

IRSA INVESTMENTS & REPRESENTATIONS INC

Form F-3

September 25, 2007

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As filed with the Securities and Exchange Commission on September 24, 2007

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-3

REGISTRATION STATEMENT

Under

The Securities Act of 1933

IRSA INVERSIONES Y REPRESENTACIONES

SOCIEDAD ANÓNIMA

(Exact name of Registrant as specified in its charter)

IRSA INVESTMENTS AND REPRESENTATIONS INC.

(Translation of registrant's name into English)

The Republic of Argentina
(Jurisdiction of incorporation)

Not Applicable
(I.R.S. Employer Identification No.)

Bolívar 108

(C1066AAD) Buenos Aires, Argentina

Phone: +54 (11) 4323-7555

(Address and telephone number of Registrant's principal executive offices)

Puglisi & Associates

850 Library Avenue

P.O. Box 885

Newark, DE 19715

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(Name, address and telephone number of agent for service)

Copies to:

David L. Williams

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, New York 10017

(212) 455-2000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, or the Securities Act, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

	Amount to	Proposed maximum aggregate price	Proposed maximum aggregate offering price	Amount of registration fee
Title of each class of securities to be registered	be registered	per common share		
Common shares, Ps.1.00 par value per share ^{(1) (2) (3)}	260,000,000	US\$1.55	US\$403,000,000	US\$12,372
Rights to subscribe for common shares (and GDS rights) ⁽⁴⁾	260,000,000	None	None	None
Warrants to purchase common shares ⁽⁴⁾	260,000,000	None	None	None
Common shares, Ps.1.00 par value per share, issuable upon exercise of warrants ⁽⁵⁾	86,666,666	US\$1.86	US\$161,199,999	US\$4,949

- (1) Proposed maximum aggregate price per common share calculated, solely for purposes of determining the SEC registration fee, on the basis of the closing price of the Registrant's GDSs on the NYSE on September 21, 2007, divided by 10.
- (2) Includes common shares that may be offered and sold in the form of GDSs to holders of GDS rights. This amount also includes common shares that are to be offered in Argentina and elsewhere outside the United States but may be resold from time to time in the United States during the distribution.
- (3) Global Depositary Shares (GDSs) evidenced by Global Depositary Receipts issuable upon deposit of common shares registered hereby have been registered under a separate Registration Statement on Form F-6.
- (4) No separate consideration will be received by the Registrant for the rights to subscribe for common shares, the rights to subscribe for GDSs evidencing common shares or the warrants prior to their exercise.
- (5)

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Proposed maximum aggregate price per common share calculated, solely for purposes of determining the SEC registration fee, on the basis of 120% of the closing price of the Registrant's GDSs on the NYSE on September 21, 2007, divided by 10.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek to an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated September 24, 2007

Prospectus

IRSA Inversiones y Representaciones Sociedad Anónima

IRSA Investments and Representations Inc.

Rights to Subscribe for Common Shares, Common Shares in the Form of Global Depositary Shares and Warrants

We are offering to our common shareholders rights, or common share rights, to subscribe for new common shares and warrants to acquire additional common shares. Each common share held of record at 6:00 p.m. (Buenos Aires, Argentina time) on , 2007 entitles its holder to one common share right. common share rights will entitle their holder to subscribe for one new common share and to receive free of charge, for each new common share that it purchases pursuant to this offering, one warrant to purchase 0.3334 additional common shares. The subscription price for each new common share will be payable in Argentine pesos in an amount equal to the Argentine peso equivalent of the U.S. dollar subscription price for each new GDS, divided by 10, determined on the basis of the seller's reference exchange rate (*tipo de cambio vendedor*) published by the *Banco de la Nación Argentina* on , 2007.

The Bank of New York, as our depositary, will make available to holders of global depositary shares, or GDSs (each of which represents 10 common shares), rights, or GDS rights, to subscribe for new GDSs and warrants to acquire additional common shares. Each GDS held of record at 5:00 p.m. (New York City time) on , 2007 entitles its holder to one GDS right. GDS rights will entitle their holder to subscribe for one new GDS and to receive free of charge, for each new GDS that it purchases pursuant to this offering, 10 warrants each of which will entitle such holder to purchase 0.3334 additional common shares. The subscription price for each new GDS will be payable in U.S. dollars and will be determined by our board of directors on , 2007, which is at least six Argentine business days prior to the closing of the preemptive rights subscription period and reported to the *Comisión Nacional de Valores* and the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*) on the following day prior to the opening of the stock market in Argentina.

Each warrant will entitle its holder to purchase 0.3334 additional common shares. Prior to their expiration on , 2012, the warrants will be exercisable during the 17th and 22nd days of each February, May, September and November (to the extent such dates are business days in New York City and in the City of Buenos Aires), commencing February 17 through to February 22, 2008. The warrants will be freely transferable. The exercise price for each warrant will be payable in U.S. dollars and will be determined by our board of directors and published by us on , 2007 in a newspaper of general publication in Argentina (*La Nación*, *Ámbito Financiero* or both), the bulletin of the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*) and PR Newswire. We will accept exercises of warrants for whole new common shares only. You must pay the exercise price of the warrants in U.S. dollars. GDS holders wishing to obtain additional GDSs upon exercise of their warrants must deposit common shares acquired under the warrants with The Bank of New York, as our depositary, to obtain GDSs in accordance with the terms of the applicable deposit agreement.

Investing in our common shares, GDSs and warrants involves significant risks. See Risk Factors beginning on page 26.

We are offering these preemptive rights to subscribe for newly issued common shares as required under Argentine law and, although not obligated to do so, have elected to register these preemptive rights with the Securities and Exchange Commission in order to extend to our U.S. shareholders and holders of GDSs an equal opportunity to participate in our preemptive rights offering.

The offering of new common shares and warrants by means of rights to holders of common shares will expire at 4:30 p.m. (Buenos Aires, Argentina time) on , 2007. The offering of new GDSs and warrants by means of GDS rights to holders of GDSs will expire at 5:00 p.m. (New York City time) on , 2007.

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Any holder of common share rights or GDS rights may transfer any whole number of common share rights or GDS rights, as the case may be. Common share rights will be eligible to trade on the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*) from _____, 2007 to _____, 2007. The GDS rights will not be listed on any securities exchange.

Our GDSs are traded on the New York Stock Exchange under the symbol *IRS*, and our common shares are traded on the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*) under the symbol *IRSA*. On September 21, 2007, the closing prices on the NYSE per GDS and on the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*) per common share were US\$15.50 and Ps.4.85, respectively. We will apply to list the warrants on the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*).

	Price to the Public	Proceeds to Company ⁽¹⁾
Per new common share ⁽²⁾	US\$	US\$
Per new GDS ⁽³⁾	US\$	US\$
Warrants ⁽⁴⁾	US\$ 0.00	US\$ 0.00
Total offering	US\$	US\$

- (1) After payment of transaction expenses by us, currently estimated at approximately US\$ _____.
- (2) Includes _____ common shares expected to be subscribed in Argentina, based on the closing price of US\$15.50 for our GDSs on the NYSE on September 21, 2007, divided by 10.
- (3) Includes _____ common shares expected to be subscribed in the form of GDSs, each of which represents 10 common shares, based on the closing price of US\$15.50 for our GDSs on the NYSE on September 21, 2007.
- (4) No separate consideration will be received by us for the offering of the rights to subscribe for common shares, the rights to subscribe for GDSs evidencing common shares or the warrants prior to their exercise.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

_____, 2007

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No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy securities other than the securities described in this prospectus, or an offer to sell or the solicitation of an offer to buy any securities in any circumstances in which such offer or solicitation is unlawful. The delivery of this prospectus shall not, under any circumstances, create any implication that there has been no change in our affairs since the date hereof, or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to the date of such information.

As used in this prospectus, the terms IRSA, we, us and our may refer, depending upon the context, to IRSA Inversiones y Representaciones Sociedad Anónima, to one or more of our consolidated subsidiaries or to all of them taken as a whole, unless we state otherwise or the context indicates otherwise. Our headquarters are located at Bolívar 108, (C1066AAD) Buenos Aires, Argentina, our telephone number is +54 (11) 4323-7555, and our website is www.irsa.com.ar.

Incorporation by Reference

We incorporate by reference the documents listed below and any future filings made by us with the SEC under Section 13(a) or 15(d) of the Exchange Act until the transactions contemplated by this prospectus are consummated or this offering is terminated. Any such information incorporated by reference would be an important part of this prospectus. Any such future filings shall be deemed to automatically update and supersede the information contained herein or in documents previously incorporated by reference to the extent not modified or superseded by documents or reports subsequently filed. As of the date of this prospectus, our annual report on Form 20-F (filed under an English translation of our corporate name, IRSA Investments and Representations Inc.) for the year ended June 30, 2006 is incorporated herein by reference.

We will provide, without charge, to any person to whom a copy of this prospectus is delivered, upon request, a copy of any or all of the documents incorporated by reference herein (not including the exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents). Requests should be directed to us at our headquarters located at Bolívar 108, (C1066AAD) Buenos Aires, Argentina.

Each recipient of this prospectus acknowledges that it has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein.

Dealer Prospectus Delivery Obligation

Until _____, 2007, all dealers that effect transactions in these securities in the United States, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

IRSA

This prospectus contains our audited consolidated financial statements as of June 30, 2006 and 2007 and for the fiscal years ended June 30, 2005, 2006 and 2007. The summary and selected consolidated balance sheet data as of June 30, 2003, 2004 and 2005 and consolidated income statement data for the years ended June 30, 2003 and 2004 have been derived from our Annual Report on Form 20-F for the year ended June 30, 2006 which is incorporated by reference herein.

We prepare our consolidated financial statements in thousands of Pesos and in conformity with generally accepted accounting principles in Argentina, as set forth by the *Federación Argentina de Consejos Profesionales de Ciencias Económicas* (*FACPCE*) and as implemented, adapted, amended, revised and/or supplemented by the *Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires* (*CPCECABA*) (collectively, *Argentine GAAP*) and the regulations of the *Comisión Nacional de Valores* which differ in certain significant respects from generally accepted accounting principles in the United States of America (*U.S. GAAP*). Such differences involve methods of measuring the amounts shown in our consolidated financial statements, as well as additional disclosures required by U.S. GAAP and Regulation S-X of the U.S. Securities and Exchange Commission (*SEC*). See Note 28 to our audited consolidated financial statements included elsewhere in this prospectus for a description of the principal differences between Argentine GAAP and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of our net income and shareholders' equity.

In order to comply with *Comisión Nacional de Valores* regulations, we recognized deferred income tax assets and liabilities on an undiscounted basis. This accounting practice represented a departure from Argentine GAAP for the years ended June 30, 2005 and 2006. However, such departure has not had a material effect on our consolidated financial statements. As further discussed below, the CPCECABA issued revised accounting standards. One of these standards required companies to account for deferred income taxes on an undiscounted basis, thus aligning the accounting to that of the *Comisión Nacional de Valores*. Since the *Comisión Nacional de Valores* adopted the CPCECABA standards effective for our fiscal year beginning July 1, 2006, there is no longer a difference on this subject between Argentine GAAP and the *Comisión Nacional de Valores* regulations.

Additionally, our consolidated financial statements reflect accounting for inflation through February 28, 2003. Since Argentine GAAP required companies to discontinue inflation accounting of as from October 1, 2003, the application of the *Comisión Nacional de Valores* resolution represented a departure from Argentine GAAP. However, due to the low level of inflation rates during the period from and including March through September 2003, such a departure did not have a material effect on our consolidated financial statements.

Banco Hipotecario

As of June 30, 2007, we owned a 11.8% equity interest in Banco Hipotecario S.A. In compliance with Rule 3-09 of Regulation S-X, also contained in this prospectus are the audited consolidated financial statements of Banco Hipotecario as of June 30, 2006 and 2007 and for the years ended June 30, 2005, 2006 and 2007.

Banco Hipotecario maintains its financial books and records in thousands of Pesos and prepares its financial statements in conformity with policies of the Argentine Central Bank, or Central Bank, which prescribe the reporting and disclosure requirements for banks and financial institutions in Argentina (*Central Bank accounting rules*). These rules differ in certain significant respects from Argentine GAAP. A narrative description of significant differences between Central Bank accounting rules and Argentine GAAP are set forth in Note 6 to the consolidated financial statements of Banco Hipotecario included elsewhere in this prospectus. Central Bank accounting rules and Argentine GAAP also differ in certain significant respects from U.S. GAAP. Such differences involve methods of measuring the amounts shown in Banco Hipotecario's consolidated financial statements, as well as additional disclosures required by U.S. GAAP and regulations of the SEC. See Note 37 to the consolidated financial statements of Banco Hipotecario included elsewhere in this prospectus for a description of the principal

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differences between Central Bank accounting rules and U.S. GAAP, as they relate to Banco Hipotecario, and a reconciliation to U.S. GAAP of Banco Hipotecario's net income (loss) and shareholder's equity. Banco Hipotecario's shareholder's equity at June 30, 2006 and 2007, reconciled to Argentine GAAP or to U.S. GAAP, is materially lower than its shareholder's equity as presented under Central Bank accounting rules. References to "NM" in the tables appearing in Banco Hipotecario's Management's Discussion and Analysis of Financial Condition and Results of Operations section in this prospectus, stands for "not meaningful" and are intended to indicate variations that are in excess of 300%.

Additionally, the consolidated financial statements of Banco Hipotecario reflect accounting for inflation until February 28, 2003. Since Central Bank accounting rules and Argentine GAAP required companies to discontinue inflation accounting only as of October 1, 2003, the application of the *Comisión Nacional de Valores* resolution represented a departure from Argentine GAAP. However, due to the low level of inflation rates during the period from and including March through September 2003, such a departure did not have a material effect on our consolidated financial statements.

Financial Statements of Recently Acquired Buildings

During our fiscal year ended June 30, 2007, we purchased three office buildings and one shopping center property in four unrelated transactions. Subsequent to the end of our fiscal year ended June 30, 2007, in August 2007 we acquired half of the floors of a 27-story office building in a transaction unrelated to the acquisitions completed during our fiscal year ended June 30, 2007. We refer to the properties acquired during the fiscal year ended June 30, 2007 and during August 2007 to as the "Acquired Properties."

In November 2006, we submitted a bid for the acquisition of a property known as Edificio Ex Escuela Gobernador Vicente de Olmos, or "Olmos," located in the Province of Córdoba, Argentina. The closing of this proposed purchase is subject to several regulatory approvals. In January 2007, the National Commission for the Defense of Competition notified us of two claims filed against this proposed acquisition. These claims are still pending resolution. This transaction has not yet been consummated, but we currently believe it is probable that it will be completed.

In December 2006, we entered into a Put and Call Option Agreement with an unrelated party for the acquisition of an office building in Buenos Aires known as the República Building. This transaction has not yet been consummated, but we currently believe it is probable that it will be completed.

In accordance with Rule 3-14 of Regulation S-X, for the purpose of computing the aggregate significance of these consummated and probable transactions, we evaluate all such transactions in two groups. The first group includes each of the acquisitions completed during the fiscal year ended June 30, 2007, and the second group includes the acquisitions completed during the fiscal year ended June 30, 2008 and the probable acquisitions of the República Building and Olmos. We have computed significance based on our total consolidated assets as of June 30, 2006 for the first group, and our total consolidated assets as of June 30, 2007 for the second group.

Each of the Acquired Properties and probable acquisitions of the República Building and Olmos is individually insignificant. Nevertheless, the aggregate purchase price of the Acquired Properties completed during the year ended June 30, 2007 exceeded 10% of our total consolidated assets as of June 30, 2006, and the aggregate purchase price of the Acquired Properties completed during the year ended June 30, 2008 and the probable acquisitions of Olmos and the República Building exceeded 10% of our total consolidated assets as of June 30, 2007. We acquired no significant properties during our fiscal years ended June 30, 2005 and 2006. We did not acquire the Acquired Properties from a related party. The Acquired Properties and Olmos and the República Building have been operated, since construction, as rental properties. We currently intend to manage all of the Acquired Properties and Olmos and the República Building.

The following is a description of the Acquired Properties and the probable acquisitions of Olmos and the República Building:

<u>Property</u>	<u>Acquisition date</u>
Bouchard Building	March 15, 2007
Dock del Plata Building	November 15, 2006
Córdoba Shopping Center	December 27, 2006
Bank Boston Tower	August 27, 2007
República Building	Not yet consummated
Patio Olmos Shopping Center	Not yet consummated

In accordance with Rule 3-14 of Regulation S-X, we have included elsewhere in this prospectus the following historical financial statements:

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Unaudited statement of revenue and certain expenses for the period July 1, 2006 through the latest interim period prior to the date of acquisition for the Bouchard Building (December 31, 2006);

Audited statement of revenue and certain expenses for the year ended June 30, 2006 for the Bouchard Building;

Audited statement of revenue and certain expenses for the year ended June 30, 2007 for the Bank Boston Tower; and

Audited statement of revenue and certain expenses for the year ended June 30, 2007 for the República Building (which acquisition we consider probable).

In addition, in accordance with Rule 3-14 of Regulation S-X, we have included elsewhere in this prospectus the following pro forma financial statements:

Our pro forma condensed consolidated statement of income for the year ended June 30, 2007 (unaudited)

Our pro forma condensed consolidated balance sheet as of June 30, 2007 (unaudited)

Our notes to the pro forma consolidated financial data (unaudited)

Estimated twelve-month pro forma statement of taxable net operating income and operating funds available (unaudited)

Adoption by Comisión Nacional de Valores of accounting standards

The *Comisión Nacional de Valores* issued General Resolutions 485 and 487 on December 29, 2005 and January 26, 2006, respectively, adopting, with certain modifications, new accounting standards previously issued by the CPCECABA through its Resolution CD 93/2005. These standards were effective for our fiscal year ended June 30, 2007. The most significant changes included in the accounting standards adopted by the *Comisión Nacional de Valores* relating to (i) changes in the impairment test of long-lived assets and (ii) changes to deferred income tax accounting. Under the new standards, the carrying value of a long-lived asset is considered impaired when the expected cash flows from such asset are separately identifiable and less than its carrying value. Expected cash flows are determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. The new standards also provide for the accounting treatment of differences between the tax basis and book basis of non-monetary items for deferred income tax calculation purposes when companies prepare price-level restated financial statements. The new accounting standard mandates companies to treat these differences as temporary but allows a one-time accommodation to continue treating those differences as permanent at the time of adoption of the standard. As a result, we elected to continue treating differences as permanent. In addition, the new standards provide for the recognition of deferred income taxes on a non-discounted basis.

General

Certain amounts which appear in this prospectus (including percentage amounts) may not sum due to rounding. Solely for the convenience of the reader, we have translated certain Argentine Peso amounts into U.S. dollars at the exchange rate quoted by the Central Bank for June 30, 2007, which was Ps.3.093 = US\$1.00. We make no representation that the Argentine Peso or U.S. dollar amounts actually represent or could have been or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all. See Exchange Rates and Exchange Controls. Total may not sum due to rounding.

References to fiscal years 2003, 2004, 2005, 2006 and 2007 are to the fiscal years ended June 30 of each such year.

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Market Data

Market data used throughout this prospectus were derived from reports prepared by unaffiliated third-party sources. Such reports generally state that the information contained therein has been obtained from sources believed by such sources to be reliable.

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SUMMARY

The following summary highlights information contained elsewhere in this prospectus. This summary is not complete and does not contain all the information you should consider before investing in our securities. You should read the entire prospectus carefully, including the Risk Factors and Forward-Looking Statements section, and our consolidated financial statements and related notes, before making an investment decision. As used in this prospectus, unless the context otherwise requires, references to IRSA, we, us and our refer to IRSA Inversiones y Representaciones Sociedad Anónima and our consolidated subsidiaries.

Our Company

We are one of Argentina's leading real estate companies in terms of total assets. We are engaged directly and indirectly through subsidiaries and joint ventures in a range of diversified real estate related activities in Argentina, including:

the acquisition, development and operation of shopping centers,

the origination and securitization of credit card loans,

the acquisition and development of residential properties and undeveloped land reserves for future development and sale,

the acquisition, development and operation of office and other non-shopping center properties primarily for rental purposes, and

the acquisition and operation of luxury hotels.

As of June 30, 2007, we had total assets of Ps.4,144.9 million and shareholders' equity of Ps.1,646.7 million. Our net income for the fiscal years ended June 30, 2005, 2006, and 2007 was Ps.103.2 million, Ps.96.6 million, Ps.107.1 million, respectively. We are the only Argentine real estate company whose shares are listed on the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*) and on the New York Stock Exchange, Inc.

Shopping Centers. We are engaged in purchasing, developing and managing shopping centers through our subsidiary Alto Palermo. Alto Palermo operates and owns majority interests in ten shopping centers, six of which are located in the Buenos Aires metropolitan area, and the other four of which are located in the Provinces of Mendoza, Rosario, Córdoba and Salta. Our Shopping Center segment had assets of Ps.1,375.2 million as of June 30, 2007, representing 33.2% of our consolidated assets at such date, and generated operating income of Ps.124.8 million during our 2007 fiscal year, representing 62.9% of our consolidated operating income for such year.

Credit Cards. We operate a credit card consumer finance business through our majority-owned subsidiary, Tarshop. Our Credit Card Operations consist primarily of lending and servicing activities relating to the credit card products we offer to consumers at shopping centers, supermarkets and street stores. We finance a substantial majority of our credit card activities through securitization of the receivables underlying the accounts we originate. Our revenues from credit card transactions are derived from interest income generated by financing and lending activities, merchants' fees, insurance charges for life and disability insurance, and fees for processing and printing cardholders' account statements. Our Credit Card segment had assets of Ps.158.4 million as of June 30, 2007, representing 3.8% of our consolidated assets at such date, and generated operating income of Ps.32.6 million during our 2007 fiscal year, representing 16.4% of our consolidated operating income for such year.

Residential Properties. The acquisition and development of residential apartment complexes and residential communities for sale is another of our core activities. Our development of residential apartment complexes consists of the construction of high-rise towers or the conversion and renovation of existing structures, such as factories and warehouses. In residential communities, we acquire vacant land, develop infrastructure such as roads, utilities and common areas, and sell plots of land for construction of single-family homes. Our Development and Sale of Properties segment had assets of Ps.539.3 million as of June 30, 2007, representing 13.0% of our consolidated assets at such date, and generated operating income of Ps.6.2 million during our 2007 fiscal year, representing 3.1% of our consolidated operating income for such year.

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Office Buildings. In December 1994, we launched our office rental business by acquiring three prime office towers in Buenos Aires: Libertador 498, Maipú 1300 and Madero 1020. As of September 30, 2006, we, directly and indirectly, owned interests in 24 offices and other non-shopping center leased properties in Argentina that in the aggregate represented 234,320 square meters of gross leasable area. Our Offices and Other Non-Shopping Center leased properties segment had assets of Ps.700.0 million as of June 30, 2007, representing 16.9% of our consolidated assets at such date, and generated operating income of Ps.19.6 million during our 2007 fiscal year, representing 9.9% of our consolidated operating income for such year.

Hotels. In 1997, we acquired the Hotel Llao Llao and an indirect controlling interest in the Hotel Intercontinental in Buenos Aires. In March 1998, we acquired the Hotel Sheraton Libertador in Buenos Aires. During fiscal year 1999, we sold a 20% interest in the Hotel Libertador to Hoteles Sheraton de Argentina S.A., and during the fiscal year 2000, we sold 50% of our interest in the Hotel Llao Llao to the Sutton Group. Our Hotels segment, which consists of these three hotels, had assets of Ps.208.4 million as of June 30, 2007, representing 5.0% of our consolidated assets at such date, and generated income of Ps.14.7 million during our 2007 fiscal year, representing 7.4% of our consolidated operating income for such year.

Banco Hipotecario. We currently own 11.8% of Banco Hipotecario, Argentina's leading mortgage lender and provider of mortgage-related insurance. We acquired 2.9% of Banco Hipotecario for Ps.30.2 million when it was privatized in 1999. During 2003 and 2004, we increased our investment in Banco Hipotecario to 11.8% by acquiring additional shares, and by acquiring and exercising warrants, for an aggregate purchase price of Ps.33.4 million. In May 2004, we sold Class D shares representing 1.9% of Banco Hipotecario to IFISA, one of our controlling shareholders, for Ps.6.0 million, generating a loss of Ps.1.6 million. Our 11.8% investment in Banco Hipotecario is held in the form of Class D shares, which are currently entitled to three votes per share, affording us the right to vote approximately 18.36% of the total votes that can be cast at Banco Hipotecario's shareholders' meetings. At June 30, 2007, our investment in Banco Hipotecario represented 7.3% of our consolidated assets, and during our fiscal years ended June 30, 2005, 2006 and 2007, this investment generated gains of Ps.55.2 million, Ps.47.0 million and Ps.41.4 million, respectively.

Our Strategy

We seek to take advantage of our position as a leading company in Argentina dedicated to owning, developing and managing real estate. Our business strategy seeks to (i) generate stable cash flows through the operation of our real estate rental assets (shopping centers, office buildings, hotels), (ii) achieve long-term appreciation of our asset portfolio by selectively acquiring strategically located properties by taking advantage of development opportunities, and (iii) enhance the margins of our sales and developments segment through timely transformation of our land reserves into developed residential and commercial properties.

Shopping centers. In recent years, the Argentine shopping center industry has benefited from improved macroeconomic conditions and a significant expansion in consumer credit. We believe that the Argentine shopping center sector offers attractive prospects for long-term growth due to, among other factors, (i) a continuing evolution of consumer preferences in favor of shopping malls (away from small neighborhood shops) and (ii) a level of shopping center penetration that we consider low compared to many developed countries. We seek to improve our leading position in the shopping center industry in Argentina by taking advantage of economies of scale to improve the operating margins of our diversified portfolio of existing shopping centers and by developing new properties at strategic locations in Buenos Aires and other important urban areas, including in Argentine provinces and elsewhere in Latin America. The shopping center business is at present the strongest source of cash and EBITDA generation of our business segments.

Credit Cards. We believe that our credit card operations complement our shopping center business and offer attractive prospects for long-term growth due to improved macroeconomic conditions and an expansion in consumer credit. We seek to grow our credit card business and intend to maintain low levels of credit exposure through continuing securitization of our credit card loans. From time to time we consider strategic alternatives with respect to our investment in Tarshop which, due to its recent growth in size and profitability, competes increasingly with domestic and international banks and credit card companies that are substantially larger than Tarshop. As a result, we are considering alternatives to maximize the value of our investment in Tarshop including its possible merger with, or sale to, another financial institution actively engaged in the Argentine credit card sector. Although we are actively considering a range of such strategic alternatives, we cannot give you any assurance if or when any of them will be in fact be implemented.

Residential property. During the economic crisis in Argentina in 2001 and 2002 and its aftermath, a scarcity of mortgage financing restrained growth in middle class home purchases. As a result, we decided to focus on projects for affluent individuals who do not need to finance their home purchases. We believe that there are attractive opportunities in the residential segment, as construction costs have remained low and property values have recovered significantly. We seek to take advantage of this opportunity, as well as improvements in highway and other transport infrastructure in and around Buenos Aires, by focusing on the development of residential properties for medium- and high-income individuals. In urban areas, we seek to purchase undeveloped properties in densely-populated areas and build apartment complexes offering greenspace for recreational activities. We recently entered into a partnership with Cyrela Empreendimentos e Participacoes, a leading Brazilian developer of residential real estate, to develop residential real estate projects in Argentina and to increase our presence in such business. In suburban areas, we seek to develop residential communities by acquiring undeveloped properties with convenient access to Buenos Aires, developing roads and other basic infrastructure such as power and water, and then selling lots for the construction of residential units.

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Office buildings. During the Argentine economic crisis in 2001 and 2002, little new investment was made in high-quality office buildings in Buenos Aires and, as a result, we believe there is currently substantial demand for desirable office space in Buenos Aires. We seek to purchase, develop and operate premium office buildings in strategically-located business districts in the City of Buenos Aires and other locations that we believe offer potential for rental income and long-term capital gain. We expect to continue our focus on attracting premium corporate tenants to our office buildings and will consider opportunities to acquire existing properties or construct new buildings depending on the location and circumstances.

Hotels. We believe our portfolio of three luxury hotels is positioned to take advantage of future growth in tourism and business travel in Argentina. We seek to continue our strategy of investing in high-quality properties which are operated by leading international hotel companies to capitalize on their operating experience and international reputation. We currently intend to renovate and expand Hotel Llao Llao and to remodel the Hotel Sheraton Libertador.

Banco Hipotecario. We believe that our investment in Banco Hipotecario has attractive prospects for long-term appreciation. After the 2002 economic crisis in Argentina mortgage loan originations have increased, and we believe they are likely to continue to increase as salaries, consumer purchasing power and investments in residential construction grow. We believe that, unlike certain other countries in Latin America, Argentina has a low level of mortgages outstanding, particularly if measured in terms of GDP and believe that Banco Hipotecario is currently valued at a level that is attractive compared to most other Argentine listed banks. Finally, we believe that the mortgage origination business and our real estate development business (which we expect to be bolstered through our recent partnership with Cyrela mentioned above) may potentially experience synergies that enhance operational efficiencies and cross selling opportunities that may promote the development of our undeveloped land reserves.

Land reserves. We continuously seek to acquire undeveloped land at locations we consider attractive inside and outside Buenos Aires. In all cases, our intention is to purchase land with significant development or appreciation potential for subsequent sale. We believe that holding a portfolio of desirable undeveloped plots of land enhances our ability to make strategic long-term investments and affords us a valuable pipeline of new development projects for upcoming years.

International. In the past, we have made significant real estate investments outside of Argentina, including investments in Brazil Realty in Brazil and Fondo de Valores Inmobiliarios in Venezuela which we disposed of in 2002 and 2001, respectively. Although we cannot assure you that we will make further investments outside of Argentina, we believe that Brazil and certain other Latin American countries offer certain interesting real estate opportunities. We expect to continue to evaluate actively such regional opportunities as they arise.

Organizational Structure

Set forth below is a diagram of our business segments and principal investments by business segment.

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- (1) 20% owned by Hoteles Sheraton de Argentina.
- (2) 24% owned by Intercontinental Hotels Corporation.
- (3) 50% owned by the Sutton Group.
- (4) Includes Costeros Dique IV, Reconquista 823/41, Edificio Costeros, Suipacha 652/64, Madero 1020, Madero 492, Av. de Mayo 595, Av. Libertador 602, Rivadavia 27658, Dique 5 Puerto Madero and Sarmiento 517.
- (5) Includes Barrio Chico, Edificios Cruceros, Concepción Arenal, Dorrego 1916 and Arcos 2343.
- (6) Includes Patio Bullrich, Alto Rosario and Nuevo NOA Shopping.
- (7) Includes Canteras Natal Crespo.

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Recent Developments

Agreement with Cyrela Brazil Realty S.A. Empreendimentos y Participações. On August 14, 2007, we signed an agreement with Cyrela Brazil Realty S.A. Empreendimentos y Participações (Cyrela) pursuant to which we and Cyrela propose to develop residential projects in Argentina targeted to diverse market segments. We and Cyrela formed a new company to carry out the proposed development projects and have each agreed to make an initial investment of US\$30 million in such company. Cyrela is a public company in Brazil and is one of the largest developers of residential real estate in the cities of Sao Paulo and Rio de Janeiro. We and our principal shareholder Cresud have a long-standing commercial relationship with Cyrela as evidenced by our substantial investment in Brazil Realty S.A. from 1994 to 2002 and Cresud's recent investment in BrasilAgro, a company focused on agricultural opportunities in Brazil that was founded by Cresud and another company owned by Mr. Elie Horn, Cyrela's controlling shareholder and current chief executive officer and other investors.

Acquisition of BankBoston Tower. On August 27, 2007, we signed a deed that entitles us to 50% ownership of an office building known as the BankBoston Tower, located at 265 Carlos Maria Della Paolera in the City of Buenos Aires. This modern property was designed by the recognized Architect Cesar Pelli and has a gross leasable area of 31,670 square meters. The transaction was consummated for an aggregate purchase price of US\$108,000,000.

Neuquén Project. On September 20, 2007, the City Hall of Neuquén approved the feasibility of our new urban project and environmental impact survey for the construction of housing enterprises in the City of Neuquén.

Our headquarters are located at Bolívar 108, 1 Piso, (C1066AAD) Buenos Aires, Argentina. Our telephone number is +54 (11) 4323-7555.

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THE OFFERING

This summary highlights certain information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before deciding to purchase our securities. We urge you to read the entire prospectus carefully, including the Risk Factors and Forward-Looking Statements sections, along with our consolidated financial statements and the related notes.

Offering of Common Share Rights and GDS Rights

The Offering	<p>Each common share held of record as of 6:00 p.m. (Buenos Aires, Argentina time) on _____, 2007 (as reflected on our share register with <i>Caja de Valores S.A.</i>, or <i>Caja de Valores</i>) entitles its holder to one common share right and to receive, free of charge, for each new common share that it purchases pursuant to this offering, one warrant to purchase 0.3334 additional common shares.</p> <p>Each GDS held of record as of 5:00 p.m. (New York City time) on _____, 2007 (as reflected in the depository's books and records) entitles its holder to one GDS right and to receive, free of charge, for each new GDS that it purchases pursuant to this offering, 10 warrants, each of which will entitle such holder to 0.3334 additional common shares.</p>
Purchases by holders of rights	<p>From _____, 2007 through _____, 2007, which is three business days preceding the beginning of the subscription period referred to below, we will publish a notice in the <i>Official Gazette</i> of Argentina, a newspaper of general circulation in Argentina (<i>La Nación</i>, <i>Ámbito Financiero</i>, or both) and PR Newswire, announcing the statutory preemptive right of each existing holder of common shares or GDSs to subscribe one new common share for every _____ common shares held of record, or one new GDSs for every _____ GDSs held of record, as the case may be.</p>
Subscription period for the common share rights and GDS rights	<p>Ten calendar days, from _____, 2007 through 4:30 p.m. (Buenos Aires, Argentina time) in the case of the common share rights and through 5:00 p.m. (New York City time) in the case of the GDS rights on _____, 2007.</p> <p>To exercise common share rights, you must deliver to our common shares rights agent, a properly completed subscription form accompanied by a certificate of ownership issued by the <i>Caja de Valores</i> or evidence of assignment of the common share rights in your favor by 4:30 p.m. (Buenos Aires, Argentina time) on _____, 2007, or your common share rights will lapse and will have no further value. Deposit in the mail will not constitute delivery to us.</p>

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To exercise GDS rights, you must deliver to the GDS rights agent a properly completed GDS rights certificate by 5:00 p.m. New York City time on _____, 2007, or your GDS rights will lapse and you will have no rights other than the right to receive the net proceeds, if any (after deducting all applicable taxes and any fees and expenses of the depository and GDS rights agent), from the sale of such unexercised GDS rights. Deposit in the mail will not constitute delivery to the GDS rights agent.

The exercise of common share rights and GDS rights is irrevocable and may not be canceled or modified.

Accretion rights

Concurrently with the exercise of their preemptive rights, holders of common shares may exercise their statutory accretion rights with respect to common shares not subscribed for by other holders of common shares in the exercise of their respective preemptive rights, by indicating the maximum amount of accretion rights which they intend to exercise, which shall not exceed the common shares subscribed by such holder in the exercise of its preemptive rights. Common shares relating to such accretion rights will be allocated to each exercising holder of common shares in proportion to the number of common shares purchased pursuant to its exercise of preemptive rights.

Concurrently with the exercise of their preemptive rights, GDS holders that subscribe for new GDSs pursuant to preemptive rights may indicate on their subscription forms a number of additional GDSs for which they would be willing to subscribe pursuant to accretion rights. If accretion rights are allocated to the depository, the GDS rights agent will allocate additional GDSs to GDS holders that requested them. If the amount of additional GDSs available pursuant to accretion rights are insufficient to satisfy all requests, the GDS rights agent will allocate the available additional GDSs ratably among requesting GDS holders in proportion to the number of additional GDSs they requested.

On _____, 2007, which is one business day after the end of the subscription period, we will notify

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holders of our common shares and GDS holders who have indicated that they wish to exercise their accretion rights of the aggregate number of unsubscribed common shares and GDSs, as applicable, by publication of a notice in the bulletin of the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*), a newspaper of general circulation in Argentina (*La Nación*, *Ámbito Financiero* or both) and PR Newswire. Based on this notice, we will allocate unsubscribed common shares to holders of common shares and GDSs to GDS holders, as applicable, in accordance with their accretion rights.

Results of the offering

On _____, 2007, which is the third Argentine business day after the end of the subscription period, we will notify holders of our common shares and GDS holders by publication of a notice in the bulletin of the Buenos Aires Stock Exchange (*Bolsa de Comercio de Buenos Aires*), a newspaper of general circulation in Argentina (*La Nación*, *Ámbito Financiero* or both) and PR Newswire of the final results of the offering for common share rights and GDS rights.

Reference price

On _____, 2007, which is the fifth Argentine business day before the preemptive rights subscription period begins, we will publish in the *Official Gazette* of Argentina, a newspaper of general circulation in Argentina (*La Nación*, *Ámbito Financiero* or both), and PR Newswire an initial reference price for the new common shares and new GDSs to be determined by our board of directors within the range determined by our shareholders at the shareholders' meeting held on _____, 2007.

Subscriptions for new common shares and new GDSs pursuant to the exercise of preemptive and accretion rights during the period in which the reference price is calculated and established will be binding even though the definitive subscription price will not have been established at the time of such exercise and the definitive subscription price subsequently determined may differ from, and therefore may be higher than, the reference price.

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Subscription price	<p>The subscription price for the preemptive and accretion rights will be established by our board of directors on _____, 2007 which is at least six Argentine business days prior to closing of the preemptive rights subscription period, published to the <i>Comisión Nacional de Valores</i>, published in the bulletin of the Buenos Aires Stock Exchange (<i>Bolsa de Comercio de Buenos Aires</i>) and PR Newswire on the following day prior to the opening of the stock market in Argentina.</p> <p>The subscription price for each new common share will be payable to the common share rights agent in Argentine pesos in an amount equal to the Argentine peso equivalent (determined on the basis of the seller's reference exchange rate (<i>tipo de cambio vendedor</i>) published by <i>Banco de la Nación Argentina</i> on _____, 2007) of the U.S. dollar-denominated subscription price for each new GDS, divided by 10.</p> <p>The subscription price for each new GDS will be denominated in U.S. dollars holders of GDS rights subscribing for new GDSs must pay to the GDS rights agent the subscription price payable in U.S. dollars <i>plus</i> an amount sufficient to cover the fee of the depository of US\$0.05 per new GDS.</p>
Payment for exercise of preemptive rights	<p>The new common shares and new GDSs subscribed pursuant to the preemptive rights must be paid in cash or by wire transfer to the common share rights agent or the GDS rights agent, as the case may be, no later than _____ p.m. on _____, 2007 which is the first business day in both Buenos Aires and New York City after the end of the subscription period.</p>
Payment for exercise of accretion rights	<p>The new common shares and new GDSs subscribed pursuant to the accretion rights must be paid in cash or by wire transfer to the common share rights agent or the GDS rights agent, as the case may be, no later than _____ p.m. on _____, 2007 which is the second business day in both Buenos Aires and New York City after the end of the subscription period.</p>
Fractional common shares and GDSs	<p>We will accept subscriptions for whole new common shares and new GDSs only and will round down any subscription submitted for fractional new common shares and fractional new GDSs to the nearest whole number of new common shares and new GDS, as applicable.</p>
Sale of unsubscribed GDSs and common shares	<p>After expiration of the subscription periods, we may sell any unsubscribed common shares and GDSs to third parties at such times and on such terms as our board of directors may determine.</p>

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Issuance and delivery of new common shares and new GDSs	<p>The new common shares and warrants and new GDSs and warrants acquired pursuant to the preemptive rights will be issued and made available on the next Argentine and U.S. business day following the expiration of the subscription period.</p> <p>The new common shares and new GDSs acquired pursuant to the accretion rights will be issued and made available on the second Argentine business day following the expiration of the subscription period.</p> <p>We will register new common shares issued upon exercise of common share rights and related warrants in our share register as soon as practicable after our receipt of payment with respect to such exercise. Certificates representing the new common shares will be issued upon request.</p> <p>GDRs evidencing new GDSs, and the related warrants, will be made available to subscribing GDS holders promptly upon receipt by the depository (or its agents) of the new common shares subscribed for.</p>
Transferability	<p>Any holder of common share rights may transfer its common share rights. Common share rights will be eligible to trade on the Buenos Aires Stock Exchange (<i>Bolsa de Comercio de Buenos Aires</i>) from _____, 2007 to _____, 2007 but will not be eligible to trade on any securities exchange in the United States.</p> <p>Any holder of GDS rights may transfer its GDS rights, but GDS rights will not be listed on any securities exchange.</p> <p>The Bank of New York will act as the GDS rights agent and may, to the extent consistent with applicable law, assign or otherwise transfer (with or without consideration) unexercised GDS rights to us or to third parties.</p>
No exchanges of common share rights or GDS rights	<p>You may not surrender common share rights or GDS rights for the purpose of withdrawing rights to subscribe common shares or GDS, as applicable.</p>
Listing of common shares	<p>The common shares are listed on the Buenos Aires Stock Exchange (<i>Bolsa de Comercio de Buenos Aires</i>) under the symbol IRSA.</p>
Listing of GDSs	<p>The GDSs are listed on the NYSE under the symbol IRS.</p>
GDS rights agent	<p>The Bank of New York</p>

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