

YPF SOCIEDAD ANONIMA
Form 6-K
August 04, 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 August, 2016

Commission File Number: 001-12102

YPF Sociedad Anónima

(Exact name of registrant as specified in its charter)

Macacha Güemes 515

C1106BKK Buenos Aires, Argentina

(Address of principal executive office)

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Form 20-F Form 40-F

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Yes No

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YPF Sociedad Anonima

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Adjusted EBITDA for Q2 2016 was Ps 17.2 billion, 38.6% higher than Q2 2015.

| Q2 2015 | Q1 2016 | Q2 2016 | Var. % Q2 16/ Q2 15 | | Jan - Jun 2015 | Jan - Jun 2016 | Var. % 2016 / 2015 |
|-----------------------------|------------|---------------|------------------------|----------------|-------------------|-------------------|-----------------------|
| Revenues | | | | | | | |
| 40,003 | 46,934 | 52,759 | 31.9% | (Million Ps) | 75,134 | 99,693 | 32.7% |
| Operating income | | | | | | | |
| 5,578 | 1,618 | 5,318 | -4.7% | (Million Ps) | 10,047 | 6,936 | -31.0% |
| Net income | | | | | | | |
| 2,298 | 855 | -753 | -132.8% | (Million Ps) | 4,407 | 102 | -97.7% |
| Adj. EBITDA | | | | | | | |
| 12,395 | 12,493 | 17,181 | 38.6% | (Million Ps) | 22,604 | 29,674 | 31.3% |
| Earnings per share | | | | | | | |
| 5.86 | 2.54 | -1.89 | -132.3% | (Ps per Share) | 11.28 | 0.65 | -94.2% |
| Capital Expenditures | | | | | | | |
| 14,758 | 14,741 | 14,498 | -1.8% | (Million Ps) | 27,109 | 29,239 | 7.9% |

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

(Amounts are expressed in billions of Argentine pesos, except where indicated)

1. MAIN MILESTONES AND ECONOMIC MAGNITUDES FOR Q2 2016

Revenues for Q2 2016 were Ps 52.8 billion, 31.9% higher than Q2 2015.

Operating income for Q2 2016 was Ps 5.3 billion, 4.7% lower than Q2 2015. Adjusted EBITDA for Q2 2016 was Ps 17.2 billion, 38.6% higher than Q2 2015.

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Net income for Q2 2016 was a loss of Ps 0.8 billion, 132.8% lower than the gain of Ps 2.3 billion recorded for Q2 2015.

Hydrocarbon production for Q2 2016 was 574.0 Kboed, 0.3% higher than Q2 2015. Crude oil production for Q2 2016 was 242.9 Kbbld, 2.8% lower than Q2 2015. Natural gas production for Q2 2016 was 44.8 Mm³d, 0.4% lower than Q2 2015. NGL production for Q2 2016 was 49.6 Kbbld, 26.0% higher than Q2 2015.

Refinery processing levels in the Downstream business segment for Q2 2016 were 90.2%, 5.3% lower than Q2 2015.

Capital expenditures in fixed assets for Q2 2016 were Ps 14.5 billion, 1.8% lower than Q2 2015.

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2. ANALYSIS OF RESULTS FOR Q2 2016

Revenues for Q2 2016 were Ps 52.8 billion, 31.9% higher than Q2 2015, due primarily to the following factors:

Diesel revenues increased Ps 4.4 billion, due to a 38.5% increase in diesel mix prices against a 6.0% decrease in sales volumes.

Gasoline revenues increased Ps 3.0 billion, due to a 42.5% increase in average prices against a 4.4% decrease in sales volumes.

Natural gas revenues increased Ps 3.3 billion, due to a 59.0% increase in prices in Argentine peso terms and no significant difference in sales volumes.

Fuel oil revenues increased Ps 0.7 billion, due to a 43.9% increase in prices in Argentine pesos against an 8.8% decrease in sales volumes.

Exports of flour, oil and grains increased Ps 0.4 billion, due to a 77.0% increase in prices in Argentine pesos against a 26.0% decrease in sales volumes.

In Q2 2015, Ps 0.6 billion was accrued due to the Crude Oil Production Stimulus Program. Cost of sales for Q2 2016 was Ps 42.8 billion, 40.6% higher than Q2 2015. This includes a 49.9% increase in production costs and a 40.3% increase in purchases. This increase was driven by the following factors:

a) Costs of production:

Depreciation of fixed assets increased Ps 4.6 billion, an increase of 73.0%, due to increased investments in assets and appreciation in 2016 based on their valuation in U.S. dollars, which is the functional currency of the company.

Lifting costs increased Ps 2.0 billion, reflecting a 26.8% increase in the unit indicator in Argentine peso terms.

Production costs related to refining increased Ps 0.8 billion, reflecting a 67.0% increase in the unit indicator in Argentine peso terms.

Royalty increased Ps 1.0 billion. Of this increase, Ps 0.6 billion was related to an increase in royalties for crude oil production and Ps 0.4 billion was related to an increase in royalties for natural gas production.

Transportation costs increased Ps 0.5 billion, mainly due to increases in rates produced during 2016.

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b) Purchases:

FAME and ethanol biofuel purchases increased Ps 1.4 billion, due to higher prices for FAME and ethanol biofuel, a 5.0% increase in volumes purchased of FAME and a 1.0% increase in volumes purchased of ethanol biofuel.

Grain purchases in the agricultural sales segment through the form of barter increased Ps 0.7 billion due to higher prices in Argentine peso terms, which was partially offset by lower volumes purchased.

Crude oil purchases from third parties increased Ps 0.4 billion, due to a 32.1% increase in the Argentine peso purchase price against a 14.6% decrease in volumes purchased.

Imports of diesel and jet fuel decreased Ps 46 million, due to lower volumes purchased of diesel, which was partially offset by greater volumes purchased of jet fuel and higher prices for both in Argentine peso terms. Administration expenses for Q2 2016 were Ps 1.8 billion, 35.0% higher than Q2 2015. The increase was principally due to higher personnel expenses and higher IT costs.

Selling expenses for Q2 2016 were Ps 3.7 billion, 28.2% higher than Q2 2015. This was driven primarily by increases in transport expenses, principally due to higher rates paid for domestic transport of fuels and increases in personnel costs, fixed asset depreciation and service contracts.

Exploration expenses for Q2 2016 were Ps 0.7 billion, an increase of 90.7%, compared to Ps 0.4 billion for Q2 2015.

Other operating results, net, for Q2 2016 were a gain of Ps 1.6 billion, compared to a gain of Ps 0.7 billion for Q2 2015. This change included a net gain of Ps 1.5 billion generated by the deconsolidation of Maxus Energy Corporation, Tierra Solutions Inc., Maxus International Energy Company, Maxus (US) Exploration and Gateway Coal Company (collectively, the Maxus Entities), and the temporary economic assistance of Ps 0.4 billion received in Q2 2015 by the company's subsidiary, MetroGAS S.A.

Financial results for Q2 2016 were a loss of Ps 4.7 billion, compared to a loss of Ps 0.9 billion for Q2 2015. This change was driven primarily by lower positive effects of foreign exchange rates on net liabilities in Argentine pesos of Ps 1.2 billion, generated by a lower devaluation of the Argentine peso in Q2 2016 compared to Q2 2015. Interest expenses also increased Ps 2.1 billion, due to increased levels of debt and higher interest rates.

Income tax for Q2 2016 was Ps 1.6 billion, including a re-estimate of the effective tax rate used in Q1 2016 by Ps 0.8 billion. This was due primarily to a decrease in deferred tax expenses of Ps 0.9 billion, which was partially offset by an increase in current income tax of Ps 45 million.

Net income for Q2 2016 was a loss of Ps 0.7 billion, 132.8% lower than Q2 2015.

Capital expenditures in fixed assets for Q2 2016 were Ps 14.5 billion, 1.8% higher than Q2 2015.

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3. ANALYSIS OF OPERATING RESULTS BY BUSINESS SEGMENT FOR Q2 2016**3.1 UPSTREAM**

| Q2 2015 | Q1 2016 | Q2 2016 | Var. % Q2 16/ Q2 15 | | Jan - Jun 2015 | Jan - Jun 2016 | Var. % 2016 / 2015 |
|--|--------------------|--------------------|--------------------------------|--------------------------|---------------------------|---------------------------|-------------------------------|
| Operating income | | | | | | | |
| 2,534 | 4,441 | 1,716 | -32.3% | (Million Ps) | 4,794 | 6,157 | 28.4% |
| Revenues | | | | | | | |
| 19,557 | 29,330 | 27,839 | 42.3% | (Million Ps) | 38,132 | 57,169 | 49.9% |
| Crude oil production | | | | | | | |
| 250.0 | 249.0 | 242.9 | -2.8% | (Kbbl/d) | 248.5 | 245.9 | -1.1% |
| NGL production | | | | | | | |
| 39.3 | 56.3 | 49.6 | 26.0% | (Kbbl/d) | 49.6 | 52.9 | 6.8% |
| Gas production | | | | | | | |
| 45.0 | 44.0 | 44.8 | -0.4% | (Mm3/d) | 44.3 | 44.4 | 0.3% |
| Total production | | | | | | | |
| 572.1 | 582.3 | 574.0 | 0.3% | (Kboed) | 576.5 | 578.1 | 0.3% |
| Exploration costs | | | | | | | |
| 387 | 454 | 738 | 90.7% | (Million Ps) | 578 | 1,192 | 106.2% |
| Capital Expenditures | | | | | | | |
| 12,409 | 12,255 | 11,409 | -8.1% | (Million Ps) | 23,110 | 23,664 | 2.4% |
| Depreciation | | | | | | | |
| 5,633 | 9,096 | 9,734 | 72.8% | (Million Ps) | 10,421 | 18,830 | 80.7% |
| Realization Prices | | | | | | | |
| Crude oil prices in domestic market | | | | | | | |
| 69.1 | 61.9 | 60.7 | -12.3% | Period average (USD/bbl) | 69.0 | 61.3 | -11.1% |

Average gas price

| | | | | | | | |
|------|------|-------------|------|-------------|------|-------------|------|
| 4.50 | 4.71 | 4.74 | 5.2% | (USD/Mmbtu) | 4.52 | 4.73 | 4.7% |
|------|------|-------------|------|-------------|------|-------------|------|

Operating income for the Upstream business segment for Q2 2016 was Ps 1.7 billion, 32.3% lower than Q2 2015.

Revenues were Ps 27.8 billion for Q2 2016, 42.3% higher than Q2 2015, due primarily to the following factors:

Crude oil revenues increased Ps 5.4 billion, an increase of 40.8%, due to a 40.5% increase in Argentine peso terms of the transfer price between the Upstream business segment and the Downstream business segment, while volumes transferred between business segments increased by 3.1%.

Natural gas revenues increased Ps 3.3 billion, an increase of 59.8%, due to a 59.0% increase in prices in Argentine peso terms and a 0.5% increase in sales volumes.

In Q2 2015, Ps 0.6 billion was accrued due to the Crude Oil Production Stimulus Program. The price obtained in U.S. dollars for crude oil in the local market for Q2 2016 decreased 12.3% to US\$60.70/barrel. The price obtained in U.S. dollars for natural gas was US\$4.74/Mmbtu, 5.2% higher than Q2 2015.

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Hydrocarbon production for Q2 2016 was 574.0 Kboed, 0.3% higher than Q2 2015. Crude oil production for Q2 2016 was 242.9 Kbbld, a 2.8% decrease. Natural gas production for Q2 2016 was 44.8 Mm³d, a 0.4% decrease. NGL production for Q2 2016 was 49.6 Kbbld, a 26.0% increase. Total production in Q2 2016 was affected by labor strikes, and total production levels would have been similar to Q1 2016 if such contingencies had not occurred.

With respect to development activity, 175 wells were put into production in Q2 2016, including the unconventional hydrocarbon production and tight gas wells discussed below, for a total of 358 new wells in 2016.

Unconventional hydrocarbon production for Q2 2016 was 51.6 Kboed, including 27.5 Kbbld of crude oil, 10.6 Kbbld of NGL and 2.1 Mm³d of natural gas, of which YPF consolidates approximately 50%. During Q2 2016, 22 wells were put in production targeting the Vaca Muerta formation, for a total of 503 wells at the end of Q2 2016, including 11 active drilling rigs and 10 workovers.

With respect to tight gas activity: (i) in the Lajas formation, 16 wells were put in production during Q2 2016, and natural gas production was 5.0 Mm³d, (ii) in the Mulichinco formation in the Rincón del Mangrullo area, natural gas production for YPF was 2.0 Mm³d, and 4 wells were put in production, and (iii) in the Estación Fernández Oro area, natural gas production was 2.1 Mm³d. During Q2 2016, new compression systems for the Rincón del Mangrullo and Estación Fernández Oro areas commenced operations, which allowed production to increase by 36.8% and 11.7%, respectively, compared to Q1 2016.

Production costs for Q2 2016 were Ps 25.4 billion, 52.7% higher than Q2 2015, mainly due to the following:

Depreciation of fixed assets increased Ps 4.1 billion;

Lifting costs increased Ps 2.0 billion, reflecting a 26.8% increase in the unit indicator in Argentine peso terms;

Royalties increased Ps 1.0 billion. Of this increase, Ps 0.6 billion was related to higher royalties for crude oil production and Ps 0.4 billion was related to higher royalties for natural gas production; and

Transportation costs increased Ps 0.2 billion, mainly due to increases in rates produced during 2016. Exploration costs for Q2 2016 were Ps 0.7 billion, 90.7% higher than Q2 2015. Expenses for geological and geophysical studies relating primarily to seismic survey studies in the provinces of Santa Cruz and Chubut increased Ps 88 million. Losses from unproductive exploratory wells increased Ps 0.2 billion for Q2 2016 compared to Q2 2015.

Unit cash costs in U.S. dollars decreased 17.2% to US\$20.60/boe for Q2 2016 from US\$24.80/boe for Q2 2015, including taxes of US\$5.90/boe and US\$7.10/boe, respectively. In turn, the average lifting cost for YPF was US\$12.20/boe for Q2 2016, 20.1% lower than US\$15.30/boe for Q2 2015.

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CAPEX

Capital expenditures for the Upstream business segment for Q2 2016 were Ps 11.4 billion, 8.1% lower than Q2 2015.

Of these capital expenditures, 76% were invested in drilling and workover activities, 18% in facilities, and the remaining 6% in exploration and other activities in the Upstream business segment.

In the Neuquina basin area, activities for Q2 2016 were focused on the development of the Loma Campana, Aguada Toledo Sierra Barrosa (Lajas), Rincón del Mangrullo, El Orejano, La Amarga Chica, Loma La Lata (Sierras Blancas) Chachahuen and Cañadón Amarillo blocks. Development activities continued at Cuyana basin, mainly in the Barrancas, La Ventana, Vizcacheras, Puesto Molina and Cerro Fortunoso blocks. In the Golfo San Jorge basin, most activity was concentrated in Cañadón de la Escondida, El Guadal, Cañadón Yatel, Barranca Baya and Los Perales areas, in the province of Santa Cruz, and the Manantiales Behr and El Trébol-Escalante areas in the province of Chubut.

Exploration activities for Q2 2016 covered the Neuquina and Golfo San Jorge basins. In the Neuquina basin, exploratory activity targeted both conventional and unconventional resources. Activity targeting conventional formations focused on the Señal Picada Punta Barda, Bajo del Piche, Cajón de los Caballos and Chachahuen blocks. Unconventional activity focused on the Nambuena block. In the Golfo San Jorge basin, activity focused on the evaluation of deep targets in the west flank of the Los Perales block and in the north flank of the Manantiales Behr block.

During Q2 2016, six exploratory wells were completed.

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3.2 DOWNSTREAM

| Q2 2015 | Q1 2016 | Q2 2016 | Var.% Q2 16/ Q2 15 | | Jan - Jun 2015 | Jan - Jun 2016 | Var.% 2016 / 2015 |
|---|--------------------|--------------------|-------------------------------|---------------------|---------------------------|---------------------------|------------------------------|
| Operating income | | | | | | | |
| 3,865 | -794 | 3,432 | -11.2% | (Million Ps) | 5,359 | 2,638 | -50.8% |
| Revenues | | | | | | | |
| 35,721 | 40,933 | 47,715 | 33.6% | (Million Ps) | 68,028 | 88,648 | 30.3% |
| Sales of refined products in domestic market | | | | | | | |
| 4,399 | 4,035 | 4,126 | -6.2% | (Km3) | 4,104 | 8,163 | 98.9% |
| Exportation of refined products | | | | | | | |
| 316 | 493 | 275 | -13.0% | (Km3) | 449 | 767 | 70.8% |
| Sales of petrochemical products in domestic market (*) | | | | | | | |
| 225 | 188 | 207 | -8.0% | (Ktn) | 179 | 395 | 120.7% |
| Exportation of petrochemical products | | | | | | | |
| 86 | 27 | 42 | -51.2% | (Ktn) | 69 | 69 | 0.0% |
| Crude oil processed | | | | | | | |
| 305 | 294 | 288 | -5.3% | (Kboed) | 302 | 291 | -3.6% |
| Refinery utilization | | | | | | | |
| 95% | 92% | 90% | -5.3% | (%) | 95% | 91% | -3.6% |
| Capital Expenditures | | | | | | | |
| 2,008 | 2,091 | 2,776 | 38.2% | (Million Ps) | 3,444 | 4,867 | 41.3% |
| 778 | 1,290 | 1,333 | 71.3% | Depreciation | 1,471 | 2,623 | 78.3% |

(Million Ps)

| Average domestic market gasoline price (**) | | | | | | | |
|---|-----|------------|--------|----------|-----|------------|--------|
| 756 | 564 | 676 | -10.7% | (USD/m3) | 752 | 616 | -18.1% |
| Average domestic market diesel price (**) | | | | | | | |
| 759 | 559 | 661 | -13.0% | (USD/m3) | 757 | 612 | -19.1% |

(*) Fertilizer sales not included

(**) Includes turnover tax and net of deductions, commissions and other taxes

Operating income for the Downstream business segment for Q2 2016 was a gain of Ps 3.4 billion, 11.2% lower than Q2 2015.

Revenues were Ps 47.7 billion, 33.6% higher than Q2 2015, due primarily to the following:

Diesel revenues increased Ps 4.4 billion, due to a 38.5% increase in diesel mix prices against a 6.0% decrease in sales volumes, although sales volumes of Eurodiesel, a premium diesel product, increased 7.0%.

Gasoline revenues increased Ps 3.0 billion, due to a 42.5% increase in prices, against a 4.4% decrease in sales volumes.

Fuel oil revenues in the domestic Argentine market increased Ps 0.7 billion, due to a 55.9% increase in prices, against an 11.6% decrease in sales volumes.

Petrochemical product revenues in the domestic Argentine market increased Ps 51 million, due to a 14.1% increase in prices in Argentine peso terms, against a 7.5% decrease in sales volumes.

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Exports increased Ps 0.5 billion, or 14.4%, compared to Q2 2015, due to higher prices in Argentine peso terms driven by greater devaluation of the Argentine peso in Q2 2016, against a decrease in export volumes. Exports of flour, oil and grains reached Ps 1.7 billion, due to a 77.2% increase in prices in Argentine peso terms, against a 25.6% decrease in export volumes.

Cost of sales and operating expenses for Q2 2016 increased Ps 12.4 billion, or 39.0% compared to Q2 2015, due primarily to the following factors:

Crude oil purchases increased Ps 6.2 billion, due to an increase in prices in Argentine peso terms of crude oil purchased and no significant difference in volumes purchased. Purchase prices from the Upstream business segment in Argentine peso terms increased 40.5%, and purchase prices from other producers of crude oil similarly increased 32.1%, due to the fact that lower volumes were purchased from third parties corresponding exclusively to light crude oil, which has a higher price.

FAME and ethanol biofuel purchases increased Ps 1.4 billion, due to higher FAME and ethanol biofuel prices and a 5.0 % increase in volumes purchased of FAME and a 1.0% increase in volumes purchased of ethanol biofuel.

Grain purchases in the agricultural sales segment through the form of barter increased Ps 0.7 billion due to higher prices in Argentine peso terms, which was partially offset by lower volumes purchased.

Diesel and jet fuel imports decreased Ps 46 million, due to lower volumes purchased of diesel, which was partially offset by higher volumes purchased of jet fuel and higher prices for both in Argentine peso terms.

Production costs related to refining increased Ps 0.8 billion, due to inflation and increased expenses for materials, parts, electricity, other supplies and fuel, including scheduled plant shutdowns. As a result, and considering the 5.3% decrease in volumes processed, unit refining costs in Q2 2016 were 67.0% higher than Q2 2015.

Fixed asset depreciation increased Ps 0.6 billion.

Marketing expenses increased Ps 0.8 billion, due to higher transportation costs related to an increase in domestic Argentine fuel transportation rates and increased depreciation costs.

The volume of crude oil processed in Q2 2016 was 288 Kbbld, 5.3% lower than Q2 2015, mainly due to the scheduled shutdown of various units at the La Plata and Plaza Huincul refineries from March 2016 to June 2016.

CAPEX

Cumulative capital expenditures for the Downstream business segment for Q2 2016 were Ps 2.8 billion, a 38.2% increase compared to Q2 2015.

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The construction of the new Coke Plant is 99.11% complete as of the end of Q2 2016 and is expected to commence operations in the second half of 2016. In addition, improvements to the Topping III unit in Mendoza have progressed, and work to improve YPF's logistical facilities and optimize safety and environmental performance has continued.

3.3 CORPORATE AND OTHERS

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

Corporate operating income for Q2 2016 was a gain of Ps 0.6 billion, compared to a loss of Ps 0.5 billion in Q2 2015. This change was driven primarily by the net gain of Ps 1.5 billion generated by the deconsolidation of the Maxus Entities. As a result of the Maxus Entities' filing for reorganization proceedings under Chapter 11 of the U.S. Bankruptcy Code, the Bankruptcy Court has a significant role in approving substantial transactions, thus curtailing YPF's ability to unilaterally make decisions on behalf of the Maxus Entities relating to their operations or results.

Consolidation adjustments to eliminate results among business segments not transferred to third parties were negative Ps 0.4 billion in Q2 2016, due to the widening gap between prices for transfers between business segments and replacement costs for the company's inventory. These adjustments were negative Ps 0.3 billion in Q2 2015 because the aforementioned price gap was similar during that period.

3.4 RELATED COMPANIES

Results from related companies for Q2 2016 were a gain of Ps 166 million, compared to a gain of Ps 54 million for Q2 2015. This change was primarily due to improved results from Compañía Mega, Refinor and Profertil.

4. LIQUIDITY AND SOURCES OF CAPITAL

Net cash flows provided by operating activities for Q2 2016 were Ps 6.6 billion, 33.9% lower than Q2 2015. This decrease of Ps 3.4 billion was driven by Ps 1.7 billion of insurance collections received in Q2 2015 for lost profits related to the incident at our La Plata refinery, despite a Ps 4.8 billion increase in Q2 2016 in adjusted EBITDA due to an increase in working capital. This increase in working capital was due to an accrual of accounts receivable, including accrual from the program to stimulate the injection of surplus natural gas and sales to distribution companies.

Net cash flows directed to investing activities were Ps 14.4 billion for Q2 2016, or 6.6% lower than Q2 2015. Investments in fixed and intangible assets were 0.4% higher than Q2 2015.

The previously discussed cash flow generation, together with a net decrease of Ps 2.3 MM from financing activities, contributed to a Ps 15.9 billion cash and cash equivalent position as of June 30, 2016. The main debt issuances in Q2 2016 consisted of two new series of negotiable obligations for a total of Ps 0.5 billion and US\$46 million. Total debt in U.S. dollars was US\$9.3 billion, net debt was US\$8.2 billion and the net debt/EBITDA LTM⁽¹⁾ ratio was 1.76x.

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The average interest rate for debt denominated in Argentine pesos in Q2 2016 was 30.89%, while the average interest rate for debt denominated in U.S. dollars was 7.80%.

YPF negotiable obligations issued during Q2 2016 and thereafter are detailed below:

| YPF Note | Amount | Interest Rate | Maturity |
|--------------------|-------------------|----------------------|-----------------|
| Series XLVIII | USD 45.8 million | 8.250% | 48 months |
| Series XLIX | ARS 534.9 million | BADLAR + 6.00% | 48 months |
| Series L (Q3 2016) | USD 750 million | BADLAR + 4.0% | 48 months |

(1) Net Debt: US\$8,218 million/EBITDA LTM: US\$4,674 million = 1.76x.

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

(Unaudited, figures expressed in millions of pesos)

| Q2 2015 | Q1 2016 | Q2 2016 | Var.% Q2 16/ Q2 15 | | Jan - Jun 2015 | Jan - Jun 2016 | Var.% 2016 /2015 |
|--------------------|--------------------|--------------------|-------------------------------|---|---------------------------|---------------------------|-----------------------------|
| 40,003 | 46,934 | 52,759 | 31.9% | Revenues | 75,134 | 99,693 | 32.7% |
| (30,456) | (40,131) | (42,819) | 40.6% | Costs of sales | (56,961) | (82,950) | 45.6% |
| 9,547 | 6,803 | 9,940 | 4.1% | Gross profit | 18,173 | 16,743 | (7.9%) |
| (2,886) | (3,045) | (3,699) | 28.2% | Selling expenses | (5,478) | (6,744) | 23.1% |
| (1,358) | (1,486) | (1,833) | 35.0% | Administration expenses | (2,556) | (3,319) | 29.9% |
| (387) | (454) | (738) | 90.7% | Exploration expenses | (578) | (1,192) | 106.2% |
| 662 | (200) | 1,648 | 148.9% | Other operating results, net | 486 | 1,448 | 197.9% |
| 5,578 | 1,618 | 5,318 | (4.7%) | Operating income | 10,047 | 6,936 | (31.0%) |
| 54 | 97 | 166 | 207.4% | Income on investments in companies | 16 | 263 | 1,543.8% |
| (923) | 4,018 | (4,660) | (404.9%) | Net Financial Results: | (1,308) | (642) | 50.9% |
| 4,709 | 5,733 | 824 | (82.5%) | Net income before income tax | 8,755 | 6,557 | (25.1%) |
| (2,411) | (4,878) | (1,577) | (34.6%) | Income tax | (4,348) | (6,455) | 48.5% |
| 2,298 | 855 | (753) | (132.8%) | Net Income for the period | 4,407 | 102 | (97.7%) |
| 1 | (141) | (10) | | Net income (loss) for noncontrolling interest | (17) | (151) | |
| 2,297 | 996 | (743) | (132.3%) | Net income for shareholders of the parent company | 4,424 | 253 | (94.3%) |
| 5.86 | 2.54 | (1.89) | (132.2%) | Earnings per share, basic and diluted | 11.28 | 0.65 | (94.2%) |
| 2,592 | 15,407 | 4,309 | 66.2% | Other comprehensive Income | 5,023 | 19,716 | 292.5% |
| 4,890 | 16,262 | 3,556 | (27.3%) | Total comprehensive income for the period | 9,430 | 19,818 | 110.2% |
| 12,395 | 12,493 | 17,181 | 38.6% | Adj. EBITDA (*) | 22,604 | 29,674 | 31.3% |

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

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

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5.2 CONSOLIDATED BALANCE SHEET**YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES**

(Q2 2016 figures unaudited, figures expressed in millions of pesos)

| | 12/31/2015 | 06/30/2016 |
|---|----------------|----------------|
| Noncurrent Assets | | |
| Intangible assets | 7,279 | 8,471 |
| Fixed assets | 270,905 | 316,356 |
| Investments in companies | 4,372 | 4,857 |
| Deferred income tax assets | 954 | 893 |
| Other receivables and advances | 2,501 | 2,206 |
| Trade receivables | 469 | 297 |
| Total Non-current assets | 286,480 | 333,080 |
| Current Assets | | |
| Inventories | 19,258 | 22,225 |
| Other receivables and advances | 19,413 | 14,447 |
| Trade receivables | 22,111 | 37,883 |
| Investment in financial assets | 804 | 150 |
| Cash and equivalents | 15,387 | 15,893 |
| Total current assets | 76,973 | 90,598 |
| Total assets | 363,453 | 423,678 |
| Shareholders equity | | |
| Shareholders contributions | 10,349 | 10,352 |
| Reserves and unappropriated retained earnings | 110,064 | 129,144 |
| Noncontrolling interest | 48 | (103) |
| Total Shareholders equity | 120,461 | 139,393 |
| Noncurrent Liabilities | | |
| Provisions | 39,623 | 41,821 |
| Deferred income tax liabilities | 44,812 | 50,970 |
| Other taxes payable | 207 | 162 |
| Loans | 77,934 | 105,262 |
| Accounts payable | 625 | 698 |

| | | |
|--|----------------|----------------|
| Total Noncurrent Liabilities | 163,201 | 198,913 |
| Current Liabilities | | |
| Provisions | 2,009 | 1,706 |
| Income tax liability | 1,487 | 216 |
| Other taxes payable | 6,047 | 5,643 |
| Salaries and social security | 2,452 | 2,393 |
| Loans | 27,817 | 33,822 |
| Accounts payable | 39,979 | 40,703 |
| Dividends payable | | 889 |
| Total Current Liabilities | 79,791 | 85,372 |
| Total Liabilities | 242,992 | 284,285 |
| Total Liabilities and Shareholders Equity | 363,453 | 423,678 |

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

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

(Unaudited, figures expressed in millions of pesos)

| Q2 2015 | Q1 2016 | Q2 2016 | | Jan - Jun 2015 | Jan - Jun 2016 |
|---|--------------------|--------------------|--|---------------------------|---------------------------|
| Cash Flows from operating activities | | | | | |
| 2,298 | 855 | (753) | Net income | 4,407 | 102 |
| (54) | (97) | (166) | Income from investments in companies | (16) | (263) |
| 6,502 | 10,534 | 11,225 | Depreciation of fixed assets | 12,066 | 21,759 |
| 91 | 153 | 170 | Amortization of intangible assets | 160 | 323 |
| | | | Consumption of materials and fixed assets and intangible | | |
| 847 | 1,183 | 1,422 | assets retired, net of provisions | 1,439 | 2,605 |
| 2,411 | 4,878 | 1,577 | Income tax | 4,348 | 6,455 |
| 662 | 1,092 | 1,411 | Net increase in provisions | 1,565 | 2,503 |
| 1,117 | (4,666) | 3,966 | Interest, exchange differences and other | 1,602 | (700) |
| 26 | 40 | 17 | Stock compensation plan | 53 | 57 |
| (12) | | | Accrued insurance | (523) | |
| | | (1,528) | Results due to deconsolidation of companies | | (1,528) |
| Changes in assets and liabilities: | | | | | |
| (1,891) | (7,966) | (6,922) | Trade receivables | (1,503) | (14,888) |
| (2,547) | 4,518 | 217 | Other receivables and liabilities | (3,095) | 4,735 |
| 499 | 1,089 | (1,208) | Inventories | 765 | (119) |
| 996 | 878 | (2,498) | Accounts payable | 2,011 | (1,620) |
| 538 | (760) | 311 | Other Taxes payable | 1,649 | (449) |
| 206 | (419) | 368 | Salaries and Social Securities | (273) | (51) |
| (507) | (354) | (594) | Decrease in provisions from payments | (900) | (948) |
| 29 | | 420 | Dividends from investments in companies | 179 | 420 |
| 1,673 | 607 | | Insurance charge for loss of profit | 1,673 | 607 |
| (2,882) | (740) | (821) | Income tax payments | (3,674) | (1,561) |
| 10,002 | 10,825 | 6,614 | Net cash flows provided by operating activities | 21,933 | 17,439 |
| Cash flows from investing activities | | | | | |
| Payments for investments: | | | | | |
| (15,239) | (17,303) | (15,299) | Acquisitions of fixed assets and Intangible assets | (30,867) | (32,602) |
| (161) | | | | | |