

CHESAPEAKE ENERGY CORP
Form SC 13G/A
February 13, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G
Under the Securities Exchange Act of 1934

(Amendment No. 2)*

Chesapeake Energy Corporation

(Name of Issuer)

Common Stock

(Title of Class and Securities)

165167107

(CUSIP Number of Class of Securities)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

/X/ Rule 13d-1(b)
/ / Rule 13d-1(c)
/ / Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following page(s))

Edgar Filing: CHESAPEAKE ENERGY CORP - Form SC 13G/A

CUSIP No. 165167107

13G

(1) NAMES OF REPORTING PERSONS
Southeastern Asset Management, Inc. I.D. No. 62-0951781

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
(a)
(b) X

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION
Tennessee

	: (5) SOLE VOTING POWER
	: (Discretionary Accounts)
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	: 27,295,059 shares
	: (6) SHARED OR NO VOTING POWER
	17,856,200 shares (Shared)
	4,249,000 shares (No Vote)

	: (7) SOLE DISPOSITIVE POWER
	(Discretionary Accounts)
	: 31,518,059 shares

	: (8) SHARED DISPOSITIVE POWER
	: 17,856,200 shares (Shared)
	26,000 shares (None)

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
(Discretionary & Non-discretionary Accounts)
49,400,259 shares

(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES

(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
10.4 %

(12) TYPE OF REPORTING PERSON
IA

CUSIP No. 165167107

13G

(1) NAMES OF REPORTING PERSONS
O. Mason Hawkins I.D. No. XXX-XX-XXXX

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
(a)
(b) X

(3) SEC USE ONLY

Edgar Filing: CHESAPEAKE ENERGY CORP - Form SC 13G/A

(4) CITIZENSHIP OR PLACE OF ORGANIZATION
Citizen of United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

: (5) SOLE VOTING POWER
: (Discretionary Accounts)
: None

: (6) SHARED VOTING POWER

: None

: (7) SOLE DISPOSITIVE POWER

: None

: (8) SHARED DISPOSITIVE POWER

: None

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
None (See Item 3)

(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES

(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
0.0%

(12) TYPE OF REPORTING PERSON
IN

Item 1.

(a). Name of Issuer: Chesapeake Energy Corporation "Issuer"

(b). Address of Issuer's Principal Executive Offices:

6100 North Western Avenue
Oklahoma City, OK 73118

Item 2.

(a). and (b). Names and Principal Business Addresses of Persons Filing

(1) Southeastern Asset Management, Inc.
6410 Poplar Ave., Suite 900
Memphis, TN 38119

(2) Mr. O. Mason Hawkins
Chairman of the Board and C.E.O.
Southeastern Asset Management, Inc.
6410 Poplar Ave., Suite 900
Memphis, TN 38119

(c). Citizenship:

Edgar Filing: CHESAPEAKE ENERGY CORP - Form SC 13G/A

Southeastern Asset Management, Inc. - A Tennessee corporation

Mr. O. Mason Hawkins - U.S. Citizen

(d). Title of Class of Securities: Common Stock (the "Securities").

(e). Cusip Number: 165167107

Item 3. If this statement is filed pursuant to Rules 13d-1 (b) or 13d-2 (b), check whether the person filing is a:

(e.) Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940. This statement is being filed by Southeastern Asset Management, Inc. as a registered investment adviser. All of the securities covered by this report are owned legally by Southeastern's investment advisory clients and none are owned directly or indirectly by Southeastern. As permitted by Rule 13d-4, the filing of this statement shall not be construed as an admission that Southeastern Asset Management, Inc. is the beneficial owner of any of the securities covered by this statement.

(g.) Parent Holding Company. This statement is also being filed by Mr. O. Mason Hawkins, Chairman of the Board and C.E.O. of Southeastern Asset Management, Inc. in the event he could be deemed to be a controlling person of that firm as the result of his official positions with or ownership of its voting securities. The existence of such control is expressly disclaimed. Mr. Hawkins does not own directly or indirectly any securities covered by this statement for his own account. As permitted by Rule 13d-4, the filing of this statement shall not be construed as an admission that Mr. Hawkins is the beneficial owner of any of the securities covered by this statement.

Item 4. Ownership:

(a). Amount Beneficially Owned: (At 12/31/07

49,400,259 shares

(b). Percent of Class:

10.4%

Above percentage is based on 473,949,071 shares of Common Stock outstanding.

(c). Number of shares as to which such person has:

(i). sole power to vote or to direct the vote:

27,295,059 shares

(ii). shared or no power to vote or to direct the vote:

Shared - 17,856,200 shares.

Securities owned by the following series of Longleaf Partners Funds Trust, an open-end management investment company registered under the Investment

Edgar Filing: CHESAPEAKE ENERGY CORP - Form SC 13G/A

Company Act of 1940, as follows:

Longleaf Partners Fund - 17,856,200 shares

No Power to Vote - 4,249,000 shares.

(iii). sole power to dispose or to direct the disposition of:

31,518,059 shares

(iv). shared or no power to dispose or to direct the disposition of:

Shared - 17,856,200 shares

Securities owned by the following series of Longleaf Partners Funds Trust, an open-end management investment company registered under the Investment Company Act of 1940, as follows:

Longleaf Partners Fund - 17,856,200 shares

No Power - 26,000 shares

Item 5. Ownership of Five Percent or Less of a Class: N/A

Item 6. Ownership of More Than Five Percent on Behalf of Another Person:
N/A

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company: N/A

Item 8. Identification and Classification of Members of the Group:
N/A

Item 9. Notice of Dissolution of Group: N/A

Item 10. Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

Signatures

After reasonable inquiry and to the best of the knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete, and correct.

Dated: February 13, 2008

Southeastern Asset Management, Inc.

By /s/ Andrew R. McCarroll

Andrew R. McCarroll
Vice President and General Counsel

O. Mason Hawkins, Individually

/s/ O. Mason Hawkins

Joint Filing Agreement

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, the persons or entities named below agree to the joint filing on behalf of each of them of this Schedule 13G with respect to the Securities of the Issuer and further agree that this joint filing agreement be included as an exhibit to this Schedule 13G. In evidence thereof, the undersigned hereby execute this Agreement as of February 13, 2008.

Southeastern Asset Management, Inc.

By /s/ Andrew R. McCarroll

Andrew R. McCarroll
Vice President and General Counsel

O. Mason Hawkins, Individually

/s/ O. Mason Hawkins

1
CHK13G2.doc
SCHEDULE 13G - Chesapeake Energy Corporation ("Issuer")
Amendment #2
2
CHK13G2.doc

ht">5

Condensed interim consolidated statements of cash flow

7

Notes to the condensed interim consolidated financial statements:

1

General information, structure and organization of the business of the Group

8 2

Basis of preparation of the condensed interim consolidated financial statements

9 3

Seasonality of operations

10 4

Acquisitions and dispositions

10 5

Financial risk management

11 6

Segment information

11 7

Financial instruments by category

14 8

Intangible assets

15 9

Property, plant and equipment

16 10

Investments in associates and joint ventures

17 11

Inventories

21 12

Other receivables

21 13

Trade receivables

21 14

Cash and cash equivalents

21 15

Provisions

22 16

Income Tax

23 17

Loans

24 18

Other liabilities

26 19

Accounts payable

26 20

Revenues

26 21

Costs

26 22

Expenses by nature

27 23

Other operating results, net

28 24

Financial results, net

28 25

Investments in joint operations

28 26

Shareholders equity

29 27

Earnings per share

29 28

Deconsolidation of Maxus Entities

30 29

Contingent assets and liabilities

30 30

Contractual commitments

31 31

Main regulations and others

32 32

Balances and transactions with related parties

35 33

Employee benefit plans and share-based payments

38 34

Assets and liabilities in currencies other than the Argentine peso

39 35

Subsequent events

Table of Contents

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**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****AS OF MARCH 31, 2017 AND COMPARATIVE INFORMATION****GLOSSARY OF TERMS**

Term	Definition
AESA	Subsidiary A-Evangelista S.A.
Annual consolidated financial statements	Consolidated financial statements as of December 31, 2016
Associate	Company over which YPF has significant influence as provided for in IAS 28
BONAR	Argentine public bonds
CDS	Associate Central Dock Sud S.A.
CGU	Cash-Generating Units
CIMSA	Subsidiary Compañía de Inversiones Mineras S.A.
CNV	Argentine Securities Commission
Condensed interim consolidated financial statements	Condensed interim consolidated financial statements as of March 31, 2017
Eleran	Subsidiary Eleran Inversiones 2011 S.A.U.
ENARGAS	Argentine National Gas Regulatory Authority
FACPCE Group	Argentine Federation of Professional Councils in Economic Sciences YPF and its subsidiaries
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard
IDS	Associate Inversora Dock Sud S.A.
Joint venture	Company jointly owned by YPF as provided for in IAS 28
JO	Joint operation
LGS	Argentine General Corporations Law No. 19,550 (T.O. 1984), as amended
MEGA	Joint venture Compañía Mega S.A.
Metroenergía	Subsidiary Metroenergía S.A.
Metrogas	Subsidiary Metrogas S.A.
MINEM	Ministry of Energy and Mining
MMBtu	Million British thermal units

Oldelval	Associate Oleoductos del Valle S.A.
OPESSA	Subsidiary Operadora de Estaciones de Servicios S.A.
OTA	Associate Oleoducto Trasandino (Argentina) S.A.
OTC	Associate Oleoducto Trasandino (Chile) S.A.
Profertil	Joint Venture Profertil S.A.
Refinor	Joint Venture Refinería del Norte S.A.
SEC	U.S. Securities and Exchange Commission
Subsidiary	Company controlled by YPF in accordance with the provisions of IFRS 10
Termap	Associate Terminales Marítimas Patagónicas S.A.
US\$	U.S. dollar
US\$/Bbl	U.S. dollar per barrel
Y-GEN I	Joint venture Y-GEN Eléctrica S.R.L.
Y-GEN II	Joint venture Y-GEN Eléctrica II S.R.L.
YPF Brasil	Subsidiary YPF Brasil Comércio Derivado de Petróleo Ltda.
YPF Chile	Subsidiary YPF Chile S.A.
YPF EE	Subsidiary YPF Energía Eléctrica S.A.
YPF Gas	Associate YPF Gas S.A.
YPF Holdings	Subsidiary YPF Holdings, Inc.
YPF International	Subsidiary YPF International S.A.
YPF or the Company	YPF Sociedad Anónima
YPF SP	Subsidiary YPF Servicios Petroleros S.A.
YTEC	Subsidiary YPF Tecnología S.A.

Table of Contents

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2017 AND COMPARATIVE INFORMATION

LEGAL INFORMATION

Legal address

Macacha Güemes 515 Ciudad Autónoma de Buenos Aires, Argentina

Fiscal year number 41

Beginning on January 1, 2017

Principal business of the Company:

The Company's purpose shall be to perform, on its own, through third parties or in association with third parties, the exploration, development and production of oil, natural gas and other minerals and refining, marketing and distribution of oil and petroleum products and direct and indirect petroleum derivatives, including petrochemicals, chemicals, including those derived from hydrocarbons, and non-fossil fuels, biofuels and their components, as well as production of electric power from hydrocarbons, through which it may manufacture, use, purchase, sell, exchange, import or export them. It shall also be the Company's purpose to render, on its own, through a subsidiary or in association with third parties, telecommunications services in all forms and modalities authorized by the legislation in force after applying for the relevant licenses as required by the regulatory framework, as well as the production, industrialization, processing, commercialization, conditioning, transportation and stockpiling of grains and products derived from grains, as well as any other activity complementary to its industrial and commercial business or any activity which may be necessary to attain its object. In order to fulfill these objectives, the Company may set up, become associated with or have an interest in any public or private entity domiciled in the country or abroad, within the limits set forth in the Bylaws.

Filing with the Public Registry

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

Duration of the Company

Through June 15, 2093.

Last amendment to the Bylaws

April 29, 2016 registered with the Argentine Registrar of Companies (*Inspección General de Justicia*) on December 21, 2016 under No. 25,244, Book 82 of Corporations.

Optional Statutory Regime related to Compulsory Tender Offer provided by Decree No. 677/2001 art. 24

Not incorporated (modified by Law No. 26,831).

Capital structure

393,312,793 shares of common stock, Argentine pesos 10 par value and 1 vote per share.

Subscribed, paid-in and authorized for stock exchange listing

3,933,127,930

MIGUEL ANGEL GUTIERREZ

President

Table of Contents

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

YPF SOCIEDAD ANONIMA**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS OF MARCH 31, 2017 AND DECEMBER 31, 2016**

(Amounts expressed in millions of Argentine Pesos)

	Notes	March 31, 2017	December 31, 2016
ASSETS			
Noncurrent Assets			
Intangible assets	8	8,045	8,114
Property, plant and equipment	9	297,613	308,014
Investments in associates and joint ventures	10	5,591	5,488
Deferred income tax assets, net	16	362	564
Other receivables	12	1,887	3,909
Trade receivables	13	128	87
Investment in financial assets	7	7,315	7,737
Total noncurrent assets		320,941	333,913
Current Assets			
Inventories	11	21,032	21,820
Other receivables	12	10,161	13,456
Trade receivables	13	31,919	33,645
Investment in financial assets	7	7,532	7,548
Cash and cash equivalents	14	11,424	10,757
Total current assets		82,068	87,226
TOTAL ASSETS		403,009	421,139
SHAREHOLDERS' EQUITY			
Shareholders' contributions		10,429	10,403
Reserves, other comprehensive income and retained earnings		104,734	108,352
Shareholders' equity attributable to shareholders of the parent company		115,163	118,755
Non-controlling interest		73	(94)

TOTAL SHAREHOLDERS EQUITY		115,236	118,661
LIABILITIES			
Noncurrent Liabilities			
Provisions	15	50,317	47,358
Deferred income tax liabilities, net	16	39,360	42,465
Taxes payable		262	98
Loans	17	123,532	127,568
Other liabilities	18	319	336
Accounts payable	19	1,747	2,187
Total noncurrent liabilities		215,537	220,012
Current Liabilities			
Provisions	15	1,772	1,994
Income tax liability		213	176
Taxes payable		6,391	4,440
Salaries and social security		2,440	3,094
Loans	17	22,756	26,777
Other liabilities	18	466	4,390
Accounts payable	19	38,198	41,595
Total current liabilities		72,236	82,466
TOTAL LIABILITIES		287,773	302,478
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		403,009	421,139

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

MIGUEL ANGEL GUTIERREZ

President

Table of Contents

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

YPF SOCIEDAD ANONIMA**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016**

(Amounts expressed in millions of Argentine Pesos)

		For the three-month periods ended March 31,	
	Notes	2017	2016
Revenues	20	57,003	46,934
Cost	21	(45,798)	(40,131)
Gross profit		11,205	6,803
Selling expenses	22	(3,887)	(3,045)
Administrative expenses	22	(1,790)	(1,486)
Exploration expenses	22	(593)	(454)
Other operating results, net	23	(424)	(200)
Operating income		4,511	1,618
Income from equity interests in associates and joint ventures	10	22	97
Financial income	24	1,612	9,121
Financial loss	24	(8,848)	(5,480)
Other financial results	24	75	377
Financial results, net	24	(7,161)	4,018
Net (loss) income before income tax		(2,628)	5,733
Income tax	16	2,820	(4,878)
Net income for the period		192	855
Net income for the period attributable to:			
- Shareholders of the parent company		25	996
- Non-controlling interest		167	(141)
	27	0.06	2.54

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

Other comprehensive income

Translation differences from investments in subsidiaries, associates and joint ventures ⁽¹⁾	159	(535)
Translation differences from YPF ⁽²⁾	(3,802)	15,942
Total other comprehensive income for the period ⁽³⁾	(3,643)	15,407
Total comprehensive income for the period	(3,451)	16,262

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

(2) Will not be reversed to net income.

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

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

MIGUEL ANGEL GUTIERREZ

President

Table of Contents

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

YPF SOCIEDAD ANONIMA**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY****FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016**

(Amounts expressed in millions of Argentine Pesos)

	For the three-month period ended March 31, 2017								
	Shareholders contributions								
	Acquisition cost								
	Adjustment to		Adjustment to		Adjustment to		Adjustment to		Total
	Subscribed capital	Contributions	Treasury shares	Treasury shares	Share-based benefit plans	Treasury shares	Share trading premium	Issuance premiums	
Balances at the beginning of the fiscal year	3,923	6,085	10	16	61	(152)	(180)	640	10,403
Accrual of share-based benefit plans ⁽³⁾					26				26
Settlement of share-based benefit plans ⁽²⁾					(1)	1			
Other comprehensive income									
Net income									
Balances at the end of the period	3,923	6,085	10	16	86	(151)	(180)	640	10,429

	For the three-month period ended March 31, 2017									
	Reserves					Equity attributable to Shareholders				
	Legal	Future dividends	Investments	Purchase of treasury shares	Initial IFRS adjustment	Other comprehensive income	Retained earnings	of the parent company	Non-controlling interest	Total shareholders equity
Balances at the beginning of the fiscal year	2,007	5	24,904	490	3,648	105,529	(28,231)	118,755	(94)	118,661
Accrual of share-based benefit								26		26

plans ⁽²⁾										
Settlement of share-based benefit plans										
Other comprehensive income						(3,643)		(3,643)		(3,643)
Net income							25	25	167	192
Balances at the end of the period	2,007	5	24,904	490	3,648	101,886 ⁽¹⁾	(28,206)	115,163	73	115,236

- (1) Includes 105,532 corresponding to the effect of the translation of the financial statements of YPF S.A. and (3,646) corresponding to the effect of the translation of the financial statements of investments in subsidiaries, associates and joint ventures with functional currencies other than the U.S. dollar, as detailed in Note 2.b.1. to the annual consolidated financial statements.
- (2) Net of employees' income tax withholding related to the share-based benefit plans.
- (3) See Note 33.

MIGUEL ANGEL GUTIERREZ

President

Table of Contents

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

YPF SOCIEDAD ANONIMA**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016 (Cont.)**

(Amounts expressed in millions of Argentine Pesos)

	For the three-month period ended March 31, 2016								
	Shareholders' contributions								
	Subscribed capital	Adjustment to contributions	Treasury shares	Treasury shares	Share-based benefit plans	Acquisition of treasury shares	State trading premiums	Issuance premiums	Total
Balances at the beginning of the fiscal year	3,922	6,083	11	18	67	(277)	(115)	640	10,349
Accrual of share-based benefit plans ⁽²⁾					40				40
Other comprehensive income									
Net income									
Balances at the end of the period	3,922	6,083	11	18	107	(277)	(115)	640	10,389

	For the three-month period ended March 31, 2016										
	Reserves					Equity attributable to Shareholders of the parent company					Total shareholders' equity
	Legal	Future dividends	Investments	Purchase of treasury shares	of initial adjustment	Other comprehensive income	Retained earnings	Non-controlling interest			
Balances at the beginning of the fiscal year	2,007	5	21,264	440	3,648	78,115	4,585	120,413	48	120,461	
Accrual of share-based benefit plans ⁽²⁾								40		40	
Other comprehensive income						15,407		15,407		15,407	

Net income							996	996	(141)	855
Balances at the end of the period	2,007	5	21,264	440	3,648	93,522 ⁽¹⁾	5,581	136,856	(93)	136,763

(1) Includes 96,924 corresponding to the effect of the translation of the financial statements of YPF and (3,402) corresponding to the effect of the translation of the financial statements of investments in subsidiaries, associates and joint ventures with functional currencies other than the U.S. dollar, as detailed in Note 2.b.1. to the annual consolidated financial statements.

(2) See Note 33.

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

MIGUEL ANGEL GUTIERREZ

President

Table of Contents

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

YPF SOCIEDAD ANONIMA**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW****FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2017 AND 2016**

(Amounts expressed in millions of Argentine Pesos)

	For the three-month periods ended March 31,	
	2017	2016
Cash flows from operating activities		
Net income	192	855
<i>Adjustments to reconcile net income to cash flows provided by operating activities:</i>		
Income from equity interest in associates and joint ventures	(22)	(97)
Depreciation of property, plant and equipment	11,764	10,534
Amortization of intangible assets	181	153
Consumption of materials and retirement of property, plant and equipment and intangible assets	869	1,183
Charge on income tax	(2,820)	4,878
Net increase in provisions	1,671	1,092
Exchange differences, interest and other ⁽¹⁾	6,369	(4,666)
Share-based benefit plan	26	40
<i>Changes in assets and liabilities:</i>		
Trade receivables	1,894	(7,966)
Other receivables	3,175	4,518
Inventories	111	1,089
Accounts payable	1,145	778
Taxes payables	2,119	(760)
Salaries and social security	(651)	(419)
Other liabilities	(950)	100
Decrease in provisions due to payment/use	(273)	(354)
Dividends received	95	
Proceeds from collection of lost profit insurance		607
Income tax payments	(245)	(740)
Net cash flows provided by operating activities	24,650	10,825
Investing activities:⁽²⁾		
Acquisition of property, plant and equipment and intangible assets	(14,574)	(17,303)
Contributions and acquisitions of interests in associates and joint ventures	(272)	

Investments in financial assets	(3)	(13)
Proceeds from collection of damaged property's insurance		355
Interests received from financial assets	8	
Net cash flows used in investing activities	(14,841)	(16,961)
Financing activities:⁽²⁾		
Payments of loans	(8,393)	(17,179)
Payments of interest	(5,369)	(3,515)
Proceeds from loans	4,769	36,603
Contributions of non-controlling interests		50
Net cash flows (used in) provided by financing activities	(8,993)	15,959
Translation differences provided by cash and cash equivalents	(149)	953
Net increase in cash and cash equivalents	667	10,776
Cash and cash equivalents at the beginning of year	10,757	15,387
Cash and cash equivalents at the end of period	11,424	26,163
Net increase in cash and cash equivalents	667	10,776

(1) Does not include exchange differences generated by cash and cash equivalents, which are disclosed separately in this statement.

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

	For the three-month periods ended March 31,	
	2017	2016
Acquisition of property, plant and equipment and concession extension easements not paid	4,204	4,482
Capital contributions in joint ventures	10	

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

MIGUEL ANGEL GUTIERREZ

President

Table of Contents

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

YPF SOCIEDAD ANONIMA

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2017 AND COMPARATIVE INFORMATION

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

1. GENERAL INFORMATION, STRUCTURE AND ORGANIZATION OF THE BUSINESS OF THE GROUP

General information

YPF Sociedad Anónima is a *sociedad anónima* (stock corporation) incorporated under the laws in force in the Argentine Republic, with a registered office at Macacha Güemes 515, in the City of Buenos Aires.

YPF and its subsidiaries form the leading energy group in Argentina, which operates a fully integrated oil and gas chain with leading market positions across the domestic Upstream and Downstream segments.

Structure and organization of the economic group

The following chart shows the organizational structure, including the main companies of the Group, as of March 31, 2017:

(1) Held directly and indirectly.

Table of Contents

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

YPF SOCIEDAD ANONIMA

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2017 AND COMPARATIVE INFORMATION

1. GENERAL INFORMATION, STRUCTURE AND ORGANIZATION OF THE BUSINESS OF THE GROUP (Cont.)

Organization of the business

As of March 31, 2017, the Group carries out its transactions and operations in accordance with the following structure:

Upstream;

Gas and Power;

Downstream;

Central administration and others, which covers the remaining activities not included in the previous categories. Activities covered by each business segment are detailed in Note 6.

Almost all operations, properties and clients are located in Argentina. However, the Group holds equity interests in one exploratory area in Chile. The Group also sells lubricants and derivatives in Brazil and Chile.

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

2.a) Basis of preparation

The condensed interim consolidated financial statements of YPF and its subsidiaries for the three-month period ended March 31, 2017, are presented in accordance with IAS 34 Interim Financial Reporting . The adoption of the IFRS, as issued by the IASB, was determined by the Technical Resolution No. 26 (ordered text) issued by FACPCE and CNV

regulations.

Also, some additional information required by the LGS and/or regulations of the CNV was included. Such information is contained in the Notes to these condensed interim consolidated financial statements only to comply with regulatory requirements.

These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group as of December 31, 2016 prepared in accordance with IFRS.

These condensed interim consolidated financial statements were approved by the Board of Directors meeting and authorized to be issued on May 9, 2017.

These condensed interim consolidated financial statements corresponding to the three-month period ended on March 31, 2017 are unaudited. The Company's Management believes they have included all necessary adjustments to reasonably present the results of each period on a basis consistent with the annual consolidated financial statements. Income for the three-month period ended on March 31, 2017 does not necessarily reflect the proportion of the Group's full-year income.

2.b) Significant Accounting Policies

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements, except for the valuation policy for Income Tax detailed in Note 16. The most significant accounting policies are described in Note 2.b) to the annual consolidated financial statements.

Functional and reporting currency

As mentioned in Note 2.b.1. to the annual consolidated financial statements, YPF has defined the U.S. dollar as its functional currency. In addition, according to CNV Resolution No. 562, YPF must present its financial statements in Argentine pesos.

Table of Contents

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

YPF SOCIEDAD ANONIMA

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2017 AND COMPARATIVE INFORMATION

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

2.c) Accounting Estimates and Judgments

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

In preparing these condensed interim consolidated financial statements, significant estimates and judgments made by Management in applying the Group's accounting policies and the main sources of uncertainty were consistent with those applied by the Group in the preparation of the annual consolidated financial statements, which are disclosed in Note 2.c) to the annual consolidated financial statements.

2.d) Comparative information

Amounts and other information corresponding to the year ended on December 31, 2016 and to the three-month period ended on March 31, 2016 are an integral part of these condensed interim consolidated financial statements and are intended to be read only in relation to these financial statements.

3. SEASONALITY OF OPERATIONS

Historically, the Group's results have been subject to seasonal fluctuations during the year, particularly as a result of the increase in natural gas sales during the winter. After the 2002 devaluation of the Argentine peso, and as a consequence of the natural gas price freeze imposed by the Argentine government, the use of natural gas has been diversified, generating an increase in demand throughout the entire year. However, sales of natural gas are still typically higher in the winter for the residential sector of the Argentine domestic market, which has lower prices than other sectors of the Argentine market. Notwithstanding the foregoing, under the Additional Injection Stimulus Program (see Note 30.h) to the annual consolidated financial statements), gas producing companies were invited to file with the MINEM before June 30, 2013 projects to increase natural gas injection, in order to receive an increased price of US\$ 7.50/MMBTU for all additional natural gas injected. These projects shall comply with the minimum requirements established in the aforementioned Program, and will be subject to approval by the MINEM, including a maximum term of five years, renewable at the request of the beneficiary, upon the decision of the MINEM. If the

beneficiary company does not reach the committed production increase in a given month, it will have to make up for such volumes not produced. The natural gas pricing program was incorporated into the Hydrocarbons Law, as modified by Law No. 27,007.

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

4. ACQUISITIONS AND DISPOSITIONS

During the three-month period ended March 31, 2017, there have been no significant acquisitions or dispositions.

Table of Contents

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

YPF SOCIEDAD ANONIMA

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2017 AND COMPARATIVE INFORMATION

5. FINANCIAL RISK MANAGEMENT

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

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

There have been no significant changes in the risk management or risk management policies applied by the Group since the last year end. See Note 4 to the annual consolidated financial statements.

6. SEGMENT INFORMATION

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

Upstream

The Upstream segment carries out all activities related to the oil and natural gas exploration, development and production.

It obtains its revenues from (i) the sale of produced oil to the Downstream segment and, marginally, from its sale to third parties; and (ii) the sale of produced gas to the Gas and Power segment, which includes the receipt of incentives from the Natural Gas Additional Injection Stimulus Program.

Gas and Power

On March 15, 2016, the Gas and Power Executive Vice-presidency was created, and during the previous fiscal year, the complete scope of management of this new business unit was determined.

The Gas and Power segment obtains its income from the development of activities related to: (i) the natural gas commercialization to third parties and the Downstream segment, (ii) the commercial and technical operation of LNG regasification terminals in Bahía Blanca and Escobar, by hiring two regasification vessels, (iii) the natural gas distribution, and (iv) the generation of conventional and renewable electricity,

In addition to the proceeds derived from the sale of natural gas to third parties and the intersegment, which is then recognized as a purchase to the Upstream segment, Gas and Power accrues a fee in its favor with the Upstream segment to carry out such commercialization.

The Gas and Power Executive Vice-presidency assumed, as of 2017, all responsibility for the administration and management of collections related to the Natural Gas Additional Injection Stimulus Program, and therefore began to record revenues derived from sales in the segment, to later be transferred to the Upstream segment as an intersegment operation.

Table of Contents

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

YPF SOCIEDAD ANONIMA

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2017 AND COMPARATIVE INFORMATION

6. SEGMENT INFORMATION (Cont.)

Downstream

The Downstream segment develops activities related to: (i) oil refining and petrochemical production, (ii) commercialization of refined and petrochemical products obtained from such processes, (iii) logistics related to the transportation of oil and gas to refineries and the transportation and distribution of refined and petrochemical products to be marketed in the different sales channels.

It obtains its income from the marketing mentioned in item (ii) above, which is developed through the Retail, Industry, Agro, LPG, Chemicals and Lubricants and Specialties businesses.

It incurs in all expenses related to the aforementioned activities, including the oil purchase from the Upstream segment and third parties and the natural gas to be consumed in the refinery and petrochemical industrial complexes from the Gas and Power segment.

Central Administration and Others

It covers other activities, not falling into the aforementioned categories, mainly including corporate administrative expenses and assets and construction activities.

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

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

As required by IFRS 8, comparative information has been given retroactive effect by the creation of the new segment.

Table of Contents

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

YPF SOCIEDAD ANONIMA**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****AS OF MARCH 31, 2017 AND COMPARATIVE INFORMATION****6. SEGMENT INFORMATION (Cont.)**

	Central AdministrationConsolidation Upstream Gas and PowerDownstream and Others Adjustments⁽¹⁾				Total	
For the three-month period ended March 31, 2017						
Revenues from sales	155	12,755	43,978	714	(599)	57,003
Revenues from intersegment sales	27,622	990	202	1,566	(30,380)	
Revenues	27,777	13,745	44,180	2,280	(30,979)	57,003
Operating income (loss)	899	558	4,364	(1,006)	(304)	4,511
Income (loss) from equity interests in associates and joint ventures		56	(34)			22
Depreciation of property, plant and equipment	9,935	65	1,569	195		11,764
Acquisition of property, plant and equipment	9,448	943	1,279	280		11,950
Assets	210,579	36,553	123,151	34,090	(1,364)	403,009
For the three-month period ended March 31, 2016						
Revenues from sales	5,897	4,750	35,750	537		46,934
Revenues from intersegment sales	23,433	706	210	1,661	(26,010)	
Revenues	29,330	5,456	35,960	2,198	(26,010)	46,934
Operating income (loss)	4,441	4	(798)	(526)	(1,503)	1,618
Income from equity interests in associates and joint ventures		66	31			97
Depreciation of property, plant and equipment	9,096	88	1,202	148		10,534

Acquisition of property, plant and equipment	12,255	457	1,634	395		14,741
As of December 31, 2016						
Assets	236,173	25,866	125,536	34,739	(1,175)	421,139

(1) Corresponds to the elimination of income among segments of the YPF Group.

Table of Contents

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****AS OF MARCH 31, 2016 AND COMPARATIVE INFORMATION****7. FINANCIAL INSTRUMENTS BY CATEGORY****Fair value measurements**

Fair value measurements are described in Note 6 to the annual consolidated financial statements

The tables below show the Group's financial assets measured at fair value as of March 31, 2017 and December 31, 2016, and their allocation to their fair value hierarchies:

Financial assets	As of March 31, 2017			Total
	Level 1	Level 2	Level 3	
Investments in financial assets:				
- Mutual funds	113			113
- Government securities	14,734 ⁽¹⁾			14,734
	14,847			14,847
Cash and cash equivalents:				
- Mutual funds	5,333			5,333
	5,333			5,333
	20,180			20,180

Financial assets	As of December 31, 2016			Total
	Level 1	Level 2	Level 3	
Investments in financial assets:				
- Mutual funds	53			53
- Government securities	15,232 ⁽¹⁾			15,232
	15,285			15,285

Cash and cash equivalents:	2,808	2,808
- Mutual funds	2,808	2,808
	18,093	18,093

(1) As of March 31, 2017, 7,315 has been classified as noncurrent and 7,419 as current. As of December 31, 2016, 7,737 has been classified as noncurrent and 7,495 as current.

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

Fair value estimates

From December 31, 2016 until March 31, 2017, there have been no significant changes in the commercial or economic circumstances affecting the fair value of the Group's assets and financial liabilities, whether measured at fair value or amortized cost.

During the three-month period ended March 31, 2017, there were no transfers between the different hierarchies used to determine the fair value of the Group's financial instruments.

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

The estimated fair value of loans, considering unadjusted listed prices (Level 1) for Negotiable Obligations and interest rates offered to the Group (Level 3) in connection with the remaining financial loans, amounted to 153,163 and 157,133 as of March 31, 2017 and December 31, 2016, respectively.

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

Other receivable

Trade receivables

Cash and cash equivalents

Accounts payable

Other liabilities

Table of Contents

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

YPF SOCIEDAD ANONIMA**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****AS OF MARCH 31, 2017 AND COMPARATIVE INFORMATION****8. INTANGIBLE ASSETS**

Changes in the Group's intangible assets for the three-month period ended March 31, 2017 and the year ended December 31, 2016 are as follows:

	Service concession	Exploration rights	Other intangibles	Total
Cost	9,527	2,990	4,260	16,777
Accumulated amortization	5,553	155	3,710	9,418
Balances as of December 31, 2015	3,974	2,835	550	7,359
Cost				
Increases	642	75	171	888
Translation effect	2,127	612	936	3,675
Decreases and reclassifications	(547)	(584)	127	(1,004)
Accumulated amortization				
Increases	437		280	717
Translation effect	1,245		848	2,093
Decreases and reclassifications		(6)		(6)
Cost	11,749	3,093	5,494	20,336
Accumulated amortization	7,235	149	4,838	12,222
Balances as of December 31, 2016	4,514	2,944	656	8,114
Cost				
Increases	156		54	210
Translation effect	(373)	(93)	(172)	(638)
Decreases and reclassifications			173	173
Accumulated amortization				
Increases	130		51	181
Translation effect	(227)		(157)	(384)
Decreases and reclassifications			17	17

Edgar Filing: CHESAPEAKE ENERGY CORP - Form SC 13G/A

Cost	11,532	3,000	5,549	20,081
Accumulated amortization	7,138	149	4,749	