

IRSA INVESTMENTS & REPRESENTATIONS INC  
Form 6-K  
May 13, 2010

# **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 May, 2010**

**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**

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(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 summary of the results of the Company's operations for the nine-month period ended March 31, 2010, which was filed by the Company on May 12, 2010 with the *Bolsa de Comercio de Buenos Aires* and with the *Comisión Nacional de Valores*.

**IRSA Inversiones y Representaciones S.A.****Summary of Earnings Release****as of March 31, 2010***Brief comment on the Company's activities during the period, including references**to significant situations occurred after the end of the period*

**Buenos Aires, May 12, 2010** - IRSA Inversiones y Representaciones Sociedad Anónima (NYSE: IRS) (BASE: IRSA), Argentina's leading real estate company, announces the results of its operations for the nine-month period ended on March 31, 2010.

**HIGHLIGHTS**

| In Millions of Ps.                   | IIIQ 10 | IIIQ 09 | var%  | 9M 10 | 9M 09  | var%   |
|--------------------------------------|---------|---------|-------|-------|--------|--------|
| <b>Revenues</b>                      | 295.5   | 290.6   | 1.7%  | 952.1 | 832.0  | 14.4%  |
| <b>Operating Income</b>              | 101.3   | 90.3    | 12.2% | 393.1 | 139.2  | 182.4% |
| <i>Depreciation and Amortization</i> | 39.8    | 32.7    | 21.9% | 120.6 | 99.4   | 21.3%  |
| <b>EBITDA<sup>1</sup></b>            | 141.1   | 123.0   | 14.7% | 513.7 | 238.6  | 115.3% |
| <b>Net Income</b>                    | 35.4    | -7.2    |       | 299.7 | -106.2 |        |

Revenues for the first nine months of fiscal year 2010 rose by 14.4%, driven by a 32.2% increase in revenues in Shopping Centers.

The strong increase in Operating Income for the first nine months of fiscal year 2010 (+182.4%) is explained by a 29.9% improvement in Gross Profit, a 6.8% reduction in Marketing and Administrative Expenses, and Income from Trusts of Ps. 34.8 million (vs. Ps. 49.0 million for the first nine months of fiscal year 2009).

Net Income for the first nine months of fiscal year 2010 was Ps. 405.9 million higher than for the first nine months of fiscal year 2009, due to several factors, including an increase in Operating Income of Ps. 253.9 million and an increase of approximately Ps. 200 million in equity investees.

The increase in Revenues for the third quarter of fiscal year 2010 vs. the third quarter of fiscal year 2009 was tempered by lower revenues recognized in the Sales and Developments segment (lower number of office buildings sold during the last quarter).

Net Income for the third quarter of fiscal year 2010 was Ps. 35.4 million, compared to a net loss of Ps. 7.2 million in the third quarter of fiscal year 2009.

<sup>1</sup> EBITDA represents operating income plus depreciation and amortization less gain from operations and holdings of real estate assets, net (included in operating income). Our presentation of EBITDA does not reflect the methodology suggested by its acronym. We believe EBITDA provides investors with meaningful information with respect to our operating performance and facilitates comparisons to our historical operating results. However, our EBITDA measure has limitations as an analytical tool, and should not be considered in isolation, as an alternative to net income or as an indicator of our operating performance or as a substitute for analysis of our results as reported under Argentine GAAP. Some of these limitations include:

it does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;

it does not reflect changes in, or cash requirements for, our working capital needs;

it does not reflect our interest expense, or the cash requirements to service the interest or principal payments of our debt;

it does not reflect any cash income taxes or employees' profit sharing we may be required to pay;

it reflects the effect of non-recurring expenses, as well as investing gains and losses;

it is not adjusted for all non-cash income or expense items that are reflected in restatements of changes in financial position;  
and

other companies in our industry could calculate this measure differently than we do, which may limit its usefulness as a comparative measure.

Because of these limitations, our EBITDA measure should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. EBITDA is not a recognized financial measure under Argentine GAAP. You should compensate for these limitations by relying principally on our Argentine GAAP results and using our EBITDA measurement supplementally.

**Highlights for the first nine months of fiscal year 2010, including references to significant situations occurred after the end of the period.**

**I. Offices and Other Non-Shopping Center Rental Properties**

During the last 3 months of calendar year 2009, there was an upward trend in the office leasing market in the City of Buenos Aires. This market, in which IRSA holds a major position, has shown a slow decrease in lease prices along with an increase in vacancy levels since the end of 2008, mainly as a result of two factors: on the one hand, supply rose in 2009, increasing the stock of leasable square meters in the downtown area of Buenos Aires and the northern region of Greater Buenos Aires, and on the other, demand was affected by the 2009 international economic crisis. By year end, the market started to show slight signs of recovery, resulting in vacancy levels of 5.8% and average prices of US\$ 29.2 per square meter for the A+ building segment, according to Colliers International's Annual Real Estate Report. Buenos Aires, 2009/2010 .

**Offices and Other Non-Shopping Center Rental Properties**

|                                     |                               | IIIQ 10 | IIIQ 09 | var%  | 9M 10 | 9M 09 | var%  |
|-------------------------------------|-------------------------------|---------|---------|-------|-------|-------|-------|
| <b>Results (in Millions of Ps.)</b> | Revenues                      | 37.9    | 37.6    | 0.8%  | 116.9 | 108.4 | 7.8%  |
|                                     | Operating income              | 19.7    | 18.9    | 4.4%  | 58.7  | 56.0  | 4.9%  |
|                                     | Depreciation and Amortization | 6.1     | 3.7     | 63.8% | 18.2  | 18.6  | -2.6% |
|                                     | EBITDA                        | 25.8    | 22.6    | 14.2% | 76.9  | 74.6  | 3.0%  |

  

|                         |  | IIIQ 10 | IIQ 10  | IQ 10   | IVQ 09  | IIIQ 09 | IIQ 09  |
|-------------------------|--|---------|---------|---------|---------|---------|---------|
| <b>Office Portfolio</b> | Leasable Area <sup>2</sup> (sqm)               | 141,724 | 142,964 | 152,270 | 156,000 | 156,938 | 161,502 |
|                         | Occupancy <sup>3</sup> (GLA)                   | 90.9%   | 89.6%   | 90.7%   | 91.2%   | 94.1%   | 92.8%   |
|                         | Monthly Revenues <sup>4</sup> (Ps./sqm leased) | 93.3    | 91.4    | 95.0    | 93.0    | 87.3    | 78.4    |

The growth in revenues and EBITDA lessened as a result of the smaller amount of leasable properties resulting from sales of non-strategic assets made in fiscal year 2010.

During the third quarter of fiscal year 2010 IRSA continued to improve its portfolio mix by selling non-strategic office properties at attractive prices. 1,240 square meters of leasable office space have been disposed of in Edificio Av. Libertador 498 for US\$ 4.3 million.

During the second quarter of fiscal year 2010, IRSA agreed to purchase a plot of land of 3,650 square meters in CATALINAS NORTE, a premium office district in the City of Buenos Aires, which may be used to develop an A+ office building.

<sup>2</sup> At period end

<sup>3</sup> At period end

<sup>4</sup> Considering contracts in effect, occupancy and leasable meters at the closing of each period.

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Below is information relating to our office properties as of March 31, 2010.

**Offices and Non-Shopping Center Other Rental Properties**

|   | Date of Acquisition | Leasable Area sqm | Occupancy rate Mar-09 | IRSA s effective interest | Monthly rental income Ps./000 (3) | Annual accumulated rental income over fiscal periods Ps./000 (4) |                |               | Book Value Ps./000 (5) |
|---|---------------------|-------------------|-----------------------|---------------------------|-----------------------------------|--|----------------|---------------|------------------------|
|   |                     |                   |                       |                           |                                   | 2010   | 2009           | 2008          |                        |
| <b>Offices</b>                                      |                     |                   |                       |                           |                                   |  |                |               |                        |
| Edificio República                                  | 28/04/08            | 19,884            | 80%                   | 100%                      | 1,700                             | 15,718   | 11,972         | N/A           | 220,952                |
| Torre Bankboston                                    | 27/08/07            | 14,873            | 100%                  | 100%                      | 1,667                             | 16,486   | 14,227         | 9,005         | 155,871                |
| Bouchard 551  | 15/03/07            | 23,378            | 100%                  | 100%                      | 1,950                             | 16,788   | 14,742         | 11,496        | 151,152                |
| Intercontinental Plaza                              | 18/11/97            | 22,535            | 100%                  | 100%                      | 1,914                             | 16,210   | 12,003         | 8,808         | 83,411                 |
| Dique IV, Juana Manso 295 (10)                      | 02/12/97            | 11,298            | 92%                   | 100%                      | 1,196                             | 10,404   |                |               | 65,194                 |
| Bouchard 710  | 01/06/05            | 15,014            | 72%                   | 100%                      | 1,101                             | 10,781   | 12,666         | 9,324         | 65,517                 |
| Maipú 1300  | 28/09/95            | 10,280            | 95%                   | 100%                      | 959                               | 8,510  | 7,025          | 6,023         | 38,633                 |
| Libertador 498                                      | 20/12/95            | 3,714             | 100%                  | 100%                      | 464                               | 5,567  | 7,234          | 6,173         | 14,799                 |
| Costeros Dique IV                                   | 29/08/01            | 5,437             | 86%                   | 100%                      | 436                               | 3,852  | 3,841          | 3,325         | 19,258                 |
| Edificios Costeros                                  | 20/03/97            |                   | N/A                   | 100%                      |                                   | 1,384  | 3,218          | 2,888         |                        |
| Suipacha 652/64                                     | 22/11/91            | 11,453            | 95%                   | 100%                      | 535                               | 3,579  | 2,713          | 1,805         | 11,049                 |
| Dock Del Plata                                      | 15/11/06            | 809               |                       | 100%                      |                                   | 1,353  | 4,986          | 5,295         | 3,167                  |
| Madero 1020   | 21/12/95            | 101               | 100%                  | 100%                      | 3                                 | 23   | 25             | 73            | 223                    |
| Laminar Plaza                                       | 25/03/99            |                   | N/A                   | 100%                      |                                   | 198  | 4,882          | 4,034         |                        |
| Reconquista 823/41                                  | 12/11/93            |                   | N/A                   | 100%                      |                                   | 44   | 1,898          | 1,679         |                        |
| Other Offices (6)                                   | N/A                 | 2,948             | 66%                   | N/A                       | 89                                | 1,507  | 925            | 1,017         | 7,667                  |
| <b>Subtotal Offices</b>                             |                     | <b>141,724</b>    | <b>91%</b>            | <b>N/A</b>                | <b>12,014</b>                     | <b>112,404</b>   | <b>102,357</b> | <b>70,945</b> | <b>836,893</b>         |
| <b>Other Properties</b>                             |                     |                   |                       |                           |                                   |  |                |               |                        |
| Commercial Properties (7)                           | N/A                 | 312               |                       | N/A                       |                                   | 1  | 191            | 138           | 3,442                  |
| Museo Renault                                       | 12/06/07            | 1,275             | 100%                  | 100%                      | 30                                | 267  | 267            | 114           | 4,808                  |
| Santa María del Plata S.A.                          | 07/10/97            | 60,100            | 100%                  | 90%                       | 86                                | 757  | 455            | 455           | 12,496                 |
| Thames  | 11/01/97            | 33,191            |                       | 100%                      |                                   | 175  | 714            | 623           | 3,898                  |
| Other Properties (8)                                | N/A                 | 2,072             | 100%                  | N/A                       | 6                                 | 70   | 2,225          | 213           | 5,719                  |
| <b>Subtotal Other Properties</b>                    |                     | <b>96,950</b>     | <b>65%</b>            | <b>N/A</b>                | <b>122</b>                        | <b>1,270</b>   | <b>3,852</b>   | <b>1,543</b>  | <b>30,363</b>          |
| <b>Management Fees (11)</b>                         |                     | <b>N/A</b>        | <b>N/A</b>            | <b>N/A</b>                |                                   | <b>3,200</b>   | <b>2,218</b>   | <b>1,004</b>  | <b>N/A</b>             |
| <b>TOTAL OFFICES AND OTHER LEASE PROPERTIES (9)</b> |                     |                   |                       |                           |                                   |  |                |               |                        |
|   |                     | <b>238,674</b>    | <b>81%</b>            | <b>N/A</b>                | <b>12,136</b>                     | <b>116,874</b>   | <b>108,427</b> | <b>73,492</b> | <b>867,256</b>         |

- (1) Total leasable area for each property as of 03/31/10. Excludes common areas and parking.
- (2) Calculated dividing occupied square meters by leasable area as of 03/31/10.
- (3) Agreements in force as of 03/31/10 for each property were computed.
- (4) Total consolidated leases, according to the RT21 method.
- (5) Cost of acquisition, plus improvements, less accumulated depreciation, plus adjustment for inflation, less allowance for impairment in value.
- (6) Includes the following properties: Madero 942 (fully sold), Av. de Mayo 595, Av. Libertador 602, Rivadavia 2774 and Sarmiento 517.
- (7) Includes the following properties: Constitución 1111, Crucero I (fully sold), Abril Stores (fully assigned) and Casona de Abril.
- (8) Includes the following properties: 1 unit in Alto Palermo Park, Constitución 1159 and Dique III (fully sold).
- (9) Corresponds to the Offices and Other Non-Shopping Center Rental Properties business unit mentioned in Note 4 to the Consolidated Financial Statements.

(10) The building was occupied on 05/15/09.

(11) Income from building management fees.

**II. Alto Palermo S.A. ( APSA ): Shopping Centers and Consumer Finance**

After an atypical start to 2009 characterized by a smaller inflow of foreign tourists due to the international crisis and the H1N1 virus outbreak (which had affected the pace in the growth of sales during the third and fourth quarters of fiscal year 2009) the shopping center industry experienced a significant rebound during the first nine months of fiscal year 2010. Sales in the summer months grew notably as a result of the recovery in domestic consumption and an inflow of tourists, mainly from Brazil and Chile.

Prospects in this segment for the rest of 2010 are promising, in line with an upsurge in consumption and economic activities.



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The following information relates to data extracted from the financial statements of our subsidiary Alto Palermo S.A. (APSA), the company that operates our shopping center business, in which we have a 63.35% interest as of March 31, 2010<sup>5</sup>.

|                                     |   | Shopping Centers |         |         |         |         |         |
|-------------------------------------|---|------------------|---------|---------|---------|---------|---------|
|                                     |   | IIIQ 10          | IIIQ 09 | var%    | 9M 10   | 9M 09   | var%    |
| <b>Results (in Millions of Ps.)</b> | Revenues  | 122.8            | 88.3    | 39.0%   | 375.0   | 283.6   | 32.2%   |
|                                     | Operating income  | 59.6             | 43.8    | 36.2%   | 198.9   | 146.4   | 35.9%   |
|                                     | Depreciation and Amortization   | 27.8             | 21.6    | 29.1%   | 84.5    | 62.4    | 35.4%   |
|                                     | EBITDA  | 87.5             | 65.3    | 33.9%   | 283.4   | 208.8   | 35.7%   |
|                                     |   | IIIQ 10          | IIQ 10  | IQ 10   | IVQ 09  | IIIQ 09 | IIQ 09  |
| <b>Shopping Centers</b>             | Leasable area (sqm)   | 286,286          | 289,410 | 286,581 | 287,542 | 276,256 | 276,249 |
|                                     | Tenants sales (Ps. Million, 12-month cumulative)                              | 5,229            | 4,807   | 4,400   | 4,194   | 4,055   | 4,039   |
|                                     | Tenants sales in the same Shopping Centers (Ps. Million, 12-month cumulative) | 4,592            | 4,340   | 4,141   | 4,095   | 4,055   | 4,039   |
|                                     | Occupancy (GLA)   | 98.0%            | 98.0%   | 97.9%   | 98.5%   | 98.9%   | 98.4%   |

Cumulative tenants sales for the nine months of fiscal year 2010 totaled Ps. 4,068.3 million, a 34.4% increase compared to the same period of the previous year.

During the three months ended March 31, 2010, shopping center tenants sales reached Ps. 1,253.4 million (a 51% increase compared to the same period of the previous year). In the same shopping centers, such sales amounted to a cumulative figure of Ps. 1,083.6 million, compared to the same quarter of the previous year (an increase of 30%).

Sales for January, February and March 2010 increased 46%, 52% and 54%, respectively, as compared to the same months of 2009. In terms of same shopping centers, such sales increased 25%, 32% and 33%, respectively, for each of such periods compared to the same periods of 2009.

The EBITDA/Sales margin for the nine-month period has remained at 75%.

**Shopping Centers**

|                                | Date of Acquisition | Leasable Area sqm (1) | APSA s Effective Interest (3) | Occupancy Rate (2) | Accumulated Rental Income as of March 31 \$/000 (4) |        |        | Book Value (\$ 000) (5) |
|--------------------------------|---------------------|-----------------------|-------------------------------|--------------------|---|--------|--------|-------------------------|
|                                |                     |                       |                               |                    | 2010  | 2009   | 2008   |                         |
| <b>Shopping Centers (6)</b>    |                     |                       |                               |                    |   |        |        |                         |
| Alto Palermo                   | 11/97               | 18,629                | 100.0%                        | 100.0%             | 70,881  | 61,681 | 50,233 | 140,366                 |
| Abasto Shopping (7)            | 07/94               | 37,603                | 100.0%                        | 99.6%              | 65,384  | 58,460 | 51,642 | 165,640                 |
| Alto Avellaneda                | 11/97               | 36,579                | 100.0%                        | 95.7%              | 42,552  | 34,582 | 28,625 | 75,855                  |
| Paseo Alcorta                  | 06/97               | 14,390                | 100.0%                        | 98.4%              | 31,584  | 29,412 | 27,159 | 71,192                  |
| Patio Bullrich                 | 10/98               | 11,736                | 100.0%                        | 100.0%             | 27,160  | 23,450 | 21,135 | 91,597                  |
| Alto Noa Shopping              | 03/95               | 18,869                | 100.0%                        | 99.9%              | 9,986   | 7,786  | 6,685  | 21,985                  |
| Buenos Aires Design            | 11/97               | 13,786                | 53.7%                         | 99.6%              | 10,951  | 9,803  | 8,921  | 9,434                   |
| Alto Rosario Shopping (7)      | 11/04               | 28,650                | 100.0%                        | 97.1%              | 22,055  | 17,170 | 14,470 | 77,744                  |
| Mendoza Plaza Shopping         | 12/94               | 40,651                | 100.0%                        | 93.3%              | 18,916  | 19,147 | 17,557 | 81,300                  |
| Fibesa and Others (8)          |                     | N/A                   | 100.0%                        | N/A                | 18,102  | 13,769 | 17,799 |                         |
| Neuquén (9)                    | 07/99               | N/A                   | 98.1%                         | N/A                |   |        |        | 12,332                  |
| D (10)                         | 05/09               | 49,750                | 80.0%                         | 100.0%             | 47,928  |        |        | 585,438                 |
| Córdoba Shopping Villa Cabrera | 12/06               | 15,643                | 100.0%                        | 98.0%              | 9,473   | 8,331  | 7,817  | 66,636                  |

|                               |                |            |              |                |                |                |                  |
|-------------------------------|----------------|------------|--------------|----------------|----------------|----------------|------------------|
| <b>TOTAL SHOPPING CENTERS</b> | <b>286.286</b> | <b>N/A</b> | <b>98.0%</b> | <b>374.972</b> | <b>283,591</b> | <b>252,043</b> | <b>1,399,519</b> |
|-------------------------------|----------------|------------|--------------|----------------|----------------|----------------|------------------|

**Notes:**

- (1) Total leasable area in each property. Excludes common areas and parking spaces.-
- (2) Calculated dividing occupied square meters by leasable area on the last day of the period.-
- (3) APSA's effective interest in each of its business units. IRSA has a 63.35% interest in APSA.-
- (4) Corresponds to total leases, consolidated as per the RT21 method.-
- (5) Cost of acquisition plus improvements, less accumulated depreciation, plus adjustment for inflation, less allowance for impairment in value, plus recovery of allowances if applicable.-

<sup>5</sup> IRSA holds an option to purchase the equity interest and Convertible notes held by Parque Arauco.

- (6) Through Alto Palermo S.A.
- (7) Excludes Museo de los Niños (3,732 in Abasto and 1,261 in Alto Rosario).-
- (8) Includes revenues from Fibesa S.A., Comercializadora Los Altos S.A. (merged with Fibesa S.A.), and others.
- (9) Land for the development of a shopping center.
- (10) During May 2009, a shopping center, a hypermarket and a movie theater complex were opened. Still pending is the completion of an office building.
- (11) Corresponds to the shopping center business unit mentioned in Note 4 to the Consolidated Financial Statements; includes revenues from Credit Card (Tarshop).-

**Development of new commercial area in Palermo.** This project, currently in development, which is expected to be rolled out in the next months. The project includes, in principle, the development of retail stores, including green areas and a restaurant hub, over a total buildable area of approximately 24,000 square meters.

**Soleil Factory Shopping Center.** The process for transferring this shopping center's going concern has already started. Upon its completion, possession of part of the building will be delivered. We expect the transaction to be completed in the next months in order for APSA to be able to include this new shopping center in to its portfolio.

**Alto Palermo's Purchase Option.** On January 14, 2010 IRSA announced the acquisition of an option to purchase the entire direct and indirect equity interest held by Parque Arauco in Alto Palermo S.A., which totals 29.6% of the current shareholding interest and including Parque Arauco's holding of US\$ 15,5 million face value of APSA 2014 Convertible Bonds. IRSA paid 6 million dollars for the option, which sum is considered an advance payment of the final amount, fixed by both parties at US\$ 126 million. The option may be exercised until August 31, 2010, extendable to November 30 of this year.

The company believes that once the transaction is consummated, apart from being an excellent business opportunity it will also result in the consolidation of our position in the Argentine shopping center market, placing us at the forefront of this industry.

#### Consumer Finance Segment Tarshop S.A. Subsidiary

##### Consumer Finance

|                                     |   | IIIQ 10    | IIIQ 09    | var%         | 9M 10      | 9M 09      | var%         |
|-------------------------------------|---|------------|------------|--------------|------------|------------|--------------|
|                                     | Revenues                                | 70.3       | 52.1       | 34.8%        | 182.0      | 175.7      | 3.6%         |
| <b>Results (in Millions of Ps.)</b> | Operating result                        | 14.0       | -9.4       |              | 32.3       | -120.2     |              |
|                                     | <i>Depreciation and Amortization</i>    | <i>2.1</i> | <i>1.5</i> | <i>38.5%</i> | <i>5.0</i> | <i>4.3</i> | <i>16.7%</i> |
|                                     | EBITDA                                  | 16.1       | -7.9       |              | 37.3       | -115.9     |              |
|                                     |   | IIIQ 10    | IIQ 10     | IQ 10        | IVQ 09     | IIIQ 09    | IIQ 09       |
| <b>Consumer Finance</b>             | Loan Origination (Millions of Ps.)      | 278.9      | 293.2      | 257.8        | 245.3      | 219.6      | 236.4        |
|                                     | Credit Portfolio (Millions of Ps.)      | 531.0      | 529.7      | 530.2        | 580.2      | 624.7      | 723.2        |
|                                     | 3 to 6 Months delinquency (portfolio %) | 3.6%       | 3.9%       | 4.2%         | 6.3%       | 7.8%       | 9.4%         |

Consolidation of the recovery of Tarshop S.A.'s operations as a result of actions taken by management, improved capitalization and stabilization in the local financial markets.

On December 29, 2009, APSA executed a stock purchase agreement with Banco Hipotecario S.A. whereby Banco Hipotecario agreed to the acquisition of 80% of Tarshop S.A.'s stock capital held by APSA for US\$ 26.8 million. The transaction is subject to the occurrence of certain events, including the grant of the Argentine Central Bank's consent, in compliance with the applicable laws.

**III. Sales and Developments**

With respect to the demand for residential real estate in the Argentinean real estate market throughout calendar year 2009, there was a deceleration both in demand and supply. However, such deceleration did not significantly impact pricing levels, as in other countries, since many individuals perceive real estate investments in Argentina as a high quality alternative to preserve their wealth. In addition, the low level of housing financing in Argentina, compared to other countries, has helped sustain the value of residential properties.

**Sales and Developments**

|                         |  | IIIQ 10 | IIIQ 09 | var%   | 9M 10 | 9M 09 | var%   |
|-------------------------|--|---------|---------|--------|-------|-------|--------|
|                         | Revenues                               | 17.7    | 73.4    | -75.9% | 155.1 | 137.1 | 13.2%  |
| <b>Results (in</b>      | Operating income                       | 1.8     | 34.9    | -94.7% | 94.8  | 45.2  | 109.8% |
| <b>Millions of Ps.)</b> | <i>Depreciaciones y Amortizaciones</i> | 0.1     | 0.3     | -65.8% | 0.3   | 0.6   | -46.8% |
|                         | EBITDA                                 | 1.9     | 35.2    | -94.5% | 95.1  | 45.7  | 107.9% |

The lower level of revenues and results in the third quarter of fiscal year 2010, compared to the third quarter of fiscal year 2009, is attributable to lower sales of office buildings (recognized in this segment) made in the third quarter of fiscal year 2010.

**Horizons Project (CYRSA, partnered by IRSA and Cyrela):** sales percentage is more than 99% of available units and the work progress of works exceeds 78% as of March 31. Completion and delivery of the sold units is expected to occur during fiscal 2011.

**Torres Rosario Project (APSA s barter).** A barter between APSA and a third party was executed over 2 parcels (2-G and 2-H) for the construction of two condominiums, whose degree of progress is 99% and 25%, respectively. Completion of the project is scheduled for July 2010 and December 2011, respectively. The process of the sale of the condominiums in parcel 2-G has started.

**El Encuentro Project:** The process of sale of the 110 functional units located in this residential community has started. The project is located in the district of Tigre, Province of Buenos Aires.

**Sale of undeveloped land reserve in Hudson, Province of Buenos Aires<sup>6</sup>.** After the end of the March 31, 2010 period, IRSA agreed to a sale of a property known as "Pereiraola" for US\$ 11.8 million (through the sale of the shares of Pereiraola SAICIFYA). The property is located in the district of Hudson, Province of Buenos Aires, and it extends over an area of approximately 130 hectares. We expect to close the transaction in the next few months.

<sup>6</sup> IRSA agreed the sale of the proprietary company of the land reserve known as "Pereiraola"

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Sales and Developments

| DEVELOPMENT                          | Date of Acquisition | Estimated Real/Cost (\$ 000) (1) | Area intended for Sale (sqm) (2) | Total Units/Lots (3) | IRSA s Effective Interest | Percentage Built | Percentage Sold (4) | Accumulated Sales as of March 31 of fiscal years (Ps. 000) (6) |              |               |               | B V \$/0  |
|--------------------------------------|---------------------|----------------------------------|----------------------------------|----------------------|---------------------------|------------------|---------------------|--|--------------|---------------|---------------|-----------|
|                                      |                     |                                  |                                  |                      |                           |                  |                     | Accumulated Sales (Ps. 000) (5)                                | 2010         | 2009          | 2008          |           |
| <b>Residential Apartments</b>        |                     |                                  |                                  |                      |                           |                  |                     |  |              |               |               |           |
| As Renoir                            | 09/09/99            | 22,861                           | 5,383                            | 28                   | 100.00%                   | 100.00%          | 100.00%             | 53,940   | 142          | 48,768        |               |           |
| io plot receivable (6)               | 30/04/99            |                                  | 4,692                            | 80                   | 63.35%                    | 99.00%           | 0.00%               |  |              |               |               | 1         |
| lito Plots                           | 03/11/97            | 42,388                           | 9,784                            | 1                    | 50.00%                    | 0.00%            | 0.00%               |  |              |               |               |           |
| lito Plot receivable (a) (14)        | 03/11/97            |                                  | 7,451                            |                      | 100.00%                   | 0.00%            | 0.00%               |  |              |               |               | 1         |
| lito Plot receivable (D) (14)        | 03/11/97            |                                  | 6,833                            | 118                  | 100.00%                   | 98.00%           | 53.59%              |  |              |               |               | 3         |
| ador 1703 755 (zons) (15)            | 16/01/07            | 422,310                          | 59,000                           | 467                  | 50.00%                    | 78.74%           | 99.15%              |  |              |               |               | 17        |
| residential ements (9)               | N/A                 | 231,677                          | 116,513                          | 1,437                |                           |                  |                     | 366,558  |              | 3,326         | 61,057        |           |
| <b>Total Residential ements</b>      |                     | <b>719,236</b>                   | <b>209,656</b>                   | <b>2,131</b>         |                           |                  |                     | <b>420,498</b>   | <b>142</b>   | <b>52,094</b> | <b>61,057</b> | <b>24</b> |
| <b>Residential Communities</b>       |                     |                                  |                                  |                      |                           |                  |                     |  |              |               |               |           |
| Baldovinos                           | 03/01/95            | 130,955                          | 1,408,905                        | 1273                 | 100.00%                   | 100.00%          | 99.22%              | 237,062  | 5,067        | 6,136         | 1,756         |           |
| uentro                               | 18/11/97            |                                  | 125,889                          | 110                  | 100.00%                   | 100.00%          | 0.00%               | 11,830   |              |               |               | 1         |
| Celina I, II                         | 26/05/92            | 4,742                            | 75,970                           | 219                  | 100.00%                   | 100.00%          | 100.00%             | 14,028   |              | 76            |               |           |
| <b>Total Residential Communities</b> |                     | <b>135,697</b>                   | <b>1,610,764</b>                 | <b>1,602</b>         |                           |                  |                     | <b>262,920</b>   | <b>5,067</b> | <b>6,212</b>  | <b>1,756</b>  | <b>1</b>  |
| <b>Reserves</b>                      |                     |                                  |                                  |                      |                           |                  |                     |  |              |               |               |           |
| o Retiro                             | 18/05/97            |                                  | 82,051                           |                      | 50.00%                    | 0.00%            | 0.00%               |  |              |               |               | 5         |
| María del                            | 10/07/97            |                                  | 715,951                          |                      | 90.00%                    | 0.00%            | 10.00%              | 31,000   |              |               |               | 14        |
| laola                                | 16/12/96            |                                  | 1,299,630                        |                      | 100.00%                   | 0.00%            | 0.00%               |  |              |               |               | 2         |
| ta plots (8)                         | 07/07/98            |                                  | 1,925                            |                      | 63.35%                    | 0.00%            | 100.00%             | 22,969   |              |               |               |           |
| io plots (8)                         | 30/04/99            |                                  | 31,000                           |                      | 63.35%                    | 0.00%            | 19.85%              | 11,072   |              | 7,644         | 3,428         | 1         |
| lito Mz 35                           | 03/11/97            |                                  | 9,784                            |                      | 100.00%                   | 0.00%            | 100.00%             | 19,152   |              |               |               |           |
| inas Norte                           | 17/12/09            |                                  | 3,650                            |                      | 100.00%                   | 0.00%            | 0.00%               |  |              |               |               | 2         |
| m plot                               | 23/12/09            |                                  | 6,905                            |                      | 50.00%                    | 0.00%            | 0.00%               |  |              |               |               |           |
| ras Natal                            | 27/07/05            |                                  | 4,300,000                        |                      | 50.00%                    | 0.00%            | 0.00%               | 252  |              |               |               | 51        |
| ci plot (8)                          | 24/06/08            |                                  | 3,207                            |                      | 63.35%                    | 0.00%            | 0.00%               |  |              |               |               | 5         |
|                                      | 29/05/97            |                                  | 740,237                          |                      | 100.00%                   | 0.00%            | 0.00%               |  |              |               |               |           |
| air space                            | 24/09/97            |                                  | 21,406                           |                      | 63.35%                    | 0.00%            | 0.00%               |  |              |               |               | 1         |
| s Jardín IV                          | 18/07/96            |                                  | 3,176                            |                      | 100.00%                   | 0.00%            | 0.00%               |  |              |               |               |           |
| lito Plot (8)                        | 01/10/98            |                                  | 23,791                           |                      | 63.35%                    | 0.00%            | 0.00%               |  |              |               |               | 3         |

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|                     |          |                   |                   |              |         |                  |                |                |                |           |  |
|---------------------|----------|-------------------|-------------------|--------------|---------|------------------|----------------|----------------|----------------|-----------|--|
| Olmos (8)           | 30/06/08 | 5,147             | 63.35%            | 100.00%      | 0.00%   |                  |                |                |                |           |  |
| Land                |          |                   |                   |              |         |                  |                |                |                |           |  |
| ves (11)            | N/A      | 13,596,833        |                   |              |         | 1,041            |                | 1,041          |                |           |  |
| <b>Total Land</b>   |          | <b>20,844,693</b> |                   |              |         | <b>85,486</b>    |                | <b>8,685</b>   | <b>3,479</b>   | <b>43</b> |  |
| <b>CS</b>           |          |                   |                   |              |         |                  |                |                |                |           |  |
| III                 | 09/09/99 | 10,474            | N/A               | 100.00%      | 0.00%   | 100.00%          | 91,638         |                |                |           |  |
| ard 551             | 15/03/07 | 9,946             | N/A               | 100.00%      | 100.00% | 100.00%          | 108,423        |                |                | 108,423   |  |
| ro 1020             | 21/12/95 | 5,069             | N/A               | 100.00%      | 100.00% | 100.00%          | 18,848         | 71             | 271            | 476       |  |
| Paolera             |          |                   |                   |              |         |                  |                |                |                |           |  |
|                     | 27/08/07 | 472               | N/A               | 100.00%      | 100.00% | 100.00%          | 6,850          |                |                | 6,850     |  |
| ro 942              | 31/08/94 | 768               | N/A               | 100.00%      | 100.00% | 100.00%          | 6,137          |                |                | 6,137     |  |
| del Plata           | 15/11/06 | 7,133             | N/A               | 100.00%      | 100.00% | 100.00%          | 76,562         | 34,492         |                | 15,312    |  |
| ador 498            | 20/12/95 | 6,819             | N/A               | 100.00%      | 100.00% | 100.00%          | 82,958         | 46,608         |                | 36,350    |  |
| ios                 |          |                   |                   |              |         |                  |                |                |                |           |  |
| ros                 | 20/03/97 | 5,271             | N/A               | 100.00%      | 100.00% | 100.00%          | 68,580         |                |                | 68,580    |  |
| nar                 |          | 6,521             | N/A               | 100.00%      | 100.00% | 100.00%          | 74,510         |                |                |           |  |
| quista 823          |          | 5,016             | N/A               | 100.00%      | 100.00% | 100.00%          | 31,535         |                |                |           |  |
| es Crucero          |          | 192               | N/A               | 100.00%      | 100.00% | 100.00%          | 2,006          |                |                | 2,006     |  |
| s (12)              | N/A      | 7,017             | N/A               | 100.00%      | 100.00% | 100.00%          | 24,735         | 172            |                | 3,183     |  |
| <b>Total Others</b> |          | <b>64,698</b>     |                   |              |         | <b>592,782</b>   | <b>149,923</b> | <b>70,109</b>  | <b>108,899</b> |           |  |
| <b>TOTAL (13)</b>   |          | <b>854,933</b>    | <b>22,729,811</b> | <b>3,733</b> |         | <b>1,361,686</b> | <b>155,132</b> | <b>137,100</b> | <b>175,191</b> | <b>69</b> |  |

Notes:

- (1) Cost of acquisition plus total investment made and/or planned for apartments and residential communities projects developed or being developed (adjusted for inflation as of 02/28/03, if applicable).

- (2) Total area devoted to sales upon completion of the development or acquisition and before the sale of any of the units (including parking and storage spaces though not including common areas). In the case of Land Reserves the land area was considered.
- (3) Represents the total units or plots upon completion of the development or acquisition (excluding parking and storage spaces).
- (4) The percentage sold is calculated dividing the square meters sold by the total saleable square meters, which includes sales as per the preliminary sales agreement for which no deed for the conveyance of title has yet been executed.
- (5) Includes only the cumulative sales consolidated by the RT21 method adjusted for inflation as of 02/28/03.
- (6) Corresponds to the company's total sales consolidated by the RT4 method adjusted for inflation as of 02/28/03. Excludes turnover tax deduction.
- (7) Cost of acquisition plus improvements, plus capitalized interest of consolidated properties in portfolio as of March 31, 2010, adjusted for inflation as of 02/28/03.
- (8) Through Alto Palermo S.A.
- (9) Includes the following properties: Torres de Abasto through APSA, Abasto Project, through Cyrsa, Torres Jardín, Edificios Cruceros, San Martín de Tours, Rivadavia 2768, Alto Palermo Park (fully sold), Torre Renoir II barter (fully sold), Minetti D (fully sold), Dorrego 1916 (fully sold) and Padilla 902 through IRSA.
- (10) Includes sales of shares in Abril.
- (11) Includes the following land reserves: Pontevedra plot, Isla Sirgadero, Terreno San Luis, Mariano Acosta, Merlo, Intercontinental Plaza II through IRSA, Zetol and Vista al Muelle through Liveck, and C.Gardel 3134, C.Gardel 3128, Agüero 596 (fully sold), Zelaya 3102, Conil and Others APSA (through APSA).-
- (12) Includes the following properties: Puerto Madero Dock XIII (fully sold). It also includes income from termination (through IRSA and IBSA) and income due to the reimbursement of common maintenance expenses, stamp tax and associated fees.
- (13) Corresponds to the Sales and Developments business unit mentioned in Note 4 to the Consolidated Financial Statements.
- (14) Corresponds to swap receivables disclosed as Inventories in the Consolidated Financial Statements.
- (15) Corresponds to swap receivables disclosed as Inventories in the Consolidated Financial Statements for parcels G and H. The degree of physical progress with parcel G at March 31, 2010 is 99% and with parcel H is 25%.

#### IV. Hotels

There has been an improvement in tourism since the last quarter of 2009. According to data released by the Tourism Secretariat in its International Tourism Survey (ETI) as of December 2009, the number of tourists arriving in Argentina (accumulated 12-month data) was 14.1% higher than in the same period for the previous year. The adverse effects of the world financial crisis and the H1N1 influenza outbreak have eased, and the hotel tourist industry has been recovering since the end of 2009.

#### Hotels

|                                     |  | IIIQ 10 | IIIQ 09 | var%   | 9M 10 | 9M 09 | var%   |
|-------------------------------------|--|---------|---------|--------|-------|-------|--------|
| <b>Results (in Millions of Ps.)</b> | Revenues                                       | 46.8    | 39.2    | 19.6%  | 123.1 | 127.1 | -3.2%  |
|                                     | Operating Result                               | 6.3     | 2.2     | 194.2% | 9.5   | 11.9  | -20.1% |
|                                     | <i>Depreciation and Amortization</i>           | 3.7     | 5.6     | -34.1  | 12.6  | 13.5  | -6.7%  |
|                                     | EBITDA   | 10.1    | 7.8     | 29.2%  | 22.1  | 25.3  | -13.0% |
| <b>Hotels</b>                       | Average occupancy <sup>7</sup>                 | 65.4%   | 61.5%   | 49.4%  | 69.8% | 73.9% | 75.1%  |
|                                     | Average rate per room (Ps./night) <sup>8</sup> | 667     | 667     | 644    | 638   | 646   | 642    |

The occupancy trend shows a sustained increase in demand for IRSA's premium hotels. After the 2009 economic crisis, hotel occupancy has started to return to customary figures for comparable assets.

An improvement in EBITDA margins has been observed in the quarter ended March 31, 2010 as compared to the same period in 2009.

<sup>7</sup> 12-month cumulative

<sup>8</sup> 12-month cumulative





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The following is information about our hotels for the nine-month period ended as of March 31, 2010.

| Hotels                  | Date of Acquisition | IRSA's Effective Interest | Number of Rooms | Average Occupancy (1) | Avg. Price per room Ps. (2) | Sales as of March 31 of fiscal year |                |                | Book value as of 03/31/2010 (Ps.000) |
|-------------------------|---------------------|---------------------------|-----------------|-----------------------|-----------------------------|-------------------------------------|----------------|----------------|--------------------------------------|
|                         |                     |                           |                 |                       |                             | 2010                                | 2009           | 2008           |                                      |
| Intercontinental (3)    | 01/11/97            | 76.34%                    | 309             | 65.7%                 | 617                         | 46,483                              | 45,442         | 41,165         | 55,306                               |
| Sheraton Libertador (4) | 01/03/98            | 80.00%                    | 200             | 80.8%                 | 456                         | 26,563                              | 28,777         | 25,181         | 41,624                               |
| Llao Llao (5)           | 01/06/97            | 50.00%                    | 201             | 49.9%                 | 1,144                       | 50,054                              | 52,920         | 48,732         | 80,515                               |
| Terrenos Bariloche (5)  | 01/12/06            | 50.00%                    | N/A             | N/A                   | N/A                         | N/A                                 | N/A            | N/A            | 21,900                               |
| <b>Total</b>            |                     |                           | <b>710</b>      | <b>65.4%</b>          | <b>667</b>                  | <b>123,100</b>                      | <b>127,139</b> | <b>115,078</b> | <b>199,345</b>                       |

### Notes:

- 1) Accumulated average in the nine-month period.
- 2) Accumulated average in the nine-month period.
- 3) Through Nuevas Fronteras S.A. (subsidiary of IRSA).-
- 4) Through Hoteles Argentinos S.A.-
- 5) Through Llao Llao Resorts S.A.-

### **V. Investments in Other Companies**

The result on equity investees increased Ps. 209.0 million from a Ps. 62.9 million loss during the nine-month period ended March 31, 2009 to a gain of Ps.146.1 million during the corresponding 2010 nine month period. The increase was mainly generated by (i) a gain of Ps. 62.9 million due to our acquisition of additional shares of Banco Hipotecario at prices below the accounting fair value of such shares, generating a gain equal to the difference between such fair value and the purchase price paid and (ii) Ps.134.1 million, representing our equity pickup of Banco Hipotecario's net income, whereby there was an increase in Banco Hipotecario's net income, enhanced by an increase of our equity interest in Banco Hipotecario from 14.6% at March 31, 2009 to 27.98% at March 31, 2010.

### **Interest in Hersha Hospitality Trust**

In January 2010, Hersha Hospitality Trust launched a stock capital offering in which IRSA and its subsidiaries subscribed for 4,789,917 common shares for a total amount of approximately US\$ 14.4 million, at US\$ 3.0 per share.

In March 2010, Hersha started a new stock capital issue process in which IRSA and its subsidiaries subscribed for 3,864,000 shares for a total amount of approximately US\$ 16.4 million, equivalent to US\$ 4.25 per share.

In this way, as of March 31, 2010, IRSA and its subsidiaries held 15,173,823 shares in Hersha Hospitality Trust and an option to purchase 5,700,000 common shares, reaching a stake of 11.06%. Together with its affiliates IRSA stakes reached 11.31%

### **Interest in Banco Hipotecario S.A.**

As of March 31, 2010, IRSA and its subsidiaries held an interest of 27.98%, excluding treasury shares, in the stock capital of Banco Hipotecario, which entitled them to 43.67% of the total voting capital at shareholders' meetings.

**VI. Financial and other transactions**

**Consolidated Financial Debt.** As of March 31, 2010, the composition of IRSA's financial debt was as follows:

| Description                                  | Issue<br>Currency | Outstanding<br>Amount <sup>1</sup> | Rate             | Maturity     |
|--|-------------------|------------------------------------|------------------|--------------|
| HASA <sup>2</sup>                            | US\$              | 4.9                                | 6.38%            | Apr-10       |
| Seller Notes <sup>3,4</sup>                  | US\$              | 4.2                                |                  | Aug-10       |
| Edificio República                           | US\$              | 26.8                               | 12.00%           | Apr-13       |
| IRSA Notes (Internacional)                   | US\$              | 150.0                              | 8.50%            | Feb-17       |
| Short Term Debt                              | Ps.               | 59.3                               | Float            | <180 days    |
| Other Debt in Pesos                          | Ps.               | 19.6                               |                  | May-10       |
| <b>Total IRSA's Debt</b>                     |                   | <b>264.7</b>                       |                  |              |
| <b>APSA's Debt</b>                           |                   |                                    |                  |              |
| Series IV Notes (Local)                      | US\$              | 6.6                                | 6.75%            | May-11       |
| Arcos del Gourmet                            | US\$              | 3.6                                |                  | Until Nov-11 |
| Convertible Notes <sup>5</sup>               | US\$              | 47.2                               | 10.00%           | Jul-2014     |
| Series I Notes (International) <sup>6</sup>  | US\$              | 120.0                              | 7.88%            | May-17       |
| Short Term Debt <sup>7</sup>                 | Ps.               | 25.6                               | Variable         | <180 days    |
| Series III Notes (Local) <sup>8</sup>        | Ps.               | 14.4                               | Badlar + 300 bps | May-11       |
| Series II Notes (International) <sup>9</sup> | Ps.               | 34.0                               | 11.00%           | Jun-12       |
| <b>Total APSA's Debt</b>                     |                   | <b>251.4</b>                       |                  |              |
| <b>Total Consolidated Debt</b>               |                   | <b>516.1</b>                       |                  |              |

(1) Stated in millions of US\$, at the exchange rate of 3.878 AR\$ = 1 US\$

(2) Hoteles Argentinos S.A.

(3) Acquisition of shares in Banco Hipotecario S.A.

(4) It corresponds to the subsidiary Tyrus S.A.

(5) As of March 31, 2010, IRSA held a face value of US\$ 31.7 million.

(6) As of March 31, 2010 IRSA held a face value of US\$ 39.6 million and APSA had repurchased a face value of US\$ 5.0 million.

(7) Including Tarshop's debt of AR\$ 69.2 million

(8) As of March 31, 2010, our subsidiary Emprendimientos Recoleta S.A. held a face value of AR\$ 12.0 million.

(9) As of March 31, 2010, IRSA held a face value US\$ 15.1 million and APSA had repurchased a face value of US\$ 4.8 million.

**Progress in the accomplishment of the IFRS implementation plan**

On April 29, 2010, the Company's Board of Directors approved the specific implementation plan for the application of IFRS.

**VIII. Brief comment on prospects for the next quarter**

Our business segments have shown robust and sound performance. The quality of IRSA's asset portfolio, as shown by its high occupancy levels, has allowed us to capitalize on the effects of the economic recovery and resume a strong pattern of revenues and results.

Shopping centers maintain high occupancy levels and a strong commitment and adhesion by tenants. The pace of sales in the shopping centers has shown a sound recovery during the third quarter of fiscal year 2010, in line with the positive trend that has been observed during the last months. Tenants continue to be loyal and support our new proposals in this segment.

In addition, we will continue working to improve the services we offer to our tenants and consumers, seeking to maintain our successful occupancy levels and traffic in our Shopping Centers. In this sense, we expect to expand our portfolio in the next few months by adding Soleil to our portfolio and launching a new project in Palermo (through our subsidiary Arcos Gourmet S.A.).

With respect to the Consumer Finance business, the first nine months of the fiscal year saw a profit that is the result of the efforts made in the previous year to streamline and stabilize the business in light of the new economic scenario. By the end of the third quarter, operating data in this segment have shown signs of stabilization. However, we will continue to work with the aim of optimizing operating and financial performance in this segment, and in pursuit of this goal we aspire to complete the sales process of Tarshop S.A.'s majority interest to Banco Hipotecario S.A., that will benefit Tarshop with an operating and financial performance capacity commensurate with its future business needs.

As concerns the Office and Non-Shopping Center Rental Properties segment, lease revenues have remained firm, both in pesos and dollars. We believe that there is some stagnation in the market in terms of occupancy rates and pricing levels caused by the market conditions and the addition of footage, mainly in the northern area of the City of Buenos Aires and Greater Buenos Aires. To face this, we have a unique premium portfolio in downtown Buenos Aires that has sparked interest among top-quality lessees in the market. We will continue working towards maintaining high occupancy levels and optimizing our portfolio mix.

Regarding the Sales and Development segment, we will make progress in the development schedule of the Horizons project through our subsidiary Cyrsa, where we have already started to recognize revenues and the degree of work progress is above 78%. We believe that our alliance with Cyrela in this company is an excellent opportunity to develop additional successful projects.

This Earnings Release contains statements that constitute forward-looking statements, in that they include statements regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. You should be aware that any such forward looking statements are no guarantees of future performance and may involve risks and uncertainties, and that actual results may differ materially and adversely from those set forth in this press release. We undertake no obligation to release publicly any revisions to such forward-looking statements after the release of this report to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

**IRSA****Consolidated Financial Highlights****For the fiscal periods ended March 31, 2010 and 2009**

(In Argentine 000 Pesos)

|   | I Quarter<br>Sep | II Quarter<br>Dec | III Quarter<br>Mar | Fiscal Year<br>2010 | Fiscal Year<br>2009 | %<br>Change    |
|---|------------------|-------------------|--------------------|---------------------|---------------------|----------------|
| <b><u>Income Statement</u></b>  |                  |                   |                    |                     |                     |                |
| <b>Corresponds to the consolidated income statement as of March 31, 2010 and 2009</b>       |                  |                   |                    |                     |                     |                |
| Revenues  |                  |                   |                    |                     |                     |                |
| Development and sale of properties  | 36,339           | 101,073           | 17,720             | 155,132             | 137,100             | 13.2%          |
| Office and other non-shopping center rental properties                                      | 40,671           | 38,323            | 37,880             | 116,874             | 108,427             | 7.8%           |
| Shopping centers  | 113,750          | 138,464           | 122,758            | 374,972             | 283,591             | 32.2%          |
| Hotel operations  | 29,233           | 47,043            | 46,824             | 123,100             | 127,139             | -3.2%          |
| Consumer financing  | 43,234           | 68,465            | 70,275             | 181,974             | 175,703             | 3.6%           |
| <b>Total revenues</b>   | <b>263,227</b>   | <b>393,368</b>    | <b>295,457</b>     | <b>952,052</b>      | <b>831,960</b>      | <b>14.4%</b>   |
| Costs   | -106,216         | -124,261          | -106,515           | -336,992            | -358,629            | -6.0%          |
| <b>Gross profit</b>   | <b>157,011</b>   | <b>269,107</b>    | <b>188,942</b>     | <b>615,060</b>      | <b>473,331</b>      | <b>29.9%</b>   |
| Gain from valuation of inventories at net realizable value                                  | 10,946           | 2,989             | 4,769              | 18,704              | 10,537              | 77.5%          |
| Selling & Administrative expenses   | -79,905          | -94,411           | -101,137           | -275,453            | -295,693            | -6.8%          |
| Net gain (loss) from retained interests in securitized receivables                          | 23,509           | 2,596             | 8,719              | 34,824              | -48,959             | -171.1%        |
| <b>Operating income</b>   | <b>111,561</b>   | <b>180,281</b>    | <b>101,293</b>     | <b>393,135</b>      | <b>139,216</b>      | <b>182.4%</b>  |
| Amortization of goodwill  | 413              | 413               | 413                | 1,239               | 1,513               | -18.1%         |
| Financial results, net  | -41,521          | -7,267            | -20,231            | -69,019             | -207,328            | -66.7%         |
| Gain (loss) on equity investees   | 97,242           | 45,888            | 2,973              | 146,103             | -62,859             | -332.4%        |
| Other expenses, net   | -4,604           | -3,842            | -2,520             | -10,966             | -7,965              | 37.7%          |
| <b>Gain (loss) before taxes and minority interest</b>                                       | <b>163,091</b>   | <b>215,473</b>    | <b>81,928</b>      | <b>460,492</b>      | <b>-137,423</b>     | <b>-435.1%</b> |
| Income tax and Minimum presumed income tax  | -26,119          | -58,543           | -27,253            | -111,915            | 1,875               | -6068.8%       |
| Minority interest   | -5,527           | -24,062           | -19,255            | -48,844             | 29,371              | -266.3%        |
| <b>Ordinary net gain (loss)</b>   | <b>131,445</b>   | <b>132,868</b>    | <b>35,420</b>      | <b>299,733</b>      | <b>-106,177</b>     | <b>-382.3%</b> |
| Extraordinary losses  |                  |                   |                    |                     |                     | 0.0%           |
| <b>Net gain (loss)</b>  | <b>131,445</b>   | <b>132,868</b>    | <b>35,420</b>      | <b>299,733</b>      | <b>-106,177</b>     | <b>-382.3%</b> |
| <b><u>Balance sheet</u></b>   |                  |                   |                    |                     |                     |                |
| <b>Corresponds to the consolidated balance sheet as of March 31, 2010 and June 30, 2009</b> |                  |                   |                    |                     |                     |                |
| Cash and bank   |                  |                   |                    | 72,818              | 66,562              | 9.4%           |
| Investments   |                  |                   |                    | 232,132             | 335,234             | -30.8%         |
| Mortgages, notes and other receivables  |                  |                   |                    | 547,144             | 465,174             | 17.6%          |
| Inventory   |                  |                   |                    | 193,222             | 24,899              | 676.0%         |
| <b>Total Current Assets</b>   |                  |                   |                    | <b>1,045,316</b>    | <b>891,869</b>      | <b>17.2%</b>   |
| Mortgages, notes and other receivables  |                  |                   |                    | 210,791             | 203,392             | 3.6%           |
| Inventory   |                  |                   |                    | 68,286              | 164,933             | -58.6%         |
| Investments   |                  |                   |                    | 1,519,850           | 1,001,654           | 51.7%          |
| Fixed assets and intangible assets, net   |                  |                   |                    | 2,661,574           | 2,739,065           | -2.8%          |
| Goodwill  |                  |                   |                    | -41,682             | -64,926             | -35.8%         |
| <b>Non Current Assets</b>   |                  |                   |                    | <b>4,418,819</b>    | <b>4,044,118</b>    | <b>9.3%</b>    |
| <b>Total Assets</b>   |                  |                   |                    | <b>5,464,135</b>    | <b>4,935,987</b>    | <b>10.7%</b>   |
| Short-Term debt   |                  |                   |                    | 469,079             | 349,243             | 34.3%          |
| <b>Total Current Liabilities</b>  |                  |                   |                    | <b>1,165,838</b>    | <b>974,890</b>      | <b>19.6%</b>   |
| Long-term debt  |                  |                   |                    | 1,125,900           | 1,044,725           | 7.8%           |

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|   |                  |                  |              |
|---|------------------|------------------|--------------|
| <b>Total Non Current Liabilities</b>                    | <b>1,404,499</b> | <b>1,401,054</b> | <b>0.2%</b>  |
| <b>Total Liabilities</b>                                | <b>2,570,337</b> | <b>2,375,944</b> | <b>8.2%</b>  |
| Minority interest                                       | 529,190          | 464,381          | 14.0%        |
| <b>Shareholders Equity</b>                              | <b>2,364,608</b> | <b>2,095,662</b> | <b>12.8%</b> |
| <b><u>Selected Ratios</u></b>                           |                  |                  |              |
| Debt/Equity Ratio                                       | 108.7%           | 113.4%           | -4.1%        |
| Book value per GDS                                      | 40.86            | 36.21            | 12.8%        |
| Net income per GDS                                      | 5.18             | -1.83            | -382.3%      |
| Net income per GDS diluted                              | 5.18             | -1.83            | -382.3%      |
| EBITDA (000) (fiscal year 2010 and 2009) - see footnote | 513,709          | 238,618          | 115.3%       |
| EBITDA (000) (last 12 month) - see footnote             | 705,474          | 293,456          | 140.4%       |
| EBITDA per GDS - see footnote                           | 8.88             | 4.12             | 115.3%       |
| EBITDA / Net Income                                     | 1.71             | -2.25            | -176.3%      |
| Weighted Average of GDSs                                | 57,867,646       | 57,867,646       | 0.0%         |
| Weighted Average of GDSs diluted                        | 57,867,646       | 57,867,646       | 0.0%         |

Note: EBITDA for the last 12 months is unaudited.

## IRSA

## Statements of Consolidated Cash Flows (1)

For the periods ended March 31, 2010 and 2009

(In Thousand of Argentine Pesos)

|   | March 31, 2010  | March 31, 2009  |
|---|-----------------|-----------------|
| <b><u>CHANGES IN CASH AND CASH EQUIVALENTS</u></b>                |                 |                 |
| Cash and cash equivalents as of the beginning of the year         | 185,942         | 389,004         |
| Cash and cash equivalents as of the end of the period             | 105,577         | 120,909         |
| <b>Net decrease in cash and cash equivalents</b>                  | <b>-80,365</b>  | <b>-268,095</b> |
| <b><u>CAUSES OF CHANGES IN CASH AND CASH EQUIVALENTS</u></b>      |                 |                 |
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>               |                 |                 |
| <b>Net cash provided by operating activities</b>                  | <b>207,975</b>  | <b>45,595</b>   |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>               |                 |                 |
| Acquisition of Hersha's shares                                    | -176,068        |                 |
| Increase in interest of related parties                           | -106,804        | -87,127         |
| Payments for the acquisition of shares in related companies       | -78,788         |                 |
| Acquisitions and improvements of fixed assets                     | -66,040         | -215,834        |
| Loans granted to related parties                                  | -30,585         |                 |
| Acquisitions (sale) of undeveloped parcels of land                | -29,937         | -2,587          |
| Advance payment for the purchase of shares                        | -23,028         | -984            |
| Outflow for the acquisition of shares, net of the cash collected  | -8,622          |                 |
| Increase in intangible assets                                     | -7,253          |                 |
| Decrease of negative goodwill                                     | -470            |                 |
| Charge (increase) in granted loans                                | 309             | -2,210          |
| Dividend received   | 1,779           |                 |
| Cash Collection credits with related parties                      | 6,598           |                 |
| Advance sale of Tarshop S.A.'s shares                             | 20,422          |                 |
| Increase in other investments                                     | 101,641         | -908            |
| <b>Net cash used in investing activities</b>                      | <b>-396,846</b> | <b>-309,650</b> |
| <b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>               |                 |                 |
| Payment of short-term and long-term debt, and mortgage payables   | -206,513        | -83,332         |
| Payments of dividends   | -53,414         | -22,084         |
| Re purchase of debt   | -12,000         |                 |
| Increase of debt with related parties                             | 1,235           |                 |
| Income for issuance of short term negotiable obligations emission | 22,720          |                 |
| Capital contribution by minority owners in related companies      | 25,807          | 36,164          |
| Proceeds from issuance of negotiable obligations, net of expenses | 79,782          |                 |
| Increase of long term debt  | 84,600          | 120,265         |
| Increase in bank overdrafts, net                                  | 166,289         |                 |
| Payment of repurchase of negotiable obligations                   |                 | -55,053         |
| <b>Net cash provided by (used in) financing activities</b>        | <b>108,506</b>  | <b>-4,040</b>   |

|  |         |          |
|--|---------|----------|
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b> | -80,365 | -268,095 |
|--|---------|----------|

**IRSA****Information by Business Unit****For the fiscal periods ended March 31, 2010 and 2009**

(In Argentine 000 Pesos)

|   | Development<br>and sale of<br>properties | Office and other non-<br>shopping center<br>rental properties (a) | Shopping<br>centers | Hotel<br>operations | Consumer<br>financing | Financial<br>operations<br>and others | TOTAL            |
|---|--|---|---------------------|---------------------|-----------------------|---------------------------------------|------------------|
| <b><u>For the period ended March 31, 2010</u></b>               |  |   |                     |                     |                       |                                       |                  |
| Revenues  | 155,132                                  | 116,874   | 374,972             | 123,100             | 181,974               |                                       | 952,052          |
| Costs   | -50,182                                  | -23,423   | -112,818            | -75,835             | -74,734               |                                       | -336,992         |
| <b>Gross profit</b>   | <b>104,950</b>                           | <b>93,451</b>   | <b>262,154</b>      | <b>47,265</b>       | <b>107,240</b>        |                                       | <b>615,060</b>   |
| Gain from valuation of inventories at net<br>realizable value   | 18,704                                   |   |                     |                     |                       |                                       | 18,704           |
| Selling expenses  | -1,774                                   | -338  | -26,186             | -11,832             | -93,690               |                                       | -133,820         |
| Administrative expenses   | -27,114                                  | -34,402   | -37,114             | -25,927             | -16,070               | -1,006                                | -141,633         |
| Net gain from retained interests in<br>securitized receivables  |  |   |                     |                     | 34,824                |                                       | 34,824           |
| <b>Operating income (loss)</b>                                  | <b>94,766</b>                            | <b>58,711</b>   | <b>198,854</b>      | <b>9,506</b>        | <b>32,304</b>         | <b>-1,006</b>                         | <b>393,135</b>   |
| Depreciations and amortizations (b)                             | 295                                      | 18,159  | 84,532              | 12,553              | 5,035                 |                                       | 120,574          |
| Additions of fixed and intangible assets                        | 7  | 480   | 67,593              | 3,517               | 1,696                 |                                       | 73,293           |
| Non-current investments in jointly<br>controlled companies      | 26,602                                   |   |                     |                     |                       | 1,027,080                             | 1,053,682        |
| Operating assets  | 570,819                                  | 874,854   | 1,790,279           | 219,762             | 249,469               | 224,338                               | 3,929,521        |
| Non operating assets  | 73,747                                   | 80,880  | 198,759             | 28,854              | 18,080                | 1,134,294                             | 1,534,614        |
| <b>Total assets</b>   | <b>644,566</b>                           | <b>955,734</b>  | <b>1,989,038</b>    | <b>248,616</b>      | <b>267,549</b>        | <b>1,358,632</b>                      | <b>5,464,135</b> |
| Operating liabilities   | 35,750                                   | 152,789   | 329,236             | 36,961              | 156,546               |                                       | 711,282          |
| Non operating liabilities                                       | 322,003                                  | 291,928   | 773,478             | 227,076             | 138,877               | 105,693                               | 1,859,055        |
| <b>Total liabilities</b>  | <b>357,753</b>                           | <b>444,717</b>  | <b>1,102,714</b>    | <b>264,037</b>      | <b>295,423</b>        | <b>105,693</b>                        | <b>2,570,337</b> |
| <b><u>For the period ended March 31, 2009</u></b>               |  |   |                     |                     |                       |                                       |                  |
| Revenues  | 137,100                                  | 108,427   | 283,591             | 127,139             | 175,703               |                                       | 831,960          |
| Costs   | -86,319                                  | -21,770   | -79,105             | -74,224             | -97,211               |                                       | -358,629         |
| <b>Gross profit</b>   | <b>50,781</b>                            | <b>86,657</b>   | <b>204,486</b>      | <b>52,915</b>       | <b>78,492</b>         |                                       | <b>473,331</b>   |
| Gain from valuation of inventories at net<br>realizable value   | 10,537                                   |   |                     |                     |                       |                                       | 10,537           |
| Selling expenses  | -2,066                                   | -9,162  | -21,760             | -15,455             | -137,019              |                                       | -185,462         |
| Administrative expenses   | -14,078                                  | -21,506   | -36,362             | -25,567             | -12,718               |                                       | -110,231         |
| Net loss from retained interests in<br>securitized receivables  |  |   |                     |                     | -48,959               |                                       | -48,959          |
| Gain from operations and holdings of real<br>estate assets, net | 196                                      | 0   |                     |                     |                       |                                       | 196              |
| <b>Operating (loss) income</b>                                  | <b>45,370</b>                            | <b>55,989</b>   | <b>146,364</b>      | <b>11,893</b>       | <b>-120,204</b>       |                                       | <b>139,412</b>   |
| Depreciations and amortizations (b)                             | 555                                      | 18,644  | 62,434              | 13,453              | 4,316                 |                                       | 99,402           |



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|   |         |           |           |         |         |         |           |
|---|---------|-----------|-----------|---------|---------|---------|-----------|
| Additions of fixed and intangible assets (c)                | 10,060  | 15,947    | 252,646   | 2,204   | 3,439   |         | 284,296   |
| Non-current investments in jointly controlled companies (c) | 25,332  |           |           |         |         | 544,191 | 569,523   |
| Operating assets (c)  | 467,808 | 940,280   | 1,831,428 | 219,158 | 153,892 |         | 3,612,566 |
| Non operating assets (c)                                    | 40,020  | 74,633    | 189,244   | 27,231  | 20,973  | 971,320 | 1,323,421 |
| Total assets (c)  | 507,828 | 1,014,913 | 2,020,672 | 246,389 | 174,865 | 971,320 | 4,935,987 |
| Operating liabilities (c)                                   | 25,379  | 122,869   | 413,381   | 31,236  | 136,853 |         | 729,718   |
| Non operating liabilities (c)                               | 303,808 | 304,426   | 672,794   | 174,765 | 106,761 | 83,672  | 1,646,226 |
| Total liabilities (c)                                       | 329,187 | 427,295   | 1,086,175 | 206,001 | 243,614 | 83,672  | 2,375,944 |

**Notes:**

- (a) Includes offices, commercial and residential premises.
- (b) Included in Operating Income.
- (c) Corresponds to the Consolidated Balance Sheet as of June 30, 2009.

**Information by Business Units****EBITDA for the nine months ended March 31, 2010**

(In Argentine 000 Pesos)

|   | Sales and<br>Developments | Office<br>Buildings | Shopping<br>Centers | Hotels        | Consumer<br>Financing | Financial Operations<br>and Others | Total          |
|---|---------------------------|---------------------|---------------------|---------------|-----------------------|------------------------------------|----------------|
| Operating Income                                | 94,766                    | 58,711              | 198,854             | 9,506         | 32,304                | -1,006                             | 393,135        |
| Depreciation and Amortization                   | 295                       | 18,159              | 84,532              | 12,553        | 5,035                 |                                    | 120,574        |
| Gain from operations and holding of real assets |                           |                     |                     |               |                       |                                    |                |
| <b>EBITDA</b>                                   | <b>95,061</b>             | <b>76,870</b>       | <b>283,386</b>      | <b>22,059</b> | <b>37,339</b>         | <b>-1,006</b>                      | <b>513,709</b> |

**Information by Business Units****EBITDA for the twelve months ended March 31, 2010**

(In Argentine 000 Pesos)

|   | Sales and<br>Developments | Office<br>Buildings | Shopping<br>Centers | Hotels        | Consumer<br>Financing | Financial Operations<br>and Others | Total          |
|---|---------------------------|---------------------|---------------------|---------------|-----------------------|------------------------------------|----------------|
| Operating Income                                | 170,761                   | 79,207              | 267,393             | 6,203         | 27,077                | -1,006                             | 549,635        |
| Depreciation and Amortization                   | 522                       | 24,296              | 108,741             | 17,101        | 6,303                 |                                    | 156,963        |
| Gain from operations and holding of real assets | -51                       | -1,073              |                     |               |                       |                                    | -1,124         |
| <b>EBITDA</b>                                   | <b>171,232</b>            | <b>102,430</b>      | <b>376,134</b>      | <b>23,304</b> | <b>33,380</b>         | <b>-1,006</b>                      | <b>705,474</b> |

**Information by Business Units****EBITDA for the nine months ended March 31, 2009**

(In Argentine 000 Pesos)

|   | Sales and<br>Developments | Office<br>Buildings | Shopping<br>Centers | Hotels        | Consumer<br>Financing | Financial Operations<br>and Others | Total          |
|---|---------------------------|---------------------|---------------------|---------------|-----------------------|------------------------------------|----------------|
| Operating Income                                | 45,174                    | 55,989              | 146,364             | 11,893        | -120,204              |                                    | 139,216        |
| Depreciation and Amortization                   | 555                       | 18,644              | 62,434              | 13,453        | 4,316                 |                                    | 99,402         |
| Gain from operations and holding of real assets |                           |                     |                     |               |                       |                                    |                |
| <b>EBITDA</b>                                   | <b>45,729</b>             | <b>74,633</b>       | <b>208,798</b>      | <b>25,346</b> | <b>-115,888</b>       |                                    | <b>238,618</b> |

**Information by Business Units****EBITDA for the twelve months ended March 31, 2009**

(In Argentine 000 Pesos)

|   | Sales and<br>Developments | Office<br>Buildings | Shopping<br>Centers | Hotels        | Consumer<br>Financing | Financial Operations<br>and Others | Total          |
|---|---------------------------|---------------------|---------------------|---------------|-----------------------|------------------------------------|----------------|
| Operating Income                                | 44,323                    | 74,033              | 189,936             | 10,603        | -149,005              | 506                                | 170,396        |
| Depreciation and Amortization                   | 912                       | 22,164              | 80,900              | 16,959        | 4,795                 |                                    | 125,730        |
| Gain from operations and holding of real assets | -66                       | -2,604              |                     |               |                       |                                    | -2,670         |
| <b>EBITDA</b>                                   | <b>45,169</b>             | <b>93,593</b>       | <b>270,836</b>      | <b>27,562</b> | <b>-144,210</b>       | <b>506</b>                         | <b>293,456</b> |

**FOOTNOTE:**

For the purpose of calculating EBITDA in the above table, we have added Operating Income plus Depreciation and Amortization less Gain from operations and holding of real assets, net.



**SIGNATURES**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Buenos Aires, Argentina.

**IRSA Inversiones y Representaciones Sociedad  
Anónima**

By: /S/ Saúl Zang  
Name: Saúl Zang  
Title: Vice Chairman of the Board of Directors

Dated: May 12, 2010.