

IRSA INVESTMENTS & REPRESENTATIONS INC
Form 6-K
June 03, 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 May, 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 nine month period ended March 31, 2014 and March 31, 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 March 31, 2014 and for the nine-month periods
ended March 31, 2014 and 2013

IRSA Inversiones y Representaciones Sociedad Anónima

Legal information

Denomination: IRSA Inversiones y Representaciones Sociedad Anónima.

Fiscal year N°: 71, beginning on July 1, 2013.

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: 378,753,404 common shares.

Percentage of votes of the Parent Company on the equity: 65.45%

| Type of stock | CAPITAL STATUS | |
|--|---|--|
| | 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 March 31, 2014 and June 30, 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 | 03.31.2014 | 06.30.2013 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Non- Current Assets | | | |
| Investment properties | 10 | 4,362,072 | 3,992,530 |
| Property, plant and equipment | 11 | 202,165 | 212,673 |
| Trading properties | 12 | 204,064 | 178,425 |
| Intangible assets | 13 | 115,178 | 79,653 |
| Investments in associates and joint ventures | 8,9 | 1,612,956 | 1,423,936 |
| Deferred income tax assets | 25 | 372,080 | 85,236 |
| Restricted assets | 16 | 18,334 | 10,881 |
| Income tax and minimum presumed income tax ("MPIT") credit | | 148,815 | 130,086 |
| Trade and other receivables | 17 | 98,709 | 85,126 |
| Investments in financial assets | 18 | 1,075,168 | 267,455 |
| Derivative financial instruments | 19 | 6,900 | 21,208 |
| Total Non-Current Assets | | 8,216,441 | 6,487,209 |
| Current Assets | | | |
| Trading properties | 12 | 12,030 | 11,689 |
| Inventories | 14 | 18,275 | 16,321 |
| Restricted assets | 16 | 2,074 | 1,022 |
| Income tax and minimum presumed income tax ("MPIT") credit | | 1,039 | - |
| Trade and other receivables | 17 | 678,509 | 769,333 |
| Investments in financial assets | 18 | 284,185 | 244,053 |
| Derivative financial instruments | 19 | 8,133 | - |
| Cash and cash equivalents | 20 | 239,277 | 796,902 |
| Total Current Assets | | 1,243,522 | 1,839,320 |
| TOTAL ASSETS | | 9,459,963 | 8,326,529 |
| SHAREHOLDERS' EQUITY | | | |
| Capital and reserves attributable to equity holders of the parent | | | |
| Share capital | | 574,188 | 578,676 |
| Treasury stock | | 4,488 | - |

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| | | | |
|--|----|------------------|------------------|
| Inflation adjustment of share capital and treasury stock | | 123,329 | 123,329 |
| Share premium | | 793,123 | 793,123 |
| Cost of treasury stock | | (32,998) | - |
| Acquisition of additional interest in subsidiaries | | (20,782) | (20,782) |
| Reserve for share-based compensation | 33 | 20,375 | 8,258 |
| Legal reserve | | 116,840 | 85,140 |
| Special reserve | | 375,487 | 395,249 |
| Reserve for new developments | | 469,831 | 492,441 |
| Cumulative translation adjustment | | 156,905 | 50,776 |
| Retained earnings | | (91,280) | 239,328 |
| Total capital and reserves attributable to equity holders of the parent... | | 2,489,506 | 2,745,538 |
| Non-controlling interest | | 428,620 | 385,151 |
| TOTAL SHAREHOLDERS' EQUITY | | 2,918,126 | 3,130,689 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Trade and other payables | 21 | 225,096 | 211,118 |
| Borrowings..... | 24 | 4,348,495 | 2,922,642 |
| Deferred income tax liabilities | 25 | 408,093 | 395,936 |
| Salaries and social security liabilities | 22 | 4,125 | 3,160 |
| Provisions | 23 | 181,727 | 57,737 |
| Total Non-Current Liabilities | | 5,167,536 | 3,590,593 |
| Current Liabilities | | | |
| Trade and other payables | 21 | 606,778 | 677,010 |
| Income tax and minimum presumed income tax ("MPIT") liabilities | | 68,054 | 90,916 |
| Salaries and social security liabilities | 22 | 54,698 | 49,010 |
| Derivative financial instruments | 19 | 10,678 | 1,732 |
| Borrowings | 24 | 618,586 | 772,529 |
| Provisions | 23 | 15,507 | 14,050 |
| Total Current Liabilities | | 1,374,301 | 1,605,247 |
| TOTAL LIABILITIES | | 6,541,837 | 5,195,840 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 9,459,963 | 8,326,529 |

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Fernando A. Elsztain
Fernando A. Elsztain
Director Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima
 Unaudited Condensed Interim Consolidated Statements of Income
 for the nine and three-month periods beginning on July 1st, 2013 and 2012
 and January 1st, 2014 and 2013, respectively and ended March 31, 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 | Nine months | | Three months | |
|---|------|--------------|------------|--------------|------------|
| | | 03.31.2014 | 03.31.2013 | 03.31.2014 | 03.31.2013 |
| Revenues | 27 | 2,047,841 | 1,594,094 | 673,881 | 514,058 |
| Costs | 28 | (947,806) | (791,233) | (305,936) | (256,521) |
| Gross Profit | | 1,100,035 | 802,861 | 367,945 | 257,537 |
| Gain from disposal of investment properties | 10 | 115,362 | 64,019 | 107,881 | 8,060 |
| General and administrative expenses | 29 | (193,902) | (151,130) | (64,523) | (42,144) |
| Selling expenses | 29 | (100,534) | (73,244) | (34,773) | (24,712) |
| Other operating results, net | 31 | (27,793) | 107,173 | (10,449) | (7,936) |
| Profit from operations | | 893,168 | 749,679 | 366,081 | 190,805 |
| Share of profit of associates and joint ventures | 8,9 | 102,690 | 15,112 | 51,507 | 728 |
| Profit before financial results and income tax | | 995,858 | 764,791 | 417,588 | 191,533 |
| Finance income | 32 | 89,444 | 103,479 | 29,189 | 45,514 |
| Finance cost | 32 | (1,533,757) | (553,530) | (807,309) | (195,101) |
| Other financial results | 32 | 257,315 | 151,755 | 202,778 | 104,381 |
| Financial results, net | 32 | (1,186,998) | (298,296) | (575,342) | (45,206) |
| (Loss) / Profit before income tax | | (191,140) | 466,495 | (157,754) | 146,327 |
| Income tax | 25 | 112,298 | (87,234) | 104,986 | (12,945) |
| (Loss) / Profit for the period | | (78,842) | 379,261 | (52,768) | 133,382 |
| Attributable to: | | | | | |
| Equity holders of the parent | | (92,030) | 320,638 | (70,352) | 96,856 |
| Non-controlling interest | | 13,188 | 58,623 | 17,584 | 36,526 |
| (Loss) / Profit per share attributable to equity holders of the parent during the period: | | | | | |
| Basic | | (0.160) | 0.554 | (0.123) | 0.167 |
| Diluted | | (0.160) | 0.554 | (0.123) | 0.167 |

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Fernando A. Elsztain
 Fernando A. Elsztain
 Director Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima
 Unaudited Condensed Interim Consolidated Statements of Income
 for the nine and three-month periods beginning on July 1st , 2013 and 2012 and January 1st, 2014 and 2013,
 respectively and ended March 31, 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

| | Nine months | | Three months | |
|--|-------------|------------|--------------|------------|
| | 03.31.2014 | 03.31.2013 | 03.31.2014 | 03.31.2013 |
| (Loss) / Profit for the period | (78,842) | 379,261 | (52,768) | 133,382 |
| Other comprehensive income: | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Currency translation adjustment | 149,786 | 40,306 | 78,010 | 16,573 |
| Other comprehensive income for the period (i) | 149,786 | 40,306 | 78,010 | 16,573 |
| Total comprehensive income for the period | 70,944 | 419,567 | 25,242 | 149,955 |
| Attributable to: | | | | |
| Equity holders of the parent | 14,099 | 357,551 | (15,659) | 110,348 |
| Non-controlling interest | 56,845 | 62,016 | 40,901 | 39,607 |

(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/ Fernando A. Elsztain
 Fernando A. Elsztain
 Director Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima
 Unaudited condensed interim consolidated statements of changes in shareholders' equity
 for the nine-month periods ended March 31, 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 | Acquisition of interest in subsidiaries | Reserve for share-based compensation | Legal reserve | Special reserve (1) | Reserve for new developmen |
| Balance at July 1st, 2013 | 578,676 | - | 123,329 | 793,123 | - | (20,782) | 8,258 | 85,140 | 395,249 | 492,441 |
| Loss for the period | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - | - |
| Distribution of retained earnings approved by Shareholders' meeting held 10.31.13 | - | - | - | - | - | - | - | 31,700 | (19,762) | (22,610) |
| Dividends distribution – approved by Shareholders' meeting held 10.31.13 | - | - | - | - | - | - | - | - | - | - |
| Reserve for share-based compensation (Note 33) | - | - | - | - | - | - | 12,117 | - | - | - |
| Purchase of Treasury stock | (4,488) | 4,488 | - | - | (32,998) | - | - | - | - | - |
| Distribution of share c a p i t a l o f subsidiaries | - | - | - | - | - | - | - | - | - | - |
| Reimbursement of expired dividends | - | - | - | - | - | - | - | - | - | - |
| Dividends distributed by subsidiaries | - | - | - | - | - | - | - | - | - | - |
| Capital contribution of non-controlling interest | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|------------------------------|---------|-------|---------|---------|----------|----------|--------|---------|---------|---------|
| Balance at March 31, 2014 | 574,188 | 4,488 | 123,329 | 793,123 | (32,998) | (20,782) | 20,375 | 116,840 | 375,487 | 469,831 |
|------------------------------|---------|-------|---------|---------|----------|----------|--------|---------|---------|---------|

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. 957 of Inflation adjustment treasury stock. See Note 26.

IRSA Inversiones y Representaciones S.A.

By: /s/ Fernando A. Elsztain
Fernando A. Elsztain
Director Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited condensed interim consolidated statements of changes in shareholders' equity
for the nine-month periods ended March 31, 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

| | Share capital | Inflation adjustment of share capital | Share premium | Attributable to equity holders of the parent Acquisition of additional Reserve interest for in share-based compensation | Legal reserve | Reserve for new development | Cumulative translation adjustment | Retained earnings | Non- | |
|--|------------------|--|------------------|---|------------------|-----------------------------------|---|----------------------|-----------|------------|
| | | | | subsidia- ries | | | | | Subtotal | |
| Balance at July 1st, 2012 | 578,676 | 274,387 | 793,123 | (15,714) | 2,595 | 71,136 | 419,783 | 14,502 | 510,853 | 2,649,341 |
| Profit for the period | - | - | - | - | - | - | - | - | 320,638 | 320,638 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | 36,913 | - | 36,913 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | 36,913 | 320,638 | 357,551 |
| Appropriation of retained earnings approved by Shareholders' meeting held 10.31.12 | - | - | - | - | - | 14,004 | 72,658 | - | (86,662) | - |
| Reclassification of the deferred tax liability – Approved by Shareholders' meeting held 10.31.12 | - | (151,058) | - | - | - | - | - | - | 151,058 | - |
| Dividends distribution – approved by Shareholders' meeting held 10.31.12 | - | - | - | - | - | - | - | - | (180,000) | (180,000) |
| Acquisition of non-controlling interest by business | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|---|---------|---------|---------|----------|-------|--------|---------|----------|---------|-----------|
| combination | | | | | | | | | | |
| Cumulative translation adjustment for interest held before business combination | - | - | - | - | - | - | - | (12,915) | - | (12,915) |
| Reserve for share-based compensation (Note 33) | - | - | - | - | 5,726 | - | - | - | - | 5,726 |
| Acquisition of additional interest in subsidiaries | - | - | - | (1,540) | - | - | - | - | - | (1,540) |
| Distribution of share capital of subsidiaries | - | - | - | - | - | - | - | - | - | - |
| Reimbursement of expired dividends | - | - | - | - | - | - | - | - | 591 | 591 |
| Conversion of notes | - | - | - | - | - | - | - | - | - | - |
| Capital contribution of non-controlling interest | - | - | - | - | - | - | - | - | - | - |
| Balance at | | | | | | | | | | |
| March 31, 2013 | 578,676 | 123,329 | 793,123 | (17,254) | 8,321 | 85,140 | 492,441 | 38,500 | 716,478 | 2,818,754 |

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Fernando A. Elsztain
 Fernando A. Elsztain
 Director Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima
Unaudited condensed interim consolidated statements of cash flows
for the nine-month periods ended March 31, 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 | 03.31.2014 | 03.31.2013 |
|---|-------|--------------|------------|
| Operating activities: | | | |
| Cash generated by operations | 20 | 914,162 | 753,425 |
| Income tax and Minimum Presumed Income tax paid | | (227,742) | (212,669) |
| Net cash generated by operating activities | | 686,420 | 540,756 |
| Investing activities: | | | |
| Capital contributions in associates and joint ventures | 8 | (1,580) | (39,925) |
| Purchases of associates and joint ventures | 4,8,9 | (13,045) | (32,024) |
| Purchases of investment properties | 10 | (178,630) | (157,324) |
| Proceeds from sale of investment properties | | 254,650 | 91,456 |
| Purchases of property, plant and equipment | 11 | (10,804) | (4,445) |
| Purchases of intangible assets | 13 | (11,605) | (614) |
| Purchase of investments in financial assets | | (1,757,417) | (702,139) |
| Proceeds from sale of investments in financial assets | | 1,109,381 | 685,831 |
| Advanced payments | | (28,999) | (39,554) |
| Proceeds from sale of joint ventures | | 15,536 | - |
| Acquisition of subsidiaries, net of cash acquired | | - | (117,874) |
| Interest received | | 8,551 | 16,844 |
| Loans granted to associates and joint ventures | | - | (813) |
| Dividends received | | 16,402 | 49,602 |
| Net cash used in investing activities | | (597,560) | (250,979) |
| Financing activities: | | | |
| Proceeds from borrowings | | 142,002 | 456,535 |
| Repayments of borrowings | | (363,044) | (187,483) |
| Payment of non-convertible notes | | (255,824) | (51,046) |
| Acquisition of derivative financial instruments | | (903) | - |
| Dividends paid | | (106,391) | (180,260) |
| Acquisition of non-controlling interest in subsidiaries | | - | (2,364) |
| Capital contribution of non-controlling interest | | 587 | 6,092 |
| Interest paid | | (346,248) | (221,152) |
| Capital reduction of subsidiaries | | (3,917) | (39,654) |
| Loans from associates and joint ventures, net | | 17,138 | 59,147 |
| Payment for acquisition of non-controlling interest | | - | (4,460) |
| Repurchase of treasury stock | | (32,998) | - |
| Payment of seller financing of shares | | (1,640) | (6,420) |
| Payment of seller financing | | (1,215) | (658) |
| Issuance of non-convertible notes | | 218,262 | - |
| Proceeds from derivative financial instruments | | 45,696 | - |
| Net cash used in financing activities | | (688,495) | (171,723) |
| Net (decrease) / increase in cash and cash equivalents | | (599,635) | 118,054 |

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| | | | |
|--|----|---------|---------|
| Cash and cash equivalents at beginning of year | 20 | 796,902 | 259,169 |
| Foreign exchange gain on cash and cash equivalents | | 42,010 | 22,053 |
| Cash and cash equivalents at end of period | | 239,277 | 399,276 |

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Fernando A. Elsztain
Fernando A. Elsztain
Director Acting as 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 March 31, 2014, the Group operates in six business segments. See Note 7 to the Condensed Consolidated Financial Statements as of June 30, 2013 for a description of such segments.

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 United States of America ("USA") 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.

The activities of the Group's segment "Financial operations and others" are carried out mainly through Banco Hipotecario S.A. ("BHSA"), where IRSA has 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"), a company which main activities are credit card and loan origination transactions.

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

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 Moreno 877, Floor 23, Autonomous City of Buenos Aires, Argentina.

These Unaudited Condensed Interim Consolidated Financial Statements have been approved for issuance by the Board of Directors on May 12, 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)
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

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, 2013 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 nine-month periods ended, March 31, 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 nine-month periods ended March 31, 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, 2013, which are described in Note 2 of the Annual Consolidated Financial Statements.

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 future 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, 2013, save for changes in accrued income tax, provision for legal claims, allowance for bad debts and accrued supplementary rental.

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)

2.4. Comparative Information

Balance items as of March 31, 2013 and June 30, 2013 shown in these financial statements for comparative purposes arise from Unaudited Condensed Interim Consolidated Financial Statements then ended. Certain reclassifications have been made in order to present figures comparatively with those of this period.

During the period, the Argentine Peso devalued against the US\$ and other currencies by around 32%, 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 39.

3. Seasonal effects on operations

The operations of the Group's shopping centers are also 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.

In November, 2012, the Group took control over Ribgy 183 LLC ("Rigby"), a company that owns a rental office building located in New York, US (see Note 4 to the annual consolidated financial statements). Therefore, balances as of March 31, 2013 include Rigby's operations from the mentioned date.

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4. Acquisitions and disposals

For the nine-month period ended as of March 31, 2014

Subscription of shares of Avenida Inc. and Avenida Compras S.A.

On August 29, 2013, the Group, through Torodur S.A., subscribed 3,703,704 shares of Avenida Inc., a Company incorporated in Delaware, United States, and 23,077 shares of Avenida Compras S.A., a Company incorporated in Buenos Aires, Argentina, representing 26.09% and 2.10%, of its outstanding capital, respectively. Additionally, Avenida Inc. owns 90.91% of Avenida Compras S.A., thus being the Group's indirect interest in Avenida Compras of 25.81%. The transaction price was Ps. 13.0 million, which has already been fully paid. The Group has a warrant to increase its interest in Avenida Inc. up to 37.04%.

Stock call Option agreement for Arcos del Gourmet S.A.

On September 16, 2013, APSA entered into an agreement with Messrs. Eduardo Giana, Pablo Bossi and Patricio Tobal (non-controlling shareholders of Arcos Gourmet S.A.), whereby the latter grant to APSA an exclusive and irrevocable option to purchase 10% of the equity interest in Arcos del Gourmet S.A.. The term to exercise the option runs from the execution of the agreement to December 31, 2018. The stock purchase price, in the event option is exercised, is US\$ 8.0 million. Furthermore, in the mentioned agreement a payment of a fixed amount of Ps. 2.0 million was arranged, which was cancelled, and another variable amount payable monthly, which results from applying 4.5% on the amounts accrued in each previous calendar month for rental and right of admission, net of certain expenses, during 5 years counted from the opening of the shopping mall, in relation to the assignment of rights to earn dividends of Arcos during such period.

Condominios del Alto - Performance of Exchange Agreement

On November 14, 2013 Alto Palermo S.A. ("APSA") and Condominios del Alto S.A. (Condominios) executed a conveyance deed whereby Condominios conveyed upon APSA freehold and full possession of the units agreed in exchange. Upon such execution, APSA stated that the mortgage on the property has been fully discharged.

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4. Acquisition and disposals (Continued)

Subscription of shares of Dolphin Fund Ltd. (“Dolphin”)

During the nine-month period ended March 31, 2014, the Group has increased its stake in Dolphin Fund Ltd. (Dolphin) by US\$109.5 million.

On January 5, 2014, the competent court in dealing with IDB Holding Corporation Ltd. (“IDBH”) debt restructuring has approved the offer made by Dolphin through Dolphin B.V. together with C.A.A. Extra Holdings Limited (“ETH”), a company incorporated under the laws of Israel, controlled by Mordechay Ben Moshé, in order to acquired approximately 53.3% of IDB Development Corporation (“IDBD”), controlled by IDBH, within the framework of the debt restructuring process mentioned, pursuant to Israel’s applicable laws. The transaction was closed on May 7, 2014 (See Note 41).

IDBD is one of the Israeli largest and most diversified investment groups, which is involved, through its subsidiaries, in several markets and industries, including real estate, retail, agribusiness, oil & gas production, insurance, telecommunications, etc.; controlling companies as Clal Insurance (Insurance Company), Cellcom (Mobile communications), Koor Industries (owner of 40% of Makhteshim Agan Industries-Agrochemicals), Super-Sol (supermarket), PBC (Real Estate), among others.

Significant sale of investment properties

On January 14, 2014, IRSA signed the transfer deed for the sale of the 11th floor and seven parking units of the Building Maipú 1300. The total price of the transaction was Ps. 9.6 million (US\$ 1.4 million). Such transaction generated a gain before tax of approximately Ps. 7.9 million.

On January 24, 2014, IRSA signed the transfer deed for the sale of the 7th floor and 28 parking units of the Building Bouchard 551. The total price of the transaction was Ps. 124.6 million, equivalents to US\$ 16.0 million. Such transaction generated a gain before tax of approximately Ps. 99.9 million.

On November 15, 2013, IRSA signed the transfer deed for the sale of the 12th floor and two parking units of the Building Maipú 1300 and two parking units of the building Libertador 498. The total price of the transaction was Ps. 9.0 million (US\$ 1.5 million). Such transaction generated a gain before tax of approximately Ps. 7.5 million.

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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, 2013. 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, 2013 to the date of these financial statements, there have been no significant changes in business or economic circumstances affecting the fair value of the Company's financial assets and liabilities (either measured at fair value or amortized cost), except for our investment in Supertel Hospitality Inc. ("Supertel"), which fair value was affected by the decrease in the market value of its common shares, because of the suspension of dividends' payment. This had been decided in order to fortify its financial situation. Furthermore, there have been no transfers between the different hierarchies used to assess the fair value of the Company's financial instrument.

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6. Segment information

Below is a summarized analysis of the lines of business of the Group for the period ended March 31, 2014:

| | March 31, 2014 | | | | | | |
|--|--------------------|------------------------------------|---------------------------|------------|---------------|---------------------------------------|------------|
| | Shopping Center | Offices and other properties | Sales and developments | Hotels | International | Financial operations and others | Total |
| Revenues | 1,477,167 | 242,973 | 46,451 | 253,971 | 64,322 | 457 | 2,085,341 |
| Costs | (665,171) | (79,757) | (25,440) | (158,915) | (42,492) | (241) | (972,016) |
| Gross Profit | 811,996 | 163,216 | 21,011 | 95,056 | 21,830 | 216 | 1,113,325 |
| Gain from disposal of investment properties | - | - | 115,362 | - | - | - | 115,362 |
| General and administrative expenses | (72,207) | (31,349) | (27,726) | (44,609) | (19,421) | (55) | (195,367) |
| Selling expenses | (49,275) | (13,962) | (8,314) | (31,604) | - | 250 | (102,905) |
| Other operating results, net | (23,088) | (1,765) | (2,414) | (761) | 423 | (2,001) | (29,606) |
| Profit / (loss) from operations | 667,426 | 116,140 | 97,919 | 18,082 | 2,832 | (1,590) | 900,809 |
| Share of profit / (l o s s) o f associates and joint ventures | - | (244) | 3,874 | 556 | (80,848) | 160,159 | 83,497 |
| Segment Profit / (Loss) before financial results and income tax | 667,426 | 115,896 | 101,793 | 18,638 | (78,016) | 158,569 | 984,306 |
| Investment properties | 2,296,390 | 772,176 | 367,573 | - | 1,085,925 | - | 4,522,064 |
| Property, plant and equipment | 18,224 | 19,645 | 3,806 | 160,331 | 263 | - | 202,269 |
| Trading properties | - | - | 219,529 | - | 2,904 | - | 222,433 |
| Goodwill | 1,667 | 9,392 | - | - | 75,843 | - | 86,902 |
| Inventories | 9,860 | - | 582 | 8,022 | - | - | 18,464 |
| Investments in associates | - | 23,850 | 35,795 | 21,895 | 1,637 | 1,245,266 | 1,328,443 |
| Operating assets | 2,326,141 | 825,063 | 627,285 | 190,248 | 1,166,572 | 1,245,266 | 6,380,575 |

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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 March 31, 2013:

| | March 31, 2013 | | | | | | |
|--|--------------------|-----------------------------------|---------------------------|------------|---------------|---------------------------------------|------------|
| | Shopping Center | Office and other properties | Sales and developments | Hotels | International | Financial operations and others | Total |
| Revenues | 1,173,547 | 214,040 | 117,178 | 174,694 | 25,632 | 1,100 | 1,706,191 |
| Costs | (556,053) | (85,962) | (89,066) | (126,233) | (20,361) | (845) | (878,520) |
| Gross Profit | 617,494 | 128,078 | 28,112 | 48,461 | 5,271 | 255 | 827,671 |
| Gain from disposal of investment properties | - | - | 64,019 | - | - | - | 64,019 |
| General and administrative expenses | (47,693) | (31,392) | (28,113) | (36,935) | (9,105) | (216) | (153,454) |
| Selling expenses | (39,023) | (8,667) | (12,609) | (21,205) | - | (187) | (81,691) |
| Other operating results, net | (17,590) | (1,895) | (8,230) | 456 | 134,487 | (616) | 106,612 |
| Profit / (Loss) from operations | 513,188 | 86,124 | 43,179 | (9,223) | 130,653 | (764) | 763,157 |
| Share of profit / (l o s s) o f associates and joint ventures | - | - | 1,478 | (4) | (58,446) | 62,924 | 5,952 |
| Segment profit / (loss) before financial results and income tax | 513,188 | 86,124 | 44,657 | (9,227) | 72,207 | 62,160 | 769,109 |
| Investment properties | 2,215,383 | 845,322 | 382,383 | - | 710,525 | - | 4,153,613 |
| Property, plant and equipment | 13,372 | 23,589 | 3,795 | 171,002 | 199 | - | 211,957 |
| Trading properties | - | - | 144,150 | - | 81,691 | - | 225,841 |
| Goodwill | 1,667 | 9,392 | - | - | 48,547 | - | 59,606 |
| Inventories | 10,140 | - | 511 | 5,984 | - | - | 16,635 |
| Investments in associates | - | 32,024 | 26,873 | 21,252 | 691 | 1,082,112 | 1,162,952 |
| Operating assets | 2,240,562 | 910,327 | 557,712 | 198,238 | 841,653 | 1,082,112 | 5,830,604 |

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6. Segment information (Continued)

Operating results of the Cyrsa S.A., Nuevo Puerto Santa Fe S.A. ("NPSF"), Canteras Natal Crespo S.A. (for the comparative period), Puerto Retiro S.A., Baicom Networks S.A. and Quality Invest S.A. joint ventures have been 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.

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.

| | Total segment information | March 31, 2014 | | As per statements of income |
|--|---------------------------------|--|---|-----------------------------------|
| | | Adjustment for share of profit / (loss) of joint ventures | Adjustment to income for elimination of inter-segment transactions | |
| Revenues | 2,085,341 | (37,282) | (218) | 2,047,841 |
| Costs | (972,016) | 24,210 | - | (947,806) |
| Gross profit | 1,113,325 | (13,072) | (218) | 1,100,035 |
| Gain from disposal of investment properties | 115,362 | - | - | 115,362 |
| General and administrative expenses | (195,367) | 636 | 829 | (193,902) |
| Selling expenses | (102,905) | 2,261 | 110 | (100,534) |
| Other operating results, net | (29,606) | 2,534 | (721) | (27,793) |
| Profit from operations | 900,809 | (7,641) | - | 893,168 |
| Share of profit of associates and joint ventures | 83,497 | 19,193 | - | 102,690 |
| Segment profit before financial results and income tax | 984,306 | 11,552 | - | 995,858 |

| | Total segment information | March 31, 2013 | | As per statements of income |
|--|---------------------------------|--|---|-----------------------------------|
| | | Adjustment for share of profit / (loss) of joint ventures | Adjustment to income for elimination of inter-segment transactions | |

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| | | | | |
|--|------------|------------|--------|------------|
| Revenues | 1,706,191 | (111,141) | (956) | 1,594,094 |
| Costs | (878,520) | 87,287 | - | (791,233) |
| Gross profit | 827,671 | (23,854) | (956) | 802,861 |
| Gain from disposal of investment properties | 64,019 | - | - | 64,019 |
| General and administrative expenses | (153,454) | 1,035 | 1,289 | (151,130) |
| Selling expenses | (81,691) | 8,366 | 81 | (73,244) |
| Other operating results, net | 106,612 | 975 | (414) | 107,173 |
| Profit from operations | 763,157 | (13,478) | - | 749,679 |
| Share of profit of associates and | 5,952 | 9,160 | - | 15,112 |
| Segment profit before financial results and income tax | 769,109 | (4,318) | - | 764,791 |

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6. Segment information (Continued)

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.

| | March 31, 2014 | March 31, 2013 |
|--|-------------------|-------------------|
| Total reportable assets as per segment information | 6,380,575 | 5,830,604 |
| Investment properties | (159,992) | (168,843) |
| Property, plant and equipment | (104) | (122) |
| Trading properties | (6,339) | (33,750) |
| Goodwill | (5,234) | (5,235) |
| Inventories | (189) | (104) |
| Investments in associates and joint ventures | 284,513 | 267,736 |
| Total assets as per the statements of financial position | 6,493,230 | 5,890,286 |

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 | |
|-------------------------------|------------------------------------|------------------|-------------------|------------------|
| | March 31, 2014 | June 30, 2013 | March 31, 2014 | June 30, 2013 |
| ASSETS | | | | |
| Total non-current assets | 587,980 | 623,809 | 1,119,229 | 761,997 |
| Total current assets | 333,769 | 191,911 | 16,252 | 18,088 |
| TOTAL ASSETS | 921,749 | 815,720 | 1,135,481 | 780,085 |
| LIABILITIES | | | | |
| Total non-current liabilities | 20,683 | 23,239 | 653,004 | 439,432 |
| Total current liabilities | 72,388 | 58,681 | 6,902 | 5,961 |
| TOTAL LIABILITIES | 93,071 | 81,920 | 659,906 | 445,393 |
| NET ASSETS | 828,678 | 733,800 | 475,575 | 334,692 |

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7. Information about main subsidiaries (Continued)

Summarized statements of income and statements of comprehensive income

| | PAMSA | | Rigby | |
|---|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| Revenues | 191,843 | 151,650 | 64,322 | 25,632 |
| Profit before income tax | 147,057 | 72,359 | (1,831) | (2,609) |
| Income tax expense | (52,374) | (26,351) | - | - |
| Profit for the period | 94,683 | 46,008 | (1,831) | (2,609) |
| Total comprehensive income for the period | 94,683 | 46,008 | (1,831) | (2,609) |
| Profit attributable to non-controlling interest | 18,937 | 9,202 | (467) | (559) |
| Dividends paid to non-controlling interest | - | 5,000 | - | - |

Summarized cash flows

| | PAMSA | | Rigby | |
|--|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 |
| Net cash generated by operating activities | 82,603 | 76,089 | 16,650 | 5,693 |
| Net cash used in investing activities | (17,436) | (59,802) | (7,275) | (1,522) |
| Net cash used in financing activities | 43 | (25,137) | (15,362) | 3,812 |
| Net increase in cash and cash equivalents | 65,210 | (8,850) | (5,987) | 7,983 |
| Foreign exchange gain on cash and cash equivalents | 2,675 | 1,644 | 1,661 | 587 |
| Cash and cash equivalents at beginning of period | 11,416 | 29,885 | 13,907 | 486 |
| Cash and cash equivalents at end of period | 79,301 | 22,679 | 9,581 | 9,056 |

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

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8. Interests in joint ventures

As of March 31, 2014 and June 30, 2013, the joint ventures of the Group were Cyrsa S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A., NPSF and Entertainment Holding S.A. ("EHSA"). The shares in these joint ventures are not publicly traded.

In November 29, 2012, the Group acquired shares of common stock, representing 50% of EHSA's capital stock and votes, for an amount of Ps. 21.2 million. The fair value of the net assets acquired determined as of the purchase date amounted to Ps. 5.4 million. Therefore, the Group recognized a goodwill of Ps. 26.6 million.

On September 25, 2013, Sociedad Rural Argentina (SRA), La Rural de Palermo S.A. (LRPSA), Boulevard Norte S.A. (BNSA), Ogden Argentina S.A. (OASA), EHSA, ENUSA and La Rural S.A. (LRSA) executed a joint venture agreement and a shareholder's agreement mostly amending certain provisions set forth in prior agreements. The Company is now in the process of assessing any potential effect on the preliminary allocation of the purchase price of said acquisition.

Changes in the Group's investments in joint ventures for the nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

| | March 31, 2014 | June 30, 2013 |
|-------------------------------|-------------------|------------------|
| Beginning of period / year | 287,846 | 228,970 |
| Acquisition of joint ventures | (12) | 25,899 |
| Capital contributions | 1,561 | 29,828 |
| Sale of joint ventures | - | (5,774) |
| Cash dividends (ii) | - | (1,250) |
| Share of profit, net | 18,949 | 10,173 |
| End of period / year | (i) 308,344 | 287,846 |

(i) Includes a balance of Ps. (19) reflecting interests in companies with negative equity as of March 31, 2014 which are disclosed in "Provisions" (see Note 23).

(ii) During the year ended June 30, 2013, the Group cashed dividends from Nuevo Puerto Santa Fe S.A. in the amount of Ps. 1.3 million.

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9. Interests in associates

As of June 30, 2013, the associates of the Group were New Lipstick LLC, BHSA, Tarshop S.A., Manibil S.A., Lipstick Management LLC, Banco de Crédito y Securitización S.A. (“BACS”) and Bitania 26 S.A..

During the current period, the Group has acquired interests in associates Avenida Inc. and Avenida Compras S.A. (see Note 4). Consequently, as of March 31, 2014 the associates of the Group are New Lipstick LLC, BHSA, Tarshop S.A., Manibil S.A., Lipstick Management LLC, Banco de Crédito y Securitización S.A. (“BACS”), Bitania 26 S.A., Avenida Inc. and Avenida Compras S.A..

Changes in the Group’s investments in associates for the nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

| | March 31, 2014 | June 30, 2013 |
|---------------------------------|-------------------|------------------|
| Beginning of the period / year | 1,096,999 | 1,216,845 |
| Acquisition of associates | 13,057 | - |
| Capital contributions | 19 | 37,610 |
| Share of profit, net | 83,741 | (17,564) |
| Currency translation adjustment | (38,814) | (1,300) |
| Cash dividends (ii) | (9,977) | (35,277) |
| Decrease for the taking over | - | (103,315) |
| End of the period / year (i) | 1,145,025 | 1,096,999 |

(i) Includes Ps. (159,568) and Ps. (39,091) reflecting interests in companies with negative equity as of March 31, 2014 and June 30, 2013, respectively, which are disclosed in “Provisions” (see Note 23).

(ii) During the period, the Group cashed dividends from BHSA and Manibil S.A. in the amount of Ps. 9.2 million and Ps. 0.8 million, respectively. During the year ended June 30, 2013, the Group cashed dividends from Manibil S.A. and BHSA in the amount of Ps. 4.8 million and Ps. 30.5 million, respectively.

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10. Investment properties

Changes in the Group's investment properties for the nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

| | Shopping Center | Office and other rental properties | Undeveloped parcel of lands | Properties under development | Total |
|---------------------------------|--------------------|--|-----------------------------------|------------------------------------|-------------|
| At July 1st, 2012: | | | | | |
| Costs | 3,048,649 | 1,049,407 | 365,828 | 50,262 | 4,514,146 |
| Accumulated depreciation | (1,097,669) | (141,251) | - | - | (1,238,920) |
| Residual value | 1,950,980 | 908,156 | 365,828 | 50,262 | 3,275,226 |
| Year ended June 30, 2013 | | | | | |
| Opening residual value | 1,950,980 | 908,156 | 365,828 | 50,262 | 3,275,226 |
| Additions | 51,231 | 13,275 | 1,763 | 144,187 | 210,456 |
| Currency translation adjustment | - | 77,769 | - | - | 77,769 |
| Acquisition of subsidiaries | - | 679,219 | - | - | 679,219 |
| Transfers | (86) | 86 | - | - | - |
| Disposals | (65) | (62,792) | - | - | (62,857) |
| Depreciation charge (i) | (142,162) | (45,121) | - | - | (187,283) |
| Residual value at year end | 1,859,898 | 1,570,592 | 367,591 | 194,449 | 3,992,530 |
| At June 30, 2013: | | | | | |
| Costs | 3,099,729 | 1,755,501 | 367,591 | 194,449 | 5,417,270 |
| Accumulated depreciation | (1,239,831) | (184,909) | - | - | (1,424,740) |
| Residual value | 1,859,898 | 1,570,592 | 367,591 | 194,449 | 3,992,530 |
| Period ended March 31, 2014: | | | | | |
| Opening residual value | 1,859,898 | 1,570,592 | 367,591 | 194,449 | 3,992,530 |
| Additions | 19,213 | 19,791 | 107 | 139,519 | 178,630 |
| Currency translation adjustment | - | 357,256 | - | - | 357,256 |
| Disposals | - | (20,352) | - | - | (20,352) |
| Depreciation charge (i) | (98,771) | (47,221) | - | - | (145,992) |
| Residual value at period end | 1,780,340 | 1,880,066 | 367,698 | 333,968 | 4,362,072 |
| At March 31, 2014: | | | | | |
| Costs | 3,118,942 | 2,112,196 | 367,698 | 333,968 | 5,932,804 |
| Accumulated depreciation | (1,338,602) | (232,130) | - | - | (1,570,732) |

| | | | | | |
|----------------|-----------|-----------|---------|---------|-----------|
| Residual value | 1,780,340 | 1,880,066 | 367,698 | 333,968 | 4,362,072 |
|----------------|-----------|-----------|---------|---------|-----------|

(i) Depreciation charges of investment properties 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 statements of income:

| | March 31, 2014 | March 31, 2013 |
|---|-------------------|-------------------|
| Rental and service income | 1,767,480 | 1,398,125 |
| Direct operating expenses | (778,261) | (654,310) |
| Gain from disposal of investment properties | 115,362 | 64,019 |

Properties under development mainly comprise works in Shopping Neuquén S.A. and Arcos del Gourmet S.A.. As of March 31, 2014 and June 30, 2013 works in Shopping Neuquén S.A. amount to Ps. 83,233 and Ps. 43,138, respectively. Works in Arcos del Gourmet as of March 31, 2014 and June 30, 2013 amount to Ps. 235,737 and Ps. 136,313, respectively.

As of March 31, 2014 contractual obligations mainly correspond to constructions regarding to both projects. In Shopping Neuquén S.A. contractual obligations amount to Ps. 205 million and the Project is expected to be completed in September, 2014. In Arcos del Gourmet S.A. contractual obligations amount to Ps. 234. 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 City of Buenos Aires granted a new environmental clearing certificate.

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11. Property, plant and equipment

Changes in the Group's property, plant and equipment for the nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

| | Hotels buildings and facilities | Buildings and facilities | Furniture and fixtures | Machinery and equipment | Vehicles | Total |
|------------------------------------|--|--------------------------------|---------------------------|-------------------------------|----------|------------|
| At July 1st, 2012: | | | | | | |
| Costs | 376,671 | 61,291 | 13,394 | 78,370 | 512 | 530,238 |
| Accumulated depreciation | (194,849) | (30,533) | (9,513) | (66,805) | (505) | (302,205) |
| Residual value | 181,822 | 30,758 | 3,881 | 11,565 | 7 | 228,033 |
| Year ended June 30, 2013 | | | | | | |
| Opening residual value | 181,822 | 30,758 | 3,881 | 11,565 | 7 | 228,033 |
| Additions | 3,872 | 1,483 | 585 | 9,479 | - | 15,419 |
| Currency translation adjustment | - | - | 959 | - | - | 959 |
| Disposals | - | - | (602) | (3) | - | (605) |
| Depreciation charge (i) | (17,494) | (6,720) | (783) | (6,129) | (7) | (31,133) |
| Residual value at year end | 168,200 | 25,521 | 4,040 | 14,912 | - | 212,673 |
| At June 30, 2013: | | | | | | |
| Costs | 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 |
| Period ended March 31, 2014 | | | | | | |
| Opening residual value | 168,200 | 25,521 | 4,040 | 14,912 | - | 212,673 |
| Additions | 2,777 | 1,596 | 723 | 6,247 | - | 11,343 |
| Currency translation adjustment | - | - | 88 | - | - | 88 |
| Disposals | (24) | - | - | (36) | - | (60) |
| Depreciation charge (i) | (10,624) | (5,159) | (646) | (5,450) | - | (21,879) |
| Residual value at period end | 160,329 | 21,958 | 4,205 | 15,673 | - | 202,165 |
| At March 31, 2014: | | | | | | |
| Costs | 383,296 | 64,369 | 15,147 | 94,057 | 512 | 557,381 |
| Accumulated depreciation | (222,967) | (42,411) | (10,942) | (78,384) | (512) | (355,216) |
| Residual value | 160,329 | 21,958 | 4,205 | 15,673 | - | 202,165 |

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

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12. Trading properties

Changes in the Group's trading properties for the nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

| | Completed properties | Properties under development | Under developed sites | Total |
|---------------------------------|-------------------------|------------------------------------|-----------------------------|----------|
| At July 1st, 2012 | 13,726 | 82,958 | 80,139 | 176,823 |
| Additions | 19 | 1,463 | - | 1,482 |
| Currency translation adjustment | - | 17,757 | - | 17,757 |
| Transfers | - | 61,444 | (61,444) | - |
| Disposals | (5,948) | - | - | (5,948) |
| At June 30, 2013 | 7,797 | 163,622 | 18,695 | 190,114 |
| Additions | 1,400 | 2,413 | - | 3,813 |
| Currency translation adjustment | - | 26,953 | - | 26,953 |
| Transfers | 7,351 | (7,351) | - | - |
| Disposals | (4,786) | - | - | (4,786) |
| At March 31, 2014 | 11,762 | 185,637 | 18,695 | 216,094 |

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13. Intangible assets

Changes in the Group's intangible assets for the nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

| | Goodwill | Computer Software | Rights of use (ii) | Others | Total |
|---------------------------------|----------|-------------------|--------------------|--------|-----------|
| At July 1st, 2012: | | | | | |
| Costs | 5,824 | 16,961 | 20,873 | 898 | 44,556 |
| Accumulated depreciation | - | (14,486) | - | (681) | (15,167) |
| Residual value | 5,824 | 2,475 | 20,873 | 217 | 29,389 |
| Year ended June 30, 2013: | | | | | |
| Opening residual value | 5,824 | 2,475 | 20,873 | 217 | 29,389 |
| Additions | - | 791 | - | 9 | 800 |
| Currency translation adjustment | 5,346 | - | - | - | 5,346 |
| Acquisition of subsidiaries | 45,723 | - | - | - | 45,723 |
| Amortization charges (i) | - | (1,512) | - | (93) | (1,605) |
| Residual value at year end | 56,893 | 1,754 | 20,873 | 133 | 79,653 |
| At June 30, 2013: | | | | | |
| Costs | 56,893 | 17,752 | 20,873 | 907 | 96,425 |
| Accumulated depreciation | - | (15,998) | - | (774) | (16,772) |
| Residual value | 56,893 | 1,754 | 20,873 | 133 | 79,653 |
| Period ended March 31, 2014: | | | | | |
| Opening residual value | 56,893 | 1,754 | 20,873 | 133 | 79,653 |
| Additions | - | 652 | - | 10,953 | 11,605 |
| Currency translation adjustment | 24,775 | - | - | - | 24,775 |
| Amortization charges (i) | - | (795) | - | (60) | (855) |
| Residual value at period end | 81,668 | 1,611 | 20,873 | 11,026 | 115,178 |
| Period ended March 31, 2014: | | | | | |
| Costs | 81,668 | 18,404 | 20,873 | 11,860 | 132,805 |
| Accumulated depreciation | - | (16,793) | - | (834) | (17,627) |

| | | | | | |
|----------------|--------|-------|--------|--------|---------|
| Residual value | 81,668 | 1,611 | 20,873 | 11,026 | 115,178 |
|----------------|--------|-------|--------|--------|---------|

- (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 the project Arcos del Gourmet, which has not been amortized yet because it is still in the development stage.

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14. Inventories

Group's inventories as of March 31, 2014 and June 30, 2013 were as follows:

| | March 31, 2014 | June 30, 2013 |
|---|-------------------|------------------|
| Current | | |
| Hotel supplies | 8,022 | 5,962 |
| Materials and others items of inventories | 10,253 | 10,359 |
| Current inventories | 18,275 | 16,321 |
| Total inventories | 18,275 | 16,321 |

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 unadjusted 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 shares, 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 future 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 Arcos del Gourmet S.A.'s stock option (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 March 31, 2014 and June 30, 2013 and their allocation to the fair value hierarchy:

| | March 31, 2014 | | | Total |
|--|------------------|---------------|---------------|------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities in TGLT | 66,556 | - | - | 66,556 |
| - Investment in equity securities in Hersha | 46,069 | - | - | 46,069 |
| - Investment in equity securities in Supertel | - | - | 57,123 | 57,123 |
| - Mutual funds | 970,544 | - | - | 970,544 |
| - Banco Macro bonds | 1,339 | - | - | 1,339 |
| - Public companies securities | 50 | - | - | 50 |
| - Don Mario S.G.R. | 13,474 | - | - | 13,474 |
| - Governments bonds | 165,549 | - | - | 165,549 |
| - Investment in Supertel convertible loan | - | 15,747 | - | 15,747 |
| Derivative financial instruments: | | | | |
| - Foreign currency future contracts | - | 3,400 | - | 3,400 |
| - Interest rate swaps | - | 11,633 | - | 11,633 |
| Cash and cash equivalents: | | | | |
| - Mutual funds | 2,038 | - | - | 2,038 |
| Total assets | 1,265,619 | 30,780 | 57,123 | 1,353,522 |

| | March 31, 2014 | | | Total |
|-----------------------------------|----------------|---------------|----------|---------------|
| | Level 1 | Level 2 | Level 3 | |
| Liabilities | | | | |
| Derivative financial instruments: | | | | |
| - Foreign-currency futures | - | 10,678 | - | 10,678 |
| Total liabilities | - | 10,678 | - | 10,678 |

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15. Financial instruments by category (Continued)

| | June 30, 2013 | | | Total |
|--|---------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities in TGLT | 56,859 | - | - | 56,859 |
| - Investment in equity securities in Hersha | 30,163 | - | - | 30,163 |
| - Investment in equity securities in Supertel | - | - | 139,120 | 139,120 |
| - Mutual funds | 74,957 | - | - | 74,957 |
| - Mortgage bonds | 540 | - | - | 540 |
| - Non- Convertible Notes related parties (Note 34) | 5,136 | - | - | 5,136 |
| - Banco Macro bonds | 781 | - | - | 781 |
| - Don Mario S.G.R. | 11,691 | - | - | 11,691 |
| - Others | 3 | - | - | 3 |
| - Government Bonds | 161,602 | - | - | 161,602 |
| Derivative financial instruments: | | | | |
| - Interest rate swaps | - | 4,259 | - | 4,259 |
| - Warrants of Supertel | - | - | 16,949 | 16,949 |
| Cash and cash equivalents: | | | | |
| - Mutual funds | 5,289 | - | - | 5,289 |
| Total assets | 347,021 | 4,259 | 156,069 | 507,349 |

| | June 30, 2013 | | | Total |
|-----------------------------------|---------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | |
| Liabilities | | | | |
| Derivative financial instruments: | | | | |
| - Foreign currency-contracts | - | 1,732 | - | 1,732 |
| Total liabilities | - | 1,732 | - | 1,732 |

The following table presents the changes in Level 3 instruments for the period ended March 31, 2014:

| | Shares of Supertel | Warrants of Supertel | Total |
|---------------------------------|-----------------------|-------------------------|-----------|
| Balance at June 30, 2013 | 139,120 | 16,949 | 156,069 |
| Total losses for the period (i) | (81,997) | (16,949) | (98,946) |
| Balance at March 31, 2014 | 57,123 | - | 57,123 |

(i) The loss is not realized as of March 31, 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 value of these instruments exceeded the transaction price and were determined using a valuation technique that uses inputs not observable in the market. As a result of the use of this technique, the Group has not recognized a gain at the time of initial recognition in the amount of US\$ 7.9 million. As of March 31, 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 0.

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 March 31, 2014, would reduce pre-tax income by Ps. 2.6 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 March 31, 2014, would reduce pre-tax income by Ps. 7.5 million. The rate used as of March 31, 2014 was 14.25%.

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 |
|---|----------------------|-------------------|--|
| Foreign currency-contracts | Present value method | Theoretical price | Money market Interest-Rate curve; Foreign exchange curve. |
| Interest rate swaps | Discounted cash flow | Theoretical price | Interest rate forward contract and flows of funds. |
| Shares of Supertel | Binomial tree | Theoretical price | Underlying asset price (Market price); share price volatility (historical) and money market interest-rate curve (Libor curve). |
| Warrants of Supertel | Black-Scholes | Theoretical price | Underlying asset price (Market price); share price volatility (historical) and money market interest-rate curve (Libor curve). |
| Call option of Arcos | Discounted cash flow | - | Projected income and discounted interest rate. |
| Investment in Supertel convertible loan | Discounted cash flow | - | Discount interest rate. |

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16. Restricted assets

Group's restricted assets as of March 31, 2014 and June 30, 2013 were as follows:

| | March 31, 2014 | June 30, 2013 |
|--|-------------------|------------------|
| Non-current | | |
| Deposit in escrow | 18,334 | 10,881 |
| Total non-current restricted assets | 18,334 | 10,881 |
| Current | | |
| Deposit in escrow | 2,074 | 1,022 |
| Total current restricted assets | 2,074 | 1,022 |
| Total restricted assets | 20,408 | 11,903 |

17. Trade and other receivables

Group's trade and other receivables as of March 31, 2014 and June 30, 2013 are as follows:

| | March 31, 2014 | June 30, 2013 |
|--|-------------------|------------------|
| Non-current | | |
| Trade, leases and services receivables | 66,082 | 58,783 |
| Consumer financing receivables | - | 214 |
| Less: allowance for trade receivables | (2,208) | (2,266) |
| Total Non-current trade receivables | 63,874 | 56,731 |
| Trade receivables of joint venture | 3,161 | 2,147 |
| VAT receivables | 19,357 | 19,345 |
| Loans granted | 1,116 | - |
| Prepaid expenses | 9,431 | 5,210 |
| Others | 667 | 686 |
| Total Non-current other receivables | 33,732 | 27,388 |
| Related parties (Note 34) | 1,103 | 1,007 |
| Total non-current trade and other receivables | 98,709 | 85,126 |

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17. Trade and other receivables (Continued)

| | March 31, 2014 | June 30, 2013 |
|---|-------------------|------------------|
| Current | | |
| Consumer financing receivables | 14,992 | 15,735 |
| Sale, leases and services receivables | 240,277 | 376,431 |
| Receivables from hotel operations | 44,566 | 26,201 |
| Checks to be deposited | 180,021 | 147,866 |
| Trade and lease debtors under legal proceedings | 55,889 | 50,145 |
| Less: allowance for trade receivables | (78,620) | (76,684) |
| Total current trade receivables | 457,125 | 539,694 |
| Joint ventures receivables | 7,270 | 20,555 |
| VAT receivables | 8,505 | 19,656 |
| Other tax receivables | 8,646 | 13,426 |
| Loans granted | 9,182 | 47,274 |
| Prepaid expenses | 64,519 | 49,271 |
| Advance to vendors | 71,245 | 40,710 |
| Dividends received | 7,882 | 2,828 |
| Others | 14,908 | 11,672 |
| Less: allowance for other receivables | (198) | (198) |
| Total current other receivables | 191,959 | 205,194 |
| Related parties (Note 34) | 29,425 | 24,445 |
| Total current trade and other receivables | 678,509 | 769,333 |
| Total trade and other receivables | 777,218 | 854,459 |

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

| | March 31, 2014 | June 30, 2013 |
|--------------------------------|-------------------|------------------|
| Beginning of the period / year | 79,148 | 68,107 |
| Additions | 11,121 | 18,792 |
| Unused amounts reversed | (5,691) | (5,967) |
| Used during the period / year | (3,552) | (1,549) |
| Receivables written off | - | (235) |
| End of the period / year | 81,026 | 79,148 |

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 March 31, 2014 and June 30, 2013 are as follows:

| | March 31, 2014 | June 30, 2013 |
|---|-------------------|------------------|
| Non-current | | |
| Financial assets at fair value | | |
| Investment in equity securities in TGLT S.A. | 66,556 | 56,859 |
| Investment in equity securities in Hersha | 46,069 | 30,163 |
| Investment in equity securities in Supertel | 57,123 | 139,120 |
| Investment in Supertel convertible loan (Note 34) (i) | 15,747 | - |
| Don Mario S.G.R. | 10,000 | 10,060 |
| Mutual funds (Note 34) (ii) | 872,673 | 17,249 |
| Others | - | 3 |
| Financial assets at amortized cost | | |
| Non-Convertible Notes related parties (Note 34) | 7,000 | 14,001 |
| Total investments in non-current financial assets | 1,075,168 | 267,455 |
| Current | | |
| Financial assets at fair value | | |
| Mutual funds | 97,871 | 57,708 |
| Mortgage bonds (Note 34) | - | 540 |
| Banco Macro bonds | 1,339 | 781 |
| Don Mario S.G.R. | 3,474 | 1,631 |
| Non-Convertible Notes related parties (Note 34) | - | 5,136 |
| Public companies securities | 50 | - |
| Government bonds | 165,549 | 161,602 |
| Financial assets at amortized cost | | |
| Non-Convertible Notes related parties (Note 34) | 15,902 | 16,655 |
| Total investments in current financial assets | 284,185 | 244,053 |
| Total investments in financial assets | 1,359,353 | 511,508 |

- (i) On January 9, 2014, Real Estate Strategies LP ("RES") entered into a loan agreement of up to US\$ 2.0 million with Supertel Hospitality Inc. ("SPPR"). In the event that SPPR successfully completes rights offering not later than April 15, 2014, RES agrees convert the balance of the loan at such time for shares of common stock of SPPR. In the event that SPPR fails to make an initial public offering within the term agreed, RES is entitled to convert the loan until July 9, 2015 (subject to any ownership limitation that may apply). Since SPPR did not complete this rights offering on or before April 15, 2014, the interest rate increased to 12.5% per annum. Subject to the limitations indicated above, RES has the option, until July 9, 2015 to convert the loan it into shares of common stock. In such a case, the conversion price per share will be equal to the greater of (a) the average weighted price of common stock of company for the five trading days preceding the day RES exercises the Loan Conversions or

(b) the greater of book or market value of the common stock at the time.

(ii) During the period ended March 31, 2014, the Group has subscribed shares of Dolphin Fund Ltd. for an amount of US\$ 109.5 million (see Note 41)

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19. Derivative financial instruments

Group's derivative financial instruments as of March 31, 2014 and June 30, 2013 are as follows:

| | March 31, 2014 | June 30, 2013 |
|---|-------------------|------------------|
| Assets | | |
| Non-current | | |
| Interest rate swaps | 6,900 | 4,259 |
| Warrants of Supertel | - | 16,949 |
| Total non-current derivative financial instruments | 6,900 | 21,208 |
| Current | | |
| Interest rate swaps | 4,733 | - |
| Foreign currency future contracts (Note 34) | 3,400 | - |
| Total current derivative financial instruments | 8,133 | - |
| Total assets | 15,033 | 21,208 |
| Liabilities | | |
| Current | | |
| Foreign currency-contracts (Note 34) | (10,678) | (1,732) |
| Total current derivative financial instruments | (10,678) | (1,732) |
| Total derivative financial instruments | 4,355 | 19,476 |

20. Cash flow information

The following table shows the amounts of cash and cash equivalents as of March 31, 2014 and June 30, 2013:

| | March 31, 2014 | June 30, 2013 |
|--|-------------------|------------------|
| Cash at bank and on hand | 237,239 | 725,220 |
| Time deposits in local currency | - | 66,393 |
| Mutual funds | 2,038 | 5,289 |
| Total cash and cash equivalents | 239,277 | 796,902 |

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20. Cash flow information (Continued)

Following is a detailed description of cash flows generated by the Group's operations for the nine-month periods ended March 31, 2014 and 2013:

| | Note | March 31, 2014 | March 31, 2013 |
|---|------|-------------------|-------------------|
| (Loss) / Profit for the period | | (78,842) | 379,261 |
| Adjustments for: | | | |
| Income tax expense | 25 | (112,298) | 87,234 |
| Disposals of unused property, plant and equipment | 11 | 60 | 365 |
| Amortization and depreciation | 29 | 168,726 | 162,743 |
| Gain from disposal of investment properties | 10 | (115,362) | (64,019) |
| Dividends earned | 32 | (10,741) | (20,470) |
| Share-based payments | 33 | 12,541 | 5,935 |
| Profit / (loss) from purchase of subsidiaries and joint ventures | 31 | - | (137,062) |
| (Gain) / loss on derivative financial instruments | 32 | (27,492) | (5,390) |
| Changes in fair value of investments in financial assets | 32 | (229,823) | (147,527) |
| Interest expense, net | 32 | 316,905 | 211,462 |
| Provisions and allowances | | 71,012 | 73,097 |
| Share of profit of associates and joint ventures | 8,9 | (102,690) | (15,112) |
| Loss / (gain) on repurchase of Non-Convertible notes | 32 | 12,874 | - |
| Unrealized foreign exchange loss, net | | 1,108,603 | 205,343 |
| Changes in operating assets and liabilities: | | | |
| Increase in inventories | | (1,954) | (872) |
| Decrease / (Increase) in trading properties | | 2,373 | (1,659) |
| Decrease / (Increase) in trade and other receivables | | 3,658 | (19,902) |
| Increase in restricted funds | | - | (724) |
| (Decrease) / Increase in trade and other payables | | (108,363) | 39,502 |
| Increase in salaries and social security liabilities | | 6,653 | 1,897 |
| Decrease in provisions | | (1,678) | (677) |
| Net cash generated by operating activities before income tax paid | | 914,162 | 753,425 |

The following table shows a detail of non-cash transactions occurred in the periods ended March 31, 2014 and 2013:

| | March 31, 2014 | March 31, 2013 |
|---|-------------------|-------------------|
| Increase in investments in financial assets through an increase in borrowings | - | 18,767 |
| Reimbursement of expired dividends | 784 | 625 |
| Dividends payable | - | 54,097 |
| Conversion of notes | - | 126 |

| | | |
|---|---------|---|
| Increase in borrowings through a decrease in dividends payable | 160,173 | - |
| Increase in property, plant and equipment through an increase in borrowings | 539 | - |

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21. Trade and other liabilities

Group's trade and other payables as of March 31, 2014 and June 30, 2013 were as follows:

| | March 31, 2014 | June 30, 2013 |
|---|-------------------|------------------|
| Non-current | | |
| Admission rights | 118,079 | 112,655 |
| Sales, rent and services payments received in advance | 52,490 | 53,301 |
| Guarantee deposits | 21,778 | 17,350 |
| Non-current trade payables | 192,347 | 183,306 |
| Other tax liabilities | 1,135 | - |
| Tax payment facilities plan | 13,631 | 15,640 |
| Deferred income tax | 8,039 | 8,637 |
| Others | 9,739 | 3,515 |
| Non-current other payables | 32,544 | 27,792 |
| Related parties (Note 34) | 205 | 20 |
| Non-current trade and other payables | 225,096 | 211,118 |
| Current | | |
| Trade payables | 84,520 | 59,637 |
| Accrued invoices | 81,717 | 76,339 |
| Guarantee deposits | 11,126 | 5,974 |
| Admission rights | 110,960 | 98,656 |
| Sales, rent and services payments received in advance | 200,113 | 191,478 |
| Current trade payables | 488,436 | 432,084 |
| VAT payables | 30,199 | 26,718 |
| Deferred revenue | 495 | 1,087 |
| Other tax liabilities | 24,097 | 30,889 |
| Dividends payable to non-controlling shareholders | 1,718 | 8,562 |
| Others | 8,482 | 6,399 |
| Current other payables | 64,991 | 73,655 |
| Related parties (Note 34) | 53,351 | 171,271 |
| Current trade and other payables | 606,778 | 677,010 |
| Total trade and other payables | 831,874 | 888,128 |

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22. Salaries and social security liabilities

Group's Salaries and social security liabilities as of March 31, 2014 and June 30, 2013 were as follows:

| | March 31, 2014 | June 30, 2013 |
|---|-------------------|------------------|
| Non-Current | | |
| Social security payable | 4,125 | 3,160 |
| Total Non-Current salaries and social security liabilities | 4,125 | 3,160 |
| Current | | |
| Provision for vacation, bonuses and others | 40,819 | 32,080 |
| Social security payable | 13,012 | 16,628 |
| Others | 867 | 302 |
| Current salaries and social security liabilities | 54,698 | 49,010 |
| Total salaries and social security liabilities | 58,823 | 52,170 |

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 | Investments in associates and joint ventures (*) | Total |
|---------------------------------|--|-------------------------------|--|----------|
| At June 30, 2013 | 31,010 | 1,686 | 39,091 | 71,787 |
| Additions | 11,784 | 377 | 81,218 | 93,379 |
| Recovery | (5,055) | (477) | - | (5,532) |
| Used during the period | (1,678) | - | - | (1,678) |
| Currency translation adjustment | - | - | 39,278 | 39,278 |
| At March 31, 2014 | 36,061 | 1,586 | 159,587 | 197,234 |

(*) Corresponds to equity interests with negative equity.

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

| | March 31, 2014 | June 30, 2013 |
|-------------|-------------------|------------------|
| Non-current | 181,727 | 57,737 |
| Current | 15,507 | 14,050 |

| | |
|---------|--------|
| 197,234 | 71,787 |
|---------|--------|

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24. Borrowings

The breakdown of the Group borrowings as of March 31, 2014 and June 30, 2013 was as follows:

| | Secured / unsecured | Currency | Rate | Effective interest rate % | Principal nominal value | Book value | |
|---|------------------------|----------|----------|---------------------------------|-------------------------------|-------------------|------------------|
| | | | | | | March 31, 2014 | June 30, 2013 |
| Non-current | | | | | | | |
| | | | | Badlar + | | | |
| NCN IRSA due 2015 | Unsecured | Ps. | Floating | 395ps | 209,400 | 208,387 | - |
| NCN IRSA due 2017 | Unsecured | US\$ | Fixed | 8.5% | 150,000 | 1,190,622 | 784,855 |
| | | | | Badlar + | | | |
| NCN IRSA due 2017 | Unsecured | Ps. | Floating | 450 ps | 10,800 | 10,761 | - |
| NCN APSA due 2017 | Unsecured | US\$ | Fixed | 7.875% | 110,000 | 862,918 | 575,705 |
| NCN IRSA due 2020 | Unsecured | US\$ | Fixed | 11.5% | 150,000 | 1,114,011 | 789,655 |
| Seller financing of plot of land (vi) | Secured | US\$ | Fixed | 3.5% | 4,500 | 18,737 | 14,900 |
| Seller financing of Soleil Factory (i) | Secured | US\$ | Fixed | 5% | 12,610 | 77,441 | 49,327 |
| Seller financing of Zetol S.A. (iii) | Secured | US\$ | Fixed | 3.5% | 2,618 | 21,860 | 14,144 |
| Bank loans | Unsecured | Ps. | Fixed | 15.25% | 9,432 | 8,016 | - |
| Syndicated loan (iv) | Unsecured | Ps. | Fixed | (iv) | 202,780 | 100,097 | 175,604 |
| Banco Provincia de Buenos Aires loan (v) | Unsecured | Ps. | Fixed | (v) | 42,556 | 9,618 | 19,163 |
| | | | | Libor + | | | |
| Banco M&T loan | Secured | US\$ | Floating | 2.55% | 75,000 | 594,668 | 399,691 |
| Related party (Note 34) | Unsecured | Ps. | Floating | Badlar | 101,692 | 130,012 | 98,328 |
| Finance lease obligations | Secured | US\$ | Fixed | 7.5% | 499 | 1,347 | 1,270 |
| Total Non-current borrowings | | | | | | 4,348,495 | 2,922,642 |

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| | Secured / unsecured | Currency | Rate | Effective interest rate % | Nominal Value of share capital | Book value | |
|---|------------------------|----------|----------|---------------------------------|---|-------------------|------------------|
| | | | | | | March 31, 2014 | June 30, 2013 |
| Current | | | | | | | |
| | | | | Badlar + | | | |
| NCN IRSA due 2015 | Unsecured | Ps. | Floating | 395ps | 209,400 | 5,062 | - |
| NCN IRSA due 2017 | Unsecured | US\$ | Fixed | 8.5% | 150,000 | 15,735 | 26,675 |
| | | | | Badlar + | | | |
| NCN IRSA due 2017 | Unsecured | Ps. | Floating | 450ps | 10,800 | 226 | - |
| NCN APSA due 2017 | Unsecured | US\$ | Fixed | 7.875% | 110,000 | 26,050 | 5,499 |
| NCN IRSA due 2020 | Unsecured | US\$ | Fixed | 11.5% | 150,000 | 25,105 | 40,604 |
| | | | | Badlar | | | |
| NCN IRSA due 2013 | Unsecured | Ps. | Floating | 2.49% | 153,152 | - | 52,240 |
| NCN IRSA due 2014 | Unsecured | US\$ | Fixed | 7.45% | 8,458 | - | 137,750 |
| Short-term loans | Unsecured | Ps. | Fixed | 29% | 31,432 | 27,350 | - |
| Bank overdrafts | Unsecured | Ps. | Floating | - | - | 143,375 | 418,730 |
| Syndicated loan (iv) | Unsecured | Ps. | Fixed | (iv) | 202,780 | 101,307 | 51,005 |
| Banco Provincia de Buenos Aires loan (v) | Unsecured | Ps. | Fixed | (v) | 42,556 | 33,333 | 9,625 |
| Seller financing of plot of land (vi) | Secured | US\$ | Fixed | 3.5% | 4,500 | 2,294 | 12,809 |
| Seller financing of Soleil Factory (i) | Secured | US\$ | Fixed | 5% | 12,610 | 3,787 | 3,397 |
| Seller financing of Arcos del Gourmet S.A. (ii) | Unsecured | US\$ | Fixed | 11.69% | - | - | 11,408 |
| Seller financing of Zetol S.A. (iii) | Secured | US\$ | Fixed | 3.5% | 2,618 | 20,329 | 1,544 |
| Related parties (Note 34) | Unsecured | US\$ | Fixed | 1.5% | 26,441 | 212,778 | - |
| Finance lease obligations | Secured | US\$ | Fixed | 7.5% | 499 | 1,855 | 1,243 |
| Total Current borrowings | | | | | | 618,586 | 772,529 |
| Borrowings | | | | | | 4,967,081 | 3,695,171 |

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.

(ii) Seller financing - Arcos del Gourmet S.A. (intangible assets).

(iii) 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.

(iv) 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).

(v) 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.

(vi) Seller financing of plot of land - Vista al Muelle S.A. in Canelones, Uruguay (Trading properties).

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24. Borrowings (Continued)

During the period ended March 31, 2014, the Group through APSA, acquired nominal value 770,000 of IRSA's Non-convertible Notes due 2020, for a total amount of Ps. 7.2 million and nominal value 1,000,000 of IRSA's Non-convertible Notes due 2017, for a total amount of Ps. 8.5 million. In addition, during the same period, the Group through PAMSA, acquired nominal value 3,125,000 of IRSA's Non-convertible Notes due 2020, for a total amount of Ps. 25.8 million. This acquisitions of own Non-convertible Notes generated a loss of Ps. 12.9 million included in "Financial results, net".

Notes issued by IRSA

NCN Class V and VI

On February 26, 2014 Class V and VI Non-Convertible notes were issued for the amount of Ps. 220.2 million.

Class V Non-Convertible notes were issued for the amount of Ps. 209,397,900. The securities were issued at par value and priced at a floating interest rate equal to Badlar rate plus 395 basis points. The principal of Class V will be repaid through a single payment on the maturity date. Class V matures within 18 months from the date of issue. Interest will be payable quarterly on the 26th day of May of 2014, August 26, 2014, November 26, 2014, February 26, 2015, May 26, 2015 and August 26, 2015.

Class VI Non-Convertible notes were issued for the amount of Ps. 10,790,322. The securities were issued at par value and priced at a floating interest rate equal to Badlar rate plus 450 basis points. The principal of Class V will be repaid through a single payment on the maturity date. Class V matures within 36 months from the date of issue. Interest will be payable quarterly on the 26th day of May of 2014, August 26, 2014, November 26, 2014, February 26, 2015 May 26, 2015 and August 26, 2015, November 26, 2015, February 26, 2016, May 26, 2016, August 26, 2016, November 28, 2016 and February 27, 2017.

25. Tax

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

| | March 31, 2014 | March 31, 2013 |
|---------------------|-------------------|-------------------|
| Current income tax | (185,112) | (165,190) |
| Deferred income tax | 297,410 | 77,956 |
| Income tax gain | 112,298 | (87,234) |

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25. Tax (Continued)

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

| | March 31, 2014 | June 30, 2013 |
|------------------------------------|-------------------|------------------|
| Beginning of the period /year | (310,700) | (376,977) |
| Acquisition of subsidiary | - | (26,103) |
| Currency translation adjustment | (22,723) | (4,068) |
| Income tax and deferred income tax | 297,410 | 96,448 |
| End of the period / year | (36,013) | (310,700) |

The Group did not recognize deferred income tax assets of Ps. 28.7 million and Ps. 32.5 million as of March 31, 2014 and June 30, 2013, 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 nine-month periods ended March 31, 2014 and 2013:

| | March 31, 2014 | March 31, 2013 |
|---|-------------------|-------------------|
| Tax calculated at the tax rates applicable to profits in the respective countries | (62,138) | 178,361 |
| Permanent differences: | | |
| Share of loss of associates and joint ventures | (35,942) | (5,289) |
| Unrecognized tax losses | (754) | (23,800) |
| Non-taxable income | (18,634) | (59,817) |
| Others | 5,170 | (2,221) |
| Income tax gain | (112,298) | 87,234 |

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.

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26. Shareholders' Equity (Continued)

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 period ended March 31, 2014, the Company repurchased 347,661 common shares (nominal value Ps. 1 per share) for a total of Ps. 3.0 million and 395,860 GDS (representing 3,958,600 common shares) for a total amount of US\$ 4.6 million.

Dividends

Dividends approved for distribution among shareholders for the year ended June 30, 2013 amounted to Ps. 250 million which were approved at the Annual General Shareholders' Meeting on October 31, 2013.

During the period ended March 31, 2014 the Company has paid dividends for an amount of Ps. 106.4 million.

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27. Revenues

| | March 31, 2014 | March 31, 2013 |
|-------------------------------------|-------------------|-------------------|
| Base rent | 779,963 | 600,070 |
| Contingent rent | 230,725 | 184,351 |
| Admission rights | 92,538 | 78,339 |
| Averaging scheduled rent escalation | 15,563 | 13,031 |
| Parking fees | 59,446 | 44,981 |
| Letting fees | 32,824 | 28,123 |
| Service charges | 533,128 | 422,078 |
| Property management fee | 19,821 | 25,229 |
| Others | 3,472 | 1,923 |
| Total rental and service income | 1,767,480 | 1,398,125 |
| Sale of trading properties | 25,933 | 20,175 |
| Revenue from hotel operations | 253,971 | 174,694 |
| Consumer financing | 457 | 1,100 |
| Total other revenues | 280,361 | 195,969 |
| Total revenues | 2,047,841 | 1,594,094 |

28. Cost

| | March 31, 2014 | March 31, 2013 |
|-------------------------------|-------------------|-------------------|
| Costs of rental and services | 778,261 | 654,310 |
| Costs of sale and development | 10,389 | 9,845 |
| Costs from hotel operations | 158,915 | 126,233 |
| Costs from consumer financing | 241 | 845 |
| Total costs | 947,806 | 791,233 |

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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 March 31, 2014:

| | Group Costs | | | | | | Total |
|---|------------------------------|-----------------------------|------------------------------|----------------------------|-------------------------------------|------------------|-----------|
| | Cost of sale and development | Cost of rental and services | Cost from consumer financing | Cost from hotel operations | General and administrative expenses | Selling expenses | |
| Salaries, social security costs and other personnel expenses | 106 | 215,906 | - | 90,079 | 63,305 | 16,104 | 385,500 |
| Maintenance, security, cleaning, repair and others | 2,627 | 181,554 | 3 | 18,778 | 11,390 | 482 | 214,834 |
| Depreciation and amortization | 4 | 156,105 | - | 8,285 | 4,161 | 171 | 168,726 |
| Advertising and other selling expenses | 11 | 118,212 | - | 3,352 | - | 18,489 | 140,064 |
| Taxes, rates and contributions | 1,823 | 62,543 | - | - | 6,307 | 50,741 | 121,414 |
| Directors' fees | - | - | - | - | 58,953 | - | 58,953 |
| Fees and payments for services | 34 | 20,464 | 236 | 1,726 | 30,333 | 3,977 | 56,770 |
| Food, beverage and other lodging expenses | - | - | - | 36,105 | 4,802 | 2,788 | 43,695 |
| Leases and expenses | 974 | 11,985 | - | 285 | 6,323 | 811 | 20,378 |
| Allowance for trade and other receivables (charge and recovery) | - | - | - | - | 38 | 5,392 | 5,430 |
| Cost of sales of properties | 4,786 | - | - | - | - | - | 4,786 |
| Others | 24 | 11,492 | 2 | 305 | 8,290 | 1,579 | 21,692 |
| Total expenses by nature | 10,389 | 778,261 | 241 | 158,915 | 193,902 | 100,534 | 1,242,242 |

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29. Expenses by nature (Continued)

For the period ended March 31, 2013:

| | Group costs | | | | | | Total |
|---|------------------------------|-----------------------------|------------------------------|----------------------------|-------------------------------------|------------------|-----------|
| | Cost of sale and development | Cost of rental and services | Cost from consumer financing | Cost from hotel operations | General and administrative expenses | Selling expenses | |
| Salaries, social security costs and other personnel expenses | 475 | 169,149 | 3 | 71,364 | 42,558 | 12,773 | 296,322 |
| Maintenance, security, cleaning, repairs and others | 1,929 | 157,114 | 34 | 16,307 | 8,085 | 487 | 183,956 |
| Depreciation and amortization | - | 147,156 | - | 10,851 | 4,573 | 163 | 162,743 |
| Advertising and other selling expenses | - | 86,539 | - | 3,655 | - | 12,113 | 102,307 |
| Taxes, rates and contributions | 1,041 | 47,515 | - | - | 5,229 | 36,690 | 90,475 |
| Directors' fees | - | - | - | - | 57,529 | - | 57,529 |
| Fees and payments for services | 103 | 22,466 | 802 | 969 | 22,679 | 2,632 | 49,651 |
| Food, beverage and other lodging expenses | - | - | - | 22,435 | 2,085 | 505 | 25,025 |
| Leases and expenses | 1,285 | 15,909 | - | 134 | 1,414 | 647 | 19,389 |
| Allowance for trade and other receivables (charge and recovery) | - | - | - | - | - | 5,648 | 5,648 |
| Cost of sales of properties | 4,984 | - | - | - | - | - | 4,984 |
| Others | 28 | 8,462 | 6 | 518 | 6,978 | 1,586 | 17,578 |
| Total expenses by nature | 9,845 | 654,310 | 845 | 126,233 | 151,130 | 73,244 | 1,015,607 |

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30. Employee costs

| | March 31, 2014 | March 31, 2013 |
|--|-------------------|-------------------|
| Salaries, bonuses and social security expenses | 372,339 | 290,387 |
| Equity incentive plan cost | 12,541 | 5,935 |
| Defined contribution plan cost | 620 | - |
| Total employee costs | 385,500 | 296,322 |

31. Other operating results, net

| | March 31, 2014 | March 31, 2013 |
|---------------------------------------|-------------------|-------------------|
| Gain from purchase of subsidiaries | - | 137,062 |
| Tax on shareholders' personal assets | (3,691) | (4,681) |
| Donations | (15,966) | (7,606) |
| Judgments and other contingencies (1) | (8,350) | (12,443) |
| Others | 214 | (5,159) |
| Total other operating results, net | (27,793) | 107,173 |

(1) Includes legal expenses.

32. Financial result, net

| | March 31, 2014 | March 31, 2013 |
|---|-------------------|-------------------|
| Finance income: | | |
| - Interest income | 42,590 | 22,816 |
| - Foreign exchange | 36,113 | 58,136 |
| - Dividends income | 10,741 | 20,470 |
| - Gain from repurchase of non-convertible Notes | - | 2,057 |
| Total finance income | 89,444 | 103,479 |
| Finance costs: | | |
| - Interest expense | (359,495) | (234,278) |
| - Foreign exchange | (1,138,470) | (291,627) |
| - Less from repurchase of non-convertible Notes | (12,874) | - |
| - Other finance costs | (40,124) | (33,674) |
| Subtotal finance costs | (1,550,963) | (559,579) |
| Less: Finance costs capitalized | 17,206 | 6,049 |

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| | | |
|---|-------------|------------|
| Total finance costs | (1,533,757) | (553,530) |
| Other finance costs: | | |
| - Fair value gain of financial assets at fair value through profit or loss, net | 229,823 | 147,527 |
| - Gain / (Loss) on derivative financial instruments, net | 27,492 | 4,228 |
| Total other finance costs | 257,315 | 151,755 |
| Total financial results, net | (1,186,998) | (298,296) |

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33. Share-based payments

Equity incentive plan

The Group incurred a charge of Ps. 12,541 million and Ps. 5,935 million for the nine-month periods ended March 31, 2014 and 2013, respectively, related to the awards granted under the Equity Incentive Plan and were granted 1,739,147 shares over the period.

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 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, 2013.

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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 March 31, 2014:

| Related party | Description of transaction | Investment in non-current assets | Investment in current assets | Trade and other receivables non-current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current | Derivative financial instruments current |
|--|-----------------------------|----------------------------------|------------------------------|---|--------------------------------------|----------------------------------|------------------------|--------------------|--|
| Parent Company | | | | | | | | | |
| Cresud S.A.C.I.F. y A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 4,316 | - | (27) | - | - |
| | Corporate services | - | - | - | - | - | (32,043) | - | - |
| | Sale of goods and services | - | - | - | 701 | - | - | - | - |
| | Borrowings | - | - | - | - | - | - | (212,713) | - |
| | Non-Convertible Notes | 7 | 15,902 | - | - | - | - | (56,054) | (1,443) |
| | Shared based payments | - | - | - | 624 | - | - | - | - |
| Total Parent Company | | 7 | 15,902 | - | 5,641 | - | (32,070) | (56,054) | (214,156) |
| Associates | | | | | | | | | |
| Banco Hipotecario S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 66 | - | (1,094) | - | - |
| | Borrowings | - | - | - | - | - | - | (27,780) | (18,855) |
| | Derivatives | - | - | - | - | - | - | - | (1,553) |
| | Leases and/or rights of use | - | - | - | 2,730 | - | - | - | - |
| Lipstick Management LLC | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 752 | - | - | - | - |
| New Lipstick LLC | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 2,261 | - | - | - | - |
| Banco de crédito y securitización | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 35 | - | - | - | - |
| | | - | - | - | 988 | - | - | - | - |

| | | | | | | | | | | |
|------------------|-----------------------------|---|---|---|-------|--------|----------|----------|-----------|----------|
| | Leases and/or rights of use | | | | | | | | | |
| Tarshop S.A. | Leases and/or rights of use | - | - | - | 19 | (185) | (234) | - | - | - |
| | Reimbursement of expenses | - | - | - | 620 | - | - | - | - | - |
| | Customers advances | - | - | - | - | - | (271) | - | - | - |
| Total Associates | | - | - | - | 7,471 | (185) | (1,599) | (27,780) | (18,855) | (1,553) |

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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)

| Related party | Description of transaction | Investment in financial assets non-current | Investment 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 |
|-----------------------------------|-----------------------------|--|--|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|--|
| Joint ventures | | | | | | | | | | |
| | Contributions to be paid in | - | - | - | 10 | - | - | - | - | - |
| Baicom Networks S.A. | | | | | | | | | | |
| | Management fees | - | - | - | 12 | - | - | - | - | - |
| | Borrowings | - | - | 1,103 | - | - | - | - | - | - |
| | Reimbursement of expenses | - | - | - | 16 | - | - | - | - | - |
| Entertainment Holding S.A. | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 138 | - | - | - | - | - |
| Boulevard Norte S.A. | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 564 | - | - | - | - | - |
| Cyrsa S.A. | | | | | | | | | | |
| | Borrowings | - | - | - | - | - | (6) | (125,012) | - | - |
| | Reimbursement of expenses | - | - | - | 60 | - | - | - | - | - |
| Nuevo Puerto Santa Fe S.A. | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 1,418 | - | - | - | - | - |
| | Proceeds from leasing | - | - | - | 12 | - | (13) | - | - | - |
| | Leases and/or rights of use | - | - | - | - | - | (94) | - | - | - |
| | Management fees | - | - | - | 36 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | - | - | (65) | - |
| Puerto Retiro S.A. | | | | | | | | | | |
| | Contributions to be paid in | - | - | - | 261 | - | - | - | - | - |
| | Borrowings | - | - | - | 4,706 | - | - | - | - | - |
| | Reimbursement of expenses | - | - | - | 200 | - | - | - | - | - |
| | | - | - | - | 1 | - | (45) | - | - | - |

| | | | | | | | | | | |
|----------------------|---------------------------|---|---|-------|-------|---|--------|------------|-------|---|
| Quality Invest S.A. | Management fees | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 59 | - | - | - | - | - |
| Total Joint Ventures | | - | - | 1,103 | 7,493 | - | (158) | (125,012) | (65) | - |

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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 non-current | 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 | - | (8) | - | - | - |
| Alafox S.A. | Reimbursement of expenses | - | - | - | 5 | - | - | - | - | - |
| Doneldon S.A. | Reimbursement of expenses | - | - | - | 5 | - | - | - | - | - |
| | Reimbursement of expenses | - | - | - | - | - | (5) | - | - | - |
| Exportaciones Agroindustriales | Advanced payments | - | - | - | 2,000 | - | - | - | - | - |
| Futuros y Opciones.com | | | | | | | | | | |
| S.A. | Reimbursement of expenses | - | - | - | 136 | - | (30) | - | - | - |
| Sedelor S.A. | Reimbursement of expenses | - | - | - | 5 | - | - | - | - | - |
| Codalis S.A. | Reimbursement of expenses | - | - | - | 5 | - | - | - | - | - |
| FyO Trading S.A. | Reimbursement of expenses | - | - | - | 1 | - | - | - | - | - |
| Total Subsidiaries of the parent company | | | | | | | | | | |
| | | - | - | - | 2,159 | - | (43) | - | - | - |
| Other related parties | | | | | | | | | | |
| Consultores | | | | | | | | | | |
| Asset Management | | | | | | | | | | |
| S.A. | Reimbursement of expenses | - | - | - | 2,824 | - | (147) | - | - | - |
| Estudio Zang, Bergel y Viñes | Advances | - | - | - | 17 | - | - | - | - | - |
| | Legal services | - | - | - | - | - | (526) | - | - | - |
| | Subscription | 872,673 | - | - | 2,143 | - | - | - | - | - |

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| | | | | | | | | | | |
|--------------------------------------|-----------------------------|---------|---|---|-------|---|--------|---|---|---|
| Dolphin Fund Ltd. | Reimbursement of expenses | - | - | - | - | - | - | - | - | - |
| Austral Gold | Reimbursement of expenses | - | - | - | 8 | - | - | - | - | - |
| Entretenimiento Universal S.A. | Reimbursement of expenses | - | - | - | 76 | - | - | - | - | - |
| Ogden Argentina S.A. | Reimbursement of expenses | - | - | - | 169 | - | - | - | - | - |
| Elsztain Managing Partners | Management fees | - | - | - | - | - | (30) | - | - | - |
| Fundación IRSA | Reimbursement of expenses | - | - | - | 69 | - | (1) | - | - | - |
| IRSA Real Estate Strategies LP | Capital contributions | - | - | - | - | - | (8) | - | - | - |
| Inversiones Financieras del Sur S.A. | Borrowings | - | - | - | 283 | - | (5) | - | - | - |
| Supertel | Borrowings | 15,747 | - | - | - | - | - | - | - | - |
| IRSA Developments LP | Capital contributions | - | - | - | - | - | (5) | - | - | - |
| | Reimbursement of expenses | - | - | - | 771 | - | (50) | - | - | - |
| Museo de los niños | Leases and/or rights of use | - | - | - | - | - | (3) | - | - | - |
| Total Other related parties | | 888,420 | - | - | 6,360 | - | (775) | - | - | - |

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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 non-current | 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 |
|---------------------------------------|----------------------------|---|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|--|
| Directors and Senior Management | | | | | | | | | | |
| Directors | Fees | - | - | - | - | - | -18,696 | - | - | - |
| | Reimbursement of expenses | - | - | - | 301 | - | -10 | - | - | - |
| | Guarantee deposits | - | - | - | - | -20 | - | - | - | - |
| Total Directors and Senior Management | | | | | | | | | | |
| | | - | - | | 301 | -20 | -18,706 | - | - | - |
| Total | | 895,42 | 15,902 | 1,103 | 29,425 | -205 | -53,351 | -208,846 | -233,076 | -1,553 |

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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 balances with related parties as of June 30, 2013:

| Related party | Description of transaction | Investments in financial assets non-current | 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 | - | - | - | 480 | - | -10,565 | - | - |
| | Corporate services | - | - | - | - | - | -33,927 | - | - |
| | Sale of real estate property | - | - | - | 701 | - | - | - | - |
| | Non-Convertible Notes | 14,001 | 16,655 | - | - | - | - | - | - |
| | Shared based payments | - | - | - | 1,331 | - | - | - | - |
| Total Parent company | | 14,001 | 16,655 | - | 2,512 | - | -44,492 | - | - |
| Associates | | | | | | | | | |
| Banco Hipotecario S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 298 | - | -372 | - | - |
| | Borrowings | - | - | - | - | - | - | -35,557 | -9,738 |
| | Non-Convertible Notes | - | 5,136 | - | - | - | - | - | - |
| | Mortgage bonds | - | 540 | - | - | - | - | - | - |
| | Leases and/or rights of use | - | - | - | 11 | - | - | - | - |
| Lipstick Management LLC | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 507 | - | - | - | - |
| Manibil S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | - | - | -781 | - | - |
| New Lipstick LLC | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 1,525 | - | - | - | - |
| Tarshop S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 1,759 | - | -1 | - | - |

| | Reimbursement of expenses | | | | | | | |
|------------------|---------------------------|-------|---|-----|---|--------|---------|--------|
| Total Associates | - | 5,676 | - | 4,1 | - | -1,154 | -35,557 | -9,738 |

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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 non-current | 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 |
|----------------------------|-----------------------------|---|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Joint Ventures | | | | | | | | | |
| Baicom Networks S.A. | Management fees | - | - | 1,007 | 1 | - | - | - | - |
| | Reimbursement of expenses | - | - | - | 18 | - | (2) | - | - |
| Boulevard Norte S.A. | Reimbursement of expenses | - | - | - | 29 | - | - | - | - |
| Cyrsa S.A. | Borrowings | - | - | - | - | - | - | (98,328) | - |
| | Reimbursement of expenses | - | - | - | 84 | - | (254) | - | - |
| Nuevo Puerto Santa Fe S.A. | Reimbursement of expenses | - | - | - | 275 | - | (141) | - | - |
| | Proceeds from leasing | - | - | - | 11 | - | (13) | - | - |
| | Leases and/or rights of use | - | - | - | - | - | (248) | - | - |
| | Management fees | - | - | - | 629 | - | - | - | - |
| Puerto Retiro S.A. | Contributions to be paid in | - | - | - | 101 | - | - | - | - |
| | Borrowings | - | - | - | 3,916 | - | - | - | - |
| | Reimbursement of expenses | - | - | - | 180 | - | - | - | - |
| Quality Invest S.A. | Management fees | - | - | - | 46 | - | (45) | - | - |
| | Reimbursement of expenses | - | - | - | 77 | - | - | - | - |
| | Borrowings | - | - | - | 500 | - | - | - | - |
| | | - | - | 1,007 | 5,867 | - | (703) | (98,328) | - |

Total Joint
Ventures

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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 non-current | 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 |
|---|----------------------------|---|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Subsidiaries of the parent company | | | | | | | | | |
| Helmir S.A. | Reimbursement of expenses | - | - | - | 1 | - | - | - | - |
| Alafox S.A. | Reimbursement of expenses | - | - | - | 49 | - | - | - | - |
| Doneldon S.A. | Reimbursement of expenses | - | - | - | 39 | - | - | - | - |
| Futuros y Opciones.com S.A. | Reimbursement of expenses | - | - | - | 40 | - | -8 | - | - |
| Sedelor S.A. | Reimbursement of expenses | - | - | - | 38 | - | - | - | - |
| Codalis S.A. | Reimbursement of expenses | - | - | - | 47 | - | - | - | - |
| FyO Trading S.A. | Reimbursement of expenses | - | - | - | 9 | - | - | - | - |
| Total Subsidiaries of the parent company | | - | - | - | 223 | - | -8 | - | - |
| Other related parties | | | | | | | | | |
| Consultores Asset Management S.A. (CAMSA) | Reimbursement of expenses | - | - | - | 2,57 | - | -41 | - | - |
| Estudio Zang, Bergel y Viñes | Advances | - | - | - | 14 | - | - | - | - |
| | Legal services | - | - | - | 22 | - | -979 | - | - |
| Dolphin Fund Ltd. | Subscription | 17,249 | - | - | - | - | - | - | - |
| | Reimbursement of expenses | - | - | - | 133 | - | - | - | - |
| Elsztain Realty Partners | Reimbursement of capital | - | - | - | - | - | -105,325 | - | - |
| Decater | Reimbursement of capital | - | - | - | - | - | -6,661 | - | - |
| Elsztain Managing Partners | Reimbursement of expenses | - | - | - | - | - | -61 | - | - |

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| | | | | | | | | | |
|--------------------------------------|-----------------------------|--------|---|---|-------|---|----------|---|---|
| Fundación IRSA | Reimbursement of expenses | - | - | - | 51 | - | -2 | - | - |
| Inversiones Financieras del Sur S.A. | Reimbursement of expenses | - | - | - | 261 | - | -3 | - | - |
| IRSA Developments LP | Reimbursement of expenses | - | - | - | 32 | - | -5 | - | - |
| Museo de los niños | Reimbursement of expenses | - | - | - | 133 | - | -11 | - | - |
| | Leases and/or rights of use | - | - | - | 928 | - | -3 | - | - |
| Total Other related parties | | 17,249 | - | - | 4,144 | - | -113,091 | - | - |

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34. Related party transactions (Continued)

| Related party | Description of transaction | Investments in financial assets non-current | 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 |
|---------------------------------------|----------------------------|---|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Directors and Senior Management | | | | | | | | | |
| Directors | Management fees | - | - | - | 7,599 | - | (11,754) | - | - |
| | Reimbursement of expenses | - | - | - | - | - | (69) | - | - |
| | Guarantee deposits | - | - | - | - | (20) | - | - | - |
| Total Directors and Senior Management | | | | | | | | | |
| | | - | - | - | 7,599 | (20) | (11,823) | - | - |
| Total | | 31,25 | 22,331 | 1,007 | 24,445 | (20) | (171,271) | (133,885) | (9,738) |

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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 nine-month period ended March 31, 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. | 1,303 | - | (75,285) | - | (3,123) | - | - |
| Total Parent company | 1,303 | - | (75,285) | - | (3,123) | - | - |
| Associates | | | | | | | |
| Banco Hipotecario S.A. | 344 | - | - | - | 43,614 | - | - |
| Banco de Crédito y Securitización | 530 | - | - | - | - | - | - |
| Tarshop S.A. | 4,399 | (239) | - | - | - | - | - |
| Total Associates | 5,273 | (239) | - | - | 43,614 | - | - |
| Joint Ventures | | | | | | | |
| Baicom Networks S.A. | - | 9 | - | - | 96 | - | - |
| Cyrsa S.A. | - | - | - | - | (14,596) | - | - |
| Nuevo Puerto Santa Fe S.A. | (426) | 1,090 | - | - | - | - | - |
| Puerto Retiro S.A. | - | - | - | - | 790 | - | - |
| Quality Invest S.A. | - | 162 | - | - | - | - | - |
| Total Joint Ventures | (426) | 1,261 | - | - | (13,710) | - | - |
| Other related parties | | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (2,220) | - | - | - |
| Fundación IRSA | - | - | - | - | - | (2,250) | - |
| Isaac Elsztain e hijos S.C.A. | (358) | - | - | - | - | - | - |
| Hamonet S.A. | (191) | - | - | - | - | - | - |
| Inversiones Financieras del | - | - | - | - | 232 | - | - |

| | | | | | | | |
|---------------------------------------|--------|-------|-----------|----------|--------|----------|-----------|
| Sur S.A. | | | | | | | |
| Total Other related parties | (549) | - | - | (2,220) | 232 | (2,250) | - |
| Directors and Senior Management | | | | | | | |
| Senior Management | - | - | - | - | - | - | (5,971) |
| Directors | - | - | - | - | - | - | (58,953) |
| Total Directors and Senior Management | | | | | | | |
| Senior Management | - | - | - | - | - | - | (64,924) |
| Total | 5,601 | 1,022 | (75,285) | (2,220) | 27,013 | (2,250) | (64,924) |

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34. Related party transactions (Continued)

The following is a summary of the transactions with related parties for the nine-month period ended March 31, 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. | 1,258 | (12,267) | (49,022) | - | 4,426 | - | - |
| Total Parent company | 1,258 | (12,267) | (49,022) | - | 4,426 | - | - |
| Associates | | | | | | | |
| Banco Hipotecario S.A. | - | - | - | - | 56 | - | - |
| Tarshop S.A. | 4,271 | - | 234 | - | - | - | - |
| Total Associates | 4,271 | - | 234 | - | 56 | - | - |
| Joint Ventures | | | | | | | |
| Baicom Networks S.A. | - | 9 | - | - | 71 | - | - |
| Canteras Natal Crespo S.A. | - | 72 | - | - | 8 | - | - |
| Cyrsa S.A. | - | - | - | - | (5,397) | - | - |
| Nuevo Puerto Santa Fe S.A. | (27) | 794 | - | - | - | - | - |
| Puerto Retiro S.A. | - | - | - | - | 343 | - | - |
| Quality Invest S.A. | - | 162 | - | - | 10 | - | - |
| Total Joint Ventures | (27) | 1,037 | - | - | (4,965) | - | - |
| Other related parties | | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (1,667) | - | - | - |
| Fundación IRSA | - | - | (2) | - | - | (1,420) | - |
| Isaac Elsztain e hijos S.C.A. | 136 | - | - | - | - | - | - |
| Consultores | | | | | | | |
| Assets | | | | | | | |
| Management S.A. | 140 | - | - | - | - | - | - |
| Hamonet S.A. | 72 | - | - | - | - | - | - |

| | | | | | | | |
|--|-------|-----------|-----------|----------|--------|----------|-----------|
| Inversiones Financieras del Sur S.A. | - | - | - | - | 155 | - | - |
| Total Other related parties | 348 | - | (2) | (1,667) | 155 | (1,420) | - |
| Directors and Senior Management Directors | - | - | - | - | - | - | (57,529) |
| Total Directors and Senior Management | - | - | - | - | - | - | (57,529) |
| Total | 5,850 | (11,230) | (48,790) | (1,667) | (328) | (1,420) | (57,529) |

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

35. Negative working capital

As of the period-end, the Group has recorded negative working capital which is currently under consideration of the Board of Directors and Management.

36. 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 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 |
| Exhibit E – Provisions | Note 17 Trading and other receivables and Note 23 Provisions |
| Exhibit F - Cost of sales and services provided | Note 38 Cost of sales and services provided |
| Exhibit G - Foreign currency assets and liabilities | Note 39 Foreign currency assets and liabilities |

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

37. Equity investments

| Issuer and type of securities | Class / Items | Amount | Issuer's information | | | | Last financial statements | | Common stock (nominal value) | Pro (lo for per) |
|--------------------------------|---------------------------|-------------|-------------------------------|-------------------------------|-----------------------------|-------------------------------|---------------------------|----------|------------------------------|------------------|
| | | | Value recorded as of 03.31.14 | Value recorded as of 06.30.13 | Market value as of 03.31.14 | Main activity | Registered office | Date | | |
| Joint Ventures | | | | | | | | | | |
| Baicom Networks S.A. | Common shares 1 vote | 4,701,455 | 3,083 | 3,035 | Not publicly traded | Real estate | Argentina | 03.31.14 | 9,403 | (6) |
| | Irrevocable contributions | | 340 | 390 | | | | | | |
| | Higher value | | 276 | 276 | | | | | | |
| Cyrsa S.A. | Common shares 1 vote | 119,608,531 | 147,125 | 129,627 | Not publicly traded | Real estate | Argentina | 03.31.14 | 239,217 | 34 |
| Entertainment Holdings S.A. | Common shares 1 vote | 22,395,574 | 19,694 | 12,709 | Not publicly traded | Investment | Argentina | 03.31.14 | 44,791 | -3 |
| | Irrevocable contributions | | 721 | - | | | | | | |
| | Lower / Higher value | | -23,192 | 24 | | | | | | |
| | Goodwill | | 26,647 | 10,652 | | | | | | |
| Entretenimiento Universal S.A. | Common shares 1 vote | 300 | -19 | - | Not publicly traded | Event organization and others | Argentina | 03.31.14 | 12 | '(2) |
| Nuevo Puerto Santa Fe S.A. | Common shares 1 vote | 138,75 | 20,541 | 16,504 | Not publicly traded | Commercial real estate | Argentina | 03.31.14 | 27,75 | 8, |
| | Higher value | | 4,024 | 4,155 | | | | | | |
| | Goodwill | | 1,323 | 1,323 | | | | | | |

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 | Issuer's information | | | | Last financial statement | | Common stock (nominal value) |
|---|---|-------------|--|--|--------------------------------------|--------------------|--------------------------|----------|---------------------------------------|
| | | | Value recorded as of 03.31.14 | Value recorded as of 06.30.13 | Market value as of 03.31.14 | Main activities | Registered office | Date | |
| Puerto Retiro S.A. | Common shares 1 vote Higher value | 23,067,250 | 14,29 29,209 | 15,696 29,209 | Not publicly traded | Real estate | Argentina | 03.31.14 | 46,135 |
| Quality Invest S.A. | Common shares 1 vote Irrevocable contributions Goodwill Higher value | 70,314,342 | 62,752 500 3,911 (2,881) | 63,21 - 3,911 (2,875) | Not publicly traded | Real estate | Argentina | 03.31.14 | 140,629 |
| Total Joint Ventures Associates | | | 308,344 | 287,846 | | | | | |
| Avenida Compras S.A. | Common shares 1 vote Goodwill | 23,077 | (60) 18 | - - | Not publicly traded | E-commerce | Argentina | 03.31.14 | 1,1 |
| Avenida Inc. S.A. | Common shares 1 vote Goodwill | 3,703,704 | 8,756 4,595 | - - | Not publicly traded | Investment | U.S.A. | 03.31.14 | (3) 2,001 |
| Banco de Crédito & Securitización S.A. | Common shares 1 vote | 3,984,375 | 13,43 | 9,901 | Not publicly traded | Financial | Argentina | 03.31.14 | 62,5 (|
| Banco Hipotecario S.A. | Common shares 1 vote | 446,515,208 | 1,193,003 | 1,036,669 | 1.78 | Financial | Argentina | 03.31.14 | 1,500,000 |

Higher value (1,267) (371)

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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 (Continued)

| Issuer and type of securities | Class / Items | Amount | Value | | | Issuer's information | | | Last financial statements | |
|--|---------------------------|------------|-------------------------|-------------------------|-----------------------------|----------------------|-------------------|----------|------------------------------|----------------|
| | | | recorded as of 03.31.14 | recorded as of 06.30.13 | Market value as of 03.31.14 | Main activities | Registered office | Date | Common stock (nominal value) | Pro (lo for pe |
| Bitania 26 S.A. | Common shares 1 vote | 4,724,203 | 11,962 | 11,069 | Not publicly traded | Real estate | Argentina | 03.31.14 | 20 | 1, |
| | Goodwill | | 1,736 | 1,736 | | | | | | |
| | Higher value | | 8,197 | 8,535 | | | | | | |
| Lipstick Management LLC | Common shares 1 vote | N/A | 1,618 | 799 | Not publicly traded | Management company | U.S.A. | 03.31.14 | - | (3) |
| | Irrevocable contributions | | 19 | - | | | | | | |
| Manibil S.A. | Common shares 1 vote | 30,397,880 | 35,785 | 26,25 | Not publicly traded | Real estate | Argentina | 03.31.14 | 62,037 | 7, |
| | Irrevocable contributions | | - | 6,5 | | | | | | |
| | Goodwill | | 10 | 10 | | | | | | |
| New Lipstick LLC | Common shares 1 vote | N/A | (159,568) | (39,091) | Not publicly traded | Real State | U.S.A. | 03.31.14 | - | (3) (2) |
| | Higher value | | (5,073) | (4,148) | | | | | | |
| Tarshop S.A. | Common shares 1 vote | 26,759,288 | 31,864 | 39,140 | Not publicly traded | Consumer financing | Argentina | 03.31.14 | 133,796 | (4) |
| | Higher value | | (5,073) | (4,148) | | | | | | |
| Total Associates | | | 1,145,025 | 1,096,999 | | | | | | |
| Total investments in associates and joint ventures | | | 1,453,369 | 1,384,845 | | | | | | |

(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) Correspond to the result of the period beginning January 1, 2014 and ended March 31, 2014.

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

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. Cost of sales and services provided

| Item | Service and other operating costs | Sale of trading properties | 03.31.14 | | 03.31.13 | |
|--|--|----------------------------------|----------|--------|------------|------------|
| | | | Hotels | Others | Total | Total |
| Inventories at the beginning of the year | - | 190,114 | 5,963 | - | 196,077 | 181,615 |
| Currency translation adjustment | - | 26,953 | - | - | 26,953 | 13,609 |
| Additions | - | 3,813 | 2,059 | - | 5,872 | 7,835 |
| Sales | - | (4,786) | - | - | (4,786) | (4,984) |
| Expenses incurred (Note 29) | 778,261 | 10,389 | 158,915 | 241 | 947,806 | 791,233 |
| Inventories at the end of the period | - | (216,094) | (8,022) | - | (224,116) | (198,075) |
| Costs at 03.31.14 | 778,261 | 10,389 | 158,915 | 241 | 947,806 | - |
| Costs at 03.31.13 | 654,310 | 9,845 | 126,233 | 845 | - | 791,233 |

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. Foreign currency assets and liabilities

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

| Items (3) | Amount of foreign currency (1) | Exchange rate prevailing (2) | Total as of 03.31.14 | Amount of foreign currency (1) | Exchange rate prevailing (2) | Total as of 06.30.13 |
|---|---|---------------------------------------|-------------------------|---|---------------------------------------|-------------------------|
| Assets | | | | | | |
| Trade and other receivables | | | | | | |
| US Dollar | 9,901 | 7.902 | 78,243 | 42,502 | 5.348 | 227,302 |
| Euros | 3 | 10.871 | 36 | 2 | 6.949 | 17 |
| Swiss francs | - | 8.932 | - | 77 | 5.660 | 437 |
| Uruguayan Pesos | 13,033 | 0.363 | 4,727 | 214 | 0.262 | 56 |
| Total Trade and other receivables, net | | | 83,006 | | | 227,812 |
| Investments in financial assets | | | | | | |
| US Dollar | 130,807 | 7.902 | 1,033,636 | 39,209 | 5.348 | 209,692 |
| Uruguayan Pesos | 502 | 0.363 | 182 | | | |
| Total investments in financial assets | | | 1,033,818 | | | 209,692 |
| Derivative financial instruments | | | | | | |
| US Dollar | - | - | - | 3,169 | 5.348 | 16,949 |
| Total derivative financial instruments | - | | - | | | 16,949 |
| Cash and cash equivalents | | | | | | |
| US Dollar | 22,387 | 7.902 | 176,900 | 107,602 | 5.348 | 575,453 |
| Euros | 109 | 10.871 | 1,184 | 102 | 6.949 | 712 |
| Brazilian Reais | 4 | 3.290 | 13 | 2 | 2.370 | 5 |
| Swiss francs | - | 8.932 | 1 | - | 5.660 | - |
| Uruguayan Pesos | 85 | 0.363 | 31 | 305 | 0.262 | 80 |
| Pounds | 2 | 13.173 | 31 | 2 | 8.080 | 20 |
| Total Cash and cash equivalents | | | 178,160 | | | 576,270 |
| Total assets as of 03.31.14 | | | 1,294,984 | | | - |
| Total assets as of 06.30.13 | | | | | | 1,030,723 |
| Liabilities | | | | | | |
| Trade and other liabilities | | | | | | |
| US Dollar | 7,091 | 8.002 | 56,743 | 31,947 | 5.388 | 172,131 |
| Euros | - | 11.028 | 3 | 16 | 7.015 | 112 |
| Uruguayan Pesos | 401 | 0.381 | 153 | - | 0.262 | - |
| Total Trade and other payables | | | 56,899 | | | 172,243 |
| Borrowings | | | | | | |

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| | | | | | | |
|---|---------|-------|------------------|---------|-------|------------------|
| US Dollar | 452,001 | 8.002 | 3,616,909 | 458,572 | 5.388 | 2,470,785 |
| Uruguayan Pesos | 170 | 0.381 | 65 | - | - | - |
| Total Borrowings | | | 3,616,974 | | | 2,470,785 |
| Derivative financial instruments | | | | | | |
| US Dollar | - | - | - | 321 | 5.388 | 1,732 |
| Total derivative financial instruments | | | - | | | 1,732 |
| Provisions | | | | | | |
| US Dollar | 200 | 8.002 | 1,600 | - | - | - |
| Total provisions | | | 1,600 | | | - |
| Total liabilities as of 03.31.14 | | | 3,675,473 | | | - |
| Total liabilities as of 06.30.13 | | | | | | 2,644,760 |

- (1) Considering foreign currencies those that differ from Company's functional currency at each period/year-end.
(2) Exchange rate as of March 31, 2014 and June 30, 2013 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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40. Incident

On February 5, 2014 there was a widely known fire in Iron Mountain's warehouse. Such company is a supplier of the Group and Group's documentation was being kept in the mentioned warehouse. To the date of these financial statements, the Group is waiting for the company that experienced the fire to report 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 operations.

41. Subsequent events

· On May 7, 2014, the transaction by which, Dolphin through Dolphin B.V. and ETH, acquired approximately 53.3% of IDBD was closed. Such percentage may be increased subject to the sale of certain assets by IDBD over the year.

In the above mentioned transaction, Dolphin B.V., together with other investors, have a 50% interest while ETH holds the remaining 50% of a total investment amount of US\$ 272 million (NIS 950 million). On the other hand, Dolphin B.V. has appointed Mr. Eduardo Sergio Elsztain, Saúl Zang and Alejandro Gustavo Elsztain to sit in the Board of IDBD.

Additionally, the Group signed a commitment to subscribe shares in the amount of US\$ 43.2 million of Dolphin B.V., a company incorporated under the laws of Netherlands and indirectly wholly controlled by Dolphin, for purposes of materializing the interest in the offering of new shares that IDBD intends to make.

• On April 24, 2014, the Regular Shareholders' Meeting of Banco Hipotecario S.A. approved the distribution of cash dividends on common shares in an amount of Ps. 42.0 million, for the fiscal year ended December 31, 2013. Out of this amount, Ps. 12.8 million, before income tax, pertain to the Group, based on its interest.

As of the date of issuance of these unaudited condensed interim consolidated financial statements, the availability of this dividend is liable to Banco Central de la República Argentina approval in accordance with the regulation disclosed by Communication "A" 5072, its amendments and complementary regulations. The BCRA has not yet issued its approval.

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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41. Subsequent events (Continued)

- On April 1, 2014, IRSA signed the transfer deed for the sale of the 5th and 6th floors and complementary units of the Building Costeros Dique IV. The total price of the transaction was Ps. 12.4 million (US\$ 1.5 million). Such transaction generated a gain before tax of approximately Ps. 10.5 million.
- On April 7, 2014, IRSA signed the transfer deed for the sale of the 21th and 22th floors, two parking units of the Building Maipú 1300 and four parking units of the building Libertador 498. The total price of the transaction was Ps. 24.1 million (US\$ 3.0 million). Such transaction generated a gain before tax of approximately Ps. 20.2 million.
- On April 10, 2014, IRSA signed the transfer deed for the sale of the 2nd floor of the Building Avenida de Mayo 589 and ten parking units of the building Rivadavia 565. The total price of the transaction was Ps. 24.2 million (US\$ 3.0 million). Such transaction generated a gain before tax of approximately Ps. 20.3 million.
- On May 6, 2014, IRSA signed the transfer deed for the sale of the Building Constitución 1159. The total price of the transaction was Ps. 23.3 million (US\$ 2.9 million). Such transaction generated a gain before tax of approximately Ps. 13.4 million.
- During April, in relation to the common share repurchase plan and GDS, the Company acquired 39,135 common shares in various transactions (N.V. Ps.1 per share) for a total amount of Ps. 0.45 million.
- On April 11, 2014, Shopping Neuquén S.A. sold Continental Urbana Sociedad Anónima Inversora of the plot of land denominated Ho, with an area of 3,007 m² of the land located in the city of Neuquén, in an amount of US\$ 0.09 million for purposes of building, developing and operating a hotel in accordance with the characteristics established in the conveyance deed of title and, as established in the agreement entered into with the Province of Neuquén, the Municipality of Neuquén and Shopping Neuquén S.A. in relation to the urban complex under development. The hotel is expected to open within a maximum term of 54 calendar months as from the date of the transaction. Upon failure to comply, the purchaser shall pay the seller a fine in the sum of US\$ 1.0 million.

Additionally, on April 11, 2014, the Shopping Neuquén S.A. and Continental Urbana Sociedad Anónima Inversora (Continental) entered into an agreement in relation to the urban complex under development whereby Continental paid Shopping Neuquén S.A. the sum of US\$ 1.6 million to participate in the commercial and residential project, and US\$ 0.1 million for reimbursement of road infrastructure expenses related to the plot of land on which the hotel is to be built. Both sums of money were fully paid up upon execution of this agreement.

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Limited Review Report

To the Shareholders, President and Board of Directors of
IRSA Inversiones y Representaciones Sociedad Anónima
C.U.I.T.: 30-52532274-9
Legal address: Bolívar 108 - 1° floor - Autonomous City of Buenos Aires

1. We have reviewed the accompanying unaudited condensed interim consolidated statement of financial position of IRSA Inversiones y Representaciones Sociedad Anónima and its subsidiaries as of March 31, 2014, and the related unaudited condensed interim consolidated statements of income and comprehensive income for the nine and three-month periods ended March 31, 2014, and the unaudited condensed interim consolidated statements of changes of shareholders' equity and unaudited condensed interim consolidated statements of cash flows for the nine-month period ended March 31, 2014 and selected explanatory notes. The balances and other information corresponding to the fiscal year ended June 30, 2013 and the interim periods within that fiscal year are an integral part of these financial statements and, therefore, they should be considered in relation to these financial statements.
 2. 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 International Financial Reporting Standards. The IFRS as issued by the International Accounting Standard Board were adopted as accounting standards by the Argentine Federation of Professional Councils in Economic Sciences and incorporated by the National Securities Commission to its regulations. Therefore, 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 International Accounting Standard 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 3.
 3. We conducted our review in accordance with Technical Resolution No. 7 issued by the FACPCE for a review of interim financial statements. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit, the objective of which is to express an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.
-

Limited Review Report (Continued)

4. Nothing came to our attention as a result of our review that caused us to believe that these unaudited condensed interim consolidated financial statements have not been prepared in all material respects in accordance with IAS 34.

5. In accordance with current regulations, we hereby inform 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 carried in all formal respects in conformity with legal requirements, and comply, as regards those matters that are within our competence, with the provisions set forth in the Commercial Companies Law and 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;
- d) at March 31, 2014, the debt of IRSA Inversiones y Representaciones Sociedad Anónima owed in favor of the Argentine Integrated Pension System which arises from accounting records and submissions amounted to Ps. 344,381, which was not callable at that date.

Autonomous City of Buenos Aires, May 12, 2014.

PRICE WATERHOUSE & Co. S.R.L.

ABELOVICH, POLANO & ASOCIADOS
S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17
Eduardo A. Loíacono
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 326 F° 94

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 30
Marcelo Héctor Fuxman
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 134 F° 85

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Financial Statements as of March 31, 2014 and for the nine-month periods ended March 31, 2014 and 2013

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited condensed interim separate statements of financial position

as of March 31, 2014 and June 30, 2013

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

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| | Note | 03.31.2014 | 06.30.2013 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Investment properties | 6 | 767,435 | 804,788 |
| Property, plant and equipment | 7 | 8,310 | 8,681 |
| Trading properties | 8 | 61,955 | 62,762 |
| Intangible assets | 9 | 5,770 | 5,938 |
| Investments in subsidiaries, associates and joint ventures | 5 | 4,048,678 | 3,570,642 |
| Deferred income tax assets | 20 | 335,083 | 47,144 |
| Income tax and minimum presumed income tax credit | | 122,169 | 102,375 |
| Trade and other receivables | 12 | 320,427 | 85,862 |
| Investments in financial assets | 13 | 96 | 87 |
| Total Non-current Assets | | 5,669,923 | 4,688,279 |
| Current Assets | | | |
| Trading properties | 8 | 3,406 | 3,901 |
| Inventories | 10 | 582 | 463 |
| Trade and other receivables | 12 | 149,403 | 251,678 |
| Investments in financial assets | 13 | 26,810 | 72,713 |
| Derivative financial instruments | 14 | 4,480 | - |
| Cash and cash equivalents | 15 | 45,248 | 62,788 |
| Total Current Assets | | 229,929 | 391,543 |
| TOTAL ASSETS | | 5,899,852 | 5,079,822 |
| SHAREHOLDERS' EQUITY | | | |
| Shared capital | | 574,188 | 578,676 |
| Treasury stock | | 4,488 | - |
| Inflation adjustment of share capital | | 123,329 | 123,329 |
| Share premium | | 793,123 | 793,123 |
| Cost of treasury stock | | (32,998) | - |
| Acquisition of additional interest in subsidiaries | | (20,782) | (20,782) |
| Reserve for share-based payments | | 20,375 | 8,258 |
| Legal reserve | | 116,840 | 85,140 |
| Special reserve | | 375,487 | 395,249 |
| Reserve for new developments | | 469,831 | 492,441 |
| Cumulative translation adjustment | | 156,905 | 50,776 |
| Retained earnings | | (91,280) | 239,328 |
| TOTAL SHAREHOLDERS' EQUITY | | 2,489,506 | 2,745,538 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Trade and other payables | 16 | 7,121 | 7,054 |
| Borrowings | 19 | 2,831,787 | 1,796,521 |
| Provisions | 18 | 3,801 | 6,877 |
| Total Non-Current Liabilities | | 2,842,709 | 1,810,452 |
| Current Liabilities | | | |
| Trade and other payables | 16 | 72,956 | 77,706 |

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| | | | |
|---|----|------------------|------------------|
| Minimum presumed income tax | | 9,483 | 10,536 |
| Salaries and social security liabilities | 17 | 3,036 | 5,490 |
| Borrowings | 19 | 471,604 | 423,835 |
| Provisions | 18 | 10,558 | 6,265 |
| Total Current Liabilities | | 567,637 | 523,832 |
| TOTAL LIABILITIES | | 3,410,346 | 2,334,284 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 5,899,852 | 5,079,822 |

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Fernando A. Elsztain
Fernando A. Elsztain
Director Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited condensed interim separate statements of income

for the nine and three-month periods beginning on July 1st, 2013 and 2012

and January 1st, 2014 and 2013 and ended March 31, 2014 and 2013

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

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| | Note | Nine months | | Three months | |
|---|------|--------------|------------|--------------|------------|
| | | 03.31.2014 | 03.31.2013 | 03.31.2014 | 03.31.2013 |
| Revenues | 22 | 220,633 | 207,196 | 81,747 | 69,735 |
| Costs | 23 | (70,505) | (80,683) | (23,744) | (26,578) |
| Gross profit | | 150,128 | 126,513 | 58,003 | 43,157 |
| Gain from disposal of investment properties | 6 | 115,362 | 63,783 | 107,881 | 7,824 |
| General and administrative expenses | 24 | (58,444) | (56,828) | (19,314) | (17,910) |
| Selling expenses | 24 | (18,233) | (12,415) | (5,156) | (5,110) |
| Other operating results, net | 26 | (5,603) | (11,080) | (918) | (1,795) |
| Profit from operations | | 183,210 | 109,973 | 140,496 | 26,166 |
| Share of profit of subsidiaries, associates, and joint ventures | 5 | 447,229 | 439,099 | 189,449 | 151,428 |
| Profit from operations before financial results and income tax | | 630,439 | 549,072 | 329,945 | 177,594 |
| Finance income | 27 | 123,177 | 64,577 | 64,956 | 21,821 |
| Finance cost | 27 | (1,127,645) | (391,225) | (600,778) | (130,732) |
| Other financial results | 27 | (5,940) | 26,440 | (4,029) | - |
| Financial results, net | 27 | (1,010,408) | (300,208) | (539,851) | (108,911) |
| (Loss) / Profit before income tax | | (379,969) | 248,864 | (209,906) | 68,683 |
| Income tax | 20 | 287,939 | 71,774 | 139,554 | 28,173 |
| (Loss) / Profit for the period | | (92,030) | 320,638 | (70,352) | 96,856 |
| (Loss) / Profit per share for the period: | | | | | |
| Basic | | (0.160) | 0.554 | (0.123) | 0.167 |
| Diluted | | (0.160) | 0.554 | (0.123) | 0.167 |

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Fernando A. Elsztain
 Fernando A. Elsztain
 Director Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited condensed interim separate statements of comprehensive income

for the nine and three-month periods beginning on July 1st, 2013 and 2012

and January 1st, 2014 and 2013 and ended March 31, 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.

| | Nine months | | Three months | |
|---|-------------|------------|--------------|------------|
| | 03.31.2014 | 03.31.2013 | 03.31.2014 | 03.31.2013 |
| (Loss) / Profit for the period | (92,030) | 320,638 | (70,352) | 96,856 |
| Other Comprehensive Income: | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Currency translation adjustment of subsidiaries, associates, and joint ventures | 106,129 | 36,913 | 54,693 | 13,492 |
| Other comprehensive income for the period (i) | 106,129 | 36,913 | 54,693 | 13,492 |
| Total comprehensive income for the period | 14,099 | 357,551 | (15,659) | 110,348 |

(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/ Fernando A. Elsztain
 Fernando A. Elsztain
 Director Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited condensed interim separate statements of changes in shareholders' equity

for the nine-month periods ended March 31, 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 | Acquisition of interest in subsidiaries | Cumulative translation adjustments | Reserve for share-based compensation | Legal reserve | Reserve for new developments | Spec |
|--|---------------|----------------|--|---------------|------------------------|---|------------------------------------|--------------------------------------|---------------|------------------------------|----------|
| Balance at June 30, 2013 | 578,676 | - | 123,329 | 793,123 | - | (20,782) | 50,776 | 8,258 | 85,140 | 492,441 | 395,129 |
| Loss for the period | - | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | 106,129 | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | 106,129 | - | - | - | - |
| Appropriation of retained earnings approved by Shareholders' meeting held 10.31.13 | - | - | - | - | - | - | - | - | 31,700 | (22,610) | (19,910) |
| Distribution of dividends approved by Shareholders' meeting held 10.31.13 | - | - | - | - | - | - | - | - | - | - | - |
| Reserve for share-based compensation | - | - | - | - | - | - | - | 12,117 | - | - | - |
| Purchase of Treasury stock | (4,488) | 4,488 | - | - | (32,998) | - | - | - | - | - | - |
| Reimbursement of expired dividends | - | - | - | - | - | - | - | - | - | - | - |
| Balance at March 31, 2014 | 574,188 | 4,488 | 123,329 | 793,123 | (32,998) | (20,782) | 156,905 | 20,375 | 116,840 | 469,831 | 375,219 |

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. 957 of inflation adjustment of Treasury Stock. See Note 21.

IRSA Inversiones y Representaciones S.A.

By: /s/ Fernando A. Elsztain
Fernando A. Elsztain
Director Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited condensed interim separate statements of changes in shareholders' equity
for the nine-month periods ended March 31, 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 | Inflation adjustment of share capital | Share premium | Acquisition of additional interest in subsidiaries | Reserve for share-based compensation | Legal reserves | Reserve for new developments | Cumulative translation adjustment | Retained earnings | Total Shareholders' equity |
|--|------------------|--|------------------|---|---|-------------------|------------------------------------|---|----------------------|----------------------------------|
| Balance at July 1st, 2012 | 578,676 | 274,387 | 793,123 | (15,714) | 2,595 | 71,136 | 419,783 | 14,502 | 510,853 | 2,649,341 |
| Profit for the period | - | - | - | - | - | - | - | - | 320,638 | 320,638 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | 36,913 | - | 36,913 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | 36,913 | 320,638 | 357,551 |
| Appropriation of retained earnings approved by Shareholders' meeting held 10.31.12 | - | - | - | - | - | 14,004 | 72,658 | - | (86,662) | - |
| Reclassification of the deferred tax liability – Approved by Shareholders' meeting held 10.31.12 | - | (151,058) | - | - | - | - | - | - | 151,058 | - |
| Distribution of dividends approved by Shareholders' meeting held 10.31.12 | - | - | - | - | - | - | - | - | (180,000) | (180,000) |
| Reserve for share-based compensation | - | - | - | - | 5,726 | - | - | - | - | 5,726 |
| Cumulative translation | - | - | - | - | - | - | - | (12,915) | - | (12,915) |

| | | | | | | | | | | |
|--|---------|---------|---------|----------|-------|--------|---------|--------|---------|-----------|
| adjustment for interest held before business combination | | | | | | | | | | |
| Acquisition of additional interest in subsidiaries | - | - | - | (1,540) | - | - | - | - | - | (1,540) |
| Reimbursement of expired dividends | - | - | - | - | - | - | - | - | 591 | 591 |
| Balance at March 31, 2013 | 578,676 | 123,329 | 793,123 | (17,254) | 8,321 | 85,140 | 492,441 | 38,500 | 716,478 | 2,818,754 |

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Fernando A. Elsztain
 Fernando A. Elsztain
 Director Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited condensed interim separate statements of cash flows

for the nine-month periods ended March 31, 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 | 03.31.2014 | 03.31.2013 |
|--|------|------------|------------|
| Operating activities: | | | |
| Cash generated from the operations | 15 | 84,664 | 94,540 |
| Income tax paid | | (20,847) | (16,445) |
| Net cash generated by operating activities | | 63,817 | 78,095 |
| Investing activities: | | | |
| Capital contributions to subsidiaries, associates and joint ventures | 5 | (36,917) | (88,717) |
| Additions of investment properties | 6 | (2,964) | (2,242) |
| Proceeds from sale of investment properties | 6 | 254,650 | 91,123 |
| Proceeds from sale of joint ventures | | 15,536 | - |
| Additions of property, plant and equipment | 7 | (555) | (1,023) |
| Additions of intangible assets | 9 | - | (156) |
| Additions of investments in financial assets | | (147,274) | (1,724) |
| Proceeds from sale of investments in financial assets | | 159,443 | 247,553 |
| Interest received from subsidiaries, associates and joint ventures | | 1,986 | 15,121 |
| Loans granted to subsidiaries, associates and joint ventures | | (150,608) | (24,555) |
| Loans repayments received from subsidiaries, associates and joint ventures | | 7,267 | 17,882 |
| Dividends received | | 162,498 | 142,410 |
| Net cash generated by operating activities | | 263,062 | 395,672 |
| Financing activities: | | | |
| Bank overdrafts, net | | (63,010) | (52,491) |
| Repayments of borrowings | | - | (81,028) |
| Payment of non-convertible notes | | (214,593) | (51,046) |
| Dividends paid | 21 | (89,827) | (163,216) |
| Interest paid | | (230,197) | (190,110) |
| Proceeds from borrowings | | 25,000 | - |
| Repurchase of treasury stock | | (32,998) | - |
| Acquisition of derivative financial instruments | | (903) | - |
| Payment of borrowings from subsidiaries, associates and joint ventures | | - | (2,715) |
| Acquisition of non-controlling interest in subsidiaries | | - | (648) |
| Proceeds from borrowings from subsidiaries, associates and joint ventures | | 35,663 | 107,071 |
| Issuance of non-convertible notes | | 218,262 | - |
| Net cash used in financing activities | | (352,603) | (434,183) |
| Net increase in cash and cash equivalents | | (25,724) | 39,584 |
| Cash and cash equivalents at the beginning of the year | 15 | 62,788 | 76,872 |
| Foreign exchange gain on cash and cash equivalents | | 8,184 | 5,882 |
| Cash and cash equivalents at end of period | | 45,248 | 122,338 |

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Fernando A. Elsztain
Fernando A. Elsztain
Director Acting as 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 the 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, 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.

These Unaudited Condensed Interim Separate Financial Statements have been approved for issue by the Board of Directors on May 12, 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, 2013 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)
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)

These Condensed Interim Separate Financial Statements corresponding to the nine and three-month periods ended March 31, 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 nine and three-month periods ended March 31, 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, 2013, and are based on those IFRS in force as of June 30, 2013 (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, 2013, 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 March 31, 2013 and June 30, 2013 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 period, the Argentine Peso devalued against the US\$ and other currencies by around 32%, 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 nine-month period ended March 31, 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, 2013. 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, 2013, 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 nine-month period ended March 31, 2014 and for the year ended June 30, 2013:

Subsidiaries, Associates and Joint ventures

| | March 31, 2014 | June 30, 2013 |
|---|-------------------|------------------|
| Beginning of period /year | 3,570,642 | 3,357,430 |
| Capital contribution | 98,711 | 143,634 |
| Disposal of subsidiaries | - | (5,436) |
| Share of profit, net | 447,229 | 346,772 |
| Translation adjustment | 106,129 | 36,274 |
| Cash dividends (i) | (184,194) | (308,479) |
| Reimbursement of expired dividends | 750 | 591 |
| Acquisition of non-controlling interest | - | (4,420) |
| Reserve for share-based payments | 9,411 | 4,276 |
| End of the period /year | 4,048,678 | 3,570,642 |

(i) During the period ended March 31, 2014, BHSA, Palermo Invest S.A., Inversora Bolivar S.A., APSA, E-Commerce Latina S.A., Manibil S.A., distributed dividends for an amount of Ps. 1.5 million, Ps. 6.3 million, Ps. 7.7 million, Ps. 160.2 million, Ps. 7.7 million and Ps. 0.8 million. During the year ended June 30, 2013, APSA, Nuevas Fronteras S.A., BHSA and Manibil S.A. distributed dividends for an amount of Ps. 292.9 million, Ps. 5.6 million, Ps. 5.1 million and Ps. 4.8 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 nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

| | Offices and other rental properties portfolio | Undeveloped parcel of lands | Total |
|------------------------------|--|-----------------------------------|------------|
| At July 1st, 2012: | | | |
| Costs | 908,650 | 117,556 | 1,026,206 |
| Accumulated depreciation | (135,773) | - | (135,773) |
| Residual value | 772,877 | 117,556 | 890,433 |
| Year ended June 30, 2013: | | | |
| Additions | 4,793 | - | 4,793 |
| Disposals | (62,700) | - | (62,700) |
| Depreciation charge (i) | (27,738) | - | (27,738) |
| Residual value at year end | 687,232 | 117,556 | 804,788 |
| At June 30, 2013: | | | |
| Costs | 849,280 | 117,556 | 966,836 |
| Accumulated depreciation | (162,048) | - | (162,048) |
| Residual value | 687,232 | 117,556 | 804,788 |
| Period ended March 31, 2014: | | | |
| Additions | 2,964 | - | 2,964 |
| Disposals | (20,352) | - | (20,352) |
| Depreciation charge (i) | (19,965) | - | (19,965) |
| Residual value at period end | 649,879 | 117,556 | 767,435 |
| At March 31, 2014: | | | |
| Costs | 831,892 | 117,556 | 949,448 |
| Accumulated depreciation | (182,013) | - | (182,013) |
| Residual value | 649,879 | 117,556 | 767,435 |

(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:

| | March 31, 2014 | March 31, 2013 |
|---|-------------------|-------------------|
| Rental and service income | 213,760 | 191,282 |
| Direct operating expenses | (67,317) | (75,114) |
| Gain from disposal of investment properties | 115,362 | 63,783 |

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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7. Property, plant and equipment

Changes in Company's property, plant and equipment for the nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

| | Buildings and facilities | Furniture and fixtures | Machinery and equipment | Vehicles | Total |
|------------------------------|--------------------------------|---------------------------|-------------------------------|----------|-----------|
| At July 1st, 2012: | | | | | |
| Costs | 18,189 | 3,650 | 11,131 | 221 | 33,191 |
| Accumulated depreciation | (11,326) | (2,610) | (10,269) | (221) | (24,426) |
| Residual value | 6,863 | 1,040 | 862 | - | 8,765 |
| Year ended June 30, 2013: | | | | | |
| Additions | 1,067 | 62 | 578 | - | 1,707 |
| Disposals | - | (602) | - | - | (602) |
| Depreciation charge (i) | (687) | (58) | (444) | - | (1,189) |
| Residual value at year end | 7,243 | 442 | 996 | - | 8,681 |
| At June 30, 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 |
| Period ended March 31, 2014: | | | | | |
| Additions | 108 | 2 | 445 | - | 555 |
| Depreciation charge (i) | (487) | (47) | (392) | - | (926) |
| Residual value at period end | 6,864 | 397 | 1,049 | - | 8,310 |
| At March 31, 2014: | | | | | |
| Costs | 19,364 | 3,112 | 12,154 | 221 | 34,851 |
| Accumulated depreciation | (12,500) | (2,715) | (11,105) | (221) | (26,541) |
| Residual value | 6,864 | 397 | 1,049 | - | 8,310 |

(i) Depreciation charges of property, plant and equipment were included in "Costs" and "General and administrative expenses" in 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

8. Trading properties

Changes in Company's trading properties for the nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

| | Completed properties | Properties under development | Under developed sites | Total |
|-------------------|-------------------------|------------------------------------|-----------------------------|----------|
| At July 1st, 2012 | 9,160 | 52,205 | 9,750 | 71,115 |
| Disposals (i) | (4,452) | - | - | (4,452) |
| At June 30, 2013 | 4,708 | 52,205 | 9,750 | 66,663 |
| Disposals (i) | (1,302) | - | - | (1,302) |
| At March 31, 2014 | 3,406 | 52,205 | 9,750 | 65,361 |

(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 nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

| | Goodwill | Computer Software | Total |
|------------------------------|----------|----------------------|----------|
| At July 1st, 2012: | | | |
| Costs | 5,481 | 1,601 | 7,082 |
| Accumulated depreciation | - | (1,095) | (1,095) |
| Residual value | 5,481 | 506 | 5,987 |
| Year ended June 30, 2013: | | | |
| Additions | - | 224 | 224 |
| Amortization charge (i) | - | (273) | (273) |
| Residual value at year end | 5,481 | 457 | 5,938 |
| At June 30, 2013: | | | |
| Costs | 5,481 | 1,825 | 7,306 |
| Accumulated depreciation | - | (1,368) | (1,368) |
| Residual value | 5,481 | 457 | 5,938 |
| Period ended March 31, 2014: | | | |
| Amortization charge (i) | - | (168) | (168) |
| Residual value at period end | 5,481 | 289 | 5,770 |
| At March 31, 2014: | | | |
| Costs | 5,481 | 1,825 | 7,306 |
| Accumulated depreciation | - | (1,536) | (1,536) |
| Residual value | 5,481 | 289 | 5,770 |

(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 March 31, 2014 and June 30, 2013 were as follows:

| | March 31, 2014 | June 30, 2013 |
|-------------------------------------|-------------------|------------------|
| Current | | |
| Materials and other inventories (i) | 582 | 463 |
| Total inventories | 582 | 463 |

(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 show the financial assets and financial liabilities of the Company that are measured at fair value as of March 31, 2014 and June 30, 2013 and their allocation to the fair value hierarchy:

| | March 31, 2014 | | | |
|--|----------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities of TGLT | 96 | - | - | 96 |
| - Mutual funds | 4,212 | - | - | 4,212 |
| - Government Bonds | 22,598 | - | - | 22,598 |
| Derivative financial instruments: | | | | |
| - Interest rate swaps | - | 4,480 | - | 4,480 |
| Cash and cash equivalents: | | | | |
| - Mutual funds | 98 | - | - | 98 |
| Total assets | 27,004 | 4,480 | - | 31,484 |

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

11. Financial instruments by category (Continued)

| | June 30, 2013 | | | |
|--|---------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities of TGLT | 84 | - | - | 84 |
| - Mutual funds | 2,851 | - | - | 2,851 |
| - Government Bonds | 69,865 | - | - | 69,865 |
| Cash and cash equivalents: | | | | |
| - Mutual funds | 67 | - | - | 67 |
| Total assets | 72,867 | - | - | 72,867 |

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).

As of March 31, 2014 and June 30, 2013 the Company does not have liabilities measured at fair value.

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12. Trade and other receivables

Company's trade and other receivables as of March 31, 2014 and June 30, 2013 are as follows:

| | March 31, 2014 | June 30, 2013 |
|--|-------------------|------------------|
| Non-current | | |
| Sale, leases and services receivable | 1,097 | 1,702 |
| Total non-current trade receivables | 1,097 | 1,702 |
| Trade receivables of joint ventures | 3,161 | 2,147 |
| Others | 623 | 527 |
| Total non-current other receivables | 3,784 | 2,674 |
| Related parties (Note 29) | 315,546 | 81,486 |
| Total non-current trade and other receivables | 320,427 | 85,862 |
| Current | | |
| Sale, leases and services receivable | 36,956 | 143,831 |
| Checks to be deposited | 305 | 85 |
| Debtors under legal proceedings | 9,092 | 6,010 |
| Less: allowance for trade receivables | (8,862) | (5,359) |
| Total trade receivables | 37,491 | 144,567 |
| Trade receivables of joint ventures | 7,270 | 20,555 |
| Gross sales tax credit | 32 | 1,165 |
| Other tax receivables | 1,869 | 2,182 |
| Prepaid expenses | 2,563 | 3,070 |
| Expenses and services to recover | 2,909 | 2,077 |
| Advance payments | 3,726 | 2,973 |
| Others | 1,214 | 668 |
| Less: allowance for other receivables | (23) | (23) |
| Total current other receivables | 19,560 | 32,667 |
| Related parties (Note 29) | 92,352 | 74,444 |
| Total current trade and other receivables | 149,403 | 251,678 |
| Total trade and other receivables | 469,830 | 337,540 |

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12. Trade and other receivables (Continued)

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

| | March 31, 2014 | June 30, 2013 |
|--------------------------------|-------------------|------------------|
| Beginning of period / year | 5,382 | 4,783 |
| Additions of the period / year | 5,011 | 1,491 |
| Unused amounts reversed | (1,508) | (892) |
| End of period / year | 8,885 | 5,382 |

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 March 31, 2014 and June 30, 2013 are as follows:

| | March 31, 2014 | June 30, 2013 |
|---|-------------------|------------------|
| Non-current | | |
| Financial assets at fair value | | |
| Investment in equity securities in TGLT | 96 | 84 |
| Government bonds | - | 3 |
| Total non-current investments in financial assets | 96 | 87 |
| Current | | |
| Financial assets at fair value | | |
| Mutual funds | 4,212 | 2,851 |
| Government bonds | 22,598 | 69,862 |
| Total current investments in financial assets | 26,810 | 72,713 |
| Total investments in financial assets | 26,906 | 72,800 |

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14. Derivative financial instruments

Company's derivative financial instruments as of March 31, 2014 and June 30, 2013 are as follows:

| | March 31, 2014 | June 30, 2013 |
|--|-------------------|------------------|
| Assets | | |
| Current | | |
| Interest rate swaps (i) | 4,480 | - |
| Total derivative financial instruments | 4,480 | - |

(i) During this nine-month period, 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 March 31, 2014 and June 30, 2013:

| | March 31, 2014 | June 30, 2013 |
|---------------------------------|-------------------|------------------|
| Cash at bank and on hand | 45,150 | 62,721 |
| Mutual funds | 98 | 67 |
| Total cash and cash equivalents | 45,248 | 62,788 |

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15. Cash flow information (Continued)

Following is a detailed description of cash flows generated by the Company's operations for the nine-month periods ended March 31, 2014 and 2013:

| | Note | March 31, 2014 | March 31, 2013 |
|--|--------|-------------------|-------------------|
| (Loss) / Profit for the period | | (92,030) | 320,638 |
| Adjustments for: | | | |
| Income tax expense | 20 | (287,939) | (71,774) |
| Amortization and depreciation | 24 | 21,059 | 21,994 |
| Gain from disposal of investment properties | 6 | (115,362) | (63,783) |
| Disposals of unused property, plant and equipment | 7 | - | 357 |
| Gain from disposal of financial assets | | - | (10,299) |
| Share-based payments | 25, 28 | 2,706 | 1,102 |
| Changes in fair value of investments in financial assets | 27 | 9,517 | (26,440) |
| Loss on derivative financial instruments | | (3,577) | - |
| Interest expense, net | | 223,501 | 157,190 |
| Provisions | | 24,923 | 38,472 |
| Share of profit of subsidiaries, associates and joint ventures | | (447,229) | (439,099) |
| Unrealized foreign exchange loss, net | | 816,095 | 175,547 |
| Changes in operating assets and liabilities: | | | |
| Increase in inventories | | (119) | (37) |
| Decrease in trading properties | | 1,302 | 3,867 |
| (Increase) / Decrease in trade and other receivables | | (40,447) | 19,967 |
| Decrease in trade and other payables | | (23,678) | (28,944) |
| Decrease in salaries and social security liabilities | | (2,454) | (4,218) |
| Decrease in provisions | | (1,604) | - |
| Net cash generated by operating activities | | 84,664 | 94,540 |

| Additional information | | March 31, 2014 | March 31, 2013 |
|--|---|-------------------|-------------------|
| Increase in investments in financial assets through an increase in borrowings | | - | 18,767 |
| Dividends receivable | | - | 5,615 |
| Increase in investments in subsidiaries through a decrease in trade and other receivables | | - | 25,678 |
| Acquisition of non-controlling interest | | - | 1,540 |
| Reimbursement of expired dividends | 5 | 750 | 591 |
| Dividends payable | | - | 52,487 |
| Reserve for share-based payments | 5 | 9,411 | 4,624 |
| Cumulative translation adjustment | | 106,129 | 23,998 |
| Decrease in borrowings through a decrease in equity investments in subsidiaries, associates and joint ventures | | 21,696 | - |
| Decrease in trade and other receivables through an increase in investments in subsidiaries | | 61,794 | - |
| Increase in borrowings through a decrease in dividends payable | | 160,173 | - |
| Increase in trade and other receivables through a decrease in investments in financial assets | | 36,091 | - |
| Increase in trade and other receivables through a decrease in borrowings | | 15,599 | - |

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16. Trade and other payables

Company's trade and other payables as of March 31, 2014 and June 30, 2013 are as follows:

| | March 31, 2014 | June 30, 2013 |
|---|-------------------|------------------|
| Non-current | | |
| Sales, rent and services payments received in advance | 555 | 2,027 |
| Guarantee deposits | 5,067 | 4,768 |
| Total non-current trade payables | 5,622 | 6,795 |
| Others | | |
| Tax on Shareholders' personal assets payable | 1,109 | - |
| Total non-current other payables | 1,477 | 242 |
| Related parties (Note 29) | 22 | 17 |
| Total non-current trade and other payables | 7,121 | 7,054 |
| Current | | |
| Trade payables | 8,042 | 8,401 |
| Invoices to be received | 10,174 | 13,220 |
| Sales, rent and services payments received in advance | 17,039 | 22,707 |
| Guarantee deposits | 7,552 | 3,779 |
| Total current trade payables | 42,807 | 48,107 |
| VAT payables | 3,418 | 7,974 |
| Other tax payables | 4,360 | 3,250 |
| Others | 2,667 | 6,352 |
| Total current other payables | 10,445 | 17,576 |
| Related parties (Note 29) | 19,704 | 12,023 |
| Total current trade and other payables | 72,956 | 77,706 |
| Total trade and other payables | 80,077 | 84,760 |

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17. Salaries and social security liabilities

Company's Salaries and social security liabilities as of March 31, 2014 and June 30, 2013 are as follows:

| | March 31, 2014 | June 30, 2013 |
|---|-------------------|------------------|
| Current | | |
| Provision for vacation and bonus | 2,508 | 4,505 |
| Social security payable | 509 | 967 |
| Salaries payable | 19 | 18 |
| Total salaries and social security liabilities | 3,036 | 5,490 |

18. Provisions

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

| | Labor, legal and other claims |
|--------------------------|--|
| At June 30, 2013 | 13,142 |
| Additions, net | 2,821 |
| Used during the period | (1,604) |
| At March 31, 2014 | 14,359 |

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

| | March 31, 2014 | June 30, 2013 |
|--------------------|-------------------|------------------|
| Non-current | 3,801 | 6,877 |
| Current | 10,558 | 6,265 |
| | 14,359 | 13,142 |

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19. Borrowings

Company's borrowings as of March 31, 2014 and June 30, 2013 were as follows:

| | | | | | | Book value | |
|---------------------------------|-----------------------|----------|--------------------|---------------------------------|-------------------------------|-------------------|------------------|
| | Secured/ unsecured | Currency | Fixed/ floating | Effective interest rate % | Principal nominal value | March 31, 2014 | June 30, 2013 |
| Non-current | | | | | | | |
| IRSA NCN due 2017 (Note 29) | Unsecured | US\$ | Fixed | 8.50% | 150,000 | 1,198,624 | 805,868 |
| IRSA NCN due 2020 | Unsecured | US\$ | Fixed | 11.50% | 150,000 | 1,176,387 | 789,655 |
| IRSA NCN due 2017 | Unsecured | Ps. | Floating | Badlar + 450ps | 10,800 | 10,761 | - |
| IRSA NCN due 2015 | Unsecured | Ps. | Floating | Badlar + 395ps | 209,400 | 208,387 | - |
| Related parties (Note 29) | Unsecured | Ps. | Floating | Badlar | 148,018 | 173,343 | 139,383 |
| Related parties (Note 29) | Unsecured | US\$ | Floating | Libor 3m+200 | 8,012 | 64,112 | 43,169 |
| Related parties (Note 29) | Unsecured | US\$ | Fixed | 7.50% | 255 | - | 18,428 |
| Finance lease obligations | Secured | US\$ | Fixed | 7.50% | 126 | 173 | 18 |
| Total non-current borrowings | | | | | | 2,831,787 | 1,796,521 |
| Current | | | | | | | |
| IRSA NCN due 2013 | Unsecured | Ps. | Floating | Badlar +2.49% | 153,152 | - | 52,240 |
| IRSA NCN due 2014 | Unsecured | US\$ | Fixed | 7.45% | 8,458 | - | 137,750 |
| IRSA NCN due 2017 (Note 29) | Unsecured | US\$ | Fixed | 8.5% | 150,000 | 15,846 | 27,749 |
| IRSA NCN due 2020 | Unsecured | US\$ | Fixed | 11.5% | 150,000 | 26,516 | 40,604 |
| IRSA NCN due 2017 | Unsecured | Ps. | Floating | Badlar + 450ps | 10,800 | 226 | - |
| IRSA NCN due 2015 | Unsecured | Ps. | Floating | Badlar + 395ps | 209,400 | 5,062 | - |
| Bank overdrafts | Unsecured | Ps. | Floating | - | - | 37,750 | 100,214 |
| Finance lease obligations | Secured | US\$ | Fixed | 7.50% | 126 | 240 | 105 |
| Short-term loans | Unsecured | Ps. | Fixed | 29.00% | 25,000 | 25,556 | - |
| Related parties (Note 29) | Unsecured | Ps. | Floating | Badlar | 67,369 | - | 8 |
| Related parties (Note 29) | Unsecured | US\$ | Fixed | 3.60% | 17,089 | 141,971 | 64,533 |
| Related parties (Note 29) | Unsecured | US\$ | Floating | Libor 3m+200ps | 8,012 | 1,336 | 170 |
| Related parties (Note 29) | Unsecured | US\$ | Fixed | 1.5% | 26,441 | 212,711 | - |
| Related parties (Note 29) | Unsecured | Ps. | Floating | Badlar | 25,585 | 4,390 | 462 |

| | | |
|--------------------------|-----------|-----------|
| Total Current borrowings | 471,604 | 423,835 |
| Total borrowings | 3,303,391 | 2,220,356 |

NCN: Non-convertible Notes

See Note 24 to the Unaudited Condensed Interim Consolidated Financial Statements, new issuance of 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:

| | March 31, 2014 | March 31, 2013 |
|---------------------|-------------------|-------------------|
| Deferred income tax | 287,939 | 71,774 |
| Income tax | 287,939 | 71,774 |

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

| | March 31, 2014 | June 30, 2013 |
|----------------------------|-------------------|------------------|
| Beginning of period / year | 47,144 | (19,179) |
| Income tax gain | 287,939 | 66,323 |
| End of period / year | 335,083 | 47,144 |

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 nine-month periods ended March 31, 2014 and 2013:

| | March 31, 2014 | March 31, 2013 |
|--|-------------------|-------------------|
| Net income at tax rate | (132,989) | 87,102 |
| Permanent differences: | | |
| Share of loss from subsidiaries, associates and joint ventures | (156,530) | (153,685) |
| Non-deductible items | 1,401 | 1,116 |
| Others | 179 | (6,307) |
| Income tax expense | (287,939) | (71,774) |

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21. Shareholders' Equity

Dividends approved for distribution among shareholders for the year ended June 30, 2013 amounted to Ps. 250 million, which were approved at the Annual General Shareholders' Meeting on October 31, 2013.

Dividends paid during the period ended March 31, 2014, amounted to Ps. 89.8 million.

See Note 26 to the Unaudited Condensed Interim Consolidated Financial Statements.

22. Revenues

| | March 31, 2014 | March 31, 2013 |
|-------------------------------------|-------------------|-------------------|
| Rental and scheduled rent increases | 166,785 | 139,289 |
| Expenses | 43,367 | 49,123 |
| Property management fee | 3,245 | 2,701 |
| Others | 363 | 169 |
| Total rental and service income | 213,760 | 191,282 |
| Sale of trading properties | 6,873 | 15,914 |
| Total other revenue | 6,873 | 15,914 |
| Total revenues | 220,633 | 207,196 |

23. Costs

| | March 31, 2014 | March 31, 2013 |
|-----------------------------------|-------------------|-------------------|
| Leases and services costs | 67,317 | 75,114 |
| Cost of sales and development | 3,188 | 5,569 |
| Total cost of property operations | 70,505 | 80,683 |
| Total costs | 70,505 | 80,683 |

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 March 31, 2014:

| | Costs | | | | Total |
|--|-----------------------------|------------------------------|-------------------------------------|------------------|---------|
| | Cost of rental and services | Cost of sale and development | General and administrative expenses | Selling expenses | |
| Leases and service charges | 2,595 | 334 | 586 | 53 | 3,568 |
| Depreciation and amortization | 20,279 | 3 | 693 | 84 | 21,059 |
| Allowances for trade and other receivables | - | - | - | 3,503 | 3,503 |
| Salaries, social security costs and other personnel expenses | 9,933 | 106 | 25,375 | 6,215 | 41,629 |
| Directors' fees | - | - | 18,599 | - | 18,599 |
| Fees and payments for services | 2,115 | 32 | 7,644 | 686 | 10,477 |
| Maintenance, security, cleaning, repairs and others | 25,092 | 147 | 1,987 | 152 | 27,378 |
| Taxes, rates and contributions | 6,508 | 1,231 | 95 | 5,436 | 13,270 |
| Advertising and other selling expenses | - | - | - | 1,836 | 1,836 |
| Cost of sale of trading properties | - | 1,302 | - | - | 1,302 |
| Others | 795 | 33 | 3,465 | 268 | 4,561 |
| Total expenses by nature | 67,317 | 3,188 | 58,444 | 18,233 | 147,182 |

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24. Expenses by nature (Continued)

For the period ended March 31, 2013:

| | Costs | | | | Total |
|--|-----------------------------|------------------------------|-------------------------------------|------------------|---------|
| | Cost of rental and services | Cost of sale and development | General and administrative expenses | Selling expenses | |
| Leases and service charges | 3,070 | 787 | 558 | - | 4,415 |
| Depreciation and amortization | 21,321 | - | 640 | 33 | 21,994 |
| Allowances for trade and other receivables | - | - | - | 761 | 761 |
| Salaries, social security costs and other personnel expenses | 7,905 | 86 | 19,837 | 4,319 | 32,147 |
| Directors' fees | - | - | 26,645 | - | 26,645 |
| Fees and payments for services | 2,836 | 40 | 4,051 | 985 | 7,912 |
| Maintenance, security, cleaning, repairs and others | 30,032 | 44 | 1,636 | 124 | 31,836 |
| Taxes, rates and contributions | 9,638 | 728 | 275 | 4,424 | 15,065 |
| Advertising and other selling expenses | - | - | - | 1,549 | 1,549 |
| Cost of sale of trading properties | - | 3,867 | - | - | 3,867 |
| Others | 312 | 17 | 3,186 | 220 | 3,735 |
| Total expenses by nature | 75,114 | 5,569 | 56,828 | 12,415 | 149,926 |

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25. Employee costs

| | March 31, 2014 | March 31, 2013 |
|---|-------------------|-------------------|
| Salaries and social security costs | 35,239 | 29,546 |
| Share-based compensation | 2,706 | 1,102 |
| Pension costs – defined contribution plan | 620 | 74 |
| Other expenses and benefits | 3,064 | 1,425 |
| Total employee costs | 41,629 | 32,147 |

26. Other operating results, net

| | March 31, 2014 | March 31, 2013 |
|--------------------------------------|-------------------|-------------------|
| Personal assets tax | (2,827) | (2,968) |
| Donations | (512) | (221) |
| Lawsuits and other contingencies (1) | (3,277) | (6,019) |
| Others | 1,013 | (1,872) |
| Total other operating results, net | (5,603) | (11,080) |

(1) Includes judicial costs and expenses

27. Financial results, net

| | March 31, 2014 | March 31, 2013 |
|---|-------------------|-------------------|
| Finance income: | | |
| - Interest income | 21,053 | 11,775 |
| - Foreign exchange gains | 102,124 | 42,503 |
| - Gain from sale of financial assets | - | 10,299 |
| Total finance income | 123,177 | 64,577 |
| Finance costs: | | |
| - Interest expense | (244,554) | (168,965) |
| - Foreign exchange losses | (871,896) | (213,601) |
| - Other finance costs | (11,195) | (8,659) |
| Total finance costs | (1,127,645) | (391,225) |
| Other financial results: | | |
| - Fair value (loss) / gain of investments in financial assets | (9,517) | 26,440 |
| - Gain on derivative financial instruments | 3,577 | - |
| Total other financial results | (5,940) | 26,440 |
| Total financial results, net | (1,010,408) | (300,208) |

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 March 31, 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 | | | | | | | |
| CRESUD S.A.C.I.F. y A. | Sale of good and/or services | 701 | - | - | - | - | - |
| | Borrowings | - | - | - | - | (212,713) | - |
| | Corporate services | - | - | (9,353) | - | - | - |
| | Reimbursement of expenses | 304 | - | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | (780) | (34,409) |
| Total Parent Company | | 1,005 | - | (9,353) | - | (213,493) | (34,409) |
| Subsidiaries | | | | | | | |
| E. Commerce Latina S.A. | Reimbursement of expenses | 4 | - | - | - | - | - |
| | Management fees | 2 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | (8,811) |
| Alto Palermo S.A. | Reimbursement of expenses | 439 | - | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | (251) | (14,164) |
| | Share-based payments | - | - | (131) | - | - | - |
| | Borrowings | - | - | - | - | (141,969) | - |
| Solares de Santa Maria S.A. | Reimbursement of expenses | 4,786 | - | - | - | - | - |
| | Borrowings | - | 6 | - | - | - | - |
| Palermo Invest S.A. | Reimbursement of expenses | 46 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | (1,524) |
| Unicity S.A. | | 14 | - | - | - | - | - |

Reimbursement
of expenses

| | | | | | | | |
|--------------|------------|---|---|---|---|----------|-----------|
| Ritelco S.A. | Borrowings | - | - | - | - | (1,336) | (68,531) |
|--------------|------------|---|---|---|---|----------|-----------|

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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 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | (7,992) |
| Hoteles | | | | | | | |
| Argentinos S.A. | Hotel services | 55 | - | (1,605) | - | - | - |
| Tyrus S.A. | Borrowings | - | 315,54 | - | - | - | - |
| | Reimbursement of expenses | 2,18 | - | - | - | - | - |
| Llao Llao Resorts S.A. | | | | | | | |
| | Hotel services | 3,281 | - | - | - | - | - |
| | Guarantee deposits | - | - | - | (14) | - | - |
| Nuevas Fronteras S.A. | | | | | | | |
| | Reimbursement of expenses | 583 | - | - | - | - | - |
| | Management fees | 2 | - | (7) | - | - | - |
| | Borrowings | - | - | - | - | (4,390) | (25,585) |
| Efanur S.A. | Borrowings | 67,565 | - | - | - | - | - |
| Total Subsidiaries | | 79,011 | 315,546 | (1,743) | (14) | (147,946) | (126,607) |
| Subsidiaries CRESUD | | | | | | | |
| Futuros y Opciones.com S.A. | | | | | | | |
| | Reimbursement of expenses | - | - | (29) | - | - | - |
| Sociedad Anónima Carnes Pampeanas S.A. | | | | | | | |
| | Reimbursement of expenses | - | - | (1) | - | - | - |
| Cactus S.A. | Reimbursement of expenses | - | - | (8) | - | - | - |
| Total Subsidiaries CRESUD | | - | - | (38) | - | - | - |

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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 | | | | | | | |
| Arcos del Gourmet S.A. | Reimbursement of expenses | 37 | - | - | - | - | - |
| Emprendimientos Recoleta S.A. | Reimbursement of expenses | - | - | (8) | - | - | - |
| Fibesa S.A. | Non-Convertible Notes | - | - | - | - | (258) | (11,547) |
| Panamerican Mall S.A. | Reimbursement of expenses | 30 | - | - | - | - | - |
| Conil S.A. | Reimbursement of expenses | 108 | - | - | - | - | - |
| Shopping Neuquén S.A. | Non-Convertible Notes | - | - | - | - | (1,013) | (44,667) |
| | Reimbursement of expenses | 170 | - | - | - | - | - |
| | Reimbursement of expenses | 4 | - | - | - | - | - |
| Total Subsidiaries APSA | | 349 | - | (8) | - | (1,271) | (56,214) |
| Subsidiaries TYRUS | | | | | | | |
| Irsa International LLC | Reimbursement of expenses | 1,482 | - | (1,069) | - | - | - |
| Real Estate Investment Group LP | Reimbursement of expenses | 57 | - | (41) | - | - | - |
| Investment Group V LP | Reimbursement of expenses | 18 | - | - | - | - | - |
| Real Estate Strategies LP | Reimbursement of expenses | 2,098 | - | - | - | - | - |
| New Lipstick LLC | Reimbursement of expenses | 1,927 | - | - | - | - | - |
| Imadison LLC | Reimbursement of expenses | 1,350 | - | - | - | - | - |
| Total Subsidiaries TYRUS | | 6,932 | - | (1,110) | - | - | - |
| Associates | | | | | | | |

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| | | | | | | | |
|--|-----------------------------|-------|---|----|---|---|---|
| Banco de Crédito y Securitización S.A. | Reimbursement of expenses | 35 | - | - | - | - | - |
| S.A. | Leases and/or rights of use | 988 | - | - | - | - | - |
| Banco Hipotecario S.A. | Reimbursement of expenses | 66 | - | (9 |) | - | - |
| S.A. | Leases and/or rights of use | 626 | - | - | - | - | - |
| Total Associates | | 1,715 | - | (9 |) | - | - |

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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 | | | | | | | |
| Cyrsa S.A. | Reimbursement of expenses | - | - | (6) | - | - | - |
| | Borrowings | - | - | - | - | - | (125,012) |
| Baicom Networks S.A. | Reimbursement of expenses | 14 | - | - | - | - | - |
| Puerto Retiro S.A. | Reimbursement of expenses | 198 | - | - | - | - | - |
| Total Joint Ventures | | 212 | - | (6) | - | - | (125,012) |
| Joint Ventures APSA | | | | | | | |
| Nuevo Puerto Santa Fé S.A. | Reimbursement of expenses | 3 | - | - | - | - | - |
| Quality Invest S.A. | Reimbursement of expenses | 53 | - | - | - | - | - |
| | Customers advances | - | - | (45) | - | - | - |
| Total Joint Ventures APSA | | 56 | - | (45) | - | - | - |
| Other related parties | | | | | | | |
| Consultores | | | | | | | |
| Asset Management S.A. | Reimbursement of expenses | 2,715 | - | (142) | - | - | - |
| Austral Gold S.A. | Reimbursement of expenses | 1 | - | - | - | - | - |
| Estudio Zang, Bergel & Viñes | Advances | 7 | - | - | - | - | - |
| | Legal services | - | - | (176) | - | - | - |
| Museo de los Niños | Leases and/or rights of use | - | - | (3) | - | - | - |
| Fundación IRSA | Reimbursement of expenses | 48 | - | (1) | - | - | - |

| | | | | | | | |
|---------------------------------------|---------------------------|--------|---------|-----------|-------|------------|------------|
| Total Other related parties | | 2,771 | - | (322) | - | - | - |
| Directors and Senior Management | | | | | | | |
| Directors | Reimbursement of expenses | 301 | - | - | - | - | - |
| | Fees | - | - | (7,070) | - | - | - |
| | Guarantee deposits | - | - | - | (8) | - | - |
| Total Directors and Senior Management | | 301 | - | (7,070) | (8) | - | - |
| Total | | 92,352 | 315,546 | (19,704) | (22) | (362,710) | (342,242) |

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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)

The following is a summary of the balances with related parties as of June 30, 2013:

| Related party | Description of transaction | 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. | Sale of real estate property | - | 701 | - | - | - | - |
| | Corporate services | - | - | - | (8,503) | - | - |
| | Reimbursement of expenses | - | 471 | - | - | - | - |
| | Share-based payments | - | 559 | - | - | - | - |
| Total Parent Company | | - | 1,731 | - | (8,503) | - | - |
| Subsidiaries | | | | | | | |
| E. Commerce Latina S.A. | Reimbursement of expenses | - | 17 | - | - | - | - |
| | Management fees | - | 1 | - | - | - | - |
| | Borrowings | - | - | - | - | (11,371) | - |
| Alto Palermo S.A. | Reimbursement of expenses | - | 2,183 | - | - | - | - |
| | Leases and/or rights of use | - | - | - | (311) | - | - |
| | Corporate services | - | 2,257 | - | - | - | - |
| | Share-based payments | - | - | - | (72) | - | - |
| | Borrowings | - | - | - | - | - | (64,533) |
| Solares de Santa Maria S.A. | Reimbursement of expenses | - | 3,925 | - | - | - | - |
| | Borrowings | 5 | - | - | - | - | - |
| Palermo Invest S.A. | Reimbursement of expenses | - | 19 | - | - | - | - |
| | Borrowings | - | 86 | - | - | (5,431) | (8) |
| Unicity S.A. | Reimbursement of expenses | - | 7 | - | - | - | - |

| | | | | | | | |
|--------------|------------------------------|---|----|---|-------|-----------|--------|
| Ritelco S.A. | Reimbursement of expenses | - | 10 | - | (15) | - | - |
| | Borrowings | - | - | - | - | (47,036) | (170) |

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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 non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current |
|------------------------------------|----------------------------|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Subsidiaries | | | | | | | |
| Inversora Bolivar S.A. | Reimbursement of expenses | - | 27 | - | - | - | - |
| | Borrowings | - | 1,420 | - | - | (13,228) | - |
| Hoteles | | | | | | | |
| Argentinos S.A. | Hotel services | - | 53 | - | (1,081) | - | - |
| Tyrus S.A. | Reimbursement of expenses | - | 120 | - | - | - | - |
| | Borrowings | 81,481 | - | - | - | - | - |
| Llao Llao Resorts S.A. | | | | | | | |
| | Hotel services | - | 1,472 | - | - | - | - |
| | Management fees | - | 553 | - | - | - | - |
| | Guarantee deposits | - | - | (9) | - | - | - |
| Nuevas Fronteras S.A. | | | | | | | |
| | Reimbursement of expenses | - | 1 | - | - | - | - |
| | Management fees | - | 159 | - | (8) | - | - |
| | Borrowings | - | - | - | - | (25,585) | (462) |
| Efanur S.A. | | | | | | | |
| | Reimbursement of expenses | - | 75 | - | - | - | - |
| | Borrowings | - | 44,430 | - | - | - | - |
| Total Subsidiaries | | 81,486 | 56,815 | (9) | -1,487 | (102,651) | (65,173) |
|)Subsidiaries CRESUD | | | | | | | |
| Futuros y Opciones.com S.A. | | | | | | | |
| | Reimbursement of expenses | - | - | - | (2) | - | - |
| Alafox S.A. | | | | | | | |
| | Reimbursement of expenses | - | 46 | - | - | - | - |
| Codalis S.A. | | | | | | | |
| | Reimbursement of expenses | - | 44 | - | - | - | - |
| Helmir S.A. | | | | | | | |
| | Reimbursement of expenses | - | 1 | - | - | - | - |
| Doneldon S.A. | | | | | | | |
| | | - | 36 | - | - | - | - |

| | Reimbursement of expenses | | | | | | |
|--------------------|---------------------------|-----|---|----|---|---|---|
| | Reimbursement of expenses | | | | | | |
| Sedlor S.A. | - | 35 | - | - | - | - | - |
| Total Subsidiaries | | | | | | | |
| CRESUD | - | 162 | - | (2 |) | - | - |

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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 non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current |
|-------------------------------------|----------------------------|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Subsidiaries APSA | | | | | | | |
| Arcos del Gourmet S.A. | Reimbursement of expenses | - | 13 | - | - | - | - |
| Emprendimientos Recoleta S.A. | Reimbursement of expenses | - | - | - | (1) | - | - |
| | Non-Convertible Notes | - | - | - | - | (7,077) | (446) |
| | Reimbursement of expenses | - | 128 | - | - | - | - |
| Fibesa S.A. | Share-based payments | - | 63 | - | - | - | - |
| | Reimbursement of expenses | - | 78 | - | - | - | - |
| Panamerican Mall S.A. | Non-Convertible Notes | - | - | - | - | (12,050) | (764) |
| Shopping Neuquén S.A. | Reimbursement of expenses | - | 1 | - | - | - | - |
| | Reimbursement of expenses | - | 162 | - | - | - | - |
| Torodur S.A. | | - | | - | - | - | - |
| Total Subsidiaries APSA | | - | 445 | - | (1) | (19,127) | (1,210) |
| Subsidiaries TYRUS | | | | | | | |
| Irsa International LLC | Reimbursement of expenses | - | 995 | - | (720) | - | - |
| Real Estate | | | | | | | |
| Estate Investment Group LP | Reimbursement of expenses | - | 38 | - | (28) | - | - |
| Real Estate Investment Group | | | | | | | |
| V LP | Reimbursement of expenses | - | 12 | - | - | - | - |
| Irsa Development LP | Reimbursement of expenses | - | 2 | - | - | - | - |
| Real Estate Strategies LP | Reimbursement of expenses | - | 1,350 | - | - | - | - |
| | Reimbursement of expenses | - | 1,301 | - | - | - | - |
| New Lipstick LLC | | - | | - | - | - | - |
| Imadison LLC | Reimbursement of expenses | - | 909 | - | - | - | - |

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| | | | | | | | |
|------------------------|---------------------------|---|-------|---|--------|---|---|
| Jiwin S.A. | Reimbursement of expenses | - | 3 | - | - | - | - |
| Zetol S.A. | Reimbursement of expenses | - | 149 | - | - | - | - |
| Total Subsidiaries | | | | | | | |
| TYRUS | | - | 4,759 | - | (748) | - | - |
| Associates | | | | | | | |
| Manibil S.A. | Other liabilities | - | - | - | (781) | - | - |
| Banco Hipotecario S.A. | Reimbursement of expenses | - | - | - | (90) | - | - |
| Total Associates | | | | | | | |
| Associates APSA | | | | | | | |
| Tarshop S.A. | Reimbursement of expenses | - | 8 | - | - | - | - |
| Total Associates | | | | | | | |
| APSA | | | | | | | |
| | | - | 8 | - | - | - | - |

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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 non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current |
|------------------------------|-----------------------------|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Joint Ventures | | | | | | | |
| | Reimbursement of expenses | - | - | - | (10) | - | - |
| Cyrsa S.A. | Borrowings | - | - | - | - | (98,328) | - |
| Baicom Networks S.A. | Reimbursement of expenses | - | 16 | - | (2) | - | - |
| Puerto Retiro S.A. | Reimbursement of expenses | - | 178 | - | - | - | - |
| Total Joint Ventures | | - | 194 | - | (12) | (98,328) | - |
| Joint Ventures APSA | | | | | | | |
| Nuevo Puerto Santa Fé S.A. | Reimbursement of expenses | - | 3 | - | - | - | - |
| Quality Invest S.A. | Reimbursement of expenses | - | 26 | - | - | - | - |
| | Management fees | - | - | - | (45) | - | - |
| Total Joint Ventures APSA | | - | 29 | - | (45) | - | - |
| Other related parties | | | | | | | |
| Consultores | | | | | | | |
| Asset Management S.A. | | | | | | | |
| | Reimbursement of expenses | - | 2,482 | - | (36) | - | - |
| Dolphin Fund PLC | Reimbursement of expenses | - | 133 | - | - | - | - |
| Estudio Zang, Bergel & Viñes | Advances | - | 11 | - | - | - | - |
| | Legal services | - | 12 | - | (314) | - | - |
| Museo de los Niños | Leases and/or rights of use | - | 26 | - | (3) | - | - |
| Fundación IRSA | Reimbursement of expenses | - | 38 | - | (1) | - | - |
| Total Other related parties | | - | 2,702 | - | (354) | - | - |

Directors and
Senior
Management

| | | | | | | | |
|---------------------------------------|--------------------|--------|--------|-------|-----------|-----------|-----------|
| | Fees | - | 7,599 | - | - | - | - |
| Directors | Guarantee deposits | - | - | (8) | - | - | - |
| Total | | | | | | | |
| Directors and Senior Management | | - | 7,599 | (8) | - | - | - |
| Total | | 81,486 | 74,444 | (17) | (12,023) | (220,106) | (66,383) |

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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 nine-month period ended March 31, 2014:

| Related party | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Fees and Salaries |
|--------------------------------|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|----------------------|
| Parent Company | | | | | | |
| Cresud S.A.C.I.F. y A | 1,303 | - | (22,016) | - | (2,861) | - |
| Total Parent Company | 1,303 | - | (22,016) | - | (2,861) | - |
| Subsidiaries | | | | | | |
| Alto Palermo S.A. | 3,621 | - | - | - | (6,562) | - |
| E-Commerce Latina S.A. | - | 4 | - | - | (1,757) | - |
| Inversora Bolivar S.A. | - | - | - | - | (2,144) | - |
| Llao Llao Resorts S.A. | 110 | - | - | - | - | - |
| Ritelco S.A. | - | - | - | - | (22,645) | - |
| Nuevas Fronteras S.A. | - | 720 | - | - | (3,928) | - |
| Hoteles Argentinos S.A. | | | | | | |
| Efanur S.A. | - | - | - | - | 23,135 | - |
| Tyrus S.A. | - | - | - | - | 101,582 | - |
| Palermo Invest S.A. | - | - | - | - | (565) | - |
| Total Subsidiaries | 3,731 | 724 | - | - | 87,116 | - |
| Subsidiaries APSA | | | | | | |
| Fibesa S.A. | 906 | - | - | - | - | - |
| Panamerican Mall S.A. | - | - | - | - | (3,043) | - |
| Emprendimientos Recoleta S.A. | - | - | - | - | (850) | - |
| Total Subsidiaries APSA | 906 | - | - | - | (3,893) | - |

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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 | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Fees and Salaries |
|--|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|----------------------|
| Associates | | | | | | |
| Banco de Crédito y Securitización S.A. | 530 | - | - | - | - | - |
| Banco Hipotecario S.A. | 458 | - | - | - | - | - |
| Total Associates | 988 | - | - | - | - | - |
| Associates APSA | | | | | | |
| Tarshop S.A. | 2,679 | - | - | - | - | - |
| Total Associates APSA | 2,679 | - | - | - | - | - |
| Joint Ventures | | | | | | |
| Canteras Natal Crespo S.A. | - | - | - | - | - | - |
| Cyrsa S.A. | - | - | - | - | (14,596) | - |
| Total Joint Ventures | - | - | - | - | (14,596) | - |
| Other related parties | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (750) | - | - |
| Isaac Elsztein e Hijos S.C.A. | (179) | - | - | - | - | - |
| Hamonet S.A. | (97) | - | - | - | - | - |
| Total Other related parties | (276) | - | - | (750) | - | - |
| Directors and Senior Management | | | | | | |
| Senior Management | - | - | - | - | - | (1,984) |
| Directors | - | - | - | - | - | (18,599) |
| Total Directors and Senior Management | - | - | - | - | - | (20,583) |
| Total | 9,331 | 724 | (22,016) | (750) | 65,766 | (20,583) |

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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 nine-month period ended March 31, 2013:

| Related party | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Fees and Salaries |
|--------------------------------|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|----------------------|
| Parent Company | | | | | | |
| Cresud S.A.C.I.F. y A | 1,258 | (12,267) | (6,339) | - | - | - |
| Total Parent Company | 1,258 | (12,267) | (6,339) | - | - | - |
| Subsidiaries | | | | | | |
| Alto Palermo S.A. | 3,257 | - | - | - | 29,378 | - |
| E-Commerce Latina S.A. | - | 4 | - | - | (1,251) | - |
| Inversora Bolivar S.A. | - | - | - | - | (1,455) | - |
| Ritelco S.A. | - | - | - | - | (868) | - |
| Llao Llao Resorts S.A. | 91 | - | - | - | 83 | - |
| Nuevas Fronteras S.A. | - | 410 | - | - | (1,064) | - |
| Efanur S.A. | - | - | - | - | 978 | - |
| Tyrus S.A. | - | - | - | - | 138 | - |
| Palermo Invest S.A. | - | - | - | - | (335) | - |
| Total Subsidiaries | 3,348 | 414 | - | - | 25,604 | - |
| Subsidiaries APSA | | | | | | |
| Fibesa S.A. | 719 | - | - | - | - | - |
| Panamerican Mall S.A. | - | - | - | - | (1,771) | - |
| Emprendimientos Recoleta S.A. | - | - | - | - | (1,040) | - |
| Total Subsidiaries APSA | 719 | - | - | - | (2,811) | - |

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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 | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Fees and Salaries |
|--------------------------------------|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|----------------------|
| Associates APSA | | | | | | |
| Tarshop S.A. | 2,703 | - | - | - | - | - |
| Total Associates APSA | 2,703 | - | - | - | - | - |
| Joint Ventures | | | | | | |
| Canteras Natal Crespo S.A. | - | 72 | - | - | 8 | - |
| Cyrsa S.A. | - | - | - | - | (5,397) | - |
| Total Joint Ventures | - | 72 | - | - | (5,389) | - |
| Other related parties | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (576) | - | - |
| Consultores Assets Management | | | | | | |
| S.A. | 140 | - | - | - | - | - |
| Isaac Elsztain e Hijos S.C.A. | 136 | - | - | - | - | - |
| Hamonet S.A. | 72 | - | - | - | - | - |
| Total Other related parties | 348 | - | - | (576) | - | - |
| Directors and Senior | | | | | | |
| Management | | | | | | |
| Directors | - | - | - | - | - | (26,245) |
| Total Directors and Senior | - | - | - | - | - | (26,245) |
| Total | 8,376 | (11,781) | (6,339) | (576) | 17,404 | (26,245) |

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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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 |
| Exhibit E - Provisions | Note 12 Trade and other receivables and Note 18 Provisions |
| Exhibit F - Cost of sales | Note 8 Trading properties and Note 24 Expenses by nature |
| Exhibit G - Foreign currency assets and liabilities | Note 34 Foreign currency assets and liabilities |

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

| Issuer and type of securities | Class / Items | Amount | Issuer's information | | | | Last financial statements issued | | Common stock (nominal value) | Pro (los the peri | |
|--|---------------------------|-------------|-------------------------------|-------------------------------|-----------------------------|---------------------|----------------------------------|-----------|------------------------------|-------------------|----|
| | | | Value recorded as of 03.31.14 | Value recorded as of 06.30.13 | Market value as of 03.31.14 | Main activity | Registered office | Date | | | |
| Alto Palermo S.A. | Common shares 1 vote | 120,448,003 | 938,115 | 811,428 | 41.00 | Real estate | Argentina | 03.31.14 | 126,014 | 28 | |
| | Higher value | | 436,913 | 445,930 | | | | | | | |
| | Intergroup transactions | | (38,512) | (26,469) | | | | | | | |
| Banco Hipotecario S.A. (1) | Common shares 1 vote | 75,000,000 | 200,346 | 174,127 | 1.67 | Financing | Argentina | 03.31.14 | 1,500,000 | 20 | |
| | Higher value | | 1 | 4 | | | | | | | |
| Banco de Crédito & Securitización S.A. (1) | Common shares 1 vote | 3,984,375 | 13,430 | 9,901 | | Not publicly traded | Financing | Argentina | 03.31.14 | 62,500 | 28 |
| Cyrsa S.A. | Common shares 1 vote | 119,608,531 | 147,125 | 129,627 | | Not publicly traded | Real estate | Argentina | 03.31.14 | 239,217 | 34 |
| E-Commerce Latina S.A. | Common shares 1 vote | 82,903,821 | 236,335 | 214,962 | | Not publicly traded | Investment | Argentina | 03.31.14 | 82,904 | 28 |
| | Irrevocable contributions | | 745 | 600 | | | | | | | |
| | Goodwill | | (1,511) | (1,511) | | | | | | | |

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 | Issuer's information | | | | Last financial statements issued | | | |
|-------------------------------|--|------------|-------------------------------|-------------------------------|-----------------------------|---------------|----------------------------------|----------|------------------------------|------------------------------|
| | | | Value recorded as of 03.31.14 | Value recorded as of 06.30.13 | Market value as of 03.31.14 | Main activity | Registered office | Date | Common stock (nominal value) | Profit (loss) for the period |
| Efanur S.A. | Common shares 1 vote Irrevocable contributions | 900,000 | (19,121) | 63,262 | Not publicly traded | Investment | Uruguay | 03.31.14 | 205 | (82,383) |
| | | | 221 | - | | | | | | |
| Hoteles Argentinos S.A. | Common shares 1 vote Higher value | 15,366,840 | 9,021 | 11,877 | Not publicly traded | Hotel | Argentina | 03.31.14 | 19,209 | (3,570) |
| | | | 819 | 920 | | | | | | |
| Inversora Bolivar S.A. | Common shares 1 vote Irrevocable contributions | 78,909,867 | 258,182 | 239,039 | Not publicly traded | Investment | Argentina | 03.31.14 | 82,949 | 27,993 |
| | | | 1,455 | 209 | | | | | | |
| | Higher value | | 6,428 | 6,428 | | | | | | |
| Llao Llao Resort S.A. | Common shares 1 vote Irrevocable contributions | 73,580,206 | 35,585 | 31,205 | Not publicly traded | Hotel | Argentina | 03.31.14 | 147,160 | 7,356 |
| | | | - | 700 | | | | | | |
| | Higher value | | 104 | 113 | | | | | | |
| Manibil S.A. | Common shares 1 vote Irrevocable contributions | 30,397,880 | 35,785 | 26,250 | Not publicly traded | Real estate | Argentina | 03.31.14 | 62,037 | 7,907 |
| | | | - | 6,500 | | | | | | |
| | Goodwill | | 10 | 10 | | | | | | |
| Nuevas Fronteras | Common shares 1 vote | 57,256,512 | 48,244 | 45,591 | Not publicly | Hotel | Argentina | 03.31.14 | 75,004 | 3,475 |

| | | |
|-------------|-----------|-----------|
| S.A. | | traded |
| Lower value | (16,348) | (17,083) |

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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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33. Equity investments (Continued)

| Issuer and type of securities | Class / Items | Amount | Issuer's information | | | | | | Last financial statements issued | |
|-------------------------------|---------------------------|---------------|-------------------------------|-------------------------------|-----------------------------|-----------------------|-------------------|---------|----------------------------------|------------------------------|
| | | | Value recorded as of 03.31.14 | Value recorded as of 06.30.13 | Market value as of 03.31.14 | Main activity | Registered office | Date | Common stock (nominal value) | Profit (loss) for the period |
| Palermo Invest S.A. | Common shares 1 vote | 152,884,248 | 212,673 | 191,257 | Not publicly traded | Investment Argentina | 03.31.14 | 152,884 | 27,673 | |
| | Irrevocable contributions | | 375 | 10 | | | | | | |
| | Higher value | | 323 | 325 | | | | | | |
| | Intergroup transactions | | (29,987) | (29,987) | | | | | | |
| Ritelco S.A. | Common shares 1 vote | 181,016,717 | 362,830 | 272,783 | Not publicly traded | Investment Uruguay | 03.31.14 | 67,029 | 90,029 | |
| | Irrevocable contributions | | 34 | 25 | | | | | | |
| | Intergroup transactions | | (190) | (190) | | | | | | |
| Solares Santa María S.A. | Common shares 1 vote | 306,706,975 | 302,343 | 294,731 | Not publicly traded | Real estate Argentina | 03.31.14 | 338,693 | 793 | |
| | Intergroup transactions | | (166,521) | (166,521) | | | | | | |
| | Irrevocable contributions | | 872 | 6,894 | | | | | | |
| Tyrus S.A. | Common shares 1 vote | 3,196,347,364 | 949,642 | 672,079 | Not publicly traded | Investment Uruguay | 03.31.14 | 928,926 | 43,773 | |
| | Irrevocable contributions | | 94,822 | 127,662 | | | | | | |

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 03.31.14 | Value recorded as of 06.30.13 | Market value as of 03.31.14 | Issuer's information | | Last financial statements issued | |
|---|---------------------------|------------|-------------------------------|-------------------------------|-----------------------------|----------------------|-------------------|----------------------------------|------------------------------|
| | | | | | | Main activity | Registered office | Date | Common stock (nominal value) |
| Unicity S.A. | Common shares 1 vote | 36,850,012 | 27,909 | 27,653 | Not publicly traded | Investment Argentina | 03.31.14 | 41,588 | (50) |
| | Irrevocable contributions | | 181 | 301 | | | | | |
| Total investments in subsidiaries, associates and joint ventures as of 03.31.14 | | | 4,048,678 | | | | | | |
| Total investments in subsidiaries, associates and joint ventures as of 06.30.13 | | | 3,570,642 | | | | | | |

(1) The amounts correspond to 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.

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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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 03.31.14 | Amount of foreign currency (1) | Prevailing exchange rate (2) | Total as of 06.30.13 |
|---|---|------------------------------------|-------------------------|---|------------------------------------|-------------------------|
| Assets | | | | | | |
| Trade and other receivables | | | | | | |
| US Dollar | 55,326 | 7.902 | 437,189 | 55,210 | 5.348 | 295,265 |
| Swiss Francs | - | 8.932 | - | 69 | 5.660 | 390 |
| Euros | 1 | 10.871 | 7 | 2 | 6.949 | 15 |
| Total trade and other receivables, net | | | 437,196 | | | 295,670 |
| Investments in financial assets | | | | | | |
| US Dollar | 3,393 | 7.902 | 26,810 | 6,118 | 5.348 | 32,718 |
| Total investments in financial assets | | | 26,810 | | | 32,718 |
| Cash and cash equivalents | | | | | | |
| US Dollar | 4,709 | 7.902 | 37,208 | 10,736 | 5.348 | 57,415 |
| Euros | 85 | 10.871 | 926 | 85 | 6.949 | 590 |
| Brazilian Reais | 1 | 3.290 | 2 | - | - | - |
| Swiss Francs | - | 8.932 | 1 | - | - | - |
| Pounds | 1 | 13.173 | 11 | 1 | 8.080 | 8 |
| Total cash and cash equivalents | | | 38,148 | | | 58,013 |
| Total assets as of 03.31.14 | | | 502,154 | | | |
| Total assets as of 06.30.13 | | | | | | 386,401 |
| Liabilities | | | | | | |
| Trade and other liabilities | | | | | | |
| US Dollar | 3,490 | 8.002 | 27,926 | 5,050 | 5.388 | 27,207 |
| Euros | - | 11.028 | 3 | - | - | - |
| Total trade and other payables | | | 27,929 | | | 27,207 |
| Borrowings | | | | | | |
| US Dollar | 355,519 | 8.002 | 2,844,866 | 345,950 | 5.388 | 1,863,978 |
| Total borrowings | | | 2,844,866 | | | 1,863,978 |
| Total liabilities as of 03.31.14 | | | 2,872,795 | | | |
| Total liabilities as of 06.30.13 | | | | | | 1,891,185 |

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

(2) Exchange rate as of March 31, 2014 and June 30, 2013 according to Banco Nación Argentina records.

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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35. Incident

On February 5, 2014 there was a widely known fire in Iron Mountain's warehouse. Such company is a supplier of the Group and Group's documentation was being kept in the mentioned warehouse. As of the date of issuance of these financial statements the Group is waiting for the company that experienced the fire to report 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 operations.

36. Subsequent Events

See subsequent events in Note 41 to Unaudited Condensed Interim Consolidated Financial Statements.

IRSA Inversiones y Representaciones Sociedad Anónima

Information required by Section 68 of the Buenos Aires Stock Exchange Regulations

Unaudited Statement of Financial Position as of March 31, 2014

Stated in thousands of pesos

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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. Breakdown of accounts receivables and liabilities by maturity date.

| Items | 03.31.14 | Falling due (Point 3.a.) | Without term (Point 3.b) | Without term (Point 3.b) | Up to 3 months | From 3 to 6 months | From 6 to 9 months | To be due (Point 3.c.) | | | From 2 to 3 years | |
|--|----------|-----------------------------|-----------------------------|-----------------------------|----------------|--------------------|--------------------|------------------------|-------------------|----|-------------------|--|
| | | Current | Non-current | From 9 to 12 months | | | | From 1 to 2 years | From 2 to 3 years | | | |
| Accounts receivable | | | | | | | | | | | | |
| Trade and other receivables | 195,563 | 639 | 3,481 | (46,808) | - | 9 | - | 1,401 | - | - | (1 | |
| Total | 195,563 | 639 | 3,481 | (46,808) | - | 9 | - | 1,401 | - | - | (1 | |
| Liabilities | | | | | | | | | | | | |
| Trade and other payables | 54,634 | - | 278 | 7,624 | 8,023 | 1,726 | 949 | 6,085 | 626 | - | - | |
| Borrowings | - | - | - | 292,019 | 16,386 | 152,627 | 10,572 | 419,800 | 34,717 | 1, | | |
| Salaries and social security liabilities | 49 | - | - | 479 | 391 | 540 | 1,577 | - | - | - | - | |
| Provisions | (1) | 10,559 | 3,801 | - | - | - | - | - | - | - | - | |
| Total | 54,682 | 10,559 | 4,079 | 300,122 | 24,800 | 154,893 | 13,098 | 425,885 | 35,343 | 1, | | |

IRSA Inversiones y Representaciones Sociedad Anónima

Information required by Section 68 of the Buenos Aires Stock Exchange Regulations

Unaudited Statement of Financial Position as of March 31, 2014

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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 |
| Accounts receivable | Trade and other receivables | 31,922 | 117,481 | 149,403 | 712 | 319,715 | 320,427 | 32,634 | 437,196 | 469,830 |
| | Total | 31,922 | 117,481 | 149,403 | 712 | 319,715 | 320,427 | 32,634 | 437,196 | 469,830 |
| Liabilities | Trade and other payables | 49,822 | 23,134 | 72,956 | 2,326 | 4,795 | 7,121 | 52,148 | 27,929 | 80,077 |
| | Borrowings | 71,408 | 400,196 | 471,604 | 387,117 | 2,444,670 | 2,831,787 | 458,525 | 2,844,866 | 3,303,39 |
| | Salaries and social security liabilities | 3,036 | - | 3,036 | - | - | - | 3,036 | - | 3,036 |
| | Provisions | 10,558 | - | 10,558 | 3,801 | - | 3,801 | 14,359 | - | 14,359 |
| | Total | 134,824 | 423,330 | 558,154 | 393,244 | 2,449,465 | 2,842,709 | 528,068 | 2,872,795 | 3,400,86 |

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

As of March 31, 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 Accruing interest | | | | Non-current Accruing interest | | | | Accruing interest |
|--|------------------------------|------------------|--------------------------|---------|----------------------------------|------------------|--------------------------|-----------|-------------------|
| | Fixed rate | Floating rate | Non-accruing interest | Total | Fixed rate | Floating rate | Non-accruing interest | Total | |
| Accounts receivable | | | | | | | | | |
| Trade and other receivables | 68,003 | - | 81,400 | 149,403 | 315,546 | 5 | 4,876 | 320,427 | 383,549 |
| Total | 68,003 | - | 81,400 | 149,403 | 315,546 | 5 | 4,876 | 320,427 | 383,549 |
| Liabilities | | | | | | | | | |
| Trade and other payables | - | - | 72,956 | 72,956 | - | - | 7,121 | 7,121 | - |
| Borrowings | 403,669 | 40,421 | 27,514 | 471,604 | 2,443,020 | 180,026 | 208,741 | 2,831,787 | 2,846,689 |
| Salaries and social security liabilities | - | - | 3,036 | 3,036 | - | - | - | - | - |
| Provisions | - | - | 10,558 | 10,558 | - | - | 3,801 | 3,801 | - |
| Total | 403,669 | 40,421 | 114,064 | 558,154 | 2,443,020 | 180,026 | 219,663 | 2,842,709 | 2,846,689 |

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5. Related parties.

a. Interest in related parties.

| Name of the entity | % of ownership interest held by the Company | |
|--------------------------------------|---|---|
| Direct Controlling interest of IRSA: | | |
| APSA | 95.68 | % |
| E-Commerce Latina S.A. | 100.00 | % |
| Efanur S.A. | 100.00 | % |
| Hoteles Argentinos S.A. | 80.00 | % |
| Inversora Bolívar S.A. | 100.00 | % |
| Llao Llao Resorts S.A. | 50.00 | % |
| Nuevas Fronteras S.A. | 76.34 | % |
| Palermo Invest S.A. | 100.00 | % |
| Ritelco S.A. | 100.00 | % |
| Solares de Santa María S.A. | 100.00 | % |
| Tyrus S.A. | 100.00 | % |
| Unicity S.A. | 100.00 | % |

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, 2013.

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, 2013.

13. Insurances

Insured Assets

| Real Estate | Insured amounts (1) | Accounting values | Risk covered |
|--------------------|---------------------|-------------------|---|
| EDIFICIO REPÚBLICA | 96,361 | 202,363 | All operational risk with additional coverage and minor risks |
| BOUCHARD 551 | 63,303 | 71,000 | All operational risk with additional coverage and minor risks |
| MORENO 877 | 49,508 | 49,209 | All operational risk with additional coverage and minor risks |
| BOUCHARD 710 | 39,587 | 61,545 | All operational risk with additional coverage and minor risks |
| MAIPU 1300 | 25,787 | 28,068 | All operational risk with additional coverage and minor risks |
| SUIPACHA 652 | 17,041 | 8,611 | All operational risk with additional coverage and minor risks |
| AVDA. DE MAYO 595 | 5,148 | 3,076 | All operational risk with additional coverage and minor risks |
| LIBERTADOR 498 | 3,423 | 3,376 | All operational risk with additional coverage and minor risks |
| DIQUE IV | 3,056 | 55,903 | All operational risk with additional coverage and minor risks |
| RIVADAVIA 2768 | 369 | 120 | All operational risk with additional coverage and minor risks |
| MADERO 1020 | 216 | 139 | All operational risk with additional coverage and minor risks |
| CONSTITUCIÓN 1159 | 191 | 8,762 | 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 | 317,743 | 604,022 | |
| 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 separated to constitute legal reserves until they reach legal capped amounts (20% of total capital). These legal reserves are 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, May 12, 2014.

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Limited Review Report

To the Shareholders, President and Board of Directors of
IRSA Inversiones y Representaciones Sociedad Anónima
Legal address: Bolívar 108 - 1° floor
Autonomous City of Buenos Aires
C.U.I.T.: 30-52532274-9

1. We have reviewed the accompanying unaudited condensed interim separate statement of financial position of IRSA Inversiones y Representaciones Sociedad Anónima as of March 31, 2014, and the related unaudited condensed interim separate statements of income and comprehensive income for the nine and three-month periods ended March 31, 2014, and the unaudited condensed interim separate statements of changes of shareholders' equity and cash flows for the nine-month period then ended and selected explanatory notes. The balances and other information corresponding to the fiscal year ended June 30, 2013 and the interim periods within that fiscal year are an integral part of these financial statements and, therefore, they should be considered in relation to these financial statements.
2. 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 added by the National Securities Commission to its regulations. Those standards differ from the International Financial Reporting Standards and, especially, from the International Accounting Standard No 34 "Interim Financial Reporting" (IAS 34) approved by the International Accounting Standard Board and used for the preparation of the unaudited condensed interim consolidated financial statements of IRSA Inversiones y Representaciones Sociedad Anónima. Our responsibility is to express a conclusion based on the review that we have performed with the scope detailed in paragraph 3.
3. We conducted our review in accordance with Technical Resolution No. 7 issued by the Argentine Federation of Professional Councils in Economic Sciences for a review of interim financial statements. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit, the objective of which is to express an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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Limited Review Report (Continued)

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

5. In accordance with current regulations, we hereby inform 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 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 requirements;
- c) we have read the additional information to the unaudited condensed interim separate financial statements required by Article 68 of the Buenos Aires Stock Exchange Regulations and article 12, Chapter III, Title IV of the National Securities Commission, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at March 31, 2014, the debt of IRSA Inversiones y Representaciones Sociedad Anónima owed in favor of the Argentine Integrated Pension System which arises from accounting records and submissions amounted to Ps. 344,381 which was not callable at that date.

Autonomous City of Buenos Aires, May 12, 2014.

PRICE WATERHOUSE & Co. S.R.L.

ABELOVICH, POLANO & ASOCIADOS
S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17
Eduardo A. Loíacono
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 326 F° 94

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 30
Marcelo Héctor Fuxman
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 134 F° 85

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IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of March 31, 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, May 12, 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 nine-month period ended March 31, 2014.

Consolidated Income

(In millions of ARS, excluding joint businesses)

| | IIIQ 14 | IIIQ 13 | YoY var | | 9M 14 | 9M 13 | YoY var | |
|---|---------|---------|---------|---|---------|---------|---------|---|
| Revenues | 673.9 | 514.0 | 31.1 | % | 2,047.8 | 1,594.1 | 28.5 | % |
| Operating Income | 366.1 | 190.8 | 91.9 | % | 893.2 | 749.7 | 19.1 | % |
| Depreciation and Amortization | 55.5 | 55.6 | -0.3 | % | 168.7 | 162.7 | 3.7 | % |
| EBITDA | 421.6 | 246.5 | 71.0 | % | 1,061.9 | 912.4 | 16.4 | % |
| Net (loss)/ Income for the period | (52.8) | 133.4 | - | | (78.8) | 379.3 | - | |
| Attributable to the shareholders of the controlling group | (70.4) | 96.9 | - | | (92.0) | 320.6 | - | |
| Attributable to non-controlling interest | 17.6 | 36.5 | - | | 13.2 | 58.6 | - | |

„ Revenues grew by 31.1% in the third quarter of 2014 compared to the same quarter of 2013, and recorded a cumulative growth of 28.5% for the nine-month period, mainly explained by the performance of the Shopping Center, Offices and other and the Hotel segments.

„ Operating income grew 91.9% during the third quarter of 2014 and 19.1% for the cumulative nine-month period, mainly explained by the partial sale of “La Nación” building at the beginning of this quarter. EBITDA as of March 31, 2014 reached ARS 1,061.9 million (16.4% higher than in the same period of 2013).

„ A net cumulative loss of ARS 78.8 million was recorded for the period. This is explained by higher exchange rate differences, which resulted in a net financial loss of ARS 1,187.0 million.

„ The fluctuations in the Argentine Peso / U.S. Dollar exchange rate had an impact on our Financial Results. The accounting policies applied in the preparation of our Financial Statements record the revaluation of liabilities denominated in foreign currency, whereas most of our assets remain valued at historical cost.

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

Our tenants' sales grew 29.0% compared to the same period of the previous fiscal year, and 29.9% if we compare the third quarter of 2014 to the same quarter of 2013, reflecting the solid performance of our portfolio's shopping centers. Occupancy remained stable, at 98.8%.

In this way, Revenues and EBITDA from this segment recorded increases of 25.5% and 21.0%, respectively, during the third quarter of 2014 and of 25.9% and 23.5% in the cumulative nine-month period. The EBITDA/revenue margin, excluding revenues from common expense and commercial advertising funds, reached 78.6%.

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Summary as of March 31, 2014

Financial indicators of the Shopping Centers segment
(In millions of ARS)

| | IIIQ 14 | IIIQ 13 | YoY var | | 9M 14 | 9M 13 | YoY var | |
|-------------------------------|---------|---------|---------|---|---------|---------|---------|---|
| Revenues | 465.2 | 370.6 | 25.5 | % | 1,477.2 | 1,173.5 | 25.9 | % |
| Operating Income | 208.1 | 161.9 | 28.5 | % | 667.4 | 513.2 | 30.1 | % |
| Depreciation and Amortization | 34.4 | 38.4 | -10.5 | % | 108.2 | 114.7 | -5.6 | % |
| EBITDA | 242.4 | 200.3 | 21.0 | % | 775.6 | 627.9 | 23.5 | % |

Operating indicators of the Shopping Centers segment

| | IIIQ 14 | IIQ 14 | IQ 14 | IVQ 13 | IIIQ 13 |
|---|----------|----------|----------|----------|----------|
| Gross Leaseable Area (sqm) | 310,257 | 310,304 | 307,721 | 308,793 | 308,793 |
| Tenants' Sales (12 month cumulative, ARS million) | 15,081.7 | 14,277.7 | 13,277.8 | 12,482.0 | 11,751.4 |
| Occupancy [1] | 98.8 | % 98.8 | % 98.6 | % 99.1 | % 98.7 |

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

Operating data of our Shopping Centers

| Shopping Center | Date of Acquisition | Gross Leaseable Area (sqm)[1] | Stores | APSA's Interest | Occupancy [2] | Book Value (ARS thousand) [3] |
|---------------------------|---------------------|-------------------------------|--------|-----------------|---------------|-------------------------------|
| Alto Palermo | Nov-97 | 19,394 | 145 | 100.0 | % 100.0 | % 227,027 |
| Abasto Shopping [4] | Jul-94 | 38,129 | 141 | 100.0 | % 100.0 | % 289,668 |
| Alto Avellaneda | Nov-97 | 36,565 | 106 | 100.0 | % 98.8 | % 135,790 |
| Paseo Alcorta | Jun-97 | 14,146 | 62 | 100.0 | % 99.8 | % 119,747 |
| Patio Bullrich | Oct-98 | 11,736 | 84 | 100.0 | % 99.6 | % 118,049 |
| Buenos Aires Design | Nov-97 | 14,550 | 171 | 53.7 | % 93.0 | % 32,108 |
| Dot Baires Shopping | May-09 | 46,753 | 154 | 80.0 | % 99.6 | % 16,003 |
| Soleil | Jul-10 | 15,190 | 78 | 100.0 | % 99.0 | % 121,902 |
| Alto Noa Shopping | Mar-95 | 19,158 | 89 | 100.0 | % 99.7 | % 108,292 |
| Alto Rosario Shopping [5] | Nov-04 | 29,501 | 145 | 100.0 | % 97.7 | % 450,585 |
| Mendoza Plaza Shopping | Dec-94 | 41,108 | 146 | 100.0 | % 98.1 | % 66,264 |
| Córdoba Shopping | Dec-06 | 15,741 | 105 | 100.0 | % 99.5 | % 90,290 |
| La Ribera Shopping | Aug-11 | 8,285 | 51 | 50.0 | % 96.5 | % 15,608 |
| Total | | 310,257 | 1,477 | | 98.8 | % 1,791,333 |

[1] Corresponds to 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. Does not include works in progress.

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

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

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IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of March 31, 2014

Cumulative tenants' sales as of March 31

(By Shopping Center, for the quarter and for the first nine months of each fiscal year, in millions of ARS)

| Shopping Center | IIIQ 14 | IIIQ 13 | YoY var | | 9M 14 | 9M 13 | YoY var | |
|------------------------|---------|---------|---------|---|----------|---------|---------|---|
| Alto Palermo | 446.5 | 339.0 | 31.7 | % | 1,504.3 | 1,152.5 | 30.5 | % |
| Abasto Shopping | 518.2 | 403.7 | 28.4 | % | 1,772.1 | 1,393.5 | 27.2 | % |
| Alto Avellaneda | 489.6 | 401.9 | 21.8 | % | 1,678.7 | 1,354.9 | 23.9 | % |
| Paseo Alcorta | 237.7 | 166.1 | 43.1 | % | 804.6 | 586.1 | 37.3 | % |
| Patio Bullrich | 147.7 | 110.0 | 34.3 | % | 500.5 | 393.0 | 27.4 | % |
| Buenos Aires Design | 64.2 | 55.7 | 15.3 | % | 200.4 | 175.6 | 14.1 | % |
| Dot Baires Shopping | 433.3 | 340.0 | 27.4 | % | 1,451.9 | 1,138.0 | 27.6 | % |
| Soleil | 141.2 | 76.4 | 84.8 | % | 460.4 | 234.9 | 96.0 | % |
| Alto Noa Shopping | 184.2 | 144.7 | 27.3 | % | 547.7 | 451.1 | 21.4 | % |
| Alto Rosario Shopping | 303.3 | 225.4 | 34.6 | % | 981.0 | 761.1 | 28.9 | % |
| Mendoza Plaza Shopping | 336.0 | 278.4 | 20.7 | % | 1,077.1 | 865.8 | 24.4 | % |
| Córdoba Shopping | 117.6 | 93.5 | 25.8 | % | 392.6 | 314.7 | 24.8 | % |
| La Ribera Shopping | 69.6 | 50.3 | 38.4 | % | 201.0 | 151.4 | 32.8 | % |
| Total | 3,489.1 | 2,685.1 | 29.9 | % | 11,572.3 | 8,972.6 | 29.0 | % |

Cumulative revenues from leases as of March 31

(Detailed revenues, for the quarter and for the first nine months of each fiscal year, in millions of ARS)

| Detailed Revenues | IIIQ 14 | IIIQ 13 | YoY var | | 9M 14 | 9M 13 | YoY var | |
|--|---------|---------|---------|---|---------|---------|---------|---|
| Base Rent | 176.5 | 136.6 | 29.2 | % | 539.4 | 423.9 | 27.2 | % |
| Percentage Rent | 52.9 | 42.0 | 25.9 | % | 234.1 | 186.7 | 25.4 | % |
| Total Rent | 229.4 | 178.6 | 28.4 | % | 773.4 | 610.6 | 26.7 | % |
| Admission rights | 32.5 | 26.9 | 20.8 | % | 92.6 | 78.3 | 18.4 | % |
| Fees | 16.6 | 15.1 | 10.1 | % | 33.4 | 28.1 | 18.8 | % |
| Parking | 19.4 | 14.2 | 36.6 | % | 59.4 | 45.0 | 32.0 | % |
| Management fees | 5.7 | 4.5 | 25.6 | % | 16.6 | 13.1 | 26.6 | % |
| Other | 9.2 | 13.7 | -33.3 | % | 11.1 | 15.3 | -27.3 | % |
| Total Revenue before Common Expense and Common Promotional Fund | 312.7 | 253.0 | 23.6 | % | 986.6 | 790.4 | 24.8 | % |
| Common Expense and Common Promotional Fund | 152.5 | 117.6 | 29.7 | % | 490.6 | 383.2 | 28.0 | % |
| Total Revenue | 465.2 | 370.6 | 25.5 | % | 1,477.2 | 1,173.5 | 25.9 | % |

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of March 31, 2014

III. Offices and others

Our office rental segment has shown a slight decrease in gross leaseable area in the quarter under analysis, due to the partial sale of “La Nación” building. Occupancy levels have remained at 98.7%, similar to the figure recorded in the previous quarter, and Rent in USD/sqm has been stable, at USD/sqm 24.6.

| | IIIQ 14 | IIQ 14 | IQ14 | IVQ13 | IIIQ13 |
|----------------------|---------|---------|---------|---------|---------|
| Gross Leaseable Area | 127,239 | 131,014 | 131,115 | 131,085 | 141,287 |
| Occupancy | 98.7 % | 98.7 % | 97.3 % | 97.1 % | 97.3 % |
| Rent ARS/sqm | 196.5 | 157.7 | 142.0 | 138.7 | 128.8 |
| Rent USD/sqm | 24.6 | 24.2 | 25.6 | 25.7 | 25.1 |

| in ARS MM | IIIQ 14 | IIIQ 13 | YoY var | 9M 14 | 9M 13 | YoY var |
|-------------------------------|---------|---------|---------|-------|-------|---------|
| Revenues | 93.5 | 72.9 | 28.3 % | 243.0 | 214.0 | 13.6 % |
| Operating Income | 51.7 | 29.7 | 73.7 % | 116.1 | 86.1 | 34.8 % |
| Depreciation and Amortization | 8.5 | 8.8 | -3.2 % | 25.6 | 27.1 | -5.5 % |
| EBITDA | 60.2 | 38.6 | 56.1 % | 141.7 | 113.2 | 25.2 % |

„ Revenues from the Offices segment increased by 28.3% in the quarter under review compared to the same period of the previous fiscal year and 13.6% compared to the first nine months of the previous fiscal year. This growth is explained by the evolution of the exchange rate during the quarter under analysis, which favors the segment, offset by a 14,000 sqm decrease in gross leaseable area, due to the sales of investment properties made during the year.

„ Operating income and EBITDA grew by 34.8% and 25.2%, respectively, for the first nine months and the EBITDA/Revenue margin, excluding revenues from common maintenance expenses, stood at 67.0%, higher than the 65.0% recorded in the same period of 2013.

Below is information on our offices and other rental properties segment as of March 31, 2014.

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IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of March 31, 2014

Operating Data of the Offices segment
(In thousands of ARS, except as indicated)

| | Date of Acquisition | GLA sqm (1) | Occupancy (2) | Interest | Book Value(3) |
|----------------------------------|---------------------|----------------|------------------|----------|----------------|
| Offices | | | | | |
| Edificio República | Apr-08 | 19,884 | 97.2 % | 100 % | 202,363 |
| Torre Bankboston | Aug-07 | 14,873 | 100.0 % | 100 % | 143,100 |
| Bouchard 551 | Mar-07 | 9,157 | 100.0 % | 100 % | 71,000 |
| Intercontinental Plaza | Nov-97 | 22,535 | 100.0 % | 100 % | 60,831 |
| Bouchard 710 | Jun-05 | 15,044 | 100.0 % | 100 % | 61,545 |
| Dique IV, Juana Manso 295 | Dec-97 | 11,298 | 94.4 % | 100 % | 60,160 |
| Maipú 1300 | Sep-95 | 8,548 | 97.0 % | 100 % | 28,068 |
| Libertador 498 | Dec-95 | 620 | 100.0 % | 100 % | 3,376 |
| Suipacha 652/64 | Nov-91 | 11,453 | 100.0 % | 100 % | 8,611 |
| Dot Building (7) | May-09 | 11,242 | 100.0 % | 96 % | 99,083 |
| Other(4) | N/A | 2,585 | 89.4 % | - | 13,355 |
| Subtotal Offices | | 127,239 | 98.7 % | - | 751,492 |
| Other Properties | | | | | |
| Commercial Properties(5) | N/A | 311 | - | - | 736 |
| Santa María del Plata S.A. | Jul-97 | 60,100 | 100.0 % | 100 % | 12,511 |
| Nobleza Piccardo (7) | May-11 | 49,410 | 100.0 % | 50 % | 10,297 |
| Other Properties(6) | N/A | 19,520 | 100.0 % | - | 8,762 |
| Subtotal Other Properties | | 129,341 | 99.8 % | % | 32,306 |
| TOTAL OFFICES AND OTHER | | 256,580 | 99.2 % | - | 783,798 |

Notes:

(1) Total leaseable area for each property as of March 31, 2014. Excludes common areas and parking.

(2) Calculated dividing occupied square meters by leaseable area as of March 31, 2014.

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

(4) Includes the following properties: Av. de Mayo 595, Rivadavia 2774, Abasto and Costeros Dique IV.

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

(6) Includes Constitución 1159.

(7) Through Alto Palermo S.A.

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Summary as of March 31, 2014

IV. Sales and Developments

The Sales and Developments segment shows residual operations from projects developed in previous quarters. Revenues have fallen on a year-on-year basis due to higher results from the sale of units of “Horizons” and “Torres Rosario” in the same quarter of the previous year. However, operating income and EBITDA have grown strongly during the third quarter, explained by the recent partial sale of “La Nación” building.

Sales and Developments in

| ARS MM | IIIQ 14 | IIIQ 13 | YoY var | | 9M 14 | 9M 13 | YoY var | |
|-------------------------------|---------|---------|---------|---|-------|-------|---------|---|
| Revenues | 5.5 | 31.4 | -82.6 | % | 46.5 | 117.2 | -60.3 | % |
| Operating Income | 96.9 | 2.1 | 4,514.3 | % | 97.9 | 43.2 | 126.6 | % |
| Depreciation and Amortization | - | - | | | - | - | | |
| EBITDA | 96.9 | 2.1 | 4,514.3 | % | 97.9 | 43.2 | 126.6 | % |

Sales and Developments Table

(In thousands of ARS, except as indicated)

| DEVELOPMENT | 9M 14 | 9M 13 | YoY var | |
|---------------------------------------|---------------|----------------|--------------|----------|
| Residential Apartments | | | | |
| Caballito Nuevo | 177 | 6,983 | -97.5 | % |
| Torres de Rosario (5) | 19,059 | 4,260 | 347.4 | % |
| Libertador 1703 & 1755 (Horizons) (8) | 20,519 | 96,963 | -78.8 | % |
| Other Residential Apartments(6) | 44 | 811 | -94.6 | % |
| Subtotal Residential Apartments | 39,799 | 109,017 | -63.5 | % |
| Residential Communities | | | | |
| Abril/Baldovinos (7) | 1,750 | 1,113 | 57.2 | % |
| El Encuentro (11) | 4,902 | 7,008 | -30.1 | % |
| Subtotal Residential Communities | 6,652 | 8,121 | -18.1 | % |
| Land Reserves | | | | |
| Terreno Rosario(5) | - | - | - | |
| Canteras Natal Crespo | - | 40 | | |
| Subtotal Land Reserves | - | 40 | - | |
| TOTAL | 46,451 | 117,178 | -60.4 | % |

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Summary as of March 31, 2014

| DEVELOPMENT | Acquisition | Area intended for sale (sqm) (1) | Lots (2) | IRSA's Interest | Percentage Built | Percentage Sold (3) | Book Value (4) |
|---|-------------|---|----------|--------------------|---------------------|------------------------|-------------------|
| Residential Apartments | | | | | | | |
| Caballito Nuevo | Nov-97 | 7,323 | 118 | 100.00 | % 100.00 | % 97.35 | % 308 |
| Torres de Rosario(5) | Apr-99 | 6,166 | 57 | 95.68 | % 100.00 | % 47.13 | % 6,952 |
| Libertador 1703 & 1755 (Horizons) (9) | Jan-07 | 60,232 | 467 | 50.00 | % 100.00 | % 97.63 | % 6,339 |
| Other residential apartments (6) | | 5,579 | 62 | | | | 77,589 |
| Subtotal Residential Apartments | | 79,300 | 704 | | | | 91,188 |
| Residential Communities | | | | | | | |
| Abril/Baldovinos (7) | Jan-95 | 5,137 | 4 | 100.00 | % 100.00 | % 99.50 | % 2,357 |
| El Encuentro | Nov-97 | 127,795 | 110 | 100.00 | % 100.00 | % 99.72 | % 366 |
| Subtotal Residential Communities | | 132,932 | 114 | | | | 2,723 |
| Land Reserves | | | | | | | |
| Puerto Retiro | May-97 | 82,051 | 0 | 50.00 | % 0.00 | % 0.00 | % 51,337 |
| Santa María del Plata | Jul-97 | 715,951 | 0 | 100.00 | % 0.00 | % 10.00 | % 158,951 |
| Pereiraola | Apr-10 | 39,634 | 52 | 100.00 | % 0.00 | % 0.00 | % 8,200 |
| Terreno Baicom | Dec-09 | 34,500 | 1 | 50.00 | % 0.00 | % 0.00 | % 4,459 |
| UOM Lujan | May-08 | 1,176,000 | | 95.68 | % 0.00 | % 0.00 | % 33,905 |
| Terreno Catalinas Norte | Dec-09 | 42,625 | | 100.00 | % 0.00 | % 0.00 | % 109,493 |
| Pilar | May-97 | 740,237 | 0 | 100.00 | % 0.00 | % 0.00 | % 1,550 |
| Coto air space(5) | Sep-97 | 16,167 | 284 | 95.68 | % 0.00 | % 0.00 | % 8,946 |
| Other land reserves (8) | - | 13,673,696 | 0 | | | | 116,350 |
| Subtotal Land Reserves | | 16,520,861 | 337 | | | | 493,191 |
| TOTAL | | 16,733,093 | 1,155 | | | | 587,102 |

Notes:

(1) Total property area intended for sale upon completion of the development or

acquisition and before sale of any of the units (including parking and storage spaces, but excluding common areas). In the case of Land Reserves, the land area was considered.

(2) Represents the total units or plots upon completion of the development or acquisition (excludes parking and storage spaces).

(3) The percentage sold is calculated dividing the square meters sold by the total saleable square meters.

(4) Corresponds to total consolidated sales.

(5) Through Alto Palermo S.A.

(6) 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 Pereiraola plots through IRSA.

(7) Includes sales of shares in Abril.

(8) Includes the following land reserves: Terreno Pontevedra, Isla Sirgadero, Terreno San Luis, Mariano Acosta, Merlo and Intercontinental Plaza II through IRSA, Zetol and Vista al Muelle through Liveck and C.Gardel 3134 (fully sold), C.Gardel 3128 (fully sold), Agüero 596 (fully sold), República Árabe Siria (fully sold), Terreno Mendoza (fully sold), Zelaya 3102, Conil, Soleil air space and Others APSA (through APSA).-

(9) Owned by CYRSA S.A.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of March 31, 2014

V. Hotels

The hotel segment has also benefited from the evolution of the exchange rate in the last quarter. Our hotels in the City of Buenos Aires as well as Llao Llao Resort in the City of Bariloche have recovered their historical occupancy and rent levels after two years of reduced activity.

| Hotels (in ARS MM) | IIIQ 14 | IIIQ 13 | YoY var | 9M 14 | 9M 13 | YoY var |
|-------------------------------|---------|---------|---------|-------|-------|---------|
| Revenues | 93.4 | 57.9 | 61.3 % | 254.0 | 174.7 | 45.4 % |
| Operating Income | 11.7 | -1.9 | - | 18.1 | -9.2 | - |
| Depreciation and Amortization | 3.7 | 4.4 | -15.9 % | 10.9 | 14.3 | -23.8 % |
| EBITDA | 15.3 | 2.5 | 512.0 % | 29.0 | 5.1 | 468.6 % |

| | IIIQ 14 | IIQ 14 | IQ 14 | IVQ 13 | IIIQ 13 |
|-----------------------------------|---------|--------|--------|--------|---------|
| Average Occupancy | 71.4 % | 72.0 % | 68.4 % | 65.8 % | 67.2 % |
| Average Rate per Room (ARS/night) | 1,166 | 1,077 | 1,061 | 876 | 892 |
| Average Rate per Room (USD/night) | 146 | 165 | 197 | 163 | 174 |

Cumulative revenues from the segment grew 45.4% and EBITDA reached ARS 29.0 million, ARS 23.9 million higher than in 2013.

The following is information on our hotels as of March 31, 2014:

| | Date of Acquisition | IRSA's Interest | Number of Rooms | Average Occupancy (1) | Average Rate per Room (ARS)(2) | Book Value (in thousands of ARS) |
|------------------------|---------------------|-----------------|-----------------|-----------------------|--------------------------------|----------------------------------|
| Intercontinental (3) | Nov-97 | 76.3 % | 309 | 70.5 % | 928 | 45,880 |
| Sheraton Libertador(4) | Mar-98 | 80.0 % | 200 | 79.3 % | 863 | 31,278 |
| Llao Llao(5) | Jun-97 | 50.0 % | 201 | 65.1 % | 1,915 | 83,173 |
| Total | | 76.3 % | 710 | 71.4 % | 1,166 | 160,331 |

Notes:

- 1) Cumulative average for the 9-month period.
- 2) Cumulative average for the 9-month period.
- 3) Through Nuevas Fronteras S.A. (IRSA's subsidiary).
- 4) Through Hoteles Argentinos S.A. (IRSA's subsidiary).
- 5) Through Llao Llao Resorts S.A. (IRSA's subsidiary).

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VI. International

| | IIIQ 14 | IIIQ 13 | YoY var | | 9M 14 | 9M 13 | YoY var | |
|-------------------------------|---------|---------|---------|---|-------|-------|---------|---|
| Revenues | 24.9 | 13.5 | 84.4 | % | 64.3 | 25.6 | 151.2 | % |
| Operating Income / (Loss) | -0.4 | 1.4 | - | | 2.8 | 130.7 | -97.9 | % |
| Depreciation and amortization | 9.7 | 5.1 | 90.2 | % | 26.4 | 11.1 | 137.8 | % |
| EBITDA | 9.3 | 6.5 | 43.1 | % | 29.2 | 141.8 | -79.4 | % |

The International segment exhibited a rise in revenues for the first nine months of fiscal year 2014 due to an increase rent levels and occupancy rates of our major buildings in New York City. Cumulative operating income fell by 97.9% on a year on year basis, as during the second quarter of fiscal year 2013 we had recorded income of ARS 137 million generated by the consolidation of our investment in the building located at 183 Madison Avenue.

Interest in Metropolitan 885 Third Ave. 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 an office building known as the “Lipstick Building”.

The Lipstick Building is a landmark building in the City of New York, located in Midtown Manhattan. The building has a gross leasable area of more than 57,500 sqm. As of March 31, 2014, the building had reached an occupancy rate of 87.2% of its total area, generating an average rental price of 60.4 USD/sqm.

| | Lipstick | Mar-14 | Mar-13 | YoY var | |
|----------------------------|----------|--------|--------|---------|---|
| Gross Leaseable Area (sqm) | | 58,019 | 58,019 | - | |
| Occupancy | | 87.2 | 87.2 | | % |
| Rental price (USD/sqm) | | 60.4 | 62.6 | -3.5 | % |

Investment in Building located at 183 Madison Ave, New York, NY

Through our subsidiaries IRSA International LLC and Imadison LLC, we own 74.5% of the building located at 183 Madison Avenue, Manhattan. The property has 19 floors and a net leaseable area larger than 23,200 sqm. As of March 31, 2014, 93.0% of the building was occupied, for an average rental price of approximately 39.9 USD/sqm.

| | Madison 183 | Mar-14 | Mar-13 | YoY var | |
|----------------------------|-------------|--------|--------|---------|---|
| Gross Leaseable Area (sqm) | | 23,564 | 23,489 | 0.3 | % |
| Occupancy | | 93.0 | 96.1 | -3.3 | % |
| Rental price (USD/sqm) | | 39.9 | 36.7 | 8.6 | % |

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IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of March 31, 2014

Investment in Supertel Hospitality Inc.

As of March 31, 2014, we, together with other shareholders, held 34% of the voting power at the shareholders' meetings of Supertel Hospitality Inc., a REIT listed in NASDAQ under the symbol "SPPR". This REIT has a portfolio of 68 middle-class and long-stay hotels with 6,009 rooms in 21 states in the United States of America, which are managed by various operators and franchises such as Comfort Inn, Days Inn, Hampton Inn, Holiday Inn, Sleep Inn and Super 8, among others.

VII. Financial Transactions and Others

Interest in Banco Hipotecario S.A. ("BHSA")

BHSA is a leading bank in the mortgage lending segment, in which IRSA held a 29.77% interest as of March 31, 2014 (excluding portfolio shares). For further information please refer to <http://www.cnv.gov.ar> or <http://www.hipotecario.com.ar>. For the first nine months of fiscal year 2014, BHSA's contribution to IRSA's income amounted to ARS 164.0 million, ARS 103.7 million higher than the one recorded in 2013.

VIII. EBITDA by Segment

| | Shopping Centers | | Offices | | Sales and Developments | | Hotels | | International | | Financial Operations and Other | | Total | |
|-------------------------------|------------------|-------|---------|-------|------------------------|------|--------|------|---------------|-------|--------------------------------|------|---------|-------|
| | 9M | 9M13 | 9M | 9M13 | 9M | 9M13 | 9M | 9M13 | 9M | 9M13 | 9M | 9M13 | 9M 14 | 9M 13 |
| | 14 | 13 | 14 | 13 | 14 | 13 | 14 | 13 | 14 | 13 | 14 | 13 | 14 | 13 |
| Operating income | 667.4 | 513.2 | 116.1 | 86.1 | 97.0 | 43.2 | 18.1 | -9.2 | 2.8 | 130.7 | -1.6 | -0.8 | 900.8 | 763.0 |
| Depreciation and amortization | 108.2 | 114.7 | 25.6 | 27.1 | - | - | 10.9 | 14.3 | 26.4 | 11.1 | - | - | 171.1 | 167.0 |
| EBITDA | 775.6 | 627.9 | 141.7 | 113.2 | 97.0 | 43.2 | 29.0 | 5.1 | 29.2 | 141.8 | -1.6 | -0.8 | 1,071.9 | 930.0 |

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IX. Reconciliation with Income Statement as of March 31*

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 businesses included in the segment but not in the income statement.

| | Total Segment Information | | Interest in Joint Businesses | | Income Statement | | YoY var |
|--|---------------------------|---------|------------------------------|--------|------------------|---------|---------|
| | 9M 14 | 9M 13 | 9M 14 | 9M 13 | 9M 14 | 9M 13 | |
| Revenues | 2,085.3 | 1,706.2 | -37.5 | -112.1 | 2,047.8 | 1,594.0 | 28.5 % |
| Costs | -972.0 | -878.5 | 24.2 | 87.3 | -947.8 | -791.2 | 19.8 % |
| Gross Profit /(Loss) | 1,113.3 | 827.6 | -13.3 | -24.8 | 1,100.0 | 802.9 | 37.0 % |
| Income / (loss) from sale of investment properties | 115.4 | 64.0 | - | - | 115.4 | 64.0 | 80.2 % |
| General and administrative expenses | -195.4 | -153.5 | 1.5 | 2.3 | -193.9 | -151.1 | 28.3 % |
| Selling expenses | -102.9 | -81.6 | 2.4 | 8.4 | -100.5 | -73.2 | 37.3 % |
| Other operating income, net | -29.6 | 106.6 | 1.8 | 0.6 | -27.8 | 107.2 | - |
| Operating Income / (Loss) before income / (loss) from interests in equity investees and joint businesses | 900.8 | 763.2 | -7.6 | -13.5 | 893.2 | 749.7 | 19.1 % |
| Income / (loss) from interests in equity investees and joint businesses | 83.5 | 6.0 | 19.2 | 9.2 | 102.7 | 15.1 | 579.5 % |
| Operating Income / (Loss) before financial income / (loss) and income tax | 984.3 | 769.1 | 11.6 | -4.3 | 995.9 | 764.8 | 30.2 % |

*Does not include Puerto Retiro, Baicom, CYRSA, Canteras Natal Crespo, Nuevo Puerto Santa Fe or Quality (San Martín Plot).

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Summary as of March 31, 2014

X. Financial Debt and Other Indebtedness

Consolidated Financial Debt as of March 31, 2014

| Description | Currency | Amount (USD MM) (1) | Interest Rate | Maturity |
|--------------------------------------|----------|---------------------------|------------------|------------|
| Bank Overdraft | ARS | 13.6 | Float | < 180 days |
| IRSA's Tranche I Series I Notes | USD | 150.0 | 8.50% | Feb-17 |
| IRSA's Tranche II Series II Notes(2) | USD | 150.0 | 11.50% | Jul-20 |
| IRSA's Tranche III Series V Notes | ARS | 26.2 | Float | Aug-15 |
| IRSA's Tranche III Series VI Notes | USD | 1.3 | Float | Feb-17 |
| Belmont Madison Building mortgage | USD | 75.0 | 4.22% | Aug-17 |
| Other Debt | ARS | 1.1 | 15.25% | Dec-16 |
| IRSA's Total Debt | | 417.3 | | |
| Short Term Debt | ARS | 9.4 | Float | < 30 days |
| APSA's Tranche I Series I Notes(3) | USD | 120.0 | 7.875% | May-17 |
| Other Debt | | 44.0 | - | - |
| APSA's Total Debt | | 173.4 | | |
| Total Consolidated Debt | | 590.7 | | |
| Consolidated Cash | | 30.3 | | |
| Repurchase of Debt | | 26.2 | | |
| Net Consolidated Debt | | 534.2 | | |

(1) Principal face value in USD at an exchange rate of 8.002 ARS = 1 USD, without considering accrued interest or elimination of balances with subsidiaries.

(2) As of June 30, 2012 IRSA and its subsidiaries had repurchased USD 10.0 million in principal amount.

(3) As of June 30, 2012 IRSA and its subsidiaries had repurchased USD 3.9 million in principal amount.

Evolution of Exchange Rate

During the last months, the depreciation of the Argentine Peso to the U.S. Dollar accelerated as compared to the previous months. In the third quarter of fiscal year 2014 the Argentine currency depreciated 22.7%, whereas in the period between December 2012 and March 2013, it had depreciated 4.1%. Accumulating a depreciation of 48.5% in the nine-month period while in the same period last year accumulated depreciation had been 13.1%. During the past month of January the Argentine peso/U.S. dollar exchange rate suffered a reduction of 22.8% compared to the last figure recorded in December 2013. Given that a significant portion of our debt is denominated in USD, this process had an adverse impact on our Financial Results. Most of our assets are favorably positioned vis-à-vis the dollar; however, in our financial statements they are valued at historical cost plus investments, and are not affected by any kind of revaluation due to the fluctuation of market prices.

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Below is the evolution of the exchange rate as published by Banco de la Nación Argentina.

Significant Events occurred during the quarter and after its closing

- On January 24, IRSA executed the deed of conveyance for the sale of 2,863 sqm in the seventh floor and 28 parking spaces of the Bouchard 551 building. The transaction price was fixed in the sum of ARS 124.6 million, equivalent to USD 16.0 million. The transaction resulted in a gain before taxes of approximately ARS 104.5 million.
- After the closing of this quarter, IRSA closed a transaction whereby Dolphin Fund, acting through subsidiaries and jointly with C.A.A. Extra Holdings Limited, (“ETH”), purchased approximately 53.3% of IDB Development Corporation Ltd. (“IDBD”). This percentage may be increased, subject to the sale of certain assets by IDBD during the current year. The transaction amount is approximately USD 272 million. The Company made investments in Dolphin for approximately USD 109.5 million. In addition, the company executed an undertaking to subscribe for USD 43.2 million in Dolphin Netherlands B.V., a company organized under the laws of Holland, which is indirectly wholly controlled by Dolphin (“Dolphin B.V.”), for the purpose of consummating the participation of Dolphin Netherlands B.V. in the offering of new shares intended to be made by IDBD. The Board of Directors approved an undertaking to subscribe in Dolphin Fund the additional amount of USD 43.2 million in order to consummate Dolphin’s participation in the offering of new shares intended to be made by IDB Development Ltd. The undertaking will remain in effect until December 31, 2014.

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Summary as of March 31, 2014

XI. Summary Comparative Consolidated Balance Sheet

| | 03.31.14 | 03.31.13 | 03.31.12 |
|-------------------------|-----------|-----------|-----------|
| Current Assets | 1,243,522 | 1,242,841 | 857,101 |
| Non-current assets | 8,216,441 | 6,868,010 | 5,984,408 |
| Total | 9,459,963 | 8,110,851 | 6,841,509 |
| Current liabilities | 1,374,301 | 1,527,731 | 1,019,790 |
| Non-current liabilities | 5,167,536 | 3,258,906 | 2,710,884 |
| Subtotal | 6,541,837 | 4,786,637 | 3,730,674 |
| Minority interest | 428,620 | 505,460 | 391,679 |
| Shareholders' Equity | 2,489,506 | 2,818,754 | 2,719,156 |
| Total | 9,459,963 | 8,110,851 | 6,841,509 |

XII. Summary Comparative Consolidated Results

| | 03.31.14 | 03.31.13 | 03.31.12 |
|---|------------|----------|----------|
| Operating income | 893,168 | 749,679 | 540,693 |
| Results from interests in equity investees and joint businesses | 102,690 | 15,112 | 15,922 |
| Income before financial results and income tax | 995,858 | 764,791 | 556,615 |
| Financial income | 89,444 | 103,479 | 73,206 |
| Financial costs | -1,533,757 | -553,530 | -362,934 |
| Other financial results | 257,315 | 151,755 | 19,880 |
| Financial results, net | -1,186,998 | -298,296 | -269,848 |
| Income / (loss) before income tax | -191,140 | 466,495 | 286,767 |
| Income tax | 112,298 | -87,234 | -91,296 |
| Net income / (loss) | -78,842 | 379,261 | 195,471 |
| Attributable to: | | | |
| Controlling company's shareholders | -92,030 | 320,638 | 176,622 |
| Non-controlling interest | 13,188 | 58,623 | 18,849 |

XIII. Summary Comparative Consolidated Cash Flow

| | 03.31.14 | 03.31.13 | 03.31.12 |
|--|----------|----------|----------|
| Net cash generated by operating activities | 686,420 | 540,756 | 515,215 |
| Net cash used in investment activities | -597,560 | -250,979 | -247,592 |
| Net cash (used in) generated by financing activities | -688,495 | -171,723 | -326,264 |
| Net (decrease) / increase in cash and cash equivalents | -599,635 | 118,054 | -58,641 |
| Cash and cash equivalents at the beginning of the fiscal year | 796,902 | 259,169 | 301,559 |
| Gain from exchange rate differences of cash and cash equivalents | 42,010 | 22,053 | 11,840 |
| Cash and cash equivalents at the closing of the period | 239,277 | 399,276 | 254,758 |

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Summary as of March 31, 2014

XIV. Comparative Ratios

| | 03.31.2014 | | 03.31.2013 | | 03.31.2012 | |
|-----------------------|------------|------|------------|------|------------|------|
| Liquidity | | | | | | |
| Current Assets | 1,243,522 | 0.90 | 1,242,841 | 0.81 | 857,101 | 0.84 |
| Current Liabilities | 1,374,301 | | 1,527,731 | | 1,019,790 | |
| Indebtedness | | | | | | |
| Total Liabilities | 6,541,837 | 2.24 | 4,786,637 | 1.44 | 3,730,674 | 1.20 |
| Shareholders' Equity | 2,918,126 | | 3,324,214 | | 3,110,835 | |
| Solvency | | | | | | |
| Shareholders' Equity | 2,918,126 | 0.45 | 3,324,214 | 0.69 | 3,110,835 | 0.83 |
| Total Liabilities | 6,541,837 | | 4,786,637 | | 3,730,674 | |
| Capital Assets | | | | | | |
| Non-current Assets | 8,216,441 | 0.87 | 6,868,010 | 0.85 | 5,984,408 | 0.87 |
| Total Assets | 9,459,963 | | 8,110,851 | | 6,841,509 | |

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Summary as of March 31, 2014

XI. Brief comment on prospects for the next period

Our shopping centers have maintained their growth rate and have continued to exhibit sound invoicing figures and occupancy rates close to 100%. During the fourth quarter of this fiscal year we expect to maintain the sales, visitors' traffic and occupancy levels recorded in the first nine months, so as to continue consolidating our position as the leading shopping center company in Argentina.

Moreover, we expect to open our "Arcos District" shopping center located in the neighborhood of Palermo, in the City of Buenos Aires. This project consists in an urban model, offering a variety of premium brands in an open-air environment, with approximately 16,000 sqm of gross leaseable area and 65 stores. While it was expected to be opened in December 2013, on December 10, 2013 the judicial branch confirmed an injunction order that suspended the opening of the shopping center on the grounds that it failed to have certain governmental permits. Although the construction works have obtained all the governmental permits required, the Company is taking various steps, including the filing of an appeal against the resolution and a request to have the injunction released, with favorable expectations. On April 1, 2014, the Government of the City of Buenos Aires issued a new favorable environmental certificate. We trust that we will soon be able to open the fourteenth shopping center in our portfolio.

On the other hand, during the coming quarter and the first semester of fiscal year 2015 we will continue working on the development of our next shopping center in the City of Neuquén. Shopping Neuquén, the gross leaseable area of which is about 10,000 sqm, will be our sixth development located in the inner regions of our country, and in view of the progress shown by the city in the last years, we expect that this project will achieve the same success as other developments of this nature in the provinces where we operate. It is scheduled to open in the spring of this year. In addition, we continue evaluating the best timing to launch other projects on the large extent of lands reserved by the company for future business developments.

In addition, we will continue making efforts to provide better services in our shopping centers, aimed at maintaining our successful occupancy rates and number of visitors. We hope to keep on adding new top brands among our tenants and devising new ways to continue offering the best commercial proposals to our public.

Regarding the Offices and Hotels business, we have recorded better results during the last quarter due to the evolution of the exchange rate in Argentina. During the next quarter we expect to continue our sales of non-strategic portfolio assets for attractive prices as we have actively done during the past year. In addition, we will strive to achieve maximum occupancy in our buildings and the best possible lease agreements, trying to attract new firms wishing to relocate in the spaces we offer. Moreover, we are deciding on the most suitable timing for launching our "Catalinas Norte" project, which is strategically located and will add approximately 35,000 sqm of gross leaseable area to our portfolio.

Regarding the Sales and Developments segment, we expect to continue selling non-strategic assets and small land reserves and to make progress in the execution of title deeds for the last available units in the residential projects "Caballito Nuevo", "Torres Rosario" and "El Encuentro".

As concerns our investments outside Argentina, we will continue to work towards optimizing occupancy and income levels in our Lipstick and Madison buildings. Moreover, we expect to complete the announced transaction to acquire, through our investment in Dolphin and together with other investors, about 53.3% in the Israeli company IDBD, one of the largest and most diversified investment groups in Israel, which is engaged through its subsidiaries in various markets and businesses such as real estate, retail, agricultural business, oil and gas production, insurance, telecommunications, etc.

Given the quality of the real estate assets in our portfolio, the Company's financial position and low indebtedness level, its experience in taking advantage of market opportunities and its credentials in the capital markets, we are confident that that we will remain on the growth track, consolidating the best real estate portfolio of Argentina and taking advantage of opportunities that may arise abroad.

