YPF SOCIEDAD ANONIMA
Form 6-K
November 13, 2013
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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 November, 2013

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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Consolidated Financial Statements

as of September 30, 2013 and Comparative Information

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AND COMPARATIVE INFORMATION

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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

Macacha Güemes 515 Ciudad Autónoma de Buenos Aires, Argentina

FISCAL YEAR NUMBER 37

BEGINNING ON JANUARY 1, 2013

CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2013 AND COMPARATIVE 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.

Date of registration with the Public Commerce Register: June 2, 1977.

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 26,831).

Capital structure as of September 30, 2013

(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

President

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YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2013 AND DECEMBER 31, 2012

(amounts expressed in millions of Argentine pesos Note 1.b.1)

	Note	September 30, 2013	December 31, 2012
Noncurrent Assets			
Intangible assets	2.f	1,990	1,492
Fixed assets	2.g	79,481	56,971
Investments in companies	2.e	1,558	1,914
Deferred income tax assets	10	60	48
Other receivables and advances	2.c	1,469	1,161
Trade receivables	2.b	53	15
Total non-current assets		84,611	61,601
Current Assets			
Inventories	2.d	8,402	6,922
Other receivables and advances	2.c	2,760	2,635
Trade receivables	2.b	8,594	4,044
Cash and equivalents	2.a	6,903	4,747
Total current assets		26,659	18,348
Total assets		111,270	79,949
Shareholders equity			
Shareholders contributions		10,654	10,674
Reserves, other comprehensive income and retained earnings		29,837	20,586
Shareholders equity attributable to the shareholders of the parent company		40,491	31,260
Non-controlling interest		172	
Total shareholders equity (per corresponding statements)		40,663	31,260
Noncurrent Liabilities			

Provisions	2.j	13,733	10,663
Deferred income tax liabilities	10	7,223	4,685
Other taxes payable		98	101
Salaries and social security		20	48
Loans	2.i	19,950	12,100
Accounts payable	2.h	399	162
Total noncurrent liabilities		41,423	27,759
Current Liabilities			
Provisions	2.j	876	820
Income tax liability		937	541
Other taxes payable		1,157	920
Salaries and social security		931	789
Loans	2.i	6,126	5,004
Accounts payable	2.h	19,157	12,856
Total current liabilities		29,184	20,930
Total liabilities		70,607	48,689
Total liabilities and shareholders equity		111,270	79,949

Notes 1 to 14 and the accompanying exhibits I, II and III are an integral part of these statements.

MIGUEL MATIAS GALUCCIO

President

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YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2013 AND 2012

(amounts expressed in millions of Argentine pesos, except for per share amounts in Argentine pesos Note 1.b.1)

		For the nine-month period ended September 30		For the three-month period ended September 30	
	Note	**2013**	**2012**	**2013**	**2012**
Revenues	2.k	64,819	48,312	24,244	17,378
Cost of sales	2.k	(48,386)	(36,129)	(17,875)	(13,603)
Gross profit		16,433	12,183	6,369	3,775
Selling expenses	2.k	(5,555)	(4,022)	(1,986)	(1,362)
Administrative expenses	2.k	(1,889)	(1,530)	(654)	(522)
Exploration expenses	2.k	(525)	(464)	(279)	(176)
Other (expense), net		(1,124)	(110)	(6)	(27)
Operating income		7,340	6,057	3,444	1,688
Income on investments in companies		77	98	(56)	106
Financial income, net:					
(Losses) gains on assets					
Interests		573	110	257	7
Exchange differences		(1,362)	(148)	(778)	(91)
Gains (losses) on liabilities					
Interests		(2,360)	(1,069)	(935)	(381)
Exchange differences		4,115	1,046	1,996	500
Net income before income tax		8,383	6,094	3,928	1,829
Income tax	10	(3,041)	(2,246)	(1,038)	(665)
Deferred income tax	10	(2,141)	(965)	(1,473)	(408)
Net income for the period		3,201	2,883	1,417	756
Net income for the period attributable to:					
- Shareholders of the parent company		3,207	2,883	1,414	756

- Non-controlling interest		(6)		3	
Earnings per share (basic and diluted) attributable to shareholders of the parent company	9	8.16	7.33	3.60	1.92
Other comprehensive income					
Translation differences from investments in companies		(150)	(128)	(13)	(57)
Translation differences from YPF S.A.		6,520	3,024	3,169	1,281
Total other comprehensive income for the period [(1)]		6,370	2,896	3,156	1,224
Comprehensive income for the period		9,571	5,779	4,573	1,980

(1) Entirely assigned to the parent company s shareholders.

Notes 1 to 14 and the accompanying exhibits I, II and III are an integral part of these statements.

MIGUEL MATIAS GALUCCIO

President

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YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2013 AND 2012

(amounts expressed in millions of Argentine pesos 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**	**Issuance premiums**	**Total**
Balances at the beginning of year	3,933	6,101					640	10,674
Purchase of treasury shares	(9)	(13)	9	13		(93)		(93)
Accrual of share-based benefit plans					73[2]			73
Balances at the end of the period	3,924	6,088	9	13	73	(93)	640	10,654

	2013										**2012**
	Reserves							**Equity attributable to**			
	Legal	**Future dividends**	**Investments**	**Purchase of treasury shares**	**IFRS initial adjustment**	**Other comprehensive income**	**Retained earnings**	**Parent company shareholders**	**Non-controlling interest**	**Total shareholders equity**	**Total shareholders equity**
Balances at the beginning of year	2,007		5,751			6,087	6,741	31,260		31,260	23,420
Purchase of treasury shares								(93)		(93)	
Accrual of share-based benefit plans								73		73	
Acquisition of GASA (Note 13)									178	178	

As decided by the General Ordinary and Extraordinary shareholders meeting of April 30, 2013:											
Appropriation to reserve for investments			2,643				(2,643)				
Appropriation to reserve for future dividends		330					(330)				
Appropriation to reserve for share-based employee benefit plans				120			(120)				
Appropriation to special reserve for IFRS initial adjustment					3,648		(3,648)				
As decided by the Board of Directors meeting of August 9, 2013:											
Cash dividends (0.83 per share)		(326)						(326)		(326)	
Other comprehensive income for the period						6,370		6,370		6,370	2,896
Net income for the period							3,207	3,207	(6)	3,201	2,883
Balances at the end of the period	2,007	4	8,394	120	3,648	12,457[1]	3,207	40,491	172	40,663	29,199

(1) Includes 12,915 corresponding to the effect of the translation of the financial statements of YPF S.A. and (458) corresponding to the effect of the translation of the financial statements of investments in companies with functional currency different to dollar, as detailed in Note 1.b.1. During the nine-month period ended September 30, 2013, (115) have been reclassified in relation with the effect of the translation of the financial statements of Pluspetrol Energy S.A. as result of the spin-off of such company (see Note 5).

(2)

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 35 corresponding to the accrual of share-based benefit plans for the nine-month period ended on September 30, 2013.

Notes 1 to 14 and the accompanying exhibits I, II and III are an integral part of these statements.

MIGUEL MATIAS GALUCCIO

President

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YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOW

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2013 AND 2012

(amounts expressed in millions of Argentine pesos Note 1.b.1)

	2013	2012
Cash flows from operating activities		
Net income	3,201	2,883
Adjustments to reconcile net income to cash flows provided by operating activities:		
Income on investments in companies	(77)	(98)
Depreciation of fixed assets	7,789	5,961
Amortization of intangible assets	142	102
Consumption of materials and retirement of fixed assets and intangible assets, net of provisions	1,658	846
Income tax	5,182	3,211
Net increase in provisions	2,281	1,309
Changes in assets and liabilities:		
Trade receivables	(4,032)	(865)
Other receivables and advances	(204)	247
Inventories	(1,480)	(1,054)
Accounts payable	4,625	1,344
Other taxes payable	118	385
Salaries and social security	77	185
Payment of provisions	(516)	(1,146)
Interest, exchange differences and other (1)	(57)	548
Dividends received	136	135
Income tax payments	(2,464)	(1,432)
Net cash flows provided by operating activities	16,379	12,561
Cash flows used in investing activities(2)		
Payments for investments:		
Acquisitions of fixed assets and intangible assets	(18,203)	(11,379)
Acquisitions of investments in companies	(36)	
Capital contributions to investments in companies	(11)	

Net cash flows used in investing activities	(18,250)	(11,379)
Cash flows provided by (used in) financing activities		
Payments of loans	(4,892)	(22,377)
Payments of interest	(1,833)	(584)
Proceeds from loans	10,846	21,592
Dividends paid	(326)	
Net cash flows provided by (used in) financing activities	3,795	(1,369)
Translation differences generated by cash and equivalents	89	53
Increase (decrease) net in cash and equivalents	2,013	(134)
Cash and equivalents at the beginning of year	4,747	1,112
Cash and equivalents provided by the acquisition of companies (Note 13)	143	
Cash and equivalents at the end of period	6,903	978
Increase (decrease) net in cash and equivalents	2,013	(134)
COMPONENTS OF CASH AND EQUIVALENTS AT THE END OF PERIOD		
Cash	883	413
Other financial assets	6,020	565
TOTAL CASH AND EQUIVALENTS AT THE END OF PERIOD	6,903	978

(1) Does not include translation differences generated by cash and equivalents, which is exposed separately in the statement.
(2) The main investing and financing activities that have not affected cash and equivalents correspond to unpaid acquisitions of fixed assets and concessions extension easements at the end of the period and the incorporation of assets and liabilities related to the business combinations mentioned in Note 13.

Notes 1 to 14 and the accompanying exhibits I, II and III are an integral part of these statements.

MIGUEL MATIAS GALUCCIO

President

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YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013 AND COMPARATIVE INFORMATION

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

1. CONSOLIDATED FINANCIAL STATEMENTS

1.a) Presentation Basis

Application of International Financial Reporting Standards

The consolidated interim financial statements of YPF S.A. (hereinafter YPF) and its controlled companies (hereinafter and all together, the Group or the Company) for the nine-month period ended September 30, 2013 are presented in accordance with International Accounting Standard (IAS) No. 34, Interim Financial Reporting . The adoption of IFRS as issued by the International Accounting Standards Board (IASB) was determined by the Technical Resolution No. 26 (ordered text) issued by Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and the regulations of the Argentine Securities Commission (CNV).

The amounts and other information corresponding to the year ended on December 31, 2012 and for the nine-month and three-month periods ended on September 30, 2012, are an integral part of the consolidated financial statements mentioned above and are intended to be read only in relation to these statements.

Criteria adopted by YPF in its transition to IFRS

At the date of the transition to IFRS (January 1, 2011, hereinafter the transition date), the Company has followed the following criteria in the context of the alternatives and exemptions provided by IFRS 1 First-Time Adoption of International Financial Reporting Standards :

I. Fixed assets and intangible assets have been measured at the transition date at the functional currency defined by the Company according to the following basis:

a)

Assets as of the transition date which were acquired or incorporated before March 1, 2003, date on which General Resolution No. 441 of the CNV established the discontinuation of the remeasurement of financial statements in constant pesos: the value of these assets measured according to the accounting standards outstanding in Argentina before the adoption of IFRS (hereinafter the Previous Argentine GAAP) have been adopted as deemed cost as of March 1, 2003 and, if applicable, remeasured into U.S. dollars using the exchange rate in effect on that date;

b) Assets as of the transition date which were acquired or incorporated subsequently to March 1, 2003: have been valued at acquisition cost, and if applicable, remeasured into U.S. dollars using the exchange rate in effect as of the date of incorporation or acquisition of each such asset.

II. The cumulative translation differences generated by investments in foreign companies as of the transition date were reclassified to retained earnings. Under previous Argentine GAAP, these differences were recorded under shareholders equity as deferred earnings.

Use of estimations

The preparation of the consolidated financial statements in accordance with IFRS, which is YPF s Board of Directors responsibility, require certain accounting estimates to be made and the Board of Directors and Management to make judgments when applying accounting standards. Areas of greater complexity or that require further judgment, or those where assumptions and estimates are significant, are detailed in Note 1.c, Accounting Estimates and Judgments .

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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 balance sheet and in the consolidated statement of comprehensive income, in accordance with their respective nature.

Paragraph a) of Exhibit I details the controlled companies which were consolidated using the full consolidation method and Exhibit II details the main joint operations which were proportionally consolidated.

In the consolidation process, balances, transactions and profits between consolidated companies 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.

YPF, directly and indirectly, holds approximately 100% of capital of the consolidated companies, except for the non-controlling interest in MetroGAS S.A. (MetroGAS). Taking into account 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) Acquisition of companies

As detailed in Note 13, 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 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 13.

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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 has defined the U.S. dollar as its functional currency based on criteria set out in IAS 21 The effects of changes in foreign exchange rates . Consequently, non-monetary items which are measured in terms of historical cost, as well as income and expenses, are remeasured using the exchange rate at the date of the relevant transaction. Transactions in currencies other than the functional currency of YPF 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 period or year or at the time of cancellation the balances of foreign-currency denominated monetary assets and liabilities are measured at the exchange prevailing at such date and the exchange differences arising from such measurement are recognized as Financial income (expense), net in the consolidated statement of comprehensive income for the period or year in which they arise.

Assets, liabilities and income and expenses related to controlled companies and investments in companies are measured using their respective functional currency. The effects of translating into U.S. dollars the financial information of companies with a functional currency different from the U.S. dollar are recognized in Other comprehensive income for the period or year.

Reporting Currency

According to General Resolution No. 562 of the CNV, the Company must file its financial statements in pesos. Accordingly, the financial statements prepared by YPF in its functional currency have to be converted into reporting currency, following the criteria described below:

Assets and liabilities of each balance sheet presented are translated at the closing exchange rate outstanding at the date of each balance sheet presented;

Items of the statement of comprehensive income are translated at the exchange rate prevailing at the date of each transaction (or, for practical reasons and when exchange rates do not fluctuate significantly, the average exchange rate of each month); and

The exchange differences resulting from this process are reported in Other comprehensive income .

Tax effect on other comprehensive income:

Results accounted for in Other comprehensive income related to exchange differences arising from investments in companies with functional currencies other than U.S. dollars and also as a result of the translation of the financial statements of YPF to its reporting currency (pesos) have no effect on the current or deferred income tax because as of the time that such transactions were generated, they had no impact on net income nor taxable income.

1.b.2) Financial assets

The Company classifies its financial assets when they are initially recognized and reviews their classification at the end of each period or year, according to IFRS 9, Financial Instruments .

A financial asset is initially recognized at its fair value. Transaction costs that are directly attributable to the acquisition or issuance of a financial asset are capitalized upon initial recognition of the asset, except for those assets designated as financial assets at fair value through profit or loss.

Following their initial recognition, the financial assets are measured at its amortized cost if both of the following conditions are met: (i) the asset is held with the objective of collecting the related contractual cash flows (i.e., it is held for non-speculative purposes); and (ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on its outstanding amount. If either of the two criteria is not met, the financial instrument is classified at fair value through profit or loss.

A financial asset or a group of financial assets measured at its amortized cost is impaired if there is objective evidence that the Company will not be able to recover all amounts according to its (or their) original terms. The amount of the loss is measured as the difference between the asset s carrying amount and the present value of the estimated cash flows discounted at the effective interest rate computed at its initial recognition, and the resulting amount of the loss is recognized in the consolidated statement of comprehensive income. Additionally, if in a subsequent period the amount of the impairment loss decreases, the previously recognized impairment loss is reversed to the extent of the decrease. The reversal may not result in a carrying amount that exceeds the amortized cost that would have been determined if no impairment loss had been recognized at the date the impairment was reversed.

The Company writes off a financial asset when the contractual rights on the cash flows of such financial asset expire, or the financial asset is transferred.

In cases where IFRS require the valuation of receivables at discounted values, the discounted value does not differ significantly from their face value.

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), conversion 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 (isomargin method) due to the difficulty for allocating the conversion (production) costs on an individual basis.

The Company assesses the net realizable value of the inventories at the end of each period or 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 written-down is reversed.

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

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

The Company 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 2.f). At the end of each period or year, such assets are measured at cost, considering the criteria adopted by the Company upon its transition to IFRS (see Note 1.a), less any accumulated amortization and any accumulated impairment losses.

The main intangible assets of the Company are as follows:

I. *Service concessions arrangements:* includes transportation and storage concessions (see Note 2.f). These assets are valued at their acquisition cost considering the criteria adopted by the Company in the transition to IFRS (see Note 1.a), net of accumulated amortization. They are depreciated using the straight-line method during the course of the concession period.

II. *Exploration rights:* the Company recognizes exploration rights as intangible assets, which are valued at their cost considering the criteria adopted by the Company in the transition to IFRS (see Note 1.a), net of any 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

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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 Company in the transition to IFRS (see Note 1.a), net of the related depreciation and any impairment, if applicable. These assets are amortized on a straight-line basis over their useful lives, which range between 3 and 14 years. Management reviews annually the mentioned estimated useful life.

The Company does not have intangible assets with indefinite useful lives as of September 30, 2013 and 2012, and December 31, 2012.

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, defined 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.

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 interest in the affiliated company or Joint Venture. The net income or expense for each period or year corresponding to the interest in these companies is reflected in the statement of comprehensive income in the Income on investments in companies line.

The Company discloses the non-controlling interest in the consolidated financial statements within shareholders equity in a separate line called Non-controlling Interest , which corresponds to the 30% of the net assets and results of MetroGAS, representing the rights on shares that are not owned by the Company.

Investments in companies have been valued based upon the latest available financial statements of these companies as of the end of each period or 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 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.

In paragraph b) of Exhibit I 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. The Company 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) Fixed assets

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 Company in the transition to IFRS (see Note 1.a).

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 (overhauls), are capitalized and depreciated on a straight-line basis over the period until the next overhaul is scheduled.

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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 eliminated from the balance sheet.

Repair and 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

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 Company reviews annually the estimated useful life of each class of assets.

iii. Oil and gas exploration and production activities:

The Company 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 2.f).

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 company 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. As of September 30, 2013 and December 31, 2012, the Company has exploratory wells in evaluation process for periods exceeding one year from their completion, amounting to 488 and 157, respectively.

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.

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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.

v. Environmental tangible assets:

The Company 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 Company makes a distinction between:

a) Provisions: represent legal or constructive 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; 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 Company, 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 Company compares their carrying value with their recoverable value at the end of each year, or more frequently, if there are indicators that the carrying amount of an asset may not be recoverable. In order to assess impairment, assets are grouped into cash-generating units (CGUs), whereas the asset does not generate cash flows that are independent of those generated by other assets or CGUs, considering regulatory, economic, operational and commercial conditions. Considering the above mentioned, and specifically in terms of assets corresponding to the Upstream, they have been grouped into four CGUs (one of them grouping the assets of fields with oil reserves, and three units that group assets of fields with reserves of natural gas considering the country s basins -Neuquina, Noroeste and Austral basins-), which are the best reflect of how the Company currently manage them in order to generate independent cash flows. The remaining assets are grouped at the CGU Downstream, which mainly includes the assets assigned to the refining of crude oil (or that complement such activity) and marketing of such products, in MetroGAS CGU, which includes assets related to distribution of natural gas and in YPF Energía Eléctrica CGU, which includes assets related to generation and commercialization of electric energy.

The recoverable amount is the higher of fair value less costs to sell and 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 an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount, and an impairment loss is recognized as an expense under Impairment losses recognized and losses on disposal of fixed assets/intangible assets 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 value of the corresponding asset is calculated to determine whether a reversal of the impairment loss 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.

There were no impairment charges or reversals for the nine-month periods ended on September 30, 2013 and 2012.

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

Company 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.

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 CGUs are the purchase and sale prices of hydrocarbons (including applicable fees for the gas distribution), 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.

The cash flows of the Downstream business are estimated on the basis of the projected sales trends, unit contribution margins, fixed costs and investment or divestment 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 reference prices considered are based on a combination of market prices available in those markets where the Company operates, also taking into consideration specific circumstances that could affect different products the Company commercializes and management s estimations and judgments.

Estimated net future cash flows are discounted to its present value using a rate that reflects the average capital cost for each CGU. The rates used as of December 31, 2012 for the different CGUs were 11.10%.

For the valuation of the assets of the CGU MetroGAS, cash flows are developed based on estimates of the future behavior of certain variables that are sensitive in determining the recoverable value, among which stands out: (i) the nature, timing and extension of tariff increases and cost adjustments recognition, (ii) gas demand projections, (iii) evolution of costs to be incurred, and (iv) macroeconomic variables such as growth rate, inflation rate, foreign currency exchange rate, among others.

MetroGAS prepared its projections on the understanding that it will get tariff increases according to the current economic and financial situation of MetroGAS. Within these premises, and in terms of tariff increase estimations, the scenarios range from a tariff adjustment in order to meet adjustments obtained by other companies in that business up to a recovery of tariff levels prevailing in 2001 and in relation to regional tariffs in South America, especially in Brazil and Chile. A probability approach has been used to weight the different scenarios assigning an outcome probability to each cash flow scenario projected, based on current objective information. However, MetroGAS is unable to ensure

that the realization of the assumptions used to develop these projections will be in line with its estimates, so they might differ significantly from the estimates and assumptions used as of the date of preparation of these consolidated financial statements.

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1.b.10) Pension plans and other similar obligations

i. Retirement plan:

Effective March 1, 1995, YPF 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 2% and 9% of his monthly compensation and YPF will pay an amount equal to that contributed by each member.

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

The total charges recognized under the retirement plan amounted to approximately 31 and 27 for the nine-month periods ended on September 30, 2013 and 2012, respectively.

ii. Performance Bonus Programs:

These programs cover certain YPF and its controlled companies personnel. These bonuses are based on achieving 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.

The amount charged to expense related to the Performance Bonus Programs was 333 and 302 for the nine-month periods ended on September 30, 2013 and 2012, respectively.

iii. Share-based benefit plan:

During the year, YPF has decided to implement Share-based benefits Plans. These plans cover certain executive and management positions and key personnel with critical technical knowledge. The above plans are aimed at aligning the performance of executives and key technical staff with the objectives of the strategic plan of the Company.

These plans are to give 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. The implementation of these plans has included the conversion of certain long term compensation plans existing to date. 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.

For accounting purposes, the Company 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 American market. The above mentioned cost is accrued in the Company s net income for the period or year, over the vesting period, with the corresponding increase in Shareholders equity in the account Share-based Benefit Plans .

Additionally, the Company expects to acquire treasury shares in market transactions to fulfill these obligations. As of September 30, 2013, 1,047,513 shares have been repurchased in both local and American market. The acquisition cost of these shares has been recorded in Acquisition cost of treasury shares account with in shareholders equity (see section 1.b.17) of this Note).

The amounts recognized in net income in relation with the share-based plans previously mentioned, which are disclosed according to their nature, amounted to 35 for the nine-month period ended on September 30, 2013.

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Information related to outstanding plans in each period is as follows:

	Quantity of shares-plan	Average remaining life of the plan
Balance at beginning of year		
- Granted	1,962,500	3 months to 27 months
- Settled		
- Expired		
Balance at the end of period	1,962,500	3 months to 27 months

	Total
Expense recognized during the period	35
Fair value of shares on grant date (in dollars)	14.75

iv. Pension Plans and other Post-retirement and Post-employment benefits

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 pension plans and other post-retirement and post-employment benefits, are included in Note 7.

Additionally, the Company s 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) Revenue recognition 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 Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company 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 Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Grants for capital goods

Argentine tax authorities provide a tax incentive for investment in capital goods, computers and telecommunications for domestic manufacturers through a fiscal bonus, provided that manufacturers have industrial establishments located in Argentina, a requirement that is satisfied by the controlled company A-Evangelista S.A. The Company recognizes such incentive when the formal requirements established by Decrees No. 379/01, 1551/01, its amendments and regulations are satisfied, to the extend there is reasonable certainty that the grants will be received.

The bonus 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.

1.b.12) Recognition of revenue and costs associated with construction contracts

Revenues and costs related to construction activities performed by A-Evangelista S.A., controlled company, are accounted for in the consolidated statement of comprehensive income for the period 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 period and/or year when they become evident.

The table below details information related to the construction contracts in progress during the nine-month periods ended on September 30, 2013 and 2012:

	Revenues of the period	Costs incurred and accumulated recognized profits	Advances received	Gross amount due to customers
Contracts in progress as of September 30, 2013	251	666	289	
Contracts in progress as of September 30, 2012	432	646	124	

1.b.13) Leases

Operating leases

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 period in which they arise.

Finance Leases

The Company has no finance leases as they are defined under IFRS.

1.b.14) Earnings per share

Basic earnings per share are calculated by dividing the net income for the period attributable to YPF s shareholders by the weighted average of shares of YPF outstanding during the period, net of the shares repurchased as mentioned in Note 1.b.10).

Additionally, diluted earnings per share are calculated by dividing the net income for the period attributable to YPF s shareholders by the weighted average of ordinary shares of YPF outstanding during the period adjusted by the weighted average of ordinary shares of YPF that would be issued on the conversion of all the dilutive potential ordinary shares into YPF ordinary shares. As of the date of the issuance of these financial statements there are no instruments outstanding that imply the existence of potential ordinary shares, thus the basic earnings per share matches the diluted earnings per share.

1.b.15) Financial liabilities

Financial liabilities (loans and account payables) are initially recognized at their fair value less the transaction costs incurred. Since the Company 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.

Accounts payable and Other liabilities are recognized at their face value since their discounted value does not differ significantly from their face value.

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

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, as described in Note 2.i, the Company 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 income. The Company 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 Company 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 (see additionally Note 2.i). 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.

1.b.16) Taxes, withholdings and royalties

Income tax and tax on minimum presumed income

The Company 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 Company 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.

For the year ended December 31, 2012, the amounts determined as current income tax were higher than tax on minimum presumed income and they were included in the Income tax account of the statement of income.

Additionally, the Company expects that the current year, the amounts determined as current income tax will be higher than tax on minimum presumed income and consequently the Company has not accrued any amount related to the tax on minimum presumed income. So it has not recorded any charge for this item.

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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 on behalf 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, YPF is entitled to seek reimbursement of such paid tax from the applicable shareholders.

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 as amended. 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 (Ley de emergencia pública), 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 from the Ministry of Economy and Public Finance, published on January 3, 2013, modified the reference and floor prices. The outstanding regime provides that when the international price exceeds the reference price of US$ 80 per barrel, the producer will collect a floor price of US$ 70 per barrel, depending on the quality of the crude oil sold, with the remainder being withheld by the Argentine Government. When the international price is under the reference price but over US$ 45 per barrel, a 45% withholding rate should be applied. If such price is under US$ 45 per barrel, the Government will have to determine the export rate within a term of 90 business days.

The withholding rate determined as indicated above also currently applies to diesel, gasoline and other crude derivative products. In addition, the procedure for the calculation mentioned above applies to other crude derivatives and lubricants, based upon different withholding rates, reference prices and prices allowed to producers. 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.17) 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, even though such accounts would have had a different outstanding balance whether IFRS had been applied instead.

Subscribed capital 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 by 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 the issuance of shares. Also, this item may be used to compensate accumulated losses, considering the absorption order stated in the paragraph Retained earnings .

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 the Company in market transactions, as is required by the CNVs regulations in force.

Acquisition cost of repurchased shares

Corresponds to the cost incurred in the acquisition of the shares that the Company holds as treasury shares (see 1.b.10.iii).

Share-based benefit plans

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

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, the Company 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 September 30, 2013, the legal reserve has been fully integrated amounting 2,007.

Reserve for future dividends

Corresponds to the allocation made by the Company s shareholders meeting, whereby a specific amount is being assigned to constitute a reserve for future dividends.

Reserve for investment and reserve for purchase of treasury shares

Corresponds to the allocations made by the Company s shareholders meeting, whereby a specific amount is being assigned to be used in future investments and in the purchase of the Company s shares to meet the obligations arising from share-based benefit plan described in 1.b.10.iii, and Note 4.

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 the Company 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 period 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 period or year is negative, a restriction on the distribution of retained earnings for the same amount will be imposed.

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.

Non-controlling interest

Corresponds to the 30% interest in the net assets and income of MetroGAS, representing the rights on shares that are not owned by the Company.

1.b.18) Business combinations

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

The Company 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 Company 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 Company 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 Company. 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.19) New standards issued

The standards, interpretations and related amendments published by the IASB and endorsed by the FACPCE and the CNV that have been applied by the Company as from the year beginning on January 1, 2013, are the following:

IFRS 13 Fair Value Measurement

In May 2011, the IASB issued IFRS 13, Fair value measurement which is effective for fiscal years beginning on or after January 1, 2013, with early application permitted.

The IFRS 13 sets out a single framework for measuring fair value when required by other IFRSs. The IFRS applies to financial or non-financial items measured at fair value.

The fair value is measured as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date .

IAS 19 Employee Benefits

In June 2011, the IASB issued an amendment to IAS 19, Employee benefits , which is effective for fiscal years beginning on or after January 1, 2013, with early application permitted.

The amendment to the IAS 19 eliminates the option to defer the recognition of actuarial gains and losses in the measurement of defined benefit plans, which implies the recognition of all these differences in other comprehensive income.

IAS 1 Presentation of Financial Statements

In June 2011, the IASB issued an amendment to IAS 1, Presentation of Financial Statements , which is effective for fiscal years beginning on or after July 1, 2012, with early application permitted.

The amendments to IAS 1 improve the presentation of items included in the Statement of comprehensive income, classifying by nature and grouping items that may be reclassified to profit and loss section of the income statement in the subsequent periods, when conditions are met, and the items that will not be reclassified.

Adoption of the amendment to IAS 1 not had an impact on the operating income or the financial position of the Company, implying only new revelations on the statement of comprehensive income.

The adoption of the standards and interpretations or amendments mentioned in the previous paragraphs did not have a significant impact on the financial statements.

In addition to IFRS 9, Financial Instruments , IFRS 10, Consolidated Financial Statements , IFRS 11, Joint Arrangements , and IFRS 12, Disclosure of Interests in Other Entities , as well as the amendments to IAS 27, Separate Financial Statements and IAS 28, Investments in Associates and Joint Ventures , which have been early applied as of the date of transition, the Company has not applied in advance any other standard or interpretation permitted by the IASB.

1.c) Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make assumptions and estimates that affect the amounts of the assets and liabilities recognized, the presentation of contingent assets and liabilities at the end of each period or year and the income and expenses recognized during the period or year. Future results may differ depending on the estimates made by Management.

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) impairment test of assets (see Note 1.b.9), (4) provisions for environmental liabilities and hydrocarbon wells abandonment obligations (see Note 1.b.6, paragraph iv), and (5) the calculation of income tax and deferred income tax.

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).

The Company 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 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 management.

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Provisions for environmental costs

Given the nature of its operations, YPF 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 Company s operations are in substantial compliance with Argentine laws and regulations currently in force relating to the protection of the environment as such laws have historically been interpreted and enforced. 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 3.

The Company 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 issue existing prior to December 31, 1990. The Company 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 for 8,487 as of September 30, 2013, the Company has accrued 1,133 corresponding to 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 Company 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 Company s future results of operations.

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 Company s tax balances.

1.d) Financial Risk Management

The Company s activities involve various types of financial risks: market, liquidity and credit. The Company maintains an organizational structure and systems that allow the identification, measurement and control of the risks to which it is exposed.

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In addition, the table below details the classes of financial instruments of the Company classified in accordance to IFRS 9:

	September 30, 2013	December 31, 2012
Financial Assets		
At amortized cost		
Cash and equivalents [(1)]	5,668	3,870
Other receivables and advances [(1)]	1,309	1,392
Trade receivables [(1)]	8,647	4,059
At fair value through profit or loss		
Cash and equivalents [(2)]	1,235	877
Financial Liabilities		
At amortized cost		
Accounts payable [(1)]	19,529	13,014
Loans [(3)]	26,076	17,104
Provisions	422	416

(1) Fair value does not differ significantly from their book value.
(2) Corresponds to investments in mutual funds with price quotation. The fair value was determined based on unadjusted quoted prices (Level 1) in the markets where those financial instruments trade. The net gains (losses) for the nine-month periods ended September 30, 2013 and 2012 for these instruments are disclosed as Interest on assets in the Statements of Comprehensive Income.
(3) Their fair value, considering unadjusted quoted prices (Level 1) for Negotiable Obligations and interest rates offered to the Company (Level 3) for the other financial loans, at the end of period or year, as appropriate, amounted to 27,437 and 17,238 as of September 30, 2013 and December 31, 2012, respectively.

Market Risk

The market risk to which the Company is exposed is the possibility that the valuation of the Company 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.

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 Company does not use derivatives as a hedge against exchange rate fluctuations. Otherwise, according to the

Company s functional currency, and considering the conversion process to presentation currency, the fluctuations in the exchange rate related to the value of financial assets and liabilities in pesos does not have any effect in Shareholders equity.

The following table provides a breakdown of the effect a variation of 10% in the prevailing exchange rates on the Company s net income, taking into consideration the exposure of financial assets and liabilities denominated in pesos as of September 30, 2013:

	Appreciation (+) / depreciation ( ) of exchange rate of peso against dollar	**September 30, 2013**
Impact on net income before income tax corresponding to financial assets and liabilities	+10%	591
	10%	(591)

Interest Rate Risk

The Company is exposed to the risk associated with fluctuations in the interest rates which depend on the currency and maturity date of its loans or of the currency it has invested in financial assets.

The Company s short-term financial liabilities as of September 30, 2013 includes negotiable obligations, pre-financing of exports and imports financing arrangements, local bank credit lines and financial loans

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with local and international financial institutions. Long-term financial liabilities include negotiable obligations and financial loans with local and international financial institutions. Approximately 52% (13,579) of the total of the financial loans of the Company is denominated in U.S. dollars and the rest in Argentine pesos, as of September 30, 2013. 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 Company 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 September 30, 2013 that accrues interest considering the applicable rate:

	September 30, 2013	
	Financial Assets (1)	**Financial Liabilities (2)**
Fixed interest rate	4,511	12,396
Variable interest rate	1,509	13,680
Total	6,020	26,076

(1) Includes only short-term investments. 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.

The portion of liabilities which accrues variable interest rate is mainly exposed to the fluctuations in LIBOR and BADLAR. Approximately 10,771 accrue variable interest of BADLAR plus a spread between 2.25% and 4.75%, and 2,909 accrue variable interest of LIBOR plus a spread between 4.00% and 7.50%.

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)	For the nine-month period ended September 30, 2013

Impact on the net income after income tax	+100	(60)
	100	60

Other Price Risks

The Company 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 Company is reached by certain regulations that affect the determination of export prices received by the Company, such as those mentioned in Note 1.b.16 and 11.c, which consequently limits the effects of short-term price volatility in the international market.

In addition, as of the date of issuance of these financial statements, Resolution No. 35/2013 of the Argentine Secretariat of Domestic Commerce, imposes on each retailer a maximum price for fuels marketing (the highest value informed on April 9, 2013 in each of the geographic regions identified in the exhibit to the Resolution).

As of September 30, 2013 and December 31, 2012, the Company has not used derivative financial instruments to hedge risks related to fluctuations in commodity prices.

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Liquidity Risk

Liquidity risk is associated with the possibility of a mismatch between the need of funds (related, for example, to operating and financing expenses, investments, debt payments and dividends) and the sources of funds (such as net income, disinvestments and credit-line agreements by financial institutions).

As mentioned in previous paragraphs, YPF pretends to align the maturity profile of its financial debt to its ability to generate enough cash flows for its payment, as well as to finance the projected expenditures for each period. As of September 30, 2013 the availability of liquidity reached 9,903, considering cash for 883, other liquid financial assets for 6,020 and bank financing and available credit lines for 3,000. 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 and in April 2013 (see Note 2.i).

After the process which concluded with the change of shareholders mentioned in Note 4, the Company 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.

The table below sets forth the maturity dates of the Company s financial liabilities as of September 30, 2013:

	September 30, 2013 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)]	19,130	321	57			21	19,529
Loans	6,126	4,201	3,983	3,758	1,686	6,322	26,076
Provisions	355	46	21				422

(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. With respect to a significant portion of the financial loans, as of September 30, 2013, the Company has agreed, among other things and subject to certain exceptions, not to establish liens or charges on assets. Additionally, approximately 9% of the financial debt as of September 30, 2013 is subject to financial covenants related to the leverage ratio and debt service coverage ratio of the Company.

A portion of the Company s financial debt provides that certain changes in the Company s control and/or nationalization may constitute an event of default. Moreover, the Company s financial debt also contains cross-default provisions and/or cross acceleration provisions that could cause all of the financial debt to be accelerated if the debt having changes in control and/or nationalization events provisions is defaulted. As of the issuance date of these financial statements, the Company has obtained formal waivers from all the financial creditors in relation to its outstanding debt subject to the mentioned terms at the moment in which the change in control occurred, mentioned in Note 4.

Additionally, regarding the financial debt of our subsidiary MetroGAS, see Note 2.i) to these consolidated financial statements.

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 Company.

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

Financial instruments that potentially expose the Company to a concentration of credit risk consist primarily of cash and equivalents, trade receivables and other receivables and advances. The Company 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, the Company provides credit based on ongoing

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credit evaluations to its customers and certain related parties. Additionally, the Company accounts for credit losses in the other comprehensive income statement, based on specific information regarding its clients. As of the date of these financial statements, the Company s customer portfolio is diversified.

The allowances 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 Company as of September 30, 2013 based on the type of its financial instruments and without excluding the amounts covered by guarantees and other arrangements mentioned below, as of September 30, 2013, is set forth below:

	Maximum exposure as of September 30, 2013
Cash and equivalents	6,903
Other financial assets	9,956

Following is the breakdown of the financial assets past due as of September 30, 2013. At such date, the provision for doubtful trade receivables amounted to 526 and the provisions for other doubtful receivables amounted to 25. These allowances are the Company s best estimate of the losses incurred in relation with accounts receivables.

	Current trade receivable	**Other current receivables and advances**
Less than three months past due	1,046	238
Between three and six months past due	442	43
More than six months past due	1,249	94
	2,737	375

Guarantee Policy

As collateral of the credit limits granted to customers, YPF 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 the joint and several bonds from their parent companies prevail. In the industrial and transport market, bank guarantees prevail. With a lower presence, YPF also has obtained other guarantees as credit insurances, surety bonds, guarantee customer supplier, car pledges, etc.

The Company has effective guarantees granted by third parties for a total amount of 1,671 as of September 30, 2013.

During the nine-month period ended September 30, 2013, YPF executed guarantees received for an amount of 3. As of September 30, 2012, YPF executed guarantees received for an amount of 1.

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

Details regarding the significant accounts included in the consolidated financial statements are as follows:

Consolidated Balance Sheet as of September 30, 2013 and Comparative Information

2.a) Cash and equivalents:

	September 30, 2013	December 31, 2012
Cash	883	950
Short-term investments	4,785	2,920
Financial assets at fair value through profit or loss	1,235	877
	6,903	4,747

2.b) Trade receivables:

	September 30, 2013		December 31, 2012	
	Noncurrent	Current	Noncurrent	Current
Accounts receivable and related parties[(1)]	59	9,114	20	4,538
Provision for doubtful trade receivables	(6)	(520)	(5)	(494)
	53	8,594	15	4,044

(1) See Note 6 for additional information.

Changes in the provision for doubtful trade receivables

	For the nine-month period ended September 30, 2013 Current	For the nine-month period ended September 30, 2012 Current
Amount at beginning of year	494	454
Increases charged to expenses	28	26
Decreases charged to income	(25)	(6)
Amounts incurred		(2)
Translation differences	23	10
Reclassifications and others		(5)
Amount at end of period	520	477

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2.c) Other receivables and advances:

	September 30, 2013		December 31, 2012	
	Noncurrent	Current	Noncurrent	Current
Trade		272		223
Tax credit and export relates	12	687	10	750
Trust contributions - Obra Sur	72	17	83	17
Loans to clients and balances with related parties[(1)]	458	60	385	77
Collateral deposits	352	198	7	193
Prepaid expenses	18	280	8	239
Advances and loans to employees		113		106
Advances to suppliers and customs agents[(2)]		861		542
Receivables with partners in Joint Operations	495	88	600	129
Miscellaneous	62	280	69	455
	1,469	2,856	1,162	2,731
Provision for other doubtful accounts		(96)		(96)
Provision for valuation of other receivables to their estimated realizable value			(1)	
	1,469	2,760	1,161	2,635

(1) See Note 6 for additional information on 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 other products.

Changes in the provisions of other receivables and advances

	For the nine-month period ended September 30,		
	2013		2012
	Provision for other current doubtful accounts	Provision for valuation of other noncurrent receivables to their estimated realizable value	Provision for other current doubtful accounts
Amount at beginning of year	96	9	93
Increases charged to expenses			2
Decreases charged to income		(4)	
Amounts incurred		(2)	

Translation differences			
Reclassifications and others			
Amount at end of period	96	3	95

2.d) Inventories:

	September 30, 2013	**December 31, 2012**
Refined products	5,395	4,316
Crude oil and natural gas	2,272	1,813
Products in process	106	106
Construction works in progress	190	230
Raw materials and packaging materials	439	457
	8,402 (1)	6,922 (1)

(1) As of September 30, 2013 and December 31, 2012, the net value of the inventories does not differ from their cost since there is no provision for impairment which could reduce their value.

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2.e) Investments in companies:

	September 30, 2013	December 31, 2012
Investments in companies (Exhibit I)	1,570	1,926
Provision for reduction in value of investments in companies	(12)	(12)
	1,558	1,914

2.f) Composition and evolution of intangible assets:

	2013				
	Cost				
Main account	**Amounts at beginning of year**	**Increases**	**Translation effect**	**Net decreases, reclassifications and transfers**	**Amounts at the end of period**
Service concessions	2,769	87	501	16	3,373
Exploration rights	408	219	77	(29)	675
Other intangibles	1,266	60	244	(3)	1,567
Total 2013	4,443	366	822	(16)	5,615
Total 2012	3,724	91	371	(5)	4,181

	2013							2012	
	Amortization								
Main account	**Accumulated at beginning of year**	**Net decreases, reclassifications and transfers**	**Depreciation rate**	**Increases**	**Translation effect**	**Accumulated at the end of period**	**Net book value 09-30**	**Net book value 09-30**	**Net book value 12-31**
Service concessions	1,839		4-5%	68	334	2,241	1,132	872	930
Exploration rights	6	(18)		14	2	4	671	393	402
Other intangibles	1,106	(4)	7-33%	60	218	1,380	187	147	160
Total 2013	2,951	(22)		142	554	3,625	1,990		
Total 2012	2,424			102	243	2,769		1,412	1,492

The Company does not have intangible assets with indefinite useful lives as of September 30, 2013, September 30, 2012 and December 31, 2012.

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; and
- 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.

The holder of a transportation concession is obligated to transport hydrocarbons for third parties on a non-discriminatory basis for a fee. This obligation, however, applies to producers of oil or gas only to the extent that the concession holder has surplus capacity available and is expressly subordinated to the transportation requirements of the holder of the concession. Transportation tariffs are subject to approval by the Argentine Secretariat of Energy for oil pipelines and petroleum products and by the National Gas Regulatory Authority (Ente Nacional Regulador del Gas or ENARGAS) for gas pipelines. Upon expiration of a transportation concession, the pipelines and related facilities automatically revert to the Argentine State without payment to the holder.

The Privatization Law granted YPF a 35-year transportation concession with respect to the pipelines operated by Yacimientos Petrolíferos Fiscales S.A. at the time. The main pipelines related to such transport concessions are:

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

Management considers that the assets referred to above meet the criteria set forth by IFRIC 12, and should be therefore recognized as intangible assets.

2.g) Composition and evolution of fixed assets:

	September 30, 2013	**December 31, 2012**
Net book value of fixed assets	79,636	57,103
Provision for obsolescence of materials and equipment	(155)	(132)
	79,481	56,971

			2013		
			Cost		
Main account	**Amounts at beginning of year**	**Increases**	**Translation effect**	**Net decreases, reclassifications and transfers**	**Amounts at the end of period**
Land and buildings	4,954	94	829	329	6,206
Mineral property, wells and related equipment	121,313	910	22,306	6,411	150,940
Refinery equipment and petrochemical plants	18,272		3,309	747	22,328
Transportation equipment	1,022	30	179	21	1,252
Materials and equipment in warehouse	3,375	2,594	595	(1,256)	5,308
Drilling and work in progress	13,658	15,253	2,791	(7,840)	23,862
Exploratory drilling in progress[4]	955	516	192	(404)	1,259
Furniture, fixtures and installations	1,641	15	286	78	2,020
Selling equipment	2,851	3	526	223	3,603

Infrastructure for natural gas distribution		2,678		(2)	2,676
Electric power generation facilities		1,513			1,513
Other property	2,802	353	483	(64)	3,574
Total 2013	170,843	23,959(5)(7)(8)	31,496	(1,757)(6)	224,541
Total 2012	135,618	9,715(5)	12,808	(871)(1)	157,270

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	2013							2012	
	Depreciation								
Main account	Accumulated at beginning of year	Net decreases, reclassifications and transfers	Depreciation rate	Increases	Translation effect	Accumulated at the end of period	Net book value 09-30	Net book value 09-30	Net book value 12-31
Land and buildings	2,048	(1)	2%	110	333	2,490	3,716	2,760	2,906
Mineral property, wells and related equipment	93,306		(2)	6,867	17,199	117,372	33,568(3)	23,867(3)	28,007(3)
Refinery equipment and petrochemical plants	12,427	(40)	4-5%	678	2,274	15,339	6,989	5,235	5,845
Transportation equipment	701	(6)	4-20%	76	123	894	358	231	321
Materials and equipment in warehouse							5,308	3,008	3,375
Drilling and work in progress							23,862	12,982	13,658
Exploratory drilling in progress(4)							1,259	851	955
Furniture, fixtures and installations	1,392		10%	105	243	1,740	280	145	249
Selling equipment	2,143		10%	117	392	2,652	951	573	708
Infrastructure of natural gas distribution			2-5%	1,085		1,085	1,591		
Electric power generation facilities			5-7%	1,019		1,019	494		
Other property	1,723	(46)	10%	326	311	2,314	1,260	1,037	1,079
Total 2013	113,740	(93)(6)		10,383(7)(8)	20,875	144,905	79,636		
Total 2012	91,973	(26)(1)		5,961	8,673	106,581		50,689	57,103

(1) Includes 4 of net book value charged to fixed assets provisions.
(2) Depreciation has been calculated according to the unit of production method (Note 1.b.6).
(3) Includes 3,420, 1,548 and 2,800 of mineral property as of September 30, 2013 and 2012, and December 31, 2012, respectively.
(4) As of September 30, 2013, there are 56 exploratory wells in progress. During the nine-month period ended on such date, 33 wells were drilled, 16 wells were charged to exploratory expenses and 12 were transfer to proved properties which are included in the account Mineral property, wells and related equipment.
(5) Includes 124 and 42 corresponding to hydrocarbon wells abandonment costs for the nine-month period ended September 30, 2013 and 2012.
(6) Includes, among others, 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 (see also Note 11.b).
(7) Includes 3,137 and 1,352 of increases and accumulated amortization, respectively, corresponding to GASA on the acquisition date (see Note 13).
(8) Includes 1,878 and 1,242 of increases and accumulated amortization, respectively, corresponding to YPF Energía Eléctrica at the date of spin-off (see Note 13).

As described in Note 1.b.6, YPF capitalizes the financial cost as a part of the cost of the assets. For the nine-month periods ended on September 30, 2013 and 2012 the annual average rate of capitalization were 11.83% and 7.89% and the capitalized amount were 438 and 225, respectively, for the periods above mentioned.

Set forth below is the evolution of the provision for obsolescence of materials and equipment for the nine-month periods ended on September 30, 2013 and 2012:

	For the nine-month period ended September 30,	
	2013	**2012**
Amount at beginning of year	132	123
Increases charged to expenses		
Decreases charged to income		
Amounts incurred		(4)
Translations differences	23	9
Reclassifications and others		
Amount at end of period	155	128

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2.h) Accounts payable:

	September 30, 2013		December 31, 2012	
	Noncurrent	Current	Noncurrent	Current
Trade and related parties[1]	198	15,334	35	10,705
Investments in companies with negative shareholders equity		27		4
Extension of Concessions Provinces of Santa Cruz and Neuquén	166	675	104	936
From joint ventures and other agreements		841		798
Advances received on project investment (Note 11.c)		1,689		
Miscellaneous	35	591	23	413
	399	19,157	162	12,856

(1) See additionally Note 6.

2.i) Loans:

	Interest rate [1]	Principal maturity	September 30, 2013		December 31, 2012	
			Noncurrent	Current	Noncurrent	Current
Negotiable Obligations[2]	0.10-22.13%	2013-2028	16,647	2,468	9,216	725
Other financial debts	2.50-20.30%	2013-2017	3,303[3][4]	3,658[3][4]	2,884	4,279
			19,950	6,126	12,100	5,004

(1) Annual interest rate as of September 30, 2013.

(2) Disclosed net of 133 and 450, corresponding to YPF s outstanding Negotiable Obligations repurchased through open market transactions as of September 30, 2013 and December 31, 2012, respectively.

(3) Includes approximately 5,324 corresponding to loans agreed in U.S. dollars, which accrue interest at rates between 2.00% and 8.50%.

(4) Includes 1,092 corresponding to loans granted by Banco Nación Argentina, of which 492 accrue fixed interest rate of 15.00% until December 2015 and then accrue variable interest of BADLAR plus a spread of 4 points and 668 accrue variable interest of BADLAR plus a spread of 4 points with a maximum lending interest rate of the overall portfolio of Banco Nación. See additionally Note 6.

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

(in million) Issuance								Book value			
								September 30, 2013		December 31, 2012	
Month	Year	Principal value		Class	Interest rate [4]		Principal maturity	Noncurrent	Current	Noncurrent	Current
YPF:											
	1998	US$	100 [1] [7] [3]		Fixed	10.00%	2028	445	19	40	1
March	2010	US$	70 [2] [7]	Class III							347
September	2012	$	100 [2] [7]	Class VI							101
September	2012	$	200 [2] [7]	Class VII	Variable BADLAR plus 3%	20.27%	2014		202	200	2
September	2012	$	1,200 [2] [5] [7]	Class VIII	Variable BADLAR plus 4%	21.27%	2015	800	412	1,200	11
October	2012	US$	130 [2] [6] [7]	Class IX	Fixed	5.00%	2014	749	8	636	7
October and December	2012	US$	552 [2][5][6][7]	Class X	Fixed	6.25%	2016	3,185	40	2,702	34
November and December	2012	$	2,110 [2] [5] [7]	Class XI	Variable BADLAR plus 4.25%	20.80%	2017	2,110	59	2,110	56
December	2012	$	150 [2] [7]	Class XII	Fixed	19.00%	2013		151		151
December and March	2012/3	$	2,828 [2] [5] [7]	Class XIII	Variable BADLAR plus 4.75%	22.13%	2018	2,828	19	2,328	15
March	2013	$	300 [2] [7]	Class XIV	Fixed	19.00%	2014		304		
March	2013	US$	230 [2] [6] [7]	Class XV	Fixed	2.50%	2014	664	665		
May	2013	$	300 [2] [7]	Class XVI	Fixed	19.00%	2014		303		
April	2013	$	2,250 [2] [8]	Class XVII	Variable BADLAR plus 2.25%	18.46%	2020	2,250	72		
April	2013	US$	61 [2] [6] [7]	Class XVIII	Fixed	0.1%	2015	352			
April	2013	US$	89 [2] [6]	Class XIX	Fixed	1.29%	2017	514	1		
June	2013	$	1,265 [2] [8]	Class XX	Variable BADLAR plus 2.25%	19.57%	2020	1,265	9		
July	2013	$	100 [2]	Class XXI	Fixed	19.00%	2014		101		
July	2013	US$	92 [2] [6]	Class XXII	Fixed	3.50%	2020	453	79		
MetroGAS:											
January	2013	US$	163	Serie A-L	Fixed	8.875%	2018	707	22		
January	2013	US$	16	Serie A-U	Fixed	8.875%	2018	99	2		

GASA:												
March	2013	US$	51	Serie A-L	Fixed	8.875%	2015	218				
March	2013	US$	1	Serie A-U	Fixed	8.875%	2015	8				
								16,647	2,468	9,216	725	

(1) Corresponds to the 1997 M.T.N. Program for U$S 1,000 million.
(2) Corresponds to the 2008 M.T.N. Program for U$S 5,000 million.
(3) The Company has granted to certain holders of this negotiable obligations an option to sell (put) such securities at face value, for an amount of up to 394 approximately, which can be executed between 2020 and 2028.
(4) Interest rate as of September 30, 2013.
(5) The ANSES has 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.
(6) The payment currency of these Negotiable Obligations is the Argentine Peso at the Exchange rate applicable under the terms of the series issued.
(7) As of the date of issuance of these financial statements, the Company has fully complied with the use of proceeds disclose in the pricing supplements.
(8) The Argentine Hydrocarbons Fund has 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 negotiable obligations are authorized to be traded.

For additional information about covenants assumed by the Company and maturity of loans see Note 1.d) Financial risk management.

YPF s negotiable obligations

The General Meeting of Shareholders held on January 8, 2008, approved a program to issue notes for a total amount of US$ 1,000 million. After the above mentioned date, the amount of the program was extended by the corresponding approval of the Shareholders meeting, totalizing a maximum nominal amount outstanding of US$ 5,000 million or its equivalent in other currencies. The funds from this program may be used for any of the alternatives provided in Law No. 23,576 of negotiable obligations and, its supplementary rules.

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Additionally, after the date of these financial statements and under the mentioned program, the Company issued negotiable obligations Class XXIV and XXV, for a total amount of US$ 150 million and 300, respectively.

Negotiable Obligations of MetroGAS S.A. and Gas Argentino S.A. Debt Restructuring:

MetroGAS:

In compliance with the preventive agreement between MetroGAS and its creditors, in relation with MetroGAS voluntary reorganization petition, on January 11, 2013 new negotiable obligations were issued by MetroGAS (the new negotiable obligations of MetroGAS) which were granted in exchange to the financial and non-financial creditors verified and declared acceptable.

On February 1 and February 13, 2013 MetroGAS presented to the Court the documentation that demonstrates the fulfillment of the debt exchange and the issuance of the new negotiable obligations of MetroGAS in order to obtain the removal of the general prohibition and obtain the legal declaration of the accomplishment of the preventive agreement under the terms and conditions of art. 59 of the Bankruptcy law.

The issuance of the new negotiable obligations of MetroGAS was approved by the CNV on December 26, 2012, within the framework of the Global Negotiable Obligation Issuance Program of MetroGAS for a nominal value of up to US$ 600 million.

MetroGAS issued the new negotiable obligations to be exchanged for existing negotiable obligations:

- Series A-L for an amount of US$ 163,003,452.
- Series B-L for an amount of US$ 122,000,000.

and in exchange of non-financial debt of MetroGAS negotiable obligations:

- Series A-U for an amount of US$ 16,518,450.
- Series B-U for an amount of US$ 13,031,550.

From the date of issuance, all MetroGAS obligations under the terms of the Previous Negotiable Obligations and the previous non-financial debt were terminated and all rights, interests and benefits stipulated therein were annulled and canceled. Consequently, the previous Negotiable Obligation and the previous non-financial debt were extinguished and no longer constitute MetroGAS enforceable obligations. In this order, the debt exchange was accounted for as a debt extinguishment following the guidelines of IFRS 9. The result, before tax effect, of the restructuring of the outstanding debt obligations of MetroGAS was recognized by that company during the three months ended on March 31, 2013. Since this result was recognized by MetroGAS prior to the YPF s acquisition, the effect arising thereof has been considered in the initial accounting of the acquisition of MetroGAS (see Note 13).

The principal value of the Class A New Negotiable Obligations of MetroGAS shall be fully redeemed at its maturity on December 31, 2018 in a single payment. The Class A New Negotiable Obligations of MetroGAS will accrue an annual nominal interest rate of 8.875%. The Class B New Negotiable obligations of MetroGAS maturing on 2018 will only accrue interest if there is a triggering event (which includes the anticipated maturity in case of an event of default under the terms of the new issued negotiable obligations) occurs before the Deadline, and in the case no triggering event occurs, the Class B New Negotiable obligations of MetroGAS will be automatically canceled and will no longer constitute an enforceable obligation for MetroGAS. Interest on the Series AL and AU will be paid every six months on June 30 and December 31 of each year, although MetroGAS has exercised the option to capitalize 100% of the interest accrued between the date of issuance and September 30, 2013 and has the option to capitalize 50% of the interest to be accrued between July 1, 2013 and June 30, 2014.

Additionally, in accordance with the terms and conditions of issuance of the New Negotiable obligations of MetroGAS, it and its subsidiaries, must comply with certain restrictions relating to indebtedness, restricted payments (including dividends), liens, among others.

GASA:

In compliance with the preventive agreement between GASA and its creditors, in relation with the voluntary reorganization petition of GASA, on March 15, 2013 GASA proceeded to exchange the existing negotiable obligations held by its financial creditors and the credits of nonfinancial creditors verified and declared acceptable by the New Negotiable obligations.

GASA issued new negotiable obligations (the new negotiable obligations of GASA) to be delivered in exchange for previous existing negotiable obligations:

Series A-L for an amount of US$ 50,760,000.

Series B-L for an amount of US$ 67,510,800.

and in exchange for the financial debt of the Company s Previous Negotiable Obligations:

Series A-U for an amount of US$ 1,306,528.

Series B-U for an amount of US$ 1,737,690.

The issuance of the new negotiable obligations of GASA AL and BL series were approved by the CNV on February 5, 2013.

From the date of issuance, all GASA obligations under the terms of the previous negotiable obligations and the previous financial debt were terminated and all rights, interests and benefits stipulated therein were annulled and canceled. Consequently, the Previous Negotiable obligations and the previous financial debt were extinguished and no longer constitute an enforceable obligation for GASA. The debt exchange was accounted for as an extinguishment of debt following the guidelines of IFRS 9. The result before tax effect of the debt restructuring of GASA was recognized in the statement of income during the three months ended on March 31, 2013. Since this result was recognized by GASA prior to YPF s acquisition, the effect arising thereof has been considered in the initial accounting of the acquisition of GASA (see Note 13).

The principal value of the Class A new negotiable obligations of GASA will be fully redeemed at its maturity on December 31, 2015 in a single payment. If GASA pays the total accrued non-capitalized interest to that date and the capital corresponding that would have been capitalized in accordance with the terms of issuance up to that date, then the maturity of the new negotiable obligations of GASA will be on December 31, 2016. The Class A new negotiable obligations of GASA will accrue an annual nominal interest of 8.875%. The Class B new negotiable obligations of GASA, maturing on 2015, will only accrue interest if there is a triggering event (which includes the anticipated maturity in case of an event of default under the terms of the negotiable obligations issued) occurs before the

Deadline, and if the triggering event has not occur, the Class B new negotiable obligations of GASA will be automatically canceled and will no longer constitute enforceable obligations for GASA. Interest will be paid every six months on June 15 and December 15 of each year, GASA will have the option to capitalize 100% of the interest accrued between the date of issuance and December 15, 2015. GASA has exercised this option for the accrued interest from the date of issuance to June 15, 2013.

Additionally, in accordance with the terms and conditions of issuance of the new negotiable obligations, GASA and its subsidiaries, must comply with certain restrictions relating to indebtedness, restricted payments (including dividends), liens, among others.

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2.j) Provisions:

	Provision for pensions		Provision for pending lawsuits and contingencies		Provision for environmental liabilities		Provision for hydrocarbon wells abandonment obligations	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount as of December 31, 2012	136	16	2,892	122	677	489	6,958	193
Increases charged to expenses	4		1,588	18	176		526	
Decreases charged to income			(7)	(24)				
Decrease from payments		(9)	(54)	(60)		(318)		(75)
Translations differences	30	3	376	4	74	35	720	21
Reclassifications and others	(9)	9	(128)	82	(295)	295	69[(3)]	75
Amount as of September 30, 2013	161	19	4,667	142	632[(1)]	501[(2)]	8,273	214

	Provision for pensions		Provision for pending lawsuits and contingencies		Provision for environmental liabilities		Provision for hydrocarbon wells abandonment obligations	
	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current
Amount as of December 31, 2011	143	14	2,167	118	567	581	6,329	252
Increases charged to expenses	4		585	7	384		354	5
Decreases charged to income			(17)	(4)	(9)			
Decrease from payments		(8)	(14)	(455)		(568)		(101)
Translations differences	13	2	118		29	20	319	10
Reclassifications and others	(8)	8	(448)	448	(412)	412	(59)[(3)]	101
Amount as of September 30, 2012	152	16	2,391	114	559[(1)]	445[(2)]	6,943	267

(1) Includes provisions for environmental liabilities of YPF Holdings Inc. for 468 and 329, as of September 30, 2013 and 2012, respectively.
(2) Includes provisions for environmental liabilities of YPF Holdings Inc. for 277 and 192, as of September 30, 2013 and 2012, respectively.
(3) Includes 124 and 42 from abandonment obligations costs which were recorded offsetting the related fixed asset, as of September 30, 2013 and 2012, respectively.

2.k) Revenues, cost of sales and expenses

For the nine and three-month periods ended September 30, 2013 and 2012

Revenues

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2013	**2012**	**2013**	**2012**
Sales[1]	66,867	49,564	24,997	17,948
Revenues from construction contracts	251	432	72	92
Turnover tax	(2,299)	(1,684)	(825)	(662)
	64,819	48,312	24,244	17,378

(1) Also includes 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).

Cost of sales

	For the nine-month period ended September 30,		For the three-month period ended September 30,	
	2013	**2012**	**2013**	**2012**
Inventories at beginning of year	6,922	6,006	8,336	6,920
Purchases for the period	18,945	13,244	6,595	4,932
Production costs	29,727	23,404	10,798	8,566
Translation effect	1,194	535	548	245
Inventories at end of period	(8,402)	(7,060)	(8,402)	(7,060)
Cost of sales	48,386	36,129	17,875	13,603

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Expenses

	For the nine-month period ended September 30, 2013					2012
	Production costs	Administrative expenses	Selling expenses	Exploration expenses	Total	Total
Salaries and social security taxes	2,984	718[(2)]	444	94	4,240	3,266
Fees and compensation for services	245	511[(2)]	106	8	870	736
Other personnel expenses	779	132	43	16	970	698
Taxes, charges and contributions	486	62	2,104	2	2,654[(1)]	1,881[(1)]
Royalties and easements	4,054	1	9	5	4,069	3,227
Insurance	341	13	40		394	185
Rental of real estate and equipment	1,219	11	144	3	1,377	1,077
Survey expenses				19	19	24
Depreciation of fixed assets	7,452	127	210		7,789	5,961
Amortization of intangible assets	69	50	9	14	142	102
Industrial inputs, consumable materials and supplies	1,392	13	87	2	1,494	1,103
Operation services and other service contracts	1,823	59	292		2,174	2,132
Preservation, repair and maintenance	5,143	69	125	7	5,344	4,059
Contractual commitments	138	1	5		144	163
Unproductive exploratory drillings				325	325	269
Transportation, products and charges	1,871	3	1,630		3,504	2,799
Provision for doubtful trade receivables			3		3	18
Publicity and advertising expenses		80	59		139	121
Fuel, gas, energy and miscellaneous	1,731	39	245	30	2,045	1,599
Total 2013	29,727	1,889	5,555	525	37,696	
Total 2012	23,404	1,530	4,022	464		29,420

(1) Include approximately 1,427 and 965 corresponding to hydrocarbon export withholdings for the nine-month period ended September 30, 2013 and 2012, respectively.

(2) Includes 54 of Directors and Statutory Auditor s fees. On May 30, 2013, the general ordinary and extraordinary shareholders meeting of YPF decided to approve as honorary in advance for such fees the sum of approximately 74 for the year 2013.

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	For the three-month period ended September 30,					
	2013					2012
	Production costs	Administrative expenses	Selling expenses	Exploration expenses	Total	Total
Salaries and social security taxes	1,044	260	168	44	1,516	1,225
Fees and compensation for services	101	173	45		319	195
Other personnel expenses	289	57	19	7	372	229
Taxes, charges and contributions	165	(8)	720		877(1)	619(1)
Royalties and easements	1,401		3		1,404	1,099
Insurance	187	6	16		209	72
Rental of real estate and equipment	415	5	56		476	364
Survey expenses				5	5	8
Depreciation of fixed assets	2,963	48	77		3,088	2,246
Amortization of intangible assets	28	18	3		49	37
Industrial inputs, consumable materials and supplies	440	6	21	1	468	437
Operation services and other service contracts	565	26	85		676	696
Preservation, repair and maintenance	1,884	27	51	3	1,965	1,561
Contractual commitments	46				46	88
Unproductive exploratory drillings				209	209	110
Transportation, products and charges	662	3	579		1,244	1,007
Provision for doubtful trade receivables			6		6	6
Publicity and advertising expenses		31	28		59	48
Fuel, gas, energy and miscellaneous	608	2	109	10	729	579
Total 2013	10,798	654	1,986	279	13,717	
Total 2012	8,566	522	1,362	176		10,626

(1) Includes approximately 463 and 277 corresponding to hydrocarbon export withholdings for the three-month periods ended September 30, 2013 and 2012, respectively.

The expense recognized in the statement of comprehensive income related to research and development activities during the nine-month periods ended September 30, 2013 and 2012 amounted to 20 and 32, respectively.

3. PROVISIONS FOR PENDING LAWSUITS, CLAIMS AND ENVIRONMENTAL LIABILITIES

The Company is party to a number of labor, commercial, civil, tax, criminal, environmental and administrative proceedings that, either alone or in combination with other proceedings, could, if resolved in whole or in part adversely against it, result in the imposition of material costs, fines, judgments or other losses. While the Company believes that such risks have been provisioned appropriately based on the opinions and advice of our external legal advisors and in accordance with applicable accounting standards, certain loss contingencies, are subject to change as new information develops and results of the presented evidence is obtain, among others. It is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to the Company, could significantly exceed the recorded provisions.

As of September 30, 2013, the Company has accrued pending lawsuits, claims and contingencies which are probable and can be reasonably estimated, amounting to 4,809. The most significant pending lawsuits and contingencies accrued are described in the following paragraphs.

Additionally, the Company 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. Management believes that the Company s operations are in substantial compliance with Argentine laws and regulations currently in force relating to the protection of the environment as such laws have historically been interpreted and enforced.

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However, the Company is periodically conducting new studies to increase its knowledge concerning the environmental situation in certain geographic areas where the Company operates in order to establish their status, causes and necessary remediation and, based on the aging of the environmental issue, to analyze the possible responsibility of Argentine Government, in accordance with the contingencies assumed by the Argentine Government for liabilities existing as of December 31, 1990. Until these studies are completed and evaluated, the Company cannot estimate what additional costs, if any, will be required. However, it is possible that other works, including provisional remedial measures, may be required.

The most significant pending lawsuits and contingencies provisioned are described in the following paragraphs.

Pending lawsuits: In the normal course of its business, the Company has been sued in numerous labor, civil and commercial actions and lawsuits. Management, in consultation with the external legal advisors, has recorded a provision considering its best estimation, based on the information available as of the date of the issuance of these consolidated financial statements, including counsel fees and judicial expenses.

Liabilities and contingencies assumed by the Argentine Government: The YPF Privatization Law provided for the assumption by the Argentine Government of certain liabilities of the predecessor as of December 31, 1990. In certain lawsuits related to events or acts that took place before December 31, 1990, YPF has been required to advance the payment established in certain judicial decisions. YPF has the right to be reimbursed for these payments by the Argentine Government pursuant to the above-mentioned indemnity.

Natural gas market: Pursuant to Resolution No. 265/2004 of the Secretariat of Energy, the Argentine Government created a program of useful curtailment of natural gas exports and their associated transportation service. Such program was initially implemented by means of Regulation No. 27/2004 of the Under-Secretariat of Fuels, which was subsequently substituted by the Program of Rationalization of Gas Exports and Use of Transportation Capacity (the Program) approved by Resolution No. 659/2004 of the Secretariat of Energy. Additionally, Resolution No. 752/2005 of the Secretariat of Energy provided that industrial users and thermal generators (which according to this resolution will have to request volumes of gas directly from the producers) could also acquire the natural gas from the cutbacks on natural gas exports through the Permanent Additional Injections mechanism created by this Resolution. By means of the Program and/or the Permanent Additional Injection, the Argentine Government requires natural gas exporting producers to deliver additional volumes to the domestic market in order to satisfy natural gas demand of certain consumers of the Argentine market (Additional Injection Requirements). Such additional volumes are not contractually committed by YPF, who is thus forced to affect natural gas exports, which execution has been conditioned. The mechanisms established by the Resolutions No. 659/2004 and 752/2005 have been adapted by the Secretariat of Energy Resolution No. 599/2007, modifying the conditions for the imposition of the requirements, depending on whether the producers have signed or not the proposed agreement, ratified by such resolution, between the Secretariat of Energy and the Producers. Also, through Resolution No. 1410/2010 of the National Gas Regulatory Authority (ENARGAS) approved the procedure which sets new rules for natural gas dispatch applicable to all participants in the natural gas industry, imposing new and more severe regulations to the producers availability of natural gas (Procedimiento para Solicitudes, Confirmaciones y Control de Gas). Additionally, the Argentine Government, through instructions made using different procedures, has ordered limitations over natural gas exports (in conjunction with the Program and the Permanent Additional Injection, named the Export Administration). On January 5, 2012, the Official Gazette published Resolution of the Secretariat of Energy No. 172 which temporarily extends the rules and criteria established by Resolution No. 599/07, until new legislation replaces the Resolution previously mentioned. This Resolution was appealed on February 17, 2012 by filing a motion for reconsideration with the Secretariat of Energy.

As a result of the resolution mentioned before, in several occasions since 2004, YPF has been forced to suspend, either totally or partially, its natural gas deliveries to some of its export clients, with whom YPF has undertaken firm commitments to deliver natural gas.

YPF has challenged the Program, the Permanent Additional Injection and the Additional Injection Requirements, established by Resolution of the Secretariat of Energy No. 599/2007, 172/2011 and Resolution ENARGAS No. 1,410/2010, as arbitrary and illegitimate, and has invoked vis-à-vis the relevant clients that the Export Administration constitute a fortuitous case or force majeure event (act of authority) that releases YPF from any liability and/or penalty for the failure to deliver the contractual volumes. These clients have rejected the force majeure argument invoked by YPF, and some of them have demanded the payment of indemnifications and/or penalties for the failure to comply with firm supply commitments, and/or reserved their rights to future claims in such respect (the Claims).

Among them, on June 25, 2008, AES Uruguaiana Emprendimientos S.A. (AESU) claimed damages in a total amount of US$ 28.1 million for natural gas deliver or pay penalties for cutbacks accumulated from September 16, 2007 through June 25, 2008, and also claimed an additional amount of US$ 2.7 million for natural gas deliver or pay penalties for cutbacks accumulated from January 18, 2006 until December 1, 2006. YPF has rejected both claims. On September 15, 2008, AESU notified YPF the interruption of the fulfillment of its commitments alleging delay and breach of YPF obligations. YPF has rejected the arguments of this notification. On December 4, 2008, YPF notified that having ceased the force majeure conditions, pursuant to the contract in force, it would suspend its delivery commitments, due to the repeated breaches of AESU obligations. AESU has rejected this notification. On December 30, 2008, AESU rejected YPF s right to suspend its natural gas deliveries and on March 20, 2009, notified YPF the termination of the contract. On March 20, 2009 AESU formally notified the termination of the contract. On April 6, 2009, YPF promoted an arbitration process at the International Chamber of Commerce (ICC) against AESU, Companhía do Gas do Estado do Río Grande do Sul (Sulgás) and Transportadora de Gas del Mercosur S.A. (TGM). On the same date YPF was notified by the ICC of an arbitration process initiated by AESU and Sulgás against YPF in which they claim, among other matters considered inadmissible by YPF, consequential loss, AESU s plant dismantling costs and the payment of deliver or pay penalties mentioned above, all of which totaled approximately US$ 1,057 million.

Additionally, YPF was notified of the arbitration process brought by TGM at the ICC, claiming YPF the payment of approximately US$ 10 million plus interest up to the date of effective payment, in connection with the payment of invoices related to the Transportation Gas Contract entered into in September 1998 between YPF and TGM, associated with the aforementioned exportation of natural gas contract signed with AESU. On April 8, 2009 YPF requested that this claim be rejected and counterclaimed for the termination of the natural gas transportation contract based on its termination rights upon the termination by AESU and Sulgás of the related natural gas export contract. In turn, YPF had initiated an arbitration process at the ICC against TGM, among others. YPF received the reply to the complaint from TGM, who requested the full rejection of YPF claims and deduced counterclaim against YPF asking the Arbitration Tribunal to condemn YPF to compensate TGM for all present and future damages suffered by TGM due to the extinction of the Transportation Gas Contract and the Memorandum of Agreement dated on October 2, 1998 by which YPF undertook to pay irrevocable non-capital contributions to TGM in return for the Uruguayana Project pipeline expansion; and to condemn AESU-Sulgás -in the case the Arbitration Tribunal finds that the termination of the Gas Contract occurred due to the failure of AESU or Sulgás- jointly and severally to indemnify all damages caused by such termination to TGM. Additionally, on July 10, 2009 TGM increased the amount of its claim to US$ 17 million and claimed an additional amount of approximately US$ 366 million for loss of profits, both considered inappropriate by YPF, and thus, rejected in its answer to such additional claim.

On April 6, 2011, the Arbitration Tribunal appointed in YPF vs. AESU arbitration decided to sustain YPF s motion, and determined the consolidation of all the related arbitrations (AESU vs. YPF , TGM vs. YPF and YPF vs. AESU) in YPF vs. AESU arbitration. Consequently, AESU and TGM desisted from and abandoned their respective arbitrations, and all the matters claimed in the three proceedings are to be solved in YPF vs. AESU arbitration. On April 19 and 24, 2012, AESU and Sulgás presented new evidence claiming their admission in the arbitration process. YPF and TGM made their observations about the evidence on April 27, 2012. On May 1, 2012, the Arbitration Tribunal denied the admission of such evidence and ruled that the evidence would be accepted if the Tribunal considered it necessary.

On May 24, 2013 YPF was notified of the partial award decreed by a majority in the ICC Arbitration YPF vs. AESU and TGM whereby YPF was deemed responsible for the termination in 2009 of natural gas export and transportation contracts signed with AESU and TGM. Such award only decides on the liability of the parties, leaving the determination of the damages that could exist subject to the subsequent proceedings before the same Tribunal. Moreover, the Tribunal rejected the admissibility of deliver or pay claims asserted by Sulgás and AESU for the years 2007 and 2008 for a value of US$ 28 million and for the year 2006 for US$ 2.4 million.

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On May 31, 2013 YPF filed with the Arbitration Tribunal a writ of Nullity, in addition to making several presentations in order to safeguard its rights. Against the rejection of the writ of nullity, on August 5, 2013 YPF filed a complaint appeal with the Argentinian Court in Commercial matters. On September 24, 2013, the Argentinian Court in Commercial matters declared its incompetency and submitted the file to the Federal Contentious Administrative Court.

Despite having brought the action above, considering the information available to date, the estimated time remaining until the end of the proceedings, the outcomes of the additional evidence presented in the continuation of the dispute and the provisions of the partial award, YPF has accrued its best estimate with respect to the amount of the claims.

Furthermore, there are certain claims in relation with payments of natural gas transportation contracts associated with exports of such hydrocarbon. Consequently, one of the parties, Transportadora de Gas del Norte S.A. (TGN), commenced mediation proceedings in order to determine the merits of such claims. The mediation proceedings did not result in an agreement and YPF was notified of the lawsuit filed against it, in which TGN is claiming the payment of unpaid invoices, according to their arguments, while reserving the right to claim for damages, which were claimed in a note addressed to YPF during November 2011. Additionally, the plaintiff notified YPF that it was terminating the contract invoking YPF s fault, basing its decision on the alleged lack of payment of transportation fees, reserving the right to claim for damages. After that, TGN filed the lawsuit claiming for damages mentioned above. The total amount claimed by TGN amounts to approximately US$ 207 million as of the date of these consolidated financial statements. YPF has answered the mentioned claims, rejecting them based in the legal impossibility for TGN to render the transportation service and in the termination of the transportation contract determined by YPF and notified with a complaint initiated before ENARGAS. On the trial for the collection of bills, on September 2011, YPF was notified of the resolution of the Court of Appeals rejecting YPF s claims and declaring that ENARGAS is not the appropriate forum to decide on the matter and giving jurisdiction to the Civil and Commercial Federal courts to decide on the claim for the payment of unpaid invoices mentioned above.

Regarding the previously mentioned issue, on April 8, 2009, YPF had filed a complaint against TGN with ENARGAS, seeking the termination of the natural gas transportation contract with TGN in connection with the natural gas export contract entered with AESU and other parties. The termination of the contract with that company is based on: (a) the impossibility for YPF to receive the service and for TGN to render the transportation service, due to (i) the termination of the natural gas contract with Sulgás/AESU and (ii) the legal impossibility of assigning the transportation contract to other shippers because of the regulations in effect, (b) the legal impossibility for TGN to render the transportation service on a firm basis because of certain changes in law in effect since 2004, and (c) the Teoría de la Imprevisión available under Argentine law, when extraordinary events render a party s obligations excessively burdensome.

In addition, Nación Fideicomisos S.A. (NAFISA) had initiated a claim against YPF in relation to payments of applicable fees for natural gas transportation services to Uruguaiana corresponding to the transportation invoices claimed by TGN. A mediation hearing finished without arriving to an agreement, concluding the pre-trial stage. Additionally, on January 12, 2012 and following a mediation process which ended without any agreement, NAFISA filed a complaint against YPF, under article 66 of Law No. 24,076, before ENARGAS, claiming the payment of certain transportation charges in an approximate amount of 339. On February 8, 2012, YPF answered the claim raising ENARGAS lack of jurisdiction (as the Company did in the proceeding against TGN), the accumulation in the TGN vs. YPF trial and rejecting the claim based on the theory of legal impossibility. On the same date, was also submitted in the trial TGN vs. YPF similar order of accumulation. On April 12, 2012, ENARGAS resolved in favor of NAFISA. On May 12, 2012 YPF filed an appeal against such resolution to the National Court of Appeals in the Federal Contentious Administrative. In the opinion of YPF s Management, the matters referred to above, will not have a material adverse effect on the Company s results of operations.

As of September 30, 2013, the Company has provisioned costs for penalties associated with the failure to deliver the contractual volumes of natural gas in the export and domestic markets which are probable and can be reasonably estimated.

La Plata and Quilmes environmental claims:

La Plata: In relation with the operation of the refinery that YPF has in La Plata, there are certain claims for compensation of individual damages purportedly caused by the operation of the La Plata refinery and the environmental remediation of the channels adjacent to the mentioned refinery. During 2006, YPF submitted a presentation before the Environmental Secretariat of the Province of Buenos Aires which put

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forward for consideration the performance of a study for the characterization of environmental associated risks. As previously mentioned, YPF has the right of indemnity for events and claims prior to January 1, 1991, according to Law No. 24,145 and Decree No. 546/1993. Besides, there are certain claims that could result in the requirement to make additional investments connected with the operations of La Plata refinery.

On January 25, 2011, YPF entered into an agreement with the environmental agency of the Government of the Province of Buenos Aires (Organismo Provincial para el Desarrollo Sostenible (OPDS)), within the scope of the Remediation, Liability and Environmental Risk Control Program, created by Resolution No. 88/10 of the OPDS. Pursuant to the agreement, the parties agreed to jointly perform an eight-year work program in the channels adjacent to the La Plata refinery, including characterization and risk assessment studies of the sediments. The agreement provides that, in the case that a required remediation action is identified as a result of the risk assessment studies, the different alternatives and available techniques will be considered, as well as the steps needed for the implementation. Dating studies will also be performed pursuant to the agreement, in order to determine responsibilities of the Argentine Government in accordance with its obligation to hold YPF harmless in accordance with the article 9 of the Privatization Law No. 24,145. YPF has provisioned the estimated cost of the characterization and risk assessment studies mentioned above. The cost of the remediation actions, if required, will be recorded in those situations where the loss is probable and can be reasonably estimated.

Quilmes: Citizens which allege to be residents of Quilmes, Province of Buenos Aires, have filed a lawsuit in which they have requested remediation of environmental damages and also the payment of 47 plus interests as a compensation for supposedly personal damages. They base their claim mainly on a fuel leak in the poliduct running from La Plata to Dock Sud, currently operated by YPF, which occurred in 1988 as a result of an illicit detected at that time, being at that moment YPF a state-owned company. Fuel would have emerged and became perceptible on November 2002, which resulted in remediation works that are being performed by the Company in the affected area, supervised by the environmental authority of the Province of Buenos Aires. The Argentine Government has denied any responsibility to indemnify YPF for this matter, and the Company has sued the Argentine Government to obtain a declaration of invalidity of such decision. The suit is still pending. On November 25, 2009, the proceedings were transferred to the Federal Court on Civil and Commercial Matters No. 3, Secretariat No. 6 in Buenos Aires City and on March 4, 2010, YPF answered the complaint and requested the citation of the Argentine Government. In addition to the aforementioned, the Company has other 26 judicial claims against it with total claims amounting to approximately 19. Additionally, YPF is aware of the existence of other out of court claims which are based on similar allegations.

Other claims and environmental liabilities:

In relation to environmental obligations, and in addition to the hydrocarbon wells abandonment legal obligations for 8,487 as of September 30, 2013, the Company has provisioned 1,133 corresponding to environmental remediation, which evaluations and/or remediation works are probable and can also 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 Company 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, this potential changes and ongoing studies could materially affect future results of operations.

In addition to what has been mentioned in the preceding paragraphs, laws and regulations relating to health and environmental quality in the United States of America affect nearly all the operations of YPF Holdings Inc. (hereinafter mentioned as YPF Holdings Inc. or YPF Holdings). These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish in certain circumstances remedial obligations.

YPF Holdings Inc. believes that its policies and procedures in the area of pollution control, product safety and occupational health are adequate to prevent reasonable risk of environmental and other damage, and of resulting financial liability, in connection with its business. Some risk of environmental and other damage is, however, inherent in particular operations of YPF Holdings Inc. and, as discussed below, Maxus Energy Corporation (Maxus) and Tierra Solutions Inc. (Tierra), both controlled by YPF Holdings Inc., could have certain potential liabilities associated with operations of Maxus former chemical subsidiary.

YPF Holdings Inc. cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more

stringent law regulations, as well as more vigorous enforcement policies of the regulatory agencies, could in the future require material expenditures by YPF Holdings Inc. for the installation and operation of systems and equipment for remedial measures, possible dredging requirements, among other things. Also, certain laws allow for recovery of natural resource damages from responsible parties and ordering the implementation of interim remedies to abate an imminent and substantial endangerment to the environment. Potential expenditures for any such actions cannot be reasonably estimated.

In the following discussion, references to YPF Holdings Inc. include, as appropriate and solely for the purpose of this information, references to Maxus and Tierra.

In connection with the sale of Maxus former chemical subsidiary, Diamond Shamrock Chemicals Company (Chemicals) to Occidental Petroleum Corporation (Occidental) in 1986, Maxus agreed to indemnify Chemicals and Occidental from and against certain liabilities relating to the business or activities of Chemicals prior to the selling date, September 4, 1986 (the selling date), including environmental liabilities relating to chemical plants and waste disposal sites used by Chemicals prior to the selling date.

The most significant contingencies recorded by the controlled company YPF Holdings Inc. are described in the following paragraphs. YPF Holdings Inc. s management believes it has adequately provisioned for all environmental contingencies, which are probable and can be reasonably estimated; however, changes in circumstances, including new information or new requirements of governmental entities, could result in changes, including additions, to such provisions in the future.

Newark, New Jersey. A consent decree, previously agreed upon by the U.S. Environmental Protection Agency (EPA), the New Jersey Department of Environmental Protection and Energy (DEP) and Occidental, as successor to Chemicals, was entered in 1990 by the United States District Court of New Jersey and requires implementation of a remedial action plan at Chemical s former Newark, New Jersey agricultural chemicals plant. The interim remedial plan has been completed and paid for by Tierra. This project is in the operation and maintenance phase. YPF Holdings Inc. has provisioned approximately 87 in connection with such activities.

Passaic River, New Jersey. Maxus, complying with its contractual obligation to act on behalf of Occidental, negotiated an agreement with the EPA (the 1994 AOC) under which Tierra has conducted testing and studies near the Newark plant site, adjacent to the Passaic River. While some work remains, the work under the 1994 AOC was substantially subsumed by the remedial investigation and feasibility study (RIFS) being performed and funded by Tierra and a number of other entities of the lower portion of the Passaic River pursuant to a 2007 administrative settlement agreement (the 2007 AOC). The parties to the 2007 AOC are discussing the possibility of further work with the EPA. The entities that have agreed to fund the RIFS have negotiated an interim allocation of RIFS costs among themselves based on a number of considerations. This group is called the Cooperative Parties Group (the CPG). The 2007 AOC is being coordinated with a joint federal, state, local and private sector cooperative effort designated as the Lower Passaic River Restoration Project (PRRP). As of September 30, 2013, approximately 70 entities, including Tierra, have agreed to participate in the RIFS in connection with the PRRP. On May 29, 2012, Occidental, Maxus and Tierra withdrew from the CPG under protest and reserving all their rights. A description of the circumstances of such decision can be found below in the paragraph titled Passaic River - Mile 10.9 - Removal Action . However, Occidental continues to be a member of the 2007 AOC and its withdrawal from the CPG does not change its obligations under the 2007 AOC.

The EPA s findings of fact in the 2007 AOC (which amended the 1994 AOC) indicate that combined sewer overflow/storm water outfall discharges are an ongoing source of hazardous substances to the Lower Passaic River Study Area. For this reason, during the first semester of 2011, Maxus and Tierra signed with the EPA, on behalf of

Occidental, an Administrative Settlement Agreement and Order on Consent for Combined Sewer Overflow/Storm Water Outfall Investigation (CSO AOC), which became effective in September 2011. Besides providing for a study of combined sewer overflows in the Passaic River, the CSO AOC confirms that there will be no further obligations to be performed under the 1994 AOC. Tierra estimates that the total cost to implement the CSO AOC is approximately US$ 5 million and will take approximately 2 years to complete.

In 2003, the DEP issued Directive No. 1 to Occidental and Maxus and certain of their respective related entities as well as other third parties. Directive No. 1 seeks to address natural resource damages allegedly resulting from almost 200 years of historic industrial and commercial development along a portion of the Passaic River and a part of its watershed. Directive No. 1 asserts that the named entities are jointly and severally liable for the alleged natural resource damages without regard to fault. The DEP has asserted

jurisdiction in this matter even though all or part of the lower Passaic River is subject to the PRRP. Directive No. 1 calls for the following actions: interim compensatory restoration, injury identification, injury quantification and value determination. Maxus and Tierra responded to Directive No. 1 setting forth good faith defenses. Settlement discussions between the DEP and the named entities have been held; however, no agreement has been reached or is assured.

In 2004, the EPA and Occidental entered into an administrative order on consent (the 2004 AOC) pursuant to which Tierra (on behalf of Occidental) has agreed to conduct testing and studies to characterize contaminated sediment and biota and evaluate remedial alternatives in the Newark Bay and a portion of the Hackensack, the Arthur Kill and Kill van Kull rivers. The initial field work on this study, which includes testing in the Newark Bay, has been substantially completed. Discussions with the EPA regarding additional work that might be required are underway. EPA has issued General Notice Letters to a series of additional parties concerning the contamination of Newark Bay and the work being performed by Tierra under the 2004 AOC. Tierra proposed to the other parties that, for the third stage of the RIFS undertaken in Newark Bay, the costs be allocated on a per capita basis. The parties have not agreed to Tierra s proposal. However, YPF Holdings lacks sufficient information to determine additional costs, if any, it might have with respect to this matter once the final scope of the third stage is approved, as well as the proposed distribution mentioned above.

In December 2005, the DEP issued a directive to Tierra, Maxus and Occidental directing said parties to pay the State of New Jersey s cost of developing a Source Control Dredge Plan focused on allegedly dioxin-contaminated sediment in the lower six-mile portion of the Passaic River. The development of this plan was estimated by the DEP to cost approximately US$ 2 million. The DEP has advised the recipients that (a) it is engaged in discussions with the EPA regarding the subject matter of the directive, and (b) they are not required to respond to the directive until otherwise notified.

In August 2007, the National Oceanic Atmospheric Administration (NOAA) sent a letter to a number of entities it alleged have a liability for natural resources damages, including Tierra and Occidental, requesting that the group enters into an agreement to conduct a cooperative assessment of natural resources damages in the Passaic River and Newark Bay. In November 2008, Tierra and Occidental entered into an agreement with the NOAA to fund a portion of the costs it has incurred and to conduct certain assessment activities during 2009. Approximately 20 other PRRP members have also entered into similar agreements. In November 2009, Tierra declined to extend this agreement.

In June 2008, the EPA, Occidental, and Tierra entered into an AOC (Removal AOC from 2008), pursuant to which Tierra (on behalf of Occidental) will undertake a removal action of sediment from the Passaic River in the vicinity of the former Diamond Alkali facility. This action results in the removal of approximately 200,000 cubic yards (153,000 cubic meters) of sediment, which will be carried out in two different phases. The first phase, which commenced in July 2011, encompasses the removal of 40,000 cubic yards (30,600 cubic meters) of sediments and was substantially completed in the fourth quarter of 2012. The EPA conducted a site inspection in January 2013, and Tierra received written confirmation of completion in March 2013. The second phase involves the removal of approximately 160,000 cubic yards (122,400 cubic meters) of sediment. This second phase will start after according with EPA certain development s aspects related to it. Pursuant to the Removal AOC from 2008, the EPA has required the provision of financial assurance for the execution of the removal work which could increased or decreased over time if the anticipated cost of completing the removal work contemplated by the Removal AOC from 2008 changes. During the sediment removal action, contaminants which may have come from sources other than the former Diamond Alkali plant will necessarily be removed. YPF Holdings Inc. and its subsidiaries may seek cost recovery from the parties responsible for such contamination, provided contaminants origins were not from the Diamond Alkali plant. However, as of the date of issuance of these consolidated financial statements, it is not possible to make any prediction regarding the likelihood of success or the funds potentially recoverable in a cost-recovery action.

In addition, in June 2007, EPA released a draft Focused Feasibility Study (the FFS) that outlines several alternatives for remedial action in the lower eight miles of the Passaic River. These alternatives range from no action, which would result in comparatively little cost, to extensive dredging and capping, which according to the draft FFS, EPA estimated could cost from US$ 900 million to US$ 2,300 million and are all described by EPA as involving proven technologies that could be carried out in the near term, without extensive research. Tierra, in conjunction with the other parties working under the CPG, submitted comments on the legal and technical defects of the draft FFS to EPA. On September 18, 2012, at a Community Advisory Group (CAG) meeting, the EPA described the alternatives considered in the

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Focused Feasibility Study (FFS). The EPA stated that the FFS will set forth four alternatives: (i) no action (cost: US$8.6 million); (ii) deep dredging of 9.6 million cubic yards over 11 years (cost: US$ 1.3 billion to US$ 3.4 billion, depending in part on whether the dredged sediment is disposed of in a contained aquatic disposal facility on the floor of Newark Bay (CAD) or at an off-site disposal facility); (iii) capping and dredging of 4.3 million cubic yards over 6 years (cost: US$ 1 billion to US$ 1.9 billion, depending in part on whether there is a CAD or off-site disposal; (iv) focused capping and dredging of 0.9 million cubic yards over 3 years (the alternative proposed by the CPG). The EPA indicated that it had discarded alternative (iv) and that is currently in favor of alternative (iii). As of the date of these financial statements, the FFS is expected to be released to the public in December 2013, however, the United States Federal government shutdown of October 2013 may delay the release of the FFS. If EPA keeps to the announced schedule, it is anticipated that the final Record of Decision would be issued between twelve to eighteen months after the FFS had been made public. Based on the information available to the Company as of the issuance date of these financial statements, considering the potential final proposal, the results of the studies and discoveries to be produced, the several potential responsible parties involved in the matter, with its consequent potential allocation of removal costs, and also considering the opinion of external counsels, it is not possible to reasonably estimate a loss or range of losses on these outstanding matters. Therefore, no amount has been accrued for this matter by YPF Holdings Inc.

According to the AOC 2007, the 17 miles of the Lower Passaic River from its confluence with Newark Bay to Dundee Dam pursuant to the 2007 AOC will be subject to a Remedial Investigation / Feasibility Study that is anticipated to be completed in 2015, following which EPA will select a remedy and notice it for public comment.

On the other hand, and in relation to the alleged contamination related to dioxin and other hazardous substances discharged from Chemicals former Newark plant and the contamination of the lower stretch of the Passaic River, Newark Bay, other nearby waterways and surrounding areas in December 2005 the DEP sued YPF Holdings, Tierra, Maxus and several companies, besides Occidental. The DEP seeks remediation of natural resources damaged and punitive damages and other matters. The defendants have made responsive pleadings and filings. In March 2008, the Court denied motions to dismiss by Occidental, Tierra and Maxus. The DEP filed its Second Amended Complaint in April 2008. YPF filed a motion to dismiss for lack of personal jurisdiction. The motion mentioned previously was denied in August 2008, and the denial was confirmed by the Court of Appeal. Notwithstanding, the Court denied to plaintiffs motion to bar third party practice and allowed defendants to file third-party complaints. Third-party claims against approximately 300 companies and governmental entities (including certain municipalities) which could have responsibility in connection with the claim were filed in February 2009. DEP filed its Third Amended Complaint in August 2010, adding Maxus International Energy Company and YPF International S.A. as additional named defendants. Anticipating this considerable expansion of the number of parties in the litigation, the Court appointed a Special Master to assist the court in the administration of discovery. In September 2010, Governmental entities of the State of New Jersey and a number of third-party defendants filed their dismissal motions and Maxus and Tierra filed their responses. In October 2010, a number of public third-party defendants filed a motion to sever and stay and the DEP joined their motion, which would allow the DEP to proceed against the direct defendants. However, the judge has ruled against this motion in November 2010. Third-party defendants have also brought motions to dismiss, which have been rejected by the assistant judge in January 2011. Some of the mentioned third-parties appealed the decision, but the judge denied such appeal in March 2011. In May 2011, the judge issued Case Management Order No. XVII (CMO XVII), which contains the Trial Plan for the case. This Trial Plan divides the case into two phases, each with its own mini-trials. Phase One will determine liability and Phase Two will determine damages. Following the issuance of CMO XVII, the State of New Jersey and Occidental filed motions for partial summary judgment. The State filed two motions: the first one against Occidental and Maxus on liability under the Spill Act, and against Tierra on liability under the Spill Act. In addition, Occidental filed a motion for partial summary judgment that Maxus owes a duty of contractual indemnity to Occidental for liabilities under the Spill Act. In July and August 2011, the judge ruled that, although the discharge of hazardous substances by Chemicals has been proved, liability allegation cannot be made if

the nexus between any discharge and the alleged damage is not established. Additionally, the Court ruled that Tierra has Spill Act liability to the State based merely on its current ownership of the Lister Avenue site; and that Maxus has an obligation under the 1986 Stock Purchase Agreement to indemnify Occidental for any Spill Act liability arising from contaminants discharged on the Lister Avenue site. The Special Master called for and held a settlement conference in November 2011 between the State of New Jersey, on the one hand, and Repsol, YPF and Maxus, on the other hand to discuss the parties respective positions, but no agreement was reached.

In February 2012, plaintiffs and Occidental filed motions for partial summary judgment, seeking summary adjudication that Maxus has liability under the Spill Act of New Jersey. In the first quarter of 2012 Maxus, Occidental and plaintiffs submitted their respective briefs. Oral arguments were heard on May 15 and 16, 2012. The Judge held that Maxus and Tierra have direct liability for the contamination generated into the Passaic River. However, volume, toxicity and cost of the contamination were not verified (these issues will be determined in a later phase of the trial). Maxus and Tierra have the right to appeal such decision. On September 11, 2012 the Court issued the track VIII order. The track VIII order governs the process by which the Court will conduct the discovery and trial of the State s damages against Occidental, Maxus and Tierra (caused by the Diamond Alkali Lister Avenue plant). Under the order, the trial for the first phase of track VIII was scheduled to commence in July 2013. However, this schedule has been changed by the following occurrence.

On September 21, 2012, Judge Lombardi (trial judge) granted the State s application for an Order to Show Cause to Stay all proceedings against third party defendants who entered into a Memorandum of Understanding (MOU) with the State to discuss settlement of the claims against the third party defendants. Recently, the State and the third party defendants have reported that they are continuing to make progress towards a settlement, which were not disclosed to third parties.

On September 27, 2012, Occidental filed its Amended Cross-Claims and the following day, the State filed its fourth Amended Complaint. The principal changes to the State s pleading concern the State s allegations against YPF and Repsol, all of which Occidental has adopted in its cross-claims. In particular, there are three new allegations against Repsol involving asset stripping from Maxus and also from YPF based on the Argentine Government s Mosconi Report. On October 25, 2012, the parties to the litigation agreed to a Consent Order, subject to approval by Judge Lombardi, which, in part, extended the deadline for YPF to respond to the State s and Occidental s new pleadings by December 31, 2012, extends fact deposition discovery until April 26, 2013, extends expert discovery until September 30, 2013, and sets trial on the merits for certain allegations for February 24, 2014.

As of September 30, 2013, DEP has not filed with the Court dollar amounts on all its claims, but it has (a) contended that a US$ 50 million cap on damages under one of the New Jersey statutes should not be applicable, (b) alleged that it has incurred approximately US$ 118 million in past cleanup and removal costs , (c) is seeking an additional award between US$ 10 and US$ 20 million to fund a study to assess natural resource damages, (d) notified Maxus and Tierra s legal defense team that DEP is preparing financial models of costs and of other economic impacts and, (e) is seeking reimbursement for external legal fees paid.

During the fourth quarter of 2012 and the first quarter of 2013, YPF, YPF Holdings, Maxus and Tierra together with certain other direct defendants in the litigation, have engaged in on-going mediation and negotiation seeking the possibility of a settlement with the State of New Jersey. During this time, the Court has stayed the litigation. On March 26, 2013, the State advised the Court that a proposed settlement between the State and certain third party defendants had been approved by the requisite threshold number of private and public third party defendants. YPF, YPF Holdings, Maxus and Tierra approved in Boards of Directors the authorization to sign the settlement agreement (the Agreement) above mentioned. The proposal of the Agreement, which does not imply endorsement of facts or rights and that it is presented only with conciliatory purposes, is subject to an approval process, publication, comment period and court approval. According to the terms of the Agreement, the state of New Jersey would agree to solve certain claims related with environmental liabilities within a geographic area of the Passaic River, New Jersey, United States of America, initiated against YPF and certain subsidiaries, recognizing to YPF and other participants in the litigation, a limited liability of US$ 400 million, if they are found responsible. In return, YPF would make cash payment of US$ 65 million at the time of approval of the Agreement.

During September 2013, the Court published its Case Management order XVIII (CMO 18), which provides a schedule for approval of the settlement agreement, which ends with the intended audience for both December 12 and 13, 2013.

As of September 30, 2013, YPF Holdings has accrued 706 comprising the estimated costs for studies, YPF Holdings Inc. s best estimate of the cash flows it could incur in connection with remediation activities considering the studies performed by Tierra, the estimated costs related to the Removal AOC of 2008 agreement, and in addition certain other matters related to Passaic River and the Newark Bay, also

including certain related legal matters. However, it is possible that other works, including interim remedial measures or different from those considered, may be ordered. In addition, the development of new information, the imposition of penalties or remedial actions or the result of negotiations related to the referred matters differing from the scenarios that YPF Holdings Inc. has evaluated, could result in additional costs to the amount currently accrued.

Passaic River Mile 10.9 Removal Action. In February 2012, the EPA issued to the Cooperating Parties Group (CPG), of which Tierra then was a member, a draft Administrative Settlement Agreement and order on Consent (AOC RM 10.9) for Removal Action and Pilot Studies to address high levels of contamination of 2, 3, 7, 8 TCDD, PCBs, mercury and other contaminants of concern in the vicinity of the Passaic River s mile 10.9, comprised of a sediment formation (mud flat) of approximately 8.9 acres. This proposed AOC RM 10.9 ordered that approximately 16,000 cubic yards of sediments be removed and that pilot scale studies be conducted to evaluate ex situ decontamination beneficial reuse technologies, innovative capping technologies, and in situ stabilization technologies for consideration and potential selection as components of the remedial action to be evaluated in the 2007 AOC and the FFS and selected in one or more subsequent records of decision. Occidental declined to execute this AOC formalized its resignation from the CPG, effective May 29, 2012, under protest and subject to a reservation of rights. On June 18, 2012, the EPA announced that it had signed an AOC for RM 10.9 with 70 Settling Parties, all members of the CPG, which contained, among other requirements, an obligation to provide to the EPA financial assurance, in the amount of US$ 20 million, for the completion of such works. Occidental sent to the CPG and EPA its notice of intent to comply with such order on July 23, 2012 followed by its good faith offer on July 27, 2012 to provide the use of Tierra s dewatering facility. On August 10, 2012, the CPG rejected Occidental s good faith offer and, on September 7, 2012, the CPG stated that it has alternative plans for handling sediment to be excavated at RM 10.9 and, therefore, has no use for the existing dewatering facility. EPA, by letter of September 26, 2012, advised that it will be necessary for EPA and Occidental to discuss other options for Occidental to participate and cooperate in the RM 10.9 removal action, as required by its Unilateral Administrative Order. On September 18, 2012, the EPA advised the Passaic River CAG that the bench scale studies of the treatment technologies did not sufficiently lower concentrations of the chemicals to justify the cost, so the RM 10.9 sediments will be removed offsite for disposal. The deadline for Occidental s submission of financial assurance has been extended to October 15, 2013. Maxus, acting on behalf of OCC, has requested an additional extension of this deadline; EPA has not been able to respond to such request as a consequence of the October 2013 shutdown of the United States federal government.

Based on the information available to the Company as of the issuance date of this report, considering the results of the studies and discovery process as well as the potential responsibility of the other parties involved in this matter and the potential allocation of removal costs, based on the advice of our external and internal legal counsel, it is not possible to reasonably estimate a loss or range of losses related to these outstanding matters. Therefore, no amount has been accrued in respect of these claims.

Hudson County, New Jersey. Until 1972, Chemicals operated a chromite ore processing plant at Kearny, New Jersey (Kearny Plant). According to the DEP, wastes from these ore processing operations were used as fill material at a number of sites in and near Hudson County. DEP has identified over 200 sites in Hudson and Essex Counties alleged to contain chromite ore processing residue either from the Kearny Plant or from plants operated by two other chromium manufacturers.

The DEP, Tierra and Occidental, as successor to Chemicals, signed an administrative consent order with the DEP in 1990 for investigation and remediation work at 40 chromite ore sites in Hudson and Essex Counties alleged to be impacted by the Kearny Plant operations.

Tierra, on behalf of Occidental, is presently performing the work and funding Occidental s share of the cost of investigation and remediation of these sites. In addition, financial assurance has been provided in the amount of US$

20 million for performance of the work. The ultimate cost of remediation is uncertain. Tierra submitted its remedial investigation reports to the DEP in 2001, and the DEP continues to review the report.

Additionally, in May 2005, the DEP took two actions in connection with the chrome sites in Hudson and Essex Counties. First, the DEP issued a directive to Maxus, Occidental and two other chromium manufacturers directing them to arrange for the cleanup of chromite ore residue at three sites in New Jersey City and the conduct of a study by paying the DEP a total of US$ 20 million. While YPF Holdings Inc. believes that Maxus is improperly named and there is little or no evidence that Chemicals chromite ore

residue was sent to any of these sites, the DEP claims these companies are jointly and severally liable without regard to fault. Second, the State of New Jersey filed a lawsuit against Occidental and two other entities seeking, among other things, cleanup of various sites where chromite ore processing residue is allegedly located, recovery of past costs incurred by the state at such sites (including in excess of US$ 2 million allegedly spent for investigations and studies) and, with respect to certain costs at 18 sites, treble damages. The DEP claims that the defendants are jointly and severally liable, without regard to fault, for much of the damages alleged. In February 2008, the parties reached an agreement in principle, for which Tierra, on behalf of Occidental, agreed to pay US$ 5 million and perform remediation works in three sites, with a total cost of approximately US$ 2 million, subject to the terms of a Consent Judgment between and among DEP, Occidental and two other parties, which was published in the New Jersey Register in June 2011, and became final and effective as of September 2011. Pursuant to the Consent Judgment, the US$ 5 million payment was made in October 2011 and a master schedule was delivered to DEP for the remediation during a ten-year period, of the three orphan sites plus the remaining chromite ore sites (approximately 28 sites) under the Kearny ACO. DEP indicated that it could not approve a ten-year term; consequently, Maxus submitted a revised eight-year schedule which was approved by DEP on March 24, 2013.

In November 2005, several environmental groups sent a notice of intent to sue the owners of the properties adjacent to the former Kearny Plant (the adjacent property), including among others Tierra, under the Resource Conservation and Recovery Act. The stated purpose of the lawsuit, if filed, would be to require the noticed parties to carry out measures to abate alleged endangerments to health and the environment emanating from the Adjacent Property. The parties have entered into an agreement that addresses the concerns of the environmental groups, and these groups have agreed, not to file suit. After the original agreement expired, the parties entered into a new Standstill Agreement, effective since March 7, 2013.

In March 2008, the DEP approved an interim response action plan for work to be performed at the Kearny Plant by Tierra and the adjacent property by Tierra in conjunction with other parties. As of the date of issuance of these consolidated financial statements, work on the interim response action has begun. This adjacent property was listed by EPA on the National Priority List in 2007. In July 2010, EPA notified Tierra, along with three other parties, which are considered potentially responsible for this adjacent property and requested to conduct a RIFS for the site. The parties have agreed to coordinate remedial efforts, forming the Peninsula Restoration Group or PRG. In the fourth quarter 2011, the PRG reached an agreement in principle with a new party, whereby would join the PRG. The PRG is in active negotiations with the EPA for an RIFS AOC for the Standard Chlorine Chemical Company, which was jointly signed with another three potentially responsible parties during May 2013. It is estimated that on-site work will likely begin during the fourth quarter of 2013, once EPA approves the work plan.

Pursuant to a request of the DEP, in the second half of 2006, the PRG tested the sediments in a portion of the Hackensack River near the former Kearny Plant. A report of those test results was submitted to the DEP. DEP requested additional sampling, and the PRG submitted to DEP work plans for additional sampling in January 2009. In March 2012, the PRG received a Notice of Deficiency (NOD) letter from DEP. In the NOD, DEP seeks to expand the scope of work that would be required in the Hackensack River under the SRIWP to add both additional sample locations/core segments and parameters. While the PRG acknowledges that it is required to investigate and prevent chrome releases from certain upland sites into the river, the PRG contends that it is has no obligation under the governing ACOs and Consent Judgment to investigate chrome contamination in the river generally. Negotiations between the PRG and the DEP are ongoing.

As of September 30, 2013, there are approximately 108 accrued in connection with the foregoing chrome-related matters. The study of the levels of chromium has not been finalized, and the DEP is still reviewing the proposed actions. The cost of addressing these chrome-related matters could increase depending upon the final soil actions, the DEP s response to Tierra s reports and other developments.

Painesville, Ohio. In connection with the Chemical s operation until 1976 of one chromite ore processing plant (Chrome Plant), the Ohio Environmental Protection Agency (OEPA) ordered to conduct a RIFS at the former Painesville s Plant area. OEPA has divided the Painesville Work Site into 20 operable units, including operable units related to groundwater. Tierra has agreed to participate in the RIFS as required by the OEPA. Tierra submitted the remedial investigation report to the OEPA, which report was finalized in 2003. Tierra will submit required feasibility reports separately. In addition, the OEPA has approved certain work, including the remediation of specific operable units within the former Painesville Works area and

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work associated with the development plans discussed below (the Remediation Work). The Remediation Work has begun. As the OEPA approves additional projects related to investigation, remediation, or operation and maintenance activities for each operable unit within the Site, additional amounts will need to be provisioned.

Over fifteen years ago, the former Painesville Works Site was proposed for listing on the national Priority List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA); however, the EPA has stated that the site will not be listed so long as it is satisfactorily addressed pursuant to the Director s Order and OEPA s programs. As of the date of issuance of these consolidated financial statements, the site has not been listed. As of September 30, 2013, YPF Holdings Inc. has accrued a total of 111 for its estimated share of the cost to perform the RIFS, the remediation work and other operation and maintenance activities at this site. The scope and nature of any further investigation or remediation that may be required cannot be determined at this time; however, as the RIFS progresses, YPF Holdings Inc. will continuously assess the condition of the Painesville s plants works site and make any required changes, including additions, to its provision as may be necessary.

Other Sites. Pursuant to settlement agreements with the Port of Houston Authority and other parties, Tierra and Maxus are participating (on behalf of Chemicals) in the remediation of property required Chemicals former Greens Bayou facility where DDT and certain other chemicals were manufactured. Additionally, in 2007 the parties have reached an agreement with the Federal and State Natural Resources Trustees concerning natural resources damages. In 2008, the Final Damage Assessment and Restoration Plan/Environmental Assessment were approved, specifying the restoration projects to be implemented. During the first semester of 2011, Tierra negotiated, on behalf of Occidental, a draft Consent Decree with governmental agencies of the United States and Texas addressing natural resource damages at the Greens Bayou Site. The Consent Decree was signed by the parties in January 2013 through which it is agreed to reimburse certain costs incurred by the afore mentioned governmental agencies and conducting two restoration projects for a total amount of US$ 0.8 million. Although the primary work was largely finished in 2009, some follow-up activities and operation and maintenance remain pending. As of September 30, 2013, YPF Holdings Inc. has accrued 21 for its estimated share of remediation activities associated with Greens Bayou facility.

In June 2005, the EPA designated Maxus as PRP (Potential Responsible Party) at the Milwaukee Solvay Coke & Gas site in Milwaukee, Wisconsin. The basis for this designation is Maxus alleged status as the successor to Pickands Mather & Co. and Milwaukee Solvay Coke Co., companies that the EPA has asserted are former owners or operators of such site.

In 2007, Maxus signed with four other parties potentially involved, an AOC to conduct RIFS about contamination in the soil, groundwater, as well as in the Kinnickinnic River sediments. Exposure of Maxus at the site appears linked to the period 1966-1973, although there is some controversy about it.

Preliminary Works in connection with the RIFS of this site commenced in the second half of 2006.

On June 6, 2012 the PPR Group submitted a proposed Field Sampling Plan (FSP) that included detailed plans for the remaining upland investigation and a phased approach to the sediment investigation. In July 2012, EPA responded to the FSP requiring expanded sediment sampling as part of the next phase of the investigation and additional evaluation for the possible presence of distinct coal and coke layers on parts of the upland portion of the Site. In December 2012, EPA approved the PRP Group s revised FSP, and the PRP Group commenced upland and sediment investigation activities. The estimated cost of implementing the field work associated with the FSP is approximately US$ 0.8 million.

YPF Holdings Inc. has accrued 5 as of September 30, 2013 for its estimated share of the costs of the RIFS. The main outstanding issue lies in determining the extent of the studies of sediments in the river that may be required. YPF

Holdings Inc. lacks sufficient information to determine additional costs, if any; it might have in respect of this site.

Maxus has agreed to defend Occidental, as successor to Chemicals, in respect of the Malone Services Company Superfund site in Galveston County, Texas. This site is a former waste disposal site where Chemicals is alleged to have sent waste products prior to September 1986. The potentially responsible parties, including Maxus on behalf of Occidental, formed a PRP Group to finance and perform an AOC RIFS. The RIFS has been completed and the EPA has selected a Final Remedy, the EPA Superfund Division Director signed the Record of Decision on September 20, 2009. The PRP Group signed a Consent Decree in the second quarter of 2012 which became effective in July, 2012. During the second semester of 2012 the PRP group began the phase of design and planning, and the remedial actions will take place in 2013. As of September 30, 2013 YPF Holdings has accrued 8 in connection with its obligations for this matter.

Chemicals has also been designated as a PRP with respect to a number of third party sites where hazardous substances from Chemicals plant operations allegedly were disposed or have come to be located. At several of these, Chemicals has no known relationship. Although PRPs are typically jointly and severally liable for the cost of investigations, cleanups and other response costs, each has the right of contribution from other PRPs and, as a practical matter, cost sharing by PRPs is usually effected by agreement among them. As of September 30, 2013, YPF Holdings Inc. has accrued approximately 21 in connection with its estimated share of costs related to certain sites and the ultimate cost of other sites cannot be estimated at the present time.

Black Lung Benefits Act Liabilities. The Black Lung Benefits Act provides monetary and medical benefits to miners disabled with a lung disease, and also provides benefits to the dependents of deceased miners if black lung disease caused or contributed to the miner s death. As a result of the operations of its coal-mining subsidiaries, YPF Holdings Inc. is required to provide insurance of this benefit to former employees and their dependents. As of September 30, 2013, YPF Holdings Inc. has accrued 21 in connection with its estimate of these obligations.

Legal Proceedings. In 2001, the Texas State Controller assessed Maxus approximately US$ 1 million in Texas state sales taxes for the period of September 1, 1995 through December 31, 1998, plus penalty and interest.

In August 2004, the administrative law judge issued a decision affirming approximately US$ 1 million of such assessment, plus penalty and interest. YPF Holdings Inc. believes the decision is erroneous, but has paid the revised tax assessment, penalty and interest (a total of approximately US$ 2 million) under protest. Maxus filed a suit in Texas state court in December 2004 challenging the administrative decision. The matter will be reviewed by a trial de novo in the court action, additionally, settlement negotiations are ongoing.

In 2002, Occidental sued Maxus and Tierra in state court in Dallas, Texas seeking a declaration that Maxus and Tierra have the obligation under the agreement pursuant to which Maxus sold Chemicals to Occidental to defend and indemnify Occidental from and against certain historical obligations of Chemicals, notwithstanding the fact that said agreement contains a twelve-year cut-off for defense and indemnity obligations with respect to most litigation. Tierra was dismissed as a party, and the matter was tried in May 2006. The trial court decided that the twelve-year cut-off period did not apply and entered judgment against Maxus. This decision was affirmed by the Court of Appeals in February 2008. Maxus has petitioned the Supreme Court of Texas for review. This lawsuit was denied. This decision will require Maxus to accept responsibility of various matters which it has refused indemnification since 1998 which could result in the incurrence of costs in addition to YPF Holdings Inc. s current provisions for this matter. Maxus has paid approximately US$ 17 million to Occidental. In March 2012, Maxus paid to OCC US$ 0.6 million covering OCC s costs for 2010 and 2011, and in September 2012 Maxus paid to OCC an additional US$ 31 thousand for OCC s costs for the first semester of 2012. Maxus anticipates that OCC s costs in the future under the Dallas case will not exceed those incurred in the first semester of 2012. Most of the claims that had been rejected by Maxus based on the twelve-year cut-off period, were related to Agent Orange . All pending Agent Orange litigation was dismissed in December 2009, and although it is possible that further claims may be filed by unknown parties in the future, no further significant liability is anticipated. Additionally, the remaining claims received and refused consist primarily of claims of potential personal injury from exposure to vinyl chloride monomer (VCM), and other chemicals, although they are not expected to result in significant liability. However, the declaratory judgment includes liability for claims arising in the future, if any, related to this matters, which are currently unknown as of the date of issuance of these consolidated financial statements, and if such claims arise, they could result in additional liabilities for Maxus. As of September 30, 2013, YPF Holdings Inc. has accrued approximately 2 in respect to these matters.

In March 2005, Maxus agreed to defend Occidental, as successor to Chemicals, in respect of an action seeking the contribution of costs incurred in connection with the remediation of the Turtle Bayou waste disposal site in Liberty County, Texas. The plaintiffs alleged that certain wastes attributable to Chemicals found their way to the Turtle Bayou

site. Trial for this matter was bifurcated, and in the liability phase Occidental and other parties were found severally, and not jointly, liable for waste products disposed of at this site. Trial in the allocation phase of this matter was completed in the second quarter of 2007, and

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following post judgment motions, the court entered a decision setting Occidental s liability at 15.96% of the past and future costs to be incurred by one of the plaintiffs. Maxus appealed this matter. In June 2010, the Court of Appeals ruled that the District Court had committed errors in the admission of certain documents, and remanded the case to the District Court for further proceedings. Maxus took the position that the exclusion of the evidence should reduce Occidental s allocation by as much as 50%. The District Court issued its Amended Findings of Fact and Conclusions of Law in January 2011, requiring Maxus to pay, on behalf of Occidental, 15.86% of the past and future costs to be incurred by one of the plaintiffs. On behalf of Occidental, Maxus presented an appeal in the first semester of 2011. The U.S. Court of Appeals for the Fifth Circuit affirmed the District Court s ruling in March 2012. Maxus paid to the plaintiff, on behalf of Occidental, US$ 2 million in June 2012 covering past costs. Is still pending the obligation to pay some future costs. As of September 30, 2013, YPF Holdings Inc. has accrued 5 in respect of this matter.

In May 2008, Ruby Mhire and others (Mhire) brought suit against Maxus and other third parties, alleging that various parties including a predecessor of Maxus had contaminated certain property in Cameron Parish, Louisiana, during oil and gas activities on the property. Maxus predecessor operated on the property from 1969 to 1989. The Mhire plaintiffs have demanded remediation and other compensation from approximately US$ 159 million to US$ 210 million basing themselves on plaintiff s experts study. During June 2012, the parties in the case held a court-ordered mediation. Plaintiff sought US$ 30 million from Maxus and two parties which was rejected by the defendants. YPF Holdings presently believes that relatively little remediation activity is merited and intends to vigorously defend the case. Maxus has made appropriate responsive pleadings in the matter, also has requested a change of venue for the treatment of the matter. On June 2013, Maxus signed an agreement with its demandants, in which Maxus has to make installment payments over three years, and by which also forced itself to remediate the site. As of September 30, 2013, YPF Holdings Inc. has accrued approximately 75 in respect to these matters.

YPF Holdings Inc., including its subsidiaries, is a party to various other lawsuits and environmental situations, the outcomes of which are not expected to have a material adverse effect on YPF s financial condition or its future results of operations. YPF Holdings Inc. provisioned legal contingences and environmental situations that are probable and can be reasonably estimated.

Tax claims:

The Company has received several claims from the Administración Federal de Ingresos Públicos (AFIP) and from provincial and municipal fiscal authorities, which are not individually significant, and which have been provisioned based on the best information available as of the date of the issuance of these financial statements.

4. CAPITAL STOCK

The Company s subscribed capital as of September 30, 2013, is 3,933 and is represented by 393,312,793 shares of common stock and divided into four classes of shares (A, B, C and D), with a par value of Argentine pesos 10 and one vote per share. These shares are fully subscribed, paid-in and authorized for stock exchange listing.

As of September 30, 2013, there are 3,764 Class A outstanding shares. As long as any Class A share remains outstanding, the affirmative vote of Argentine Government is required for: 1) mergers, 2) acquisitions of more than 50% of YPF shares in an agreed or hostile bid, 3) transfers of all the YPF s production and exploration rights, 4) the voluntary dissolution of YPF or 5) change of corporate and/or tax address outside the Argentine Republic. Items 3) and 4) will also require prior approval by the Argentine Congress.

Until the enforcement of Law No. 26,741 detailed in the next paragraphs, Repsol S.A. (Repsol) had a participation in the Company, directly and indirectly, of approximately 57.43% shareholding while Petersen Energía S.A. (PESA) and its affiliates exercised significant influence through a 25.46% shareholding.

Law No. 26,741 enacted on May 4, 2012, changed the Company s shareholding structure. The mentioned Law declared as national public interest and subject to expropriation the Class D Shares of the Company owned by Repsol, its controlled or controlling entities, representing the 51% of the Company s equity. According to Law 26,741, achieving self-sufficiency in the supply of hydrocarbons as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, is thereby declared of national public interest and a priority for Argentina, with the goal of guaranteeing socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the provinces and regions. The shares subject to expropriation will be distributed as follows: 51% for the Argentine federal government and 49% for certain Argentine Provinces.

On April 30, 2013, a General Ordinary Shareholders meeting was held, which has approved the financial statements of YPF for the year ended December 31, 2012 and additionally decided the following in relation with the distribution of earnings of fiscal year ended as of December 31, 2012: (i) appropriate to a special reserve 3,648 corresponding to the initial application of IFRS pursuant to General Resolution No. 609 of the CNV; (ii) appropriate the amount of 120 to a reserve for future acquisition of YPF shares under the performance and bonus program mentioned in the Director s report of the financial statements for the year ended December 31, 2012 giving to the Board of Directors the opportunity to acquire shares when it considers it convenient and to comply with the commitments assumed and to be assumed in relation with the mentioned program; (iii) to appropriate the amount of 2,643 to constitute a reserve for investment in accordance with the article 70, third paragraph of the Law No. 19,550 of Argentine Corporations as amended; and (iv) the appropriation to a reserve for future dividends in an amount of 330, empowering the Board of Directors to determine the opportunity of payment which should not exceed the ending of the present fiscal year. On August 9, 2013, the Board of Directors decided to pay a dividend of $ 0.83 per share which was available for shareholders on August 28, 2013.

During September 30, 2013, the Company purchased 1,047,513 shares issued for an amount of 93, all in accordance with the decision previously mentioned. The cost of such purchases is accounted in equity in the Acquisition cost of treasury shares account, while the nominal value and the adjustment due to the monetary restatement effect pursuant Previous GAAP have been reclassified from Subscribed Capital and Adjustments to contributions accounts to Treasury shares and Adjustment to treasury shares , respectively.

5. INVESTMENTS IN COMPANIES AND JOINT VENTURES AND OTHER AGREEMENTS

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 September 30, 2013 and December 31, 2012:

	September 30, 2013	December 31, 2012
Amount of investments in affiliated companies accounted for using the equity method	230	603
Amount of investments valued at cost	14	12
Sub-Total participations in affiliated companies and others	244	615
Amount of investments in joint ventures accounted for using the equity method	1,326	1,311
Sub-Total participations in joint ventures	1,326	1,311
Provision for reduction in value of holdings in companies	(12)	(12)
	1,558	1,914

The main changes that affected the carrying amount of the investments previously mentioned, during the nine-month periods ended on September 30, 2013 and 2012, are the following:

	For the nine-month period ended on September 30, 2013	**For the nine-month period ended on September 30, 2012**
Amount at the beginning of year	1,914	2,013
Acquisitions and contributions	11	
Income from investments accounted for using the equity method	77	98
Dividends declared	(136)	(135)
Translation difference	283	98
Other	(591)[(1)]	1
Amount at the end of period	1,558	2,075

(1) Primarily includes the movements generated in relation with the spin-off of Pluspetrol Energy S.A.
Exhibit I.b provides information of investments in companies.

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The following table shows the main magnitudes of income/(expenses) from the investments in companies, calculated according to the equity method, for the nine-month periods ended on September 30, 2013 and 2012 (see Exhibit I). YPF has made adjustments, where applicable, to the amounts reported by such companies in order to conform with the accounting principles used by such companies to those used by YPF:

	Affiliated companies		Joint ventures	
	2013	2012	2013	2012
Net income (loss)	103[(1)]	23	(26)	75
Other comprehensive income	119	4	164	94
Comprehensive income for the period	222	27	138	169

(1) Includes 156 corresponding to revaluation of investment in companies.

Additionally, as mentioned in Note 1.a), the Company participates as of September 30, 2013 in Joint Operations which give to the Company a percentage contractually established over the rights of the assets and obligations that emerge from the contracts. Interest in such Joint Operations have been consolidated line by line on the basis of the mentioned interest over the assets, liabilities, income and expenses related to each contract. Interest in Joint Operations have been calculated based upon the latest available financial statements as of the end of each period or year, taking into consideration significant subsequent events and transactions as well as information available to the Company s Management. Exhibit II includes a detail of the most significant Joint Operations in which the Company participates, indicating the nature of its operations.

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

The assets and liabilities as of September 30, 2013 and December 31, 2012, and expense for the nine-month periods ended on September 30, 2013 and 2012 of the Joint Operations and other agreements are as follows:

	As of September 30, 2013	As of December 31, 2012
Noncurrent assets	8,249	7,136
Current assets	583	551
Total assets	8,832	7,687
Noncurrent liabilities	2,113	1,661
Current liabilities	1,084	1,048
Total liabilities	3,197	2,709

	For the nine-month period ended on September 30,	
	2013	2012
Production cost	3,315	2,781
Exploration expenses	41	265

6. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

As mentioned in Note 4, on May 3, 2012, Law No. 26,741, was passed by the Argentine Congress, which declared of public utility and subject to expropriation the 51% of the equity of YPF represented by an equal percentage of Class D shares owned, directly or indirectly, by Repsol and its controlled or controlling entities, and at the same time, establishing the temporally occupation of such shares pursuant to the terms of articles 57 and 59 of Law No. 21,499. The information detailed in the tables below shows the balances with joint ventures and affiliated companies as of September 30, 2013 and December 31, 2012 and transactions with the said parties for the nine-month periods ended September 30, 2013 and 2012. Additionally the transactions held with the entities within the Repsol group and PESA s affiliates are included until the date the conditions required to be considered as related parties were met.

	September 30, 2013				December 31, 2012			
	Trade receivables	Other receivables		Accounts payable	Trade receivables	Other receivables		Accounts payable
	Current	Current	Non Current	Current	Current	Current	Non Current	Current
Joint ventures:								
Profertil S.A.	22	1		63	29	6		37
Compañía Mega S.A. (Mega)	490	4		24	422	5		19
Refinería del Norte S.A. (Refinor)	106			23	61	23		6
	618	5		110	512	34		62
Affiliated companies:								
Central Dock Sud S.A.	1	5	426	17	89	4	350	8
Pluspetrol Energy S.A.					76			2
Oleoductos del Valle S.A.				12				6
Terminales Marítimas Patagónicas S.A.				12				11
Oleoducto Trasandino (Argentina) S.A.				2				2
Gasoducto del Pacífico (Argentina) S.A.				14				6
Oiltanking Ebytem S.A.				18				15
Metrogas S.A.					104			
Bizoy S.A.		18						
	1	23	426	75	269	4	350	50
Others				1	1			
	619	28	426	186	782	38	350	112

	2013			2012		
	Revenues	Purchases and Services	Interest and fees gained, net	Revenues	Purchases and Services	Interest and fees gained (lossed), net
Joint ventures:						
Profertil S.A.	90	172		88	197	
Mega	1,195	206		1,224	118	
Refinor	410	50		377	112	
	1,695	428		1,689	427	
Affiliated companies:						
Central Dock Sud S.A.	94	57	12	94	22	
Pluspetrol Energy S.A.[(1)]	142	54		32	22	

Oleoductos del Valle S.A.		44			34	
Terminales Marítimas Patagónicas S.A.	1	71			55	
Oleoducto Trasandino (Argentina) S.A.		9			5	
Gasoducto del Pacífico (Argentina) S.A.		41			26	
Oiltanking Ebytem S.A.		73			64	
Metrogas S.A.[1]				90		
Bizoy S.A.	16					
	253	349	12	216	228	
Repsol				8	2	
Repsol Transporte y Trading S.A.					366	
Repsol Gas S.A.				78	1	
Others				7	18	(10)
				93	387	(10)
	1,948	777	12	1,998	1,042	(10)

(1) Operations are disclosed up to the corresponding business combination (see Note 13).

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Additionally, in the normal course of business, and taking into consideration that YPF is the largest oil and gas company in Argentina, its client/suppliers portfolio encompasses both private sector entities as well as national, provincial and municipal public sector entities. As required by IAS 24 Related Party Disclosures , among the major transactions referred to above the most important are the provision of fuel oil to CAMMESA, which will be used in thermal power plants, and the purchases of energy from CAMMESA (the operations for the nine-month periods ended September 30, 2013, amounted to 1,698 and 580, respectively, and for September 30, 2012 amounted to 1,422 and 368, while the net balance as of September 30, 2013 and December 31, 2012 was a receivable of 446 and 96, respectively); the regasification service provided to ENARSA in the regasification projects of GNL in Escobar and Bahía Blanca and the purchase of natural gas from ENARSA, which ENARSA imports from Bolivia (the operations for the nine-month periods ended September 30, 2013 amounted 896 and 477, respectively, and for September 30, 2012 amounted 1,154 and 854, respectively, while the net balance as of September 30, 2013, and December 31, 2012, was a receivable of 774 and 356, respectively); the provision of jet fuel to Aerolíneas Argentinas S.A. and Austral Líneas Aéreas Cielos del Sur S.A. (the operations for the nine-month periods ended September 30, 2013 and 2012 amounted 1,088 and 572, respectively, while the net balance as of September 30, 2013, and December 31, 2012, was a receivable of 85 and 61, respectively); the benefits of the incentive scheme for the Additional Injection of natural gas (see Gas agreement in Note 11.c) with the Department of Federal Planning Investment and Services (the operations for the nine-month period ended on September 30, 2013 amounted to 3,295, while the net balance as of September 30, 2013, and December 31, 2012, was a receivable of 2,468 and 82, respectively) and the compensation for providing gas oil to public transport of passengers at a differential price with the Argentine Secretariat of Domestic Commerce (the operations for the nine-month period ended on September 30, 2013, amounted to 1,561, while the net balance as of that date was a receivable of 41). Such transactions are generally based on medium-term agreements and are provided according to general market or regulatory conditions, as applicable. Additionally, the Company has entered into certain financing transactions with entities related to the national public sector, as defined in IAS 24, whose main operations are described in Note 2.i) of these financial statements.

The table below discloses the compensation for the Company s key management personnel, including members of the Board of Directors and principal managers (managers with executive functions appointed by the Board of Directors), for the nine-month periods ended September 30, 2013 and 2012:

	2013[(1)]	**2012**[(1)]
Employee benefits (short-term)	60	57
Shared-based benefits	22	
Post-retirement benefits	2	2
Termination benefits		8
Other long-term benefits		2
	84	69

(1) Includes the compensation for YPF s key management personnel which developed their functions during the mentioned periods.

7. BENEFIT PLANS AND OTHER OBLIGATIONS

Following is disclosed the information about pension plans and other obligations of YPF Holdings Inc. The last actuarial evaluation for the plans mentioned above was made as of December 31, 2012.

Defined-benefit obligations

	As of September 30, 2013	**As of December 31, 2012**
Net present value of obligations	180	152
Fair value of assets		
Deferred actuarial losses		
Recognized net liabilities	180	152

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Changes in the fair value of the defined-benefit obligations

	For the nine-month period ended September 30, 2013	For the nine-month period ended September 30, 2012
Liabilities at the beginning of the period/year	152	143
Translation differences	33	14
Interest costs	4	4
Benefits paid, settlements and amendments	(9)	(9)
Liabilities at the end of the period/year	180	152

Changes in the fair value of the plan assets

	For the nine-month period ended September 30, 2013	For the nine-month period ended September 30, 2012
Fair value of assets at the beginning of the period/year		
Employer and employees contributions	9	9
Benefits paid and settlements	(9)	(9)
Fair value of assets at the end of the period/year		

Amounts recognized in the Statement of Income

	For the nine-month period ended September 30, 2013	For the nine-month period ended September 30, 2012
Service costs		
Interest costs	(4)	(4)
Gains (Losses) on settlements and amendments		

Total recognized as expense of the period	(4)	(4)

Actuarial assumptions

	2013	**2012**
Discount rate	2.5 3%	3.4 3.7%
Expected return on assets	N/A	N/A
Expected increase on salaries	N/A	N/A

Expected employer s contributions and estimated future benefit payments for the outstanding plans are:

Expected employer s contributions during 2013	16
Estimated future benefit payments are as follows:	
2013	12
2014	15
2015	14
2016	13
2017 2075	101

The weighted average duration used in the estimation of future payments was between 7.29 and 8.27.

The Company has performed a sensitivity analysis related to variations of 1% in the discount rate and in the trend of medical costs for the mentioned plans, without having, such changes, a significant effect in the liability recognized or net income for the period.

For additional information about other existing benefit plans, see Note 1.b).10.

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8. OPERATING LEASES

As of September 30, 2013, the principal contracts related to operating leases include:

- Leasing of production equipment used in fields and equipment for natural gas compression, whose contracts have an average duration of 3 years with an option to renew for an additional year and for which contingent payments are calculated based on a rate per unit of use (pesos per hour/day of use).

- Leasing of vessels and barges for the transportation of hydrocarbons, whose contracts have an average duration of 5 years and for which contingent payments are calculated based on a rate per unit of use (pesos per hour/day of use).

- Leasing of land for the installation and operation of service stations, whose contracts have an average duration of approximately 10 years and for which contingent payments are calculated based on a rate per unit of estimated sales of fuel.

Expenses recognized for the nine-month periods ended September 30, 2013 and 2012, related to operating leases amounted to approximately 2,623 and 1,713, respectively, comprising of 1,237 and 702 of minimum payments, and 1,386 and 1,011 to contingent payments, which have been recorded in the Rental of real estate and equipment and Operation Services and other Service Contracts accounts.

As of September 30, 2013, the estimated future payments related to these contracts are:

	Within 1 year	From 1 to 5 years	Over 6 years
Estimated future payments	2,295	3,374	201

9. EARNINGS PER SHARE

As of the date of issuance of these financial statements, YPF has not issued equity instruments that give rise to potential ordinary shares (considering the Company s intention of settling the share-based benefit plans through treasury shares purchases). As a result, the calculation of diluted earnings per share coincides with the basic earnings per share.

The following table shows the net income and the number of shares that have been used for the calcu