

YPF SOCIEDAD ANONIMA
Form 6-K
November 15, 2007
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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of November, 2007

Commission File Number: 001-12102

YPF Sociedad Anónima

(Exact name of registrant as specified in its charter)

Av. Pte. R.S. Peña 777 8th Floor

1354 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 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):

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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

Indicate by check mark whether by furnishing the information

contained in this Form, the Registrant is also thereby furnishing the information to the Commission

pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes _____ No X

If Yes is marked, indicate below the file number assigned to the registrant

in connection with Rule 12g3-2(b): N/A

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YPF Sociedad Anónima

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Item 1

SOCIEDAD ANONIMA

Financial Statements as of September 30, 2007

and Comparative Information

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English translation of the report originally issued in Spanish, except for the omission of certain disclosures related to formal legal requirements for reporting in Argentina and the addition of the last paragraph See Note 12 to the primary financial statements

Limited Review Report on Interim

Period Financial Statements

To the Board of Directors of

YPF SOCIEDAD ANONIMA

Legal address: Av. Pte. Roque Sáenz Peña 777

Buenos Aires City

CUIT N° 30-54668997-9

1. Identification of financial statements subject to limited review

We have reviewed the balance sheet of YPF SOCIEDAD ANONIMA (an Argentine Corporation) as of September 30, 2007 and the related statements of income, changes in shareholders' equity and cash flows for the nine-month period then ended. We have also reviewed the consolidated balance sheet of YPF SOCIEDAD ANONIMA and its controlled and jointly controlled companies as of September 30, 2007, and the related consolidated statements of income and cash flows for the nine-month period then ended, which are presented as supplemental information in Schedule I. These financial statements are the responsibility of the Company's Management.

2. Scope of our work

We conducted our review in accordance with generally accepted auditing standards in Argentina for a review of interim period financial statements. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for accounting and financial matters. A review is substantially less in scope than an audit of financial statements, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

3. Limited review report

Based on our review, we are not aware of any material modifications that should be made to the financial statements of YPF SOCIEDAD ANONIMA referred to in the first paragraph for them to be in conformity with generally accepted accounting principles in Argentina.

In relation to the financial statements as of December 31, 2006 and September 30, 2006, which are presented for comparative purposes, we issued our unqualified auditors' report dated March 6, 2007, and our unqualified limited review report on interim period financial statements dated November 8, 2006, respectively.

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Certain accounting practices of YPF SOCIEDAD ANONIMA used in preparing the accompanying financial statements conform with generally accepted accounting principles in Argentina, but do not conform with generally accepted accounting principles in the United States of America (see Note 12 to the accompanying financial statements).

Buenos Aires City, Argentina

November 6, 2007

Deloitte & Co. S.R.L.

Ricardo C. Ruiz

Partner

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YPF SOCIEDAD ANONIMA

FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2007 AND COMPARATIVE INFORMATION

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English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission (CNV), except for the inclusion of Note 12 in this English translation.

In case of discrepancy, the financial statements filed with the CNV prevail over this translation.

YPF SOCIEDAD ANONIMA

Avenida Presidente Roque Sáenz Peña 777 Ciudad Autónoma de Buenos Aires, Argentina

FISCAL YEARS NUMBER 31 AND 30

BEGINNING ON JANUARY 1, 2007 AND 2006

FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2007 AND COMPARATIVE INFORMATION

(The financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

Principal business of the Company: exploration, development and production of oil and 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, generation of electric power from hydrocarbons, rendering telecommunications services, as well as the production, industrialization, processing, marketing, preparation services, transportation and storage of grain 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: July 11, 2007.

Optional Statutory Regime related to Compulsory Tender Offer provided by Decree No. 677/2001 art. 24: not incorporated.

Capital structure as of September 30, 2007

(expressed in Argentine pesos)

**Subscribed, paid-in and
authorized for stock
exchange listing**

(Note 4 to primary

financial statements)

Shares of Common Stock, Argentine pesos 10 par value, 1 vote per share

3,933,127,930

ANTONIO GOMIS SÁEZ

Director

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Schedule I

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English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission (CNV), except for the inclusion of Note 12 in this English translation.

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES**CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND DECEMBER 31, 2006**

(amounts expressed in millions of Argentine pesos Note 1 to the primary financial statements)

(The financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Current Assets		
Cash	106	118
Investments (Note 2.a)	310	971
Trade receivables (Note 2.b)	2,893	2,242
Other receivables (Note 2.c)	4,302	5,033
Inventories (Note 2.d)	2,494	1,697
Other assets		1,128
Total current assets	10,105	11,189
Noncurrent Assets		
Trade receivables (Note 2.b)	37	44
Other receivables (Note 2.c)	792	852
Investments (Note 2.a)	769	788
Fixed assets (Note 2.e)	24,435	22,513
Intangible assets	8	8
Total noncurrent assets	26,041	24,205
Total assets	36,146	35,394
Current Liabilities		
Accounts payable (Note 2.f)	3,455	3,495
Loans (Note 2.g)	551	915
Salaries and social security	196	207
Taxes payable	1,370	1,298
Net advances from crude oil purchasers	32	96
Reserves	354	273
Total current liabilities	5,958	6,284
Noncurrent Liabilities		

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Accounts payable (Note 2.f)	2,852	2,448
Loans (Note 2.g)	523	510
Salaries and social security	164	202
Taxes payable	23	20
Net advances from crude oil purchasers		7
Reserves	1,671	1,578
Total noncurrent liabilities	5,233	4,765
Total liabilities	11,191	11,049
Shareholders Equity	24,955	24,345
Total liabilities and shareholders equity	36,146	35,394

Notes 1 to 4 and the accompanying exhibits A and H to Schedule I and the primary financial statements of YPF, are an integral part of and should be read in conjunction with these statements.

ANTONIO GOMIS SÁEZ

Director

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English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission (CNV), except for the inclusion of Note 12 in this English translation.

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES**CONSOLIDATED STATEMENTS OF INCOME****FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006**

(amounts expressed in millions of Argentine pesos, except for per share amounts in Argentine pesos Note 1 to the primary financial statements)

(The financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Net sales (Note 4)	20,869	19,172
Cost of sales	(13,917)	(11,528)
Gross profit	6,952	7,644
Administrative expenses (Exhibit H)	(561)	(490)
Selling expenses (Exhibit H)	(1,541)	(1,356)
Exploration expenses (Exhibit H)	(356)	(318)
Operating income	4,494	5,480
Income on long-term investments (Note 4)	38	27
Other expense, net (Note 2.h)	(171)	(33)
Financial income (expense), net and holding gains:		
Gains on assets		
Interests	259	250
Exchange differences	100	80
Holding gains on inventories	313	442
Losses on liabilities		
Interests	(216)	(151)
Exchange differences	(57)	(96)
Reversal of impairment of other current assets	69	
Net income before income tax	4,829	5,999
Income tax	(1,849)	(2,264)
Net income	2,980	3,735
Earnings per share	7.58	9.50

Notes 1 to 4 and the accompanying exhibits A and H to Schedule I and the primary financial statements

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ANTONIO GOMIS SÁEZ

Director

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English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission (CNV), except for the inclusion of Note 12 in this English translation.

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES**CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006**

(amounts expressed in millions of Argentine pesos Note 1 to the primary financial statements)

(The financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Cash Flows from Operating Activities		
Net income	2,980	3,735
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Income on long-term investments	(38)	(27)
Dividends from long-term investments	52	34
Reversal of impairment of other current assets	(69)	
Depreciation of fixed assets	3,105	2,628
Consumption of materials and fixed assets retired, net of allowances	158	224
Increase in allowances for fixed assets	99	126
Income tax	1,849	2,264
Income tax payments	(1,654)	(2,311)
Increase in reserves	570	609
Changes in assets and liabilities:		
Trade receivables	(644)	(101)
Other receivables	904	(484)
Inventories	(797)	(589)
Accounts payable	200	230
Salaries and social security	(42)	(50)
Taxes payable	(101)	(336)
Net advances from crude oil purchasers	(69)	(71)
Decrease in reserves	(396)	(158)
Interests, exchange differences and others	35	186
Net cash flows provided by operating activities	6,142⁽¹⁾	5,909⁽¹⁾
Cash Flows from Investing Activities		
Acquisitions of fixed assets	(4,076)	(3,460)
Investments (non cash and equivalents)	(13)	(111)
Net cash flows used in investing activities	(4,089)	(3,571)

Cash Flows from Financing Activities

Payment of loans	(1,413)	(666)
Proceeds from loans	1,026	687
Dividends paid	(2,360)	(2,360)
Net cash flows used in financing activities	(2,747)	(2,339)
Net decrease in Cash and Equivalents	(694)	(1)
Cash and equivalents at the beginning of year	1,087	515
Cash and equivalents at the end of period	393	514

For supplemental information on cash and equivalents, see Note 2.a.

(1) Includes (98) and (90) corresponding to interest payments for the nine-month periods ended September 30, 2007 and 2006, respectively. Notes 1 to 4 and the accompanying exhibits A and H to Schedule I and the primary financial statements

of YPF, are an integral part of and should be read in conjunction with these statements.

ANTONIO GOMIS SÁEZ

Director

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Schedule I

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007 AND COMPARATIVE INFORMATION

(amounts expressed in millions of Argentine pesos Note 1 to the primary financial statements, except where otherwise indicated)

(The financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

1. CONSOLIDATED FINANCIAL STATEMENTS

Under General Resolution No. 368 from the Argentine Securities Commission (CNV), YPF Sociedad Anónima (the Company or YPF) discloses its consolidated financial statements, included in Schedule I, preceding its primary financial statements. Consolidated financial statements are supplemental and should be read in conjunction with the primary financial statements.

a) Consolidation policies:

Following the methodology established by Technical Resolution No. 21 of the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.), the Company has consolidated its balance sheets and the related statements of income and cash flows as follows:

Investments and income (loss) related to controlled companies in which YPF has the number of votes necessary to control corporate decisions are substituted for such companies' assets, liabilities, net revenues, cost and expenses, which are aggregated to the Company's balances after the elimination of intercompany profits, transactions, balances and other consolidation adjustments.

Investments and income (loss) related to companies in which YPF holds joint control are consolidated line by line on the basis of the Company's proportionate share in their assets, liabilities, net revenues, cost and expenses, considering intercompany profits, transactions, balances and other consolidation adjustments.

Investments in companies under control and joint control are detailed in Exhibit C to the primary financial statements.

b) Financial statements used for consolidation:

The consolidated financial statements are based upon the last available financial statements of those companies in which YPF holds control or joint control, taking into consideration, if applicable, significant subsequent events and transactions, available management information and transactions between YPF and the related companies which could have produced changes to their shareholders' equity.

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c) Valuation criteria:

In addition to the valuation criteria disclosed in the notes to YPF primary financial statements, the following additional valuation criteria have been applied in the preparation of the consolidated financial statements:

Fixed assets

Properties on foreign unproved reserves have been valued at cost and translated into pesos as detailed in Note 2.e to the primary financial statements. Capitalized costs related to unproved properties are reviewed periodically by Management to ensure the carrying value does not exceed their estimated recoverable value.

As of September 30, 2007, YPF Holdings Inc. has approximately 28 of exploratory drilling costs that have been capitalized for a period greater than one year, representing one project and one well. The project is pending the results of drilling on an adjacent block.

Salaries and Social Security Pensions and other Postretirement and Postemployment Benefits

YPF Holdings Inc., which has operations in the United States of America, has a number of trustee defined-benefits pension plans and postretirement and postemployment benefits.

The funding policy related to trustee pension plans is to contribute amounts to the plans sufficient to meet the minimum funding requirements under governmental regulations, plus such additional amounts as Management may determine to be appropriate. The benefits related to the plans were valued at net present value and accrued based on the years of active service of employees. The net liability for defined-benefits plans is disclosed as non-current liabilities in the Salaries and social security account and is the amount resulting from the sum of: the present value of the obligations, net of the fair value of the plan assets and net of the unrecognized actuarial losses generated since December 31, 2003. The unrecognized actuarial losses and gains are recognized as expense during the expected average remaining work of the employees participating in the plans and the life expectancy of the retired employees. The Company updates the actuarial assumptions at the end of each year. As of December 31, 2006, the unrecognized actuarial losses amounted to 52.

YPF Holdings Inc. also has a noncontributory supplemental retirement plan for executive officers and other selected key employees.

YPF Holdings Inc. provides certain health care and life insurance benefits for eligible retired employees, and also certain insurance, and other postemployment benefits for eligible individuals in case employment is terminated by YPF Holdings Inc. before their normal retirement. YPF Holdings Inc. accrues the estimated cost of retiree benefit payments during employees active service periods.

Employees become eligible for these benefits if they meet minimum age and years of service requirements. YPF Holdings Inc. accounts for benefits provided when the minimum service period is met, payment of the benefit is probable and the amount of the benefit can be reasonably estimated. Other postretirement and postemployment benefits are recorded as claims are incurred.

Table of Contents**Recognition of revenues and costs of construction activities**

Revenues and costs related to construction activities are accounted by the percentage of completion method. When adjustments in contract values or estimated costs are determined, any change from prior estimates is reflected in earnings in the current year. Anticipated losses on contracts in progress are expensed as soon as they become evident.

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

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

Consolidated Balance Sheets Accounts as of September 30, 2007 and December 31, 2006**a) Investments:**

	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Short-term investments and government securities	310 ⁽¹⁾	148 ⁽³⁾	971 ⁽¹⁾	156 ⁽³⁾
Long-term investments		834 ⁽²⁾		843 ⁽²⁾
Allowance for reduction in value of holdings in long-term investments		(213) ⁽²⁾		(211) ⁽²⁾
	310	769	971	788

- (1) Includes 287 and 969 as of September 30, 2007 and December 31, 2006, respectively, with an original maturity of less than three months.
- (2) In addition to the amounts detailed in Exhibit C to the primary financial statements, includes interest in Gas Argentino S.A. (GASA). As of September 30, 2007, the shareholders and creditors of GASA have signed a debt restructuring agreement whose approval is pending by the National Antitrust Protection Board.
- (3) Restricted cash.

b) Trade receivables:

	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Accounts receivable	2,936	37	2,280	44
Related parties	428		391	
	3,364	37	2,671	44
Allowance for doubtful trade receivables	(471)		(429)	
	2,893	37	2,242	44

Table of Contents**c) Other receivables**

	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Deferred income tax		491		510
Tax credits and export rebates	876	16	692	18
Trade	97		71	
Prepaid expenses	146	63	130	73
Concessions charges	17	77	17	88
Related parties	2,606 ⁽¹⁾		3,883 ⁽¹⁾	
Loans to clients	11	91	12	69
Advances to suppliers	108		65	
From joint ventures and other agreements	90		46	
Miscellaneous	466	105	254	146
	4,417	843	5,170	904
Allowance for other doubtful accounts	(115)		(137)	
Allowance for valuation of other receivables to their estimated realizable value		(51)		(52)
	4,302	792	5,033	852

- (1) In addition to the amounts detailed in Note 3.c to the primary financial statements, mainly includes 198 with Repsol Netherlands Finance B.V. as of September 30, 2007, which accrue interest at 5.36 %, and 48 and 218 with Repsol Netherlands Finance B.V. and Repsol International Finance B.V., respectively, as of December 31, 2006.

d) Inventories:

	2007	2006
Refined products	1,580	1,047
Crude oil and natural gas	623	441
Products in process	33	47
Raw materials, packaging materials and others	258	162
	2,494	1,697

e) Fixed assets:

	2007	2006
Net book value of fixed assets (Exhibit A)	24,484	22,562
Allowance for unproductive exploratory drilling	(3)	(3)
Allowance for obsolescence of material and equipment	(46)	(46)
	24,435	22,513

f) **Accounts payable:**

	2007		2006	
	Current	Noncurrent	Current	Noncurrent
Trade	2,825	26	2,617	27
Hydrocarbon wells abandonment obligations		2,607	233	2,210
Related parties	164		238	
From joint ventures and other agreements	331		256	
Environmental liabilities	93	164	93	164
Miscellaneous	42	55	58	47
	3,455	2,852	3,495	2,448

Table of Contents**g) Loans:**

	Interest		Principal		2007		2006	
	rates ⁽¹⁾		maturity		Current	Noncurrent	Current	Noncurrent
Negotiable Obligations - YPF	9.13	10.00%	2009	2028	11	523	559	509
Other bank loans and other creditors	1.25	18.25%	2007	2008	540		356	1
					551	523	915	510

(1) Annual fixed interest rates as of September 30, 2007.

Consolidated Statements of Income as of September 30, 2007 and 2006**h) Other expense, net:**

	Income (Expense)	
	2007	2006
Reserve for pending lawsuits and other claims	(140)	(54)
Environmental remediation YPF Holdings Inc.	(113)	(61)
Defined-benefits pension plans and other postretirement benefits	(12)	(17)
Miscellaneous	94	99
	(171)	(33)

3. COMMITMENTS AND CONTINGENCIES IN CONTROLLED COMPANIES

Laws and regulations relating to health and environmental quality in the United States of America affect nearly the operations of YPF Holdings Inc. 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 unreasonable 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) 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 laws or 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 and in certain other respects. 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 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, including environmental liabilities relating to chemical plants and waste disposal sites used by Chemicals prior to the selling date. Tierra has agreed to assume essentially all of Maxus aforesaid indemnity obligations to Occidental in respect of Chemicals.

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As of September 30, 2007, reserves for the environmental contingencies and other claims totaled approximately 353. YPF Holdings Inc. s Management believes it has adequately reserved for all environmental

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contingencies, which are probable and can be reasonably estimated as of such time; however, changes in circumstances could result in changes, including additions, to such reserves in the future. The most significant contingencies are described in the following paragraphs:

In the following discussion concerning plant sites and third party sites, references to YPF Holdings Inc. include, as appropriate and solely for ease of reference, references to Maxus and Tierra. As indicated above, Tierra is also a subsidiary of YPF Holdings Inc. and has assumed certain of Maxus' obligations.

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 Chemicals' former Newark, New Jersey agricultural chemicals plant. The approved remedy has been completed and paid for by Tierra. This project is in the operation and maintenance phase. YPF Holdings Inc. has reserved approximately 50% as of September 30, 2007, in connection with such activities.

Passaic River, New Jersey. Studies have indicated that sediments of the Newark Bay watershed, including the Passaic River adjacent to the former Newark plant, are contaminated with hazardous chemicals from many sources. Maxus, forced to act on behalf of Occidental, negotiated an agreement with the EPA under which Tierra has conducted further testing and studies near the plant site. While some work remains, these studies were substantially completed in 2005. In addition:

The EPA and other agencies are addressing the lower Passaic River in a joint federal, state, local and private sector cooperative effort designated as the Lower Passaic River Restoration Project (PRRP). Tierra, along with approximately seventy two other entities, participated in an initial remedial investigation and feasibility study (RIFS) in connection with the PRRP. The parties are discussing the possibility of further work with the EPA.

In 2003, the DEP issued Directive No. 1 to approximately 66 entities, including Occidental and Maxus and certain of their respective related entities. Directive No. 1 seeks to address natural resource damages allegedly resulting from almost 200 years of historic industrial and commercial development of the lower 17 miles 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 has been designated as a Superfund site and is a subject of 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 AOC) pursuant to which Tierra (on behalf of Occidental) has agreed to conduct testing and studies to characterize contaminated sediment and biota in the Newark Bay. 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.

In December 2005, the DEP issued a directive to Tierra, Maxus and Occidental directing said parties to pay the State of New Jersey's costs 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 is estimated by the DEP to cost approximately US\$ 2 million. This directive was issued even though this portion of the lower Passaic River is a subject of the PRRP. 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 December 2005, the DEP sued YPF, YPF Holdings Inc., Tierra, Maxus and several affiliated entities, in addition to Occidental, in connection with dioxin contamination allegedly emanating from Chemicals' former

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Newark plant and contaminating the lower portion of the Passaic River, Newark Bay, other nearby waterways and surrounding areas. The DEP seeks unspecified and punitive damages and other matters. The defendants have made responsive pleadings and filings.

In June 2007, EPA released a draft Focused Feasibility Study (the FFS). The FFS outlines several proposals for early remedial action in the Passaic River, ranging from no action to extensive dredging and capping in the lower of the River. At this time, no remedy has been selected, nor has action been demanded of any party. Tierra, in conjunction with the other parties of the PRRP group, submitted comments on the draft FFS to EPA, as did other interested parties. In September 2007, EPA announced its intention to consider these comments, and to issue a proposed plan for public comment by the middle of 2008. Tierra will respond to any further EPA proposal as may be appropriate at that time.

In August 2007, the National Oceanic Atmospheric Administration (NOAA) sent a letter to the parties of the PRRP group, 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. The PRRP group has responded through its common counsel requesting that discussions relating to such agreement to be postponed until 2008, due in part to the pending FFS proposal by EPA. Tierra will continue to participate in the PRRP group with regard to this matter.

As of September 30, 2007, there is a total of approximately 50 reserved in connection with the foregoing matters related to the Passaic River, and surrounding area. Until these studies are completed and evaluated, YPF Holdings Inc. cannot estimate what additional costs, if any, will be required to be incurred. However, it is possible that other works, including interim remedial measures, may be ordered. In addition, at such time as more is known about the aforesaid directives and litigation, additional costs may be required to be incurred or additional reserves may need to be established.

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. The DEP and Occidental, as successor to Chemicals, signed an administrative consent order with the DEP in 1990 for investigation and remediation work at certain chromite ore residue sites in Kearny and Secaucus, New Jersey.

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 and is providing financial assurance 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 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 in state court in Hudson County seeking, among other things, cleanup of various sites where chromite ore 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. During mediation, the parties have engaged in discussion regarding possible settlement; however, there is no assurance that these discussions will be successful.

In November 2005, several environmental groups sent a notice of intent to sue the owners of the properties adjacent to the former Keany 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, at least for now, not to file suit.

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Pursuant to a request of the DEP, in the second half of 2006, Tierra and other parties tested the sediments in a portion of the Hackensack River near the former Kearny Plant. Whether additional work will be required, is expected to be determined once the results of this testing have been analyzed.

As of September 30, 2007, there is a total of approximately 63 reserved in connection with the foregoing chrome-related matters. The study of the levels of chromium in New Jersey has not been finalized, and the DEP is still reviewing the proposed action levels. The cost of addressing these chrome-related matters could increase depending upon the final soil action levels, the DEP's response to Tierra's reports and other developments.

Painesville, Ohio. In connection with the operation until 1976 of one chromite ore processing plant (Chrome Plant), from Chemicals, the Ohio Environmental Protection Agency (OEPA) ordered to conduct a Remedial Investigation and Feasibility Study (RIFS) at the former Painesville's Plant area. 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 is submitting required feasibility reports separately. In addition, the OEPA has approved certain work, including the remediation of specific sites within the former Painesville Works area and work associated with the development plans discussed below (the Remediation Work). The Remediation Work has begun. As the OEPA approves additional projects for the site of the former Painesville Works, additional amounts may need to be reserved.

Over ten 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 financial statements, the site has not been listed. YPF Holdings Inc. has reserved a total of 35 as of September 30, 2007 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 changes, including additions, to its reserve as may be required.

Third Party 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 adjoining Chemicals' former Greens Bayou facility where DDT and certain other chemicals were manufactured. As of September 30, 2007, YPF Holdings Inc. has reserved 68 for its estimated share of future remediation activities associated with the Greens Bayou facility. Additionally, efforts have been initiated in connection with claims for natural resources damages. The amount of natural resources damages and the party's obligations in respect thereof are unknown at the present time.

In June 2005, the EPA designated Maxus as a potentially responsible party (PRP) 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. Preliminary work in connection with the RIFS of this site commenced in the second half of 2006. Maxus has reserved 1 as of September 30, 2007 for its estimated share of the costs of the RIFS. Maxus lacks sufficient information to determine additional exposure or 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. It is the subject of enforcement activities by the EPA. Although Occidental is one of many PRPs that have been identified and have agreed to an Administrative Order on Consent, Tierra (which is handling this matter on behalf of Maxus) presently believes the degree of Occidental's alleged involvement as successor to Chemicals is relatively small.

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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 exposure. 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. At a number of these sites, the ultimate response cost and Chemicals share of such costs cannot be estimated at this time. As of September 30, 2007, YPF Holdings Inc. has reserved 7 in connection with its estimated share of costs related to these sites.

Black Lung Benefits Act Liabilities. The Black Lung Benefits Act provides monetary and medical benefits to miners disabled with black 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, 2007, YPF Holdings Inc. has reserved 30 in connection with its estimate of these obligations.

Legal Proceedings. In 1998, a subsidiary of Occidental filed a lawsuit in state court in Ohio seeking a declaration of the parties' rights with respect to obligations for certain costs allegedly related to Chemicals' Ashtabula, Ohio facility, as well as certain other costs. A settlement of this matter was reached in March 2007, with those activities required by the settlement document completed in the second quarter of 2007.

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, has paid the revised tax assessment, penalty and interest (a total of approximately US\$ 2 million under protest). Maxus filed 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.

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, including claims related to Agent Orange and vinyl chloride monomer (VCM), notwithstanding the fact that said agreement contains a 12-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. Following trial, judgment was entered against Maxus. Maxus has appealed. The judgment awarded Occidental declaratory relief, approximately US\$ 2, and attorney's fees and costs. The judgment will accrue post judgment interest at the rate of 8% per annum in the event Maxus does not prevail on appeal. In December 2006, the trial court set the amount of Maxus obligation in an amount of approximately 47, which have been entirely reserved.

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 the court has entered a decision setting Occidental's liability at 18.73 % of those costs incurred by one of the plaintiffs. Occidental's motion for reconsideration of a portion of this decision has been filed with the court, and the parties are awaiting the court's decision on this and other post-judgment motions. As of September 30, 2007, YPF Holdings Inc. has reserved 2 in respect of this matter.

In 2005, Skidmore Energy Company and others (Skidmore) have sued Maxus (U.S.) Exploration Company (Maxus US), a subsidiary of YPF Holdings Inc., in state court in Texas. Skidmore claims it was entitled to an assignment of approximately five oil and gas leases in the US Gulf of Mexico. Maxus US denies Skidmore's claims. Maxus US and Skidmore have entered an agreement to submit this matter to binding arbitration; the arbitration hearing was scheduled to begin in October 2007.

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YPF Holdings Inc., including its subsidiaries, is a party to various other lawsuits, the outcomes of which are not expected to have a material adverse effect on YPF's financial condition. The Company has established reserves for legal contingencies in situations where a loss is probable and can be reasonably estimated.

YPF Holdings Inc. has entered into various operating agreements and capital commitments associated with the exploration and development of its oil and gas properties which are not material except those for the Neptune Prospect. Total commitments related to the development of the Neptune Prospect located in the vicinity of the Atwater Valley Area, Blocks 573, 574, 575, 617 and 618 are US\$ 75 million for 2007 and US\$ 17 million for 2008.

4. CONSOLIDATED BUSINESS SEGMENT INFORMATION

The Company organizes its business into four segments which comprise: the exploration and production, including contractual purchases of natural gas and crude oil purchases arising from service contracts and concession obligations, as well as crude oil intersegment sales, natural gas and its derivatives sales and electric power generation (Exploration and Production); the refining, transport and marketing of crude oil to unrelated parties and refined products (Refining and Marketing); the petrochemical operations (Chemical); and other activities, not falling into these categories, are classified under Corporate and Other , which principally includes corporate administration costs and assets, construction activities and environmental remediation activities related to YPF Holdings Inc. preceding operations (Note 3).

Operating income (loss) and assets for each segment have been determined after intersegment adjustments. Sales between business segments are made at internal transfer prices established by YPF, which approximate market prices.

	Exploration and Production	Refining and Marketing	Chemical	Corporate and Other	Consolidation Adjustments	Total
Nine-month period ended September 30, 2007						
Net sales to unrelated parties	2,310	14,599	1,855	99		18,863
Net sales to related parties	495	1,511				2,006
Net intersegment sales	9,770	1,405	599	262	(12,036)	
Net sales	12,575	17,515	2,454	361	(12,036)	20,869
Operating income (loss)	3,550	1,008	379	(480)	37	4,494
Income on long-term investments	25	13				38
Depreciation	2,714	281	67	43		3,105
Acquisitions of fixed assets	3,299	528	79	170		4,076
Assets	19,374	11,077	1,996	4,795	(1,096)	36,146
Nine-month period ended September 30, 2006						
Net sales to unrelated parties	2,311	13,248	1,704	85		17,348
Net sales to related parties	584	1,240				1,824
Net intersegment sales	10,812	1,177	494	201	(12,684)	
Net sales	13,707	15,665	2,198	286	(12,684)	19,172
Operating income (loss)	5,449	53	340	(391)	29	5,480
Income on long-term investments	18	9				27
Depreciation	2,298	238	62	30		2,628
Acquisitions of fixed assets	2,800	471	84	112		3,467
Year ended December 31, 2006						
Assets	18,987	9,349	1,876	6,049	(867)	35,394

Export sales for the nine-month periods ended September 30, 2007 and 2006 were 6,176 and 6,716, respectively. Export sales were mainly to the United States of America, Brazil and Chile.

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Schedule I

Exhibit A

English translation of the financial statements originally filed in Spanish with the Argentine Securities Commission (CNV), except for the inclusion of Note 12 in this English translation.

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES**CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2007 AND COMPARATIVE INFORMATION****FIXED ASSETS EVOLUTION**

(amounts expressed in millions of Argentine pesos - Note 1 to the primary financial statements)

(The financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

Main account	Amounts at beginning of year	Translation net effect ⁽⁵⁾	2007	Net decreases, transfers and reclassifications	Amounts at end of period
			Cost Increases		
Land and buildings	2,326			63	2,389
Mineral property, wells and related equipment	42,534	10		7,791	50,335
Refinery equipment and petrochemical plants	8,650		8	373	9,031
Transportation equipment	1,850			14	1,864
Materials and equipment in warehouse	611		791	(656)	746
Drilling and work in progress	3,569	(2)	3,164	(2,591)	4,140
Exploratory drilling in progress	135	2	88	(92)	133
Furniture, fixtures and installations	556		4	59	619
Selling equipment	1,341			66	1,407
Other property	367	1	21	(16)	373
Total 2007	61,939	11	4,076	5,011 ⁽¹⁾⁽⁶⁾	71,037
Total 2006	61,812	4	3,467 ⁽²⁾	(396) ⁽¹⁾	64,887

Main account	Accumulated at beginning of year	Net decreases, transfers and reclassifications	2007 Depreciation		Accumulated at end of period	Net book value as of 09-30-07	Net book value as of 09-30-06	Net book value as of 12-31-06
			Depreciation rate	Increases				
Land and buildings	1,053	(1)	2%	44	1,096	1,293	1,264	1,273
Mineral property, wells and related equipment	29,496	4,075	⁽⁴⁾	2,676	36,247	14,088 ⁽³⁾	12,760 ⁽³⁾	13,038 ⁽³⁾
Refinery equipment and	5,793	(1)	4 - 10%	256	6,048	2,983	2,836	2,857

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petrochemical plants								
Transportation equipment	1,273	(3)	4 - 5%	41	1,311	553	564	577
Materials and equipment in warehouse						746	549	611
Drilling and work in progress						4,140	3,883	3,569
Exploratory drilling in progress						133	156	135
Furniture, fixtures and installations	479	1	10%	33	513	106	83	77
Selling equipment	1,001		10%	43	1,044	363	323	340
Other property	282		10%	12	294	79	82	85
Total 2007	39,377	4,071 ⁽¹⁾⁽⁶⁾		3,105	46,553	24,484		
Total 2006	39,803	(44) ⁽¹⁾		2,628	42,387		22,500	22,562

- (1) Includes 99 and 128 of net book value charged to fixed assets allowances for the nine-month periods ended September 30, 2007 and 2006, respectively.
- (2) Includes 7 corresponding to the cost of hydrocarbon wells abandonment obligations for the nine-month period ended September 30, 2006.
- (3) Includes 901, 1,097 and 1,014 of mineral property as of September 30, 2007 and 2006 and December 31, 2006, respectively.
- (4) Depreciation has been calculated according to the unit of production method.
- (5) Includes the net effect of the exchange differences arising from the translation of net book values at beginning of the year of fixed assets in foreign companies.
- (6) Includes 5,291 of acquisition cost and 4,094 of accumulated depreciation corresponding to oil and gas exploration and producing areas, which were disposed by sale as of December 31, 2006 (Note 2.d to the primary financial statements).

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YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES**CONSOLIDATED STATEMENTS OF INCOME****FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006****EXPENSES INCURRED**

(amounts expressed in millions of Argentine pesos - Note 1 to the primary financial statements)

(The financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007				2006	
	Production costs	Administrative expenses	Selling expenses	Exploration expenses	Total	Total
Salaries and social security taxes	617	137	128	35	917	718
Fees and compensation for services	117	199	28	3	347	270
Other personnel expenses	199	55	18	15	287	235
Taxes, charges and contributions	165	13	216		394	325
Royalties and easements	1,465		4	5	1,474	1,607
Insurance	78	2	10	3	93	76
Rental of real estate and equipment	243	3	43	1	290	234
Survey expenses				136	136	86
Depreciation of fixed assets	2,992	36	77		3,105	2,628
Industrial inputs, consumable materials and supplies	408	6	29	5	448	411
Operation services and other service contracts	428	11	57	38	534	436
Preservation, repair and maintenance	1,201	14	41	2	1,258	950
Contractual commitments	478				478	433
Unproductive exploratory drillings				100	100	133
Transportation, products and charges	579		748		1,327	1,116
Allowance for doubtful trade receivables			42		42	79
Publicity and advertising expenses		38	58		96	109
Fuel, gas, energy and miscellaneous	529	47	42	13	631	623
Total 2007	9,499	561	1,541	356	11,957	
Total 2006	8,305	490	1,356	318		10,469

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YPF SOCIEDAD ANONIMA**BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND DECEMBER 31, 2006**

(amounts expressed in millions of Argentine pesos Note 1)

(The financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Current Assets		
Cash	59	88
Investments (Note 3.a)	59	552
Trade receivables (Note 3.b)	2,738	2,138
Other receivables (Note 3.c)	4,726	5,116
Inventories (Note 3.d)	2,272	1,522
Other assets (Note 2.d)		1,128
Total current assets	9,854	10,544
Noncurrent Assets		
Trade receivables (Note 3.b)	36	44
Other receivables (Note 3.c)	769	826
Investments (Note 3.a)	2,613	2,634
Fixed assets (Note 3.e)	22,608	20,893
Total noncurrent assets	26,026	24,397
Total assets	35,880	34,941
Current Liabilities		
Accounts payable (Note 3.f)	4,136	3,968
Loans (Note 3.g)	355	813
Salaries and social security	145	162
Taxes payable	1,257	1,173
Net advances from crude oil purchasers (Note 3.h)	32	96
Reserves (Exhibit E)	228	206
Total current liabilities	6,153	6,418
Noncurrent Liabilities		
Accounts payable (Note 3.f)	2,829	2,425
Loans (Note 3.g)	523	510
Taxes payable	8	10
Net advances from crude oil purchasers (Note 3.h)		7
Reserves (Exhibit E)	1,412	1,226

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Total noncurrent liabilities	4,772	4,178
Total liabilities	10,925	10,596
Shareholders Equity (per corresponding statements)	24,955	24,345
Total liabilities and shareholders equity	35,880	34,941

Notes 1 to 12 and the accompanying exhibits A, C, E, F, G and H and Schedule I

are an integral part of these statements.

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YPF SOCIEDAD ANONIMA

STATEMENTS OF INCOME

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

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

(The financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	2007	2006
Net sales (Note 3.i)	19,448	17,770
Cost of sales (Exhibit F)	(13,215)	(10,857)
Gross profit	6,233	6,913
Administrative expenses (Exhibit H)	(487)	(426)
Selling expenses (Exhibit H)	(1,458)	(1,286)
Exploration expenses (Exhibit H)	(332)	(262)
Operating income	3,956	4,939
Income on long-term investments	273	307
Other (expense) income, net (Note 3.j)	(76)	43
Financial income, net and holding gains:		
Gains on assets		
Interests	257	219
Exchange differences	90	63
Holding gains on inventories	302	428
Losses on liabilities		
Interests	(205)	(146)
Exchange differences	(56)	(87)
Reversal of impairment of other current assets (Note 2.d)	69	
Net income before income tax	4,610	5,766
Income tax (Note 3.k)	(1,630)	(2,031)
Net income	2,980	3,735
Earnings per share (Note 1)	7.58	9.50

Notes 1 to 12 and the accompanying exhibits A, C, E, F, G and H and Schedule I

are an integral part of these statements.

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YPF SOCIEDAD ANONIMA

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2007 AND 2006

(amounts expressed in millions of Argentine pesos except for per share amounts in Argentine pesos - Note 1)

(The financial statements as of September 30, 2007 and September 30, 2006 are unaudited)

	Subscribed Capital	2007 Shareholders' Adjustment to Contributions	2007 Contributions Issuance Premiums	Total
Balances at the beginning of year	3,933	7,281	640	11,854
As decided by the Ordinary Shareholders' meeting of April 28, 2006:				
- Cash dividends (6 per share)				
As decided by the Board of Directors' meeting of March 6, 2007:				
- Cash dividends (6 per share)				
As decided by the Ordinary Shareholders' meeting of April 13, 2007:				
- Appropriation to Legal Reserve				
- Appropriation to Reserve for Future Dividends				
Net (decrease) increase in deferred earnings (Note 2.k)				
Net income				
Balances at the end of period	3,933	7,281	640	11,854

	Legal Reserve	Deferred Earnings	2007 Reserve for Future Dividends	2007 Unappropriated Retained Earnings	Total Shareholders' Equity	2006 Total Shareholders' Equity
Balances at the beginning of year	1,797	(124)	2,710	8,108	24,345	22,249

As decided by the Ordinary Shareholders' meeting of April 28, 2006: