

IRSA INVESTMENTS & REPRESENTATIONS INC
Form 6-K
December 22, 2014

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15b-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of December, 2014

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)

Republic of Argentina
(Jurisdiction of incorporation or organization)

Bolívar 108
(C1066AAB)
Buenos Aires, Argentina
(Address of principal executive offices)

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

IRSA INVERSIONES Y REPRESENTACIONES SOCIEDAD ANÓNIMA
(THE "COMPANY")

REPORT ON FORM 6-K

Attached is the English translation of the Financial Results for the three month period ended September 30, 2014 and September 30, 2013, filed by the Company with the Bolsa de Comercio de Buenos Aires and the Comisión Nacional de Valores:

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Financial Statements
as of September 30, 2014 and for the three-month periods
ended September 30, 2014 and 2013

IRSA Inversiones y Representaciones Sociedad Anónima

Legal information

Denomination: IRSA Inversiones y Representaciones Sociedad Anónima.

Fiscal year N°.: 72, beginning on July 1, 2014.

Legal address: 108 Bolívar St., 1st floor, Autonomous City of Buenos Aires, Argentina.

Company activity: Real estate investment and development.

Date of registration of the by-laws in the Public Registry of Commerce: June 23, 1943.

Date of registration of last amendment of the by-laws in the Public Registry of Commerce: March 15, 2013.

Expiration of the Company's by-laws: April 5, 2043.

Registration number with the Superintendence: 213,036.

Capital: 578,676,460 shares.

Common Stock subscribed, issued and paid up (in thousands of Ps.): 578,676.

Parent Company: Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria (Cresud S.A.C.I.F. y A.).

Legal Address: 877 Moreno St., 23rd. floor, Autonomous City of Buenos Aires, Argentina.

Main activity: Real estate, agricultural, commercial and financial activities.

Interest of the Parent Company on the capital stock: 375,359,190 common shares.

Percentage of votes of the Parent Company on the shareholders' equity: 64.87%.

CAPITAL STATUS

Type of stock	Authorized for Public Offer of Shares (*)	Subscribed, Issued and Paid up (in thousands of Pesos)
Common stock with a face value of Ps. 1 per share and entitled to 1 vote each	578,676,460	578,676

(*) Company not included in the Optional Statutory System of Public Offer of Compulsory Acquisition.

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Financial Position

as of September 30, 2014 and June 30, 2014

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for the publication in Argentina

	Note	09.30.2014	06.30.2014
ASSETS			
Non- Current Assets			
Investment properties	10	3,507,220	3,269,595
Property, plant and equipment	11	225,992	220,013
Trading properties	12	125,526	130,657
Intangible assets	13	124,181	124,085
Investments in associates and joint ventures	8,9	2,353,669	2,260,805
Deferred income tax assets	25	416,179	368,641
Income tax and minimum presumed income tax ("MPIT") credit		110,917	110,185
Trade and other receivables	17	98,613	92,388
Investments in financial assets	18	375,634	274,716
Derivative financial instruments	19	11,714	-
Total Non-Current Assets		7,349,645	6,851,085
Current Assets			
Trading properties	12	4,204	4,596
Inventories	14	18,133	16,963
Restricted assets	16	8,742	-
Income tax and minimum presumed income tax ("MPIT") credit		15,872	15,866
Assets held for sale	40	-	1,357,866
Trade and other receivables	17	815,230	706,846
Investments in financial assets	18	141,681	234,107
Derivative financial instruments	19	4,104	12,870
Cash and cash equivalents	20	1,245,496	609,907
Total Current Assets		2,253,462	2,959,021
TOTAL ASSETS		9,603,107	9,810,106
SHAREHOLDERS' EQUITY			
Capital and reserves attributable to equity holders of the parent			
Share capital		573,771	573,771
Treasury stock		4,905	4,905
Inflation adjustment of share capital and treasury stock		123,329	123,329
Share premium		793,123	793,123
Cost of treasury stock		(37,906)	(37,906)
Changes in non-controlling interest		(16,904)	(21,808)
Reserve for share-based compensation	33	63,299	53,235
Legal reserve		116,840	116,840
Special reserve		375,487	375,487
Reserve for new developments		413,206	413,206
Cumulative translation adjustment		435,587	398,931
Retained earnings		(781,611)	(784,869)
Total capital and reserves attributable to equity holders of the parent		2,063,126	2,008,244
Non-controlling interest		679,791	548,352

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TOTAL SHAREHOLDERS' EQUITY		2,742,917	2,556,596
LIABILITIES			
Non-Current Liabilities			
Trade and other payables	21	218,384	202,652
Borrowings	24	3,588,103	3,756,003
Derivative financial instruments	19	344,551	320,847
Income tax and minimum presumed income tax ("MPIT") liabilities		59,109	-
Deferred income tax liabilities	25	341,864	345,607
Salaries and social security liabilities	22	3,330	3,749
Provisions	23	244,117	205,228
Total Non-Current Liabilities		4,799,458	4,834,086
Current Liabilities			
Trade and other payables	21	644,717	678,725
Income tax and minimum presumed income tax ("MPIT") liabilities		175,556	64,677
Liabilities held for sale	40	-	806,612
Salaries and social security liabilities	22	64,955	99,276
Derivative financial instruments	19	301	14,225
Borrowings	24	1,155,728	737,477
Provisions	23	19,475	18,432
Total Current Liabilities		2,060,732	2,419,424
TOTAL LIABILITIES		6,860,190	7,253,510
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		9,603,107	9,810,106

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Income

for the three-month periods ended September 30, 2014 and 2013

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for the publication in Argentina

	Note	09.30.2014	09.30.2013
Revenues	27	790,069	621,447
Costs	28	(353,494)	(293,700)
Gross Profit		436,575	327,747
Gain from disposal of investment properties	10	317,486	-
General and administrative expenses	29	(79,389)	(58,478)
Selling expenses	29	(37,422)	(30,686)
Other operating results, net	31	2,818	(9,532)
Profit from operations		640,068	229,051
Share of profit of associates and joint ventures	8,9	(111,650)	38,991
Profit before financial results and income tax		528,418	268,042
Finance income	32	23,825	46,534
Finance cost	32	(327,126)	(293,930)
Other financial results	32	87,013	27,570
Financial results, net	32	(216,288)	(219,826)
Profit before income tax		312,130	48,216
Income tax	25	(176,331)	(12,948)
Profit for the period		135,799	35,268
Attributable to:			
Equity holders of the parent		3,258	32,382
Non-controlling interest		132,541	2,886
Profit per share attributable to equity holders of the parent during the period:			
Basic		0.01	0.06
Diluted		0.01	0.06

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income

for the three-month periods ended September 30, 2014 y 2013

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for the publication in Argentina

	09.30.2014	09.30.2013
Profit for the period	135,799	35,268
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustment	45,063	23,293
Other comprehensive income for the period (i)	45,063	23,293
Total comprehensive income for the period	180,862	58,561
Attributable to:		
Equity holders of the parent	39,914	47,293
Non-controlling interest	140,948	11,268

(i) Components of other comprehensive income have no impact on income tax.

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the three-month periods ended September 30, 2014 and 2013

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for the publication in Argentina

	Attributable to equity holders of the parent									
	Share capital	Treasury stock	Inflation adjustment of share capital and treasury stock (2)	Share premium	Cost of treasury stock	Changes in non-controlling interest	Reserve for share-based compensation	Legal reserve	Special reserve (1)	Reserve for new developments
Balance at July 1st, 2014	573,771	4,905	123,329	793,123	(37,906)	(21,808)	53,235	116,840	375,487	413,206
Profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Reserve for share-based compensation (Note 33)	-	-	-	-	-	-	10,064	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interest	-	-	-	-	-	4,904	-	-	-	-
Capital contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2014	573,771	4,905	123,329	793,123	(37,906)	(16,904)	63,299	116,840	375,487	413,206

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

(1) Related to CNV General Resolution No. 609/12. See Note 26.

(2) Includes Ps. 1,045 of Inflation adjustment treasury stock. See Note 26.

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the three-month periods ended September 30, 2014 and 2013

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for the publication in Argentina

	Attributable to equity holders of the parent										
	Share capital	Treasury stock	Inflation adjustment of share capital and treasury stock (2)	Share premium	Cost of treasury stock	Changes in non-controlling interest	Reserve for share-based compensation	Legal reserve	Special reserve (1)	Reserve for new development	Cumulative adjustments
Balance at July 1st, 2013	578,676	-	123,329	793,123	-	(20,782)	8,258	85,140	395,249	492,441	50,
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	14,
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	14,
Reserve for share-based compensation (Note 33)	-	-	-	-	-	-	5,730	-	-	-	-
Purchase of Treasury stock	(170)	170	-	-	(1,182)	-	-	-	-	-	-
Distribution of share capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Capital contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2013	578,506	170	123,329	793,123	(1,182)	(20,782)	13,988	85,140	395,249	492,441	65,

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

- (1) Related to CNV General Resolution No. 609/12. See Note 26.
(2) Includes Ps. 36 of Inflation adjustment treasury stock. See Note 26.

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Cash Flows

for the three-month periods ended September 30, 2014 and 2013

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for the publication in Argentina

	Note	09.30.2014	09.30.2013
Operating activities:			
Cash generated by operations	20	306,855	258,673
Income tax paid		(54,761)	(55,232)
Net cash generated by operating activities		252,094	203,441
Investing activities:			
Capital contributions in associates and joint ventures	8,9	(3,280)	(1,221)
Purchases of associates and joint ventures	3,8,9	(268,975)	(13,057)
Purchases of investment properties	10	(228,662)	(70,820)
Proceeds from sale of investment properties		1,507,060	118,936
Purchases of property, plant and equipment	11	(11,685)	(4,152)
Purchases of intangible assets	13	(383)	(139)
Purchase of investments in financial assets		(309,178)	(775,782)
Loans granted to associates and joint ventures		49	-
Proceeds from sale of investments in financial assets		361,080	245,124
Interest received from financial assets		3,175	-
Advanced payments		-	(13,120)
Acquisition of derivative financial instruments		-	(2,000)
Proceeds from sale of associates and joint ventures		19,139	7,736
Dividends received		290	14,698
Net cash generated by / (used in) investing activities		1,068,630	(493,797)
Financing activities:			
Proceeds from borrowings		327,819	118,401
Repayments of borrowings		(81,629)	(141,218)
Payment of financial leasing		(592)	(390)
Payment of non-convertible notes		-	(97,887)
Dividends paid		(48,055)	(6,060)
Capital contribution of non-controlling interest		275	347
Interest paid		(192,204)	(117,848)
Distribution of capital		(3,786)	-
Payments of liabilities held for sale		(603,021)	-
Proceeds from derivative financial instruments		131	-
Acquisition of derivative financial instruments		(16,344)	-
Capital reduction of subsidiaries		-	(712)
Loans from associates and joint ventures, net		13,009	2,000
Repurchase of treasury stock		-	(1,182)
Acquisition of non-controlling interest in subsidiaries		(1,094)	-
Payment of seller financing of shares		(105,861)	(1,640)
Net cash used in financing activities		(711,352)	(246,189)
Net Increase / (decrease) in cash and cash equivalents		609,372	(536,545)
Cash and cash equivalents at beginning of year	20	609,907	796,902
Foreign exchange gain on cash and cash equivalents		26,217	20,831

Cash and cash equivalents at end of period	1,245,496	281,188
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The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for the publication in Argentina

1. The Group's business and general information

IRSA Inversiones y Representaciones Sociedad Anónima ("IRSA", "the Company", "Us" or "the Society") was founded in 1943 and is engaged in a diversified range of real estate activities in Argentina since 1991.

IRSA and its subsidiaries are collectively referred to hereinafter as "the Group".

As of September 30, 2014, the Group operates in six business segments. See Note 6 to the Consolidated Financial Statements as of June 30, 2014 for a description of such segments.

The group's real estate business operations are conducted primarily through IRSA and IRSA's principal subsidiary, Alto Palermo S.A. ("APSA"). Through APSA and IRSA, the Group owns, manages and develops shopping centers across Argentina, a portfolio of office and other rental properties in the Autonomous City of Buenos Aires, and it entered the US real estate market in 2009, mainly through the acquisition of non-controlling interests in office buildings and hotels. Through IRSA or APSA, the Group also develops residential properties for sale. The Group, through IRSA, is also involved in the operation of branded hotels. The Group uses the term "real estate" indistinctively in these consolidated financial statements to denote investment, development and/or trading properties activities.

During fiscal year 2014, the Group made an investment in the Israeli market, through Dolphin, in IDB Development Corporation (IDBD) (an Israeli Company), of an initial interest of 26.65%. As of September 30, 2014, the equity interest in IDBD amounts to a non-diluted 28.99% and a fully-diluted 31.37%. IDBD is one of the Israeli biggest and most diversified investment groups, which is involved, through its subsidiaries, in several markets and industry, including real estate, retail, agribusiness insurance, telecommunications, etc.; controlling companies as: Clal Insurance (Insurance Company), Cellcom (Mobile phone services), Adama (Agrochemicals), Super-Sol (supermarket), PBC (Real Estate), among others. IDBD went public in Tel Aviv Exchange in May, 2014.

The activities of the Group's segment "Financial operations and others" is carried out mainly through Banco Hipotecario S.A. ("BHSA"), where we have a 29.77% interest (without considering treasury shares of our own). BHSA is a commercial bank offering a wide variety of banking activities and related financial services to individuals, small and medium-sized companies and large corporations, including the provision of mortgaged loans. BHSA's shares are listed on the Buenos Aires Stock Exchange ("BASE"). Besides that, the Group has a 42.95% interest in Tarshop S.A ("Tarshop"), which main activities are credit card and loan origination transactions.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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1. The Group's business and general information (Continued)

IRSA's shares are listed and traded on both the BASE and the New York Stock Exchange ("NYSE"). APISA's shares are listed and traded on both the BASE and the NASDAQ.

Cresud S.A.C.I.F y A. is our ultimate parent company and is a corporation incorporated and domiciled in Argentina. The address of its registered office is 877 Moreno St. Floor 23, Autonomous City of Buenos Aires, Argentina.

These Unaudited Condensed Interim Consolidated Financial Statements have been approved for issue by the Board of Directors on November 11, 2014.

2. Basis of preparation of the Unaudited Condensed Interim Consolidated Financial Statements

2.1. Basis of preparation

These Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". Furthermore, some additional issues were included as required by the Business Companies Act and/or regulations of the CNV, including supplementary information provided in the last paragraph of section 1, Chapter III, Title IV of General Ruling 622/13 of the CNV. Such information is included in the Notes to the Unaudited Condensed Consolidated Interim Financial Statements.

These Unaudited Condensed Interim Consolidated Financial Statements should be read together with the Annual Consolidated Financial Statements of the Group as of June 30, 2014 prepared in accordance with IFRS in force. These Unaudited Condensed Interim Consolidated Financial Statements are presented in thousands of Argentine Pesos.

These Unaudited Condensed Interim Consolidated Financial Statements corresponding to the three-month periods ended September 30, 2014 and 2013 have not been audited. The management believes they include all necessary adjustments to fairly present the results of each period. The Company's three-month periods ended September 30, 2014 and 2013 results do not necessarily reflect the proportion of the Group's full-year results.

2.2. Significant accounting policies

The principal accounting policies applied in the presentation of these Unaudited Condensed Interim Consolidated Financial Statements are consistent with those applied in the preparation of the information under IFRS as of June 30, 2014, which are described in Note 2 of the Annual Consolidated Financial Statements.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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2. Basis of preparation of the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

2.3. Use of estimates

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

In the preparation of these Unaudited Condensed Interim Consolidated Financial Statements, the significant judgments made by Management in applying the Group's accounting policies and the main sources of uncertainty were the same applied by the Group in the preparation of the Annual Consolidated Financial Statements for the year ended June 30, 2014, save for changes in accrued income tax, provision for legal claims, allowance for bad debts and accrued supplementary rental.

2.4. Comparative Information

Balance items as of September 30, 2013 and June 30, 2014 shown in these financial statements for comparative purposes arise from Consolidated Financial Statements then ended. Certain reclassifications have been made in order to present figures comparatively with those of this period.

During the last twelve months, the Argentine Peso devalued against the US\$ and other currencies by around 50%, which has an impact in comparative information presented in these Financial Statements, due mainly to the currency exposure of our income from offices rental, and our net assets and liabilities in foreign currency as detailed in Note 38.

3. Seasonal effects on operations

The operations of the Group's shopping centers are subject to seasonal effects, which affect the level of sales recorded by lessees. During summer time (January and February), the lessees of shopping centers experience the lowest sales levels in comparison with the winter holidays (July) and year-end holidays (December) when they tend to record peaks of sales. Apparel stores generally change their collections during the spring and the fall, which impacts positively on shopping mall sales. Sale discounts at the end of each season also affect the business. As a consequence, a higher level of revenues is generally expected in the second half of the year rather than the first in shopping center operations.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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4. Acquisitions and dispositions

For the three-month period ended as of September 30, 2014

Sale of investment properties

On July 7, 2014, IRSA signed the transfer deed for the sale of the 19th and 20th floors of the building Maipú 1300. The total price of the transaction was Ps. 24.7 million (US\$ 3.0 million). Such transaction generated a gain before tax of approximately Ps. 21.0 million.

On September 29, 2014, the Group through its subsidiary Rigby 183 LLC (“Rigby 183”), finalized the sale of the Madison 183 Building, located in the city of New York, United States, in the sum of US\$ 185 million, thus paying off the mortgage levied on the asset in the amount of US\$ 75 million.

Decreased shareholding in Avenida Inc.

Even though on July 18, 2014, the Group – through Torodur S.A. - had increased its share in Avenida Inc. by exercising the warrant held, the Group’s indirect holding was reduced to 23.01% as a result of the acquisition of 35.12% interest in the Company by a new investor in the amount of Ps. 120.9 million (US\$ 15 million).

Moreover, on September 2, 2014, Torodur S.A. sold 1,430,000 shares representing 5% of the Company’s capital stock in the amount of Ps. 19.1 million (US\$ 2.3 million), thus reducing the Group’s indirect share to 17.68%.

Purchases of investment properties

On July 31, 2014, IRSA acquired from Cresud SACIFyA five plots of farmland of approximately 1,058 hectares located in the district of Luján and General Rodriguez, Province of Buenos Aires. The total price of the transaction was Ps. 210 million.

Investment in IDBD

On July 1°, 2014 Dolphin Netherlands B.V. exercised the rights to purchase additional shares of IDBD.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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4. Acquisition and disposals (Continued)

As a result of exercising the granted rights as mentioned above, DN B.V. received 17.32 million shares and 11.99 million warrants of Series 1, 2 and 3. ETH received the same amount of rights and, as a result, acquired the same amount of shares and warrants as DN B.V. Additionally, upon exercising the rights purchased, DN B.V. acquired 5.79 million shares and 4.01 million warrants of Series 1, 2, and 3. ETH also acquired the same amount of shares and warrants as DN B.V.

Between July 9 and 14, 2014, DN B.V. acquired 0.42 million shares and 0.34 million warrants (series 2) through open market operations in the amount of NIS 1.77 million (equal to approximately US\$ 0.52 million). Fifty percent of such shares and warrants Series 2 were sold to ETH in accordance with the terms and conditions of the agreement entered into between the parties, as indicated above.

As of September 30, 2014, DN B.V. held an aggregate amount of 76,620,163 shares, 15,998,787 warrants Series 1, 16,170,392 warrants Series 2 and 15,998,787 warrants Series 3 of IDBD, which make up a non-diluted equity interest of 28.99% in IDBD and a fully-diluted interest of 31.37%. IDBD's Board of Directors consists of nine members, three of whom have been designated by DN B.V.: Eduardo Elsztain, Alejandro Elsztain and Saúl Zang.

Disposal of financial assets

During August 2014, IRSA has sold through its subsidiary REIG IV the balance of 1 million shares of Hersha Hospitality Trust, at an average price of US\$ 6.74 per share.

Acquisition of equity interest in joint venture

APSA

During the period, the Group, through IRSA, acquired an additional equity interest of 0.02% in APSA for a total consideration of Ps. 1.1 million. As a result of this transaction, the non-controlling interest was reduced by Ps. 0.2 million and the interest attributable to the shareholders' of the controlling parents was reduced by Ps. 0.9 million. The effect on shareholders' equity of this change in the equity interest in APSA is summarized as follows:

	Ps.
Carrying value of the equity interests acquired by the Group	157
Price paid for the non-controlling interest	(1,094)
Reserve recognized in the Shareholders' equity	(937)

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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4. Acquisition and disposals (Continued)

Dolphin

During the period, the Group's interest in Dolphin decreased from 86.16 % to 85.92 %. Consequently, the Company recognized a decrease in non-controlling interest for an amount of Ps. 5.9 million and an increase in equity attributable to holders of the parent.

5. Financial risk management and fair value estimates

5.1 Financial risk

The group's diverse activities are exposed to a variety of financial risk: market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk.

The Unaudited Condensed Interim Consolidated Financial Statements do not include all the information and disclosures on financial risk management; therefore they should be read along with the annual consolidated financial statements for the year ended June 30, 2014. There have been no changes in the risk management or risk management policies applied by the Group since year end.

5.2 Fair value estimates

Since June 30, 2014 there have been no significant changes in business or economic circumstances affecting the fair value of the Company's financial assets or liabilities (either measured at fair value or amortized cost). Furthermore, there have been no transfers between the different hierarchies used to assess the fair value of the Company's financial instruments.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

6. Segment information

Below is a summarized analysis of the lines of business of the Group for the period ended September 30, 2014:

	September 30, 2014						Total Urban Properties and Investment
	Shopping Center	Offices and others	Sales and developments	Hotels	International	Financial operations and others	
Revenues	568,916	100,842	4,804	96,827	28,131	55	799,575
Costs	(250,226)	(29,986)	(3,335)	(66,291)	(9,379)	(74)	(359,291)
Gross Profit / (Loss)	318,690	70,856	1,469	30,536	18,752	(19)	440,284
Gain from disposal of investment properties	-	-	20,977	-	296,509	-	317,486
General and administrative expenses	(25,938)	(11,289)	(10,070)	(17,289)	(15,701)	-	(80,287)
Selling expenses	(18,939)	(3,981)	(1,922)	(13,092)	-	(118)	(38,052)
Other operating results, net	(2,874)	(1,397)	(756)	(335)	(249)	8,559	2,948
Profit / (Loss) from operations	270,939	54,189	9,698	(180)	299,311	8,422	642,379
Share of profit / (l o s s) o f associates and joint ventures	-	4,619	1,296	345	(183,674)	59,706	(117,708)
Segment Profit	270,939	58,808	10,994	165	115,637	68,128	524,671
Investment properties	2,249,256	798,099	584,374	-	-	-	3,631,729
Property, plant and equipment	26,836	30,041	3,840	163,987	1,453	-	226,157
Trading properties	-	-	135,619	-	-	-	135,619
Goodwill	1,667	9,392	-	-	-	-	11,059
Right to receive future units under barter agreements	9,264	-	75,813	-	-	-	85,077
Inventories	12,100	-	618	5,711	-	-	18,429

Investments in associates and joint ventures	-	27,868	39,585	22,474	763,443	1,314,317	2,167,687
Operating assets	2,299,123	865,400	839,849	192,172	764,896	1,314,317	6,275,757

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

6. Segment information (Continued)

Below is a summarized analysis of the lines of business of the Group for the period ended September 30, 2013:

September 30, 2013

	Shopping Center	Offices and others	Sales and developments	Hotels	International	Financial operations and others	Total Urban Properties and Investment
Revenues	456,357	74,637	16,060	72,927	19,361	184	639,526
Costs	(204,650)	(28,304)	(11,800)	(49,548)	(11,745)	(96)	(306,143)
Gross Profit	251,707	46,333	4,260	23,379	7,616	88	333,383
General and administrative expenses	(25,210)	(8,161)	(7,325)	(14,071)	(4,323)	(55)	(59,145)
Selling expenses	(14,044)	(6,968)	(2,532)	(8,706)	-	397	(31,853)
Other operating results, net	(5,882)	(664)	(1,147)	(106)	(135)	(2,072)	(10,006)
Profit / (Loss) from operations	206,571	30,540	(6,744)	496	3,158	(1,642)	232,379
Share of profit / (l o s s) o f associates and joint ventures	-	1,173	632	129	(23,437)	55,392	33,889
Segment Profit / (Loss)	206,571	31,713	(6,112)	625	(20,279)	53,750	266,268
Investment properties	2,176,068	862,004	368,237	-	794,211	-	4,200,520
Property, plant and equipment	18,723	22,127	4,010	165,660	204	-	210,724
Trading properties	-	-	117,154	-	-	-	117,154
Goodwill	1,667	9,392	-	-	54,908	-	65,967
Right to receive future units under barter agreements	9,264	-	83,961	-	-	-	93,225
Inventories	8,101	-	508	6,752	-	-	15,361
Investments in associates and joint ventures	-	25,268	33,391	21,468	974	1,140,493	1,221,594
Operating assets	2,213,823	918,791	607,261	193,880	850,297	1,140,493	5,924,545

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

6. Segment information (Continued)

Operating results of Joint ventures operations from Cyrsa S.A., Nuevo Puerto Santa Fe S.A. ("NPSF"), Puerto Retiro S.A., Baicom Networks S.A. and Quality Invest S.A. are presented under the method of proportionate consolidation. Under this method, the income/loss generated by joint businesses is reported in the income statements line-by-line, rather than in a single item as required by IFRS. Management believes that the proportional consolidation method provides more useful information to understand the business return, because the assets and income/loss generated by consolidated operations are similar to the assets and income/loss booked under the equity method. This is due to the fact that under the proportional consolidation method, revenues and expenses are reported separately, instead of offsetting and reporting them as a single item in the statement of income. Therefore, the proportional consolidation method is used by the Group's Executive Committee to assess and understand the return and the results of operations of the business as a whole. On the other hand, operating results of Entertainment Holding S.A. ("EHSA") joint venture is accounted for under the equity method. Management believes that, in this case, this method provides more adequate information for this type of investment, given its low materiality and considering it is a company without direct trade operations, where the main assets consists of an indirect interest of 25% of la Rural S.A..

The following tables present a reconciliation between the total results of segment operations and the results of operations as per the statements of income. The adjustments relate to the presentation of the results of operations of joint ventures accounted for under the equity method under IFRS and the non-elimination of the inter-segment transactions.

		September 30, 2014		
	Total	Adjustment	Adjustment	Total as per
	Segment	for share of	to income for	Statement
	Information	profit /	elimination	of income
		(loss) of	of	
		joint	inter-segment	
		ventures	transactions	
Revenues	799,575	(7,699)	(1,807)	790,069
Costs	(359,291)	4,428	1,369	(353,494)
Gross profit	440,284	(3,271)	(438)	436,575
Gain from disposal of investment properties	317,486	-	-	317,486
General and administrative expenses	(80,287)	228	670	(79,389)
Selling expenses	(38,052)	522	108	(37,422)
Other operating results, net	2,948	210	(340)	2,818
Profit from operations	642,379	(2,311)	-	640,068
Share of profit / (loss) of associates	(117,708)	6,058	-	(111,650)
Segment profit Before Financing and Taxation	524,671	3,747	-	528,418

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

6. Segment information (Continued)

	Total Segment Information	September 30, 2013		Total as per Statement of income
		Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	
Revenues	639,526	(16,928)	(1,151)	621,447
Costs	(306,143)	11,540	903	(293,700)
Gross profit	333,383	(5,388)	(248)	327,747
General and administrative expenses	(59,145)	220	447	(58,478)
Selling expenses	(31,853)	1,135	32	(30,686)
Other operating results, net	(10,006)	705	(231)	(9,532)
Profit from operations	232,379	(3,328)	-	229,051
Share of profit / (loss) of associates	33,889	5,102	-	38,991
Segment profit Before Financing and Taxation	266,268	1,774	-	268,042

Total segment assets are allocated based on the operations of the segment and the physical location of the asset. In line with the discussion above, segment assets include the proportionate share of the assets of joint ventures. The statements of financial position under IFRS show the net investment in these joint ventures as a single item.

	September 30, 2014	September 30, 2013
Total reportable assets as per Segment Information	6,275,757	5,924,545
Investment properties	(124,509)	(138,517)
Property, plant and equipment	(165)	(110)
Trading properties	(5,889)	(11,484)
Goodwill	(5,235)	(5,235)
Right to receive future units under barter agreements	-	-
Inventories	(296)	(123)
Investment in associates and joint ventures	185,982	270,087
Total assets as per the Statements of Financial Position	6,325,645	6,039,163

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

7. Information about main subsidiaries

The Group conducts its business through several operating and holding subsidiaries. The Group considers that the subsidiaries below are the ones with non-controlling interests material to the Group.

Summarized statements of financial position

	Panamerican Mall S.A. ("PAMSA")		Rigby		Dolphin Fund Ltd.	
	September 30, 2014	June 30, 2014	September 30, 2014	June 30, 2014	September 30, 2014	June 30, 2014
ASSETS						
Total Non-current assets	470,746	474,207	-	-	766,665	595,991
Total Current assets	405,625	361,857	900,463	1,288,300	47,813	448,539
TOTAL ASSETS	876,371	836,064	900,463	1,288,300	814,478	1,044,530
LIABILITIES						
Total Non-current liabilities	34,038	17,895	-	-	344,551	320,847
Total Current liabilities	70,844	76,329	7,418	817,275	78,718	187,825
TOTAL LIABILITIES	104,882	94,224	7,418	817,275	423,269	508,672
NET ASSETS	771,489	741,840	893,045	471,025	391,209	535,858

Summarized statements of income and statements of comprehensive income

	PAMSA		Rigby		Dolphin Fund Ltd.
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	September 30, 2014 (*)
Revenues	74,316	56,637	28,131	19,361	-
Profit / (loss) before income tax	45,615	44,642	398,471	(419)	161,643
Income tax expense	(15,965)	(15,626)	-	-	-
Profit / (loss) for the period	29,650	29,016	398,471	(419)	161,643
Total comprehensive income / (loss) for the period	29,650	29,016	398,471	(419)	161,643

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Profit / (Loss) attributable to non-controlling interest	5,930	5,803	101,611	(107)	32,135
Dividends paid to non-controlling interest	-	4,170	-	739	-

18

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

7. Information about principal subsidiaries (Continued)

Summarized statement of cash flows

	PAMSA		Rigby	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net cash generated by operating activities	64,059	35,339	5,917	232
Net cash (used in) / generated from investing activities	(30,624)	(41,715)	1,483,065	(52)
Net cash (used in) / generated from financing activities	4,823	2,803	(620,586)	(89)
Net increase in cash and cash equivalents	38,258	(3,573)	868,396	91
Foreign exchange gain on cash and cash equivalents	2,674	167	14,110	(27)
Cash and cash equivalents at beginning of period	44,387	11,416	7,520	392
Cash and cash equivalents at end of period	85,319	8,010	890,026	456

The information above is the amount before inter-company eliminations.

(*) As of September 30, 2013 Dolphin Fund Ltd did not accomplish with materiality criteria.

8. Interests in joint ventures

As of September 30, 2014 and June 30, 2014, the joint ventures of the Group were Cyrsa S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A., NPSF, Entretenimiento Universal S.A. and EHSA. The shares in these joint ventures are not publicly traded.

Evolution of Group's investments in joint ventures for the three-month period ended September 30, 2014 and for the year ended June 30, 2014 was as follows:

	September 30, 2014	June 30, 2014
Beginning of the period /year	316,658	287,846
Capital contribution	1,809	3,343
Cash dividends (ii)	(4,475)	-
Share of profit	10,677	25,469
Capital reduction	(110,860)	-
End of the period / year (i)	213,809	316,658

(i) Includes Ps. (41) and Ps. (59) reflecting interests in companies with negative equity as of September 30, 2014 and June 30, 2014, respectively, which are disclosed in "Provisions" (see Note 23).

(ii) During the period, the Group cashed dividends from Cyrsa and Nuevo Puerto Santa Fe S.A. in the amount of Ps. 1.9 and Ps. 2.6 million, respectively.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

9. Interests in associates

As of September 30, 2014 and June 30, 2014, the associates of the Group were New Lipstick LLC, BHSA, IDBD, Tarshop S.A., Manibil S.A., Lipstick Management LLC, Banco de Crédito y Securitización S.A. (“BACS”), Bitania 26 S.A. and Avenida Inc.

Changes in the Group’s investments in associates for the three-month period ended September 30, 2014 and for the year ended June 30, 2014 were as follows:

	September 30, 2014	June 30, 2014
Beginning of the period / year	1,767,165	1,096,999
Acquisition of associates	-	1,131,806
Capital contributions	1,471	16,716
Share of (loss) / profit	(463)	77,721
Currency translation adjustment	17,994	(29,133)
Cash dividends (ii)	-	(9,983)
Sale of equity interest (see Note 3)	(10,381)	-
Increase in equity interest (see Note 3)	268,975	-
Net loss on investments at fair value	(121,864)	(516,961)
End of the period / year (i)	1,922,897	1,767,165

(i) Includes Ps. (216,922) and Ps. (176,923) reflecting interests in companies with negative equity as of September 30, 2014 and June 30, 2014, respectively, which are disclosed in “Provisions” (see Note 23).

(ii) During the year ended June 30, 2014, the Group cashed dividends from BHSA and Manibil S.A. in the amount of Ps. 9.2 million and Ps. 0.8 million, respectively.

Restrictions, commitments and other matters in respect of associates

IDBD

As part of the purchase agreement, DN B.V. and ETH have agreed to participate jointly and severally in capital increases resolved by the Board of Directors of IDBD to carry out its business plan during 2014 and 2015, in amounts of at least NIS 300 million in 2014 and NIS 500 million in 2015 (approximately equal to US\$ 81.45 million and US\$ 135.8 million at the exchange rate prevailing on September 30, 2014). As of the balance sheet date, DN B.V. and ETH have contributed an amount of NIS 407.08 million (approximately equal to US\$ 114.17 million) of the assumed commitments.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

9. Interests in associates (Continued)

Furthermore, under the purchase agreement, DN B.V. and ETH have agreed jointly and severally to make one or more tender offers for the purchase of shares in IDBD for an aggregate amount of NIS 512.09 million (equal to approximately US\$ 139.0 million at the exchange rate prevailing on September 30, 2014), based on the following scheme: (i) before December 31, 2015, an amount of at least NIS 249.8 million at a share price of NIS 8.344 (subject to adjustments) and (ii) before December 31, 2016 an amount of at least NIS 512.09 million less the tender offer conducted in 2015, at a share price of NIS 8.7612 (subject to adjustments). To secure compliance with the tender offers, an aggregate amount of 29,937,591 shares of IDBD held by DN B.V. were pledged as of September 30, 2014. As of the balance sheet date, no tender offers had been made.

On the other hand, the purchase agreement provides that DN B.V. and ETH shall jointly and severally pay to creditors who participated in the restructuring arrangement indicated above the additional sum of NIS 100 million (equal approximately to US\$ 27.1 million at the exchange rate prevailing on September 30, 2014), in the event that IDBD executes the sale of its equity interest in the subsidiary Clal Insurance Enterprises Holdings Ltd. before December 31, 2014 and provided that: (i) the sale price shall not be lower than NIS 4,200 million (equal to approximately US\$ 1,140.4 million at the exchange rate prevailing on September 30, 2014) and (ii) the transaction is closed before June 30, 2015, provided that IDBD has received by the latter date a payment of at least NIS 1,344 million (gross) (equal to approximately US\$ 364.9 million at the exchange rate prevailing on September 30, 2014). As of the date of issuance of these financial statements, none of the mentioned conditions have been fulfilled.

On May 12, 2014, the shares of IDBD started to trade in the Tel Aviv Stock Exchange, Israel; as a result, all of the shares (including pledged shares) were held in trust at Bank Leumi Le-Israel to secure compliance with lock-up provisions of Chapter D of the Tel Aviv Stock Exchange Rules, whereby shares listed under an IPO (initial public offering) may not be freely disposed of for a term of 18 months, which are then released at a rate of 2.5% per month beginning on the fourth month of the IPO date.

Hence, in accordance with Tel Aviv Rules applicable as of September 30, 2014, 51,095,676 shares and 335,715 warrants of each of the Series 1, 2 and 3 were still subject to lock-up provisions under the terms described above.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

9. Interests in associates (Continued)

BHSA

On October 31, 2014 the Bank was notified of Ruling 685 dated October 29, 2014 issued by the Superintendency of Financial Entities and Exchange Offices in proceedings conducted pursuant to Financial Investigation Case Number 1320, whereby the Bank and its officers were charged with alleged infringements to rulings on assistance to Non-Financial Public Sector, excess credit risk exposure to non-financial public sector, excess collateralization, failure to comply with minimum capital requirements and objections to the accounting treatment afforded to the transaction “Cer Swap Linked to PG08 and External Debt”; and moreover, delays in communicating the appointment of new members of the board and to file documentation related to new members of the board designated by the Shareholders’ Meetings.

Such a ruling assessed a fine in the amount of Ps. 4.04 million to Banco Hipotecario S.A. and fines of diverse amounts to incumbent and former members of the Board, statutory auditors and managers.

The Bank, its incumbent and former directors, statutory auditors and managers intend to file an appeal against such decision with the National Court of Appeals in Administrative Litigation Matters.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

10. Investment properties

Changes in the Group's investment properties for the three-month period ended September 30, 2014 and for the year ended June 30, 2014 were as follows:

	Shopping Center portfolio	Office buildings and other rental properties portfolio	Undeveloped parcel of lands	Properties under development	Total
At July 1, 2013:					
Costs	3,099,729	1,756,964	367,591	185,185	5,409,469
Accumulated amortization	(1,239,831)	(186,372)	-	-	(1,426,203)
Residual value	1,859,898	1,570,592	367,591	185,185	3,983,266
Year ended June 30, 2014					
Opening residual value	1,859,898	1,570,592	367,591	185,185	3,983,266
Additions	61,108	23,988	454	156,927	242,477
Currency translation adjustment	-	375,263	-	-	375,263
Reclassification of held for sale	-	(1,098,990)	-	-	(1,098,990)
Disposals	(35)	(46,977)	-	(684)	(47,696)
Transfers	(25,332)	15,076	(174)	(803)	(11,233)
Financial costs capitalized	-	-	-	22,376	22,376
Depreciation (i)	(130,394)	(65,474)	-	-	(195,868)
Closing residual value	1,765,245	773,478	367,871	363,001	3,269,595
At June 30, 2014:					
Costs	3,135,470	1,022,389	367,871	363,001	4,888,731
Accumulated amortization	(1,370,225)	(248,911)	-	-	(1,619,136)
Residual value	1,765,245	773,478	367,871	363,001	3,269,595
Period ended September 30, 2014:					
Opening residual value	1,765,245	773,478	367,871	363,001	3,269,595
Additions	8,074	2,111	214,594	52,079	276,858
Disposals	-	(2,887)	-	-	(2,887)

Depreciation (i)	(27,948)	(8,398)	-	-	(36,346)
Closing residual value	1,745,371	764,304	582,465	415,080	3,507,220
At September 30, 2014:					
Costs	3,013,150	958,666	582,465	415,080	4,969,361
Accumulated amortization	(1,267,779)	(194,362)	-	-	(1,462,141)
Residual value	1,745,371	764,304	582,465	415,080	3,507,220

(i) Depreciation charges of investment property were included in “Costs” in the statement of income (Note 29).

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

10. Investment properties (Continued)

The following amounts have been recognized in the statement of income:

	September 30, 2014	September 30, 2013
Rental and service income	688,439	544,050
Direct operating expenses	(284,463)	(240,945)
Gain from disposal of investment property	317,486	-

Properties under development mainly comprise works in Shopping Neuquén S.A. (Alto Comahue) and Arcos del Gourmet S.A. (Distrito Arcos). As of September 30, 2014 and June 30, 2014 works in Alto Comahue amount to Ps. 177,903 and Ps. 126,799, respectively. Works in Distrito Arcos as of September 30, 2014 and June 30, 2014 amount to Ps. 237,177 and Ps. 236,202, respectively.

As of September 30, 2014 contractual obligations mainly correspond to constructions regarding to both projects. In Alto Comahue contractual obligations amount to Ps. 205 million and the project is expected to be completed in March, 2015. In respect of Distrito Arcos, on December 10, 2013, the Judicial Branch confirmed an injunction order that suspends the opening of the shopping center on the grounds that it does not have certain governmental permits. Even though the construction has all regulatory permits in place, the Company is carrying out specific actions, has challenged the ruling, and has requested that the injunction be lifted and has reasonable expectations of a favorable result. On April 1, 2014, the government of the Autonomous City of Buenos Aires granted a new environmental clearing certificate.

On the other hand, in one of the two judicial processes (amparos – actions intended to protect constitutional rights) currently being heard, “Charlon, Marcelo Alejandro and others VS. GCBA on/ amparo”, the Court of Appeals referred to above confirmed the decision rendered by the lower court whereby the action was abated, as per notice served upon us on September 1, 2014. This means the process has concluded with the decision being favorable to us.

As to the other process entitled “Federación de Comercio e Industria de la Ciudad de Buenos Aires (FECOBA) and others vs. GCBA on amparo”, on August 29, 2014 the lower court rendered a decision rejecting the case.

This judgment was appealed and following the corresponding service of notices between the parties, the record of proceedings was submitted to the Court of Appeals in September 2014. Following the corresponding notification of the Court’s Prosecutor, the record of proceedings was docketed for a decision on October 8, 2014. No decision has yet been rendered by the Court as of the balance sheet date.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

11. Property, plant and equipment

Changes in the Group's property, plant and equipment for the three-month period ended September 30, 2014 and for the year ended June 30, 2014 were as follows:

	Hotel buildings and facilities	Buildings and facilities	Furniture and fixtures	Machinery and equipment	Vehicles	Total
At July 1st, 2013:						
Cost	380,543	62,773	14,336	87,846	512	546,010
Accumulated depreciation	(212,343)	(37,252)	(10,296)	(72,934)	(512)	(333,337)
Residual value	168,200	25,521	4,040	14,912	-	212,673
Year ended June 30, 2014						
Opening residual value	168,200	25,521	4,040	14,912	-	212,673
Additions	9,980	1,596	2,818	9,481	-	23,875
Currency translation adjustment	-	-	92	-	-	92
Disposals	(24)	-	-	(36)	-	(60)
Transfers	-	12,231	-	-	-	12,231
Depreciation charge (i)	(13,770)	(7,044)	(906)	(7,078)	-	(28,798)
Closing residual value at June 30, 2014:	164,386	32,304	6,044	17,279	-	220,013
Period ended September 30, 2014						
Opening residual value	164,386	32,304	6,044	17,279	-	220,013
Additions	3,201	230	1,252	4,597	2,863	12,143
Currency translation adjustment	-	-	33	-	-	33
Depreciation charge (i)	(3,599)	(224)	(337)	(1,989)	(48)	(6,197)
Closing residual value	163,988	32,310	6,992	19,887	2,815	225,992
At September 30, 2014:						
Cost	379,930	69,786	17,625	94,810	3,375	565,526
Accumulated depreciation	(215,942)	(37,476)	(10,633)	(74,923)	(560)	(339,534)
Residual value	163,988	32,310	6,992	19,887	2,815	225,992

(i) Depreciation charges of property, plant and equipment were included in "General and administrative expenses" and "Costs" in the statement of income (Note 29).

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

12. Trading properties

Changes in the Group's trading properties for the three-month period ended September 30, 2014 and for the year ended June 30, 2014 were as follows:

	Completed properties	Properties under development	Undeveloped sites	Total
At July 1st, 2013	6,794	88,864	10,495	106,153
Additions	1,400	2,694	-	4,094
Currency translation adjustment	-	27,630	-	27,630
Transfers	7,897	-	(747)	7,150
Disposals	(9,774)	-	-	(9,774)
At June 30, 2014	6,317	119,188	9,748	135,253
Additions	-	56	-	56
Currency translation adjustment	-	(4,787)	-	(4,787)
Disposals	(792)	-	-	(792)
At September 30, 2014	5,525	114,457	9,748	129,730

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

13. Intangible assets

Changes in the Group's intangible assets for the three-month period ended September 30, 2014 and for the year ended June 30, 2014 were as follows:

	Goodwill	Computer software	Rights of use (ii)	Right to receive future units under barter agreements (iii)	Others	Total
At July 1, 2012						
Cost	56,893	17,752	20,873	93,225	907	189,650
Accumulated depreciation	-	(15,998)	-	-	(774)	(16,772)
Residual value	56,893	1,754	20,873	93,225	133	172,878
Year ended June 30, 2014						
Opening residual value	56,893	1,754	20,873	93,225	133	172,878
Additions	-	785	-	-	10,954	11,739
Currency translation adjustment	26,016	-	-	-	-	26,016
Disposals	-	(162)	-	-	-	(162)
Transfers	-	-	-	(8,148)	-	(8,148)
Reclassification of held for sale	(77,085)	-	-	-	-	(77,085)
Amortization charges (i)	-	(1,073)	-	-	(80)	(1,153)
Residual value at year end	5,824	1,304	20,873	85,077	11,007	124,085
At June 30, 2014						
Cost	5,824	18,324	20,873	85,077	11,861	141,959
Accumulated depreciation	-	(17,020)	-	-	(854)	(17,874)
Residual value	5,824	1,304	20,873	85,077	11,007	124,085
Period ended September 30, 2014:						
Opening residual value	5,824	1,304	20,873	85,077	11,007	124,085
Additions	-	383	-	-	-	383
Amortization charges (i)	-	(267)	-	-	(20)	(287)
Residual value at period end	5,824	1,420	20,873	85,077	10,987	124,181
Period ended September 30, 2014:						
Cost	5,824	18,707	20,873	85,077	11,861	142,342
Accumulated depreciation	-	(17,287)	-	-	(874)	(18,161)
Residual value	5,824	1,420	20,873	85,077	10,987	124,181

(i) Amortization charges of intangible assets are included in "General and administrative expenses" in the statement of income (Note 29). There are no impairment charges for any of the years / period presented.

(ii) Correspond to Distrito Arcos, which has not been amortized yet because it is still in the development stage.

(iii)

Correspond to receivables in kind representing the right to receive residential apartments in the future by way of barter agreements.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

14. Inventories

Breakdown of Group's inventories as of September 30, 2014 and June 30, 2014 were as follows:

	September 30, 2014	June 30, 2014
Current		
Hotel supplies	5,711	6,011
Materials and others items of inventories	12,422	10,952
Current inventories	18,133	16,963
Total inventories	18,133	16,963

15. Financial instruments by category

Determination of fair values

IFRS 9 defines the fair value of a financial instrument as the amount for which an asset could be exchanged, or a financial liability settled, between knowledgeable, willing parties in an arm's length transaction. All financial instruments recognized at fair value are allocated to one of the valuation hierarchy levels of IFRS 7. This valuation hierarchy provides for three levels.

In the case of Level 1, valuation is based on quoted prices in active markets for identical financial assets or liabilities that the Group can refer to at the date of ended. A market is deemed active if transactions take place with sufficient frequency and in sufficient quantity for price information to be available on an ongoing basis. Since a quoted price in an active market is the most reliable indicator of fair value, this should always be used if available. The financial instruments the Group has allocated to this level mainly comprise equity investments, mutual funds and mortgage bonds for which quoted prices in active markets are available. In the case of securities, the Group allocates them to this level when either a stock market price is available or prices are provided by a price quotation on the basis of actual market transactions.

In the case of Level 2, fair value is determined by using valuation methods based on inputs directly or indirectly observable in the market. If the financial instrument concerned has a fixed contract period, the inputs used for valuation must be observable for the whole of this period. The financial instruments the Group has allocated to this level mainly comprise interest rate swaps and foreign currency contracts.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

15. Financial instruments by category (Continued)

In the case of Level 3, the Group uses valuation techniques not based on inputs observable in the market. This is only permissible insofar as no market data are available. The inputs used reflect the Group's assumptions regarding the factors which market players would consider in their pricing. The Group uses the best available information for this, including internal company data. The Group has allocated to this level shares and warrants of Supertel and the call option of Arcos del Gourmet S.A. (with a fair value of zero at the end of the period).

The Group's Finance Division has a team in place in charge of estimating valuation of financial assets required to be reported in the financial statements, including the fair value of Level-3 instruments. The team directly reports to the Chief Financial Officer (CFO).

The CFO and the valuation team discuss the valuation methods and results upon the acquisition of an asset and, if necessary, on a quarterly basis, in line with the Group's quarterly reports.

According to the Group's policy, transfers among the several categories of valuation tiers are recognized when occurred, or when there are changes in the prevailing circumstances requiring the transfer.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

15. Financial instruments by category (Continued)

The following tables present the Group's financial assets and financial liabilities that are measured at fair value as of September 30, 2014 and June 30, 2014 and their allocation to the fair value hierarchy:

	September 30, 2014			Total
	Level 1	Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss:				
- Investment in equity securities of TGLT	57,526	-	-	57,526
- Investment in preferred shares of Supertel	-	-	318,108	318,108
- Mutual funds	103,984	-	-	103,984
- Banco Macro bonds	1,499	-	-	1,499
- Government bonds	8,554	-	-	8,554
- Public companies securities	13,566	-	-	13,566
Derivative financial instruments:				
- Warrants of IDBD	9,963	-	-	9,963
- Warrants of Supertel	-	-	5,855	5,855
Cash and cash equivalents:				
- Mutual funds	2,422	-	-	2,422
Investment in associates:				
- IDBD	756,395	-	-	756,395
Total assets	953,909	-	323,963	1,277,872

	September 30, 2014			Total
	Level 1	Level 2	Level 3	
Liabilities				
Derivative financial instruments:				
- Commitment to tender offer shares in IDBD	-	-	344,551	344,551
- Interest rate swap	-	301	-	301
Borrowings:				
- Other borrowings	10,256	46,578	-	56,834
Total liabilities	10,256	46,879	344,551	401,686

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

15. Financial instruments by category (Continued)

	June 30, 2014			Total
	Level 1	Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss:				
- Investment in equity securities of TGLT	63,546	-	-	63,546
- Investment in equity securities of Hersha	53,901	-	-	53,901
- Investment in preferred shares of Supertel	-	-	211,170	211,170
- Mutual funds	140,095	-	-	140,095
- Banco Macro bonds	1,438	-	-	1,438
- Government bonds	10,276	-	-	10,276
- Public companies securities	14,318	-	-	14,318
Derivative financial instruments:				
- Foreign-currency future contracts	-	1,200	-	1,200
- IDBD preemptive rights	10,986	-	-	10,986
- Interest rate swaps (i)	-	684	-	684
Cash and cash equivalents:				
- Mutual funds	2,616	-	-	2,616
Investment in associates:				
- IDBD	595,342	-	-	595,342
Total assets	892,518	1,884	211,170	1,105,572
(i)	Includes Ps. 299 in the line Assets held for sale (See note 39).			

	June 30, 2014			Total
	Level 1	Level 2	Level 3	
Liabilities				
Derivative financial instruments:				
- Foreign-currency future contracts	-	14,225	-	14,225
- Commitment to tender offer shares in IDBD	-	-	320,847	320,847
Borrowings				
- Other borrowings	22,901	51,443	-	74,344
Total liabilities	22,901	65,668	320,847	409,416

The following table presents the changes in Level 3 instruments for the period ended September 30, 2014 and June 30, 2014:

	Shares of Supertel	Warrants of Supertel	Commitment to tender offer shares in IDBD	Total
Total as of July 1, 2013	156,070	-	-	156,070

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Currency translation adjustment	-	-	(5,247)	(5,247)
Total gains or losses for the year 2014	55,101	-	(315,600)	(260,499)
Balance at June 30, 2014	211,171	-	(320,847)	(109,676)
Currency translation adjustment	-	-	(11,904)	(11,904)
Total gain / (losses) for the period (i)	106,938	5,855	(11,800)	100,993
Balance at September 30, 2014	318,109	5,855	(344,551)	(20,587)

(i) The gain / (loss) is not realized as of September 30, 2014 and June 30, 2014 and is accounted for under “Financial results, net” in the statement of income (Note 32).

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

15. Financial instruments by category (Continued)

Upon initial recognition (January, 2012), the consideration paid for the Shares and Warrants of Supertel was assigned to both instruments based on the relative fair values of those instruments upon acquisition. The fair values of these instruments exceeded the price of the transaction and were assessed using a valuation method that incorporates unobservable market data. Given the fact that the fair value of these instruments was estimated by applying the mentioned method, the Group did not recognize a gain of US\$ 7.9 million at the time of initial recognition. As of June 30, 2014, the fair value of the Warrants of Supertel determined using the mentioned technique was minor than the gain not recognized at the time of initial recognition; remaining thus the Warrants remain valued at an amount of zero.

According to Group estimates, all things being constant, a 10% decline in the price of the underlying assets of Shares and Warrants of Supertel (data observed in the market) of Level 3 as of September 30, 2014, would reduce pre-tax income by Ps. 35 million.

According to Group estimates, all things being constant, a 10% increase in the credit spread (data which is not observable in the market) of the Shares and Warrants of Supertel used in the valuation model applied to Level 3 financial instruments as of September 30, 2014, would reduce pre-tax income by Ps. 0.06 million. The rate used as of September 30, 2014 was 14.02%.

When no quoted prices in an active market are available, fair values (particularly with derivatives) are based on recognized valuation methods. The Group uses a range of valuation models for the measurement of Level 2 and Level 3 instruments, details of which may be obtained from the following table:

Description	Pricing model	Pricing method	Parameters	Range
Foreign currency-contracts	Present value method	Theoretical price	Money market interest-rate curve; Foreign exchange curve.	-
Derivative on tender offer IDBD	Black-Scholes	Theoretical price	Underlying asset price; share price volatility (historical) and money market interest-rate curve (ILS rate curve).	Underlying asset price 3.5 to 4.7 Share price volatility 30% to 40% Money market interest rate 0.7% to 1%
Loan for the purchase of IDBD shares	Market price of underlying asset	Theoretical price	Underlying asset price	-
Interest rate swaps	Cash flow	Theoretical price	Interest rate and cash flow forward contract.	-
Preferred shares of Supertel	Binomial tree	Theoretical price	Underlying asset price (Market price); share	Underlying asset price 2 to 2.45

			price volatility (historical) and money market interest-rate curve (Libor rate).	Share price volatility 55% to 75% Money market interest rate 0.9% to 1.1%
Warrants of Supertel	Black-Scholes	Theoretical price	Underlying asset price (Market price); share price volatility (historical) and money market interest-rate curve (Libor rate).	Underlying asset price 2 to 2.45 Share price volatility 55% to 75% Money market interest rate 0.9% to 1.1%
Call option of Arcos	Discounted cash flow	-	Projected income and discounted interest rate.	-

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

16. Restricted assets

Group's restricted assets as of September 30, 2014 and June 30, 2014 are as follows:

	September 30, 2014	June 30, 2014 (*)
Current		
Deposit in escrow	8,742	-
Total restricted assets current	8,742	-
Total restricted assets	8,742	-

(*) See Note 39.

17. Trade and other receivables

Group's trade and other receivables as of September 30, 2014 and June 30, 2014 are as follows:

	September 30, 2014	June 30, 2014
Non-current		
Trade, leases and services receivables	59,624	55,105
Less: allowance for trade receivables	(2,208)	(2,208)
Non-current trade receivables	57,416	52,897
Trade receivables of joint venture	3,332	3,213
VAT receivables	20,169	19,710
Loans granted	390	762
Prepaid expenses	15,826	14,332
Others	293	331
Non-current other receivables	40,010	38,348
Related parties (Note 34)	1,187	1,143
Total non-current trade and other receivables, net	98,613	92,388

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

17. Trade and other receivables (Continued)

	September 30, 2014	June 30, 2014
Current		
Consumer financing receivables	14,787	14,861
Trade, leases and services receivables	280,293	256,110
Receivables from hotel operations	30,039	33,861
Checks to be deposited	185,319	183,422
Trade and lease debtors under legal proceedings	61,088	59,397
Less: allowance for trade receivables	(81,998)	(79,926)
Trade receivables	489,528	467,725
VAT receivables	8,561	8,788
Other tax receivables	10,646	16,085
Loans granted	9,768	9,084
Prepaid expenses	50,694	54,626
Advance from vendors	71,640	74,521
Contributions to be paid in by non-controlling interests	-	12,840
Dividends received	15,619	11,778
Others	22,547	19,749
Less: allowance for other receivables	(175)	(175)
Current other receivables	189,300	207,296
Related parties (Note 34)	136,402	31,825
Current trade and other receivables	815,230	706,846
Total trade and other receivables	913,843	799,234

Movements on the Group's allowance for trade and other receivables are as follows:

	September 30, 2014	June 30, 2014
Beginning of the period / year	82,309	79,148
Additions	3,736	17,671
Unused amounts reversed	(1,542)	(6,045)
Used during the period / year	(80)	(8,465)
Receivables written off	(42)	-
End of the period / year	84,381	82,309

The creation and release of provision for impaired receivables have been included in "Selling expenses" in the statement of income (Note 29). Amounts charged to the provision account are generally written off, when there is no expectation of recovering additional cash.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

18. Investments in financial assets

Group's investments in financial assets as of September 30, 2014 and June 30, 2014 are as follows:

	September 30, 2014	June 30, 2014
Non-current		
Financial assets at fair value		
Investment in equity securities in Supertel	318,108	211,170
Investment in equity securities in TGLT	57,526	63,546
Total investments in non-current financial assets	375,634	274,716
Current		
Financial assets at fair value		
Mutual funds	103,984	140,095
Investment in equity securities in Hersha	-	53,901
Banco Macro bonds	1,499	1,438
Public companies securities	13,566	14,318
Government bonds	8,554	10,276
Financial assets at amortized cost		
Non-Convertible Notes related parties (Note 34)	14,078	14,079
Total investments in current financial assets	141,681	234,107
Total investments in financial assets	517,315	508,823

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

19. Derivative Financial Instruments

Group's derivative financial instruments as of September 30, 2014 and June 30, 2014 are as follows:

	September 30, 2014	June 30, 2014
Assets		
Non-current		
Warrants of IDBD	5,859	-
Warrants of Supertel (i)	5,855	-
Total non-current derivative financial instruments	11,714	-
Current		
Interest rate swaps	-	684
Foreign currency future contracts	-	1,200
Warrants of IDBD	4,104	-
IDBD preemptive rights	-	10,986
Total current derivative financial instruments	4,104	12,870
Total assets	15,818	12,870
Liabilities		
Non-current		
Commitment to tender offer shares in IDBD	(344,551)	(320,847)
Total non-current derivative financial instruments	(344,551)	(320,847)
Current		
Interest rate swaps	(301)	-
Foreign currency future contracts (Note 34)	-	(14,225)
Total current derivative financial instruments	(301)	(14,225)
Total liabilities	(344,852)	(335,072)

(i) The balance represents the fair value of Supertel's warrants purchased in February 2012. The warrants' gain not recognized upon initial recording amounted to US\$ 1.1 million as of June 30, 2014. Warrants' fair value was lower than the mentioned amount, therefore, warrants were valued at zero.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

20. Cash flow information

The following table shows the amounts of cash and cash equivalents as of September 30, 2014 and June 30, 2014:

	September 30, 2014	June 30, 2014
Cash at bank and on hand	1,243,074	607,291
Mutual funds	2,422	2,616
Total cash and cash equivalents	1,245,496	609,907

Following is a detailed description of cash flows generated by the Group's operations for the three-month periods ended September 30, 2014 and 2013:

	Note	September 30, 2014	September 30, 2013
Income for the period		135,799	35,268
Adjustments for:			
Income tax expense	25	176,331	12,948
Retirement of obsolete property, plant and equipment	11	-	77
Amortization and Depreciation	29	42,830	55,124
Gain from disposal of investment property	10	(317,486)	-
Dividends received	32	(4,195)	(3,061)
Share-based payments	33	10,064	5,932
Gain from purchase of subsidiaries and joint ventures	31	-	12
Gain from derivative financial instruments	32	32,107	5,226
(Loss) from disposal of associates		(8,758)	-
Changes in fair value of investments in financial assets	32	(119,120)	(47,067)
Interest expense, net	32	168,927	88,496
Provisions and allowances		22,227	21,501
Share of profit / (loss) of associates and joint ventures	8,9	111,650	(38,991)
Gain on repurchase of Non-Convertible notes	32	-	14,271
Unrealized foreign exchange loss, net		81,791	140,130
Changes in operating assets and liabilities:			
Increase in inventories		(1,170)	1,083
Decrease in trading properties		736	453
Decrease in trade and other receivables		165	84,671
Increase / (Decrease) in trade and other payables		10,402	(111,990)
Decrease in salaries and social security liabilities		(34,740)	(4,910)
Decrease in provisions		(705)	(500)
Net cash generated by operating activities before income tax paid		306,855	258,673

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

20. Cash flow information (Continued)

The following table shows a detail of non-cash transactions occurred in the periods ended September 30, 2014 and 2013:

	September 30, 2014	September, 30 2013
Increase in minimum presumed income tax credit through an increase in trade and other payables	-	7,871
Decrease in borrowings through a decrease in equity investments in subsidiaries, associates and joint ventures	4,154	-
Increase in trade and other receivables through a decrease in investments in associates and joint ventures	111,181	-
Increase in property, plant and equipment through an increase in borrowings	458	-
Increase in restricted assets through assets held for sale	8,742	-
Increase in investment properties through a decrease in financial assets	48,196	-

21. Trade and other payables

Group's trade and other payables as of September 30, 2014 and June 30, 2014 are as follows:

	September 30, 2014	June 30, 2014
Non-current		
Admission rights	124,503	113,617
Sale and rent payments received in advance	54,883	51,638
Guarantee deposits	6,904	6,759
Non-current trade payables	186,290	172,014
Tax payment facilities plan	13,789	14,813
Deferred income tax	7,790	7,914
Others	7,695	7,716
Non-current other payables	29,274	30,443
Related parties (Note 34)	2,820	195
Non-current trade and other payables	218,384	202,652
Current		
Trade payables	91,949	64,217
Accrued invoices	94,119	107,982
Guarantee deposits	15,107	9,985

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Admission rights	117,968	111,024
Sale and rent payments received in advance	166,125	180,985
Current trade payables	485,268	474,193
VAT payables	29,858	28,509
Deferred revenue	495	495
Other tax payables	40,534	27,478
Dividends payable to non-controlling shareholders	12,347	23,940
Others	6,520	7,449
Current other payables	89,754	87,871
Related parties (Note 34)	69,695	116,661
Current trade and other payables	644,717	678,725
Total trade and other payables	863,101	881,377

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

22. Salaries and social security liabilities

Group's Salaries and social security liabilities as of September 30, 2014 and June 30, 2014 are as follows:

	September 30, 2014	June 30, 2014
Non-current		
Social security payable	3,330	3,749
Total non-current salaries and social security liabilities	3,330	3,749
Current		
Provision for vacation, bonuses and others	50,164	80,577
Social security payable	13,827	18,098
Others	964	601
Total current salaries and social security liabilities	64,955	99,276
Total salaries and social security liabilities	68,285	103,025

23. Provisions

The table below shows the movements in the Group's provisions for other liabilities categorized by type of provision:

	Labor, legal and other claims	Tax and social security claims	Investments in associates and joint ventures (*)	Total
At July 1st, 2013	31,010	1,686	39,091	71,787
Additions	23,641	478	115,359	139,478
Recovery	(7,529)	(574)	-	(8,103)
Used during the period	(2,034)	-	-	(2,034)
Contributions	-	-	(16,667)	(16,667)
Foreign exchange gain	-	-	39,199	39,199
At June 30, 2014	45,088	1,590	176,982	223,660
Additions	6,565	159	34,461	41,185
Recovery	(5,895)	(173)	-	(6,068)
Used during the period	(705)	-	-	(705)
Contributions	-	-	(1,467)	(1,467)
Foreign exchange gain	-	-	6,987	6,987
At September 30, 2014	45,053	1,576	216,963	263,592

(*) Corresponds to equity interests in affiliates with negative equity, principally New Lipstick LLC.

39

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

23. Provisions (Continued)

Disclosure of total provisions in current and non-current is as follows:

	September 30, 2014	June 30, 2014
Non-current	244,117	205,228
Current	19,475	18,432
	263,592	223,660

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

24.

Borrowings

The breakdown of the Group borrowings as of September 30, 2014 and June 30, 2014 was as follows:

	Secured / unsecured	Currency	Rate	Effective interest rate %	Nominal Value of share capital	Book value	
						September 30, 2014	June 30, 2014
Non-current							
				Badlar +			
NCN IRSA due 2015	Unsecured	Ps.	Floating	395ps	209,297	-	209,297
NCN IRSA due 2017	Unsecured	US\$	Fixed	8.5%	150,000	1,254,831	1,210,359
				Badlar +			
NCN IRSA due 2017	Unsecured	Ps.	Floating	450ps	10,790	10,723	10,734
NCN APSA due 2017	Unsecured	US\$	Fixed	7.875%	110,000	899,086	866,549
NCN IRSA due 2020	Unsecured	US\$	Fixed	11.5%	150,000	1,152,765	1,111,449
Seller financing of plot of land (v)	Secured	US\$	Fixed	3.5%	2,618	19,657	19,072
Seller financing of Soleil Factory (i)	Secured	US\$	Fixed	5%	12,610	-	80,126
Seller financing of Zetol S.A. (ii)	Secured	US\$	Fixed	3.5%	4,500	44,925	22,058
Bank loans	Unsecured	Ps.	Fixed	15.25%	8,932	5,828	6,938
Syndicated loan (iii)	Unsecured	Ps.	Fixed	(iv)	177,339	49,731	74,964
Banco Provincia de Buenos Aires loan (iv)	Unsecured	Ps.	Fixed	(v)	19,333	3,215	6,421
Related parties (Note 34)	Secured	Ps.	Fixed	15.25%	5,000	3,073	3,750
Related parties (Note 34)	Unsecured	Ps.	Floating	Badlar	109,701	143,399	133,314
Finance leases obligations	Secured	US\$	Fixed	7.5%	306	870	972
Total Non-current borrowings						3,588,103	3,756,003

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

24. Borrowings (Continued)

	Secured / unsecured	Currency	Rate	Effective interest rate %	Nominal Value of share capital	Book value September 30, 2014	June 2015
Current							
NCN IRSA due 2015	Unsecured	Ps.	Floating	Badlar + 395 ps	209,398	213,016	4,...
NCN IRSA due 2017	Unsecured	US\$	Fixed	8.5%	150,000	16,327	41,...
NCN IRSA due 2017	Unsecured	Ps.	Floating	Badlar + 450 ps	10,790	234	
NCN APSA due 2017	Unsecured	US\$	Fixed	7.875%	110,000	27,283	8,...
NCN IRSA due 2020	Unsecured	US\$	Fixed	11.5%	150,000	25,590	57,...
Short-term loans	Unsecured	Ps.	Fixed	28.25%	117,432	114,625	2,...
Bank overdrafts	Unsecured	Ps.	Floating	-	-	576,630	401,...
Syndicated loan (iii)	Unsecured	Ps.	Fixed	(iv)	177,339	101,431	101,...
Banco Provincia de Buenos Aires loan (iv)	Unsecured	Ps.	Fixed	(v)	19,333	12,894	12,...
Seller financing of plot of land (v)	Secured	US\$	Fixed	3.5%	2,618	2,407	2,...
Seller financing of Soleil Factory (i)	Secured	US\$	Fixed	5%	12,610	-	5,...
Seller financing of Zetol S.A. (ii)	Secured	US\$	Fixed	3.5%	4,500	-	21,...
Other borrowings	Unsecured	-	-	-	-	56,834	74,...
Related parties (Note 34)	Unsecured	Ps.	Floating	Badlar + 300bps	4,635	4,794	
Related parties (Note 34)	Unsecured	Ps.	Fixed	15.25%	5,000	1,833	1,...
Finance leases obligations	Secured	US\$	Fixed	7.5%	325	1,830	1,...
Total Current borrowings						1,155,728	737,...
Total borrowings						4,743,831	4,493,...

NCN: Non-convertible Notes

- (i) Seller financing of Soleil Factory (investment properties): Mortgage financing of US\$ 20.7 million with a fixed 5% interest rate due in June 2017. As of the date of these financial statements, the mentioned capital is fully canceled.
- (ii) Seller financing of Zetol S.A. (trading properties): Mortgage financing of US\$ 7 million with a fixed 3.5% interest rate. The balance is payable, by choice of the seller, in money or with the delivery of units in buildings to be built representative of 12% of the total marketable square meters built.
- (iii) On November 16, 2012, the Company subscribed a syndicated loan for Ps. 118,000. Principal will be payable in 9 quarterly consecutive installments and shall accrue interest at rate of 15.01%. On June 12, 2013 the Company subscribes a new syndicated loan for Ps. 111,000. Principal will be payable in 9 quarterly consecutive installments and shall accrue interest at rate of 15.25%. Both loans have been entered into with various banking institutions, one of which is Banco Hipotecario (Note 34).
- (iv) On December 12, 2012, the Group subscribed a loan with Banco Provincia de Buenos Aires for Ps. 29 million. Principal will be repaid in 9 quarterly consecutive installments beginning in December 2013. Additionally, on February 3, 2014 a new loan has been subscribed for Ps. 20 million. As of the date of these financial statements, the mentioned capital is fully canceled.
- (v) Seller financing of plot of land - Vista al Muelle S.A. in Canelones, Uruguay (Trading properties).

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

25. Taxes

The details of the provision for the Group's income tax, is as follows:

	September 30, 2014	September 30, 2013
Current income tax	261,384	(73,016)
Minimum Presumed Income tax (MPIT)	807	-
Deferred income tax	(85,860)	60,068
Income tax	176,331	(12,948)

The gross movement on the deferred income tax account is as follows:

	September 30, 2014	June 30, 2014
Beginning of the period / year	23,034	(310,700)
Cumulative translation adjustment	(1,233)	(17,948)
Reclassified to assets held for sale	(33,346)	33,346
Income tax expense and deferred income tax	85,860	318,336
End of period / year	74,315	23,034

The Group did not recognize deferred income tax assets of Ps. 23 million and Ps. 22.9 million as of September 30, 2014 and June 30, 2014, respectively. Although management believes that it will become profitable in the foreseeable future, as a result of the history of recent losses incurred during the development phase of the different Group's business operations and the lack of verifiable and objective evidence due to the limited operating history of the Group itself, the Board of Directors has determined that there is sufficient uncertainty as to the generation of sufficient income to utilize the losses within a reasonable timeframe, therefore, no deferred tax asset is recognized in relation to these losses.

Below is a reconciliation between income tax recognized and that which would result applying the prevailing tax rate on Profit before income tax for the three-month periods ended September 30, 2014 and 2013:

	September 30, 2014	September 30, 2013
Tax calculated at the tax rates applicable to profits in the respective countries	126,052	17,735
Permanent differences:		
Share of profit of associates and joint ventures	56,694	(13,647)

Unrecognized tax losses	2,113	-
Non taxable income	(1,894)	7,291
Others	(7,441)	1,569
Income tax	175,524	12,948
Minimum Presumed Income tax (MPIT)	807	-

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

26. Shareholders' equity

Special reserve

Pursuant to CNV General Ruling No. 609/12, the Company set up a special reserve reflecting the positive difference between the balance at the beginning of retained earnings disclosed in the first financial statements prepared according to IFRS and the balance at closing of retained earnings disclosed in the last financial statements prepared in accordance with previously effective accounting standards. This reserve may not be used to make distributions in kind or in cash, and may only be reversed to be capitalized, or otherwise to absorb potential negative balances in Retained Earnings.

Repurchase plan involving common shares and GDS issued by IRSA

On July 25, 2013, IRSA's Board of Directors set forth the terms and conditions governing the purchase of the Company's own stock pursuant to Section 64 of Law No. 26,831 and the CNV's regulations, for up to an aggregate amount of Ps. 200.0 million and up to 5% of the capital stock, in the form of shares or Global Depositary Shares (GDS) representing 10 shares each, and up to a daily limit of 25% of the average daily transaction volume experienced by the IRSA's shares, along with the markets where they are listed, during the prior 90 business days, and at a price ranging from a minimum of Ps. 1 up to Ps. 8 per share. On September 18, 2013 the Board of Directors decided to increase the maximum price to Ps. 10.00 per common share and US\$ 10.50 per GDS. On October 15, 2013, the Board of Directors approved a new increase to the maximum price, raising it to Ps. 11.00 per common share and US\$ 11.50 per GDS. On October 22, 2013 the Board of Directors approved a new increase to the maximum price, raising it to Ps. 14.50 per common share and US\$ 15.00 per GDS. During the year ended June 30, 2014, the Company repurchased 533,947 common shares (nominal value Ps. 1 per share) for a total of Ps. 5.2 million and 437,075 GDS (representing 4,370,750 common shares) for a total amount of US\$ 5.2 million.

On June 10 2014, the Board of Directors of IRSA resolved to terminate the stock repurchase plan that was approved by resolution of the Board on July 25, 2013, and modified by resolutions adopted on September 18, 2013, October 15, 2013 and October 22, 2013. During the term of the Stock Repurchase Plan, IRSA has repurchased 4,904,697 shares for an aggregate amount of Ps. 37,905,631.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

27.	Revenues	September 30, 2014	September 30, 2013
	Base rent	304,460	239,807
	Contingent rent	86,610	71,744
	Admission rights	34,600	28,508
	Averaging scheduled rent escalation	9,663	7,541
	Parking fees	24,844	19,653
	Letting fees	14,135	8,330
	Service charges	204,300	160,908
	Property management fee	7,483	6,365
	Others	2,344	1,194
	Total rental and service income	688,439	544,050
	Sale of trading properties	4,748	4,286
	Revenue from hotel operations	96,827	72,927
	Consumer financing	55	184
	Total other revenue	101,630	77,397
	Total revenues	790,069	621,447

28.	Costs	September 30, 2014	September 30, 2013
	Costs of rental and services costs	284,463	240,945
	Cost of sale and development	2,666	3,111
	Costs from hotel operations	66,291	49,548
	Costs from consumer financing	74	96
	Total costs	353,494	293,700

29. Expenses by nature

The Group disclosed expenses the statements of income by function as part of the line items “Costs”, “General and administrative expenses” and “Selling expenses”.

The following tables provide the additional required disclosure of expenses by nature and their relationship to the function within the Group.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

29. Expenses by nature (Continued)

For the period ended September 30, 2014:

	Group Costs						
	Cost of sale and development	Costs of rental and services	Costs from consumer financing	Costs from hotel operations	General and administrative expenses	Selling expenses	Total
Salaries, social security costs and other personnel expenses	165	91,333	-	37,264	24,872	6,723	160,357
Maintenance, security, cleaning, repair and others	912	76,220	-	8,306	5,138	237	90,813
Taxes, rates and contributions	684	25,638	-	-	2,287	20,130	48,739
Amortization and Depreciation	208	38,585	-	2,838	1,136	63	42,830
Advertising and others selling expenses	-	31,889	-	1,540	-	4,530	37,959
Other expenses	12	8,408	9	141	5,734	238	14,542
Fees and payments for services	5	7,992	65	402	18,169	1,710	28,343
Director's fees	-	-	-	-	19,377	-	19,377
Food, beverage and other lodging expenses	-	-	-	15,550	1,887	1,297	18,734
Leases and service charges	93	4,398	-	250	789	300	5,830
Allowance for trade and other receivables, net	-	-	-	-	-	2,194	2,194
Cost of sales of properties	587	-	-	-	-	-	587
Total expenses by nature	2,666	284,463	74	66,291	79,389	37,422	470,305

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

29. Expenses by nature (Continued)

For the period ended September 30, 2013:

	Group Costs						
	Cost of sale and development	Costs of rental and services	Costs from consumer financing	Costs from hotel operations	General and administrative expenses	Selling expenses	Total
Salaries, social security costs and other personnel expenses	38	71,686	-	28,168	23,353	5,517	128,762
Maintenance, security, cleaning, repair and others	847	58,212	-	6,221	3,377	134	68,791
Taxes, rates and contributions	805	18,520	-	106	1,692	15,601	36,724
Amortization and Depreciation	143	50,978	-	2,729	1,220	54	55,124
Advertising and others selling expenses	1	26,152	-	925	320	3,654	31,052
Other expenses	5	4,549	3	95	2,685	124	7,461
Fees and payments for services	13	7,059	93	209	7,585	1,212	16,171
Directors fees	-	-	-	-	15,138	-	15,138
Food, beverage and other lodging expenses	-	-	-	10,889	1,422	772	13,083
Leases and service charges	363	3,789	-	206	1,657	221	6,236
Allowance for trade and other receivables, net	-	-	-	-	29	3,397	3,426
Cost of sales of properties	896	-	-	-	-	-	896
Total expenses by nature	3,111	240,945	96	49,548	58,478	30,686	382,864

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
 Free translation from the original prepared in Spanish for the publication in Argentina

30.	Employee costs		
		September 30, 2014	September 30, 2013
	Salaries, bonuses and social security expenses	137,404	110,120
	Costs of equity incentive plan and defined contribution plan	12,503	6,862
	Other employee costs and benefits	10,450	11,780
	Total employee costs	160,357	128,762
31.	Other operating results, net		
		September 30, 2014	September 30, 2013
	Gain (Loss) from disposal of equity interest in associate	8,758	-
	Tax on shareholders' personal assets	(508)	(1,634)
	Donations	(3,731)	(2,758)
	Judgments and other contingencies (1)	(759)	(3,367)
	Others	(942)	(1,773)
	Total other operating results, net	2,818	(9,532)
(1)	Includes legal expenses.		
32.	Financial results, net		