YPF SOCIEDAD ANONIMA
Form 6-K
March 15, 2007
Table of Contents

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 March, 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 __X__ Form 40-F ______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ______ No __X__

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ______ No __X__

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

YPF Sociedad Anónima

TABLE OF CONTENTS

Table of Contents

SOCIEDAD ANONIMA

Financial Statements as of December 31, 2006 and Comparative Information

Report of Independent Public Accountants

Statutory Audit Committee's Report

Table of Contents

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.

Report of Independent Public Accountants

To the Board of Directors of

YPF SOCIEDAD ANONIMA

Av. Pte Roque Saenz Peña 777

Buenos Aires, City

CUIT N° 30-54668997-9

1. Identification of financial statements subject to audit

We have audited the balance sheet of YPF SOCIEDAD ANONIMA (an Argentine Corporation) as of December 31, 2006 and the related statements of income, changes in shareholders' equity and cash flows for the year then ended. We have also audited the consolidated balance sheet of YPF SOCIEDAD ANONIMA and its controlled and jointly controlled companies as of December 31, 2006 and the related consolidated statements of income and cash flows for the year then ended, which are presented as supplemental information in Schedule I.

These financial statements are the responsibility of the Company s Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Audit scope

We conducted our audit in accordance with generally accepted auditing standards in Argentina. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Audit opinion

In our opinion, the financial statements of YPF SOCIEDAD ANONIMA as of December 31, 2006 referred to in the first paragraph present fairly, in all material respects, the financial position of YPF SOCIEDAD ANONIMA and the consolidated financial position of YPF SOCIEDAD ANONIMA and its controlled and jointly controlled companies as of December 31, 2006 and the related results of operations and cash flows for the year then ended in accordance with generally accepted accounting principles in Argentina.

Table of Contents

In relation to the financial statements as of December 31, 2005 and 2004, which are presented for comparative purposes, we issued our unqualified independent public accountants reports dated March 8, 2006 and March 10, 2005, respectively. Those financial statements include the retroactive effect of the application of the new generally accepted accounting principles in Argentina as described in Note 1 to the accompanying primary financial statements, with which we concur.

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

Buenos Aires City, Argentina
March 6, 2007

Deloitte & Co. S.R.L.

Ricardo C. Ruiz
Partner

Table of Contents

YPF SOCIEDAD ANONIMA

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

INDEX

Table of Contents

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 to the primary financial statements in the English translation

YPF SOCIEDAD ANONIMA

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

FISCAL YEAR NUMBER 30

BEGINNING ON JANUARY 1, 2006

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

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 and chemicals, generation of electric power from hydrocarbons, as well as rendering telecommunications services.

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

Duration of the Company: through June 15, 2093.

Last amendment to the bylaws: April 19, 2005.

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

Capital structure as of December 31, 2006

(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

ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

Table of Contents

Schedule I

1 of 3

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 to the primary financial statements in the English translation

YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

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

	2006	2005	2004
Current Assets			
Cash	118	122	492
Investments (Note 2.a)	971	408	408
Trade receivables (Note 2.b)	2,242	2,212	2,049
Other receivables (Note 2.c)	5,033	4,433	3,871
Inventories (Note 2.d)	1,697	1,315	1,134
Other assets	1,128		380
Total current assets	11,189	8,490	8,334
Noncurrent Assets			
Trade receivables (Note 2.b)	44	53	72
Other receivables (Note 2.c)	852	1,223	1,457
Investments (Note 2.a)	788	495	490
Fixed assets (Note 2.e)	22,513	21,958	20,554
Intangible assets	8	5	15
Total noncurrent assets	24,205	23,734	22,588
Total assets	35,394	32,224	30,922
Current Liabilities			
Accounts payable (Note 2.f)	3,495	2,932	2,025
Loans (Note 2.g)	915	346	246
Salaries and social security	207	153	121
Taxes payable	1,298	1,831	1,999
Net advances from crude oil purchasers	96	95	264
Reserves	273	230	130
Total current liabilities	6,284	5,587	4,785
Noncurrent Liabilities			
Accounts payable (Note 2.f)	2,448	1,915	854
Loans (Note 2.g)	510	1,107	1,684
Salaries and social security (Note 2.h)	202	241	275
Taxes payable	20	17	23
Net advances from crude oil purchasers	7	101	634
Reserves	1,578	1,007	898

Total noncurrent liabilities	4,765	4,388	4,368
Total liabilities	11,049	9,975	9,153
Shareholders' Equity	24,345	22,249	21,769
Total liabilities and shareholders' equity	35,394	32,224	30,922

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.

ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

2

Table of Contents

Schedule I

2 of 3

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 to the primary financial statements in the English translation

YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

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

	2006	2005	2004
Net sales (Note 4)	25,635	22,901	19,931
Cost of sales	(15,821)	(11,258)	(9,212)
Gross profit	9,814	11,643	10,719
Administrative expenses (Exhibit H)	(674)	(552)	(463)
Selling expenses (Exhibit H)	(1,797)	(1,650)	(1,403)
Exploration expenses (Exhibit H)	(460)	(280)	(382)
Operating income	6,883	9,161	8,471
Income on long-term investments (Note 4)	183	39	154
Other expense, net (Note 2.i)	(204)	(545)	(981)
Financial income (expense), net and holding gains:			
Gains on assets			
Interests	338	221	166
Exchange differences	5	129	77
Holding gains on inventories	394	244	203
(Losses) Gains on liabilities			
Interests	(213)	(459)	(221)
Exchange differences	(70)	(33)	(87)
Income from sale of long-term investments	11	15	
Impairment of other current assets	(69)		
Net income before income tax	7,258	8,772	7,782
Income tax	(2,801)	(3,410)	(3,017)
Net income from continuing operations	4,457	5,362	4,765
Income on discontinued operations (Note 1.c)			3
Income from sale of discontinued operations (Note 1.c)			139
Net income	4,457	5,362	4,907
Earnings per share	11.33	13.63	12.48

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.

ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

Table of Contents

Schedule I

3 of 3

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 to the primary financial statements in the English translation

YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

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

	2006	2005	2004
Cash Flows from Operating Activities			
Net income	4,457	5,362	4,907
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Income on long-term investments	(183)	(39)	(154)
Impairment of other current assets	69		
Income on discontinued operations			(3)
Income from sale of discontinued operations			(139)
Income from sale of long-term investments	(11)	(15)	
Dividends from long-term investments	43	16	61
Depreciation of fixed assets	3,718	2,707	2,470
Income tax	2,801	3,410	3,017
Income tax payments	(2,855)	(3,242)	(4,786)
Consumption of materials and fixed assets retired, net of allowances	272	276	417
Increase in allowances for fixed assets	192	74	124
Increase in reserves	882	326	512
Changes in assets and liabilities:			
Trade receivables	(21)	(144)	(256)
Other receivables	(255)	(312)	2,758
Inventories	(382)	(181)	(357)
Accounts payable	(99)	1,003	317
Salaries and social security	189	(14)	(69)
Taxes payable	(425)	(372)	170
Net advances from crude oil purchasers	(90)	(705)	(258)
Decrease in reserves	(268)	(117)	(119)
Interests, exchange differences and others	(15)	218	(97)
Net cash flows provided by operating activities	8,019(1)	8,251(1)	8,515(1)
Cash Flows from Investing Activities			
Acquisitions of fixed assets	(5,002)	(3,722)	(2,867)
Capital distributions from long-term investments		8	15
Proceeds from sale of long-term investments	32	454	
Proceeds from sale of discontinued operations			244
Investments (non cash and equivalents)	(139)	(2)	24
Net cash flows used in investing activities	(5,109)	(3,262)	(2,584)

Cash Flows from Financing Activities			
Payment of loans	(666)	(736)	(1,260)
Proceeds from loans	688	253	280
Dividends paid	(2,360)	(4,878)	(5,310)
Net cash flows used in financing activities	(2,338)	(5,361)	(6,290)
Increase (decrease) in Cash and Equivalents	572	(372)	(359)
Cash and equivalents at the beginning of year	515	887	1,246
Cash and equivalents at the end of year	1,087	515	887

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

(1) Includes (103), (262) and (189) corresponding to interest payments for the years ended December 31, 2006, 2005 and 2004, 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.

ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

Table of Contents

Schedule I

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 to the primary financial statements in the English translation

YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

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

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.

5

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:

Income on discontinued operations and income from sale of discontinued operations

As mentioned in Note 10 to the primary financial statements, during the year ended December 31, 2004, YPF Holding Inc. and YPF International S.A. sold their interests in Global Companies LLC and affiliates (Global) and YPF Indonesia Ltd., respectively. Income from these sales was included in the Income from sale of discontinued operations account of the statement of income. As a consequence, Global and YPF Indonesia Ltd. results were disclosed in Income on discontinued operations account of the statement of income .

Fixed assets

Mineral 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 December 31, 2006, YPF Holding Inc. has approximately 34 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., YPF subsidiary with operations in United States of America, has a number of trustee defined-benefits pension plans and postretirement and postemployment benefits.

The funding policy related to trustee noncontributory 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. These unrecognized actuarial losses are recognized as expense during the expected average remaining working lives of the employees participating in the plans.

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

Table of Contents

YPF Holding 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 the case employment is terminated by YPF Holdings Inc. before their normal retirement. YPF Holdings Inc. accrues the estimated cost of retiree benefit payments, other than pensions, 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.

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 SHEET ACCOUNTS AS OF DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

Assets

a) Investments:

	2006		2005		2004	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Short-term investments and government securities	971(1)	156(3)	408(1)	4	408(1)	4
Long-term investments		843(2)		802		811
Allowance for reduction in value of holdings in long-term investments		(211)(2)		(311)		(325)
	971	788	408	495	408	490

(1) Includes 969, 393 and 395 as of December 31, 2006, 2005 and 2004, 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.
(3) Restricted cash as of December 31, 2006.

7

Table of Contents

b) Trade receivables:

	2006		2005		2004	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Accounts receivable	2,280	44	2,240	53	1,939	72
Related parties	391		352		469	
	2,671	44	2,592	53	2,408	72
Allowance for doubtful trade receivables	(429)		(380)		(359)	
	2,242	44	2,212	53	2,049	72

c) Other receivables

	2006		2005		2004	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Deferred income tax		510		452		422
Tax credits and export rebates	692	18	529	18	348	24
Trade	71		34		21	
Prepaid expenses	130	73	66	95	52	139
Concessions charges	17	88	17	96	19	105
Related parties	3,883(1)		3,139(1)	371	3,110(1)	617
Loans to clients	12	69	11	90	10	87
From joint ventures and other agreements	46		1		6	
Trust contribution under Decree No. 1,882/04			273		66	
Miscellaneous	319	146	484	155	369	133
	5,170	904	4,554	1,277	4,001	1,527
Allowance for other doubtful accounts	(137)		(121)		(130)	
Allowance for valuation of other receivables to their estimated realizable value		(52)		(54)		(70)
	5,033	852	4,433	1,223	3,871	1,457

(1) In addition to amounts detailed in Note 3.c to the primary financial statements, include 218 as of December 31, 2006, which accrue interest at 5.37%, 319 and 1,739 as of December 31, 2005 and 2004, respectively, with Repsol International Finance B.V. and 48 as of December 31, 2006, which accrue an interest rate of 5.37% with Repsol Netherlands Finance B.V.

d) Inventories:

	2006	2005	2004
Refined products	1,047	747	617
Crude oil and natural gas	441	409	355
Products in process	47	19	13
Raw materials, packaging materials and others	162	140	149
	1,697	1,315	1,134

Table of Contents

e) Fixed assets:

	2006	2005	2004
Net book value of fixed assets (Exhibit A)	22,562	22,009	20,617
Allowance for unproductive exploratory drilling	(3)	(3)	(16)
Allowance for obsolescence and assets to be disposed of	(46)	(48)	(47)
	22,513	21,958	20,554

Liabilities

f) Accounts payable:

	2006		2005		2004	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Trade	2,617	27	2,071	30	1,628	32
Hydrocarbon wells abandonment obligations	233	2,210		1,419		648
Related parties	238		279		172	
From joint ventures and other agreements	256		200		136	
Environmental liabilities	93	164	48	200	45	96
Miscellaneous	58	47	334	266	44	78
	3,495	2,448	2,932	1,915	2,025	854

g) Loans:

	Interest		2006		2005		2004	
	rates (1)	Principal maturity	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
YPF Negotiable Obligations	7.75 - 10.00% (2)	2007 -2028	559	509	27	1,031	29	1,078
Other bank loans and other creditors(3)	1.25 - 9.65%	2007 -2008	356	1	319	76	143	154
Related parties							2	71
Compañía Mega S.A. Negotiable Obligations							3	116
Profertil S.A. Syndicated loan							56	261
Interest rate swaps								4
Subordinated liabilities with shareholders							13	
			915	510	346	1,107	246	1,684

(1) Annual interest rates as of December 31, 2006.

(2) Fixed interest rates.

(3) Includes 176 which accrue fixed interest at annual rates between 1.25% and 5%, 102 which accrue interest at variable rates between 4% and 9.65% and 79 which accrue interest at LIBOR plus 1.60%.

h) Noncurrent salaries and social security

	2006	2005	2004
Net present value of obligations	480	501	479
Fair value of assets	(226)	(199)	(188)
Deferred actuarial losses	(52)	(61)	(16)
Recognized net liabilities	202	241	275

Table of Contents

	2006	2005	2004
Changes in the fair value of the defined-benefit obligations			
Liabilities at the beginning of the year	501	479	469
Translation differences	5	5	10
Service cost	3	3	3
Interest cost	28	26	27
Actuarial losses	6	42	21
Benefits paid and terminations	(63)	(54)	(51)
Liabilities at the end of the year	480	501	479

	2006	2005	2004
Changes in the fair value of the plan assets			
Fair value of assets at the beginning of the year	199	188	196
Translation differences	2	5	5
Expected return on assets	15	15	14
Actuarials gains (losses)	8	(6)	5
Employer and employees contributions	50	53	29
Benefits paid and terminations	(48)	(56)	(61)
Fair value of assets at the end of the year	226	199	188

		Losses (Gains)	
	2006	2005	2004
Amounts recognized in the Income Statements			
Service cost	3	3	3
Interest cost	28	26	27
Expected return on assets	(15)	(15)	(14)
Actuarial losses recognized in the year	2	1	
Losses on terminations	4	1	4
Total recognized as other expenses, net	22	16	20

	2006	2005	2004
Actuarial assumptions			
Discount rate	6%	5.75%	5.75%
Expected return on assets	7%	8.50%	8.50%
Expected increase on salaries	5.5%	4.5 - 5.5%	4.5 - 5.5%

10

Consolidated Statement of Income as of December 31, 2006 and Comparative Information

i) Other expense, net:

	Income (Expense)		
	2006	**2005**	**2004**
Reserve for pending lawsuits and other claims	(173)	(180)	(541)
Environmental remediation	(136)	(54)	(264)
Defined benefits pension plans and other postretirement benefits	(22)	(16)	(20)
Miscellaneous	127	(295)	(156)
	(204)	(545)	(981)

3. COMMITMENTS AND CONTINGENCIES IN CONTROLLED COMPANIES

Laws and regulations relating to health and environmental quality in the United States affect nearly all of 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) 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.

As of December 31, 2006, reserves for the environmental contingencies discussed herein totaled approximately 320. Management believes it has adequately reserved for all environmental 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.

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 certain environmental liabilities relating to certain chemical plants and waste disposal sites used by Chemicals prior to the selling date.

In addition, under the agreement pursuant to which Maxus sold Chemicals to Occidental, Maxus is obligated to indemnify Chemicals and Occidental for 50% of certain environmental cost incurred on projects involving remedial activities relating to chemical plant sites of other property used in the conduct of the business of Chemicals as of the selling date and for any year of time following the selling date which relate to, result from or arise out of conditions, events or circumstances discovered by Chemicals and as to which Chemicals provided written notice prior to

Table of Contents

September 4, 1996, irrespective when Chemicals incurs and gives notice of such costs, with Maxus' aggregate exposure for this cost sharing being limited to US$ 75 million. The obligation under this cost sharing arrangement was satisfied in the first quarter of 2006. Tierra agreed to assume essentially all of Maxus obligations to Occidental.

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 for Chemicals' former Newark, New Jersey agricultural chemicals plant. The approved remedy has been completed and paid for by Tierra pursuant to the above described indemnification obligation to Occidental. This project is in the operation and maintenance phase. YPF Holdings Inc. has reserved approximately 51 as of December 31, 2006, in connection with such activities.

Passaic River: 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, on behalf of Occidental, negotiated an agreement with the EPA under which Tierra has conducted further testing and studies to characterize contaminated sediment and biota in a six-mile portion of the Passaic River 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 64 other entities, participated in an initial remedial investigation and feasibility study (RIFS) in connection with the PRRP. The parties and a number of additional parties are discussing the possibility of further work with the EPA and how the costs of any such work will be allocated among them.

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 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 Newark plant and contaminating the lower 17-mile 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/or filings.

As of December 31, 2006, there is a total of approximately 48 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.

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 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.

As of December 31, 2006, there is a total of 67 reserved in connection with the foregoing chrome-related matters. Studies levels for chromium in New Jersey have 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. YPF Holdings Inc. has reserved a total of 25 as of December 31, 2006 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 December 31, 2006, YPF Holdings Inc. has reserved 73 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 parties obligations in respect therof are unknown at the present time.

In June 2005, the EPA designated Maxus as PRP at the Milwaukee Solvay Code & 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 3 as of December 31, 2006 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.

Table of Contents

Chemicals has also been designated as a potentially responsible party ("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 December 31, 2006, YPF Holdings Inc. has reserved 8 in connection with its estimated share of costs related to these sites.

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. Maxus understands that Occidental s claims total approximately US$ 6 million. The case is currently set for trial in 2007. 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 cash component of the judgment is approximately 8 plus corresponding interest. The judgment will accrue post judgment interest at the rate of 8% per anum 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 45, which have been entirely reserved.

In May 2003, the U.S. Internal Revenue Service (IRS) assessed Maxus (for 1994, 1995 and 1996) and YPF Holdings Inc. (for 1997) an aggregate of approximately US$ 24 million in additional income taxes. Maxus and YPF Holdings Inc. believe that most of these assessments are without substantial merit, and they have protested this assessment. In January 2004, the IRS assessed YPF Holdings Inc. an additional US$ 8 million plus corresponding interest in withholding taxes the IRS contends should have been withheld from an interest payment to YPF International Ltd. in 1997. YPF Holdings Inc. believed this assessment was without substantial merit and challenged same. YPF Holdings Inc. and Maxus have settled this matter. Pursuant to the settlement, YPF Holdings Inc. and Maxus received a total refund of approximately 23 (including interest) in September 2006.

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. YPF Holdings Inc. is considering the potential impact of the court s determination.

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.

YPF Holdings Inc., including its subsidiaries, is a party to various other lawsuits, the outcome of which are not expected to have a material adverse effect on YPF Holdings Inc. s financial condition or operations. YPF Holdings Inc. 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. Such contractual, financial and/or performance commitments are not material.

Table of Contents

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 [1]	Refining and Marketing	Chemical	Corporate and Other	Consolidation Adjustments	Total
Year ended December 31, 2006						
Net sales to unrelated parties	3,076	17,651	2,401	109		23,237
Net sales to related parties	774	1,624				2,398
Net intersegment sales	14,033	1,526	647	282	(16,488)	
Net sales	17,883	20,801	3,048	391	(16,488)	25,635
Operating income (loss)	6,564	258	572	(540)	29	6,883
Income on long-term investments	167	16				183
Depreciation	3,263	329	85	41		3,718
Acquisitions of fixed assets	4,886	733	137	176		5,932
Assets	18,987	9,349	1,876	6,049	(867)	35,394
Year ended December 31, 2005						
Net sales to unrelated parties	2,910	15,791	2,062	87		20,850
Net sales to related parties	626	1,425				2,051
Net intersegment sales	11,659	962	207	243	(13,071)	
Net sales	15,195	18,178	2,269	330	(13,071)	22,901
Operating income (loss)	7,140	1,900	542	(451)	30	9,161
Income (loss) on long-term investments	28	12	(1)			39
Depreciation	2,230	367	75	35		2,707
Acquisitions of fixed assets	3,706	541	104	108		4,459
Assets	17,911	8,807	1,658	4,818	(970)	32,224
Year ended December 31, 2004						
Net sales to unrelated parties	2,164	13,144	1,958	140		17,406
Net sales to related parties	752	1,773				2,525
Net intersegment sales	11,225	891	188	126	(12,430)	
Net sales	14,141	15,808	2,146	266	(12,430)	19,931
Operating income (loss)	7,140	1,324	564	(430)	(127)	8,471
Income on long-term investments	41	11	102			154
Depreciation	1,986	371	82	31		2,470
Acquisitions of fixed assets	2,602	434	86	52		3,174
Assets	16,762	8,244	2,143	4,616	(843)	30,922

(1) From January 1, 2005, Natural Gas and Electricity segment operations are included in Exploration and Production business segment. The information presented for comparative purposes was restated to give retroactive effect to this criterion.

Export sales for the years ended December 31, 2006, 2005 and 2004 were 8,649, 8,644 and 7.875, respectively. Export sales were mainly to the United States of America, Brazil and Chile.

ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

Table of Contents

Schedule I

Exhibit A

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 to the primary financial statements in the English translation

YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

FIXED ASSETS EVOLUTION

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

	2006 Cost				
Main account	**Amounts at beginning of year**	**Translation net effect (5)**	**Increases**	**Net decreases and transfers**	**Amounts at end of year**
Land and buildings	2,268		1	57	2,326
Mineral property, wells and related equipment	43,963	1	930	(2,360)	42,534
Refinery equipment and petrochemical plants	8,470		5	175	8,650
Transportation equipment	1,808		1	41	1,850
Materials and equipment in warehouse	420		966	(775)	611
Drilling and work in progress	2,571	(1)	3,789	(2,790)	3,569
Exploratory drilling in progress	188	2	200	(255)	135
Furniture, fixtures and installations	500		5	51	556
Selling equipment	1,273			68	1,341
Other property	351		35	(19)	367
Total 2006	61,812	2	5,932(2)	(5,807)(1)(6)	61,939
Total 2005	57,752	2	4,459(2)	(401)(1)	61,812
Total 2004	55,264	3	3,174(2)	(689)(1)	57,752

	2006 Depreciation						2005	2004
Main account	**Accumulated at beginning of year**	**Net decreases and transfers**	**Depreciation rate**	**Increases**	**Accumulated at end of year**	**Net book value**	**Net book value**	**Net book value**
Land and buildings	1,003	(2)	2%	52	1,053	1,273	1,265	1,298
Mineral property, wells and related equipment	30,410	(4,137)	(4)	3,223	29,496	13,038(3)	13,553(3)	13,155(3)
Refinery equipment and petrochemical plants	5,472		4 - 10%	321	5,793	2,857	2,998	3,179
Transportation equipment	1,226	(3)	4 - 5%	50	1,273	577	582	601
Materials and equipment in warehouse						611	420	330
Drilling and work in progress						3,569	2,571	1,437

Exploratory drilling in progress						135	188	129
Furniture, fixtures and installations	451	(1)	10%	29	479	77	49	55
Selling equipment	959	5	10%	37	1,001	340	314	371
Other property	282	(6)	10%	6	282	85	69	62
Total 2006	39,803	(4,144)[1][6]		3,718	39,377	22,562		
Total 2005	37,135	(39)[1]		2,707	39,803		22,009	
Total 2004	34,790	(125)[1]		2,470	37,135			20,617

(1) Includes 194, 86 and 147 of net book value charged to fixed assets allowances for the years ended December 31, 2006, 2005 and 2004, respectively.

(2) Includes 930, 737 and 307 corresponding to the future cost of hydrocarbon wells abandonment obligations for the years ended December 31, 2006, 2005 and 2004, respectively.

(3) Includes 1,052, 1,255 and 1,387 of mineral property as of December 31, 2006 and 2005 and 2004, 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 oil and gas exploration and producing areas to be disposed by sale.

ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

Schedule I

Exhibit H

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 to the primary financial statements in the English translation

YPF SOCIEDAD ANONIMA AND CONTROLLED AND JOINTLY CONTROLLED COMPANIES

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

EXPENSES INCURRED

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

	2006					2005	2004
	Production costs	Administrative expenses	Selling expenses	Exploration expenses	Total	Total	Total
Salaries and social security taxes	649	137	142	43	971	758	571
Fees and compensation for services	114	244	28	13	399	270	174
Other personnel expenses	215	64	28	27	334	254	213
Taxes, charges and contributions	191	17	237	1	446	367	352
Royalties and easements	2,095		6		2,101	1,753	1,632
Insurance	102	1	14	5	122	86	86
Rental of real estate and equipment	258	3	59	3	323	272	274
Survey expenses				124	124	108	102
Depreciation of fixed assets	3,598	37	83		3,718	2,707	2,470
Industrial inputs, consumable materials and supplies	485	8	31	8	532	613	506
Construction and other service contracts	566	14	63	21	664	396	502
Preservation, repair and maintenance	1,329	16	49	6	1,400	997	794
Contractual commitments	519				519	131	299
Unproductive exploratory drillings				199	199	70	197
Transportation, products and charges	622		866		1,488	1,376	1,120
Allowance (reversal) for doubtful trade receivables			76		76	31	(6)
Publicity and advertising expenses		76	64		140	120	100
Fuel, gas, energy and miscellaneous	715	57	51	10	833	613	491
Total 2006	11,458	674	1,797	460	14,389		
Total 2005	8,440	552	1,650	280		10,922	
Total 2004	7,629	463	1,403	382			9,877

ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

Table of Contents

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 in the English translation

YPF SOCIEDAD ANONIMA

BALANCE SHEET AS OF DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

(amounts expressed in millions of Argentine pesos - Note 1)

	2006	2005	2004
Current Assets			
Cash	88	53	267
Investments (Note 3.a)	552	176	180
Trade receivables (Note 3.b)	2,138	2,085	1,942
Other receivables (Note 3.c)	5,116	3,795	3,076
Inventories (Note 3.d)	1,522	1,164	1,005
Other assets (Note 2.d)	1,128		380
Total current assets	10,544	7,273	6,850
Noncurrent Assets			
Trade receivables (Note 3.b)	44	51	71
Other receivables (Note 3.c)	826	1,085	1,413
Investments (Note 3.a)	2,634	2,359	2,340
Fixed assets (Note 3.e)	20,893	20,495	19,078
Total noncurrent assets	24,397	23,990	22,902
Total assets	34,941	31,263	29,752
Current Liabilities			
Accounts payable (Note 3.f)	3,968	3,038	2,242
Loans (Note 3.g)	813	297	127
Salaries and social security	162	119	90
Taxes payable	1,173	1,675	1,923
Net advances from crude oil purchasers (Note 3.h)	96	95	264
Reserves (Exhibit E)	206	164	67
Total current liabilities	6,418	5,388	4,713
Noncurrent Liabilities			
Accounts payable (Note 3.f)	2,425	1,639	768
Loans (Note 3.g)	510	1,107	1,232
Taxes payable	10	13	15
Net advances from crude oil purchasers (Note 3.h)	7	101	634
Reserves (Exhibit E)	1,226	766	621
Total noncurrent liabilities	4,178	3,626	3,270
Total liabilities	10,596	9,014	7,983
Shareholders' Equity (per corresponding statements)	24,345	22,249	21,769
Total liabilities and shareholders' equity	34,941	31,263	29,752

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.

ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

18

Table of Contents

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 in the English translation

YPF SOCIEDAD ANONIMA

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

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

	2006	2005	2004
Net sales (Note 3.i)	23,717	21,308	18,448
Cost of sales (Exhibit F)	(14,935)	(10,540)	(8,493)
Gross profit	8,782	10,768	9,955
Administrative expenses (Exhibit H)	(588)	(479)	(398)
Selling expenses (Exhibit H)	(1,704)	(1,576)	(1,311)
Exploration expenses (Exhibit H)	(392)	(231)	(246)
Operating income	6,098	8,482	8,000
Income on long-term investments	519	194	234
Other expense, net (Note 3.j)	(26)	(323)	(665)
Financial income (expense), net and holding gains:			
Gains (Losses) on assets			
Interests	297	189	147
Exchange differences	(10)	130	68
Holding gains on inventories	394	230	185
(Losses) Gains on liabilities			
Interests	(208)	(356)	(130)
Exchange differences	(61)	(47)	(80)
Income from sale of long-term investments (Note 10)		15	
Impairment of other current assets (Note 2.d)	(69)		
Net income before income tax	6,934	8,514	7,759
Income tax (Note 3.k)	(2,477)	(3,152)	(2,852)
Net income	4,457	5,362	4,907
Earnings per share (Note 1)	11.33	13.63	12.48

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ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

19

Table of Contents

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 in the English translation

YPF SOCIEDAD ANONIMA

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

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

	Shareholder s contributions									
	Subscribed capital	**Irrevocable contributions**	**Adjustment to contributions**	**Issuance premiums**	**Total**	**Legal reserve**	**Deferred earnings**	**Reserve for future dividends**	**Unappropriated retained earnings**	**Tot shareh equ**
ce as of December 31, 2003	3,933	13	7,281	640	11,867	1,031		133	9,503	2
ative Effect of Changes in nting Principles (Note 1.b)							(125)		(230)	
ed balances	3,933	13	7,281	640	11,867	1,031	(125)	133	9,273	2
ided by the Ordinary Shareholders' g of April 21, 2004:										
ersal of Reserve for future dividends								(133)	133	
n dividends (Ps. 9 per share)									(3,540)	(
ropriation to Legal reserve						255			(255)	
ropriation to Reserve for future nds								1,770	(1,770)	
ided by the Board of Directors' g of October 27, 2004:										
n dividends (Ps. 4.5 per share)								(1,770)		(
rsion of irrevocable contributions bordinated debt (Note 4)		(13)			(13)					
crease (decrease) in deferred gs (Note 2.k)							6			
come									4,907	
ce as of December 31, 2004	3,933		7,281	640	11,854	1,286	(119)		8,748	2
ided by the Ordinary and rdinary Shareholders' meeting of 9, 2005:										
n dividends (Ps. 8 per share)									(3,147)	(
ropriation to Legal reserve						244			(244)	
ropriation to Reserve for future nds								1,731	(1,731)	
ided by the Board of Directors' g of November 10, 2005:										
n dividends (Ps. 4.4 per share)								(1,731)		(
crease (decrease) in deferred gs (Note 2.k)							(4)			
come									5,362	
ce as of December 31, 2005	3,933		7,281	640	11,854	1,530	(123)		8,988	2

ided by the Ordinary Shareholders'										
g of April 28, 2006:										
dividends (Ps. 6 per share)									(2,360)	(
ropriation to Legal reserve						267			(267)	
ropriation to Reserve for future										
nds								2,710	(2,710)	
crease (decrease) in deferred										
gs (Note 2.k)							(1)			
come									4,457	
ce as of December 31, 2006	3,933		7,281	640	11,854	1,797	(124)	2,710	8,108	2

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.

ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

20

Table of Contents

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 in the English translation

YPF SOCIEDAD ANONIMA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

(amounts expressed in millions of Argentine pesos - Note 1)

	2006	**2005**	**2004**
Cash Flows from Operating Activities			
Net income	4,457	5,362	4,907
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Income on long-term investments	(519)	(194)	(234)
Impairment of other current assets	69		
Income from sales of long term investments		(15)	
Dividends from long-term investments	434	303	108
Depreciation of fixed assets	3,614	2,606	2,365
Income tax	2,477	3,152	2,852
Income tax payments	(2,628)	(3,116)	(4,736)
Consumption of materials and fixed assets retired, net of allowances	263	246	194
Increase in allowances for fixed assets	192	74	124
Increase in reserves	760	321	405
Changes in assets and liabilities:			
Trade receivables	(46)	(123)	(246)
Other receivables	(929)	(307)	2,553
Inventories	(358)	(159)	(330)
Accounts payable	449	660	330
Salaries and social security	43	29	14
Taxes payable	(411)	(324)	226
Net advances from crude oil purchasers	(90)	(705)	(258)
Decrease in reserves	(258)	(79)	(119)
Interests, exchange differences and others	94	31	74
Net cash flows provided by operating activities	7,613(1)	7,762(1)	8,229(1)
Cash Flows from Investing Activities			
Acquisitions of fixed assets	(4,746)	(3,606)	(2,752)
Capital distributions from long-term investments		8	15
Capital contributions in long-term investments	(1)		
Proceeds from sales of long-term investments		454	
Investments (non cash and equivalents)	13	(2)	
Net cash flows used in investing activities	(4,734)	(3,146)	(2,737)
Cash Flows from Financing Activities			
Payment of loans	(854)	(180)	(892)
Proceeds from loans	759	222	280
Dividends paid	(2,360)	(4,878)	(5,310)
Net cash flows used in financing activities	(2,455)	(4,836)	(5,922)

Increase (decrease) in Cash and Equivalents	424	(220)	(430)
Cash and equivalents at the beginning of year	214	434	864
Cash and equivalents at the end of year	638	214	434

For supplemental information on cash and equivalents, see Note 3.a.

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(1) Includes (100), (168) and (124) corresponding to interest payments for the years ended December 31, 2006, 2005 and 2004, respectively.

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.

ENRIQUE LOCUTURA RUPEREZ
Executive Vicepresident

Table of Contents

English translation of the financial statements originally issued in Spanish, except for the inclusion of Note 12 in the English translation

YPF SOCIEDAD ANONIMA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006 AND COMPARATIVE INFORMATION

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

1. SIGNIFICANT ACCOUNTING POLICIES AND RESTATEMENT OF COMPARATIVE INFORMATION

a) Significant accounting policies

The financial statements of YPF Sociedad Anónima have been prepared in accordance with generally accepted accounting principles in Argentina, considering the regulations of the CNV.

Presentation of financial statements in constant Argentine pesos

The financial statements reflect the effect of changes in the purchasing power of money by the application of the method for restatement in constant Argentine pesos set forth in Technical Resolution No. 6 of the F.A.C.P.C.E. and taking into consideration General Resolution No. 441 of the CNV, which established the discontinuation of the restatement of financial statements in constant Argentine pesos as from March 1, 2003.

Cash and equivalents

In the statements of cash flows, the Company considers cash and all highly liquid investments with an original maturity of less than three months to be cash and equivalents.

Revenue recognition criteria

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

Joint ventures and other agreements

The Company's interests in oil and gas related joint ventures and other agreements involved in oil and gas exploration and production and electric power generation, have been consolidated line by line on the basis of the Company's proportional share in their assets, liabilities, revenues, costs and expenses (Note 6).

Production concessions and exploration permits

According to Argentine Law No. 24,145 issued in November 1992, YPF's producing fields and undeveloped properties were converted into production concessions and exploration permits under Law No. 17,319. Exploration permits may have a term of up to 17 years and production concessions have a term of 25 years, which may be extended for an additional ten-year term.

Fair value of financial instruments and concentration of credit risk

The carrying value of cash, current investments and trade receivables approximates its fair value due to the short maturity of these instruments. Furthermore, the fair value of loans receivable, which has been estimated based on current interest rates offered to the Company at the end of each year, for investments with the same remaining maturity, approximates its carrying value. As of December 31, 2006, 2005 y 2004 the fair value of loans payable estimated based on market prices or current interest rates at the end of each year amounted to 1,392, 1,497 and 1,469, respectively.

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash, current investments, accounts receivable and other receivables. The Company invests cash excess primarily in high liquid investments in financial institutions both in Argentina and abroad with strong credit rating and providing credit to foreign related parties. In the normal course of business, the Company provides credit based on ongoing credit evaluations to its customers and certain related parties. Additionally, the Company accounts for credit losses based on specific information of its clients. Credit risk on trade receivables is limited, as a result of the Company's large customer base.

Since counterparties to the Company's derivative transactions are major financial institutions with strong credit rating, exposure to credit losses in the event of nonperformance by such counterparties is minimal.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect reported assets, liabilities, revenues and expenses and disclosure of contingencies. Future results could differ from the estimations made by Management.

Earnings per share

Earnings per share have been calculated based on the 393,312,793 shares outstanding during the years ended as of December 31, 2006, 2005 and 2004.

b) Restatement of comparative information

From January 1, 2006, the Company applied new generally accepted accounting principles introduced by Resolution CD No. 93/2005 of the Professional Councils in Economic Sciences of the Autonomous City of Buenos Aires (C.P.C.E.C.A.B.A.) issued to unify the accounting principles in the different jurisdictions of Argentina and which involved the issuance of Resolution No. 312/2005 by the F.A.C.P.C.E. These new accounting principles were adopted by the CNV throughout Resolutions No. 485/2005 and No. 487/2006. Additionally, as of December 31, 2006, the Company applied the dispositions established by Technical Resolution No. 23 Postemployment benefits and other long-term benefits , approved by the CNV through Resolution No. 494/2006.

Main changes derived from the application of the mentioned generally accepted accounting principles are as follows:

Exchange differences generated by the translation of interests in foreign entities and measurement of changes in effective cash flow hedges of jointly controlled companies

The exchange difference generated by the translation of interests in foreign companies and the changes in the fair value of effective cash flow hedges of jointly controlled companies, which previous to the adoption of the new generally accepted accounting principles were included in an intermediate account between liabilities and shareholder s equity, shall be included as a component of the shareholder s equity in the account Deferred earnings .

Table of Contents

Deferred income tax

The difference between the book value of fixed assets restated into constant Argentine pesos and their corresponding historical cost used for tax purposes corresponds to a temporary difference to be considered in deferred income tax computations. However, generally accepted accounting principles in Argentina allow the option to disclose the mentioned effect in a note to the financial statements. The Company adopted this latter criterion (Note 3.k).

Defined benefit pension plans and other postretirement and postemployment benefits of foreign company s employees

The liabilities related to those benefits were valued at net present value and were accrued based on employees service during the post year.

The restatement of comparative financial information does not imply any change to statutory decisions already taken.

As a result of the adoption of the above mentioned new generally accepted accounting principles, previous years information as of the beginning of each year was modified as follows:

	Deferred earnings Gains (Losses)			Unappropiated retained earnings Gains (Losses)		
	2006	**2005**	**2004**	**2006**	**2005**	**2004**
Translation of interests in foreign entities	(4)	6	(125)			
Pension Plans and other postemployment benefits of foreign entities				25	31	(230)
	(4)	6	(125)	25	31	(230)

2. VALUATION CRITERIA

The principal valuation criteria used in the preparation of the financial statements are as follows:

a) Cash:

Amounts in Argentine pesos have been stated at face value.

Amounts in foreign currencies have been valued at the relevant exchange rates as of the end of each year. Exchange differences have been credited (charged) to current income. Additional information on assets denominated in foreign currency is disclosed in Exhibit G.

b) Current investments, trade and other receivables and payables:

Amounts in Argentine pesos have been stated at face value, which includes accrued interest through the end of each year, if applicable. Mutual funds have been valued at fair value as of the end of each year. When required by generally accepted accounting principles, discounted value does not differ significantly from their face value as of the end of each year.

Amounts in foreign currency have been valued at face value at the relevant exchange rates in effect as of the end of each year, including accrued interest, if applicable. Exchange differences have been credited (charged) to current income. Investments in government securities have been valued at its fair value as of the end of each year. Additional information on assets and liabilities denominated in foreign currency is disclosed in Exhibit G.

If applicable, allowances have been made to reduce receivables to their estimated realizable value.

24

Table of Contents

c) Inventories:

Refined products, products in process, crude oil and natural gas have been valued at replacement cost as of the end of each year.

Raw materials and packaging materials have been valued at cost, which does not differ significantly from its replacement cost as of the end of each year.

Valuation of inventories does not exceed their estimated realizable value.

d) Other assets:

As of December 31, 2006, includes oil and gas exploration and producing fields to be disposed by sale, which have been valued at the lower of their carrying amount and fair value less cost to sell.

As of December 31, 2004 includes the Company s interest in Petroken Petroquímica Ensenada S.A. (Petroken) and in PBBPolisur S.A., which have been valued at the lower of carrying amount and fair value less cost to sell (Note 10).

The sale of these assets did not qualify as discontinued operations as the Company continued to hold other exploration, production and petrochemical activities, as applicable, in Argentina.

e) Noncurrent investments:

These include the Company s investments in companies under control, joint control or significant influence and holdings in other companies. These investments are detailed in Exhibit C and have been valued using the equity method, except for holdings in other companies, which have been valued at its acquisition cost restated as detailed in Note 1.a.

Investments in Gasoducto del Pacífico (Argentina) S.A., Gasoducto del Pacífico (Cayman) Ltd., Oleoducto Trasandino (Argentina) S.A., A&C Pipeline Holding Company and Petróleos Trasandinos YPF S.A., where less than 20% direct or indirect interest is held, are accounted by the equity method since YPF exercises significant influence over these companies in making operation and financial decisions based on its representation on the Boards of Directors and/or the significant transactions between YPF and such companies.

If applicable, allowances have been made to reduce investments to their estimated recoverable value. The main factors for the recognized impairment were the devaluation of the Argentine peso, certain events of debt default and the de-dollarization and freezing of utility rates.

Foreign subsidiaries in which YPF participates have been defined as non-integrated companies as they collect cash and other monetary items, incur expenses and generate income. Corresponding assets and liabilities have been translated into Argentine pesos at the exchange rate prevailing as of the end of each year. Income statements have been translated using the relevant exchange rate at the date of each transaction. Exchange differences arising from the translation process have been included as a component of shareholder s equity in the account Deferred earnings , which will be maintained until the sale or complete or partial reimbursement of capital of the related investment occur.

Holdings in preferred shares have been valued as defined in the respective bylaws.

Investments in companies with negative shareholders equity were disclosed in the Accounts payable account in the balance sheet provided that the Company has the intention to provide the corresponding financial support.

Table of Contents

If necessary, adjustments have been made to conform the accounting principles used by controlled, jointly controlled or under significant influence companies to those of the Company. Main adjustments are related to the application of the general accepted accounting principles in Argentina to foreign related companies financial statements and the elimination of the appraisal revaluation of fixed assets from certain investees.

The investments in companies under control, joint control or significant influence, have been valued based upon the last available financial statements of these companies as of the end of each year, taking into consideration, if applicable, significant subsequent events and transactions, available management information and transactions between YPF and the related company which have produced changes on the latter s shareholders equity.

The Company includes supplemental consolidated financial statements as part of the primary financial statements (Schedule I).

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

f) Fixed assets:

Fixed assets have been valued at acquisition cost restated as detailed in Note 1.a, less related accumulated depreciation. Depreciation rates, representative of the useful life assigned, applicable to each class of asset, are disclosed in Exhibit A. For those assets whose construction requires an extended period of time, financial costs corresponding to third parties financing have been capitalized during the assets construction period.

Oil and gas producing activities

The Company follows the successful effort method of accounting for its oil and gas exploration and production operations. Accordingly, exploratory costs, excluding the costs of exploratory wells, have been charged to expense as incurred. Costs of drilling exploratory wells, including stratigraphic test wells, have been capitalized pending determination as to whether the wells have found proved reserves that justify commercial development. If such reserves were not found, the mentioned costs are charged to expense. Occasionally, an exploratory well may be determined to have found oil and gas reserves, but classification of those reserves as proved cannot be made when drilling is completed. In those cases, the cost of drilling the exploratory well shall continue to be capitalized if the well has found a sufficient quantity of reserves to justify its completion as a producing well and the enterprise is making sufficient progress assessing the reserves and the economic and operating viability of the project. If any of the mentioned conditions is not met, cost of drilling exploratory wells is charged to expense.

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

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

The capitalized costs related to acquisitions of properties with proved reserves have been depreciated by field on the unit-of-production basis by applying the ratio of produced oil and gas to proved oil and gas reserves.

Table of Contents

Revisions of crude oil and natural gas proved reserves are considered prospectively in the calculation of depreciation. Revisions in estimates of reserves are performed at least once a year. Additionally, estimates of reserves are audited by independent petroleum engineers as of the end of each year.

On January 26, 2006, YPF announced a downward revision of the proved oil and gas reserves by 509 million barrels of oil equivalent, including 493 million barrels of oil equivalent corresponding to proved developed and undeveloped reserves of YPF and 16 million barrels of oil equivalent corresponding to proved developed and undeveloped reserves of affiliated companies. The Audit and Control Committee of YPF s parent company, Repsol YPF, S.A. (Repsol YPF), undertook an independent review of the facts and circumstances of the reduction in proved reserves with the assistance of an independent counsel, King & Spalding LLP. The Audit Committee of YPF determined to rely on this investigation. On June 15, 2006, the final conclusions of the investigation were presented, recommending the implementation of certain improvements in the reserves estimation process. This downward revision of proved reserves did not have material effects on the unappropriated retained earnings at the beginning of the year.

Costs related to hydrocarbon wells abandonment obligations are capitalized along with the related assets, and are depreciated using the unit-of-production method. As compensation, a liability is recognized for this concept at the estimated value of the discounted payable amounts.

Other fixed assets

The Company s other fixed assets are depreciated using the straight-line method, with depreciation rates based on the estimated useful life of each class of property.

Maintenance and major repairs to the fixed assets have been charged to expense as incurred.

Renewals and betterments that materially extend the useful life and/or increase the productive capacity of properties are capitalized. As fixed assets are retired, the related cost and accumulated depreciation are eliminated from the balance sheet.

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

The carrying value of the fixed asset of each business segment, as defined in Note 4 to the consolidated financial statements, does not exceed their estimated recoverable value.

g) Taxes, withholdings and royalties:

Income tax and tax on minimum presumed income

Table of Contents

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

Table of Contents

In deferred income tax computations, the difference between the book value of fixed assets restated into constant Argentine pesos and their corresponding historical cost used for tax purposes is a temporary difference to be considered in deferred income tax computations. However, generally accepted accounting principles in Argentina allow the option to disclose the mentioned effect in a note to the financial statements. The Company adopted this latter criterion (Note 3.k).

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

For the years ended December 31, 2006, 2005 and 2004, the amounts determined as current income tax were higher than tax on minimum presumed income and they were included in the Income tax account of the income statements of each year.

Royalties and withholding systems for hydrocarbon exports

A 12% royalty is payable on the estimated value at the wellhead of crude oil production and the natural gas volumes commercialized. The estimated value is calculated based upon the approximate sale price of the crude oil and gas produced, less the costs of transportation and storage. Royalty expense is accounted for as a production cost.

Law No. 25,561 on Public Emergency and Exchange System Reform, issued in January 2002, established new duties for hydrocarbon exports for a five year-period. In January 2007, Law No. 26,217 extended this export withholding system for an additional five year-period and also established specially that this regime is also applicable to exports from Tierra del Fuego region. Outstanding rates as of December 31, 2006, are 20% for liquefied petroleum gas, 5% for gasoline, diesel and other refined products and between 25% and 45% for crude oil based on the West Texas Intermediate price. On July 25, 2006, Resolution No. 534/2006 of the Ministry of Economy and Production entered in force, raising the natural gas withholding rate from 20% to 45% and establishing the natural gas import price from Bolivia as the basis for its determination. YPF is negotiating with its export clients the effect of the above mentioned increase and the transfer of a significant part of these incremental costs to them.

Hydrocarbon export withholdings are charged to the Net sales account of the statement of income.

h) Allowances and reserves:

Allowances: amounts have been provided in order to reduce the valuation of trade receivables, other receivables, noncurrent investments and fixed assets based on analysis of doubtful accounts and on the estimated recoverable value of these assets.

Reserves for losses: amounts have been provided for various contingencies which are probable and can be reasonably estimated, based on Management s expectations and in consultation with legal counsels. If required by generally accepted accounting principles, their discounted value at the end of each year does not differ significantly from the recorded face value.

The activity in the allowances and reserves accounts is set forth in Exhibit E.

i) Environmental liabilities:

Environmental liabilities are recorded when environmental assessments and/or remediation are probable and can be reasonably estimated. Such estimates are based on either detailed feasibility studies of remediation approach and cost for individual sites or on the Company s estimate of costs to be incurred based on historical experience and available information based on the stage of assessment and/or remediation of each site. As additional information becomes available regarding each site or as environmental standards change, the Company revises its estimate of costs to be incurred in environmental assessment and/or remediation matters.

j) Derivative instruments:

Although YPF does not use derivative instruments to hedge the effects of fluctuations in market prices, as of December 31, 2006, the Company maintains a price swap agreement that hedges the fair value of the crude oil future committed deliveries under the forward crude oil sale agreement mentioned in Note 9.c (hedged item). Under this price swap agreement the Company will receive variable selling prices, which will depend upon market prices and will pay fixed prices. As of December 31, 2006, approximately 3 million of barrels of crude oil are hedged under this agreement.

This fair value hedge is carried at fair value and is disclosed in the Net advances from crude oil purchasers account in the balance sheet. Changes in fair value are recognized in earnings together with the offsetting loss or gain from changes in the fair value of the hedged item caused by the risk being hedged. As hedge relationship is effective, changes in the fair value of this derivative instrument and of the hedged item do not have effect on net income.

k) Shareholders equity accounts:

These accounts have been stated in Argentine pesos as detailed in Note 1.a, except for Subscribed Capital account, which is stated at its historical value. The adjustment required to state this account in constant Argentine pesos is disclosed in the Adjustment to Contributions account.

The account Deferred earnings includes the effect generated by the foreign companies translation and the changes in the fair value of effective cash flow hedges of jointly controlled companies.

l) Statements of income accounts:

The amounts included in the income statement accounts have been recorded by applying the following criteria:

Accounts which accumulate monetary transactions at their face value.

Cost of sales has been calculated by computing units sold in each month at the replacement cost of that month.

Table of Contents

Depreciation of nonmonetary assets, valued at acquisition cost, has been recorded based on the restated cost of such assets as detailed in Note 1.a.

Holding gains (losses) on inventories valued at replacement cost have been included in the Holding gains on inventories account.

Income (Loss) on long-term investments in which control, joint control or significant influence is held, has been calculated on the basis of the income (loss) of those companies and was included in the Income on long-term investments account.

3. ANALYSIS OF THE MAIN ACCOUNTS OF THE FINANCIAL STATEMENTS

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

Balance Sheet accounts as of December 31, 2006 and Comparative Information

Assets

a) Investments:

	2006		2005		2004	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Short-term investments and government securities	552(1)(2)		176(1)		180(1)	
Long-term investments (Exhibit C)		2,659		2,544		2,665
Allowance for reduction in value of holdings in long-term investments (Exhibit E)		(25)		(185)		(325)
	552	2,634	176	2,359	180	2,340

(1) Include 550, 161 and 167 as of December 31, 2006, 2005 and 2004, respectively, with an original maturity of less than three months.
(2) Accrues interest at annual fixed rates between 4.75% and 10.10%.

b) Trade receivables:

	2006		2005		2004	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Accounts receivable	2,061	44	2,008	51	1,779	71
Related parties (Note 7)	496		447		510	
	2,557(1)	44	2,455	51	2,289	71
Allowance for doubtful trade receivables (Exhibit E)	(419)		(370)		(347)	
	2,138	44	2,085	51	1,942	71

(1) Includes 275 in litigation, 27 one to three months past due, 187 in excess of three months past due, 2.047 due within three months and 21 due after three months.

Table of Contents

c) Other receivables:

	2006		2005		2004	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Deferred income tax (Note 3.k)		500		443		405
Tax credits and export rebates	588	16	496	16	299	17
Trade	70		31		20	
Prepaid expenses	76	64	54	90	42	128
Concessions charges	17	88	17	96	19	105
Related parties (Note 7)	4,199(3)		2,830	267	2,516	617
Loans to clients	12	69	11	90	10	87
From joint ventures and other agreements	46		1		6	
Trust contribution under Decree No. 1,882/04			273		66	
Miscellaneous	224	140	201	137	220	124
	5,232(1)	877(2)	3,914	1,139	3,198	1,483
Allowance for other doubtful accounts (Exhibit E)	(116)		(119)		(122)	
Allowance for valuation of other receivables to their estimated realizable value (Exhibit E)		(51)		(54)		(70)
	5,116	826	3,795	1,085	3,076	1,413

(1) Includes 50 of less than three months past due, 171 in excess of three months past due and 5,011 due as follows: 3,391 from one to three months, 728 from three to six months, 782 from six to nine months and 110 from nine to twelve months.
(2) Includes 750 due from one to two years, 24 due from two to three years and 103 due after three years.
(3) Includes 979 with Repsol YPF, S.A., which accrues interest at a rate of 3% plus a variable spread, 1,302 with Repsol International Finance B.V. that accrues variable interest at LIBOR plus 0.2%, 1,305 with Repsol YPF Brasil S.A. which accrues variable interest at LIBOR plus 1.5% and 577 with YPF Holdings Inc. that accrues variable interest at LIBOR plus 0.4%.

d) Inventories:

	2006	2005	2004
Refined products	946	660	558
Crude oil and natural gas	430	394	346
Products in process	47	18	9
Raw materials and packaging materials	99	92	92
	1,522	1,164	1,005

Table of Contents

e) Fixed assets:

	2006	2005	2004
Net book value of fixed assets (Exhibit A)	20,942	20,546	19,141
Allowance for unproductive exploratory drilling (Exhibit E)	(3)	(3)	(16)
Allowance for obsolescence and assets to be disposed of (Exhibit E)	(46)	(48)	(47)
	20,893	20,495	19,078

Liabilities

f) Accounts payable:

	2006		2005		2004	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Trade	2,425	17	1,792	20	1,417	22
Hydrocarbon wells abandonment obligations	233(3)	2,198		1,419		648
Related parties (Note 7)	247		417		330	
Investment in controlled company YPF Holdings Inc.	705		460		309	
From joint ventures and other agreements	256		200		136	
Environmental liabilities (Note 9.b)	93	164	48	200	45	96
Miscellaneous	9	46	121		5	2
	3,968(1)	2,425(2)	3,038	1,639	2,242	768

(1) Includes 3,665 due within three months, 258 due from three to six months and 45 due after six months.
(2) Includes 581 due from one to two years and 1,844 due after two years.
(3) Corresponds to the hydrocarbon wells abandonment obligations associated with other current assets (Note 2.d).

g) Loans:

	Interest Rates(1)	Principal Maturity	2006 Current	2006 Noncurrent	2005 Current	2005 Noncurrent	2004 Current	2004 Noncurrent
Negotiable Obligations(2)	7.75 - 10.00%	2007 - 2028	559	509	27	1,031	29	1,078
Other bank loans and other creditors (3)	1.25 - 5%	2007 - 2008	254	1	270	76	85	154
Subordinated liability with shareholders (Note 4)							13	
			813	510	297	1,107	127	1,232

(1) Annual interest rates as of December 31, 2006.
(2) Disclosed net of 873, 864 and 784, corresponding to YPF outstanding negotiable obligations repurchased through open market transactions as of December 31, 2006, 2005 and 2004, respectively.
(3) Includes 79 which accrues variable interest at annual rate of LIBO plus 1.60% and 176 that accrues fixed interest at annual rates between 1.25% and 5%.

Table of Contents