortization)
IAS 24 Relates Parties Disclosures	Key management staff

Annual improvements of IFRS. 2011-2013 Cycle

The 2011-2013 annual improvements are applicable to fiscal years beginning on or after July 1, 2014. There follows a summary of the main standards amended and the purposes thereof.

Standard	Purpose of the amendment
IFRS 3 *Business combinations*	Exemptions to the scope of joint ventures
IFRS13 *Fair value measurement*	Scope of paragraph 52 (portfolio exception)
IAS 40 *Investment Property*	Clarification of the interpretation between IFRS 3 and IAS 40 in classifying of property as investment property or property occupied by owner

Standards or interpretations issued by the IASB whose application is not mandatory at the closing date of these consolidated financial statements and have not been adopted by the Company.

IFRS 9 Financial Instruments

In July 2014, IASB introduced an amendment to supersede IAS 39. The standard includes the requirements for classification and measurement, impairment and hedge accounting of financial instruments. It is effective for fiscal years beginning on or after January 1, 2018 with early application permitted.

IFRS 11 Join Arrangements

In May 2014, IASB amended IFRS 11 in order to establish that acquisitions of participations in joint operations whose activities constitute a business as defined by IFRS 3, apply the accounting principles set out in this standard. It is effective for fiscal years beginning on or after January 1, 2016, with the early application permitted.

Amendments to IFRS 11 provide guidelines as to how to account for the acquisition of an interest in a joint venture in which activities constitute a business as per the definition of IFRS 3, Business Combinations .

Also, a joint operator is required to disclose the significant information requested by the IFRS 3 and other standards applicable to business combinations.

Entities must apply amendments prospectively to the acquisitions of interests in joint ventures occurring from the beginning of fiscal years commencing on January 1, 2016.

The Company s directors do not anticipate that the application of these amendments to IFRS 11 will have a significant effect on the financial statements of the Company, as the Company does not deal in these types of transactions.

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IFRS 14 Regulatory deferral accounts

In January 2014, the IASB approved IFRS 14 which is applicable to all fiscal years beginning on or after January 1, 2016, and which is authorized to be applied in advance. The scope of this Standard is limited to entities which have adopted the IFRS for the first time and which have recognized the balances of the regulated activities deferral accounts in their financial statements according to their previous accounting standards. The first accounting statements presented by the Group under the IFRS were as of December 31, 2012 and the standard was issued in January 2014. Therefore, the Group has not applied this standard to its financial statements.

IFRS 15 - Revenues from contracts with customers

IFRS 15 is effective for periods reported as beginning on January 1, 2018 or later, though its early application is permitted. Entities may decide whether to apply the model retrospectively or use an amended transition approach, to which the standard will be applied retrospectively only in the event of contracts which have not been completed by the initial application date (e.g. January 1, 2018 for a company whose fiscal year ends on December 31)

IFRS 15 sets forth a comprehensive and detailed model for the entities to use it in the accounting of revenues from contracts with customers. It shall substitute for the following revenues Standards and Interpretations as of its effective date:

IAS 18 Revenue;

IAS 11 Construction contracts;

IFRIC 13 Customer loyalty programmes;

IFRIC 15 Agreements for the construction of real estate;

IFRIC 18 Transfer of assets from customers; and

SIC 31: Barter transactions involving advertising services.

IAS 16 and 38 Depreciation and amortization methods

Amendments to IAS 16, Property, plant and equipment prohibits entities from applying a depreciation method based in the income from property, plant and equipment items. On the other hand, amendments to IAS 38, Intangible assets include legal presumptions ascertaining that revenues are not appropriate principles for the amortization of intangible assets.

Amendments apply prospectively to annual fiscal years beginning on or after January 1, 2016, and its advanced application is permitted.

IAS 16 and 41 Agriculture Production Plants

Amendments to IAS 16 and IAS 41, Agriculture define the concept of production plant . In addition they require biological assets to meet this definition in order to be accounted for as property, plant and equipment under IAS 16 rather than IAS 41. As to the amendments, production plants may be measured using the cost model or the revaluation model set forth in IAS 16.

Amendments are retroactively applied for fiscal years beginning on or after January 1, 2016 and advanced application is permitted. As a temporary provision, entities need not disclose the quantitative information required by paragraph 28 (f) of IAS 8 for the current period. However, quantitative information is required for the previous fiscal year filed.

IAS 27 Separate Financial Statements

Amendments focus on separate financial statements and allow the use of the equity method in such financial statements.

Amendments are retroactively applied for fiscal years beginning on or after January 1, 2016 and advanced application is permitted

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IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture

In September 2014, the IASB amended IFRS 10 and the IAS 28 to clarify that in transactions involving a controlled company, the extension of the profit or loss to be recognized in the financial statements depends on whether the controlled company sold or contributed constitutes a business according to the IFRS 3.

On August 10, 2015, the IASB issued a proposal to postpone the effective date of these amendments indefinitely depending on the result of its research project on the accounting through the equity method, which was approved on December 17, 2015.

IAS 1 Presentation of the financial statements Disclosures initiative

Amendments to IAS 1 are effective for fiscal years beginning on or after January 1, 2016 and advanced application is permitted. The application of the amendments need not be disclosed.

The amendments were a response to the comments that there were difficulties in the application of the materiality concept in practice at the time of drafting some of the requirements of IAS 1 has been interpreted to avoid the use of judgment. Some highlights of the amendments are as follow:

- The entity should not reduce the understandability of its financial statements by concealing substantial information with irrelevant information or by adding material elements with different nature or function.
- The entity does not need to disclose specific information required by the IAS if the resulting information is not material.
- In the section Other comprehensive income of a Statement of Comprehensive Income and other comprehensive income, amendments require separate disclosures for the following elements:
  - the proportion of other comprehensive income of associates and joint ventures which is recognized by the equity method and which will not be subsequently reclassified to results, and
  - the proportion of other comprehensive income of associates and joint ventures which is recognized by the equity method and which will be subsequently reclassified to results.

In addition, amendments to IAS 1 are related to the following matters:

- Materiality
- Disaggregation and subtotals

Notes

Disclosure of accounting policies

Other comprehensive income resulting from investments recognized by the equity method
IFRS 10, IFRS 12 and IAS 28 Exemption from consolidation for investment entities.

In December 2014, the IASB issued amendments to IFRS 10, IFRS 12 and IAS 28 which are applicable to fiscal years beginning on or after January 1, 2016, and may be applied in advance.

Amendments clarify, among other things that the exemption from preparation of consolidated financial statements is available for a controlling entity which is controlled by an investment entity, even if the investment entity measures all its controlled companies at fair value under IFRS 10. The amendments resulting from IAS 28 to clarify the exemption from applying the equity method is applicable to an investor in an associate or joint venture if such investor is controlled by an investment entity which measures all its investments at fair value.

Amendments further clarify that the requirement that an investment entity consolidate a controlled company that provides services related to the foregoing investment activities is only applicable to controlled companies which are not investment entities.

On the other hand, amendments clarify that by applying the equity method to an associate or joint venture which is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its affiliates.

Finally, it is also made clear that an investment entity that measures all its controlled companies at fair value must make the disclosures required by IFRS 12 Disclosure of interest in other entities .

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Annual improvements to the IFRS- 2012-2014 Cycle

In September 2014, the IASB issued 2012-2014 annual improvements which are applicable to fiscal years beginning on or after January 1, 2016, and may be applied in advance.

There follows a summary of the main standards amended and their respective purposes:

Standard	Purpose of amendment
IFRS 5 Non-current assets held for sale and discontinued operations.	Changes in assets disposal methods
IFRS 7 Financial instruments disclosures (with amendments results from IFRS 1 amendments)	(i) Service Agreements
	(ii) Applicability of IFRS 7 amendments to compensation disclosures in condensed interim financial statements.
IAS 19 Employee Benefits	Discount rate: regional market issues
IAS 34 Interim financial reporting	Disclosure of information included elsewhere in the interim financial statement

Currently the Group is analyzing the impact of the enforcement of standard amended and new standards.

1.c) Accounting Estimates and Judgments

The items in the financial statements and areas which require the highest degree of judgment and estimates in the preparation of the financial statements are: (1) crude oil and natural gas reserves; (2) provisions for litigation and other contingencies; (3) provisions for environmental liabilities and hydrocarbon wells abandonment obligations (see Note 1.b.6 paragraph iv); (4) the calculation of income tax and deferred income tax; and (5) provision for impairment of fixed assets and intangible asset (see Note 1.b.9).

Crude oil and natural gas reserves

Estimating crude oil and gas reserves is an integral part of the Company s decision-making process. The volume of crude oil and gas reserves is used to calculate the depreciation using unit of production ratio and to assess the impairment of the capitalized costs related to the exploration and production assets (see Notes 1.b.8 and 1.b.9 and last paragraph of this note)

The Group prepares its estimates of crude oil and gas reserves in accordance with the rules and regulations established for the crude oil and natural gas industry by the U.S. Securities and Exchange Commission (SEC).

Provisions for litigation and other contingencies

The final costs arising from litigation and other contingencies, and the perspective given to each issue by the Management may vary from their estimates due to different interpretations of laws, contracts, opinions and final assessments of the amount of the claims. Changes in the facts or circumstances related to these types of contingencies can have, as a consequence, a significant effect on the amount of the provisions for litigation and other contingencies recorded or the perspective given by the Management.

Provisions for environmental costs

Given the nature of its operations, the Group is subject to various provincial and national laws and regulations relating to the protection of the environment. These laws and regulations may, among other things, impose liability on companies for the cost of pollution clean-up and environmental damages resulting from operations. YPF management believes that the Group s operations are in substantial compliance with laws and regulations of Argentina and the countries where the Group operates, relating to the protection of the environment as such laws have historically been interpreted and enforced.

The Group periodically conducts new studies to increase its knowledge of the environmental situation in certain geographic areas where it operates in order to establish the status, cause and remedy of a given environmental issue and, depending on its years of existence, analyze the Argentine Government s possible responsibility for any environmental liabilities existing prior to December 31, 1990. The Group cannot estimate what additional costs, if any, will be required until such studies are completed and evaluated; however, provisional remedial or other measures may be required.

In addition to the hydrocarbon wells abandonment legal obligation, the Group has accrued the environmental remediation which evaluations and/or remediation works are probable and can be reasonably estimated, based on the Company s existing remediation program. Legislative changes, on individual costs and/or technologies may cause a re-evaluation of the estimates. The Group cannot predict what environmental legislation or regulation will be enacted in the future or how future laws or regulations will be administered. In the long-term, these potential changes and ongoing studies could materially affect the Group s future results of operations.

Additionally, certain environmental contingencies in the United States of America were assumed by Tierra Solutions Inc. and Maxus Energy Corporation, indirect controlled companies through YPF Holdings Inc. The detail of these contingencies is disclosed in Note 10.

Income tax and deferred income tax assets and liabilities

The proper assessment of income tax expenses depends on several factors, including interpretations related to tax treatment for transactions and/or events that are not expressly provided for by current tax law, as well as estimates of the timing and realization of deferred income taxes. The actual collection and payment of income tax expenses may differ from these estimates due to, among others, changes in applicable tax regulations and/or their interpretations, as well as unanticipated future transactions impacting the Group s tax balances.

Provision for impairment of fixed assets and intangible assets

As indicated in Note 1.b.8 and 1.b.9, as a general criterion, the method used to estimate the recoverable amount of fixed assets and intangible assets mainly consists in the calculation of the value in use, based on the future estimate cash flows resulting from the exploitation of the relevant assets, discounted at a rate that reflects the weighted average capital employed.

For fiscal year 2015, the discount rate was 10.33% after taxes (the discount rate applied for fiscal year 2014 was 10.86% after taxes).

Calculations of crude oil price estimates for fiscal year 2015 for the CGU Oil YPF of the Exploration and Production Segment have taken into account the disengagement of internal market prices from international prices with respect to this product in the latest years, based on the negotiations between country s Producers and Refineries and Argentine Government policies intended to preserve the sector activity levels and ensure the crude oil supply for the country. Therefore, the following local market price presumptions have been considered for the different varieties of crude oil: i) for 2016 and 2017 the Company has considered local market prices according to the negotiations between Producers and Refineries based on prices currently effective since January 2016, resulting in an estimate of US$/Bbl 67.5 for Medanito crude oil, US$/Bbl 54.9 for Escalante crude oil and US$/Bbl 55.9 for Cañadón Seco crude oil; ii) for 2018, 2019 and 2020, it has been considered the estimates for the local prices based on the estimation of the international price (adjusted by the quality of each type of crude oil, freight and the relative shortage situation in the local market) set on the basis of estimate Brent crude oil values according to analysts consensus estimates available as of December 31, 2015 (at US$/Bbl 68.7 for 2018, US$/Bbl 68.3 for 2019 and US$/Bbl 69.3 for 2020); and iii) thereafter, a projected price curve is considered on the basis of an adjustment by U.S.A. forecasted inflation.

Based on the above mentioned methodology and presumptions, the Group has recorded a charge for impairment of fixed assets with respect to the CGU Oil YPF of the Exploration and Production segment of 2,361 as of December 31, 2015, mainly due to a decrease in the short-term price of oil in the local market and a reduction in the expectations of medium and long term international prices. The recoverable amount of the CGU Oil YPF, after taxes, amounts to 76,829.

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In addition, the Group has recorded a charge for impairment of fixed assets for the CGU Oil - YPF Holdings which groups the assets of crude oil production fields in the United States, of 94 as of December 31, 2015, due to a decrease in crude oil international prices. The recoverable amount of the CGU Oil YPF Holdings amounts to 179. Likewise, the Group has recorded a charge for impairment of intangible assets of 80 related to exploration rights at which the recoverable amount is zero.

For fiscal years ended December 31, 2014 and 2013, the Group has not recorded charges for impairment, or income from reversion of impairment of assets.

Main factors that could result in additional charges for impairment in future periods would be any increase in the discount rate used for the cash flow estimates and a further decline in the business, competitive and economic factors, such as oil and gas prices, change in the number of equipment units, the competitive context and the cost of raw material, as well as a potential revisions at previous estimates of reserves based on the new prices.

1.d) Comparative Information

Balance items as of December 31, 2014 and 2013 presented in these financial statements for comparison purposes arise from the consolidated financial statements then ended. Certain reclassifications have been made in order to present figures comparatively with those of this year.

2. ACQUISITIONS AND DISPOSALS

Fiscal year ended on December 31, 2015

May 7 2015, Repsol Butano S.A. transferred to YPF shares representing 33.997 % of YPF Gas S.A. s capital stock and Repsol Trading S.A. transferred to YPF 17.79% of Oleoducto Transandino Chile s capital stock, the transaction was made for an amount of 161.

Fiscal year ended on December 31, 2014

On February 12, 2014, YPF and its subsidiary YPF Europe BV (YPF Europe , constituted in January, 2014) accepted an offer made by Apache Overseas Inc. and Apache International Finance II S.à r.I. (collectively, Apache Group) for the acquisition of 100% of Apache s interest in controlled companies which are the owners of assets located in the Argentine Republic, and the acquisition of certain intercompany loans owed by the acquired companies to the Apache Group companies. The price agreed upon by the parties was US$ 786 million, which was canceled through by an initial deposit of US$ 50 million held on February 12, 2014, and the remaining balance was paid on March 13, 2014, date from which YPF has taken control of the mentioned companies (the acquisition date). Together with the assets and liabilities incorporated by these companies, local market debt was assumed for US$ 31 million.

As of result of the previously described transaction, YPF acquired the following corporate shares: (i) 100% of the capital stock of Apache Canada Argentina Investment S.à r.I. and 100% of the capital stock of Apache Canada Argentina Holdings S.à r.I.; (ii) 100% of the capital stock of Apache Argentina Corporation, through which it will control 65.28% of Apache Petrolera Argentina S.A., and (iii) 34.72% of Apache Petrolera Argentina S.A. Since YPF has acquired 100% of the interest, there is no non-controlling interest recorded.

As of the date of acquisition these companies controlled directly or indirectly assets in the provinces of Neuquen, Tierra del Fuego and Río Negro, with a total production of approximately 49,100 oil equivalent barrels per day and had an important infrastructure of pipelines and facilities and around 350 employees. In addition, certain assets have potential for exploration and development in the Vaca Muerta formation.

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The fair value of the main identified assets and liabilities of the companies acquired (100% interest values and after consolidation adjustments), which have been incorporated in the Company´s balance sheet as of the date of acquisition is disclosed below:

Cash and cash equivalents	95
Assets held for sale	1,538
Inventories	55
Trade receivables	520
Other receivables and other assets	213
Intangible assets Exploration rights	1,246
Fixed assets	5,469
Provisions	781
Deferred income tax liabilities	1,241
Loans	110
Accounts payables	639
Social security and other taxes payables	134
Income tax liability	24

Below is detailed the information related with revenues, costs and expenses of the acquired companies required by IFRS:

	Since the acquisition date up to December 31, 2014	Since the beginning of the year up to December 31, 2014
Revenues	3,370	4,099
Cost of sales	(2,960)	(3,601)
Gross profit	410	498
Other operating expenses	(232)	(282)
Operating income	178	216
Financial result, net	(78)	(95)
Income tax	560	681
Net income for the period	660	802

Additionally, YPF and Apache Energía Argentina S.R.L. has entered into a transfer of assets agreement with Pluspetrol S.A. (Pluspetrol) whereby it will transfer, in exchange for US$ 217 million, an interest that belongs to Apache Energía Argentina S.R.L. (a subsidiary of Apache Canada Argentina Holdings S.à.r.l.), in three concessions and four joint operation contracts, as well as an interest of YPF in a joint operation contract. The aforementioned interests correspond to assets located in the Province of Neuquén, with the objective of jointly exploring and developing the Vaca Muerta formation. The mentioned transaction has been approved by the regulatory authority during November, 2014.

During October, 2014, the registered names of some companies have changed as follows: Apache Energía Argentina S.R.L. to YSUR Energía Argentina S.R.L.; Apache Natural Resources Petrolera Argentina S.R.L. to YSUR Recursos Naturales S.R.L.; Apache Petrolera Argentina S.A. to YSUR Petrolera Argentina S.A.; Apache Argentina Corporation to YSUR Argentina Corporation; Apache Canada Argentina Investment S.à.r.l. to YSUR Argentina Investment S.à.r.l.; and Apache Canada Argentina Holdings S.à.r.l. to YSUR Argentina Holdings S.à.r.l.

On January 31, 2014, YPF acquired Petrobras Argentina S.A. s 38.45% interest in the joint operation contract Puesto Hernández signed between both companies for the exploitation of the Puesto Hernández area (the Area). The Area is an exploitation concession located in the Provinces of Neuquén and Mendoza. YPF is the holder of the concession until 2027, which is operated under the aforementioned joint operation contract which expires on June 30, 2016 and will be early terminated. Now YPF owns 100% interest in the Area, and has become the operator. Puesto Hernández currently produces approximately 10,000 barrels per day of light crude oil (Medanito quality). The transaction was completed for the amount of US$ 40.7 million. By becoming the operator of the Area, YPF will be able to accelerate its investments plans to optimize the Area s production potential until 2027. The amount paid was mainly classified as fixed assets.

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On February 7, 2014, YPF acquired Potasio Rio Colorado S.A. s 50% interest in the joint operation contract, Segment 5 Loma La Lata Sierra Barrosa (known as Lajas formation) signed by YPF and Potasio Rio Colorado S.A. for the exploitation of the Lajas formation concession area (the Area). The Area is an exploitation concession, located in the Province of Neuquén. YPF is the holder of the concession which expires in 2027. Exploitation of the Area was conducted under the aforementioned joint operation contract. The terms of the joint operation contract provided that it would expire upon the earlier of the expiration of the concession or the early termination of any agreement or contract that granted the right to continue exploiting the Area. As a result of the termination of the joint operation contract YPF will own 100% interest in the Area. The consideration for the transaction was US$ 25 million. The amount paid was mainly classified as fixed assets.

YPF and Sinopec Argentina Exploration and Production, Inc., Sucursal Argentina (SINOPEC), are part in a Joint Operating Agreement (JOA) in the area La Ventana , located in the basin of Cuyo in the Province of Mendoza, whose original due date was December 31, 2016. YPF is the exclusive owner of such exploitation concession whose due date was November 14, 2017, and through executive order of the Province of Mendoza No. 1,465/2011 the original due date was extended for 10 years more, to November 14, 2027, the new concession due date. On September 1, 2014 (effective date) YPF and SINOPEC extended the JOA s due date in relation with the Concession for the Exploitation of Hydrocarbons in the area La Ventana , until December 31, 2026. The extension of the Concession and the JOA involve the continuity of the participation of the parties in the rights and commitments that emerge from the Concession and that, as of the effective date, YPF s percentage of participation increased by an additional 10%, reaching 70%. The consideration for the transaction was US$ 44 million, an amount that SINOPEC will pay to YPF for the extension of the Concession. Additionally, the transaction generated an income of 369, which has been charged to Other operating result, net , in the statement of comprehensive income.

On December 5, 2014, an agreement has been signed between the Province of Neuquén, Gas y Petróleo del Neuquén S.A., YPF S.A. and YSUR Energía Argentina S.R.L. in which the restructuring of the Joint Operating Agreement has been arranged related to La Amarga Chica and Bajada de Añelo non-conventional hydrocarbons exploitation concession in which YPF and YSUR will hold the following interests: (i) La Amarga Chica, YPF S.A. 100% (ii) Bajada de Añelo: YPF S.A. 85% and YSUR Energía Argentina S.R.L. 15%. As compensation for the aforementioned restructuring (a), YPF S.A. has made a US$41 million payment to the Neuquén Province, US$ 12 million for and on behalf of YSUR Energía Argentina S.R.L. and (b) YPF and YSUR granted in favor of the Province of Neuquén, who thereby contributed to Gas y Petróleo de Neuquén S.A, the totality of YPF and YSUR s interests in the following areas: (i) Puesto Cortadera; (ii) Loma Negra NI; (iii) Cutral Co Sur; (iv) Neuquén del Medio; (v) Collon Cura Bloque I; (vi) Bajo Baguales. These transferences became effective on January 1, 2015.

Fiscal year ended on December 31, 2013

During May 2013, the Company, through its subsidiary YPF Inversora Energética S.A. took control of GASA (controlling company of Metrogas), by acquiring shares representing a 54.67% interest in GASA. Prior to this acquisition, the Company through its interest in YPF Inversora Energética S.A. owned 45.33% of the capital of GASA

The main characteristics of the transaction, as well as information to enable users of the financial statements to assess the nature and financial effects of the business combination resulting from the aforementioned operation, as IFRS requires are described below.

Name and description of the acquired entity:	GASA is the parent company of Metrogas, company awarded with the license for the distribution of natural gas in the City of Buenos Aires and southern suburbs of Buenos Aires Province. GASA owns 70% equity interest of Metrogas by holding all of the class A representing a stake of 51% in capital, and class B shares representing a stake of 19% in capital. Metrogas provides distribution services to approximately 2.2 million customers within its service area (city of Buenos Aires and eleven municipalities in the south of Buenos Aires).
The acquisition date, the percentage acquired and primary reasons for the acquisition:	YPF has fulfilled with the obligations arising from the purchase agreement, which corresponded to the payment of the balance of the purchase price, during May 2013. As a result of the transaction (which includes shares representing 54.67% stake in GASA), YPF controls 100% of GASA. As described in Resolution No. 1/2566 D from Enargas, the operation is expected to result in a substantial benefit to customers of the distribution company as a consequence of applying to Metrogas a responsible management, not only in economic and financial matters, but also taking social principles upon which the welfare of current and future generations.
The acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each main asset:	The price of the above operation (acquisition of shares representing 54.67% stake in GASA) was US$ 9.7 million, which implies a total value for the 100% of the participation in GASA of approximately US$ 17.7 million, which approximates the fair value of the net assets and liabilities of the acquired company. Below are the fair values of the main assets and liabilities of the acquired company (values at 100% interest) at acquisition date, which have been incorporated into YPF s balance sheet as of the acquisition date:

	Cash and cash equivalents	143
	Trade receivables	318
	Other receivables and other assets	23
	Fixed assets	1,788
	Provisions	104
	Loans	879
	Accounts payables	461
	Social security and other taxes payables	102

	Deferred income tax liabilities	328
	Income tax liability	12

Additionally, non-controlling interest amounted to 178 as of the date of acquisition, corresponding to the 30% interest in Metrogas, a company controlled by GASA.

Prior to the transaction, the carrying value of the interest in GASA amounted to zero. As a consequence of the acquisition, remeasurement of shares in GASA to fair value generated a gain of approximately 136, which has been recorded in the second quarter of 2013 under Income on investments in companies account in the comprehensive income statement of YPF for the year ended December 31, 2013.

Income and expenses from ordinary activities of GASA since the acquisition date included in the financial statements of the YPF for the year 2013:	Revenues	1,363
	Cost of sales	(1,044)
	Gross profit	319
	Other operating expenses	(266)
	Operating income	53
	Financial result, net	(326)
	Income tax	139
	Net loss for the year	(134)

Income and expenses from ordinary activities of GASA since the beginning 2013 and until December 31, 2013:	Revenues	1,848
	Cost of sales	(1,425)
	Gross profit	423
	Other operating expenses	(394)
	Operating income	29
	Financial result, net	721[(1)]
	Income tax	(253)
	Net income for the year	497

(1) Includes the gain as a result of debt restructuring of Metrogas and GASA prior to the acquisition date for a total amount of 1,141

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On June 4, 2013, YPF, Pluspetrol Resources Corporation B.V. (PPRC) and Pluspetrol Energy S.A. (PPE) signed an agreement to carry out a spin off PPE, without dissolving it, and allocate part of their assets to create a new spun off company.

This spin-off was done with effective date on August 1, 2013 and as a consequence, YPF Energía Eléctrica S.A. was created (spun off company), on which YPF directly or indirectly holds 100% interest and YPF withdrew its participation in PPE.

As a result of the spin off, YPF Energía Eléctrica S.A. maintained the electric generation business, previously operated by PPE, and a 27% interest in Ramos Consortium.

The main characteristics of the transaction, as well as information to enable users of the financial statements to assess the nature and financial effects of the business combination resulting from the aforementioned operation as IFRS requires, are described below.

Name and description of the parent company:	Pluspetrol Energy S.A. On July 31, 2013, YPF had 45% interest on its capital.	
Name and description of the spun off company:	YPF Energía Eléctrica S.A. The main goal of this company is the electric generation business operating two power plants in the province of Tucuman, plus a 27% interest in the Ramos Consortium dedicated to the Exploration and Production of Hydrocarbons.	
The spin off date:	July 31, 2013	
Fair value of the consideration transferred and fair value of the main assets of the acquisition:	The fair value of the net assets and liabilities transferred to the company s spin off process, amounted to 485. Below are the main items:	
	Trade receivables	65
	Fixed assets	638
	Accounts payables	77
	Loans	52
	Social security and other taxes payables	50
	Deferred income tax liabilities	35
	Other Liabilities	4
	Prior to the transaction, the carrying amount of the investment in PPE was 350 and YPF maintained a 115 translation difference reserve in relation with the mentioned investment. As a consequence of the spin-off, the fair value of the assets and liabilities emerging from the spin-off of Pluspetrol Energy S.A. generated a gain of approximately 20, that was recorded in the second semester of 2013 under the Income on investments in companies account in the comprehensive income statement of the Company for the year ended December 31, 2013.	
Income and expenses from ordinary activities of YPF Energía Eléctrica since the acquisition date included	Revenues	266
	Cost of sales	(162)
	Gross profit	104
	Other operating expenses	8

in the financial statements of the	Operating income	112
Company for the year ended	Financial results, net	(16)
December 31, 2013:	Income tax	(28)
	Net income for the year	68

3. FINANCIAL RISK MANAGEMENT

The Group´s activities involve various types of financial risks: market risk (including exchange rate risk, interest rate risk and price risk, credit risk, liquidity risk, and capital risk). The Group maintains an organizational structure and systems that allow the identification, measurement and control of the risks to which it is exposed.

Market Risk

The market risk to which the Group is exposed is the possibility that the valuation of the Group s financial assets or financial liabilities as well as certain expected cash flows may be adversely affected by changes in interest rates, exchange rates or certain other price variables.

The following is a description of these risks as well as a detail of the extent to which the Company is exposed and a sensitivity analysis of possible changes in each of the relevant market variables.

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Exchange Rate Risk

The value of financial assets and liabilities denominated in a currency different from the Company´s functional currency is subject to variations resulting from fluctuations in exchange rates. Since YPF s functional currency is the U.S. dollar, the currency that generates the greatest exposure is the Argentine peso, the Argentine legal currency.

The Group does not use derivatives as a hedge against exchange rate fluctuations. While during this fiscal year the Group started to operate with US dollars future exchange rate agreements, for IFRS 7 Financial instruments: disclosures no exchange rate risk arises from financial instruments denominated in the Entity´s functional currency.

Otherwise, according to the Company s functional currency, and considering the translation process to presentation currency, the fluctuations in the exchange rate related to the financial assets and liabilities´ value in pesos does not have any effect in the Other comprehensive income in Shareholders equity.

The following table provides a breakdown of the effect a variation of 10% in the prevailing exchange rates on the Group s net income, taking into consideration the exposure of financial assets and liabilities denominated in pesos as of December 31, 2015

	Appreciation (+) / depreciation (-) of exchange rate of peso against dollar	Income(loss) for fiscal year ended December 31, 2015
Impact on net income before income tax corresponding to financial assets and liabilities	+10%	1,912
	-10%	(1,912)

Interest Rate Risk

The Group is exposed to risks related to interest rates to different extents, according to the different types of maturities and currencies in which a loan was borrowed or cash was invested.

The Company s short-term financial liabilities as of December 31, 2014 include negotiable obligations, pre-financing of exports and imports´ financing arrangements, local bank credit lines and financial loans with local and international financial institutions. Long-term financial liabilities include negotiable obligations and financial loans with local and international financial institutions. Approximately 73% (77,538) of the total of the financial loans of the Group is denominated in U.S. dollars and the rest in Argentine pesos, as of December 31, 2015. These loans are basically used for working capital and investments.

Financial assets mainly include, in addition to trade receivable which have low exposure to interest rate risk, bank deposits, fixed-interest deposits and investments in mutual funds such as money market or short-term fixed interest rate instruments.

Historically, the strategy for hedging interest rates is based on the fragmentation of financial counterparts, the diversification of the types of loans taken and, essentially, the maturities of such loans, taking into consideration the different levels of interest along the yield curve in pesos or U.S. dollars, and the amount of the loans based on future expectations and the timing of the future investment outlays to be financed.

The Group does not usually use derivative financial instruments to hedge the risks associated with interest rates.

Changes in interest rates may affect the interest income or expenses derived from financial assets and liabilities tied to a variable interest rate. Additionally, the fair value of financial assets and liabilities that accrue interests based on fixed interest rates may also be affected.

The table below provides information about the financial assets and liabilities as of December 31, 2015 that accrues interest considering the applicable rate:

	December 31, 2015	
	Financial Assets(1)	**Financial Liabilities(2)**
Fixed interest rate	667	74,386
Variable interest rate	27	31,365
Total	694	105,751

(1) It only includes temporary investments and loans to related companies. Does not include trade receivables which mostly do not accrue interest.

(2) Includes only financial loans. Does not include accounts payable which mostly do not accrue interest.

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The portion of liabilities which accrues variable interest rate is mainly exposed to the fluctuations in LIBOR and BADLAR. Approximately 22,564 accrues variable interest of BADLAR plus a maximum spread of 4.75% and 8,801 accrues variable interest of LIBOR plus a spread between 4% and 7.5%.

The table below shows the estimated impact on the consolidated comprehensive income that an increase or decrease of 100 basis points in the interest rate would have.

	Increase (+) / decrease (-) in the interest rates (basis points)	Income(loss) for fiscal year ended December 31, 2015
Impact on the net income after	+100	(129)
income tax	-100	129

Other Price Risks

The Group is not significantly exposed to commodity price risks, as a result, among other reasons, of the existing regulatory, economic and government policies, which determines that local prices charged for gasoline, diesel and other fuels are not affected in the short-term by fluctuations in the price of such products in international and regional markets. Additionally, the Group is reached by certain regulations that affect the determination of export prices received by the Group, such as those mentioned in Notes 1.b.15 and 11.c, which consequently limits the effects of short-term price volatility in the international market.

In addition, the Group is exposed to the own price risk for investments in financial instruments (mutual funds and US dollars future exchange rate agreements), which were classified in the statement of financial position as at fair value through profit or loss . The Group continuously monitors the change in these investments for significant movements.

As of December 31, 2015, the aggregate value of investments in financial assets at fair value through profit or loss amounts to 1,578.

The following table shows the effect that a 10% variation in the prices of investments in financial instruments would have on the Company s results as of December 31, 2015:

	Increase (+) / decrease (-) in the prices of investments in financial	Profit (loss) for the year ended December 31, 2015
Impact on the net result before	+10%	391
income tax	-10%	(453)

Liquidity Risk

Liquidity risk is associated with the possibility of a mismatch between the need of funds to meet short, medium or long term obligations.

As mentioned in previous paragraphs, the Group intends to align the maturity profile of its financial debt to be related to its ability to generate enough cash flows for its payment, as well as to finance the projected expenditures for each year. As of December 31, 2015 the availability of liquidity reached 20,087, considering cash for 13,920, other liquid financial assets for 1,467 and available credit lines with banks for 4,700. Additionally, YPF has the ability to issue debt under the negotiable obligations global program originally approved by the Shareholders meeting in 2008 expanded in September 2012, in April 2013 and in February 2015 (see Note 6.j).

After the process which concluded with the change of shareholders mentioned in Note 8, the Group is still focused in structuring more efficiently the structure of maturity of its debt, in order to facilitate the daily operations and to allow the proper financing of planned investments.

To this end, the Group operates derivative financial instruments (US dollars future exchange rate agreements) as a way of managing liquidity risk. As of December 31, 2015, there are US dollars future exchange rate agreements with maturities between February and May 2016. These amount to 464 (see Note 5).

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The following table sets forth the maturity dates of the Company s financial liabilities as of December 2015:

	December 31, 2015 Maturity date						
	0 - 1 year	**1 - 2 years**	**2 - 3 years**	**3 - 4 years**	**4 - 5 years**	**More than 5 years**	**Total**
Financial Liabilities							
Accounts Payable (1)	39,511	514				103	40,128
Loans	27,817	6,888	21,928	3,892	5,914	39,312	105,751

(1) The amounts disclosed are the contractual, undiscounted cash flows associated to the financial liabilities given that they do not differ significantly from their face values

Most of the Company s financial debt contains usual covenants for contracts of this nature. Additionally, approximately 50% of the outstanding financial debt as of December 31, 2015 is subject to financial covenants related to the leverage ratio and debt service coverage ratio of the Company.

A portion of the financial debt provides that certain changes in control with respect to the Company may constitute an event of default. In addition, part of the financial debt also contains cross default or cross acceleration provisions (the Acceleration Clauses) which may result in their advanced enforceability if the debt containing provisions related to change of control becomes in default.

Credit Risk

Credit risk is defined as the possibility of a third party not complying with its contractual obligations, thus negatively affecting results of operations of the Group.

Credit risk in the Group is measured and controlled on an individual customer basis. The Group has its own systems to conduct a permanent evaluation of credit performance of all of its debtors, and the determination of risk limits with respect to third parties, in line with best practices using for such end internal customer records and external data sources.

Financial instruments that potentially expose the Group to a concentration of credit risk consist primarily of Cash and cash equivalents, trade receivables and other receivables. The Group invests excess cash primarily in high liquid investments with financial institutions with a strong credit rating both in Argentina and abroad. In the normal course of business and based on ongoing credit evaluations to its customers, the Group provides credit to its customers and certain related parties. Likewise, the Group accounts for doubtful trade losses in the Statement of Comprehensive Income, based on specific information regarding its clients. As of the date of these consolidated financial statements, the Company s customer portfolio is diversified.

The provisions for doubtful accounts are measured by the following criteria:

The aging of the receivable;

The analysis of the customer s capacity to return the credit granted, also taking into consideration special situations such as the existence of a voluntary reorganization petition, bankruptcy and arrears, guarantees, among others.

The maximum exposure to credit risk of the Group as of December 31, 2015 based on the type of its financial instruments and without excluding the amounts covered by guarantees and other arrangements mentioned below, is set forth below:

	Maximum exposure as of December 31, 2015
Cash and cash equivalents	15,387
Other financial assets	29,743

Considering the maximum exposure to the risk of the Other financial assets based on the concentration variable of the counterparties, the credit with the National Government and direct agencies accounts for 44% (12,848) while the Group s remaining debtors are diversified.

Following is the breakdown of the financial assets past due as of December 31, 2015.

	Current trade receivable	**Other current receivables**
Less than three months past due	4,395	1,557
Between three and six months past due	952	112
More than six months past due	1,991	197
	7,338	1,866

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At such date, the provision for doubtful trade receivables amounted to 848 and the provisions for other doubtful receivables amounted to 33. These provisions are the Group´s best estimate of the losses incurred in relation with accounts receivables.

Guarantee Policy

As collateral of the credit limits granted to customers, the Group has several types of guarantees received from them. In the service stations and distributors market, where generally long-term relationships with customers are established, mortgages prevail. For foreign customers prevail the joint and several bonds from their parent companies. In the industrial and transport market, bank guarantees prevail. With a lower presence, the Group has also obtained other guarantees as credit insurances, surety bonds, guarantee customer   supplier, car pledges, etc.

The Group has effective guarantees granted by third parties for a total amount of 6,277, 3,676 and 2,131 as of December 31, 2015, 2014 and 2013, respectively.

During the year ended December 31, 2015, the Group executed guarantees received for an amount of 2. As of December 31, 2014 and 2013, the Group executed guarantees received for an amount of 1 and 4, respectively.

4. SEGMENT INFORMATION

The different segments in which the Group is organized have in consideration the different activities from which the Group obtains income and incurs expenses. The mentioned organizational structure is based on the way in which the highest authority in the operational decision-making process analyzes the main financial and operating magnitudes while making decisions about resource allocation and performance assessment also considering the Group´s business strategy.

Exploration and production: it covers the exploration and production of hydrocarbons, including contractual purchases of natural gas and purchase of crude oil arising from service contracts and concession obligations, as well as crude oil and natural gas intersegment sales

Downstream: it covers the refining, petrochemistry, transport, purchase of crude oil and natural gas to third parties and intersegment, and marketing of crude oil, natural gas, refined products, petrochemicals, electric power generation and natural gas distribution. Grouping those businesses in a single segment is mainly because they are aligned in strategy, which is shared among them, considering the operational synergies generated between refining and petrochemical businesses, having the focus on maximizing fuel offered to the market carried out by the commercial department, in respect to volume and quality.

Corporate and Other: it covers other activities, not falling into these categories, principally including corporate administrative expenses and assets, construction activities, the environmental remediation and other legal expenses according to the controlled company YPF Holdings (see Note 10).

Sales between business segments were made at internal transfer prices established by the Company, which generally seek to approximate to market prices.

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Operating income and assets for each segment have been determined after consolidation adjustments.

	Exploration and Production	Downstream	Corporate and Other	Consolidation Adjustments[1]	Total
For the year ended December 31, 2015					
Revenues from sales	16,044	138,962	1,130		156,136
Revenues from intersegment sales	64,243	1,535	6,182	(71,960)	
Revenues	80,287	140,497	7,312	(71,960)	156,136
Operating income (loss)	7,535	8,446	(2,331)	2,938	16,588
Income (loss) on investments in companies		318			318
Depreciation of fixed assets	23,075	3,168	442		26,685
Impairment of fixed assets and intangible assets [4]	2,535				2,535
Acquisition of fixed assets	48,598	9,343	1,939		59,880
Assets	223,035	113,805	26,708	(95)	363,453
For the year ended December 31, 2014					
Revenues from sales	8,853	132,254	835		141,942
Revenues from intersegment sales	61,844	1,489	5,212	(68,545)	
Revenues	70,697	133,743	6,047	(68,545)	141,942
Operating income (loss)	12,353	10,978	(3,343)	(246)	19,742
Income (loss) on investments in companies	(10)	568			558
Depreciation of fixed assets	17,180	2,445	311		19,936
Acquisition of fixed assets [2]	41,371	8,392	1,408		51,171
Assets	126,228	68,509	16,356	(2,539)	208,554
For the year ended December 31, 2013					
Revenues from sales	3,851	85,624	638		90,113
Revenues from intersegment sales	38,846	1,147	2,285	(42,278)	
Revenues	42,697	86,771	2,923	(42,278)	90,113
Operating income (loss)	6,324	6,721	(1,522)	(363)	11,160
Income (loss) on investments in companies	(93)	446			353
Depreciation of fixed assets [3]	9,591	1,452	193		11,236
Acquisition of fixed assets [3]	28,849	4,903	453		34,205
Assets	70,775	51,336	15,161	(1,677)	135,595

(1) Correspond to the elimination of income among segments of the group YPF.
(2) Investments in fixed assets net of increases corresponding to YSUR Group at acquisition date, Joint Operations Puesto Hernández and Las Lajas, and La Ventana agreement at acquisition date of the additional interest. See Note 2.
(3) Investments and depreciations of fixed assets net of increases corresponding to GASA at acquisition date and YPF Energía Eléctrica at spin-off date (see Note 2).
(4) See Note 1.c).

The distribution of revenues by geographic area, according to the markets for which they are intended, for the years ended on December 31, 2015, 2014 and 2013, and fixed assets by geographic area as of December 31, 2015, 2014 and 2013 are as follows:

	Revenues			Fixed assets		
	2015	**2014**	**2013**	**2015**	**2014**	**2013**
Argentina	143,851	126,539	78,070	269,914	156,415	93,255
Mercosur and associated countries	6,302	8,298	6,461	553	38	20
Rest of America	4,175	4,753	4,022	438	477	221
Europe	1,808	2,352	1,560			
Total	156,136	141,942	90,113	270,905	156,930	93,496

As of December 31, 2015 no foreign client represents 10% or more of the Group´s revenue from its ordinary activities.

5. FINANCIAL INSTRUMENTS BY CATEGORY

The following tables show the financial assets and liabilities by category of financial instrument and a reconciliation to the corresponding line item in the statements of financial position, as appropriate. Since the line items Trade receivables , Other receivables and Accounts payable contain both financial instruments and non-financial assets and liabilities (such as tax receivables, and receivables and payables in kind, among other) reconciliation is presented in the columns headed Non-financial assets and Non-financial Liabilities .

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	2015				
Financial Assets	**Financial Assets at amortized cost**	**Financial Assets at fair value through profit or loss**	**Subtotal Financial Assets**	**Non-financial Assets**	**Total**
Other receivables (excluding provision for other doubtful receivables)	6,392		6,392	15,574	21,966
Trade receivables (excluding provision for doubtful trade receivables)	23,428		23,428		23,428
Investment in financial assets		804	804		804
Cash and cash equivalents	14,613	774	15,387		15,387
	44,433	1,578	46,011	15,574	61,585

	2014				
Financial Assets	**Financial Assets at amortized cost**	**Financial Assets at fair value through profit or loss**	**Subtotal Financial Assets**	**Non-financial Assets**	**Total**
Other receivables (excluding provision for other doubtful receivables)	3,096		3,096	5,875	8,971
Trade receivables (excluding provision for doubtful trade receivables)	13,063		13,063		13,063
Cash and cash equivalents	8,223	1,535	9,758		9,758
	24,382	1,535	25,917	5,875	31,792

	2013				
Financial Assets	**Financial Assets at amortized cost**	**Financial Assets at fair value through profit or loss**	**Subtotal Financial Assets**	**Non-financial Assets**	**Total**
Other receivables (excluding provision for other doubtful receivables)	4,018		4,018	5,517	9,535
Trade receivables (excluding provision for doubtful trade receivables)	8,126		8,126		8,126
Cash and cash equivalents	8,691	2,022	10,713		10,713
	20,835	2,022	22,857	5,517	28,374

	2015				
Financial Liabilities	**Financial Liabilities at amortized cost**	**Financial liabilities at fair value through profit or loss**	**Subtotal financial liabilities**	**Non-financial Liabilities**	**Total**
Accounts Payable	40,128		40,128	476	40,604
Loans	105,751		105,751		105,751
	145,879		145,879	476	146,355

	2014				
Financial Liabilities	**Financial Liabilities at amortized cost**	**Financial liabilities at fair value through profit or loss**	**Subtotal financial liabilities**	**Non-financial Liabilities**	**Total**
Accounts Payable	30,552		30,552	420	30,972
Loans	49,305		49,305		49,305
Provisions	718		718	28,245	28,963
	80,575		80,575	28,665	109,240

	2013				
Financial Liabilities	**Financial Liabilities at amortized cost**	**Financial liabilities at fair value through profit or loss**	**Subtotal financial liabilities**	**Non-financial Liabilities**	**Total**
Accounts Payable	20,319		20,319	463	20,782
Loans	31,890		31,890		31,890
Provisions	485		485	20,083	20,568
	52,694		52,694	20,546	73,240

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Gains and losses on financial instruments are allocated to the following categories:

	2015		
	Financial and non-financial Assets / Liabilities at amortized cost	Financial Assets / Liabilities at fair value through profit or loss	Total
Interest income	1,638		1,638
Interest loss	(8,618)		(8,618)
Financial accretion	(1,987)		(1,987)
Exchange differences , net	20,214		20,214
Fair value gains on financial assets at fair value through profit or loss		446	446
Gains on derivative financial instruments		464	464
	11,247	910	12,157

	2014		
	Financial and non-financial Assets / Liabilities at amortized cost	Financial Assets / Liabilities at fair value through profit or loss	Total
Interest income	1,029		1,029
Interest loss	(5,456)		(5,456)
Financial accretion	(1,880)		(1,880)
Exchange differences, net	7,782		7,782
Fair value gains on financial assets at fair value through profit or loss		297	297
	1,475	297	1,772

	2013		
			Total

	Financial and non-financial Assets / Liabilities at amortized cost	Financial Assets / Liabilities at fair value through profit or loss	
Interest income	821		821
Interest loss	(2,514)		(2,514)
Financial accretion	(1,319)		(1,319)
Exchange differences , net	5,744		5,744
Fair value gains on financial assets at fair value through profit or loss		103	103
	2,732	103	2,835

Fair value measurements

IFRS 9 defines the fair value of a financial instrument as the amount for which an asset could be exchanged, or a financial liability settled, between knowledgeable, willing parties in an arm s length transaction. All financial instruments recognized at fair value are allocated to one of the valuation hierarchy levels of IFRS 7. This valuation hierarchy provides for three levels.

In the case of Level 1, valuation is based on unadjusted quoted prices in active markets for identical financial assets or liabilities that the Group can refer to at the end of the period. A market is deemed active if transactions take place with sufficient frequency and in sufficient quantity for price information to be available on an ongoing basis. Since a quoted price in an active market is the most reliable indicator of fair value, this should always be used if available. Financial instruments assigned by the Group to this level comprise investments in listed mutual funds, and financial derivate.

In the case of Level 2, fair value is determined by using valuation methods based on inputs directly or indirectly observable in the market. If the financial instrument concerned has a fixed contract period, the inputs used for valuation must be observable for the whole of this period. The Group has not valued financial instruments under this category.

In the case of Level 3, the Group uses valuation techniques not based on inputs observable in the market. This is only permissible insofar as no market data are available. The inputs used reflect the Group s assumptions regarding the factors which market players would consider in their pricing. The Group uses the best available information for this, including internal company data. The Group has not valued financial instruments under this category.

YPF Finance Division has a team in place in charge of estimating valuation of financial instruments required to be reported in the financial statements, including the fair value of Level-3 instruments. The team directly reports to the Chief Financial Officer (CFO). The CFO and the valuation team discuss the valuation methods and results upon the acquisition of a financial instrument and, if necessary, on a quarterly basis, in line with the Group s quarterly reports.

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The Group s policy, transfers among the several categories of valuation hierarchies are recognized when occurred, or when there are changes in the prevailing circumstances requiring the transfer.

In addition, no transfer has occurred among the different hierarchies used to determine the fair value of the Group s financial instruments.

The tables below show the Group s financial assets and liabilities measured at fair value as of December 31, 2015, 2014 and 2013 and their allocation to their fair value levels.

	2015			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in financial assets:				
- Mutual funds	340			340
- Other financial assets	464			464
Cash and cash equivalents:				
- Mutual funds	774			774
	1,578			1,578

	2014			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents:				
- Mutual funds	1,535			1,535
	1,535			1,535

	2013			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents:				
- Mutual funds	2,022			2,022
	2,022			2,022

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) for the other financial loans remaining, amounted to 106,336, 53,108 and 33,784 as of December 31, 2015, 2014 and 2013, 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

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6. ANALYSIS OF THE MAIN ACCOUNTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

6.a) Intangible assets:

	2015	2014	2013
Net book value Intangible assets	7,359	4,393	2,446
Provision for impairment of intangible assets (Note 1.c)	(80)		
	7,279	4,393	2,446

Changes in Group s intangible assets for the year ended December 31, 2015 and comparative information as follows:

	2015				
	Cost				
Main account	At beginning of year	Increases	Translation effect	Decreases and reclassifications	At the end of year
Service concession	5,707	653	3,218	(51)	9,527
Exploration Rights	1,975	270	928	(183)	2,990
Other intangibles	2,607	190	1,443	20	4,260
Total 2015	10,289	1,113	5,589	(214)	16,777
Total 2014	6,597	3,734(1)	2,205	(2,247)(1)(2)	10,289
Total 2013	4,443	624	1,547	(17)	6,597

	2015						2014	2013
	Amortization							
Main account	At beginning of year	Increases	Translation effect	Decreases and reclassifications	At the end of year	Net book value	Net book value	Net book value
Service consession	3,476	180	1,904	(6)	5,554	3,973	2,232	1,366
Exploration Rights	150		5		155	2,835	1,825	793
Other Intangibles	2,270	143	1,296		3,709	551	336	287
Total 2015	5,896	323	3,205	(6)	9,418	7,359		
Total 2014	4,151	469	1,314	(38)	5,896		4,393	
Total 2013	2,951	197	1,027	(24)	4,151			2,446

(1) Includes 2,784, of acquisitions corresponding to YSUR Group in Argentina at the time on the acquisition date and 1,538 of disposal of assets for the transfer of areas to Pluspetrol S.A.., resectivelly . See note 2.

(2) Includes 682 reclasified to Mineral property, wells and related equipment of Fixed Assets as of December 31, 2014.

6.b) Fixed assets:

	2015	2014	2013
Net book value of fixed assets	274,122	157,243	93,662
Provision for obsolescence of materials and equipment	(762)	(313)	(166)
Provision for impairment of fixed assets (Note 1.c)	(2,455)		
	270,905	156,930	93,496

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Changes in Group s fixed assets for the year ended December 31, 2015 and comparative information as follows:

	2015				
	Cost				
Main account	**At beginning of year**	**Increases**	**Translation effect**	**Decreases and reclassifications**	**At the end of year**
Land and buildings	9,084	23	4,630	212	13,949
Mineral property, wells and related equipment	265,376	(1,140)	155,844	37,986[10]	458,066
Refinery equipment and petrochemical plants	42,081	7	23,707	3,634	69,429
Transportation equipment	2,160	5	1,155	330	3,650
Materials and equipment in warehouse	8,241	7,823	4,432	(7,018)	13,478
Drilling and work in progress	45,051	50,139	24,005	(42,392)	76,803
Exploratory drilling in progress[2]	1,781	2,767	992	(1,893)	3,647
Furniture, fixtures and installations	3,314	36	1,865	388	5,603
Selling equipment	5,520	1	3,640	1,617	10,778
Infrastructure for natural gas distribution	2,722			209	2,931
Electric power generation facilities	1,567			6	1,573
Other property	5,502	219	2,633	(63)	8,291
Total 2015	392,399	59,880[6]	222,903	(6,984)[4]	668,198
Total 2014	258,603	58,613[3][5][6]	79,302	(4,119)[4][11]	392,399
Total 2013	170,843	39,220[6][7][8]	59,121	(10,581)[9]	258,603

	2015						2014	2013
	Amortization							
Main account	**At beginning of year**	**Increases**	**Translation effect**	**Decreases and reclassifications**	**At the end of year**	**Net book value**	**Net book value**	**Net book value**
Land and buildings	3,779	211	1,934	(4)	5,920	8,029	5,305	4,161
Mineral property, wells and related equipment	192,170	22,884	110,301	(433)[10]	324,922	133,144[1]	73,206[1]	46,205[1]

Refinery equipment and petrochemical plants	24,842	2,289	14,019	(12)	41,138	28,291	17,239	11,656
Transportation equipment	1,455	218	773	(54)	2,392	1,258	705	444
Materials and equipment in warehouse						13,478	8,241	5,576
Drilling and work in progress						76,803	45,051	19,840
Exploratory drilling in progress[2]						3,647	1,781	927
Furniture, fixtures and installations	2,817	323	1,559		4,699	904	497	277
Selling equipment	4,215	345	2,361		6,921	3,857	1,305	1,050
Infrastructure for natural gas distribution	1,116	68		(3)	1,181	1,750	1,702	1,615
Electric power generation facilities	1,171	112			1,283	290	396	482
Other property	3,591	235	1,796	(2)	5,620	2,671	1,815	1,429
Total 2015	235,156	26,685	132,743	(508)[4]	394,076	274,122		
Total 2014	164,941	19,936	50,671	(392)[4][11]	235,156		157,243	
Total 2013	113,740	13,830[7][8]	38,901	(1,530)[9]	164,941			93,662

(1) Includes 8,435, 6,343 and 3,748 of mineral property as of December 31, 2015, 2014 and 2013, respectively.

(2) As of December 31, 2015, there are 58 exploratory wells in progress. During year ended on such date, 47 wells were drilled, 27 wells were charged to exploratory expense, 14 were transferred to proved properties which are included in the account Mineral property, wells and related equipment and 3 wells were assigned.

(3) Includes 858, 210 and 866 of increases corresponding to Puesto Hernandez, Las Lajas, and Bajada Añelo Amarga Chica joint operations, respectively and 39 corresponding to the La Ventana agreement, on the additional interest acquisition date.

(4) Includes 6 and 32 of net book value charged to fixed assets provisions for the years ended December 31, 2015 and 2014, respectively.

(5) Includes 5,469 of increases corresponding to YSUR Group in Argentina on the acquisition date. See Note 2.

(6) Includes (1,281), (268) and 4,357 corresponding to hydrocarbon wells abandonment costs for the years ended December 31, 2015, 2014 and 2013, respectively.

(7) Includes 1,878 and 1,242 of increases and accumulated depreciation, respectively, corresponding to YPF Energía Eléctrica at the split-off date.

(8)

Includes 3,137 and 1,352 of increases and accumulated depreciation, respectively, corresponding to GASA on the acquisition date.

(9) Includes among others, 6,708 from the decrease of assets related to the investment project agreement (see Note 11.c) and the write-down of the assets of Coke A unit as a consequence of the incident in La Plata refinery on April 2013, as a result of the storm that took place in that city.

(10) Includes (2,671) of net book value for El Orejano area; (226) corresponding to derecognition of changes of interest in Magallanes area; and (8) corresponding to derecognition of Puesto Cortadera area.

(11) Includes (325) of derecognition of areas transferred by YPF and YSUR mentioned in Note 2.

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The Group capitalizes the financial cost as a part of the cost of the assets. For the year ended December 31, 2015, 2014 and 2013 the rate of capitalization has been 12.01%, 12.29% and 12.03%, respectively and the amount capitalized amounted to 1,003, 574 and 605, respectively for the years above mentioned.

Set forth below is the evolution of the provision for obsolescence of materials and equipment for the years ended December, 31 2015, 2014 and 2013:

	2015	2014	2013
Amount at beginning of year	313	166	132
Increase charged to expenses	243	133	16
Decreases charged to income		(4)	
Amounts incurred due to utilization	(6)	(32)	
Translation differences	212	50	18
Amount at end of year	762	313	166

Set forth below is the cost evolution for the exploratory wells in evaluation stage as of the years ended on December 31, 2015, 2014 and 2013:

	2015	2014	2013
Amount at beginning of year	993	710	815
Additions pending the determination of proved reserves	1,219	921	424
Decreases charged to exploration expenses	(479)	(336)	(255)
Decrease of assets assignment	(466)	(336)	
Reclassifications to mineral property, wells and related equipment with proved reserves	(89)	(188)	(481)
Translation difference	599	222	207
Amount at end of year	1,777	993	710

The following table shows the capitalized cost for exploratory wells for a period greater than a year and the number of projects related as of December 31, 2015.

	Amount	Number of projects	Number of Wells
Between 1 and 5 years	242	3	3

6.c) Investments in companies:

	2015	2014	2013
Investments in companies (Notes 7 and 16)	4,384	3,189	2,136

Provision for impairment of investments in companies	(12)	(12)	(12)
	4,372	3,177	2,124

6.d) Inventories:

	2015	2014	2013
Refined products	10,709	7,720	5,713
Crude oil and natural gas	7,155	4,187	3,451
Products in process	169	99	115
Construction works in progress for third parties	85	271	107
Raw materials, packaging materials and others	1,140	724	495
	19,258[(1)]	13,001[(1)]	9,881[(1)]

(1) As of December 31, 2015, 2014 and 2013, the fair value of the inventories does not differ, significantly, from their cost.

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6.e) Other receivables:

	2015		2014		2013	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Trade		928		664		377
Tax credit, export rebates and production incentives	304	8,058	130	1,066	22	1,233
Trust contributions - Obra Sur	30	18	56	22	67	34
Loans to clients and balances with Related parties[(1)]	297	2,366	231	53	517	81
Collateral deposits	318	895	528	435	397	253
Prepaid expenses	198	682	39	451	11	490
Advances and loans to employees	8	285	7	299	3	166
Advances to suppliers and custom agents[(2)]		3,147		2,224		1,062
Receivables with partners in Joint Operations and agreements	1,118	1,881	612	764	1,852[(3)]	595[(3)]
Insurance receivables (Note 11.b)		808		1,068		1,956
Miscellaneous	241	384	95	227	62	357
	2,514	19,452	1,698	7,273	2,931	6,604
Provision for other doubtful receivables	(13)	(39)		(102)		(98)
Provision for valuation of other receivables to their estimated recoverable value			(7)	(1)	(4)	
	2,501	19,413	1,691	7,170	2,927	6,506

(1) See Note 12 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.
(3) Includes the receivables related to the investment agreement with Chevron Corporation (see Note 11.c).

6.f) Trade receivables:

	2015		2014		2013	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Accounts receivable and related parties[(1)]	469	22,959	26	13,037	60	8,066
Provision for doubtful trade receivables		(848)	(7)	(866)	(6)	(652)
	469	22,111	19	12,171	54	7,414

(1) See Note 12 for information about related parties.

Changes in the provision for doubtful trade receivables

	2015		**2014**		**2013**	
	Noncurrent	**Current**	**Noncurrent**	**Current**	**Noncurrent**	**Current**
Amount at beginning of year	7	866	6	652	5	494
Increases charged to expenses		313		210		191
Decreases charged to income		(412)		(41)		(73)
Amounts incurred due to utilization	(7)	(17)		(4)	1	
Translation differences		98	1	49		40
Amount at end of year		848	7	866	6	652

6.g) Cash and cash equivalents:

	2015	**2014**	**2013**
Cash	13,920	6,731	4,533
Short-term investments	693	1,492	4,158
Financial assets at fair value through profit or loss	774	1,535	2,022
	15,387	9,758	10,713

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6.h) Provisions:

	Provision for pending lawsuits and contingencies		**Provision for environmental liabilities**		**Provision for hydrocarbon wells abandonment obligations**		**Provision for pensions**	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount as of December 31, 2014	7,014	851	1,269	1,145	18,087	376	194	27
Increases charged to expenses	2,062	95	986		1,694		23	
Decreases charged to income	(434)	(141)			(314)			(13)
Amounts incurred due to payments/utilization		(374)		(1,030)		(283)		(71)
Exchange and translation differences, net	2,383	10	464	186	10,109	159	102	17
Change of interest in Joint Operation charged to expenses						(504)		
Reclassifications and other	(650)	(292)	(1,099)	1,099	(2,196)[(1)]	681[(1)]	(71)	71
Amount as of December 31, 2015	10,375	149	1,620	1,400	27,380	429	248	31

	Provision for pending lawsuits and contingencies		**Provision for environmental liabilities**		**Provision for hydrocarbon wells abandonment obligations**		**Provision for pensions**	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount as of December 31, 2013	5,020	159	764	926	13,220	289	168	22
Increases charged to expenses	3,367	24	1,066		1,366	3	11	
Decreases charged to income	(465)	(82)					(27)	
Increase from subsidiaries acquisition	20		21	2	724	14		
Increase from joint operation interest acquisition					339	153		
Amounts incurred due to payments/utilization	(5)	(1,126)		(621)	(61)	(136)	(14)	(11)
Exchange and translation differences, net	930	23	175	81	2,772	48	67	5
Reclassifications and other	(1,853)	1,853	(757)	757	(273)[(1)]	5[(1)]	(11)	11
Amount as of December 31, 2014	7,014	851	1,269	1,145	18,087	376	194	27

	Provision for pending lawsuits and contingencies		Provision for environmental liabilities		Provision for hydrocarbon wells abandonment obligations		Provision for pensions	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount as of December 31, 2012	2,892	122	677	489	6,958	193	136	16
Increases charged to expenses	1,877	29	208	551	719		3	
Decreases charged to income	(90)	(41)						
Amounts incurred due to payments/utilization		(160)		(432)		(105)		(16)
Exchange and translation differences, net	579	9	138	59	1,355	29	46	5
Reclassifications and other	(238)	200	(259)	259	4,188(1)	172(1)	(17)	17
Amount as of December 31, 2013	5,020	159	764	926	13,220	289	168	22

(1) Includes (1,281), (268) and 4,357 from abandonment obligation costs which has counterpart in fixed assets for the years ended on December 31, 2015, 2014 and 2013, respectively; (226) from the derecognition for changes in interest in Magallanes area with counterpart in assets as of December 31.2015; and (8) of the derecongnition of the Puesto Cortadera area with counterpart in assets as of December 31, 2015.

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6.i) Income Tax:

The calculation of the income tax expense accrued for the years ended December 31, 2015, 2014 and 2013 is as follows:

	2015	2014	2013
Current income tax	517	(7,323)	(2,844)
Deferred income tax	(25,154)	(5,900)	(6,425)
	(24,637)	(13,223)	(9,269)

The reconciliation of pre-tax income included in the consolidated statement of comprehensive income, at the statutory tax rate, to the income tax as disclosed in the consolidated statements of comprehensive income for the years ended December 31, 2015, 2014 and 2013, respectively, is as follows:

	2015	2014	2013
Net income before income tax	29,063	22,072	14,348
Statutory tax rate	35%	35%	35%
Statutory tax rate applied to net income before income tax	(10,172)	(7,725)	(5,022)
Effect of the valuation of fixed assets and intangible assets measured in functional currency	(31,200)	(10,064)	(7,186)
Exchange differences	19,164	5,872	4,008
Effect of the valuation of inventories	(2,412)	(1,156)	(807)
Income on investments in companies	111	195	124
Miscellaneous	(128)[(1)]	(345)	(386)
Income tax expense	(24,637)	(13,223)	(9,269)

(1) Includes 301 of tax loss carry-forwards originated during previous years.

Breakdown of deferred tax as of December 31, 2015, 2014 and 2013 is as follows:

	2015	2014	2013
Deferred tax assets			
Provisions and other non-deductible liabilities	3,093	2,479	1,723
Tax losses carry-forward and other tax credits	3,236	222	45
Miscellaneous	83	17	115
Total deferred tax assets	6,412	2,718	1,883

Deferred tax liabilities			
Fixed assets	(45,393)	(19,250)	(11,659)
Miscellaneous	(4,877)	(2,172)	(1,649)
Total deferred tax liabilities	(50,270)	(21,422)	(13,308)
Total deferred tax, net	(43,858)	(18,704)[(1)]	(11,425)

(1) Includes (1,241) arising form the business combination detailed in Note 2.

For fiscal year ended December 31, 2015, YPF estimated a tax loss carry-forward, therefore created a provision for 1,192 for minimum presumed income tax, which was charged to Other current receivables.

Deferred income tax assets are recognized for tax loss carry-forwards to the extent their setoff through future taxable profits is probable. Tax loss carry-forwards in Argentina expire within 5 years.

In order to fully realize the deferred income tax asset, the Group will need to generate taxable income. Based upon the level of historical taxable income and projections for future over the years in which the deferred income tax are deductible, the management believes that as of December 31, 2015 it is probable that the Group will realize all of the deferred income tax assets.

As of December 31, 2015, Group s tax loss carry-forwards at the statutory tax rate were as follows:

Date of generation	Date of expiration	Jurisdiction	Amount
2011	2016	Argentina	4
2012	2017	Argentina	85
2013	2018	Argentina	85
2014	2019	Argentina	134
2015	2020	Argentina	2,928
			3,236

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As of December 31, 2015, 2014 and 2013 the Group did not recognized deferred income tax assets for 4,373, 3,511 and 978, respectively, from which 2,041, 1,953 and 559 corresponds to taxable temporary differences not recoverable and 2,332, 1,558 and 419 corresponds to tax loss carry forwards from a foreign subsidiary, since they do not meet the recognition criteria set forth under IFRS. From the tax loss carry forwards above mentioned, as of December 2015, 957 will expire form 2017, 1,351 from 2032 and 24 have undetermined expiration date.

As of December 31, 2015, 2014 and 2013 the Group has classified as deferred tax asset 954, 244 and 34, respectively, and as deferred tax liability 44,812, 18,948 and 11,459, respectively, all of which arise from the net deferred tax balances of each of the separate companies included in this consolidated financial statements.

Likewise, 100 has not been recorded for minimum presumed income tax, with expiration between 2016 and 2024.

As of December 31 2015, 2014 and 2013, the causes that generate allocations to other comprehensive income, did not create temporary differences for income tax.

6.j) Loans:

				2015		**2014**		**2013**	
	Interest rate [1]		Maturity	Non-current	Current	Non-current	Current	Non-current	Current
Argentine pesos:									
Negotiable obligations	20.83%	29.31%	2016-2024	19,280	2,050	10,858	2,329	9,553	1,666
Loans	15.25%	29.06%	2016-2020	1,224[3]	1,104[3]	847	637	613	580
Account overdraft	24.50%	29.00%	2016		4,425[5]		2,398		111
				20,504	7,579	11,705	5,364	10,166	2,357
Currencies other than the Argentine peso:									
Negociable obligations[2][4]	1.29%	10.00%	2016-2028	52,651	9,981	22,472	1,257	10,921	2,630
Export pre- financing	3.50%	7.20%	2016-2018	1,039	3,680		2,428		1,119
Imports financing	4.00%	6.81%	2016		4,736		2,848		1,601
Loans	2.30%	7.50%	2016-2019	3,740	1,841	1,853	1,378	1,989	1,107
				57,430	20,238	24,325	7,911	12,910	6,457
				77,934	27,817	36,030	13,275	23,076	8,814

(1) Annual interest rate as of December 31, 2015.
(2) Disclosed net of 1,349, 252 and 137 corresponding to YPF s outstanding Negotiable Obligations repurchased through open market transactions as of December 31, 2015, 2014 and 2013, respectively.
(3) Includes 460 corresponding to loans granted by Banco Nación Argentina, of which 210 accrue fixed interest rate of 15% until December 2015 and then accrue variable interest of BADLAR plus a spread of percentage points and and 250 accrue variable interest of BADLAR plus a spread of 4 percentage points with a maximum lending

interest rate of the overall portfolio of Banco Nación. See Note 12.

(4) Includes 9,970, 7,129 and 7,494 as of December 31, 2015, 2014 and 2013, respectively, of face value negotiable obligations, to be cancelled in argentine pesos at the prevailing exchange rate according to terms of issued series.

(5) Includes 1,926 of overdraft granted by Banco Nación Argentina as of December 31, 2015. See Note 12.

The breakdown of the Group s borrowings as of the year ended on December 31, 2015, 2014 and 2013 is as follows:

	2015	2014	2013
Amount at beginning of the year	49,305	31,890	17,104
Proceed form loans	55,158	23,949	16,829
Payments of loans	(24,090)	(13,320)	(6,804)
Decease of loans for El Orejano agreement[2]	(2,373)		
Payments of interest	(6,780)	(5,059)	(2,696)
Accrued interest[1]	8,342	5,447	2,939
Exchange differences and translation, net	26,189	6,398	4,518
Amount at the end of the year	105,751	49,305	31,890

(1) Includes capitalized financial costs. See Note 6.b

(2) See Note 11.

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On February 5, 2015 the General Shareholder s Meeting of YPF approved an increase of the amount of the Global Medium-Term Notes (M.T.N.) Program of the Company for US$ 3,000 million, for a total maximum nominal outstanding amount at any time of the Program of US$ 8,000 million or its equivalent in other currencies.

In December, 2015, YPF and an investors group entered into a purchase and sale agreement whereby YPF purchased 100% of Series A-L Negotiable Obligations (NO) and Additional Series A-L NO (collectively, Series A-L NO) issued by GASA in a principal amount of up to US$ 61.9 million. In consideration therefor, YPF has granted to GASA bondholders the right to underwrite Series XXVI NO, which were issued in December 2015.

As a result of the above (i) YPF issued the relevant waiver to GASA with respect to any and all obligations assumed (including any principal and interest payment) under the Indenture between GASA and The Bank of New York Mellon, dated March 15, 2013, without such waiver implying a Triggering Event; (ii) The Bank of New York Mellon was given due notice of the acquisition of the Series A-L Bonds so that, in its capacity of Trustee, it may proceed to the settlement thereof under the restructuring merger to be executed by YPF with respect to GASA and YPF Inversora Energética S.A., the latter being the current controlling company of GASA as well as a company controlled by YPF and (iii) YPF agreed not to transfer the Series A-L NO until surrender thereof for cancellation.

As a result of the foregoing regarding the merger proceedings, and in compliance with IAS 21 The effects of change in foreign exchange rates guidelines, the exchange difference recognized by GASA in its statement of comprehensive income following the acquisition of Series A-L NO by YPF was accounted for in Other comprehensive income Exchange difference from investments in companies of the Company and will be offset with YPF s translation difference resulting from the merger.

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

	Principal value		Rf.	Class	Interest rate(3)		Principal Maturity	2015 Noncurrent	2015 Current	2014 Noncurrent	2014 Current	No
3	US$	15	(1) (6)		Fixed	10.00%	2028	49	3	62	2	
2	$	200	(2) (6)	Class VII								
2	$	1,200	(2) (4) (6)	Class VIII							809	
2	US$	130	(2) (5) (6)	Class IX								
2	US$	552	(2) (4) (5) (6) (8)	Class X	Fixed	6.25%	2016		7,258	4,690	59	
2	$	2,110	(2) (4) (6) (8)	Class XI	BADLAR plus 4,25%	24.76%	2017	1,055	1,129	2,110	70	
2/3	$	2,828	(2) (4) (6) (8)	Class XIII	BADLAR plus 4,75%	25.52%	2018	2,828	25	2,828	23	
3	$	300	(2) (6)	Class XIV								
3	US$	230	(2) (5) (6)	Class XV								
3	$	300	(2) (6)	Class XVI								
3	$	2,250	(2) (4) (6) (8)	Class XVII	BADLAR plus 2,25%	22.68%	2020	2,250	91	2,250	89	
3	US$	59	(2) (5) (6)	Class XVIII							502	
3	US$	89	(2) (5) (6)	Class XIX	Fixed	1.29%	2017	1,156	3	757	2	
3	$	1,265	(2) (4) (6)	Class XX	BADLAR plus 2,25%	23.01%	2020	1,265	12	1,265	11	
3	$	100	(2) (6)	Class XXI								
3	US$	92	(2) (5) (6)	Class XXII	Fixed	3.50%	2020	630	162	515	107	
3	US$	150	(2) (6)	Class XXIV	Libor plus 7,50%	7.77%	2018	802	471	825	311	
3	$	300	(2) (6)	Class XXV							314	
3/5	US$	862	(2)	Class XXVI	Fixed	8.88%	2018	11,057	33	4,899	16	
3	$	150	(2) (6)	Class XXVII								
4/5	US$	1,325	(2)	Class XXVIII	Fixed	8.75%	2024	17,212	364	8,501	180	
4	$	500	(2) (6) (8)	Class XXIX	BADLAR	20.69%	2020	500	7	500	7	
4	$	379	(2) (6)	Class XXX							384	
4	$	201	(2) (6)	Class XXXI							205	
4	$	465	(2) (6)	Class XXXII	BADLAR plus 3,2%	23.92%	2016		157	155	316	
4	US$	66	(2) (5) (6)	Class XXXIII	Fixed	2.00%	2017	287	574	563	1	
4	$	1,000	(2) (6) (8)	Class XXXIV	BADLAR plus 0,1%	20.83%	2024	1,000	56	1,000	54	
4	$	750	(2) (4) (6)	Class XXXV	BADLAR plus 3,5%	24.23%	2019	750	49	750	47	
5	$	950	(2) (8) (6)	Class XXXVI	BADLAR plus 4,74%	25.37%	2020	950	95			
5	$	250	(7) (2) (6)	Class XXXVII	BADLAR plus 3,49%	25.75%	2017	250	9			
5	$	935	(2) (4) (6)	Class XXXVIII	BADLAR plus 4,75%	25.31%	2020	935	55			
5	US$	1,500	(2)	Class XXXIX	Fixed	8.50%	2025	19,369	1,111			

5	$	500	(2)	Class XL	BADLAR plus 3,49%	23.74%	2017	500	26		
5	$	1,900	(2)(8)	Class XLI	BADLAR	21.69%	2020	1,900	112		
5	$	1,697	(2) (4)	Class XLII	BADLAR plus 4%	25.69%	2020	1,697	119		
5	$	2,000	(2) (8)	Class XLIII	BADLAR	21.06%	2023	2,000	83		
5	$	1,400	(2)	Class XLIV	BADLAR plus 4,75%	29.31%	2018	1,400	25		
3	US$	177		Series A-L	Fixed	8.88%	2018	1,906	2	1,186	1
3	US$	18		Series A-U	Fixed	8.88%	2018	183		120	
3	US$	57		Series A-L						347	76
3	US$	1		Series A-U						7	
								71,931	12,031	33,330	3,586

(1) Corresponds to the 1997 M.T.N. Program for US$1,000 million.
(2) Corresponds to the 2008 M.T.N. Program for US$ 8,000 million.
(3) Interest rate as of December 2015.
(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 financial statements, the Company 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 from the course of twelve months since the date of issuance and liquidation 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.

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6.k) Accounts payable:

	2015		2014		2013	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Trade and related parties[1]	204	38,782	66	28,522	153	18,553
Investments in companies with negative shareholders equity		1		2		127
Extension of Concessions	340	412	332	884	275	1,036
Guarantee deposits	8	467		418	8	328
Miscellaneous	73	317	168	580	34	268
	625	39,979	566	30,406	470	20,312

(1) For more information about related parties, see Note 12.

6.l) Revenues:

	2015	2014	2013
Sales[1]	159,387	147,020	92,978
Production incentive program (Note 11.c)	1,988		
Revenues from construction contracts	455	419	312
Turnover tax	(5,694)	(5,497)	(3,177)
	156,136	141,942	90,113

(1) Includes 12,345, 7,762 and 4,289 for the year ended on December 2015, 2014 and 2013, respectively, associated with revenues related to the natural gas additional injection stimulus program created by Resolution 1/2013 of the Planning and Strategic Coordination Commission of the National Plan of Hydrocarbons Investment. See Note 11.c).

6.m) Cost of sales:

	2015	2014	2013
Inventories at beginning of year	13,001	9,881	6,922
Purchases for the year	33,886	35,951	25,846
Production costs	85,550	68,840	42,980
Translation effect	6,358	2,821	2,227
Inventories at end of year	(19,258)	(13,001)	(9,881)
Cost of sales	119,537	104,492	68,094

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6.n) Expenses:

	2015					2014	2013
	Production costs	Administrative expenses	Selling expenses	Exploration expenses	Total	Total	Total
Salaries and social security taxes	7,566	2,065	1,207	224	11,062	8,031	5,906
Fees and compensation for services	775	1,378[(2)]	280	24	2,457	1,940	1,361
Other personnel expenses	2,303	277	121	42	2,743	1,986	1,370
Taxes, charges and contributions	1,144	259	2,885		4,288[(1)]	5,660[(1)]	3,893[(1)]
Royalties, easements and canons	11,932		17	28	11,977	9,544	5,871
Insurance	831	38	56		925	792	592
Rental of real estate and equipment	3,360	33	394	2	3,789	2,950	1,956
Survey expenses				504	504	251	77
Depreciation of fixed assets	25,706	382	597		26,685	19,936	11,236
Amortization of intangible assets	185	117	21		323	469	197
Industrial inputs, consumable materials and supplies	3,801	27	88	5	3,921	3,522	2,143
Operation services and other service contracts	6,261	237	546		7,044	5,908	3,043
Preservation, repair and maintenance	14,231	248	322	24	14,825	11,812	7,959
Unproductive exploratory drillings				1,425	1,425	1,265	514
Transportation, products and charges	4,796	25	3,756		8,577	6,881	4,805
Provision for doubtful trade receivables			(99)		(99)	169	118
Publicity and advertising expenses		395	292		687	710	265
Contractual commitments	31				31	52	174
Fuel, gas, energy and miscellaneous	2,628	105	616	195	3,544	3,640	2,586
Total 2015	85,550	5,586	11,099	2,473	104,708		
Total 2014	68,840	4,530	10,114	2,034		85,518	
Total 2013	42,980	2,686	7,571	829			54,066

(1) Include approximately 1,220, 1,775 and 1,757 corresponding to export withholdings for years ended December 2015, 2014 and 2013, respectively.

(2) Includes 140 of YPF s Directors and Statutory Auditor s fees and remunerations for all concepts. On April 30, 2015, the General Ordinary and Extraordinary Shareholder s meeting of YPF decided to ratify fees for the year 2014 for 123 and decided to approve as fees and remunerations for all concepts in advance for the year 2015 the sum of approximately 146.

The expense recognized in the consolidated statements of comprehensive income related to research and development activities during the years ended December 31, 2015, 2014 and 2013 amounted to 270, 215 and 83, respectively.

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6.o) Other operating results, net:

	2015	2014	2013
Lawsuits	(1,188)	(2,034)	(1,069)
Environmental remediation from YPF Holdings Inc.	(162)	(214)	(201)
Impairment of fixed assets and intangible assets (Note 1.c)	(2,535)		
Temporary economic assistance (1)	711		
Sale of extension of La Ventana and Magallanes concession agreement (Note 2)		428	
Construction incentive (2)	621	233	169
Insurance (Note 11.b)	371		1,479
Miscellaneous	1,329	557	(151)
	(853)	(1,030)	227

(1) Corresponds to the temporary economic assistance received by Metrogas S.A. ordered by the Argentine Energy Secretariat in Resolution No. 263/2015 (see Note 11.c).

(2) 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.

6.p) Financial results, net:

	2015	2014	2013
Financial income			
Interest income	1,638	1,029	821
Exchange differences	25,625	10,272	7,919
Total financial income	27,263	11,301	8,740
Financial loss			
Interest loss	(8,618)	(5,456)	(2,514)
Financial accretion	(1,987)	(1,880)	(1,319)
Exchange differences	(5,411)	(2,490)	(2,175)
Total financial loss	(16,016)	(9,826)	(6,008)
Other financial results			
Fair value gains on financial assets at fair value through profit or loss	446	297	103
Gains on derivative financial instruments	464		
Total other financial results	910	297	103

Other financial results, net	12,157	1,772	2,835

7. INVESTMENTS IN COMPANIES AND JOINT OPERATIONS

The following table shows in aggregate, considering that none of the companies are individually material, the amount of investments in affiliated companies and joint ventures as of December 31, 2015, 2014 and 2013:

	2015	**2014**	**2013**
Amount of investments in affiliated companies	1,248	757	227
Amount of investments in joint ventures	3,136	2,432	1,909
Provision for impairment of investments in companies	(12)	(12)	(12)
	4,372	3,177	2,124

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

The main changes that affected the amount of the investments previously mentioned, during the fiscal years ended December 31, 2015, 2014, and 2013 are the following:

	2015	**2014**	**2013**
Amount at the beginning of year	3,177	2,124	1,914
Acquisitions and contributions	163	448	153
Loss from investments in companies and joint ventures	318	558	353
Translation differences	999	470	470
Reclassification of investments in companies with negative shareholders equity	(1)	(125)	123