

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 | 50,000 |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | 14,000 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | 14,000 |
| 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 | 65,000 |

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 |
|--|-----------|---------|

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

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

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

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

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) |

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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.

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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 |

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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 |

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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

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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 |

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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 |

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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 | - |

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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.

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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.

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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.

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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.

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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).

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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.

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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 |
| Cost | | | | | | |
| Cost | 390,499 | 76,600 | 17,246 | 97,291 | 512 | 582,148 |
| Accumulated depreciation | (226,113) | (44,296) | (11,202) | (80,012) | (512) | (362,135) |
| Residual value | 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).

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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 |

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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.

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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.

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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.

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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 | | | |
|--|--------------------|---------|---------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| 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 | | | |
|---|--------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| 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 |

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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).

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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. | - |

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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 |

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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.

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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 |

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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.

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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 |

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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 |

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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.

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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 |

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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 |

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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).

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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 | - |

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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.

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| 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.

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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 |

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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 |

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| | | | |
|-----|--|--------------------------|-----------------------|
| 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 | | |
| | | September 30, 2014 | September 30, 2013 |
| | Finance income: | | |
| | - Interest income | 9,503 | 12,767 |
| | - Foreign exchange | 10,127 | 30,706 |
| | - Dividends income | 4,195 | 3,061 |
| | Total finance income | 23,825 | 46,534 |
| | Finance costs: | | |
| | - Interest expense | (178,430) | (101,263) |
| | - Foreign exchange | (129,140) | (186,593) |
| | - Other finance costs | (21,590) | (12,464) |
| | Subtotal finance costs | (329,160) | (300,320) |
| | Less: Capitalized finance costs | 2,034 | 6,390 |
| | Total finance costs | (327,126) | (293,930) |
| | Other financial results: | | |

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| | | |
|---|------------|------------|
| - Fair value gain of financial assets at fair value through profit or loss, net | 119,120 | 47,067 |
| - Loss on derivative financial instruments, net | (32,107) | (5,226) |
| - Loss on repurchase of Non-Convertible Notes | - | (14,271) |
| Total other financial results | 87,013 | 27,570 |
| Total financial results, net | (216,288) | (219,826) |

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

33. Share-based payments

Equity incentive plan

The Group incurred a charge of Ps. 12,252 and Ps. 5,932 for the three-month periods ended September 30, 2014 and 2013, respectively.

34. Related party transactions

During the normal course of business, the Group conducts transactions with different entities or parties related to it. An individual or legal entity is considered a related party where:

- An entity, individual or close relative of such individual or legal entity exercises control, or joint control, or significant influence over the reporting entity, or is a member of the Board of Directors or the Senior Management of the entity or its controlling company.
- An entity is a subsidiary, associate or joint venture of the entity or its controlling or controlled company.

The main transactions conducted with related parties are described in the annual Financial Statements for the fiscal year ended June 30, 2014.

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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34. Related party transactions (Continued)

The following is a summary of the balances with related parties as of September 30, 2014:

| Related party | Description of transaction | Investments in financial assets current | Trade and other receivables non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current |
|-----------------------------|------------------------------|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Parent Company | | | | | | | | |
| Cresud S.A.C.I.F. y A. | Reimbursement of expenses | - | - | 604 | - | (1,259) | - | - |
| | Corporate services | - | - | - | - | (18,265) | - | - |
| | Sale of good and/or services | - | - | 216 | - | - | - | - |
| | Transfer of VAT | - | - | - | - | (63) | - | - |
| | Leases and/or rights of use | - | - | 106 | - | - | - | - |
| | Non-Convertible Notes | 14,078 | - | - | - | - | (59,052) | (1,504) |
| | Long-term incentive plan | - | - | - | - | (14,124) | - | - |
| | Share-based payments | - | - | - | - | (4,214) | - | - |
| Total Parent Company | | 14,078 | - | 926 | - | (37,925) | (59,052) | (1,504) |
| Associates | | | | | | | | |
| Banco Hipotecario S.A. | Reimbursement of expenses | - | - | 139 | - | (406) | - | - |
| | Borrowings | - | - | - | - | - | (10,559) | (20,208) |
| | Leases and/or rights of use | - | - | 114 | - | - | - | - |
| | Commissions per stands | - | - | 59 | - | - | - | - |
| Lipstick Management LLC | Reimbursement of expenses | - | - | 793 | - | - | - | - |
| Manibil S.A. | Contributions to be paid in | - | - | 7,350 | - | - | - | - |
| New Lipstick LLC | Reimbursement of expenses | - | - | 2,382 | - | - | - | - |

| | | | | | | | | |
|---|--------------------------------|---|---|--------|-------|----------|-----------|-----------|
| Banco de crédito y securitización | Leases and/or rights of use | - | - | 47 | - | - | - | - |
| | Leases and/or rights of use | - | - | - | (62) | (654) | - | - |
| Tarshop S.A. | Reimbursement of expenses | - | - | 698 | - | (642) | - | - |
| Total Associates | | - | - | 11,582 | (62) | (1,702) | (10,559) | (20,208) |

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

34. Related party transactions (Continued)

| Related party | Description of transaction | Investments | | Trade | | Borrowings non-current | Borrowings current | |
|----------------------------|-----------------------------|-----------------------------|---|-------------------------------------|--------------------------------------|------------------------|--------------------|----------------------------------|
| | | in financial assets current | Trade and other receivables non-current | Trade and other receivables current | Trade and other payables non-current | | | Trade and other payables current |
| Joint ventures | | | | | | | | |
| Baicom Networks S.A. | Contributions to be paid in | - | - | 10 | - | - | - | |
| | Management fees | - | - | 5 | - | - | - | |
| | Borrowings | - | 1,187 | - | - | - | - | |
| | Reimbursement of expenses | - | - | 350 | - | - | - | |
| | Reimbursement of expenses | - | - | 201 | - | - | - | |
| Entertainment Holding S.A. | Borrowings | - | - | 63 | - | - | - | |
| | Reimbursement of expenses | - | - | 123 | - | - | - | |
| Universal S.A. | Borrowings | - | - | 71 | - | - | - | |
| Boulevard Norte S.A. | Reimbursement of expenses | - | - | 894 | - | - | - | |
| | Borrowings | - | - | 4 | - | - | - | |
| Cyrsa S.A. | Borrowings | - | - | - | - | (143,399) | - | |
| | Proceeds from leasing | - | - | 302 | - | - | - | |
| | Other receivables | - | - | 110,860 | - | - | - | |
| | Reimbursement of expenses | - | - | 6 | - | (13) | - | |
| Nuevo Puerto Santa Fe S.A. | Reimbursement of expenses | - | - | 191 | - | - | - | |
| | Proceeds from leasing | - | - | 86 | - | (4) | - | |
| | Leases and/or rights of use | - | - | - | - | (848) | - | |
| | Management fees | - | - | 1,581 | - | - | - | |
| | Share-based payments | - | - | 366 | - | - | - | |
| | Borrowings | - | - | - | - | - | (4,794) | |
| | Borrowings | - | - | 1,862 | - | - | - | |
| Puerto Retiro S.A. | Reimbursement of expenses | - | - | 216 | - | - | - | |
| | Management fees | - | - | 22 | - | (45) | - | |

| | | | | | | | | |
|----------------------|---------------------------|---|-------|---------|---|--------|------------|----------|
| Quality Invest S.A. | Reimbursement of expenses | - | - | 95 | - | - | - | - |
| Total Joint Ventures | | - | 1,187 | 117,308 | - | (910) | (143,399) | (4,794) |

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

34. Related party transactions (Continued)

| Related party | Description of transaction | Investments | Trade | Trade and | Trade | Trade and | Borrowings | Borrowings |
|---|----------------------------|-----------------------------|-----------------------------------|---------------------------|--------------------------------|------------------------|-------------|------------|
| | | in financial assets current | and other receivables non-current | other receivables current | and other payables non-current | other payables current | non-current | current |
| Subsidiaries of the parent company | | | | | | | | |
| Exportaciones Agroindustriales | Borrowings | - | - | 1,884 | - | - | - | - |
| | Other liabilities | - | - | - | - | (2,334) | - | - |
| Futuros y Opciones.com S.A. | | | | | | | | |
| | Reimbursement of expenses | - | - | 164 | - | (29) | - | - |
| FyO Trading S.A. | | | | | | | | |
| | Reimbursement of expenses | - | - | 1 | - | - | - | - |
| Total Subsidiaries of the parent company | | | | | | | | |
| | | - | - | 2,049 | - | (2,363) | - | - |
| Other related parties | | | | | | | | |
| Consultores | | | | | | | | |
| Asset Management S.A. | | | | | | | | |
| | Reimbursement of expenses | - | - | 3,048 | - | (145) | - | - |
| Estudio Zang, Bergel y Viñes | | | | | | | | |
| | Advances | - | - | 4 | - | - | - | - |
| | Legal services | - | - | 25 | - | (65) | - | - |
| Austral Gold | | | | | | | | |
| | Reimbursement of expenses | - | - | 3 | - | (1) | - | - |
| Ogden Argentina S.A. | | | | | | | | |
| | Reimbursement of expenses | - | - | 278 | - | - | - | - |
| | Borrowings | - | - | 4 | - | - | - | - |
| EMP | | | | | | | | |
| | Management fees | - | - | - | - | (32) | - | - |
| Fundación IRSA | | | | | | | | |
| | Reimbursement of expenses | - | - | 79 | - | - | - | - |
| IRSA Real Estate Strategies LP | | | | | | | | |
| | Capital contribution | - | - | - | - | (8) | - | - |
| Inversiones Financieras del Sur S.A. | | | | | | | | |
| | Borrowings | - | - | - | - | (5) | - | - |

| | | | | | | | | | |
|-----------------------------|-----------------------------|---|---|-------|---|------|---|---|---|
| IRSA | | | | | | | | | |
| Developments LP | Capital contributions | - | - | - | - | (13 |) | - | - |
| | Reimbursement of expenses | - | - | - | - | (178 |) | - | - |
| Museo de los niños | Leases and/or rights of use | - | - | 795 | - | - | - | - | - |
| Total other related parties | | - | - | 4,236 | - | (447 |) | - | - |

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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34. Related party transactions (Continued)

| Description of transaction | Investments | | Trade and other receivables non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current |
|---|-----------------------------|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| | in financial assets current | Trade and other receivables non-current | | | | | | |
| Related party Directors and Senior Management | | | | | | | | |
| Fees | - | - | - | - | (2,750) | (26,338) | - | - |
| Reimbursement of expenses | - | - | - | 301 | - | (10) | - | - |
| Guarantee deposits | - | - | - | - | (8) | - | - | - |
| Total Directors and Senior Management | - | - | - | 301 | (2,758) | (26,348) | - | - |
| Total | 14,078 | 1,187 | 136,402 | (2,820) | (69,695) | (213,010) | (26,506) | |

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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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34. Related party transactions (Continued)

The following is a summary of the balances with related parties as of June 30, 2014:

| Related party | Description of transaction | Investments in financial assets current | Trade and other receivables non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current | Derivative financial instruments current |
|-----------------------------|------------------------------|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|--|
| Parent Company | Reimbursement of expenses | - | - | 16 | - | (3,723) | - | - | - |
| | Corporate services | - | - | - | - | (33,710) | - | - | - |
| | Sale of good and/or services | - | - | 701 | - | - | - | - | - |
| | Dividends payable | - | - | - | - | (36,462) | - | - | - |
| | Leases and/or rights of use | - | - | 1,598 | - | - | - | - | - |
| | Non-Convertible Notes | 14,079 | - | - | - | - | (56,972) | (2,023) | - |
| | Long-term incentive plan | - | - | - | - | (10,557) | - | - | - |
| Cresud S.A.C.I.F. y A. | Share-based payments | - | - | - | - | (3,673) | - | - | - |
| Total Parent Company | | 14,079 | - | 2,315 | - | (88,125) | (56,972) | (2,023) | - |
| Associates | Reimbursement of expenses | - | - | - | - | (1,547) | - | - | - |
| | Borrowings | - | - | - | - | - | (17,781) | (23,285) | - |
| | Derivatives | - | - | - | - | - | - | - | (5,225) |
| Banco Hipotecario S.A. | Leases and/or rights of use | - | - | 200 | - | - | - | - | - |
| | Commissions per stands | - | - | 59 | - | - | - | - | - |
| Lipstick Management LLC | Reimbursement of expenses | - | - | 765 | - | - | - | - | - |
| New Lipstick LLC | Reimbursement of expenses | - | - | 2,297 | - | - | - | - | - |
| Banco de crédito y | Leases and/or rights of use | - | - | 19 | - | (80) | - | - | - |

securitización

| | | | | | | | | | |
|--------------|--------------------------------|---|---|-------|--------|----------|-----------|-----------|----------|
| | Leases and/or rights of use | - | - | - | (175) | (677) | - | - | - |
| | Reimbursement of expenses | - | - | 687 | - | - | - | - | - |
| Tarshop S.A. | Commissions per stands | - | - | 19 | - | - | - | - | - |
| Total | | | | | | | | | |
| Associates | | - | - | 4,046 | (175) | (2,304) | (17,781) | (23,285) | (5,225) |

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
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34. Related party transactions (Continued)

| Related party | Description of transaction | Investments | | Trade and other receivables | Trade and other payables | Trade and other payables | Borrowings | Borrowings | Derivative financial instruments |
|----------------------------|---|-----------------------------|---|-----------------------------|--------------------------|--------------------------|------------|------------|----------------------------------|
| | | in financial assets current | Trade and other receivables non-current | | | | | | |
| Joint Ventures | Contributions to be paid in | - | - | 10 | - | - | - | - | - |
| | Management fees | - | - | 2 | - | - | - | - | - |
| Baicom Networks S.A. | Borrowings | - | 1,143 | - | - | - | - | - | - |
| | Reimbursement of expenses | - | - | 193 | - | - | - | - | - |
| | Reimbursement of entertainment expenses | - | - | 165 | - | - | - | - | - |
| Entertainment Holding S.A. | Borrowings | - | - | 20 | - | - | - | - | - |
| | Reimbursement of expenses | - | - | 103 | - | - | - | - | - |
| Universal S.A. | Borrowings | - | - | 68 | - | - | - | - | - |
| | Reimbursement of expenses | - | - | 864 | - | - | - | - | - |
| Boulevard Norte S.A. | Borrowings | - | - | 4 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | (133,314) | - | - |
| | Reimbursement of expenses | - | - | 66 | - | (9) | - | - | - |
| Cyrsa S.A. | Reimbursement of expenses | - | - | 223 | - | (72) | - | - | - |
| | Proceeds from leasing | - | - | - | - | (18) | - | - | - |
| | Leases and/or rights of use | - | - | - | - | (630) | - | - | - |
| | Management fees | - | - | 1,338 | - | - | - | - | - |
| | Share-based payments | - | - | 304 | - | - | - | - | - |
| Nuevo Puerto Santa Fe S.A. | Borrowings | - | - | - | - | - | - | (71) | - |
| | Contributions to be paid in | - | - | 160 | - | - | - | - | - |
| | Borrowings | - | - | 3,230 | - | - | - | - | - |
| Puerto Retiro S.A. | Reimbursement of expenses | - | - | 213 | - | - | - | - | - |
| | Management fees | - | - | 22 | - | (45) | - | - | - |

| | | | | | | | | | |
|--|---------------------------|---|-------|-------|---|--------|------------|-------|---|
| Quality Invest S.A. Total Joint Ventures | Reimbursement of expenses | - | - | 64 | - | - | - | - | - |
| | | - | 1,143 | 7,049 | - | (774) | (133,314) | (71) | - |

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
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34. Related party transactions (Continued)

| Related party | Description of transaction | Investments in financial assets current | Trade and other receivables non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current | Derivative financial instruments current |
|--|----------------------------|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|--|
| Subsidiaries of the parent company | | | | | | | | | |
| Cactus Argentina S.A. | Reimbursement of expenses | - | - | 2 | - | (515) | - | - | - |
| Exportaciones Agroindustriales | Borrowings | - | - | 2,134 | - | - | - | - | - |
| Futuros y Opciones.com S.A. | Reimbursement of expenses | - | - | 138 | - | (29) | - | - | - |
| FyO Trading S.A. | Reimbursement of expenses | - | - | 1 | - | - | - | - | - |
| Total Subsidiaries of the parent company | | | | | | | | | |
| | | - | - | 2,275 | - | (544) | - | - | - |
| Other related parties | | | | | | | | | |
| Consultores | | | | | | | | | |
| Asset Management S.A. | | | | | | | | | |
| Asset Management S.A. | Reimbursement of expenses | - | - | 14,378 | - | (11,099) | - | - | - |
| Estudio Zang, Bergel y Viñes | Advances | - | - | 4 | - | - | - | - | - |
| | Legal services | - | - | - | - | (513) | - | - | - |
| Austral Gold | Reimbursement of expenses | - | - | 8 | - | (1) | - | - | - |
| Ogden Argentina S.A. | Reimbursement of expenses | - | - | 228 | - | - | - | - | - |
| | Borrowings | - | - | 4 | - | - | - | - | - |
| EMP | Management fees | - | - | - | - | (31) | - | - | - |
| Fundación IRSA | Reimbursement of expenses | - | - | 72 | - | - | - | - | - |
| IRSA Real Estate Strategies | | | | | | | | | |
| LP | Capital contribution | - | - | - | - | (8) | - | - | - |
| | Borrowings | - | - | 378 | - | (5) | - | - | - |

Inversiones
Financieras del
Sur S.A.

| | | | | | | | | | |
|--------------------------------|------------------------------|---|---|--------|---|-----------|---|---|---|
| IRSA Developments LP | Capital contribution | - | - | - | - | (13) | - | - | - |
| Museo de los niños | Reimbursement of expenses | - | - | 767 | - | (9) | - | - | - |
| Total other related parties | | - | - | 15,839 | - | (11,679) | - | - | - |

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
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34. Related party transactions (Continued)

| | Description of transaction | Investments in financial assets current | Trade and other receivables non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current | Derivative financial instruments current |
|---|----------------------------|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|--|
| Related party Directors and Senior Management | Fees | - | - | 301 | - | (13,225) | - | - | - |
| | Reimbursement of expenses | - | - | - | - | (10) | - | - | - |
| Directors | Tenant deposits | - | - | - | (20) | - | - | - | - |
| Total Directors and Senior Management | | - | - | 301 | (20) | (13,235) | - | - | - |
| Total | | 14,079 | 1,143 | 31,825 | (195) | (116,661) | (208,067) | (25,379) | (5,225) |

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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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34. Related party transactions (Continued)

The following is a summary of the transactions with related parties for the three-month period ended September 30, 2014:

| Related party | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries |
|-----------------------------------|-----------------------------|-----------------|--------------------|----------------|----------------------|-----------|-------------------|
| Parent Company | | | | | | | |
| Cresud S.A.C.I.F. y A. | 616 | - | (21,451) | - | (2,678) | - | - |
| Total Parent Company | 616 | - | (21,451) | - | (2,678) | - | - |
| Associates | | | | | | | |
| Banco Hipotecario S.A. | 148 | - | - | - | (549) | - | - |
| Banco de crédito y securitización | 915 | - | - | - | - | - | - |
| Tarshop S.A. | 2,219 | - | - | - | - | - | - |
| Total Associates | 3,282 | - | - | - | (549) | - | - |
| Joint Ventures | | | | | | | |
| Baicom Networks S.A. | - | 3 | - | - | 34 | - | - |
| Cyrsa S.A. | - | - | - | - | (5,606) | - | - |
| Nuevo Puerto Santa Fe S.A. | (239) | 310 | - | - | (300) | - | - |
| Puerto Retiro S.A. | - | - | - | - | 277 | - | - |
| Quality Invest S.A. | - | 54 | - | - | - | - | - |
| Total Joint Ventures | (239) | 367 | - | - | (5,595) | - | - |
| Other related parties | | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (808) | - | - | - |
| Fundación IRSA | - | - | - | - | - | (1,159) | - |
| Isaac Elsztein e Hijos S.C.A. | (158) | - | - | - | - | - | - |
| Consultores Asset Management S.A. | - | 79 | - | - | - | - | - |
| Hamonet S.A. | (82) | - | - | - | - | - | - |

| | | | | | | | |
|---|--------|-----|-----------|--------|----------|----------|-----------|
| Inversiones Financieras del Sur S.A. | - | - | - | - | 52 | - | - |
| Total Other related parties | (240) | 79 | - | (808) | 52 | (1,159) | - |
| Directors and Senior Management | - | - | - | - | - | - | (2,333) |
| Directors | - | - | - | - | - | - | (16,731) |
| Total Directors and Senior Management | - | - | - | - | - | - | (19,064) |
| Total | 3,419 | 446 | (21,451) | (808) | (8,770) | (1,159) | (19,064) |

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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
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34. Related party transactions (Continued)

The following is a summary of the transactions with related parties for the three-month period ended September 30, 2013:

| Related party | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries |
|---|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|---------------|----------------------|
| Parent Company | | | | | | | |
| Cresud S.A.C.I.F. y A. | 316 | - | (27,851) | - | 1,768 | - | - |
| Total Parent Company | 316 | - | (27,851) | - | 1,768 | - | - |
| Associates | | | | | | | |
| Banco Hipotecario S.A. | 120 | - | - | - | (676) | - | - |
| Tarshop S.A. | 1,597 | - | - | - | - | - | - |
| Total Associates | 1,717 | - | - | - | (676) | - | - |
| Joint Ventures | | | | | | | |
| Baicom Networks S.A. | - | 3 | - | - | 28 | - | - |
| Cyrsa S.A. | - | - | - | - | (4,027) | - | - |
| Nuevo Puerto Santa Fe S.A. | (126) | 117 | - | - | - | - | - |
| Puerto Retiro S.A. | - | - | - | - | 231 | - | - |
| Quality Invest S.A. | - | 54 | - | - | - | - | - |
| Total Joint Ventures | (126) | 174 | - | - | (3,768) | - | - |
| Other related parties | | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (700) | - | - | - |
| Fundación IRSA | - | - | - | - | - | (550) | - |
| Isaac Elsztein e Hijos S.C.A. | (105) | - | - | - | - | - | - |
| Hamonet S.A. | (55) | - | - | - | - | - | - |
| Inversiones Financieras del Sur S.A. | | | | | | | |
| Total Other related parties | (160) | - | - | (700) | 61 | (550) | - |

| | | | | | | | | |
|---------------------------------------|-------|-----|-----------|--------|----------|--------|---|-----------|
| Directors and Senior Management | | | | | | | | |
| Senior Management | - | - | - | - | - | - | - | (1,514) |
| Directors | - | - | - | - | - | - | - | (13,624) |
| Total Directors and Senior Management | - | - | - | - | - | - | - | (15,138) |
| Total | 1,747 | 174 | (27,851) | (700) | (2,615) | (550) | | (15,138) |

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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35. CNV General Ruling N° 629/14 – Storage of documentation

On August 14, 2014, the Argentine Securities Exchange Commission (CNV) issued General Ruling N° 629 whereby it introduced amendments to rules related to storage and conservation of corporate books, accounting books and commercial documentation. In this sense, it should be noted that the Group has entrusted the storage of certain non-sensitive and old information to the following providers:

| Storage of documentation | Location |
|------------------------------|---|
| Iron Mountain Argentina S.A. | Av. Amancio Alcorta 2482, C.A.B.A. |
| Iron Mountain Argentina S.A. | Pedro de Mendoza 2143, C.A.B.A. |
| Iron Mountain Argentina S.A. | Saraza 6135, C.A.B.A. |
| Iron Mountain Argentina S.A. | Azara 1245, C.A.B.A. (i) |
| Iron Mountain Argentina S.A. | Polígono Industrial Spegazzini, Au. Ezeiza-Cañuelas KM 45 |
| Iron Mountain Argentina S.A. | Cañada de Gomez 3825 – C.A.B.A. |

(i) On February 5, 2014 there was a widely known fire in Iron Mountain’s warehouse. To the date of these financial statements, the Group has not been notified whether the documentation submitted has been actually affected by the fire and its condition after the accident. Nevertheless, based on the internal review carried out by the Group, duly reported to the Argentine Securities Exchange Commission on February 12, 2014, the information kept at the Iron Mountain premises that were on fire do not appear to be sensitive or capable of affecting normal business operations.

It is further noted that a detailed list of all documentation held in custody by providers, as well as documentation required in section 5 a.3) of section I, Chapter V, Title II of the RULES (2013 as amended) are available at the registered office.

36. CNV General Resolution N°. 622

As required by Section 1°, Chapter III, Title IV of CNV General Resolution No. 622, below there is a detail of the notes to the Unaudited Condensed Interim Consolidated Financial Statements that disclosure the information required by the Resolution in Exhibits.

| | |
|---|---|
| Exhibit A - Property, plant and equipment | Note 10 Investment properties and Note 11 Property, plant and equipment |
| Exhibit B - Intangible assets | Note 13 Intangible assets |
| Exhibit C - Equity investments | Note 37 Equity investments |
| Exhibit D - Other investments | Note 12 Financial instruments by category Note 17 Trading and other receivables and Note 23 Provisions |
| Exhibit E – Provisions | 23 Provisions |
| Exhibit F - Cost of sales and services provided | Note 12 Trading properties |

Exhibit G - Foreign currency assets and liabilities

Note 38 Foreign currency assets and liabilities

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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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37. Equity investments

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 09.30.14 | Value recorded as of 06.30.14 | Market value as of 09.30.14 | Main activity | Registered office | Issuer's information | | |
|--------------------------------|---|------------|------------------------------------|-------------------------------------|-----------------------------|-------------------------------|-------------------|----------------------|---|-----------------------------------|
| | | | | | | | | Date | Last financial statements i Common stock (nominal value) | Profit (loss) S for the period |
| Joint Ventures | | | | | | | | | | |
| Baicom Networks S.A. | Common shares 1 vote Irrevocable contributions Higher value | 4,701,455 | 3,122 - 276 | 2,950 340 276 | Not publicly traded | Real estate | Argentina | 09.30.14 | 9,403 | (334) |
| Cyrsa S.A. | Common shares 1 vote | 8,748,269 | 43,436 | 152,229 | Not publicly traded | Real estate | Argentina | 09.30.14 | 17,497 | 7,833 |
| Entertainment Holdings S.A. | Common shares 1 vote Irrevocable contributions Lower / Higher value Goodwill | 22,395,574 | 24,414 40 (23,192) 26,647 | 19,092 721 (23,192) 26,647 | Not publicly traded | Investment | Argentina | 09.30.14 | 44,791 | 10,802 |
| Entretenimiento Universal S.A. | Common shares 1 vote | 300 | (41) | (59) | Not publicly traded | Event organization and others | Argentina | 09.30.14(1) | 12 | 679 |
| Nuevo Puerto Santa Fe S.A. | Common shares 1 vote Higher value Goodwill | 138,750 | 20,179 3,936 1,323 | 21,566 3,980 1,323 | Not publicly traded | Commercial real estate | Argentina | 09.30.14 | 27,750 | 2,476 |

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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37.

Equity investments (Continued)

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 09.30.14 | Value recorded as of 06.30.14 | Market value as of 09.30.14 | Main activity | Registered office | Issuer's information | | |
|--|---------------------------|-------------|-------------------------------|-------------------------------|-----------------------------|---------------|-------------------|----------------------|---|------------------------------|
| | | | | | | | | Date | Last financial statements i Common stock (nominal value) | Profit (loss) for the period |
| Puerto Retiro S.A. | Common shares 1 vote | 23,067,250 | 15,192 | 13,868 | Not publicly traded | Real estate | Argentina | 09.30.14 | 46,135 | (906) |
| | Irrevocable contributions | | 1,773 | 1,781 | | | | | | |
| | Higher value | | 29,209 | 29,209 | | | | | | |
| Quality Invest S.A. | Common shares 1 vote | 70,314,342 | 66,471 | 64,402 | Not publicly traded | Real estate | Argentina | 09.30.14 | 140,629 | 3,138 |
| | Irrevocable contributions | | - | 500 | | | | | | |
| | Goodwill | | 3,911 | 3,911 | | | | | | |
| | Higher value | | (2,887) | (2,886) | | | | | | |
| Total Joint Ventures Associates | | | 213,809 | 316,658 | | | | | | |
| Avenida Inc | Common shares 1 vote | 4,742,836 | 24,520 | 2,023 | Not publicly traded | Investment | United States | 09.30.14 | 151,384 | (4,841) |
| | Goodwill | | 5,570 | 9,073 | | | | | | |
| Banco de Crédito & Securitización S.A. | Common shares 1 vote | 3,984,375 | | | Not publicly traded | Financial | Argentina | 09.30.14 | 62,500 | (2) 50,782 |
| | | | 13,780 | 13,610 | | | | | | |
| Banco Hipotecario S.A. | Common shares 1 vote | 446,515,208 | 1,256,100 | 1,212,781 | 4.25 | Financial | Argentina | 09.30.14 | 1,500,000 | (2) 503,677 |
| | Higher value | | (963) | (1,156) | | | | | | |
| Bitania S.A. | Common shares 1 vote | 4,724,203 | 12,765 | 12,308 | Not publicly traded | Real estate | Argentina | 09.30.14 | 20,000 | 933 |
| | Goodwill | | 1,736 | 1,736 | | | | | | |
| | Higher value | | 7,973 | 8,085 | | | | | | |

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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37. Equity investments (Continued)

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 09.30.14 | Value recorded as of 06.30.14 | Market value as of 09.30.14 | Main activity | Registered office | Date | Issuer's information Last financial Common stock (nominal value) | P |
|--|---|------------|-------------------------------|-------------------------------|-----------------------------|--------------------|-------------------|-----------|--|------|
| IDB Development Corporation Ltd | Common shares 1 vote | 76,620,163 | 756,395 | 595,342 | (3) 4.313 | Investment | Israel | 09.30.14- | - | - |
| Lipstick Management LLC | Common shares 1 vote Irrevocable contributions | N/A | 2,031 | 1,689 50 | Not publicly traded | Management company | United States | 09.30.14- | (2) | (2) |
| Manibil S.A. | Common shares 1 vote Goodwill | 30,397,880 | 39,575 10 | 38,279 10 | Not publicly traded | Real estate | Argentina | 09.30.14 | 462,037 | 2,6 |
| New Lipstick LLC | Common shares 1 vote Irrevocable contributions | N/A | (218,389) 1,467 | (193,590) 16,667 | Not publicly traded | Real State | United States | 09.30.14- | (2) | (2) |
| Supertel | Common shares 1 vote | 1,261,723 | 5,017 | 31,577 | 2.23 | Hotel | United States | 09.30.14 | (2) | 8(2) |
| Tarshop S.A. | Common shares 1 vote Higher value | 26,759,288 | 19,911 (4,601) | 23,530 (4,849) | Not publicly traded | Consumer financing | Argentina | 09.30.14 | 133,796 | (18) |
| T o t a l Associates | | | 1,922,897 | 1,767,165 | | | | | | |
| T o t a l investments in associates and joint ventures | | | 2,136,706 | 2,083,823 | | | | | | |

(1) The balances correspond to the financial statements of Banco Hipotecario S.A. and Banco de Crédito & Securitización S.A. prepared in accordance with the Central Bank of the Argentine Republic ("BCRA") standards. For

the purpose of the valuation of the investment in the Company, adjustments necessary to adequate the financial statements to the professional accounting standards have been considered.

(2) Amounts stated in US dollars (US\$).

(3) Market value in NIS.

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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38. Foreign currency assets and liabilities

Book amounts of foreign currency assets and liabilities are as follows:

| Items (3) | Amount of foreign currency (1) | Prevailing exchange rate (2) | Total as of 09.30.14 | Amount of foreign currency (1) | Prevailing exchange rate (2) | Total as of 06.30.14 |
|---|---|------------------------------------|-------------------------|---|------------------------------------|-------------------------|
| Assets | | | | | | |
| Restricted assets | | | | | | |
| US Dollar | 1,049 | 8.33 | 8,742 | - | - | - |
| Total current restricted assets | | | 8,742 | | | - |
| Trade and other receivables | | | | | | |
| US Dollar | 9,198 | 8.33 | 76,622 | 7,970 | 8.033 | 64,019 |
| Euros | 3 | 10.510 | 28 | 2 | 10.991 | 26 |
| Swiss francs | 28 | 8.720 | 242 | 27 | 9.051 | 242 |
| Uruguayan Pesos | 743 | 0.361 | 268 | 1,100 | 0.356 | 392 |
| Total trade and other receivables | | | 77,160 | | | 64,679 |
| Investments in financial assets | | | | | | |
| US Dollar | 41,399 | 8.33 | 344,852 | 35,240 | 8.033 | 283,083 |
| Pounds | 1,052 | 13.500 | 14,206 | 1,021 | 13.913 | 14,206 |
| New Israel Shekel | - | - | - | 5 | 2.377 | 13 |
| Total investments in financial assets | | | 359,058 | | | 297,302 |
| Derivative financial instruments | | | | | | |
| US Dollar | 703 | 8.33 | 5,856 | 4,622 | 2.377 | 10,986 |
| New Israel Shekel | 4,407 | 2.261 | 9,963 | - | - | - |
| Total derivative financial instruments | | | 15,819 | | | 10,986 |
| Cash and cash equivalents | | | | | | |
| US Dollar | 34,660 | 8.33 | 288,720 | 15,147 | 8.033 | 121,674 |
| Euros | 106 | 10.510 | 1,118 | 116 | 10.991 | 1,278 |
| Brazilian Reais | 1 | 3.350 | 4 | 2 | 3.550 | 6 |
| Swiss francs | | | | - | 9.051 | 1 |
| Uruguayan Pesos | 654 | 0.361 | 236 | 90 | 0.356 | 32 |
| New Israel Shekel | 1,829 | 2.261 | 4,136 | 116,210 | 2.377 | 276,235 |
| Pounds | 2 | 13.500 | 32 | 2 | 13.913 | 32 |
| Total cash and cash equivalents | | | 294,246 | | | 399,258 |
| Total assets as of 09.30.14 | | | 755,025 | | | - |
| Total assets as of 06.30.14 | | | | | | 772,225 |

Liabilities

| | | | | | | |
|--|---------|-------|-----------|---------|-------|-----------|
| Trade and other payables | | | | | | |
| US Dollar | 10,316 | 8.133 | 83,902 | 15,143 | 8.133 | 123,156 |
| Uruguayan Pesos | 21,034 | 0.382 | 8,035 | 1,486 | 0.382 | 567 |
| Total trade and other payables | | | 91,937 | | | 123,723 |
| Borrowings | | | | | | |
| US Dollar | 433,248 | 8.133 | 3,523,609 | 426,670 | 8.133 | 3,470,110 |
| Total borrowings | | | 3,523,609 | | | 3,470,110 |
| Derivative Financial Instruments | | | | | | |
| New Israel Shekel | 152,389 | 2.261 | 344,551 | 134,980 | 2.377 | 320,847 |
| Total derivative financial instruments | | | 344,551 | | | 320,847 |
| Provisions | | | | | | |
| US Dollar | 207 | 8.133 | 1,686 | 200 | 8.133 | 1,627 |
| Total provisions | | | 1,686 | | | 1,627 |
| Total liabilities as of 09.30.14 | | | 3,961,783 | | | - |
| Total liabilities as of 06.30.14 | | | | | | 3,916,307 |

- (1) Considering foreign currencies those that differ from Company's functional currency at each period/year-end.
- (2) Exchange rate as of September 30, 2014 and June 30, 2014 according to Banco Nación Argentina records.
- (3) The Company uses derivative instruments as complement in order to reduce its exposure to exchange rate movements. (See Note 15).

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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39. Group of assets and liabilities held for sale

Assets and liabilities related to the operation of the building located in 183 Madison Av., NY, United States, owned by the subsidiary of the Group, Rigby 183 LLC, and that form part of the international business segment, have been reported in the balance sheet as of June 30, 2014 as available for sale as per the contract for the sale of the building entered into on May 16, 2014. The transaction is subject to compliance with certain conditions which were complied during September 2014. Once conditions are met, the company should leave the amount of US\$ 1 million in escrow for six months, because of possible latent defects.

Pursuant to IFRS 5, assets and liabilities available for sale have been valued at the lower of their book value or fair value less selling cost. Since fair value is higher than book value of the pool of assets available for sale including some goodwill related to the acquisition, no impairment has been recorded as of June 30, 2014.

The following table shows the main assets and liabilities available for sale:

Assets held for sale

| | 06.30.14 |
|----------------------------------|-----------|
| Investment properties | 1,098,990 |
| Intangible assets – Goodwill | 77,086 |
| Restricted assets | 163,501 |
| Trade and other receivables | 17,990 |
| Derivative financial instruments | 299 |
| Total | 1,357,866 |

Liabilities directly associated with assets classified as held for sale

| | 06.30.14 |
|---------------------------------|----------|
| Trade and other liabilities | 170,245 |
| Deferred income tax liabilities | 33,346 |
| Borrowings | 603,021 |
| Total | 806,612 |

As indicated in note 3, on September 29, 2014, the sale of the Madison 183 Building was finalized in the amount of US\$ 185 million. Proceeds from the sale were Ps. 1,535 million, while associated costs amounted to Ps. 1,238 million, thus making a gain on the transaction of Ps. 296.5 million, included in the line item Gain / (loss) on sale of investment properties in the Statement of income.

Upon the sale, the Company deposited Ps. 8.7 million under escrow to cover for potential additional costs that may arise in relation to the transaction, which amount is accounted for under Restricted assets.

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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40. Subsequent events

- On October 8, 2014, the Group through IRSA signed the transfer deed for the sale of the 22nd and 23th floors of the building Bouchard 551. The total price of the transaction was Ps. 168.7 million. Such transaction generated a gain before tax of approximately Ps. 151.4 million.
- On October 17, 2014, Rigby 183 LLC reduced its capital stock by distributing among existing shareholders, proportionally to their shareholdings, the gain made on the sale of the Madison building. The total amount distributed is US\$ 103.8 million, of which the Group received US\$ 77.4 million (US\$ 26.5 million through IRSA International and US\$ 50.9 million through IMadison LLC) and US\$ 26.4 were distributed to other shareholders.
- On October 22, 2014, the Group through IRSA signed the transfer deed for the sale of the 10th floor, two parking units of the Building Maipú 1300 and one parking unit of the building Libertador 498. The total price of the transaction was US\$ 1.4 million.
- On October 28, 2014, the Group through IRSA signed the transfer deed for the sale of 9th, 10th and 11th floors of the building Bouchard 551. The total price of the transaction was Ps. 279.4 million. Such transaction generated a gain before tax of approximately Ps. 243.3 million.
- On October 30, 2014, the Group – through its subsidiaries — subscribed an additional sum of US\$ 21 million in Dolphin Fund Ltd. (“Dolphin”). Such amount will be allocated to increase Dolphin’s investment in IDB Development Corporation Ltd.
- On October 31, 2014, the Company’s Annual Shareholders’ Meeting corresponding to fiscal year ended June 30, 2014, approved to adjourn the meeting to November 14, 2014, in order to consider the following issues: (i) Updated report on the Service Sharing Agreement; (ii) Report on the outcome of the tender offer to exchange shares of Tip Hogar by SAMAP shares (today Alto Palermo SA, or APSA), and approval of Board’s actions; (iii) Consider the amendment of section 1 of the corporate bylaws to conform to the Capital Markets Law in force; (iv) Consider the amendment of section 24 of the corporate bylaws (remote attendance to Shareholders’ Meetings); (v) The Share Repurchase Plan and GDS issued by the Company and their purpose; (vi) Updated report on Incentive Plan granted to the Company’s officers as approved and ratified by the Shareholders’ Meetings held in 2009/2010/2011/2012 and 2013. The approval of such amendments as per the observations made by the CNV (Argentine Exchange Commission), including the assignment of economic rights on the shares under the Plan. The incorporation of a benefit granted to all employees, including those of controlled companies.

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

40. Subsequent events (Continued)

- On November 5, 2014, the Group executed a conveyance deed evidencing a barter and mortgage transaction in favor of Darío Palombo (acting as Trustee of “Fideicomiso Esquina Guemes”) to convey title on four plots of land located in Avellaneda district. The agreement provides for the development by the Trust of two building construction undertakings. In consideration for such work, the compensation agreed included the amount of US\$ 0.01 million and delivery, within 24 months as from such agreement execution, of two functional units for commercial purposes and one functional unit for office purposes (the non-monetary compensation was valued at US\$ 0.7 million).
- On November 7, 2014, the Group through IRSA signed the transfer deed for the sale of the 21st floor of the Building Bouchard 551. The total price of the transaction was Ps. 75.6 million. Such transaction generated a gain before tax of approximately Ps. 63.9 million.
- Due to changes in the business framework Tarshop is going through a restructuring process involving its operations, with the addition of a Visa / Tarshop marketing scheme to its financial product range. In this respect, on September 5, 2014, it entered into an agreement with Visa Argentina S.A. to roll out the card indicated above, which forms part of the business plan approved by the Board, in force as from this year. In line with the descriptions above, the Group, through APSA, approved, together with our associate Banco Hipotecario S.A., a capitalization in the total amount of Ps. 110 million, to be carried out in proportion to their respective shareholdings, with an initial irrevocable capital contribution for such amount.
- On October 24, 2014, the Tel Aviv Stock Exchange allowed Dolphin Netherlands B.V. to release additional shares of IDBD; therefore, 50,061,592 IDBD shares and 335,715 warrants of Series 2 and 3 remained subject to the lock-up arrangement indicated above.
- On November 2, 2014, Dolphin Netherlands B.V. exercised 15,998,797 warrants of Series 1 of IDBD. As a result of this exercise, as of the date of these consolidated financial statements, DN B.V. held an aggregate amount of 92,618,950 shares, 16,170,392 warrants Series 2 and 15,998,787 warrants Series 3 of IDBD, with a non-diluted equity interest in IDBD of 31.26% and a fully diluted equity interest of 32.38%.

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REVIEW REPORT ON THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
IRSA Inversiones y Representaciones Sociedad Anónima
Legal address: Bolivar 108 – 1° floor
Autonomous City Buenos Aires
Tax Code No. 30-52532274-9

Introduction

We have reviewed the unaudited condensed interim consolidated financial statements attached of IRSA Inversiones y Representaciones Sociedad Anónima and its subsidiaries (hereinafter “the Company”) which included the unaudited condensed interim consolidated statements of financial position as of September 30, 2014, and the unaudited condensed interim consolidated statement of income and comprehensive income for the three-month period ended September 30, 2014 and the unaudited condensed interim consolidated statement of changes in shareholders’ equity and unaudited condensed interim consolidated statement of cash flows for the three-month period ended September 30, 2014 and selected explanatory notes.

The balances and other information corresponding to the fiscal year ended June 30, 2014 and the interim periods within that fiscal period are an integral part of these financial statements and, therefore, they should be considered in relation to these financial statements.

Management responsibility

The Board of Directors of the Company is responsible for the preparation and presentation of these unaudited condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and added by the National Securities Commission (CNV) to its regulations as approved by the International Accounting Standard Board (IASB) and, for this reason, is responsible for the preparation and presentation of the unaudited condensed interim consolidated financial statements mentioned in first paragraph according to the International Accounting Standard No 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion based on the review that we have performed with the scope detailed in paragraph “Scope of our review”.

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REVIEW REPORT ON THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Scope of our review

Our review was limited to the application of the procedures established in the International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as a review standard in Argentina through Technical Resolution No. 33 of the FACPCE as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of persons responsible for the preparation of the information included in the unaudited condensed interim consolidated financial statements, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income and consolidated statement of cash flow of the Company.

Conclusion

Nothing came to our attention as a result of our review that caused us to believe that these unaudited condensed interim consolidated financial statements mentioned in the first paragraph of this report have not been prepared in all material respects in accordance with the regulations of the International Accounting Standard No. 34.

Report on compliance with current regulations

In accordance with current regulations, we report about IRSA Inversiones y Representaciones Sociedad Anónima that:

- a) the unaudited condensed interim consolidated financial statements of IRSA Inversiones y Representaciones Sociedad Anónima are recorded in the "Inventory and Balance Sheet Book", and comply, as regards those matters that are within our competence, with the provisions set forth in the Commercial Companies Law and in the corresponding resolutions of the National Securities Commission;
- b) the unaudited condensed interim separate financial statements of IRSA Inversiones y Representaciones Sociedad Anónima arise from accounting records carried in all formal respects in accordance with applicable legal provisions;
- c) we have read the Business Summary ("Reseña Informativa") on which, as regards these matters that are within our competence, we have no observations to make;



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REVIEW REPORT ON THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

d) at September 30, 2014, the debt of IRSA Inversiones y Representaciones Sociedad Anónima owed in favor of the Argentina Integrated Pension System which arises from accounting records and submissions amounted to Ps. 375,335 which was no callable at that date.

Autonomous City of Buenos Aires, November 11, 2014

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

Eduardo A. Loíacono

Public Accountant (UBA)

C.P.C.E.C.A.B.A. T° 326 F° 94

ABELOVICH, POLANO &
ASOCIADOS S.R.L.

(Partner)

C.P.C.E. C.A.B.A. T° 1 F° 30

José Daniel Abelovich

Public Accountant (U.B.A.)

C.P.C.E.C.A.B.A. T° 102 F° 191

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate 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)

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| | Note | 09.30.2014 | 06.30.2014 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Investment properties | 6 | 944,273 | 736,865 |
| Property, plant and equipment | 7 | 8,377 | 8,164 |
| Trading properties | 8 | 8,387 | 8,387 |
| Intangible assets | 9 | 57,870 | 57,893 |
| Investments in subsidiaries, associates and joint ventures | 5 | 3,445,014 | 3,441,214 |
| Deferred income tax assets | 20 | 372,532 | 327,789 |
| Income tax and minimum presumed income tax credit | | 102,695 | 102,695 |
| Trade and other receivables | 12 | 419,440 | 400,860 |
| Investments in financial assets | 13 | 83 | 91 |
| Total Non-current Assets | | 5,358,671 | 5,083,958 |
| Current Assets | | | |
| Trading properties | 8 | 2,573 | 2,652 |
| Inventories | 10 | 618 | 584 |
| Trade and other receivables | 12 | 227,577 | 105,491 |
| Income tax and minimum presumed income tax ("MPIT") credit | | 14,777 | 14,657 |
| Investments in financial assets | 13 | 9,619 | 54,330 |
| Derivative financial instruments | 14 | - | 650 |
| Cash and cash equivalents | 15 | 31,483 | 43,440 |
| Total Current Assets | | 286,647 | 221,804 |
| TOTAL ASSETS | | 5,645,318 | 5,305,762 |
| SHAREHOLDERS' EQUITY | | | |
| Shared capital | | 573,771 | 573,771 |
| Treasury stock | | 4,905 | 4,905 |
| Inflation adjustment of share capital | | 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 payments | | 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 SHAREHOLDERS' EQUITY | | 2,063,126 | 2,008,244 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Trade and other payables | 16 | 7,528 | 4,793 |
| Borrowings | 19 | 2,706,197 | 2,815,958 |
| Provisions | 18 | 3,831 | 4,196 |

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| | | | |
|---|----|------------------|------------------|
| Total Non-Current Liabilities | | 2,717,556 | 2,824,947 |
| Current Liabilities | | | |
| Trade and other payables | 16 | 67,535 | 147,948 |
| Salaries and social security liabilities | 17 | 4,797 | 6,735 |
| Borrowings | 19 | 776,480 | 303,832 |
| Derivative financial instruments | 14 | 242 | - |
| Provisions | 18 | 15,582 | 14,056 |
| Total Current Liabilities | | 864,636 | 472,571 |
| TOTAL LIABILITIES | | 3,582,192 | 3,297,518 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 5,645,318 | 5,305,762 |

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Income
for the three-month periods beginning on July 1st, 2014 and 2013
and 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 publication in Argentina.

| | Note | 09.30.2014 | 09.30.2013 |
|---|------|------------|------------|
| Revenues | 22 | 89,856 | 71,065 |
| Costs | 23 | (25,585) | (25,991) |
| Gross profit | | 64,271 | 45,074 |
| Gain from disposal of investment properties | 6 | 20,977 | - |
| General and administrative expenses | 24 | (20,338) | (14,629) |
| Selling expenses | 24 | (5,031) | (8,758) |
| Other operating results, net | 26 | (4,288) | (2,710) |
| Profit from operations | | 55,591 | 18,977 |
| Share of profit of subsidiaries, associates, and joint ventures | 5 | 83,154 | 127,768 |
| Profit from operations before financial results and income tax | | 138,745 | 146,745 |
| Finance income | 27 | 20,942 | 22,884 |
| Finance cost | 27 | (200,729) | (209,523) |
| Other financial results | 27 | (443) | 21,324 |
| Financial results, net | 27 | (180,230) | (165,315) |
| Loss before income tax | | (41,485) | (18,570) |
| Income tax | 20 | 44,743 | 50,952 |
| Profit for the period | | 3,258 | 32,382 |
| | | | |
| Profit per share for the period: | | | |
| Basic | | 0.01 | 0.056 |
| Diluted | | 0.01 | 0.056 |

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Comprehensive Income
for the three-month periods beginning on July 1st, 2014 and 2013
and 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 publication in Argentina.

| | 09.30.2014 | 09.30.2013 |
|---|------------|------------|
| Profit for the period | 3,258 | 32,382 |
| Other Comprehensive Income: | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Currency translation adjustment of subsidiaries, associates, and joint ventures | 36,656 | 14,911 |
| Other comprehensive income for the period (i) | 36,656 | 14,911 |
| Total comprehensive income for the period | 39,914 | 47,293 |

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

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate 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 publication in Argentina.

| | 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 | Cumu- lative trans- lating adjust- |
|--|------------------|-------------------|---|------------------|------------------------------|--|---|------------------|---------------------------|------------------------------------|--|
| Balance at June 30, 2014 | 573,771 | 4,905 | 123,329 | 793,123 | (37,906) | (21,808) | 53,235 | 116,840 | 375,487 | 413,206 | 398,600 |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | 36,600 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | 36,600 |
| Reserve for share-based compensation | - | - | - | - | - | - | 10,064 | - | - | - | - |
| Changes in non-controlling interest | - | - | - | - | - | 4,904 | - | - | - | - | - |
| 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 | 435,200 |

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

(1) Related to CNV General Resolution No. 609/12. See Note 21.

(2) Includes Ps. 1,045 of inflation adjustment of Treasury Stock. See Note 21

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate 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 publication in Argentina.

| | 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 translation adjustment |
|--|------------------|-------------------|---|------------------|------------------------------|--|---|------------------|---------------------------|-----------------------------------|---|
| Balance at July 1st, 2013 | 578,676 | - | 123,329 | 793,123 | - | (20,782) | 8,258 | 85,140 | 395,249 | 492,441 | 50,776 |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | 14,911 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | 14,911 |
| Reserve for share-based compensation | - | - | - | - | - | - | 5,730 | - | - | - | - |
| Purchase of Treasury stock | (170) | 170 | - | - | (1,182) | - | - | - | - | - | - |
| Balance at September 30, 2013 | 578,506 | 170 | 123,329 | 793,123 | (1,182) | (20,782) | 13,988 | 85,140 | 395,249 | 492,441 | 65,687 |

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

(1) Related to CNV General Resolution No. 609/12. See Note 21.

(2) Includes Ps. 36 of inflation adjustment of Treasury Stock. See Note 21.

IRSA Inversiones y Representaciones S.A.

By: /s/ Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate 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 publication in Argentina.

| | Note | 09.30.2014 | 09.30.2013 |
|---|------|------------|------------|
| Operating activities: | | | |
| Cash generated from the operations | 15 | 6,585 | 20,396 |
| Income tax paid | | - | (6,454) |
| Net cash generated by operating activities | | 6,585 | 13,942 |
| Investing activities: | | | |
| Capital contributions to subsidiaries, associates and joint ventures | 5 | (2,916) | (873) |
| Additions of investment properties | 6 | (168,499) | (830) |
| Proceeds from sale of investment properties | 6 | 23,864 | 118,936 |
| Proceeds from sale of joint ventures | 9 | - | 7,736 |
| Additions of property, plant and equipment | 7 | (380) | (383) |
| Purchase of intangible assets | 9 | (28) | - |
| Additions of investments in financial assets | | (141,202) | (98,224) |
| Proceeds from sale of investments in financial assets | | 138,711 | 17,749 |
| Interest received from subsidiaries, associates and joint ventures | | - | 518 |
| Loans granted to subsidiaries, associates and joint ventures | | (9) | (14,502) |
| Share-holding increase in equity investees associates | | (1,094) | - |
| Dividends received | | - | 1,536 |
| Net cash used / generated by investing activities | | (151,553) | 31,663 |
| Financing activities: | | | |
| Bank overdrafts, net | | 211,144 | 115,694 |
| Payment of non-convertible notes | | - | (97,887) |
| Interest paid | | (149,721) | (94,236) |
| Repurchase of treasury stock | | - | (1,182) |
| Proceeds from borrowings | | 110,000 | - |
| Acquisition of derivative financial instruments | | (398) | - |
| Proceeds from derivative financial instruments | | 29 | - |
| Payment of borrowings from subsidiaries, associates and joint ventures | | (1,375) | - |
| Proceeds from borrowings from subsidiaries, associates and joint ventures | | 10,689 | 6,536 |
| Dividends paid | | (48,179) | - |
| Net cash generated / used in financing activities | | 132,189 | (71,075) |
| Net Decrease in cash and cash equivalents | | (12,779) | (25,470) |
| Cash and cash equivalents at the beginning of the year | 15 | 43,440 | 62,788 |
| Foreign exchange gain on cash and cash equivalents | | 822 | 1,568 |
| Cash and cash equivalents at end of period | | 31,483 | 38,886 |

The accompanying notes are an integral part of these Unaudited Condensed Interim Separate 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 Separate 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 publication in Argentina

1. General information and company's business

IRSA Inversiones y Representaciones Sociedad Anónima ("IRSA" or the "Company") was founded in 1943, primarily engaged in managing real estate holdings in Argentina since 1991.

IRSA is a corporation incorporated and domiciled in Argentina. The registered office is Bolívar 108, 1st Floor, Autonomous City of Buenos Aires, Argentina.

The Company owns, manages and develops a portfolio of office and other rental properties in Buenos Aires. In addition, IRSA through its subsidiaries, associates and joint ventures manages and develops shopping centers and branded hotels across Argentina, and also office properties in the United States of America and Israel.

These Unaudited Condensed Interim Separate 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 Separate Financial Statements

2.1. Basis of preparation

The Unaudited Condensed Interim Financial Statements have been prepared in accordance with the Technical Resolution No. 26 of the Argentine Federation of Professional Councils of Economic Science ("FACPCE", as per its Spanish acronym) and 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 these Unaudited Condensed Interim Separate Financial Statements according to IFRS.

These Financial Statements should be read together with the annual separate financial statements of the Company as of June 30, 2014 prepared in accordance with the Technical Resolution No. 26. These Unaudited Condensed Interim Separate Financial Statements are presented in Argentine Pesos.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate 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 Separate Financial Statements (Continued)

These Condensed Interim Separate Financial Statements corresponding to the three-month periods ended September 30, 2014 and 2013 have not been audited. The Company's 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 Company's full-year results.

2.2. Significant accounting policies

The principal accounting policies adopted for the preparation of these Unaudited Condensed Interim Financial Statements are consistent with those applied in the preparation of the information under RT 26 as of June 30, 2014, and are based on those IFRS in force as of June 30, 2014 (except for the accounting of investments in subsidiaries, associates and joint ventures, which are accounted for under the equity method as required in RT 26). In addition, the most significant accounting policies are described in the Annual Separate Financial Statements.

2.3. Use of estimates

The preparation of financial statements at a certain date requires the Management to make estimates 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 Separate Financial Statements, the main significant judgments made by Management in applying the Company's accounting policies and the major sources of uncertainty were the same that the Company used in the preparation of financial statements as of and for the fiscal 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 financial statements then ended. Certain reclassifications have been made in order to present figures comparatively with those of this period.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate 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

2. Basis of preparation of the Unaudited Condensed Interim Separate Financial Statements (Continued)

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, mainly due to the currency exposure of our income from offices rental, and our net assets and liabilities in foreign currency as detailed in Note 34.

3. Acquisitions and disposals

See acquisitions and disposals made by the Company for the three-month period ended September 30, 2014 in Note 4 to the Unaudited Condensed Interim Consolidated Financial Statements.

4. Financial risk management

4.1 Financial risks

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

The Unaudited Condensed Interim Financial Statements do not include all the information and disclosures of the risk management, so they should be read together with the annual separate financial statements as of June 30, 2014. There have been no changes in the risk management or risk management policies applied by the Company since the end of the annual fiscal year.

4.2 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) (see Note 5 to the Unaudited Condensed Interim Consolidated Financial Statements) nor any 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 Separate Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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5. Information about principal subsidiaries, associates and joint ventures

The Company conducts its business through several operating and holding subsidiaries, associates and joint ventures.

Set out below is the summarized financial information for investments in subsidiaries, associates and joint ventures for the three-month period ended September 30, 2014 and for the year ended June 30, 2014:

| | September 30, 2014 | June 30, 2014 |
|---|-----------------------|------------------|
| Beginning of the period / year | 3,441,214 | 3,570,642 |
| Capital contribution | 2,916 | 201,276 |
| Share of profit, net | 83,154 | (260,724) |
| Translation adjustment | 36,656 | 348,155 |
| Cash dividends (i) | (1,850) | (413,615) |
| Reimbursement of expired dividends | - | 1,618 |
| Capital reduction | (123,074) | - |
| Acquisition of non-controlling interest | 5,998 | 182 |
| Reserve for share-based payments | - | (6,320) |
| End of the period / year | 3,445,014 | 3,441,214 |

(i) During the three-month period ended September 30, 2014, Cyrsa distributed dividends for an amount of Ps. 1.9 million. During the year ended June 30, 2014, BHSA, Palermo Invest S.A., Inversora Bolivar S.A., APSA, E-Commerce Latina S.A. and Manibil S.A., distributed dividends for an amount of Ps. 1.5 million, Ps. 6.3 million, Ps. 7.7 million, Ps. 389.5 million, Ps. 7.7 million and Ps. 0.8 million, respectively.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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6. Investment properties

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

| | Office buildings and other rental properties portfolio | Undeveloped parcel of lands | Total |
|---|---|-----------------------------------|------------|
| At July 1st, 2013: | | | |
| Costs | 849,280 | 117,556 | 966,836 |
| Accumulated depreciation | (162,048) | - | (162,048) |
| Residual value | 687,232 | 117,556 | 804,788 |
| Year ended June 30, 2014: | | | |
| Additions | 3,216 | 343 | 3,559 |
| Disposals | (46,977) | - | (46,977) |
| Transfers | 251 | 1,550 | 1,801 |
| Depreciation (i) | (26,306) | - | (26,306) |
| Residual value at year end | 617,416 | 119,449 | 736,865 |
| At June 30, 2014: | | | |
| Costs | 802,835 | 119,449 | 922,284 |
| Accumulated depreciation | (185,419) | - | (185,419) |
| Residual value | 617,416 | 119,449 | 736,865 |
| Period ended September 30, 2014: | | | |
| Additions | 2,101 | 214,594 | 216,695 |
| Disposals | (2,887) | - | (2,887) |
| Depreciation charge (i) | (6,400) | - | (6,400) |
| Residual value at period end | 610,230 | 334,043 | 944,273 |
| At September 30, 2014: | | | |
| Costs | 801,530 | 334,043 | 1,135,573 |
| Accumulated depreciation | (191,300) | - | (191,300) |
| Residual value | 610,230 | 334,043 | 944,273 |

(i) Depreciation charges of investment properties were included in "Costs" in the Statement of Income (Note 24).

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

| | September 30, 2014 | September 30, 2013 |
|---|--------------------------|--------------------------|
| Rental and service income | 88,750 | 66,779 |
| Direct operating expenses | (24,714) | (24,179) |
| Gain from disposal of investment property | 20,977 | - |

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate 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. Property, plant and equipment

Changes in Company'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:

| | Buildings and facilities | Furniture and fixtures | Machinery and equipment | Vehicles | Total |
|----------------------------------|--------------------------------|---------------------------|-------------------------------|----------|-----------|
| At July 1st, 2013: | | | | | |
| Costs | 19,256 | 3,110 | 11,709 | 221 | 34,296 |
| Accumulated depreciation | (12,013) | (2,668) | (10,713) | (221) | (25,615) |
| Residual value | 7,243 | 442 | 996 | - | 8,681 |
| Year ended June 30, 2014: | | | | | |
| Additions | 108 | 14 | 545 | - | 667 |
| Depreciation (i) | (598) | (63) | (523) | - | (1,184) |
| Residual value at year end | 6,753 | 393 | 1,018 | - | 8,164 |
| At June 30, 2014 | | | | | |
| Costs | 19,364 | 3,124 | 12,254 | 221 | 34,963 |
| Accumulated depreciation | (12,611) | (2,731) | (11,236) | (221) | (26,799) |
| Residual value | 6,753 | 393 | 1,018 | - | 8,164 |
| Period ended September 30, 2014: | | | | | |
| Additions | 120 | 8 | 252 | - | 380 |
| Depreciation (i) | (4) | (16) | (147) | - | (167) |
| Residual value at period end | 6,869 | 385 | 1,123 | - | 8,377 |
| At September 30, 2014: | | | | | |
| Costs | 19,484 | 3,132 | 12,506 | 221 | 35,343 |
| Accumulated depreciation | (12,615) | (2,747) | (11,383) | (221) | (26,966) |
| Residual value | 6,869 | 385 | 1,123 | - | 8,377 |

(i) Depreciation charges of property, plant and equipment were included in "Cost" and "General and administrative expenses" in the statement of income (Note 24).

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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8. Trading properties

Changes in the Company'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 | Under developed sites | Total |
|-----------------------|-------------------------|------------------------------------|-----------------------------|----------|
| At July 1st, 2013 | 4,708 | 8,200 | 1,550 | 14,458 |
| Disposals (i) | (1,618) | - | - | (1,618) |
| Transfers | (251) | - | (1,550) | (1,801) |
| At June 30, 2014 | 2,839 | 8,200 | - | 11,039 |
| Disposals (i) | (79) | - | - | (79) |
| At September 30, 2014 | 2,760 | 8,200 | - | 10,960 |

(i) Corresponds to the carrying amount of properties transferred included in "Cost" in the statement of income (Note 24).

9. Intangible assets

Changes in Company'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 | Units to be received from barter | Total |
|----------------------------|----------|----------------------|---|----------|
| At July 1st, 2013: | | | | |
| Costs | 5,481 | 1,825 | 52,205 | 59,511 |
| Accumulated depreciation | - | (1,368) | - | (1,368) |
| Residual value | 5,481 | 457 | 52,205 | 58,143 |
| Year ended June 30, 2014: | | | | |
| Additions | - | 17 | - | 17 |
| Disposals | - | (46) | - | (46) |
| Amortization charges (i) | - | (221) | - | (221) |
| Residual value at year end | 5,481 | 207 | 52,205 | 57,893 |
| At June 30, 2014: | | | | |
| Costs | 5,481 | 1,775 | 52,205 | 59,461 |
| Accumulated depreciation | - | (1,568) | - | (1,568) |
| Residual value | 5,481 | 207 | 52,205 | 57,893 |

Period ended September 30, 2014:

| | | | | |
|------------------------------|-------|-------|--------|--------|
| Additions | - | 28 | - | 28 |
| Amortization charges (i) | - | (51) | - | (51) |
| Residual value at period end | 5,481 | 184 | 52,205 | 57,870 |

At September 30, 2014:

| | | | | |
|--------------------------|-------|----------|--------|----------|
| Costs | 5,481 | 1,803 | 52,205 | 59,489 |
| Accumulated depreciation | - | (1,619) | - | (1,619) |
| Residual value | 5,481 | 184 | 52,205 | 57,870 |

(i) Amortization charges of intangible assets are included in "General and administrative expenses" in the statement of income (Note 24).

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate 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. Inventories

Company's inventories as of September 30, 2014 and June 30, 2014 are as follows:

| | September 30, 2014 | June 30, 2014 |
|-------------------------------------|--------------------------|------------------|
| Current | | |
| Materials and other inventories (i) | 618 | 584 |
| Current inventories | 618 | 584 |
| Total inventories | 618 | 584 |

(i) The cost of inventories is recorded in "Costs" in the statement of income (Note 24).

11. Financial instruments by category

Determination of fair values

See determination of fair value in Note 14 to the Unaudited Condensed Interim Consolidated Financial Statements.

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

| | Level 1 | September 30, 2014 | | Total |
|---|--------------|--------------------|----------|--------------|
| | | Level 2 | Level 3 | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities in TGLT | 83 | - | - | 83 |
| - Mutual funds | 4,441 | - | - | 4,441 |
| - Other investments | 5,178 | - | - | 5,178 |
| Cash and cash equivalents | | | | |
| - Mutual funds | 104 | - | - | 104 |
| Total assets | 9,806 | - | - | 9,806 |
| Liabilities | | | | |
| Derivative financial instruments: | | | | |
| - Interest rate swaps | - | 242 | - | 242 |
| Total liabilities | - | 242 | - | 242 |

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
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11. 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 in TGLT | 91 | - | - | 91 |
| - Mutual funds | 51,282 | - | - | 51,282 |
| - Other investments | 3,048 | - | - | 3,048 |
| Derivative financial instruments: | | | | |
| - Interest rate swaps | - | 650 | - | 650 |
| Cash and cash equivalents | | | | |
| - Mutual funds | 100 | - | - | 100 |
| Total assets | 54,521 | 650 | - | 55,171 |

The derivative financial instruments are classified as Level 2 since their fair value is calculated under the discounted cash flow method. The main parameter used in that model is interest rate futures (see Note 14).

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

| Description | Pricing model | Pricing method | Parameters |
|---------------------|---------------|-------------------|---|
| Interest rate swaps | Cash flows | Theoretical price | Interest rate forward contract and cash flows |

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12. Trade and other receivables

Company'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 | | |
| Sale, leases and services receivable | 1,421 | 788 |
| Non-current trade accounts receivables | 1,421 | 788 |
| Trade accounts receivables of joint venture | 3,332 | 3,213 |
| Others | 210 | 210 |
| Non-current other receivables | 3,542 | 3,423 |
| Related parties (Note 29) | 414,477 | 396,649 |
| Total non-current trade and other receivables | 419,440 | 400,860 |
| Current | | |
| Sale, leases and services receivable | 16,087 | 15,484 |
| Checks to be deposited | 10 | 129 |
| Overdue debtors and debtors under legal proceedings | 6,866 | 6,672 |
| Less: Allowance for trade accounts receivables | (8,533) | (8,114) |
| Trade accounts receivables | 14,430 | 14,171 |
| Gross sales tax credit | 878 | 5,818 |
| Other tax receivables | 3,655 | 1,440 |
| Prepaid expenses | 4,103 | 5,089 |
| Expenses and services to recover | 6,250 | 5,084 |
| Advance payments | 4,169 | 3,670 |
| Others | 1,094 | 1,422 |
| Current other receivables | 20,149 | 22,523 |
| Related parties (Note 29) | 192,998 | 68,797 |
| Current trade and other receivables | 227,577 | 105,491 |
| Total trade and other receivables | 647,017 | 506,351 |

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12. Trade and other receivables (Continued)

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

| | September 30, 2014 | June 30, 2014 |
|--------------------------------|--------------------------|------------------|
| Beginning of the period / year | 8,114 | 5,382 |
| Charges for the period / year | 529 | 7,252 |
| Unused amounts reversed | (110) | (2,009) |
| Used during the period / year | - | (2,511) |
| End of the period / year | 8,533 | 8,114 |

The creation and release of provision for impaired receivables have been included in "Selling expenses" in the statement of income (Note 24). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

13. Investments in financial assets

Company'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 TGLT | 83 | 91 |
| Total Non-current investments in financial assets | 83 | 91 |
| Current | | |
| Financial assets at fair value | | |
| Mutual funds | 4,441 | 51,282 |
| Government bonds | 5,178 | 3,048 |
| Total Current investments in financial assets | 9,619 | 54,330 |
| Total investments in financial assets | 9,702 | 54,421 |

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14. Derivative financial instruments

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

| | September 30, 2014 | June 30, 2014 |
|-------------------------|--------------------------|------------------|
| Assets | | |
| Current | | |
| Interest rate swaps (i) | - | 650 |
| Total current | - | 650 |
| Total assets | - | 650 |
| Liabilities | | |
| Current | | |
| Interest rate swaps (i) | 242 | - |
| Total current | 242 | - |
| Total liabilities | 242 | - |

(i) During the year ended June 30, 2014, the Company entered into interest rate swaps with diverse financial institutions. The total amount of underlying assets for these agreements amounts to Ps. 180 million and are due in September, October and December 2014.

15. 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 | 31,379 | 43,340 |
| Mutual funds | 104 | 100 |
| Total cash and cash equivalents | 31,483 | 43,440 |

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15. Cash flow information (Continued)

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

| | Note | September 30, 2014 | September 30, 2013 |
|--|------|--------------------------|--------------------------|
| Income for the period | | 3,258 | 32,382 |
| Adjustments for: | | | |
| Income tax | 20 | (44,743) | (50,952) |
| Depreciation and amortization | 24 | 6,618 | 7,088 |
| Gain from disposal of investment properties | | (20,977) | - |
| Share-based payments | 28 | 2,586 | 1,243 |
| Changes in fair value of investments in financial assets | | (818) | (21,543) |
| Gain from derivative financial instruments | | 1,261 | 219 |
| Interest expense, net | | 95,822 | 62,119 |
| Provisions and allowances | | 3,833 | 7,900 |
| Share of (profit) from of subsidiaries, associates and joint ventures | | (83,154) | (127,768) |
| Unrealized foreign exchange loss, net | | 78,153 | 119,455 |
| Increase in inventories | | (34) | (45) |
| Decrease in trading properties | | 79 | 898 |
| (Increase) / Decrease in trade and other receivables | | (788) | 10,798 |
| Decrease in trade and other payables | | (31,212) | (19,875) |
| Decrease in salaries and social security liabilities | | (1,938) | (1,079) |
| Decrease in provisions | | (1,361) | (444) |
| Net cash generated by operating activities | | 6,585 | 20,396 |
| Additional information | | | |
| | | 09.30.14 | 09.30.13 |
| Increase in income tax and minimum presumed income tax credits through an increase in trade and other payables | | - | 6,370 |
| | 5 | 7,478 | 4,487 |

| | | |
|--|-----------|--------|
| Reserve for share-based payments | | |
| Cumulative Translation Adjustment | 36,656 | 14,911 |
| Acquisition of non-controlling interest | (10,583) | - |
| Decrease in borrowings through a decrease in equity investments in subsidiaries, associates and joint ventures | 12,493 | - |
| Increase in trade and other receivables through a decrease in investments in associates and joint ventures | 112,431 | - |
| Increase of investment in properties through a decrease in financial assets | 48,196 | - |

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16. Trade and other payables

Company'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 | | |
| Sales, rent and services payments received in advance | 20 | 227 |
| Tenant deposits | 4,840 | 4,544 |
| Total Non-current trade payables | 4,860 | 4,771 |
| Related parties (Note 29) | 2,668 | 22 |
| Total Non-current trade and other payables | 7,528 | 4,793 |
| Current | | |
| Trade payables | 4,778 | 5,151 |
| Invoices to be received | 9,732 | 9,159 |
| Sales, rent and services payments received in advance | 7,924 | 35,925 |
| Tenant deposits | 8,645 | 8,128 |
| Total current trade payables | 31,079 | 58,363 |
| VAT payables | 3,069 | 3,619 |
| Dividends payable to non-controlling shareholders | 8,446 | 19,655 |
| Other tax payables | 2,271 | 2,874 |
| Others | 1,935 | 2,098 |
| Total Current other payables | 15,721 | 28,246 |
| Related parties (Note 29) | 20,735 | 61,339 |
| Total Current trade and other payables | 67,535 | 147,948 |
| Total trade and other payables | 75,063 | 152,741 |

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17. Payroll and social security liabilities

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

| | September 30, 2014 | June 30, 2014 |
|---|--------------------------|------------------|
| Current | | |
| Provision for vacation, bonuses and others | 2,069 | 3,842 |
| Social security payable | 603 | 768 |
| Salaries payable | 18 | 18 |
| Others | 2,107 | 2,107 |
| Total salaries and social security liabilities | 4,797 | 6,735 |

18. Provisions

The table below shows the movements in Company's provisions:

| | Labor, legal and other claims |
|------------------------------|--|
| At June 30, 2014 | 18,252 |
| Additions | 2,522 |
| Decreases | (1,070) |
| Used during the period | (291) |
| At September 30, 2014 | 19,413 |

The breakdown of total current and non-current provisions is as follows:

| | September 30, 2014 | June 30, 2014 |
|--------------------|--------------------------|------------------|
| Non-current | 3,831 | 4,196 |
| Current | 15,582 | 14,056 |
| | 19,413 | 18,252 |

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19. Borrowings

Company's borrowings as of September 30, 2014 and June 30, 2014 were as follows:

| | Secured/ unsecured | Currency | Fixed Rate/ floating | Effective interest rate % | Nominal value | Book value September 30, 2014 | June 30, 2014 |
|---------------------------------|-----------------------|----------|----------------------------|---------------------------------|------------------|--|------------------|
| Non-current | | | | | | | |
| IRSA NCN due 2017 (Note 34) | Unsecured | US\$ | Fixed | 8.50% | 150,000 | 1,263,260 | 1,218,492 |
| IRSA NCN due 2020 | Unsecured | US\$ | Fixed | 11.50% | 150,000 | 1,241,339 | 1,196,902 |
| IRSA NCN due 2017 | Unsecured | Ps. | Floating | Badlar + 450ps | 10,790 | 10,723 | 10,734 |
| IRSA NCN due 2015 | Unsecured | Ps. | Floating | Badlar + 395ps | 209,297 | - | 209,297 |
| Related parties (Note 34) | Unsecured | Ps. | Floating | Badlar | 158,860 | 190,803 | 180,412 |
| Finance lease obligations | Secured | US\$ | Fixed | 7.50% | 9 | 72 | 121 |
| Total non-current borrowings | | | | | | 2,706,197 | 2,815,958 |
| Current | | | | | | | |
| IRSA NCN due 2017 (Note 34) | Unsecured | US\$ | Fixed | 8.5% | 150,000 | 16,442 | 41,756 |
| IRSA NCN due 2020 | Unsecured | US\$ | Fixed | 11.5% | 150,000 | 27,571 | 61,649 |
| IRSA NCN due 2017 | Unsecured | Ps. | Floating | Badlar + 450ps | 10,790 | 234 | 255 |
| IRSA NCN due 2015 | Unsecured | Ps. | Floating | Badlar + 395ps | 209,398 | 213,016 | 4,325 |
| Bank overdrafts | Unsecured | Ps. | Floating | - | - | 216,353 | 6,133 |
| Finance lease obligations | Secured | US\$ | Fixed | 7.50% | 28 | 231 | 235 |
| Short-term loans | Unsecured | Ps. | Fixed | 28.25% | 110,000 | 110,596 | - |
| Related parties (Note 34) | Unsecured | US\$ | Fixed | 3.60% | 120,941 | 122,768 | 117,384 |
| Related parties (Note 34) | Unsecured | US\$ | Floating | Libor 3m+200ps | 67,542 | 68,183 | 66,140 |
| Related parties (Note 34) | Unsecured | Ps. | Floating | Badlar | 25,585 | 1,086 | 5,955 |
| Total Current borrowings | | | | | | 776,480 | 303,832 |
| Total borrowings | | | | | | 3,482,677 | 3,119,790 |

NCN: Non-convertible Notes

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20. Current and deferred income tax

The details of the provision for the Company's income tax are as follows:

| | September 30, 2014 | September 30, 2013 |
|---------------------|--------------------------|--------------------------|
| Deferred income tax | (44,743) | (50,952) |
| Income tax | (44,743) | (50,952) |

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

| | September 30, 2014 | June 30, 2014 |
|--------------------------------|--------------------------|------------------|
| Beginning of the period / year | 327,789 | 47,144 |
| Income tax | 44,743 | 280,645 |
| End of period / year | 372,532 | 327,789 |

Below is a reconciliation between income tax expense and the amount that would arise using the income tax rate applicable to Profit Before Income Tax for the three month periods ended September 30, 2014 and 2013:

| | September 30, 2014 | September 30, 2013 |
|--|--------------------------|--------------------------|
| Net income at tax rate | (14,520) | (6,500) |
| Permanent differences: | | |
| Share of profit / loss from of subsidiaries, associates and joint ventures | (29,104) | (44,719) |
| Non - deductible items | 129 | 84 |
| Others | (1,248) | 183 |
| Income tax expense | (44,743) | (50,952) |

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21. Shareholders' Equity

See description of the different items of the Company's equity in Note 26 to the Unaudited Condensed Interim Consolidated Financial Statements.

22. Revenues

| | September 30, 2014 | September 30, 2013 |
|--|--------------------------|--------------------------|
| Rental and scheduled rent increases | 69,065 | 49,838 |
| Expenses | 17,438 | 15,523 |
| Property management fee | 1,277 | 1,053 |
| Others | 970 | 365 |
| Total rental and service income | 88,750 | 66,779 |
| Sale of trading properties | 1,106 | 4,286 |
| Total income from sales and developments | 1,106 | 4,286 |
| Total revenues | 89,856 | 71,065 |

23. Costs

| | September 30, 2014 | September 30, 2013 |
|-----------------------------------|--------------------------|--------------------------|
| Leases and services costs | 24,714 | 24,179 |
| Cost of sales and development | 871 | 1,812 |
| Total cost of property operations | 25,585 | 25,991 |
| Total costs | 25,585 | 25,991 |

24. Expenses by nature

The Company disclosed expenses in 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 Company.

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24. Expenses by nature (Continued)

For the period ended September 30, 2014:

| | Costs | | | | Total |
|--|-----------------------------|------------------------------|-------------------------------------|------------------|--------|
| | Cost of rental and services | Cost of sale and development | General and administrative expenses | Selling expenses | |
| Salaries, social security costs and other personnel expenses | 4,140 | 165 | 11,655 | 1,413 | 17,373 |
| Maintenance, security, cleaning, repairs and others | 9,095 | 104 | 1,141 | 81 | 10,421 |
| Depreciation and amortization | 6,412 | 1 | 182 | 23 | 6,618 |
| Taxes, rates and contributions | 3,599 | 428 | 39 | 2,071 | 6,137 |
| Director's fees | - | - | 3,538 | - | 3,538 |
| Fees and payments for services | 713 | 5 | 1,533 | 465 | 2,716 |
| Other expenses | 247 | 9 | 1,677 | 86 | 2,019 |
| Leases and service charges | 508 | 80 | 573 | 23 | 1,184 |
| Advertising and others selling expenses | - | - | - | 450 | 450 |
| Allowances for trade and other receivables | - | - | - | 419 | 419 |
| Cost of sale of trading properties | - | 79 | - | - | 79 |
| Total expenses by nature | 24,714 | 871 | 20,338 | 5,031 | 50,954 |

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24. Expenses by nature (Continued)

For the period ended September 30, 2013:

| | Costs | | | | Total |
|--|--------------------------------------|------------------------------------|--|---------------------|--------|
| | Cost of rental and services | Cost of sale and development | General and administrative expenses | Selling expenses | |
| Salaries, social security costs and other personnel expenses | 3,979 | 37 | 8,469 | 2,146 | 14,631 |
| Maintenance, security, cleaning, repairs and others | 9,720 | 79 | 535 | 46 | 10,380 |
| Depreciation and amortization | 6,831 | - | 231 | 26 | 7,088 |
| Taxes, rates and contributions | 1,144 | 651 | 26 | 1,923 | 3,744 |
| Director's fees | - | - | 2,691 | - | 2,691 |
| Fees and payments for services | 993 | 13 | 1,369 | 359 | 2,734 |
| Other expenses | 377 | 6 | 1,206 | 40 | 1,629 |
| Leases and service charges | 1,135 | 128 | 102 | - | 1,365 |
| Advertising and others selling expenses | - | - | - | 774 | 774 |
| Allowances for trade and other receivables | - | - | - | 3,444 | 3,444 |
| Cost of sale of trading properties | - | 898 | - | - | 898 |
| Total expenses by nature | 24,179 | 1,812 | 14,629 | 8,758 | 49,378 |

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| | | | | |
|-----|--|--------------------------------------|--------------------------|--------------------------|
| 25. | Employee costs | | September 30, 2014 | September 30, 2013 |
| | Salaries, bonuses and social security costs | | 13,786 | 12,377 |
| | Cost of Equity incentive plan and defined contribution | | 2,553 | 1,376 |
| | Other employee costs and benefits | | 1,034 | 878 |
| | Total employee costs | | 17,373 | 14,631 |
| 26. | Other operating results, net | | September 30, 2014 | September 30, 2013 |
| | Personal assets tax | | (508) | (733) |
| | Donations | | (368) | (244) |
| | Lawsuits and other contingencies (1) | | (1,512) | (1,616) |
| | Others | | (1,900) | (117) |
| | Total other operating results, net | | (4,288) | (2,710) |
| | (1) | Includes judicial costs and expenses | | |
| 27. | Financial results, net | | September 30, 2014 | September 30, 2013 |
| | Finance income: | | | |
| | - Interest income | | 3,983 | 2,192 |
| | - Foreign exchange gains | | 16,959 | 20,692 |
| | Total finance income | | 20,942 | 22,884 |
| | Finance costs: | | | |
| | - Interest expense | | (99,805) | (64,311) |
| | - Foreign exchange losses | | (95,990) | (141,799) |
| | - Other finance costs | | (4,934) | (3,413) |
| | Total finance costs | | (200,729) | (209,523) |
| | Other financial results: | | | |
| | - Fair value gain in financial assets | | 818 | 21,543 |

| | | |
|--|------------|------------|
| - Loss on derivative financial instruments | (1,261) | (219) |
| Total other financial results | (443) | 21,324 |
| Total financial results, net | (180,230) | (165,315) |

28. Share-based payments

For more details on share-based payments, see Note 33 to the Unaudited Condensed Interim Consolidated Financial Statements.

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29. Related party transactions

The following is a summary of the balances with related parties as of September 30, 2014:

| Related party | Description of Transaction | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current |
|-----------------------------|------------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|
| Parent Company | | | | | | | |
| | Sale of good and/or services | 216 | - | - | - | - | - |
| | Leases and/or rights of use | 106 | - | - | - | - | - |
| | Corporate services | - | - | (7,019) | - | - | - |
| | Reimbursement of expenses | - | - | (1,226) | - | - | - |
| CRESUD | Share-based payments | - | - | (4,214) | - | - | - |
| S.A.C.I.F. y A. | Non-Convertible Notes | - | - | - | - | (811) | (36,249) |
| Total Parent company | | 322 | - | (12,459) | - | (811) | (36,249) |
| Subsidiaries | | | | | | | |
| E. Commerce Latina S.A. | Management fees | 2 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | (7,516) |
| | Reimbursement of expenses | - | - | (4,483) | - | - | - |
| | Leases and/or rights of use | 302 | - | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | (772) | (37,783) |
| | Leases' collections | - | - | (25) | - | - | - |
| Alto Palermo S.A. | Share-based payments | 41,900 | - | - | - | - | - |
| | Borrowings | - | - | - | - | (122,768) | - |
| Solares de Santa Maria S.A. | Reimbursement of expenses | 5,590 | - | - | - | - | - |
| | Borrowings | - | 6 | - | - | - | - |
| Palermo Invest S.A. | Reimbursement of expenses | 46 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | (6,567) |
| Ritelco S.A. | Borrowings | - | - | - | - | (68,183) | (4,789) |

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29. Related party transactions (Continued)

| Related party | Description of Transaction | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current |
|----------------------------------|----------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|
| Subsidiaries | | | | | | | |
| Inversora Bolivar S.A. | Reimbursement of expenses | 54 | - | - | - | - | - |
| Hoteles Argentinos S.A. | Borrowings | - | - | - | - | - | (7,956) |
| Tyrus S.A. | Hotel services | 104 | - | (1,691) | - | - | - |
| Llao Llao Resorts S.A. | Borrowings | - | 337,910 | - | - | - | - |
| Nuevas Fronteras S.A. | Reimbursement of expenses | 280 | - | - | - | - | - |
| Efanur S.A. | Hotel services | 3,166 | - | - | - | - | - |
| | Guarantee deposits | - | - | - | (14) | - | - |
| | Reimbursement of expenses | - | - | (7) | - | - | - |
| | Management fees | 594 | - | - | - | - | - |
| | Borrowings | - | - | - | - | (1,086) | (20,576) |
| | Borrowings | - | 76,552 | - | - | - | - |
| Total Subsidiaries | | 52,038 | 414,468 | (6,206) | (14) | (192,809) | (85,187) |
| Subsidiaries CRESUD | | | | | | | |
| Futuros y Opciones.com S.A. | Reimbursement of expenses | - | - | (29) | - | - | - |
| Total Subsidiaries CRESUD | | - | - | (29) | - | - | - |

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29. Related party transactions (Continued)

| Related party | Description of Transaction | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current |
|--|-----------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|
| Subsidiaries APSA | | | | | | | |
| Arcos del Gourmet S.A. | Reimbursement of expenses | 51 | - | - | - | - | - |
| | Reimbursement of expenses | 57 | - | - | - | - | - |
| Emprendimientos Recoleta S.A. | Share-based payments | 329 | - | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | (272) | (12,164) |
| | Reimbursement of expenses | 15 | - | - | - | - | - |
| | Share-based payments | 8,529 | - | - | - | - | - |
| Fibesa S.A. | Leases and/or rights of use | 195 | - | - | - | - | - |
| | Reimbursement of expenses | 570 | - | - | - | - | - |
| Panamerican Mall S.A. | Share-based payments | 1,011 | - | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | (1,052) | (47,056) |
| Shopping Neuquén S.A. | Reimbursement of expenses | 1 | - | - | - | - | - |
| Total Subsidiaries APSA | | 10,758 | - | - | - | (1,324) | (59,220) |
| Subsidiaries TYRUS | | | | | | | |
| Irsa International LLC | Reimbursement of expenses | 1,561 | - | (1,126) | - | - | - |
| Real Estate Investment Group LP | Reimbursement of expenses | 6 | - | - | - | - | - |
| Zetol S.A. | Reimbursement of expenses | 2 | - | - | - | - | - |
| Vista al Muelle S.A. | Reimbursement of expenses | 2 | - | - | - | - | - |
| Real Estate Investment Group V LP | Reimbursement of expenses | 19 | - | - | - | - | - |
| Real Estate Strategies LP | Reimbursement of expenses | 2,210 | - | - | - | - | - |
| New Lipstick LLC | | 2,031 | - | - | - | - | - |

| | | | | | | | |
|--|-----------------------------|-------|---|----------|---|---|---|
| | Reimbursement of expenses | | | | | | |
| Imadison LLC | Reimbursement of expenses | 1,423 | - | - | - | - | - |
| Total Subsidiaries | | | | | | | |
| TYRUS | | 7,254 | - | (1,126) | - | - | - |
| Associates | | | | | | | |
| Banco de Crédito y Securitización S.A. | | | | | | | |
| | Leases and/or rights of use | 47 | - | - | - | - | - |
| Banco Hipotecario S.A. | | | | | | | |
| | Reimbursement of expenses | 48 | - | - | - | - | - |
| Total Associates | | | | | | | |
| | | 95 | - | - | - | - | - |
| Associates APSA | | | | | | | |
| Tarshop | Leases and/or rights of use | 16 | - | - | - | - | - |
| Total Associates APSA | | | | | | | |
| | | 16 | - | - | - | - | - |

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Notes to the Unaudited Condensed Interim Separate 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. Related party transactions (Continued)

| | Description of Transaction | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current |
|----------------------------------|-----------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|
| Joint Ventures | | | | | | | |
| | Reimbursement of expenses | 6 | - | - | - | - | - |
| | Other receivables | 110,860 | - | - | - | - | - |
| Cyrsa S.A. | Borrowings | - | - | - | - | - | (143,399) |
| | Reimbursement of expenses | 348 | - | - | - | - | - |
| Baicom Networks S.A. | Borrowings | - | 9 | - | - | - | - |
| Puerto Retiro S.A. | Reimbursement of expenses | 216 | - | - | - | - | - |
| Total Joint Ventures | | 111,430 | 9 | - | - | - | (143,399) |
| Joint Ventures APSA | | | | | | | |
| | Share-based payments | 366 | - | - | - | - | - |
| | Reimbursement of expenses | 91 | - | - | - | - | - |
| Quality Invest S.A. | Customers advances | - | - | (45) | - | - | - |
| Total Joint Ventures APSA | | 457 | - | (45) | - | - | - |
| Other related parties | | | | | | | |
| Consultores | | | | | | | |
| Asset Management S.A. | | | | | | | |
| | Reimbursement of expenses | 2,923 | - | (145) | - | - | - |
| | Contributions to be paid in | 7,350 | - | - | - | - | - |
| Austral Gold S.A. | Reimbursement of expenses | - | - | (1) | - | - | - |
| Estudio Zang, Bergel & Viñes | Advances | 4 | - | - | - | - | - |
| | Legal services | - | - | (164) | - | - | - |
| Fundación IRSA | Reimbursement of expenses | 50 | - | - | - | - | - |

| | | | | | | |
|---------------------------------------|---------|---------|-----------|----------|------------|------------|
| Total Other related parties | 10,327 | - | (310) | - | - | - |
| Directors and Senior Management | | | | | | |
| Fees | - | - | (560) | (2,646) | - | - |
| Reimbursement of expenses | 301 | - | - | - | - | - |
| Directors | | | | | | |
| Guarantee deposits | - | - | - | (8) | - | - |
| Total Directors and Senior Management | 301 | - | (560) | (2,654) | - | - |
| Total | 192,998 | 414,477 | (20,735) | (2,668) | (194,944) | (324,055) |

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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
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29. Related party transactions (Continued)

The following is a summary of the balances with related parties as of June 30, 2014:

| Related party | Description of Transaction | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current |
|-----------------------------|------------------------------|--|---|---|--|-----------------------|---------------------------|
| Parent Company | | | | | | | |
| | Sale of good and/or services | 701 | - | - | - | - | - |
| | Leases and/or rights of use | 1,598 | - | - | - | - | - |
| | Corporate services | - | - | (12,492) | - | - | - |
| CRESUD | Reimbursement of expenses | - | - | (814) | - | - | - |
| S.A.C.I.F. y | Share-based payments | - | - | (3,673) | - | - | - |
| A. | Dividends payable | - | - | (36,462) | - | - | - |
| | Non-Convertible Notes | - | - | - | - | (1,787) | (34,972) |
| Total Parent company | | 2,299 | - | (53,441) | - | (1,787) | (34,972) |
| Subsidiaries | | | | | | | |
| | Reimbursement of expenses | 25 | - | - | - | - | - |
| E. Commerce | Management fees | 4 | - | - | - | - | - |
| Latina S.A. | Borrowings | - | - | - | - | - | (7,165) |
| | Reimbursement of expenses | - | - | (3,403) | - | - | - |
| | Leases and/or rights of use | 515 | - | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | (1,732) | (36,452) |
| | Share-based payments | - | - | (160) | - | - | - |
| | Long-term incentive program | 35,436 | - | - | - | - | - |
| Alto Palermo S.A. | Borrowings | - | - | - | - | (117,384) | - |
| Solares de Santa Maria S.A. | Reimbursement of expenses | 5,255 | - | - | - | - | - |
| | Borrowings | - | 6 | - | - | - | - |
| Palermo Invest S.A. | Reimbursement of expenses | 46 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | (1,618) |
| Ritelco S.A. | Borrowings | - | - | - | - | (66,140) | (4,603) |

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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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29. Related party transactions (Continued)

| Related party | Description of Transaction | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current |
|----------------------------------|-----------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|
| Subsidiaries | | | | | | | |
| Inversora Bolivarexpenses S.A. | Reimbursement of expenses | 54 | - | - | - | - | - |
| Hoteles Argentinos S.A. | Borrowings | - | - | - | - | - | (8,127) |
| Tyrus S.A. | Hotel services | 105 | - | (1,632) | - | - | - |
| Llao Llao Resorts S.A. | Borrowings | - | 323,361 | - | - | - | - |
| Llao Llao Resorts S.A. | Reimbursement of expenses | 2,416 | - | - | - | - | - |
| Llao Llao Resorts S.A. | Hotel services | 3,085 | - | - | - | - | - |
| Nuevas Fronteras S.A. | Guarantee deposits | - | - | - | (14) | - | - |
| Efanur S.A. | Reimbursement of expenses | - | - | (2) | - | - | - |
| Efanur S.A. | Management fees | 970 | - | - | - | - | - |
| Efanur S.A. | Borrowings | - | - | - | - | (5,955) | (25,585) |
| Efanur S.A. | Borrowings | - | 73,282 | - | - | - | - |
| Total Subsidiaries | | 47,911 | 396,649 | (5,197) | (14) | (191,211) | (83,550) |
| Subsidiaries CRESUD | | | | | | | |
| Opciones.com S.A. | Reimbursement of expenses | - | - | (29) | - | - | - |
| Cactus S.A. | Reimbursement of expenses | - | - | (515) | - | - | - |
| Total Subsidiaries CRESUD | | - | - | (544) | - | - | - |
| Subsidiaries APSA | | | | | | | |
| Arcos del Gourmet S.A. | Reimbursement of expenses | 46 | - | - | - | - | - |
| Emprendimientos Recoleta S.A. | Reimbursement of expenses | - | - | (12) | - | - | - |
| Emprendimientos Recoleta S.A. | Long-term incentive program | 313 | - | - | - | - | - |

| | | | | | | |
|-----------------------|---|---|---|---|--------|-----------|
| Non-Convertible Notes | - | - | - | - | (600) | (11,736) |
|-----------------------|---|---|---|---|--------|-----------|

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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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29. Related party transactions (Continued)

| Related party | Description of Transaction | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current |
|-----------------------------------|-----------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|
| Subsidiaries APSA | | | | | | | |
| | Reimbursement of expenses | 9 | - | - | - | - | - |
| | Long-term incentive program | 7,047 | - | - | - | - | - |
| Fibesa S.A. | Leases and/or rights of use | 151 | - | - | - | - | - |
| | Reimbursement of expenses | 204 | - | - | - | - | - |
| | Long-term incentive program | 944 | - | - | - | - | - |
| Panamerican Mall S.A. | Non-Convertible Notes | - | - | - | - | (2,320) | (45,398) |
| Conil S.A. | Reimbursement of expenses | 154 | - | - | - | - | - |
| Total Subsidiaries APSA | | 8,868 | - | (12) | - | (2,920) | (57,134) |
| Subsidiaries TYRUS | | | | | | | |
| Irsa International LLC | Reimbursement of expenses | 419 | - | - | - | - | - |
| Real Estate Investment Group LP | Reimbursement of expenses | 6 | - | - | - | - | - |
| Real Estate Investment Group V LP | Reimbursement of expenses | 18 | - | - | - | - | - |
| Real Estate Strategies LP | Reimbursement of expenses | 2,132 | - | - | - | - | - |
| New Lipstick LLC | Reimbursement of expenses | 1,959 | - | - | - | - | - |
| Imadison LLC | Reimbursement of expenses | 1,373 | - | - | - | - | - |
| Total Subsidiaries TYRUS | | 5,907 | - | - | - | - | - |
| Associates | | - | - | (80) | - | - | - |

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| | | | | | | | |
|--|--|------------|----------|---------------|----------|----------|------------------|
| Banco de Crédito y Securitización S.A. | Reimbursement of expenses Leases and/or rights of use | 19 | - | - | - | - | - |
| Banco Hipotecario S.A. | Reimbursement of expenses | - | - | (784) | - | - | - |
| Total Associates | | 19 | - | (864) | - | - | - |
| Joint Ventures | | | | | | | |
| | Reimbursement of expenses | - | - | (9) | - | - | - |
| Cyrsa S.A. | Borrowings | - | - | - | - | - | (133,314) |
| Baicom Networks S.A. | Reimbursement of expenses | 191 | - | - | - | - | - |
| Puerto Retiro S.A. | Reimbursement of expenses | 211 | - | - | - | - | - |
| Total Joint Ventures | | 402 | - | (9) | - | - | (133,314) |

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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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29. Related party transactions (Continued)

| Related party | Description of Transaction | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current |
|--|-----------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|
| Joint Ventures | | | | | | | |
| APSA | | | | | | | |
| | Long-term incentive program | 304 | - | - | - | - | - |
| Nuevo Puerto Santa Fe S.A. | Reimbursement of expenses | 3 | - | - | - | - | - |
| Quality Invest S.A. | Reimbursement of expenses | 59 | - | - | - | - | - |
| | Customers advances | - | - | (45) | - | - | - |
| Total Joint Ventures | | | | | | | |
| APSA | | | | | | | |
| | | 366 | - | (45) | - | - | - |
| Other related parties | | | | | | | |
| Consultores | | | | | | | |
| Asset Management S.A. | | | | | | | |
| | Reimbursement of expenses | 2,672 | - | - | - | - | - |
| Austral Gold S.A. | Reimbursement of expenses | - | - | (1) | - | - | - |
| Estudio Zang, Bergel & Viñes | Advances | 4 | - | - | - | - | - |
| | Legal services | - | - | (170) | - | - | - |
| Fundación IRSA | Reimbursement of expenses | 48 | - | - | - | - | - |
| Total Other related parties | | | | | | | |
| | | 2,724 | - | (171) | - | - | - |
| Directors and Senior Management | | | | | | | |
| | Fees | 301 | - | (1,056) | - | - | - |
| Directors | Guarantee deposits | - | - | - | (8) | - | - |
| Total Directors and Senior Management | | | | | | | |
| | | 301 | - | (1,056) | (8) | - | - |

| | | | | | | |
|-------|--------|---------|-----------|-------|------------|------------|
| Total | 68,797 | 396,649 | (61,339) | (22) | (195,918) | (308,970) |
|-------|--------|---------|-----------|-------|------------|------------|

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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
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29. Related party transactions (Continued)

The following is a summary of the transactions with related parties for the three-month period ended September 30, 2014:

| Related party | Commissions | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries |
|--------------------------------|-------------|-----------------------------|-----------------|--------------------|----------------|----------------------|-----------|-------------------|
| Parent Company | | | | | | | | |
| Cresud S.A.C.I.F. y A | - | 616 | - | (7,609) | - | (2,305) | - | - |
| Total Parent company | - | 616 | - | (7,609) | - | (2,305) | - | - |
| Subsidiaries | | | | | | | | |
| Alto Palermo S.A. E-Commerce | - | 1,051 | - | - | - | (6,405) | - | - |
| Latina S.A. | - | - | 2 | - | - | (351) | - | - |
| Inversora Bolivar S.A. | - | - | - | - | - | (409) | - | - |
| Llao Llao Resorts S.A. | - | 49 | - | - | - | - | - | - |
| Ritelco S.A. | - | - | - | - | - | (2,932) | - | - |
| Hoteles Argentinos S.A. | - | - | - | - | - | (60) | - | - |
| Nuevas Fronteras S.A. | - | - | 313 | - | - | (1,367) | - | - |
| Efanur S.A. | - | - | - | - | - | 3,270 | - | - |
| Tyrus S.A. | - | - | - | - | - | 14,548 | - | - |
| Palermo Invest S.A. | - | - | - | - | - | (329) | - | - |
| Total Subsidiaries | - | 1,100 | 315 | - | - | 5,965 | - | - |
| Subsidiaries APSA | | | | | | | | |
| Fibesa S.A. | - | 392 | - | - | - | - | - | - |
| Panamerican Mall S.A. | - | - | - | - | - | (1,335) | - | - |
| Emprendimientos Recoleta S.A. | - | - | - | - | - | (345) | - | - |
| Total Subsidiaries APSA | - | 392 | - | - | - | (1,680) | - | - |

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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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29. Related party transactions (Continued)

| Related party | Commissions | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries |
|--|-------------|-----------------------------|-----------------|--------------------|----------------|----------------------|-----------|-------------------|
| Associates | | | | | | | | |
| Banco de Crédito y Securitización S.A. | - | 915 | - | - | - | - | - | - |
| Banco Hipotecario S.A. | - | 336 | - | - | - | - | - | - |
| Total Associates | - | 1,251 | - | - | - | - | - | - |
| Associates APSA | | | | | | | | |
| Tarshop S.A. | - | 1,582 | - | - | - | - | - | - |
| Total Associates APSA | - | 1,582 | - | - | - | - | - | - |
| Joint Ventures | | | | | | | | |
| Cyrsa S.A. | - | - | - | - | - | (5,606) | - | - |
| Total Joint Ventures | - | - | - | - | - | (5,606) | - | - |
| Estudio Zang, Bergel & Viñes | - | - | - | - | (270) | - | - | - |
| Consultores Asset Management S.A. | - | - | 79 | - | - | - | - | - |
| Isaac Elsztain e Hijos S.C.A. | - | (79) | - | - | - | - | - | - |
| Hamonet S.A. | - | (41) | - | - | - | - | - | - |
| Total Other related parties | - | (120) | 79 | - | (270) | - | - | - |
| Directors and Senior Management | | | | | | | | |
| Senior Management | - | - | - | - | - | - | - | (908) |
| Directors | - | - | - | - | - | - | - | (3,538) |
| Total Directors and Senior Management | - | - | - | - | - | - | - | (4,446) |
| Total | - | 4,821 | 394 | (7,609) | (270) | (3,626) | - | (4,446) |

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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
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29. Related party transactions (Continued)

The following is a summary of the transactions with related parties for the three-month period ended September 30, 2013:

| Related party | Commissions | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries |
|----------------------------------|-------------|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|-----------|-------------------------|
| Ultimate Parent Company | | | | | | | | |
| Cresud S.A.C.I.F. y A | - | 316 | - | - | - | - | - | - |
| Total Parent company | - | 316 | - | - | - | - | - | - |
| Subsidiaries | | | | | | | | |
| Alto Palermo S.A. | - | 1,180 | - | - | - | (5,915) | - | - |
| E-Commerce Latina S.A. | - | - | - | - | - | (737) | - | - |
| Solares de Santa Maria S.A. | - | - | - | - | - | - | - | - |
| Inversora Bolivar S.A. | - | - | - | - | - | (881) | - | - |
| Llao Llao Resorts | | | | | | | | |
| S.A. | - | 32 | - | - | - | - | - | - |
| Ritelco S.A. | - | - | - | - | - | (3,679) | - | - |
| Nuevas Fronteras S.A. | - | - | - | - | - | (1,143) | - | - |
| Efanur S.A. | - | - | - | - | - | 3,724 | - | - |
| Tyrus S.A. | - | - | - | - | - | 7,162 | - | - |
| Palermo Invest S.A. | - | - | - | - | - | (217) | - | - |
| Total Subsidiaries | - | 1,212 | - | - | - | (1,686) | - | - |
| Subsidiaries APSA | | | | | | | | |
| Fibesa S.A. | - | 275 | - | - | - | - | - | - |
| Panamerican Mall S.A. | - | - | - | - | - | (2,357) | - | - |
| Emprendimientos Recoleta S.A. | - | - | - | - | - | 789 | - | - |
| Total Subsidiaries APSA | - | 275 | - | - | - | (1,568) | - | - |

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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
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29. Related party transactions (Continued)

| Related party | Commissions | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries |
|---|-------------|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|-----------|----------------------|
| Associates | | | | | | | | |
| APSA | | | | | | | | |
| Tarshop S.A. | - | 782 | - | - | - | - | - | - |
| Total Associates | | | | | | | | |
| APSA | - | 782 | - | - | - | - | - | - |
| Joint Ventures | | | | | | | | |
| Canteras Natal | | | | | | | | |
| Crespo S.A. | - | - | - | - | - | - | - | - |
| Cyrsa S.A. | - | - | - | - | - | (4,027) | - | - |
| Total Joint Ventures | - | - | - | - | - | (4,027) | - | - |
| Other related parties | | | | | | | | |
| Estudio Zang, Bergel & Viñes | | | | | | | | |
| Isaac Elsztaín e Hijos S.C.A. | - | (52) | - | - | - | - | - | - |
| Hamonet S.A. | - | (28) | - | - | - | - | - | - |
| Total Other related parties | - | (80) | - | - | - | - | - | - |
| Directors and Senior Management | | | | | | | | |
| | - | - | - | - | - | - | - | (549) |
| Directors | - | - | - | - | - | - | - | (2,142) |
| Total Directors and Senior Management | - | - | - | - | - | - | - | (2,691) |
| Total | - | 2,505 | - | - | - | (7,281) | - | (2,691) |

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30. Negative working capital

At the end of the period, the Company had negative working capital. This situation is presently being considered by the Board of Directors and by Management.

31. 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.

32. CNV General Resolution No. 622

As required by Section 1°, Chapter III, Title IV of CNV General Resolution No. 622, below there is a detail of the notes to the Unaudited Condensed Interim Separate Financial Statements that disclosure the information required by the Resolution in Exhibits.

| | |
|---|--|
| Exhibit A - Property, plant and equipment | Note 6 Investment properties and Note 7 Property, plant and equipment |
| Exhibit B - Intangible assets | Note 9 Intangible assets |
| Exhibit C - Equity investments | Note 33 Equity investments |
| Exhibit D - Other investments | Note 11 Financial instruments by category Note 12 Trade and other receivables and Note 18 |
| Exhibit E - Provisions | Provisions Note 8 Trading properties and Note 24 Expenses by nature |
| Exhibit F - Cost of sales | |
| Exhibit G - Foreign currency assets and liabilities | Note 34 Foreign currency assets and liabilities |

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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
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33.

Equity investments

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 09.30.14 | Value recorded as of 06.30.14 | Market value as of 09.30.14 | Main activity | Registered office | Issuer's information | | | | |
|--|---------------------------|-------------|-------------------------------|-------------------------------|-----------------------------|--------------------|-------------------|----------------------|----------------------------------|------------------------------|------------------------------|----------------------|
| | | | | | | | | Date | Last financial statements issued | Common stock (nominal value) | Profit (loss) for the period | Shareholders' Equity |
| Alto Palermo S.A. | Common shares 1 vote | 120,500,167 | 919,098 | 777,737 | | | | | | | | |
| | Higher value | | 430,061 | 427,709 | 80.00 | Real estate | Argentina | 09.30.14 | 126,014 | 147,672 | 961,000 | |
| | Intergroup transactions | | (38,512) | (38,512) | | | | | | | | |
| Banco Hipotecario S.A. (1) | Common shares 1 vote | 75,000,000 | | | 4.25 | Consumer financing | Argentina | 09.30.14 | 1,500,000 | 503,677 | 4,350,000 | |
| | | | 210,979 | 203,693 | | | | | | | | |
| Banco de Crédito & Securitización S.A. (1) | Common shares 1 vote | 3,984,375 | 13,780 | 13,610 | Not publicly traded | Consumer financing | Argentina | 09.30.14 | 62,500 | 50,782 | 235,000 | |
| | | | | | | | | | | | | |
| Cyrsa S.A. | Common shares 1 vote | 8,748,270 | | | Not publicly traded | Real estate | Argentina | 09.30.14 | 17,497 | 7,833 | 86,000 | |
| | | | 43,436 | 152,229 | | | | | | | | |
| E-Commerce Latina S.A. | Common shares 1 vote | 83,913,950 | 245,178 | 236,735 | Not publicly traded | Investment | Argentina | 09.30.14 | 86,509 | 7,600 | 252,000 | |
| | Irrevocable contributions | | - | 1,070 | | | | | | | | |
| | Goodwill | | (1,511) | (1,511) | | | | | | | | |

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IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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33. Equity investments (Continued)

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 09.30.14 | Value recorded as of 06.30.14 | Market value as of 09.30.14 | Main activity | Registered office | Issuer's information | | | |
|-------------------------------|--|-------------|-------------------------------|-------------------------------|-----------------------------|---------------|-------------------|---------------------------------------|------------------------------|------------------------------|--------------------|
| | | | | | | | | Last financial statements issued Date | Common stock (nominal value) | Profit (loss) for the period | Shareholder Equity |
| Efanur S.A. | Common shares 1 vote Irrevocable contributions | 213,743,711 | 149,749 | 95,849 | Not publicly traded | Investment | Uruguay | 09.30.14 | 47,420 | 52,937 | 149,749 |
| | Higher value | - | | 221 | | | | | | | |
| Hoteles Argentinos S.A. | Common shares 1 vote Higher value | 15,366,840 | 2,816 | 5,851 | Not publicly traded | Hotel | Argentina | 09.30.14 | 19,209 | (3,793) | 3,520 |
| | Higher value | | 752 | 785 | | | | | | | |
| Inversora Bolivar S.A. | Common shares 1 vote Irrevocable contributions | 78,909,867 | 269,489 | 261,218 | Not publicly traded | Investment | Argentina | 09.30.14 | 82,949 | 7,159 | 283,282 |
| | Higher value | | - | 1,461 | | | | | | | |
| | Higher value | | 6,428 | 6,428 | | | | | | | |
| Llao Llao Resort S.A. | Common shares 1 vote Higher value | 73,580,206 | 30,589 | 31,147 | Not publicly traded | Hotel | Argentina | 09.30.14 | 147,160 | - | 61,178 |
| | Higher value | | 98 | 101 | | | | | | | |
| Manibil S.A. | Common shares 1 vote Goodwill | 30,397,880 | 39,575 | 38,279 | Not publicly traded | Real estate | Argentina | 09.30.14 | 62,037 | 2,645 | 80,766 |
| | Goodwill | | 10 | 10 | | | | | | | |
| Nuevas Fronteras S.A. | Common shares 1 vote Lower value | 38,068,999 | 38,072 | 50,284 | Not publicly traded | Hotel | Argentina | 09.30.14 | 49,869 | 3 | 49,872 |
| | Lower value | | (15,857) | (16,103) | | | | | | | |

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| 33. | | Equity investments (Continued) | | | | | | Issuer's information | | | | |
|-------------------------------|--------------------------------------|--------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------|-------------------|----------------------------------|------------------------------|------------------------------|----------------------|--|
| Issuer and type of securities | Class / Items | Amount | Value recorded as of 09.30.14 | Value recorded as of 06.30.14 | Market value as of 09.30.14 | Main activity | Registered office | Last financial statements issued | | | Shareholders' Equity | |
| | | | | | | | | Date | Common stock (nominal value) | Profit (loss) for the period | | |
| Palermo Invest S.A. | Common shares 1 vote | 153,283,988 | 221,843 | 214,149 | | | | | | | | |
| | Irrevocable contributions | | - | 475 | Not publicly traded | Investment Argentina | 09.30.14 | 158,025 | 7,437 | 228,7 | | |
| | Higher value Intergroup transactions | | 323 | 323 | | | | | | | | |
| | | | (29,987) | (29,987) | | | | | | | | |
| Ritelco S.A. | Common shares 1 vote | 181,016,717 | 325,084 | 325,795 | | | | | | | | |
| | Irrevocable contributions | | - | 34 | Not publicly traded | Investment Uruguay | 09.30.14 | 66,970 | (1,240) | 325,0 | | |
| | Intergroup transactions | | (190) | (190) | | | | | | | | |
| Solares Santa María S.A. | Common shares 1 vote | 306,706,975 | 285,209 | 285,078 | | | | | | | | |
| | Intergroup transactions | | (166,521) | (166,521) | Not publicly traded | Real estate Argentina | 09.30.14 | 338,693 | (826) | 315,3 | | |
| | Irrevocable contributions | | 408 | 880 | | | | | | | | |
| Tyrus S.A. | Common shares 1 vote | 3,761,514,117 | 435,675 | 339,468 | | | | | | | | |
| | Irrevocable contributions | | 2,471 | 196,884 | Not publicly traded | Investment Uruguay | 09.30.14 | 792,521 | (141,939) | 438,1 | | |

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33. Equity investments (Continued)

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 09.30.14 | Value recorded as of 06.30.14 | Market value as of 09.30.14 | Main activity | Registered office | Issuer's information | | | |
|---|--|------------|-------------------------------|-------------------------------|-----------------------------|---------------|-------------------|----------------------|--|--|--------|
| | | | | | | | | Date | Last financial statements issued Common stock (nominal value) | Profit (loss) for the Sharehold period | Equity |
| Unicity S.A. | Common shares 1 vote Irrevocable contributions | 36,850,012 | 26,433 | 26,284 | Not publicly traded | Investment | Argentina | 09.30.14 | 41,588 | (116) | 29,868 |
| T o t a l investments in subsidiaries, associates and joint ventures as of 09.30.14 | | | 3,445,014 | | | | | | | | |
| T o t a l investments in subsidiaries, associates and joint ventures as of 06.30.14 | | | | 3,441,214 | | | | | | | |

(1) The amounts correspond to the financial statements of Banco Hipotecario S.A. and Banco de Crédito & Securitización S.A. prepared in accordance with the Central Bank of the Argentine Republic ("BCRA") standards. For the purpose of the valuation of the investment in the Company, adjustments necessary to adequate the financial statements to the professional accounting standards have been considered.

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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
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34. Foreign currency assets and liabilities

Book amounts of foreign currency assets and liabilities are as follows:

| Items | Amount of foreign currency (1) | Prevailing exchange rate (2) | Total as of 09.30.14 | Amount of foreign currency (1) | Prevailing exchange rate (2) | Total as of 06.30.14 |
|--|---|------------------------------------|-------------------------|---|------------------------------------|-------------------------|
| Assets | | | | | | |
| Trade and other receivables | | | | | | |
| US Dollar | 52,801 | 8.33 | 439,829 | 52,698 | 8.033 | 423,322 |
| Swiss Francs | 28 | 8.72 | 242 | 27 | 9.051 | 242 |
| Total trade and other receivables | | | 440,071 | | | 423,564 |
| Investments in financial assets | | | | | | |
| US Dollar | 1,167 | 8.33 | 9,723 | 925 | 8.033 | 7,430 |
| Total investments in financial assets | | | 9,723 | | | 7,430 |
| Cash and cash equivalents | | | | | | |
| US Dollar | 3,045 | 8.33 | 25,365 | 3,717 | 8.033 | 29,861 |
| Euros | 75 | 10.51 | 787 | 85 | 10.991 | 936 |
| Brazilian Reais | - | - | - | 1 | 3.55 | 2 |
| Swiss Francs | - | - | - | - | 9.051 | 1 |
| Pounds | 1 | 13.50 | 11 | 1 | 13.736 | 11 |
| Total cash and cash equivalents | | | 26,163 | | | 30,811 |
| Total assets as of 09.30.14 | | | 475,957 | | | |
| Total assets as of 06.30.14 | | | | | | 461,805 |
| Liabilities | | | | | | |
| Trade and other payables | | | | | | |
| US Dollar | 2,028 | 8.43 | 17,095 | 6,121 | 8.133 | 49,785 |
| Total trade and other payables | | | 17,095 | | | 49,785 |
| Borrowings | | | | | | |
| US Dollar | 325,745 | 8.43 | 2,746,028 | 333,117 | 8.133 | 2,709,237 |
| Total borrowings | | | 2,746,028 | | | 2,709,237 |
| Total liabilities as of 09.30.14 | | | 2,763,123 | | | |
| Total liabilities as of 06.30.14 | | | | | | 2,759,022 |

(1) Considering foreign currencies those that differ from Company's functional currency at each period/year-end.

(2) Exchange rate as of September 30, 2014 and June 30, 2014 according to Banco Nación Argentina records.

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35. CNV General Ruling N° 629/14 – Storage of documentation

On August 14, 2014, the Argentine Securities Exchange Commission (CNV) issued General Ruling N° 629 whereby it introduced amendments to rules related to storage and conservation of corporate books, accounting books and commercial documentation. In this sense, it should be noted that the Group has entrusted the storage of certain non-sensitive and old information to the following providers:

| Storage of documentation | Location |
|------------------------------|--|
| Iron Mountain Argentina S.A. | Av. Amancio Alcorta 2482, C.A.B.A. |
| Iron Mountain Argentina S.A. | Pedro de Mendoza 2143, C.A.B.A. |
| Iron Mountain Argentina S.A. | Saraza 6135, C.A.B.A. |
| Iron Mountain Argentina S.A. | Azara 1245, C.A.B.A. (i) |
| Iron Mountain Argentina S.A. | Polígono Industrial Spegazzini, Au. Ezeiza-Cañuelas KM 45 |
| Iron Mountain Argentina S.A. | Cañada de Gomez 3825 – C.A.B.A. |

(i) On February 5, 2014 there was a widely known fire in Iron Mountain's warehouse. To the date of these financial statements, the Group has not been notified whether the documentation submitted has been actually affected by the fire and its condition after the accident. Nevertheless, based on the internal review carried out by the Group, duly reported to the Argentine Securities Exchange Commission on February 12, 2014, the information kept at the Iron Mountain premises that were on fire do not appear to be sensitive or capable of affecting normal business operations.

It is further noted that a detailed list of all documentation held in custody by providers, as well as documentation required in section 5 a.3) of section I, Chapter V, Title II of the RULES (2013 as amended) are available at the registered office.

36. Subsequent Events

See subsequent events in Note 40 to Unaudited Condensed Interim Consolidated Financial Statements.

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Information required by Section 68 of the Buenos Aires Stock Exchange Regulations
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1. Specific and significant systems that imply contingent lapsing or rebirth of benefits envisaged by such provisions.

None.

2. Significant changes in the Company's activities or other similar circumstances that occurred during the fiscal years included in the financial statements, which affect their comparison with financial statements filed in previous fiscal years, or that could affect those to be filed in future fiscal years.

See Note 2.1.

3. Receivables and liabilities by maturity date.

| Items | Falling due (Point 3.a.) | Without term (Point 3.b.) | Without term (Point 3.b.) | To be due (Point 3.c.) | | | | | | | Total | |
|--|--------------------------|---------------------------|---------------------------|------------------------|---------|-------------|----------------|--------------------|--------------------|---------------------|-----------|-------------------|
| | | | | 09.30.14 | Current | Non-current | Up to 3 months | From 3 to 6 months | From 6 to 9 months | From 9 to 12 months | | From 1 to 2 years |
| Account receivables | 74,710 | 2,516 | 315 | 149,525 | 938 | (56) | (56) | (108) | 4,753 | - | 414,480 | 647,0 |
| receivables Total | 74,710 | 2,516 | 315 | 149,525 | 938 | (56) | (56) | (108) | 4,753 | - | 414,480 | 647,0 |
| Liabilities payables | 21,208 | - | 8 | 44,165 | 955 | 851 | 356 | 6,935 | - | 436 | 149 | 75,0 |
| Borrowings | - | - | - | 660,763 | 18,138 | 68,745 | 28,834 | 168,805 | 1,294,381 | (836) | 1,243,847 | 3,482,6 |
| Salaries and social security liabilities | 53 | - | - | 3,101 | 1,100 | 543 | - | - | - | - | - | 4,7 |
| Provisions | - | 15,582 | 3,831 | - | - | - | - | - | - | - | - | 19,4 |
| Total | 21,261 | 15,582 | 3,839 | 708,029 | 20,193 | 70,139 | 29,190 | 175,740 | 1,294,381 | (400) | 1,243,996 | 3,581,9 |

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4.a. Breakdown of accounts receivable and liabilities by currency and maturity.

| Items | | Current | | | Non-current | | | Totals | | |
|-------------|---|-------------------|---------------------|---------|-------------------|---------------------|-----------|-------------------|---------------------|-----------|
| | | Local currency | Foreign currency | Total | Local currency | Foreign currency | Total | Local currency | Foreign currency | Total |
| Account | Trade and other receivables | 201,432 | 26,145 | 227,577 | 5,514 | 413,926 | 419,44 | 206,946 | 440,071 | 647,017 |
| receivables | Total | 201,432 | 26,145 | 227,577 | 5,514 | 413,926 | 419,44 | 206,946 | 440,071 | 647,017 |
| Liabilities | Trade and other payables | 55,134 | 12,401 | 67,535 | 2,834 | 4,694 | 7,528 | 57,968 | 17,095 | 75,063 |
| | Borrowings | 539,708 | 236,772 | 776,48 | 196,941 | 2,509,256 | 2,706,197 | 736,649 | 2,746,028 | 3,482,677 |
| | Salaries and social security liabilities | 4,797 | - | 4,797 | - | - | - | 4,797 | - | 4,797 |
| | Provisions | 15,582 | - | 15,582 | 3,831 | - | 3,831 | 19,413 | - | 19,413 |
| | Total | 615,221 | 249,173 | 864,394 | 203,606 | 2,513,950 | 2,717,556 | 818,827 | 2,763,123 | 3,581,950 |

4.b. Breakdown of accounts receivable and liabilities by adjustment clause.

As of September 30, 2014 there are not receivable and liabilities subject to adjustment clause.

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4.c. Breakdown of accounts receivable and liabilities by interest clause.

| Items | Current | | | | Non-current | | | | Total | Accruing interest | | |
|--|-------------------|---------------|-----------------------|---------|-------------------|---------------|-----------------------|-----------|-----------|-------------------|---------------|---|
| | Accruing interest | | Non-accruing interest | Total | Accruing interest | | Non-accruing interest | Total | | Fixed rate | Floating rate | N |
| | Fixed rate | Floating rate | | | Fixed rate | Floating rate | | | | | | |
| Accounts receivables | - | - | 227,577 | 227,577 | 400,838 | - | 18,602 | 419,440 | 400,838 | - | 240 | |
| receivables Total | - | - | 227,577 | 227,577 | 400,838 | - | 18,602 | 419,440 | 400,838 | - | 240 | |
| Liabilities | - | - | 67,536 | 67,536 | - | - | 7,527 | 7,527 | - | - | 75 | |
| Trade and other payables | - | - | 67,536 | 67,536 | - | - | 7,527 | 7,527 | - | - | 75 | |
| Borrowings | 190,950 | 215,570 | 369,960 | 776,480 | 2,504,532 | 164,716 | 36,949 | 2,706,197 | 2,695,482 | 380,286 | 400 | |
| Salaries and social security liabilities | - | - | 4,797 | 4,797 | - | - | - | - | - | - | 4 | |
| Provisions | - | - | 15,582 | 15,582 | - | - | 3,831 | 3,831 | - | - | 19 | |
| Total | 190,950 | 215,570 | 457,875 | 864,395 | 2,504,532 | 164,716 | 48,307 | 2,717,555 | 2,695,482 | 380,286 | 500 | |

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5. Related parties.

a. Interest in related parties: See Note 33 to the Unaudited Condensed Interim Separate Financial Statements.

b. Related parties debit/credit balances. See Note 29 to the Unaudited Condensed Interim Separate Financial Statements.

6. Loans to directors.

See Note 29 to the Unaudited Condensed Interim Separate Financial Statements.

7. Inventories.

In view of the nature of the inventories, no physical inventories are performed and there are no slow turnover assets.

8. Current values.

See Note 2 to the Consolidated Financial Statements as of June 30, 2014.

9. Appraisal revaluation of property, plant and equipment.

None.

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10. Obsolete unused property, plant and equipment.

None.

11. Equity interest in other companies in excess of that permitted by section 31 of law N° 19,550.

None.

12. Recovery values

See Note 2 to the Consolidated Financial Statements as of June 30, 2014.

13. Insurances

Insured Assets

| Real Estate | Insured amounts (1) | Accounting values | Risk covered |
|--------------------|---------------------|-------------------|---|
| EDIFICIO REPÚBLICA | 96,361 | 199,134 | All operational risk with additional coverage and minor risks |
| BOUCHARD 551 | 63,303 | 60,489 | All operational risk with additional coverage and minor risks |
| MORENO 877 | 49,508 | 60,416 | All operational risk with additional coverage and minor risks |
| BOUCHARD 710 | 39,587 | 61,047 | All operational risk with additional coverage and minor risks |
| MAIPU 1300 | 25,787 | 20,690 | All operational risk with additional coverage and minor risks |
| SUIPACHA 652 | 17,041 | 8,232 | All operational risk with additional coverage and minor risks |
| LIBERTADOR 498 | 3,423 | 3,575 | All operational risk with additional coverage and minor risks |
| DIQUE IV | 3,056 | 54,286 | All operational risk with additional coverage and minor risks |

| | | | risks |
|------------------------------|---------|---------|---|
| RIVADAVIA 2768 | 369 | 353 | All operational risk with additional coverage and minor risks |
| MADERO 1020 | 216 | 129 | All operational risk with additional coverage and minor risks |
| CONSTITUCIÓN 1111 | 191 | 715 | All operational risk with additional coverage and minor risks |
| CASONA ABRIL | 11,753 | 2,357 | All operational risk with additional coverage and minor risks |
| CATALINAS NORTE PLOT OF LAND | 2,000 | 109,493 | All operational risk with additional coverage and minor risks |
| SUBTOTAL | 312,595 | 580,916 | |
| SINGLE POLICY | 15,000 | | -Third party liability |

(1) The insured amounts are in thousands of U.S. dollars.

In our opinion, the above-described insurance policies cover current risks adequately.

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14. Allowances and provisions that, taken individually or as a whole, exceed 2% of the shareholder's equity.

None.

15. Contingent situations at the date of the financial statements which probabilities are not remote and the effects on the Company's financial position have not been recognized.

Not applicable.

16. Status of the proceedings leading to the capitalization of irrevocable contributions towards future subscriptions.

Not applicable.

17. Unpaid accumulated dividends on preferred shares.

None.

18. Restrictions on distributions of profits.

According to the Argentine laws, 5% of the profit of the year is destined to the constitution of legal reserve until they reach legal capped amount (20% of total capital). This legal reserve is not available for dividend distribution.

In addition, according to CNV General Resolution No. 609/12, a special reserve was constituted which could not be released to make distributions in cash or in kind. See Note 26 to the Unaudited Condensed Interim Consolidated Financial Statements.

IRSA NCN due 2017 and IRSA NCN due 2020 both contain certain customary covenants and restrictions, including amount others, limitations for the incurrence of additional indebtedness, restricted payments, disposal of assets, and entering into certain transactions with related companies. Restricted Payments include restrictions on the payment of dividends.

Autonomous City of Buenos Aires November 11, 2014.

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REVIEW REPORT ON THE UNAUDITED CONDENSED
INTERIM SEPARATE FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
IRSA Inversiones y Representaciones Sociedad Anónima
Legal address: Bolivar 108 – 1° floor
Autonomous City Buenos Aires
Tax Code No. 30-52532274-9

Introduction

We have reviewed the unaudited condensed interim separate financial statements attached of IRSA Inversiones y Representaciones Sociedad Anónima (hereinafter “the Company”) which included the unaudited condensed interim separate statements of financial position as of September 30, 2014, and the unaudited condensed interim separate statements of income and comprehensive income for the three-month period ended September 30, 2014 and the unaudited condensed interim separate statements of changes in shareholders’ equity and the unaudited condensed interim separate statements of cash flows for the three-month period ended September 30, 2014 and selected explanatory notes.

The balances and other information corresponding to the fiscal year ended June 30, 2014 and the interim periods within that fiscal period are an integral part of these financial statements and, therefore, they should be considered in relation to these financial statements.

Management responsibility

The Board of Directors of the Company is responsible for the preparation and presentation of these unaudited condensed interim separate financial statements in accordance with professional accounting standards of Technical Resolution No. 26 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) added by the National Securities Commission (CNV) to its regulations. Those standards differ from the International Financial Reporting Standards (IFRS) and, especially, from the International Accounting Standard No 34 "Interim Financial Reporting" (IAS 34) approved by the International Accounting Standard Board (IASB) and used for the preparation of the unaudited condensed interim consolidated financial statements of IRSA Inversiones y Representaciones Sociedad Anónima with its subsidiaries as to the aspects mentioned in note 2.2 to the unaudited condensed interim separate financial statements attached. Our responsibility is to express a conclusion based on the review that we have performed with the scope detailed in paragraph “Scope of our review”.

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Scope of our review

Our review was limited to the application of the procedures established in the International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as a review standard in Argentina through Technical Resolution No. 33 of the FACPCE as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of persons responsible for the preparation of the information included in the unaudited condensed interim separate financial statements, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the separate statement of financial position, the separate statement of income, the separate statement of comprehensive income and separate statement of cash flow of the Company.

Conclusion

Nothing came to our attention as a result of our review that caused us to believe that these unaudited condensed interim separate financial statements mentioned in the first paragraph of this report have not been prepared in all material respects in accordance with the regulations of Technical Resolution No. 26 of the Argentine Federation of Professional Councils in Economic Sciences for separate financial statements of a parent company.

Report on compliance with current regulations

In accordance with current regulations, we report about IRSA Inversiones y Representaciones Sociedad Anónima that:

- a) the unaudited condensed interim separate financial statements of IRSA Inversiones y Representaciones Sociedad Anónima are recorded in the "Inventory and Balance Sheet Book", and comply, as regards those matters that are within our competence, with the provisions set forth in the Commercial Companies Law and in the corresponding resolutions of the National Securities Commission;
- b) the unaudited condensed interim separate financial statements of IRSA Inversiones y Representaciones Sociedad Anónima arise from accounting records carried in all formal aspects in conformity with the applicable legal provisions;
- c) we have read the additional information to the notes to the unaudited condensed interim separate statements required by section 68 of the listing regulations of the Buenos Aires Stock Exchange and by section 12 of Chapter III Title IV of the text of the National Securities Commission, on which, as regards those matters that are within our competence, we have no observations to make;

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

d) at of September 30, 2014, the debt of IRSA Inversiones y Representaciones Sociedad Anónima owed in favor of the Argentina Integrated Pension System which arises from accounting records and submissions amounted to Ps. 375,335 which was no callable at that date.

Autonomous City of Buenos Aires, November 11, 2014

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

Eduardo A. Loiácono

Public Accountant (UBA)

C.P.C.E.C.A.B.A. T° 326 F° 94

ABELOVICH, POLANO &
ASOCIADOS S.R.L.

(Partner)

C.P.C.E. C.A.B.A. T° 1 F° 30

José Daniel Abelovich

Public Accountant (U.B.A.)

C.P.C.E.C.A.B.A. T° 102 F° 191

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

I. Brief comment on the Company's activities during the period, including references to significant events occurred after the end of the period.

Buenos Aires, November 11, 2014 - IRSA Inversiones y Representaciones Sociedad Anónima (NYSE: IRS) (BASE: IRSA), Argentina's leading real estate company, announces today the results of its operations for the three-month period ended September 30, 2014.

Consolidated Income*

| In millions of ARS | IQ 15 | IQ 14 | Var (ARS) | Var (%) | |
|---|-------|-------|-----------|---------|---|
| Revenues | 790.1 | 621.4 | 168.7 | 27.1 | % |
| Operating Income | 640.1 | 229.1 | 411.0 | 179.4 | % |
| Depreciation and Amortization | 42.8 | 55.1 | (12.3) | (22.3) | % |
| EBITDA | 682.9 | 284.2 | 398.7 | 140.3 | % |
| Net Income | 135.8 | 35.3 | 100.5 | 284.7 | % |
| Attributable to the parent company's shareholders | 3.3 | 32.4 | (29.1) | (89.9) | % |
| Attributable to non-controlling interest | 132.5 | 2.9 | 129.6 | - | |

*It coincides with the Income Statement of the Financial Statements (Excludes interest in joint ventures).

Revenues for the first quarter of 2015 were 27.1% higher than in the first quarter of 2014, mainly explained by an increase in revenues from the "Shoppings Centers", "Offices and Others", "Hoteles" and "International" segments, partially offset by the "Sales and Developments" segments, which recorded lower results than in the period under comparison.

For the first quarter of the fiscal year the Company's Operating Income and EBITDA grew by 179.4% and 140.3%, respectively, mainly due to higher sales of investment properties, including the sale of the Madison 183 building in the City of New York, and the sale of two office floors of the Maipú 1300 Building.

Net Income for the first 3-month period of fiscal year 2015 was ARS 135.8 million, compared to ARS 35.3 million in the same period of 2014.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

II. Shopping Centers (through our subsidiary Alto Palermo S.A.)

During this year, consumption levels have been showing a slight deceleration in growth rates. According to the INDEC, supermarket and shopping center sales as of September 2014 recorded a year-on-year deceleration of 1.6% and 9.8% in real terms.

Our tenants' sales for the first quarter of 2015 were ARS 4,557.3 million, 27.1% higher than for the same quarter of 2014, showing a slight deceleration in the growth rate compared to last year. During the period under review, the leaseable area in our portfolio totaled 310,255 square meters and the occupancy rate remained stable, at 98.5%.

| Shopping Centers (in millions of ARS) | IQ 15 | IQ 14 | % Var | |
|---------------------------------------|-------|-------|--------|----|
| Revenues | 568.9 | 456.4 | 24.6 | % |
| Operating Income | 270.9 | 206.6 | 31.1 | % |
| Depreciation and Amortization | 31.1 | 36.9 | (15.7) |)% |
| EBITDA | 302.0 | 243.4 | 24.1 | % |

| Shopping Centers Operating Indicators | IQ 15 | IVQ 14 | IIIQ 14 | IIQ 14 | IQ 14 |
|--|---------|---------|---------|---------|---------|
| Total Leaseable Area (sqm)[1] [2] | 310,255 | 311,261 | 310,257 | 310,304 | 307,720 |
| Tenants' Sales (3-month cumulative, ARS million) | 4,557.3 | 4,560.7 | 3,488.9 | 4,496.8 | 3,586.3 |
| Occupancy [1] | 98.5 | % 98.4 | % 98.8 | % 98.8 | % 98.6 |

[1] Percentage over total leaseable area as of period end.

[2] Excludes Museo de los niños in Abasto Shopping and Alto Rosario Shopping.

Income from this segment grew by 24.6% during the quarter, whereas Operating Income reached ARS 270.9 million (+31.1% as compared to the first quarter of 2014). This increase is explained mainly by the increase in gross profit of the segment. The EBITDA margin, excluding income from common maintenance expenses and common promotional fund, reached 78.4%, in line with the margins observed during 2014.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

Operating data of our Shopping Centers as of September 30, 2014

| Shopping Center | Date of Acquisition | GLA (sqm)[1] | Stores | Occupancy % [2] | APSA's Interest [3] | Book Value (ARS thousand) [4] |
|---------------------------|---------------------|--------------|--------|-----------------|---------------------|-------------------------------|
| Alto Palermo | Nov-97 | 18,899 | 146 | 97.4% | 100.0% | 254,843 |
| Abasto Shopping [4] | Jul-94 | 36,809 | 171 | 99.6% | 100.0% | 270,041 |
| Alto Avellaneda | Nov-97 | 36,670 | 140 | 98.9% | 100.0% | 133,127 |
| Alcorta Shopping | Jun-97 | 15,220 | 107 | 99.8% | 100.0% | 102,860 |
| Patio Bullrich | Oct-98 | 11,813 | 86 | 95.1% | 100.0% | 115,158 |
| Buenos Aires Design | Nov-97 | 13,888 | 63 | 93.7% | 53.7% | 15,305 |
| Dot Baires Shopping | May-09 | 49,847 | 156 | 99.8% | 80.0% | 392,581 |
| Soleil | Jul-10 | 13,995 | 78 | 100.0% | 100.0% | 87,533 |
| Alto Noa Shopping | Mar-95 | 19,073 | 89 | 100.0% | 100.0% | 30,966 |
| Alto Rosario Shopping [5] | Nov-04 | 28,321 | 144 | 96.8% | 100.0% | 118,281 |
| Mendoza Plaza Shopping | Dec-94 | 42,132 | 145 | 98.1% | 100.0% | 106,301 |
| Córdoba Shopping | Dec-06 | 15,276 | 106 | 99.8% | 100.0% | 63,861 |
| La Ribera Shopping | Aug-11 | 8,312 | 50 | 95.7% | 50.0% | 16,876 |
| Total | | 310,255 | 1,481 | 98.5% | | 1,707,733 |

[1] Gross leasable area in each property. Excludes common areas and parking spaces.

[2] Calculated dividing occupied square meters by leaseable area on the last day of the period.

[3] Cost of acquisition plus improvements, less cumulative depreciation, plus adjustment for inflation, less allowance for impairment in value, plus recovery of allowances, if applicable. Excludes works in progress.

[4] Excludes Museo de los Niños (3,732 sqm).

[5] Excludes Museo de los Niños (1,261 sqm.).

Accumulated tenants' sales as of September 30 of the 2015 and 2014 fiscal periods
(In millions of ARS)

| Shopping Center | 1Q 15 | 1Q 14 | % Var |
|---------------------|-------|-------|--------|
| Alto Palermo | 606.9 | 466.1 | 30.2 % |
| Abasto | 710.4 | 561.5 | 26.5 % |
| Alto Avellaneda | 616.0 | 519.2 | 18.6 % |
| Alcorta Shopping | 313.5 | 235.4 | 33.2 % |
| Patio Bullrich | 197.7 | 149.4 | 32.3 % |
| Buenos Aires Design | 75.4 | 67.0 | 12.5 % |
| Dot Baires | 547.8 | 436.9 | 25.4 % |
| Soleil | 201.5 | 144.6 | 39.3 % |
| Alto Noa | 225.8 | 168.6 | 33.9 % |

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| | | | | |
|------------------------|---------|---------|------|---|
| Alto Rosario | 402.2 | 300.4 | 33.9 | % |
| Mendoza Plaza Shopping | 423.8 | 349.3 | 21.3 | % |
| Córdoba Shopping | 152.3 | 121.8 | 25.0 | % |
| La Ribera Shopping | 84.0 | 66.1 | 27.1 | % |
| Total | 4,557.3 | 3,586.3 | 27.1 | % |

(In thousands of ARS)

| Revenues | IQ 15 | IQ 14 | % Var | |
|---|---------|---------|-------|---|
| Base Rent | 215,441 | 175,268 | 22.9 | % |
| Percentage Rent | 88,253 | 73,008 | 20.9 | % |
| Total Rent | 303,694 | 248,276 | 22.3 | % |
| Admission rights | 34,634 | 28,540 | 21.4 | % |
| Letting Fees | 14,135 | 8,330 | 69.7 | % |
| Parking | 24,799 | 19,653 | 26.2 | % |
| Other | 7,536 | 6,109 | 23.4 | % |
| Total revenues before common maintenance expenses and common promotional fund | 384,798 | 310,908 | 23.8 | % |
| Common maintenance expenses and common promotional fund | 184,118 | 145,450 | 26.6 | % |
| Total Revenues | 568,916 | 456,358 | 24.6 | % |

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

III. Offices and Other

The A+ office market of the City of Buenos Aires remains robust. Although USD rental prices per square meter decreased compared to the previous year, demand for premium commercial spaces continues to be firm, whereas rental prices remain stable, averaging USD 26 per square meter. Vacancy rose slightly this year, to 10% in the City of Buenos Aires, 2 percentage points above the figure recorded last year.

Evolution of A+ offices' profitability in the City of Buenos Aires

Revenues from the Offices segment increased by 35.1% in the first quarter of fiscal year 2015 mainly due to higher rental income resulting from the devaluation of the exchange rate in January 2014 and an occupancy rate that was 1.2 percentage points higher than in the first quarter of 2014, explained by a higher occupancy rate in Edificio República and Juana Manso.

It should be highlighted that the portfolio's gross leaseable area dropped by 7.4% to 121,380 square meters as a result of the sale of certain floors in "Bouchard Plaza", "El Rulero" and "Maipú 1300" buildings during the period.

| In ARS MM | IQ 15 | IQ 14 | % Var | | |
|-------------------------------|--------|--------|---------|---------|---------|
| Revenues | 100.8 | 74.6 | 35.1% | | |
| Operating income | 54.2 | 30.5 | 77.7% | | |
| Depreciation and amortization | 8.7 | 8.5 | .2.4% | | |
| EBITDA | 62.8 | 39.0 | 61.0% | | |
| | | | | | |
| | IQ 15 | IVQ 14 | IIIQ 14 | IIQ 14 | IQ 14 |
| Leaseable area | 121,38 | 122,47 | 127,239 | 131,014 | 131,115 |
| Occupancy | 97.9% | 97.5% | 98.7% | 98.7% | 96.7% |
| Monthly Rent (ARS/leased sqm) | 214.3 | 176.2 | 163.8 | 148.9 | 146.0 |
| Monthly Rent (USD/leased sqm) | 26.0 | 26.1 | 26.1 | 26.0 | 26.6 |

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

The portfolio's rental prices remained stable, at USD 26 per square meter.

EBITDA for this segment grew 61.0% in the first quarter of 2015, explained by higher revenues, stable costs and lower selling expenses. This increase in EBITDA, which outpaced revenues, caused the EBITDA margin, excluding income from common maintenance expenses, to increase significantly in this quarter, reaching 73.4% (compared to 61.6% in the first quarter of fiscal year 2014).

Below is information on our offices and other rental properties segment as of September 30, 2014.

(In thousands of ARS)

| | Date of Acquisition | Leaseable Area sqm (1) | Occupancy Rate (2) | IRSA's Effective Interest | Book Value (3) |
|--------------------------------|---------------------|------------------------|--------------------|---------------------------|----------------|
| Offices | | | | | |
| Edificio República | 04/28/08 | 19,884 | 96.8 % | 100 % | 199,134 |
| Torre Bankboston | 08/27/07 | 14,873 | 100.0 % | 100 % | 141,070 |
| Bouchard 551 | 03/15/07 | 7,592 | 100.0 % | 100 % | 60,489 |
| Intercontinental Plaza | 11/18/97 | 22,535 | 100.0 % | 100 % | 66,184 |
| Bouchard 710 | 06/01/05 | 15,044 | 99.8 % | 100 % | 61,047 |
| Dique IV, Juana Manso 295 (8) | 12/02/97 | 11,298 | 99.5 % | 100 % | 54,286 |
| Maipú 1300 | 09/28/95 | 6,565 | 93.4 % | 100 % | 20,953 |
| Libertador 498 | 12/20/95 | 620 | 100.0 % | 100 % | 3,575 |
| Suipacha 652/64 | 11/22/91 | 11,453 | 89.9 % | 100 % | 8,232 |
| Madero 1020 | 12/21/95 | - | - | 100 % | 129 |
| Dot Building (7) | 11/28/06 | 11,242 | 100.0 % | 96 % | 123,059 |
| Other Offices (4) | N/A | 274 | - | N/A | 11,431 |
| Subtotal Offices | | 121,380 | 97.9 % | N/A | 749,589 |
| Other Properties | | | | | |
| Commercial properties (5) | N/A | 312 | - | N/A | 715 |
| Santa María del Plata S.A. | 07/10/97 | 96,100 | 100.0 % | 100 % | 12,511 |
| Nobleza Picardo (8) | 05/31/11 | 98,610 | 100.0 % | 50 % | 7,931 |
| Other Properties (6) | N/A | 40,855 | 52.0 % | N/A | 55,539 |
| Subtotal Other Properties | | 235,877 | 91.6 % | N/A | 76,696 |
| TOTAL OFFICES AND OTHER | | 357,257 | 93.7 % | N/A | 826,285 |

Notes:

(1) Total leaseable area for each property as of September 30, 2014. Excludes common areas and parking.

(2) Calculated dividing occupied square meters by leaseable area as of September 30, 2014.

(3) Cost of acquisition, plus improvements, less accumulated depreciation, plus adjustment for inflation, less allowance for impairment.

(4) Includes the following properties: Rivadavia 2774 and Abasto Offices.

(5) Includes the following properties: Constitución 1111, Casona de Abril and other.

(6) Includes the following properties: Ocampo parking spaces, Ferro, Plot adjoining Dot, Pto. Retiro, Anchorena 665 and Chanta IV.

(7) Through Alto Palermo S.A.

(8) Through Quality Invest S.A.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

IV. Sales and Developments

According to the INDEC, the construction business grew 3.2% in September 2014, recording the highest year-on-year variation in the year. However, since the beginning of calendar year 2014 activity in this industry has shown a cumulative fall of 1.2%. For the rest of the year, the construction business is expected to regain momentum hand in hand with the implementation of government policies aimed at fueling spending, specifically the Argentine Credit Program (Programa de Crédito Argentino, PRO.CRE.AR) which started to have a greater impact during the current year.

| Sales and Developments in millions of ARS | IQ 15 | IQ 14 | % Var |
|---|-------|--------|-----------|
| Revenues | 4.8 | 16.1 | (70.2 %) |
| Operating income | 9.7 | (6.7) | (244.8 %) |
| Depreciation and amortization | - | - | - |
| EBITDA | 9.7 | (6.7) | (244.8 %) |

During the first quarter of fiscal year 2015, revenues from this segment reached ARS 4.8 million, reflecting sales in Condominios del Alto I (Parcel G), 70.1% lower than in the first quarter of 2014, which had totaled ARS 16.1 million, explained by sales of units in Horizons, El Encuentro and Abril Club de Campo. Operating income and EBITDA increased due to higher revenues from sales of investment properties, originated in the sale of the 19th and 20th floors of the Maipú 1300 Building.

In the section “Material Events Occurred during the Period and Subsequent Events” there is a detail of the sales of investment properties made during the quarter and after the quarter’s closing date.

Accumulated sales as of September 30 of the fiscal periods
(in thousands of ARS)

| DEVELOPMENT | IQ 15 | IQ 14 | % Var |
|---------------------------------------|-------|--------|----------|
| Residential apartments | | | |
| Condominios I and II (1) | 3,642 | - | 100 % |
| Libertador 1703 & 1755 (Horizons) (2) | 55 | 11,774 | (99.5)% |
| Other residential apartments (3) | - | 44 | (100)% |
| Subtotal Residential Apartments | 3,697 | 11,818 | (68.7)% |
| Residential Communities | | | |
| Abril/Baldovinos (4) | 646 | 1,750 | (63.1)% |
| El Encuentro | 461 | 2,492 | (81.5)% |
| Subtotal Residential Communities | 1,107 | 4,242 | (73.9)% |
| TOTAL | 4,804 | 16,060 | (70.1)% |

(1)

Through Alto Palermo S.A.

(2)

Owned by CYRSA S.A.

(3) Includes the following properties: Torres de Abasto through APSA (fully sold), units to be received in Beruti through APSA, Torres Jardín, Edificios Cruceros (fully sold), San Martín de Tours, Rivadavia 2768, Alto Palermo Park (fully sold), Minetti D (fully sold), Dorrego 1916 (fully sold), Padilla 902 (fully sold), Terreno Caballito and Lotes Pereiraola through IRSA.

(4)

Includes sale of shares in Abril.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

| Development | Company | Interest | Date of Acquisition | Land Area sqm | Saleable area sqm | Buildable area sqm | Sold | Title Deed Executed | Location | Accumulated revenues as of September 2014 | Accumulated revenues as of September 2013 |
|---------------------------------|---------|----------|---------------------|---------------|-------------------|--------------------|--------|---------------------|--------------|---|---|
| Residential Properties | | | | | | | | | | | |
| Available for sale | | | | | | | | | | | |
| Condominios del Alto I (1) | APSA | 100% | 04/30/1999 | - | 2,233 | - | 65% | 67% | Santa Fe | 3,642 | |
| Condominios del Alto II | APSA | 100% | 04/30/1999 | - | 5,009 | - | 96% | 93% | Santa Fe | - | |
| Caballito | | | | | | | | | | | |
| Nuevo Barrio Chico | IRSA | 100% | 11/03/1997 | - | 67 | - | 99.07% | 98% | CABA | - | |
| El Encuentro | IRSA | 100% | 11/18/1997 | - | 5,335 | - | 90% | 100% | Buenos Aires | 461 | 2,4 |
| Abril Club de Campo – Plots | IRSA | 100% | 01/03/1995 | - | 5,137 | - | 99.50% | 100% | Buenos Aires | 646 | 1,7 |
| Abril Club de Campo – Manor | | | | | | | | | | | |
| House | IRSA | 100% | 01/03/1995 | 31,224 | 34,605 | - | - | - | Buenos Aires | - | |
| Torres Jardín | IRSA | 100% | 07/18/1996 | - | - | - | - | - | CABA | - | |
| Entre Rios | | | | | | | | | | | |
| 465/9 | APSA | 100% | - | - | - | - | - | - | Buenos Aires | - | |
| Alto Palermo | | | | | | | | | | | |
| Park | APSA | 100% | 11/18/1997 | - | - | - | - | - | CABA | - | |
| Horizons | | | | | | | | | | | |
| Pereiraola (Greenville) | IRSA | 50% | 01/16/2007 | - | 71,512 | - | 99.6% | 98% | Buenos Aires | 55 | 11,7 |
| Intangible – Receivable units | | | | | | | | | | | |
| Beruti (Astor Palermo) | APSA | 100% | 06/24/2008 | - | 2,632 | - | - | - | CABA | - | |
| Caballito | | | | | | | | | | | |
| Manzana 35 | IRSA | 100% | 10/22/1998 | - | 8,258 | - | - | - | CABA | - | |
| Subtotal Residential Properties | | | | | | | | | | | |
| | | | | 31,224 | 176,866 | | | | | 4,804 | 16,0 |
| Land Reserves | | | | | | | | | | | |
| | APSA | 100% | 07/19/1996 | 2,398 | - | 5,994 | - | - | | - | |

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| | | | | | | | | | | | |
|---|------|------|------------|------------|--------|---------|------|------|--------------|--------------|---|
| CONIL - Güemes 836 - Mz 99 & Güemes 902 - Mz 95 | | | | | | | | | | Buenos Aires | |
| Neuquén –Hotel Parcel | APSA | 100% | 07/06/1999 | 3,000 | - | 10,000 | 100% | 100% | Neuquén | | - |
| Isla Sirgadero | IRSA | 100% | 02/16/2007 | 8,360,000 | - | no data | - | - | Santa Fe | | - |
| Pilar R8 Km 53 | IRSA | 100% | 05/29/1997 | 74,828 | - | - | - | - | Buenos Aires | | - |
| Pontevedra | IRSA | 100% | 02/28/1998 | 730,994 | - | - | - | - | Buenos Aires | | - |
| Mariano Acosta | IRSA | 100% | 02/28/1998 | 967,290 | - | - | - | - | Buenos Aires | | - |
| Merlo Terreno | IRSA | 100% | 02/28/1998 | 1,004,987 | - | - | - | - | Buenos Aires | | - |
| Rosario | APSA | 100% | 04/30/1999 | - | - | - | 100% | 100% | Santa Fe | | - |
| Zelaya 3102 | IRSA | 10% | 07/01/2005 | - | - | - | - | - | CABA | | - |
| Terreno San Luis | IRSA | 50% | 03/31/2008 | 3,250,523 | - | - | - | - | San Luis | | - |
| Subtotal Land Reserves | | | | 14,394,020 | - | 15,994 | | | | | - |
| Future Developments | | | | | | | | | | | |
| Mixed uses | | | | | | | | | | Buenos Aires | |
| UOM Lujan | APSA | 100% | 05/31/2008 | 1,160,000 | - | no data | N/A | N/A | Buenos Aires | | - |
| Canteras Natal Crespo (2 commercial parcels) | IRSA | 50% | 07/27/2005 | 39,546 | - | 59,319 | N/A | N/A | Cordoba | | - |
| Nobleza Picardo | APSA | 50% | 05/31/2011 | 159,995 | - | 127,996 | N/A | N/A | Buenos Aires | | - |
| Puerto Retiro | IRSA | 50% | 05/18/1997 | 82,051 | - | no data | N/A | N/A | CABA | | - |
| Solares Santa María | IRSA | 100% | 07/10/1997 | 716,058 | - | no data | N/A | N/A | CABA | | - |
| Residential | | | | | | | | | | | |
| Coto Abasto Air Space | APSA | 100% | 09/24/1997 | - | - | 21,536 | N/A | N/A | CABA | | - |
| Neuquén – Housing Parcel | APSA | 100% | 07/06/1999 | 13,000 | - | 18,000 | N/A | N/A | Neuquen | | - |
| Uruguay Zetol | IRSA | 90% | 06/01/2009 | 152,977 | 62,756 | - | N/A | N/A | Uruguay | | - |
| Uruguay Vista al Muelle | IRSA | 90% | 06/01/2009 | 102,216 | 62,737 | - | N/A | N/A | Uruguay | | - |
| Retail | | | | | | | | | | | |
| Caballito Shopping Plot | APSA | 100% | - | 23,791 | - | no data | N/A | N/A | CABA | | - |
| Dot Potential Expansion | APSA | 80% | - | 15,881 | - | 47,643 | N/A | N/A | CABA | | - |
| Offices | | | | | | | | | | | |

| | | | | | | | | | | | |
|------------------|------|------|------------|------------|---------|---------|-----|-----|------|---|--------|
| Philips | | | | | | | | | | | |
| Adjoining plots | | | | | | | | | | | |
| - Offices 1 & 2 | APSA | 80% | 11/28/2006 | 12,800 | - | 38,400 | N/A | N/A | CABA | - | |
| Baicom | IRSA | 50% | 12/23/2009 | 6,905 | - | 34,500 | N/A | N/A | CABA | - | |
| Intercontinental | | | | | | | | | | | |
| Plaza II | IRSA | 100% | 02/28/1998 | 6,135 | - | 19,598 | N/A | N/A | CABA | - | |
| Catalinas Norte | | | | | | | | | | | |
| Plot | IRSA | 100% | 12/17/2009 | 3,649 | - | 35,300 | N/A | N/A | CABA | - | |
| Subtotal Future | | | | | | | | | | | |
| Developments | | | | 2,495,004 | 125,493 | 402,292 | | | | | - |
| Total Land | | | | 16,920,248 | 302,359 | 418,286 | | | | | 4,804 |
| Reserves | | | | | | | | | | | 16,000 |

(1) The total saleable area of 2,233 sqm correspond to Condominios I and II.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

V. Hotels

The influx of tourists to our country in the first quarter of 2015 remained stable compared to the same quarter of 2014. The arrivals were 51% of Mercosur, leading Brazil, Uruguay and Chile; 28% Rest of America; Europe 14% and 7% Rest of World. The Intercontinental Hotel occupancy was 1% above the first quarter of 2014, while the Sheraton Libertador Hotel occupancy declined by 9% due to reforms that have taken place in the lobby. Meanwhile, the Hotel Llao Llao occupancy decreased by 6% during the first quarter of 2015.

| Hotels (in millions of ARS) | IQ 15 | IQ 14 | % Var | | |
|-----------------------------------|-------|--------|----------|--------|-------|
| Revenues | 96.8 | 72.9 | 32.8% | | |
| Operating income | (0.2) | 0.5 | (140.0%) | | |
| Depreciation and amortization | 3.7 | 3.6 | 2.8% | | |
| EBITDA | 3.5 | 4.1 | (14.6)% | | |
| | IQ 15 | IVQ 14 | IIIQ 14 | IIQ 14 | IQ 14 |
| Average Occupancy | 65.0% | 68.7% | 71.4% | 72.0% | 68.4% |
| Average Rate per Room (ARS/night) | 1,565 | 1,23 | 1,077 | 1,206 | 1,049 |
| Average Rate per Room (USD/night) | 188 | 180 | 183 | 185 | 185 |

During the first quarter of fiscal year 2015, the hotel segment recorded an increase in revenues of around 32.8%, whereas Operating Income showed a negative result of ARS 0.2 million mainly due to higher selling expenses.

The following is information on our hotel segment as of September 30, 2014:

| Hotels | Date of Acquisition | IRSA's Interest | Number of Rooms | Average Occupancy (1) | Average Rate (2) | Book Value (in thousands of ARS) |
|-------------------------|---------------------|-----------------|-----------------|-----------------------|------------------|----------------------------------|
| Intercontinental (3) | 11/01/97 | 76.34 % | 309 | 67.9 % | 1,238 | 45,599 |
| Sheraton Libertador (4) | 03/01/98 | 80.00 % | 200 | 72.1 % | 1,070 | 34,519 |
| Llao Llao (5) | 06/01/97 | 50.00 % | 205 | 53.6 % | 2,833 | 83,869 |
| Total | | | 714 | 65.0 % | 1,565 | 163,987 |

Notes:

- 1) Cumulative average for the 3-month period.
- 2) Cumulative average for the 3-month period.
- 3) Through Nuevas Fronteras S.A. (IRSA's subsidiary).
- 4) Through Hoteles Argentinos S.A.
- 5) Through Llao Llao Resorts S.A.

Accumulated sales as of September 30 of the fiscal periods

| Hotels | IQ 15 | IQ 14 | % Var | |
|-------------------------|--------|--------|-------|---|
| Intercontinental (3) | 34,860 | 24,834 | 40.4 | % |
| Sheraton Libertador (4) | 20,832 | 17,269 | 20.6 | % |
| Llao Llao (5) | 41,135 | 30,824 | 33.5 | % |
| Total | 96,827 | 72,927 | 32.8 | % |

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Summary as of September 30, 2014

VI. International

Interest in Metropolitan 885 Third Avenue Leasehold LLC (“Metropolitan”) through New Lipstick LLC (“New Lipstick”)

IRSA indirectly holds a 49.8% interest in New Lipstick LLC, a holding company that is owner of Metropolitan, a company whose main asset is the so-called “Lipstick building”, and the debt associated to this asset, which amounts to approximately USD 113.0 million, following a restructuring previously reported by IRSA.

The Lipstick Building is a landmark building in the City of New York, located in Midtown Manhattan, with a gross leaseable area over 57,500 sqm. As of September 30, 2014, the building reached an occupancy rate of 92.69%, thus generating an average rent of USD 65 per sqm.

| Lipstick | Sep-14 | Sep-13 | % Var |
|----------------------------|--------|--------|----------|
| Gross Leaseable Area (sqm) | 58,019 | 58,019 | - |
| Occupancy | 92.69% | 86.1% | 6.59 pp. |
| Rental price (USD/sqm) | 65.3 | 63.8 | 2.4% |

Sale of a Building located at 183 Madison Ave, New York, NY

In September past, the Company, acting through its subsidiary Rigby 183 LLC (“Rigby 183”) closed the sale of the Madison 183 building, located in the City of New York, United States of America, for USD 185 million, and discharged the mortgage on this asset for USD 75 million.

In December 2010, the Company, acting through a subsidiary, had purchased 49% of the stock capital of Rigby 183 LLC, owner of the building which had been valued at USD 85.1 million. In November 2012, IRSA indirectly increased its interest by 25.5%, raising its interest in Rigby 183 LLC to 74.50% of its stock capital. As of the moment of this acquisition, the building was valued at USD 147.5 million. The building’s sales price of USD 185 million implies a revaluation of 117% during the investment period.

Investment in Supertel Hospitality Inc.

As of September 30, 2014, jointly with other shareholders, we held the equivalent to 34% of the voting rights in Supertel Hospitality Inc., a REIT listed on NASDAQ under the symbol “SPPR”. Supertel Hospitality Inc. has a portfolio of 61 medium-class and long-stay hotels with 5,319 rooms in 20 states of the United States of America, which are operated by various operators and franchises such as Hilton, IHG, Choice and Wyndham, among others.

Investment in Hersha Hospitality Trust

Hersha is a REIT listed on the New York Stock Exchange under the “HT” symbol. Hersha invests primarily in institutional grade hotels in located in shopping malls, suburban commercial hubs and secondary destinations and markets located mainly in the northeast region of the United States and in selected markets in the west coast of the United States. Hersha makes acquisitions in locations which it believes to have developing markets and it has a proactive management whose goal is to create and increase long-term added value.

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Summary as of September 30, 2014

During the month of August 2014, IRSA, acting through its subsidiary REIG IV, sold its remaining stake of 1 million shares in Hersha Hospitality Trust for an average price of USD 6.74 per share.

Investment in IDB Development Corporation

On July 1, 2014, DN B.V. exercised its rights to purchase additional shares in IDBD.

As a result of the exercise of the rights received as mentioned above, DN B.V. received 17.32 million shares and 11.99 million warrants under Series 1, 2 and 3 and ETH received the same number of rights and therefore acquired the same number of shares and warrants as DN B.V. In addition, as a result of the exercise of the rights purchased, DN B.V. acquired 5.79 million shares and 4.01 million warrants under Series 1, 2 and 3. ETH also acquired the same number of shares and warrants as DN B.V.

During the period from July 9 to July 14, 2014, DN B.V. acquired through transactions in the open market 0.42 million shares and 0.34 million additional Series 2 warrants for NIS 1.77 million, equivalent to approximately USD 0.52 million. 50% of such shares and Series 2 warrants were sold to ETH pursuant to the provisions of the above mentioned agreement signed between the parties.

As of September 30, 2014, DN B.V. held an aggregate of 76,620,163 shares, 15,998,787 Series 1 warrants, 16,170,392 Series 2 warrants and 15,998,787 Series 3 warrants of IDBD, resulting in an undiluted holding of 28.99% and a fully diluted holding of 31.37% in IDBD. IDBD's Board of Directors is composed of nine members, three of whom were appointed by DN B.V., namely, Eduardo Elsztain, Alejandro Elsztain and Saúl Zang.

Under the purchase agreement, DN B.V. and ETH have promised to participate on a joint and several basis in any capital increases resolved by IDBD's Board of Directors in order to implement its business plan for 2014 and 2015, for at least NIS 300 million in 2014 and NIS 500 million in 2015 (equivalent to approximately USD 81.45 million and USD 135.8 million at the exchange rate prevailing as of September 30, 2014). As of the date of these financial statements, DN B.V. and ETH have contributed NIS 407.08 million (equivalent to USD 114.17 million) of the amounts committed by them.

Moreover, under the purchase agreement, DN B.V. and ETH jointly and severally committed to make one or more tender offers for acquiring shares in IDBD for a total amount of NIS 512.09 million (equivalent to approximately USD 139.0 million at the exchange rate prevailing as of September 30, 2014) as per the following scheme: (i) by December 31, 2015, an amount of at least NIS 249.8 million for a price per share of NIS 8.344 (subject to adjustment); and (ii) by December 31, 2016, an amount of at least NIS 512.09 million less the offer made in 2015, for a price per share of NIS 8.7612 (subject to adjustment). As security for the performance of the tender offers, 29,937,591 shares in IDBD held by DN B.V. were pledged as of September 30, 2014. As of the date of these financial statements, no tender offers had been made.

In addition, the purchase agreement provides that DN B.V. and ETH shall jointly and severally pay to the creditors who are parties to the above mentioned restructuring agreement an additional amount of NIS 100 million (equivalent to approximately USD 27.1 million at the exchange rate prevailing as of September 30, 2014) in the event that IDBD consummates the sale of its interest in its subsidiary Clal Insurance Enterprises Holdings Ltd. before December

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Summary as of September 30, 2014

31, 2014 and always provided that: (i) the sales price is not less than NIS 4,200 million (equivalent to approximately USD 1,140 million at the exchange rate prevailing as of September 30, 2014); and (ii) the closing of the transaction occurs before June 30, 2015, with IDBD having received by this last date a payment of not less than NIS 1,344 million (gross) (equivalent to approximately USD 364.9 million at the exchange rate prevailing on September 30, 2014). As of the date of these financial statements, none of the above mentioned conditions had been fulfilled.

On May 12, 2014, IDBD's shares became listed on the Tel Aviv Stock Exchange, Israel. Consequently, all the shares (including the pledged shares) were deposited in escrow with Bank Leumi Le-Israel as security in compliance with the lock-up provisions set forth in Chapter D of the Tel Aviv Stock Exchange Regulations which provide that initially listed shares may not be disposed of for a term of 18 months and allow the release of 2.5% per month beginning on the fourth month since the initial listing date.

In this way, pursuant to the Tel Aviv Stock Exchange regulations, as of September 30, 2014, 51,095,676 shares and 335,715 warrants under each of Series 1, 2 and 3 remained locked up under the terms mentioned above.

VII. Financial Transactions and Other

Interest in Banco Hipotecario S.A. ("BHSA") through to IRSA and Avenida Inc. through to APSA

BHSA is a leading bank in the mortgage lending segment, in which IRSA held a 29.77% interest as of September 30, 2014 (excluding portfolio shares). For further information please refer to <http://www.cnv.gov.ar> or <http://www.hipotecario.com.ar>. The investment in Banco Hipotecario generated results for ARS 43.3 million during the first quarter of 2015, 18.9% lower than in the same quarter of 2014.

Through APSA SA (APSA) generated a profit ARS 8.6 million in "Other net operating income," because of the result of the sale of 5% participation in associate Avenida Inc..

VIII. EBITDA by segment

| 3M 15 | Shopping Centers | Offices | Sales and Developments | Hotels | International | Financial Transactions and Other | Total |
|-------------------------------|------------------|---------|------------------------|--------|---------------|----------------------------------|-------|
| Operating income / (loss) | 270.9 | 54.2 | 9.7 | (0.2) | 299.3 | 8.4 | 642.4 |
| Depreciation and Amortization | 31.1 | 8.7 | - | 3.7 | 0.1 | - | 43.5 |
| EBITDA | 302.0 | 62.8 | 9.7 | 3.5 | 299.4 | 8.4 | 685.9 |
| 3M 14 | Shopping Centers | Offices | Sales and Developments | Hotels | International | Financial Transactions and Other | Total |
| Operating income / (loss) | 206.6 | 30.5 | (6.7) | 0.5 | 3.2 | (1.6) | 232.4 |
| | 36.8 | 8.5 | - | 3.6 | 7.0 | - | 55.9 |

Depreciation and
Amortization

| | | | | | | | |
|------------|-------|-------|----------|---------|------|----------|--------|
| EBITDA | 243.4 | 39.0 | (6.7) | 4.1 | 10.2 | (1.6) | 288.3 |
| EBITDA Var | 24.1% | 61.0% | (243.8)% | (13.4)% | - | (612.9)% | 137.9% |

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

IX. Reconciliation with Consolidated Income Statement

Below is an explanation of the reconciliation of the company's income by segment with its consolidated income statement. The difference lies in the presence of joint ventures included in the segment but not in the income statement.

| | Total Segment | Joint Ventures* | Inter-segment deletions | Income Statement |
|---|------------------|--------------------|----------------------------|---------------------|
| Revenues | 799.6 | (7.7) | (1.8) | 790.1 |
| Costs | (359.3) | 4.4 | 1.4 | (353.5) |
| Gross Profit /(Loss) | 440.3 | (3.3) | (0.4) | 436.6 |
| Result from sale of investment properties | 317.5 | - | - | 317.5 |
| General and administrative expenses | (80.3) | 0.2 | 0.7 | (79.4) |
| Selling expenses | (38.1) | 0.5 | 0.1 | (37.4) |
| Other operating income, net | 2.9 | 0.2 | (0.3) | 2.8 |
| Operating Income | 642.4 | (2.3) | - | 640.1 |
| Income / (loss) from interests in equity investees and joint businesses | (117.7) | 6.1 | - | (111.7) |
| Income before financial income / (loss) and income tax | 524.7 | 3.7 | - | 528.4 |

*Includes Puerto Retiro, Baicom, CYRSA, Nuevo Puerto Santa Fe and Quality (Predio San Martín).

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Summary as of September 30, 2014

IX. Financial Debt and Other Indebtedness

Consolidated Financial Debt as of September 30, 2014.

| Type of Debt | Currency | Amount (USD MM) ¹ | Interest Rate | Maturity |
|------------------------------------|----------|------------------------------|------------------|------------|
| Bank Overdraft | ARS | 44.9 | Variable | < 180 days |
| IRSA's Tranche I Series I Notes | USD | 150.0 | 8.50% | Feb-17 |
| IRSA's Tranche II Series II Notes | USD | 150.0 | 11.50% | Jul-20 |
| IRSA's Tranche III Series VI Notes | ARS | 1.3 | Badlar + 450 bps | Feb-17 |
| IRSA's Tranche III Series V Notes | ARS | 24.8 | Badlar + 395 bps | Aug-15 |
| Other Debt | ARS | 1.1 | 15.25% | Dec-16 |
| IRSA's Total Debt | | 372.1 | | |
| APSA's 2017 Series I Notes (int.) | USD | 120.0 | 7.88% | May-17 |
| Short Term Debt | ARS | 37.2 | Variable | - |
| Syndicated Loan - Arcos | ARS | 7.8 | 15.01% | Nov-15 |
| Syndicated Loan - Neuquén | ARS | 10.2 | 15.25% | Jun-16 |
| Com. 5319 Loan | ARS | 1.9 | 15.01% | Dec-15 |
| Other Debt | ARS | 1.9 | 15.25% | Dec-16 |
| APSA's Total Debt | USD | 179.0 | | |
| Total Consolidated Debt | | 551.1 | | |
| Consolidated Cash | | 147.7 | | |
| Debt Repurchase | | 23.2 | | |
| Net Consolidated Debt | | 380.2 | | |

(1) Principal face value in USD at an exchange rate of 8.43 ARS = 1 USD, without considering elimination of balances with subsidiaries.

Material Events Occurred During the Period and Subsequent Events

Sales of Investment Properties

July 2014

On July 7, 2014, the deed of conveyance for the sale of the 19th and 20th floors of the Maipú 1300 building, was executed. The transaction price was ARS 24.7 million (USD 3.0 million). The transaction resulted in a profit before taxes of approximately ARS 21.0 million.

October 2014

During the month of October, two deeds of conveyance were executed for the sale of office floors in the Bouchard 551 building. The price of the first transaction was ARS 168.7 million, for the 22nd and 23rd floors of the building, generating a profit before taxes of approximately ARS 151.4 million. The price of the second sales transaction was ARS 279.4 million for the 9th, 10th and 11th floors of the building. This transaction resulted in a profit before taxes of approximately ARS 243.3 million.

On October 22, 2014, the deed of conveyance for the sale of the 10th floor of the Maipú 1300 building, jointly with two parking spaces in the same building and one parking space in the Libertador 498, was executed. The price of this transaction was USD 1.4 million.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

November 2014

During the month of November, 1,004 square meters of an office floor and 10 parking spaces were sold in the Bouchard Plaza building, located in the “Plaza Roma” area, City of Buenos Aires. The transaction price was ARS 75.6 million, resulting in a profit of approximately ARS 63.9 million. Therefore, the Company has no leasable area left in this building, and keeps only 116 residual parking spaces.

Annual General Ordinary and Extraordinary Shareholders’ Meeting

On October 31, 2014, the annual shareholders’ meeting of the Company for the fiscal year ended June 30, 2014 resolved to have the meeting adjourned until November 14, 2014, to discuss the following Agenda: (i) Updating of report on Corporate Services Agreement; (ii) Report on the result of Tip Hogar’s exchange offer for SAMAP’s shares – (currently Alto Palermo SA (APSA)) and approval of Board of Directors’ performance; (iii) Consideration of amendment to Section one of the bylaws for it to conform with the Capital Market Law in force; (iv) Consideration of amendment to Section twenty-four of the bylaws (Remote Participation at Shareholders’ Meetings); (v) Plan of repurchase of shares and GDS issued by the Company and their allocation; (vi) Updating of report on Incentive Plan for the Company’s officers as approved and acknowledged by the shareholders’ meetings held in 2009/2010/2011/2012 and 2013. Approval of amendments according to the observations made by the Argentine Securities Commission (CNV), including the assignment of economic rights on the shares that are the subject-matter of the Plan. Incorporation of a benefit for all the staff, including controlled companies’ personnel.

Additional Subscription in Dolphin Fund Ltd.

On October 30, 2014, the Group, acting through subsidiaries subscribed an additional amount of USD 21 million in Dolphin Fund Ltd. (“Dolphin”). This amount will be used to increase Dolphin’s investment in IDB Development Corporation Ltd.

XI. Comparative Summary Consolidated Balance Sheet Data

| | 09.30.14 | 09.30.13 | 09.30.12 |
|-------------------------|-----------|-----------|-----------|
| Current assets | 2,253,462 | 1,301,673 | 1,063,544 |
| Non-current assets | 7,349,645 | 7,096,268 | 6,000,517 |
| Total | 9,603,107 | 8,397,941 | 7,064,061 |
| Current liabilities | 2,060,732 | 1,351,138 | 1,296,277 |
| Non-current liabilities | 4,799,458 | 3,853,168 | 2,673,818 |
| Sub-total | 6,860,190 | 5,204,306 | 3,970,095 |
| Minority interest | 679,791 | 396,256 | 391,659 |
| Shareholders’ Equity | 2,063,126 | 2,797,379 | 2,702,307 |
| Total | 9,603,107 | 8,397,941 | 7,064,061 |

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

XII. Comparative Summary Consolidated Income Statement Data

| | 09.30.14 | 09.30.13 | 09.30.12 |
|---|----------|----------|----------|
| Operating income | 640,068 | 229,051 | 197,942 |
| Income from interest in equity investees and joint ventures | -111,650 | 38,991 | 16,731 |
| Income before financial income / (loss) and income tax | 528,418 | 268,042 | 214,673 |
| Financial income | 23,825 | 46,534 | 38,723 |
| Financial expenses | -327,126 | -293,930 | -180,977 |
| Other financial income | 87,013 | 27,570 | 16,017 |
| Financial income / (loss), net | -216,288 | -219,826 | -126,237 |
| Income before income tax | 312,130 | 48,216 | 88,436 |
| Income tax | -176,331 | -12,948 | -37,626 |
| Net income | 135,799 | 35,268 | 50,810 |
| Attributable to: | | | |
| Controlling company's shareholders | 3,258 | 32,382 | 41,142 |
| Non-controlling interest | 132,541 | 2,886 | 9,668 |

XIII: Comparative Summary Consolidated Cash Flow Data

| | 09.30.14 | 09.30.13 | 09.30.12 |
|--|-----------|----------|----------|
| Net cash provided by operating activities | 252,094 | 203,441 | 264,604 |
| Net cash provided by / (used in) investment activities | 1,068,630 | -493,797 | -90,573 |
| Net cash used in financing activities | -711,352 | -246,189 | -153,759 |
| Net (decrease) / increase in cash and cash equivalents | 609,372 | -536,545 | 20,272 |
| Cash and cash equivalents at the beginning of the fiscal year | 609,907 | 796,902 | 259,169 |
| Gain from Exchange rate differences of cash and cash equivalents | 26,217 | 20,831 | 1,901 |
| Cash and cash equivalents at the end of the period | 1,245,496 | 281,188 | 281,342 |

XIV. Comparative Ratios

| | 09.30.2014 | | 09.30.2013 | | 09.30.2012 | |
|----------------------|------------|------|------------|------|------------|------|
| Liquidity | | | | | | |
| CURRENT ASSETS | 2,253,462 | 1.09 | 1,301,673 | 0.96 | 1,063,544 | 0.82 |
| CURRENT LIABILITIES | 2,060,732 | | 1,351,138 | | 1,296,277 | |
| Indebtedness | | | | | | |
| TOTAL LIABILITIES | 6,860,190 | 2.50 | 5,204,306 | 1.63 | 3,970,095 | 1.28 |
| SHAREHOLDERS' EQUITY | 2,742,917 | | 3,193,635 | | 3,093,966 | |
| Solvency | | | | | | |
| SHAREHOLDERS' EQUITY | 2,742,917 | 0.40 | 3,193,635 | 0.61 | 3,093,966 | 0.78 |
| | 6,860,190 | | 5,204,306 | | 3,970,095 | |

TOTAL
LIABILITIES

Restricted Assets

NON-CURRENT

ASSETS

| | | | | | |
|-----------|------|-----------|------|-----------|------|
| 7,349,645 | 0.77 | 7,096,268 | 0.85 | 6,000,517 | 0.85 |
|-----------|------|-----------|------|-----------|------|

TOTAL ASSETS

| | | | | | |
|-----------|--|-----------|--|-----------|--|
| 9,603,107 | | 8,397,941 | | 7,064,061 | |
|-----------|--|-----------|--|-----------|--|

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2014

XI. Brief comment on prospects for the next period

We have started fiscal year 2015 with good results in our main lines of business. The shopping center and office portfolios have remained at maximum occupancy levels and revenues have grown at the same pace as in 2014. Our investments outside Argentina have had efficient operating ratios and attractive appreciation levels, as shown by the recent sale of the Madison 183 building in the City of New York. We expect to maintain and even improve the performance of all our assets during fiscal year 2015.

As concerns the projects underway, during this fiscal year we expect to open two new shopping centers, reaching a portfolio of 15 shopping centers. On the one hand, “Distrito Arcos”, which will be an Outlet center with a variety of premium brands in an open-air environment that will add approximately 14,000 square meters of gross leaseable area and 65 stores to APSA’s portfolio. On the other hand, we will progress in the development of our next shopping center, “Alto Comahue”, in the City of Neuquén, the opening of which is planned for fiscal year 2015. This project, much longed-for by the local population, will be the company’s first shopping center in the Argentine Patagonian region, and we believe that in light of the significant economic growth experienced by Neuquén in the past years, this project will be as successful as the rest of the shopping centers managed by APSA in other locations in the interior of Argentina.

Apart from progressing in the new developments, we expect to continue working towards optimizing the performance of our current shopping centers through improvements that allow us to take best advantage of their GLA potential and to furnish them with increased functionality and appeal for the benefit of consumers and retailers alike.

During this year we will vigorously continue to foster marketing actions, events and promotions in our shopping centers, as they have proved to be highly effective in terms of sales and have been eagerly endorsed by the public.

In the office segment, during the first quarter of 2015 we maintained occupancy and USD/sqm rental levels. We hope to reach full occupancy and to close the best possible lease agreements during the rest of the year, attracting new firms wishing to relocate to our premium spaces. We plan to continue our strategy of selling selected non-strategic assets in our portfolio for attractive prices, and we are deciding on the most suitable timing for launching the “Catalinas Norte” project, to be erected in one of the most highly priced lands in the City of Buenos Aires, in the area of Catalinas.

Our investments outside Argentina have continued to show very attractive levels of return. The recent sale of the Madison building for USD 185 million is proof of this. We will continue to search for opportunistic investments in top-quality assets for attractive prices and with capital structures with optimization potential.

We believe that IRSA has the financial soundness, managerial expertise and long track record in the Argentine real estate industry required to face the challenges that may arise in 2015 and to take advantage of all the opportunities that the market may offer.

IRSA Inversiones y Representaciones S.A.

By: /s/ Saúl Zang
Saúl Zang
Responsible for the relationship
with the markets

December 22, 2014