

IRSA INVESTMENTS & REPRESENTATIONS INC
Form 6-K
December 13, 2013

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of December, 2013

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 the Form 6-K

Attached is the English translation of the Financial Statements for the three month period ended on September 30, 2013 and September 30, 2012 filed by the Company with the Bolsa de Comercio de Buenos Aires and the Comisión Nacional de Valores.

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Financial Statements
as of September 30, 2013 and for the three-month periods
ended September 30, 2013 and 2012

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: 65.47% (considering treasury shares of our own).

CAPITAL STATUS

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

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

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Financial Position

as of September 30, 2013 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 | 09.30.2013 | 06.30.2013 |
|---|------|------------|------------|
| ASSETS | | | |
| Non- Current Assets | | | |
| Investment properties | 9 | 4,071,267 | 3,992,530 |
| Property, plant and equipment | 10 | 210,614 | 212,673 |
| Trading properties | 11 | 178,818 | 178,425 |
| Intangible assets | 12 | 83,351 | 79,653 |
| Investments in associates and joint ventures | 7,8 | 1,491,681 | 1,423,936 |
| Deferred income tax assets | 24 | 131,962 | 85,236 |
| Restricted assets | 15 | 14,018 | 10,881 |
| Income tax and Minimum Presumed Income tax ("MPIT") credit | | 132,805 | 130,086 |
| Trade and other receivables | 16 | 87,564 | 85,126 |
| Investments in financial assets | 17 | 678,915 | 267,455 |
| Derivative financial instruments | 18 | 15,273 | 21,208 |
| Total Non-Current Assets | | 7,096,268 | 6,487,209 |
| Current Assets | | | |
| Trading properties | 11 | 10,813 | 11,689 |
| Inventories | 13 | 15,238 | 16,321 |
| Restricted assets | 15 | 1,179 | 1,022 |
| Trade and other receivables | 16 | 578,014 | 769,333 |
| Investments in financial assets | 17 | 413,174 | 244,053 |
| Derivative financial instruments | 18 | 2,067 | - |
| Cash and cash equivalents | 19 | 281,188 | 796,902 |
| Total Current Assets | | 1,301,673 | 1,839,320 |
| TOTAL ASSETS | | 8,397,941 | 8,326,529 |
| SHAREHOLDERS' EQUITY | | | |
| Capital and reserves attributable to equity holders of the parent | | | |

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| | | | |
|---|----|------------------|------------------|
| Share capital | | 578,506 | 578,676 |
| Treasury stock | | 170 | - |
| Inflation adjustment of share capital and treasury stock | | 123,329 | 123,329 |
| Share premium | | 793,123 | 793,123 |
| Cost of treasury stock | | (1,182) | - |
| Acquisition of additional interest in subsidiaries | | (20,782) | (20,782) |
| Cumulative translation adjustment | | 65,687 | 50,776 |
| Reserve for share-based compensation | 32 | 13,988 | 8,258 |
| Legal reserve | | 85,140 | 85,140 |
| Reserve for new developments | | 492,441 | 492,441 |
| Special reserve | | 395,249 | 395,249 |
| Retained earnings | | 271,710 | 239,328 |
| Total capital and reserves attributable to equity holders of the parent | | 2,797,379 | 2,745,538 |
| Non-controlling interest | | 396,256 | 385,151 |
| TOTAL SHAREHOLDERS' EQUITY | | 3,193,635 | 3,130,689 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Trade and other payables | 20 | 233,164 | 211,118 |
| Borrowings | 23 | 3,073,406 | 2,922,642 |
| Income tax liabilities | | 66,979 | - |
| Deferred income tax liabilities | 24 | 386,072 | 395,936 |
| Salaries and social security liabilities | 21 | 4,692 | 3,160 |
| Provisions | 22 | 88,855 | 57,737 |
| Total Non-Current Liabilities | | 3,853,168 | 3,590,593 |
| Current Liabilities | | | |
| Trade and other payables | 20 | 565,319 | 688,861 |
| Income tax liabilities | | 31,172 | 79,065 |
| Salaries and social security liabilities | 21 | 42,568 | 49,010 |
| Derivative financial instruments | 18 | 819 | 1,732 |
| Borrowings | 23 | 698,502 | 772,529 |
| Provisions | 22 | 12,758 | 14,050 |
| Total Current Liabilities | | 1,351,138 | 1,605,247 |
| TOTAL LIABILITIES | | 5,204,306 | 5,195,840 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 8,397,941 | 8,326,529 |

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

IRSA Inversiones y Representaciones Sociedad
Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Income

for the three-month periods ended September 30, 2013 and 2012

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

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

| | Note | 09.30.2013 | 09.30.2012 |
|--|------|------------|------------|
| Revenues | 26 | 621,447 | 483,047 |
| Costs | 27 | (293,700) | (239,878) |
| Gross Profit | | 327,747 | 243,169 |
| Gain from disposal of investment properties | 9 | - | 31,069 |
| General and administrative expenses | 28 | (58,478) | (43,533) |
| Selling expenses | 28 | (30,686) | (23,637) |
| Other operating results, net | 30 | (9,532) | (9,126) |
| Profit from operations | | 229,051 | 197,942 |
| Share of profit of associates and joint ventures | 7,8 | 38,991 | 16,731 |
| Profit before financial results and income tax | | 268,042 | 214,673 |
| Finance income | 31 | 46,534 | 38,723 |
| Finance cost | 31 | (308,201) | (180,977) |
| Other financial results | 31 | 41,841 | 16,017 |
| Financial results, net | 31 | (219,826) | (126,237) |
| Profit before income tax | | 48,216 | 88,436 |
| Income tax | 24 | (12,948) | (37,626) |
| Profit for the period | | 35,268 | 50,810 |
| Attributable to: | | | |
| Equity holders of the parent | | 32,382 | 41,142 |
| Non-controlling interest | | 2,886 | 9,668 |
| Profit per share attributable to equity holders of the parent during the period: | | | |
| Basic | | 0.06 | 0.07 |
| Diluted | | 0.06 | 0.07 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income

for the three-month periods ended September 30, 2013 and 2012

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

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

| | 09.30.2013 | 09.30.2012 |
|--|------------|------------|
| Profit for the period | 35,268 | 50,810 |
| Other comprehensive income: | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Currency translation adjustment | 23,293 | 10,490 |
| Other comprehensive income for the period (i) | 23,293 | 10,490 |
| Total comprehensive income for the period | 58,561 | 61,300 |
| Attributable to: | | |
| Equity holders of the parent | 47,293 | 51,632 |
| Non-controlling interest | 11,268 | 9,668 |

(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 Sociedad Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the three-month periods ended September 30, 2013 and 2012

(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 additional interest in subsidiaries | Cumulative translation adjustment | Reserve for share-based compensation | Legal reserve | Reserve for new developments | Special reserve (1) |
| Balance at July 1st, 2013 | 578,676 | - | 123,329 | 793,123 | - | (20,782) | 50,776 | 8,258 | 85,140 | 492,441 | 395,249 |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | 14,911 | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | 14,911 | - | - | - | - |
| Reserve for share-based compensation (Note 32) | - | - | - | - | - | - | - | 5,730 | - | - | - |
| Purchase of Treasury stock. | (170) | 170 | - | - | (1,182) | - | - | - | - | - | - |
| Distribution of share capital of subsidiaries | - | - | - | - | - | - | - | - | - | - | - |
| Capital contribution of non-controlling interest | - | - | - | - | - | - | - | - | - | - | - |
| Balance at September 30, 2013 | 578,506 | 170 | 123,329 | 793,123 | (1,182) | (20,782) | 65,687 | 13,988 | 85,140 | 492,441 | 395,249 |

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 25.

(2) Includes Ps. 36 of Inflation adjustment treasury stock. See Note 25.

IRSA Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the three-month period ended September 30, 2013 and 2012

(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 interest in subsidiaries | Cumulative translation adjustment | Reserve for share-based compensation | Legal reserve | Reserve for new developments | Retained earnings | Subtotal | Non- controlling interest |
|---|------------------|--|------------------|---|---|---|------------------|------------------------------------|----------------------|-----------|---------------------------------|
| Balance at July 1st, 2012 | 578,676 | 274,387 | 793,123 | (15,714) | 14,502 | 2,595 | 71,136 | 419,783 | 510,853 | 2,649,341 | 390,000 |
| Profit for the period | - | - | - | - | - | - | - | - | 41,142 | 41,142 | 9,600 |
| Other comprehensive income for the period | - | - | - | - | 10,490 | - | - | - | - | 10,490 | - |
| Total comprehensive income for the period | - | - | - | - | 10,490 | - | - | - | 41,142 | 51,632 | 9,600 |
| Reserve for share-based compensation (Note 32) | - | - | - | - | - | 1,668 | - | - | - | 1,668 | 61,000 |
| Acquisition of subsidiaries | - | - | - | (334) | - | - | - | - | - | (334) | - |
| Dividends distributed by subsidiaries | - | - | - | - | - | - | - | - | - | - | (10,000) |
| Capital contribution of non-controlling interest | - | - | - | - | - | - | - | - | - | - | 1,700 |
| Balance at September 30, 2012 | 578,676 | 274,387 | 793,123 | (16,048) | 24,992 | 4,263 | 71,136 | 419,783 | 551,995 | 2,702,307 | 390,000 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain

Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Cash Flows

for the three-month periods ended September 30, 2013 and 2012

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

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

| | Note | 09.30.2013 | 09.30.2012 |
|--|-------|------------|------------|
| Operating activities: | | | |
| Cash generated by operations | 19 | 252,219 | 290,535 |
| Income tax paid | | (48,778) | (25,931) |
| Net cash generated by operating activities | | 203,441 | 264,604 |
| Investing activities: | | | |
| Capital contributions in associates and joint ventures | 7 | (1,221) | - |
| Purchases of associates and joint ventures | 3,7,8 | (13,057) | (7,570) |
| Purchases of investment properties | 9 | (70,820) | (36,767) |
| Proceeds from sale of investment properties | | 118,936 | 53,299 |
| Purchases of property, plant and equipment | 10 | (4,152) | (5,832) |
| Purchases of intangible assets | 12 | (139) | (253) |
| Purchase of investments in financial assets | | (775,782) | (126,340) |
| Proceeds from sale of investments in financial assets | | 245,124 | 46,433 |
| Advanced payments | | (13,120) | (18,496) |
| Acquisition of derivative financial instruments | | (2,000) | - |
| Proceeds from sale of joint ventures | | 7,736 | - |
| Dividends received | | 14,698 | 4,953 |
| Net cash used in investing activities | | (493,797) | (90,573) |
| Financing activities: | | | |
| Proceeds from borrowings | | 118,401 | 24,624 |
| Repayments of borrowings | | (141,218) | (80,266) |
| Payment of non-convertible notes | | (97,887) | - |
| Payment of seller financing | | (390) | (2,000) |
| Dividends paid | | (6,060) | (38,684) |
| Capital contribution of non-controlling interest | | 347 | 1,717 |
| Interest paid | | (117,848) | (96,116) |
| Capital reduction of subsidiaries | | (712) | (10,215) |
| Loans from associates and joint ventures, net | | 2,000 | 47,181 |
| Repurchase of Treasury stock. | | (1,182) | - |
| Payment of seller financing of shares | | (1,640) | - |
| Net cash used in financing activities | | (246,189) | (153,759) |
| Net (decrease) / increase in cash and cash equivalents | | (536,545) | 20,272 |
| Cash and cash equivalents at beginning of year | 19 | 796,902 | 259,169 |
| Foreign exchange gain on cash and cash equivalents | | 20,831 | 1,901 |
| Cash and cash equivalents at end of period | | 281,188 | 281,342 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
Partner

7

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 publication in Argentina

1. The Group's business and general information

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

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

As of September 30, 2013, the Group operates in six business segments. See Note 7 to the Condensed Interim 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, the Group owns, manages and develops shopping centers across Argentina. The Group owns, manages and develops 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 November 11, 2013.

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 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”.

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 three-month periods ended September 30, 2013 and 2012 have not been audited. The management believes they include all necessary adjustments to fairly present the results of each period. The Company’s three-month periods ended September 30, 2013 and 2012 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 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 publication in Argentina

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

2.4. Comparative Information

Balance items as of September 30, 2012 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 stated as of September 30, 2013.

2.5 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 Christmas 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 September 30, 2012 do not include Rigby's operations.

3. Acquisitions and disposals

For the three-month period ended as of September 30, 2013

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. and 23,077 shares of Avenida Compras S.A., 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%.

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 publication in Argentina

3. Acquisitions and disposals (Continued)

Stock Call Option Agreement for Arcos del Gourmet S.A.

On September 16, 2013, the Group, through APSA entered into an agreement with Messrs. Eduardo Giana, Pablo Bossi and Patricio Tobal whereby the latter grant to APSA an exclusive and irrevocable option to purchase 10% of the equity interest and all the related rights of Sociedad 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 the option is exercised, is US\$ 0.8 million per each percentage point of the Company's capital stock. The option price is made up of a fixed amount of Ps. 2 million 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, from the opening of the shopping mall until the end of the lease agreement between APSA and Arcos.

Transfer of Entretenimiento Universal S.A.'s shares

On September 11, 2013, Entertainment Holdings S.A. ("EHSA") sold to the Company 300 shares of stock with a nominal value of Ps. 1 and one voting right each, accounting for 2.5% of Entretenimiento Universal S.A.'s capital stock ("ENUSA", a company exclusively engaged in the entertainment business and in organizing other social and corporate events), which APSA already owned indirectly. The consideration for the transfer was set at Ps. 0.001 for all shares.

4. Financial risk management

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.

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 publication in Argentina

5. Segment information

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

| | September 30, 2013 | | | | | | |
|---|--------------------|--------------------|------------------------|-----------|---------------|---------------------------------|------------|
| | Shopping Center | Offices and others | Sales and developments | Hotels | International | Financial operations and others | Total |
| Revenues | 455,839 | 74,004 | 16,060 | 72,927 | 19,361 | 184 | 638,375 |
| Costs | (203,747) | (28,304) | (11,800) | (49,548) | (11,745) | (96) | (305,240) |
| Gross Profit | 252,092 | 45,700 | 4,260 | 23,379 | 7,616 | 88 | 333,135 |
| General and administrative expenses | (24,994) | (8,134) | (7,325) | (13,867) | (4,323) | (55) | (58,698) |
| Selling expenses | (14,044) | (6,968) | (2,532) | (8,674) | - | 397 | (31,821) |
| Other operating results, net | (5,909) | (868) | (1,147) | (106) | (135) | (2,072) | (10,237) |
| Profit / (loss) from operations | 207,145 | 29,730 | (6,744) | 732 | 3,158 | (1,642) | 232,379 |
| Share of profit / (loss) of associates and joint ventures | - | 1,173 | 632 | 129 | (23,437) | 55,392 | 33,889 |
| Segment Profit / (Loss) before financial results and income tax | 207,145 | 30,903 | (6,112) | 861 | (20,279) | 53,750 | 266,268 |
| Investment properties | 2,280,038 | 790,274 | 367,574 | - | 794,211 | - | 4,232,097 |
| Property, plant and equipment | 18,723 | 22,127 | 4,010 | 165,660 | 204 | - | 210,724 |
| Trading properties | - | - | 120,097 | - | 81,018 | - | 201,115 |
| Goodwill | 1,667 | 9,392 | - | - | 54,908 | - | 65,967 |
| Inventories | 8,101 | - | 508 | 6,752 | - | - | 15,361 |
| Investments in associates | - | 25,268 | 33,391 | 21,468 | 974 | 1,140,493 | 1,221,594 |
| Operating assets | 2,308,529 | 847,061 | 525,580 | 193,880 | 931,315 | 1,140,493 | 5,946,858 |

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 publication in Argentina

5. Segment information (Continued)

Below is a summarized analysis of the lines of business of the Group for the period ended September 30, 2012:

| | September 30, 2012 | | | | | | |
|---|--------------------|-----------|------------------------|-----------|---------------|---------------------------------|------------|
| | Shopping Center | Offices | Sales and developments | Hotels | International | Financial operations and others | Total |
| Revenues | 355,578 | 70,328 | 52,503 | 53,793 | - | 693 | 532,895 |
| Costs | (169,416) | (28,646) | (39,113) | (40,529) | - | (258) | (277,962) |
| Gross Profit | 186,162 | 41,682 | 13,390 | 13,264 | - | 435 | 254,933 |
| Gain from disposal of investment properties | - | - | 31,069 | - | - | - | 31,069 |
| General and administrative expenses | (14,408) | (6,958) | (6,981) | (12,348) | (3,241) | (256) | (44,192) |
| Selling expenses | (11,902) | (2,852) | (5,044) | (6,990) | - | (546) | (27,334) |
| Other operating results, net | (5,902) | (819) | (1,675) | 185 | (2,084) | 916 | (9,379) |
| Profit / (Loss) from operations | 153,950 | 31,053 | 30,759 | (5,889) | (5,325) | 549 | 205,097 |
| Share of profit / (loss) of associates | - | - | 564 | 43 | (18,335) | 30,932 | 13,204 |
| Segment profit / (loss) before financial results and income tax | 153,950 | 31,053 | 31,323 | (5,846) | (23,660) | 31,481 | 218,301 |
| Investment properties | 2,021,496 | 905,081 | 474,655 | - | - | - | 3,401,232 |
| Property, plant and equipment | 14,613 | 29,617 | 3,761 | 178,629 | 199 | - | 226,819 |
| Trading properties | - | - | 185,588 | - | 66,591 | - | 252,179 |
| Goodwill | 343 | 5,481 | - | - | - | - | 5,824 |
| Inventories | 11,312 | - | 484 | 5,932 | - | - | 17,728 |
| Investments in associates | - | - | 25,958 | 21,299 | 104,192 | 1,056,204 | 1,207,653 |
| Operating assets | 2,047,764 | 940,179 | 690,446 | 205,860 | 170,982 | 1,056,204 | 5,111,435 |

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 publication in Argentina

5. Segment information (Continued)

Operating results of the Cyrsa S.A., Nuevo Puerto Santa Fe S.A., Canteras Natal Crespo S.A., 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.

| | September 30, 2013 | | |
|--|--------------------|--------------|------------|
| | Total | Adjustment | As per |
| | segment | for share of | statements |
| | information | profit / | of income |
| | | (loss) of | |
| | | joint | |
| | | ventures | |
| Revenues | 638,375 | (16,928) | 621,447 |
| Costs | (305,240) | 11,540 | (293,700) |
| Gross Profit | 333,135 | (5,388) | 327,747 |
| General and administrative expenses | (58,698) | 220 | (58,478) |
| Selling expenses | (31,821) | 1,135 | (30,686) |
| Other operating results, net | (10,237) | 705 | (9,532) |
| Profit from operations | 232,379 | (3,328) | 229,051 |
| Share of profit of associates and joint ventures | 33,889 | 5,102 | 38,991 |
| Segment profit before financial results and income tax | 266,268 | 1,774 | 268,042 |

| | September 30, 2012 | | |
|--------------|--------------------|--------------|------------|
| | Total | Adjustment | As per |
| | segment | for share of | statements |
| | information | profit / | of income |
| | | (loss) of | |
| | | joint | |
| | | ventures | |
| Revenues | 532,895 | (49,848) | 483,047 |
| Costs | (277,962) | 38,084 | (239,878) |
| Gross profit | 254,933 | (11,764) | 243,169 |

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| | | | |
|--|-----------|----------|-----------|
| Gain from disposal of investment properties | 31,069 | - | 31,069 |
| General and administrative expenses | (44,192) | 659 | (43,533) |
| Selling expenses | (27,334) | 3,697 | (23,637) |
| Other operating results, net | (9,379) | 253 | (9,126) |
| Profit from operations | 205,097 | (7,155) | 197,942 |
| Share of profit of associates | 13,204 | 3,527 | 16,731 |
| Profit before financial results and income tax | 218,301 | (3,628) | 214,673 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

5. 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.

| | September 30, 2013 |
|--|-----------------------|
| Total reportable assets as per segment information | 5,946,858 |
| Investment properties | (160,830) |
| Property, plant and equipment | (110) |
| Trading properties | (11,484) |
| Goodwill | (5,235) |
| Inventories | (123) |
| Investments in associates and joint venture | 270,087 |
| Total assets as per the statements of financial position | 6,039,163 |

6. 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 | |
|-------------------------------|------------------------------------|------------------|-----------------------|------------------|
| | September 30, 2013 | June 30, 2013 | September 30, 2013 | June 30, 2013 |
| ASSETS | | | | |
| Total non-current assets | 643,636 | 623,986 | 814,737 | 761,997 |
| Total current assets | 203,814 | 191,869 | 19,841 | 18,088 |
| TOTAL ASSETS | 847,450 | 815,855 | 834,578 | 780,085 |
| LIABILITIES | | | | |
| Total non-current liabilities | 37,789 | 23,062 | 474,742 | 439,432 |
| Total current liabilities | 47,478 | 58,723 | 3,317 | 5,961 |
| TOTAL LIABILITIES | 85,267 | 81,785 | 478,059 | 445,393 |
| NET ASSETS | 762,183 | 734,070 | 356,519 | 334,692 |

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 publication in Argentina

6. Information about main subsidiaries (Continued)

Summarized statements of income and statements of comprehensive income

| | PAMSA | | Rigby | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Revenues | 56,637 | 44,757 | 19,361 | - |
| Profit before income tax | 43,791 | 20,416 | 5,639 | - |
| Income tax expense | (15,565) | (7,813) | - | - |
| Profit for the period | 28,226 | 12,603 | (419) | - |
| Total comprehensive income for the period | 28,226 | 12,603 | (419) | - |
| Profit attributable to non-controlling interest | 5,645 | 2,521 | (107) | - |
| Dividends paid to non-controlling interest | 4,170 | - | 739 | - |

Summarized cash flows

| | PAMSA | | Rigby | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2013 | September 30, 2012 | September 30, 2013 | September 30, 2012 |
| Net cash generated by operating activities | 35,339 | 38,539 | 232 | - |
| Net cash used in investing activities | (41,715) | (48,080) | (52) | - |
| Net cash used in financing activities | 2,803 | (137) | (89) | - |
| Net increase in cash and cash equivalents | (3,573) | (9,678) | 91 | - |
| Foreign exchange gain on cash and cash equivalents | 167 | 718 | (27) | - |
| Cash and cash equivalents at beginning of period | 11,416 | 29,885 | 392 | - |
| Cash and cash equivalents at end of period | 8,010 | 20,925 | 456 | - |

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

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 publication in Argentina

7. Interests in joint ventures

As of 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., Nuevo Puerto Santa Fe S.A. (“NPSF”) and EHSA.

As of September 30, 2013, the joint ventures of the Group are Cyrsa S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A., NPSF, EHSA and ENUSA (indirectly through the investment in EHSA) (see Note 3). The shares in these joint ventures are not publicly traded.

In November 29, 2012, APSA acquired shares of common stock, representing 50% of EHSA’s capital stock and votes.

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 three-month period ended September 30, 2013 and for the year ended June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|------------------------------------|-----------------------|------------------|
| Beginning of period / year | 287,846 | 228,970 |
| Acquisition of joint ventures (ii) | (12) | 25,899 |
| Capital contributions | 1,221 | 29,828 |
| Sale of joint ventures | - | (5,774) |
| Cash dividends | - | (1,250) |
| Share of profit | 6,276 | 10,173 |
| End of period / year | (i) 295,331 | 287,846 |

(i) Includes a balance of Ps. (22) reflecting interests in companies with negative equity as of September 30, 2013 which are disclosed in “Provisions” (see Note 22).

(ii) Corresponds to the acquisition of ENUSA (see Note 3).

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 publication in Argentina

8. 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 3). Consequently, as of September 30, 2013 the associates of the Group are New Lipstick LLC, Rigby 183 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 three-month period ended September 30, 2013 and for the year ended June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|---------------------------------|-----------------------|------------------|
| Beginning of the period / year | 1,096,999 | 1,216,845 |
| Acquisition of associates | 13,057 | - |
| Capital contributions | - | 37,610 |
| Share of profit / (loss) | 32,715 | (17,564) |
| Currency translation adjustment | (3,755) | (1,300) |
| Cash dividends (ii) | (9,144) | (35,277) |
| Decrease for the taking over | - | (103,315) |
| End of the period/year (i) | 1,129,872 | 1,096,999 |

(i) Includes Ps. (66,456) and Ps. (39,091) reflecting interests in companies with negative equity as of September 30, 2013 and June 30, 2013, respectively, which are disclosed in “Provisions” (see Note 22).

(ii) During the period, the Group cashed dividends from BHSA in the amount of Ps. 9.1 million.

9. Investment properties

Changes in the Group’s investment properties for the three-month period ended September 30, 2013 and for the year ended June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|-----------------------------------|-----------------------|------------------|
| Beginning of the period / year | 3,992,530 | 3,275,226 |
| Additions | 70,820 | 210,456 |
| Currency translation adjustment | 56,611 | 77,769 |
| Acquisition of subsidiaries | - | 679,219 |
| Disposals | - | (62,857) |
| Depreciation charge (i) (Note 28) | (48,694) | (187,283) |
| End of the period / year | 4,071,267 | 3,992,530 |

(i) Depreciation charges of investment properties were included in “Costs” in the Statements of Income (Note 28).

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 publication in Argentina

9. Investment properties (Continued)

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

| | September 30, 2013 | September 30, 2012 |
|---|-----------------------|-----------------------|
| Rental and service income | 549,204 | 425,906 |
| Direct operating expenses | (243,796) | (198,062) |
| Gain from disposal of investment properties | - | 31,069 |

Properties under development mainly comprise works in Shopping Neuquén S.A. and Arcos del Gourmet S.A. As of September 30, 2013 and June 30, 2013 works in Shopping Neuquén S.A. amount to Ps. 51,014 and Ps. 43,138, respectively. Works in Arcos del Gourmet as of September 30, 2013 and June 30, 2013 amount to Ps. 185,389 and Ps. 136,313, respectively.

As of September 30, 2013 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 million and the Project is expected to be completed in December, 2013.

10. Property, plant and equipment

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

| | September 30, 2013 | June 30, 2013 |
|-----------------------------------|-----------------------|------------------|
| Beginning of the period / year | 212,673 | 228,033 |
| Additions | 4,152 | 15,419 |
| Currency translation adjustment | 15 | 959 |
| Disposals of unused assets | (77) | (605) |
| Depreciation charge (i) (Note 28) | (6,149) | (31,133) |
| End of the period / year | 210,614 | 212,673 |

(i) Depreciation charges of property, plant and equipment were included in "Costs" and "General and administrative expenses" in the Statement of Income (Note 28).

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 publication in Argentina

11. Trading properties

Changes in the Group's trading properties for the three-month period ended September 30, 2013 and for the year ended June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|---------------------------------|-----------------------|------------------|
| Beginning of the period / year | 190,114 | 176,823 |
| Additions | 588 | 1,482 |
| Currency translation adjustment | (30) | 17,757 |
| Disposals | (1,041) | (5,948) |
| End of the period / year | 189,631 | 190,114 |

12. Intangible assets

Changes in the Group's intangible assets for the three-month period ended September 30, 2013 and for the year ended June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|--------------------------------------|-----------------------|------------------|
| Beginning of the period / year | 79,653 | 29,389 |
| Additions | 139 | 800 |
| Acquisition of subsidiary (goodwill) | - | 45,723 |
| Currency translation adjustment | 3,840 | 5,346 |
| Amortization charge (i) (Note 28) | (281) | (1,605) |
| End of the period / year | 83,351 | 79,653 |

(i) Amortization charges of intangible assets are included in "General and administrative expenses" in the Statement of Income (Note 28).

13. Inventories

Group's inventories as of September 30, 2013 and June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|---|-----------------------|------------------|
| Current | | |
| Hotel supplies | 6,752 | 5,962 |
| Materials and others items of inventories | 8,486 | 10,359 |
| Current inventories | 15,238 | 16,321 |
| Total inventories | 15,238 | 16,321 |

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 publication in Argentina

14. 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 contracts.

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 the shares of Supertel. In addition, as of September 30, 2013, the Company has determined that Arcos del Gourmet S.A.'s stock option is a Level-3 financial instrument and is currently estimating its fair value, to be updated in the next accounting 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).

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 publication in Argentina

14. Financial instruments by category (Continued)

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.

Since June 30, 2013, there have been no transfers between the several tiers used in estimating the fair value of the Group's financial instruments, or reclassifications among their respective categories.

The following tables present the Group's financial assets and financial liabilities that are measured at fair value as of September 30, 2013 and June 30, 2013 and their allocation to the fair value hierarchy:

| | September 30, 2013 | | | |
|--|--------------------|---------|---------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities in TGLT | 54,517 | - | - | 54,517 |
| - Investment in equity securities in Hersha | 32,159 | - | - | 32,159 |
| - Investment in equity securities in Supertel | - | - | 121,426 | 121,426 |
| - Mutual funds | 526,647 | - | - | 526,647 |
| - Mortgage bonds | 594 | - | - | 594 |
| - Banco Macro bonds | 851 | - | - | 851 |
| - Government Non-Convertible Notes | 25,680 | - | - | 25,680 |
| - Don Mario S.G.R. | 12,213 | - | - | 12,213 |
| - Others | 32 | - | - | 32 |
| - Governments | | | | |
| Bonds | 290,081 | - | - | 290,081 |
| Derivative financial instruments: | | | | |
| - Foreign | | | | |
| currency-contracts | - | 2,067 | - | 2,067 |
| - Stock call option for the shares of Arcos del Gourmet S.A. | - | - | 2,000 | 2,000 |
| - Interest rate swap | - | 3,223 | - | 3,223 |
| - Warrants of | | | | |
| Supertel | - | - | 10,050 | 10,050 |
| Cash and cash equivalents: | | | | |
| - Mutual funds | 9,136 | - | - | 9,136 |
| Total assets | 951,910 | 5,290 | 133,476 | 1,090,676 |

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 publication in Argentina

14. 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 33) | 5,136 | - | - | 5,136 |
| - Banco Macro bonds | 781 | - | - | 781 |
| - Government Non-Convertible Notes | 4,477 | - | - | 4,477 |
| - Don Mario S.G.R. | 11,691 | - | - | 11,691 |
| - Others | 3 | - | - | 3 |
| - Government Bond | 157,125 | - | - | 157,125 |
| 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 |

| | September 30, 2013 | | | Total |
|-----------------------------------|--------------------|------------|----------|------------|
| | Level 1 | Level 2 | Level 3 | |
| Liabilities | | | | |
| Derivative financial instruments: | | | | |
| - Interest rate swaps | - | 219 | - | 219 |
| - Foreign currency-contracts | - | 600 | - | 600 |
| Total liabilities | - | 819 | - | 819 |

| | 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 |

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 publication in Argentina

14. Financial instruments by category (Continued)

The following table presents the changes in Level 3 instruments for the period ended September 30, 2013:

| | Shares of Supertel | Warrants of Supertel | Call option of Arcos del Gourmet | Total |
|---------------------------------|-----------------------|-------------------------|---|-----------|
| Balance at June 30, 2013 | 139,120 | 16,949 | - | 156,069 |
| Acquisitions | - | - | 2,000 | 2,000 |
| Total losses for the period (i) | (17,694) | (6,899) | - | (24,593) |
| Balance at September 30, 2013 | 121,426 | 10,050 | 2,000 | 133,476 |

(i) The gain / (loss) is not realized as of September 30, 2013 and is accounted for under “Financial results, net” in the statement of income (Note 31).

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.

According to Group estimates, all things being constant, a 10% decline in the price of the underlying assets of Shares and Warrants of Supertel (data observed in the market) of Level 3 as of September 30, 2013, would reduce pre-tax income by Ps. 16,2 million.

According to Group estimates, all things being constant, a 10% increase in the credit spread (data which is not observable in the market) of the Shares and Warrants of Supertel used in the valuation model applied to Level 3 financial instruments as of September 30, 2013, would reduce pre-tax income by Ps. 2,7 million. The rate used as of September 30, 2013 was 14.01%.

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 | Cash flow | Theoretical price | Interest rate forward contract |
| Shares of Supertel | Binomial tree | Theoretical price | Underlying asset price (Market price); share price volatility (historical) and money market interest-rate curve (Libor rate). |

| Warrants of Supertel | Black-Scholes | Theoretical price | Underlying asset price (Market price); share price volatility (historical) and money market interest-rate curve (Libor rate). |
|----------------------------------|---------------|-------------------|---|
| Call option of Arcos del Gourmet | Cost | - | - |

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 publication in Argentina

15. Restricted assets

Group's restricted assets as of September 30, 2013 and June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|--|-----------------------|------------------|
| Non-current | | |
| Deposit in escrow | 14,018 | 10,881 |
| Total non-current restricted assets | 14,018 | 10,881 |
| Current | | |
| Deposit in escrow | 1,179 | 1,022 |
| Total current restricted assets | 1,179 | 1,022 |
| Total restricted assets | 15,197 | 11,903 |

16. Trade and other receivables

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

| | September 30, 2013 | June 30, 2013 |
|--|-----------------------|------------------|
| Non-current | | |
| Trade, leases and services receivables | 59,926 | 58,783 |
| Consumer financing receivables | - | 214 |
| Less: allowance for trade receivables | (2,208) | (2,266) |
| Total Non-current trade receivables | 57,718 | 56,731 |
| Trade receivables of joint venture | 2,317 | 2,147 |
| VAT receivables | 19,572 | 19,345 |
| Other tax receivables | 54 | 159 |
| Loans granted | 1,667 | - |
| Prepaid expenses | 4,624 | 5,210 |
| Others | 578 | 527 |
| Total Non-current other receivables | 28,812 | 27,388 |
| Related parties (Note 33) | 1,034 | 1,007 |
| Total non-current trade and other receivables | 87,564 | 85,126 |

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 publication in Argentina

16. Trade and other receivables (Continued)

| | September 30, 2013 | June 30, 2013 |
|---|-----------------------|------------------|
| Current | | |
| Consumer financing receivables | 15,681 | 15,735 |
| Leases and services receivables | 214,297 | 327,698 |
| Receivables from hotel operations | 32,134 | 26,201 |
| Checks to be deposited | 163,376 | 196,599 |
| Trade and lease debtors under legal proceedings | 52,680 | 50,145 |
| Less: allowance for trade receivables | (78,105) | (76,684) |
| Total current trade receivables | 400,063 | 539,694 |
| Joint ventures receivables | 13,894 | 20,555 |
| VAT receivables | 12,309 | 19,656 |
| Other tax receivables | 10,680 | 13,426 |
| Loans granted | 6,975 | 47,274 |
| Prepaid expenses | 41,934 | 49,271 |
| Advance to vendors | 53,614 | 40,710 |
| Dividends received | 345 | 2,828 |
| Others | 14,532 | 11,672 |
| Less: allowance for other receivables | (198) | (198) |
| Total current other receivables | 154,085 | 205,194 |
| Related parties (Note 33) | 23,866 | 24,445 |
| Total current trade and other receivables | 578,014 | 769,333 |
| Total trade and other receivables | 665,578 | 854,459 |

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

| | September 30, 2013 | June 30, 2013 |
|--------------------------------|-----------------------|------------------|
| Beginning of the period / year | 79,148 | 68,107 |
| Additions | 7,910 | 18,792 |
| Unused amounts reversed | (4,484) | (5,967) |
| Used during the period/ year | (2,063) | (1,549) |
| Receivables written off | - | (235) |
| End of the period / year | 80,511 | 79,148 |

The creation and release of provision for impaired receivables have been included in "Selling expenses" in the statement of income (Note 28). Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

IRSA Inversiones y Representaciones Sociedad Anónima

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

17. Investments in financial assets

Group's investments in financial assets as of September 30, 2013 and June 30, 2013 are as follows:

| | September 30, 2013 | June 30, 2013 |
|--|-----------------------|------------------|
| Non-current | | |
| Financial assets at fair value | | |
| Investment in equity securities in TGLT S.A. | 54,517 | 56,859 |
| Investment in equity securities in Hersha | 32,159 | 30,163 |
| Investment in equity securities in Supertel | 121,426 | 139,120 |
| Don Mario S.G.R. | 10,060 | 10,060 |
| Mutual funds (Note 33) (i) | 446,753 | 17,249 |
| Government bonds | - | 3 |
| Financial assets at amortized cost | | |
| Non-Convertible Notes related parties and others (Note 33) | 14,000 | 14,001 |
| Total investments in non-current financial assets | 678,915 | 267,455 |
| Current | | |
| Financial assets at fair value | | |
| Mutual funds | 79,894 | 57,708 |
| Mortgage bonds (Note 33) | 594 | 540 |
| Banco Macro bonds | 851 | 781 |
| G.C.B.A. Non-Convertible Notes | 25,680 | 4,477 |
| Don Mario S.G.R. | 2,153 | 1,631 |
| Non-Convertible Notes related parties and others (Note 33) | - | 5,136 |
| Government bonds | 290,113 | 157,125 |
| Financial assets at amortized cost | | |
| Non-Convertible Notes related parties and others (Note 33) | 13,889 | 16,655 |
| Total investments in current financial assets | 413,174 | 244,053 |
| Total investments in financial assets. | 1,092,089 | 511,508 |

(i) During the quarter, the Group, through its subsidiaries Tyrus S.A. and Ritelco S.A., has subscribed shares of Dolphin for an amount of US\$ 75 million (see Note 35).

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 publication in Argentina

18. Derivative Financial instruments

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

| | September 30, 2013 | June 30, 2013 |
|--|-----------------------|------------------|
| Assets | | |
| Non-current | | |
| Interest rate swaps | 3,223 | 4,259 |
| Call option of Arcos del Gourmet S.A. (Note 3) | 2,000 | - |
| Warrants of Supertel | 10,050 | 16,949 |
| Total non-current derivative financial instruments | 15,273 | 21,208 |
| Current | | |
| Foreign currency-contracts | 2,067 | - |
| Total current derivative financial instruments | 2,067 | - |
| Liabilities | | |
| Current | | |
| Interest rate swaps | (219) | - |
| Foreign currency-contracts | (600) | (1,732) |
| Total current derivative financial instruments | (819) | (1,732) |
| Total derivative financial instruments | 16,521 | 19,476 |

19. Cash flow information

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

| | September 30, 2013 | June 30, 2013 |
|---------------------------------|-----------------------|------------------|
| Cash at bank and on hand | 148,724 | 725,220 |
| Time deposits in local currency | 123,328 | 66,393 |
| Mutual funds | 9,136 | 5,289 |
| Total cash and cash equivalents | 281,188 | 796,902 |

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 publication in Argentina

19. Cash flow information (continued)

Following is a detailed description of cash flows generated by the Group's operations for the three-month periods ended September 30, 2013 and 2012:

| | Note | September 30, 2013 | September 30, 2012 |
|---|------|-----------------------|-----------------------|
| Profit for the period | | 35,268 | 50,810 |
| Adjustments for: | | | |
| Income tax expense | 24 | 12,948 | 37,626 |
| Retirement of obsolete properties, plant and equipment | 10 | 77 | 243 |
| Amortization and depreciation | 28 | 55,124 | 50,447 |
| Gain from disposal of investment properties | 9 | - | (31,069) |
| Dividends earned | 31 | (3,061) | (6,657) |
| Share-based payments | 32 | 5,932 | 1,729 |
| Loss from purchase of companies | 7 | 12 | - |
| (Gain) / loss on derivative financial instruments | 31 | 5,226 | (1,430) |
| Changes in fair value of investments in financial assets | 31 | (47,067) | (14,587) |
| Interest expense, net | 31 | 88,496 | 76,649 |
| Provisions and allowances | | 21,501 | 25,389 |
| Share of profit of associates and joint ventures | 7,8 | (38,991) | (16,731) |
| Loss / (gain) on repurchase of Non-Convertible notes | 31 | 14,271 | (42) |
| Unrealized foreign exchange loss, net | | 140,130 | 74,321 |
| Changes in operating assets and liabilities: | | | |
| Decrease / (Increase) in inventories | | 1,083 | (2,069) |
| Decrease in trading properties | | 453 | 56 |
| Decrease / (Increase) in trade and other receivables | | 84,671 | (31,605) |
| (Decrease) / Increase in trade and other payables | | (118,444) | 83,499 |
| Decrease in salaries and social security liabilities | | (4,910) | (5,227) |
| Decrease in provisions | | (500) | (817) |
| Net cash generated by operating activities before income tax paid | | 252,219 | 290,535 |

The following table shows a detail of non-cash transactions occurred in the periods ended September 30, 2013 and 2012:

| | 09.30.2013 | 09.30.2012 |
|--|------------|------------|
| Increase in Minimum presumed income tax credit through an increase in trade and other payables | 7,871 | - |

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 publication in Argentina

20. Trade and other payables

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

| | September 30, 2013 | June 30, 2013 |
|---|-----------------------|------------------|
| Non-current | | |
| Admission rights | 115,408 | 112,655 |
| Sale and rent payments received in advance | 52,982 | 53,301 |
| Guarantee deposits | 17,966 | 17,350 |
| Non-current trade payables | 186,356 | 183,306 |
| MPIT payable | 7,450 | - |
| Tax payment facilities plan | 15,408 | 15,640 |
| Deferred income tax | 8,571 | 8,637 |
| Others | 3,779 | 3,515 |
| Non-current other payables | 35,208 | 27,792 |
| Related parties (Note 33) | 11,600 | 20 |
| Non-current trade and other payables | 233,164 | 211,118 |
| Current | | |
| Trade payables | 60,213 | 59,637 |
| Accrued invoices | 78,243 | 76,339 |
| Guarantee deposits | 7,247 | 5,974 |
| Admission rights | 102,864 | 98,656 |
| Sale and rent payments received in advance | 203,278 | 191,478 |
| Current trade payables | 451,845 | 432,084 |
| VAT payables | 22,924 | 26,718 |
| MPIT payables | 4,225 | 11,851 |
| Deferred revenue | 266 | 1,087 |
| Other tax liabilities | 26,908 | 30,889 |
| Dividends payable to non-controlling shareholders | 2,502 | 8,562 |
| Others | 7,776 | 6,399 |
| Current other payables | 64,601 | 85,506 |
| Related parties (Note 33) | 48,873 | 171,271 |
| Current trade and other payables | 565,319 | 688,861 |
| Total trade and other payables | 798,483 | 899,979 |

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 publication in Argentina

21. Salaries and social security liabilities

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

| | September 30, 2013 | June 30, 2013 |
|--|-----------------------|------------------|
| Non-Current | | |
| Social security payable | 4,692 | 3,160 |
| Non-Current salaries and social security liabilities | 4,692 | 3,160 |
| Current | | |
| Provision for vacation, bonuses and others | 24,840 | 32,080 |
| Social security payable | 17,033 | 16,628 |
| Others | 695 | 302 |
| Current salaries and social security liabilities | 42,568 | 49,010 |
| Total salaries and social security liabilities | 47,260 | 52,170 |

22. 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 | 3,649 | 224 | 23,571 | 27,444 |
| Recovery | (799) | (135) | - | (934) |
| Used during the period | (500) | - | - | (500) |
| Currency translation adjustment | - | - | 3,816 | 3,816 |
| At September 30, 2013 | 33,360 | 1,775 | 66,478 | 101,613 |
| (*) | Corresponds to equity interests with negative equity. | | | |

The analysis of total provisions is as follows:

| | September 30, 2013 | June 30, 2013 |
|-------------|-----------------------|------------------|
| Non-current | 88,855 | 57,737 |
| Current | 12,758 | 14,050 |
| | 101,613 | 71,787 |

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 publication in Argentina

23. Borrowings

The breakdown of the Group borrowings as of September 30, 2013 and June 30, 2013 was as follows:

| | Secured / unsecured | Currency | Rate | Effective interest rate % | Nominal Value | Book value | | |
|---|------------------------|----------|-------|---------------------------------|------------------|-----------------------|------------------|--|
| | | | | | | September 30, 2013 | June 30, 2013 | |
| Non-current | | | | | | | | |
| NCN IRSA due 2017 | Unsecured | US\$ | Fixed | 8.5 | % 150,000 | 815,886 | 784,855 | |
| APSA NCN due 2017 | Unsecured | US\$ | Fixed | 7.875 | % 120,000 | 620,425 | 575,705 | |
| NCN IRSA due 2020 | Unsecured | US\$ | Fixed | 11.5 | % 150,000 | 849,752 | 789,655 | |
| Seller financing of plot of land (vi) | Secured | US\$ | Fixed | 3.5 | % 1,800 | 15,315 | 14,900 | |
| Seller financing of Soleil Factory (i) | Secured | US\$ | Fixed | 5 | % 12,610 | 54,044 | 49,327 | |
| Seller financing of Zetol S.A (iii) | Secured | US\$ | Fixed | 3.5 | % 2,618 | 15,791 | 14,144 | |
| Syndicated loan (iv) | Unsecured | Ps. | Fixed | - | 229,000 | 150,602 | 175,604 | |
| Banco Provincia de Buenos Aires loan (v) | Unsecured | Ps. | Fixed | 15.01 | % 29,000 | 15,990 | 19,163 | |
| Banco M&T loan | Secured | US\$ | Fixed | 1.673 | % 75,000 | 429,975 | 399,691 | |
| Related party (Note 33) | | | | | | 104,356 | 98,328 | |
| Finance lease obligations | Secured | US\$ | Fixed | 7.5 | % 792 | 1,270 | 1,270 | |
| Total Non-current borrowings | | | | | | 3,073,406 | 2,922,642 | |

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 publication in Argentina

23. Borrowings (Continued)

| | Secured / unsecured | Currency | Rate | Effective interest rate % | Nominal value | September 30, 2013 | June 30, 2013 |
|---|------------------------|----------|----------|---------------------------------|------------------|-----------------------|------------------|
| Current | | | | | | | |
| NCN IRSA due 2017 | Unsecured | US\$ | Fixed | 8.5 | 150,000 | 10,344 | 26,675 |
| APSA NCN due 2017 | Unsecured | US\$ | Fixed | 7.875 | 120,000 | 19,012 | 5,499 |
| NCN IRSA due 2020 | Unsecured | US\$ | Fixed | 11.5 | 150,000 | 18,726 | 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 | 16,917 | 98,838 | 137,750 |
| Bank overdrafts | Unsecured | Ps. | Floating | | | 434,768 | 418,730 |
| Syndicated loan (iv) | Unsecured | Ps. | Fixed | - | 229,000 | 76,597 | 51,005 |
| Banco Provincia de Buenos Aires loan (v) | Unsecured | Ps. | Fixed | 15.01 | 29,000 | 12,865 | 9,625 |
| Seller financing of plot of land (vi) | Secured | US\$ | Fixed | 3.5 | 1,800 | 11 | 12,809 |
| Seller financing of Soleil Factory (i) | Secured | US\$ | Fixed | 5 | 12,610 | 921 | 3,397 |
| Seller financing of Arcos del Gourmet S.A. (ii) | Unsecured | US\$ | Fixed | 11.69 | 1,700 | 10,502 | 11,408 |
| Seller financing of Zetol S.A. (iii) | Secured | US\$ | Fixed | 3.5 | 283 | 14,491 | 1,544 |
| Finance lease obligations | Secured | US\$ | Fixed | 7.5 | 792 | 1,427 | 1,243 |
| Current borrowings | | | | | | 698,502 | 772,529 |
| Total borrowings | | | | | | 3,771,908 | 3,695,171 |

NCN: Non-convertibles 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 33).

(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.

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

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

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

23. Borrowings (Continued)

During the three-month period, 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. 14.2 million included in "Financial results, net".

24. Tax

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

| | September 30, 2013 | September 30, 2012 |
|---------------------|-----------------------|-----------------------|
| Current income tax | (73,016) | (67,709) |
| Deferred income tax | 60,068 | 30,083 |
| Income tax gain | (12,948) | (37,626) |

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

| | September 30, 2013 | June 30, 2013 |
|------------------------------------|-----------------------|------------------|
| Beginning of the period / year | (310,700) | (376,977) |
| Acquisition of subsidiary | - | (26,103) |
| Currency translation adjustment | (3,478) | (4,068) |
| Income tax and deferred income tax | 60,068 | 96,448 |
| End of the period / year | (254,110) | (310,700) |

The Group did not recognize deferred income tax assets of Ps. 32.9 million and Ps. 32.5 million as of September 30, 2013 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.

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 publication in Argentina

24. Tax (Continued)

Below is a reconciliation between income tax recognized and that which would result applying the prevailing tax rate on Profit before income tax for the three-month periods ended September 30, 2013 and 2012:

| | September 30, 2013 | September 30, 2012 |
|---|-----------------------|-----------------------|
| Tax calculated at the tax rates applicable to profits in the respective countries | 17,735 | 32,253 |
| Permanent differences: | | |
| Share of loss of associates and joint ventures | (13,647) | (5,856) |
| Non-taxable income | 7,291 | (4,638) |
| Others | 1,569 | 15,867 |
| Income tax gain | 12,948 | 37,626 |

25. 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. See Note 35.

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 Depository 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, payable in Argentine legal tender. 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. During the first quarter, the Company repurchased 132,182 common shares (nominal value Ps. 1 per share) for a total of Ps. 1.0 million and 3,815 GDS (representing 38,150 common shares) for a total amount of USD 0.03 million.

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 publication in Argentina

25. Shareholders' equity (Continued)

Dividends

The dividends paid in the period ended September 30, 2013 pertaining to distributions authorized for fiscal year 2013, were Ps. 6,060, corresponding to the subsidiary PAMSA.

26. Revenues

| | September 30, 2013 | September 30, 2012 |
|-------------------------------------|-----------------------|-----------------------|
| Base rent | 239,807 | 180,997 |
| Contingent rent | 71,744 | 55,668 |
| Admission rights | 28,508 | 24,232 |
| Averaging scheduled rent escalation | 7,541 | 4,671 |
| Parking fees | 19,653 | 15,090 |
| Letting fees | 8,330 | 4,195 |
| Service charges | 160,908 | 126,979 |
| Property management fee | 6,365 | 8,255 |
| Others | 1,194 | 848 |
| Total rental and service income | 544,050 | 420,935 |
| Sale of trading properties | 4,286 | 7,626 |
| Revenue from hotel operations | 72,927 | 53,793 |
| Consumer financing | 184 | 693 |
| Total other revenues | 77,397 | 62,112 |
| Total revenues | 621,447 | 483,047 |

27. Cost

| | September 30, 2013 | September 30, 2012 |
|-------------------------------|-----------------------|-----------------------|
| Costs of rental and services | 240,945 | 195,836 |
| Costs of sale and development | 3,111 | 3,255 |
| Costs from hotel operations | 49,548 | 40,529 |
| Costs from consumer financing | 96 | 258 |
| Total costs | 293,700 | 239,878 |

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 publication in Argentina

28. Expenses by nature

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

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

28. Expenses by nature (Continued)

For the period ended September 30, 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 | |
| Leases and expenses | 363 | 3,789 | - | 206 | 1,657 | 221 | 6,236 |
| Depreciation and amortization | 143 | 50,978 | - | 2,729 | 1,220 | 54 | 55,124 |
| Allowance for trade and other receivables (charge and recovery) | - | - | - | - | 29 | 3,397 | 3,426 |
| Advertising and other selling expenses | 1 | 26,152 | - | 925 | 320 | 3,654 | 31,052 |
| Taxes, rates and contributions | 805 | 18,520 | - | 106 | 1,692 | 15,601 | 36,724 |
| Maintenance, security, cleaning, repairs and others | 847 | 58,212 | - | 6,221 | 3,377 | 134 | 68,791 |
| Fees and payments for services | 13 | 7,059 | 93 | 209 | 7,585 | 1,212 | 16,171 |
| Director's fees | - | - | - | - | 15,138 | - | 15,138 |
| Salaries, social security costs and other personnel expenses | 38 | 71,686 | - | 28,168 | 23,353 | 5,517 | 128,762 |
| Cost of sale of properties | 896 | - | - | 2,713 | - | - | 3,609 |
| Food, beverage and other lodging expenses | - | - | - | 8,176 | 1,422 | 772 | 10,370 |
| Others | 5 | 4,549 | 3 | 95 | 2,685 | 124 | 7,461 |
| Total expenses by nature | 3,111 | 240,945 | 96 | 49,548 | 58,478 | 30,686 | 382,864 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

28. Expenses by nature (Continued)

For the period ended September 30, 2012:

| | Group costs | | | | | | Selling expenses | Total |
|---|------------------------------|-----------------------------|------------------------------|----------------------------|-------------------------------------|--------|------------------|-------|
| | Cost of sale and development | Cost of rental and services | Cost from consumer financing | Cost from hotel operations | General and administrative expenses | | | |
| Leases and expenses | 498 | 4,756 | - | 136 | - | 230 | 5,620 | |
| Depreciation and amortization. | - | 45,403 | - | 3,304 | 1,678 | 62 | 50,447 | |
| Allowance for trade and other receivables (charge and recovery) | - | - | - | - | - | 2,983 | 2,983 | |
| Advertising and other selling expenses | - | 18,907 | - | 993 | 1 | 4,313 | 24,214 | |
| Taxes, sales and contributions | 300 | 13,632 | - | 73 | 1,465 | 11,031 | 26,501 | |
| Maintenance, security, cleaning, repair and others | 509 | 50,432 | 22 | 6,084 | 2,001 | 188 | 59,236 | |
| Fees and payments for services | 19 | 6,617 | 234 | 178 | 6,298 | 736 | 14,082 | |
| Director's fees | - | - | - | - | 13,591 | - | 13,591 | |
| Salaries, social security costs and other personnel expenses | 62 | 53,735 | 2 | 22,048 | 14,797 | 3,646 | 94,290 | |
| Cost of sale of properties | 1,857 | - | - | - | - | - | 1,857 | |
| Food, beverage and other lodging expenses | - | - | - | 7,365 | 589 | 155 | 8,109 | |
| Others | 10 | 2,354 | - | 348 | 3,113 | 293 | 6,118 | |
| Total expenses by nature | 3,255 | 195,836 | 258 | 40,529 | 43,533 | 23,637 | 307,048 | |

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 publication in Argentina

29. Employee costs

| | September 30, 2013 | September 30, 2012 |
|--|-----------------------|-----------------------|
| Salaries, bonuses and social security expenses | 121,999 | 92,293 |
| Equity incentive plan cost | 5,932 | 1,729 |
| Defined contribution plan cost | 831 | 268 |
| Total employee costs | 128,762 | 94,290 |

30. Other operating results, net

| | September 30, 2013 | September 30, 2012 |
|---------------------------------------|-----------------------|-----------------------|
| Tax on shareholders' personal assets | (1,634) | (1,209) |
| Donations | (2,758) | (1,057) |
| Judgments and other contingencies (1) | (3,367) | (3,792) |
| Others | (1,773) | (3,068) |
| Total other operating results, net | (9,532) | (9,126) |

(1) Includes legal expenses.

31. Financial results, net

| | September 30, 2013 | September 30, 2012 |
|--|-----------------------|-----------------------|
| Finance income: | | |
| - Interest income | 12,767 | 5,952 |
| - Foreign exchange | 30,706 | 26,072 |
| - Dividends income | 3,061 | 6,657 |
| - Gain from repurchase of non-convertible Notes | - | 42 |
| Total finance income | 46,534 | 38,723 |
| Finance costs: | | |
| - Interest expense | (101,263) | (82,201) |
| - Foreign exchange | (186,593) | (89,991) |
| - Less from repurchase of non-convertible Notes | (14,271) | - |
| - Other finance costs | (12,464) | (9,560) |
| Subtotal finance costs | (314,591) | (181,752) |
| Less: Finance costs capitalized | 6,390 | 775 |
| Total finance costs | (308,201) | (180,977) |
| Other finance costs: | | |
| - Fair value gain of financial assets at fair value through profit or loss | 47,067 | 14,587 |

| | | |
|---|------------|------------|
| - (Loss) / gain on derivative financial instruments | (5,226) | 1,430 |
| Total other finance costs | 41,841 | 16,017 |
| Total financial results, net | (219,826) | (126,237) |

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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32. Shared-based payments

Equity incentive plan

The Group incurred a charge of Ps. 5,932 million and Ps. 1,729 million for the three-month periods ended September 30, 2013 and 2012, respectively, related to the awards granted under the Equity Incentive Plan and were granted 1,733,089 shares over the period.

33. 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.

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 publication in Argentina

33. Related party transactions (Continued)

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

| Related party | Description of transaction | Investment | Investment | Trade | Trade | Trade | Borrowings | Borrowings | Derivative | |
|--------------------------------|-----------------------------|---------------------|---------------------|-----------------------|--------------------|--------------------|-----------------|------------|------------|-------------|
| | | in financial assets | in financial assets | and other receivables | and other payables | and other payables | | | | non-current |
| | | non-current | current | non-current | current | current | | | | |
| Parent Company | | | | | | | | | | |
| Cresud S.A.C.I.F. y A. | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 7 | - | (12,423) | - | - | - |
| | Corporate services | - | - | - | - | - | (22,461) | - | - | - |
| | Sale of goods and services | - | - | - | 701 | - | - | - | - | - |
| | Non-Convertible Notes | 14,000 | 13,889 | - | - | - | - | - | - | - |
| | Shared-based payments | - | - | - | 1,117 | - | - | - | - | - |
| Total Parent Company | | 14,000 | 13,889 | - | 1,825 | - | (34,884) | - | - | - |
| Associates | | | | | | | | | | |
| Banco Hipotecario S.A. | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | - | - | (242) | - | - | - |
| | Borrowings | - | - | - | - | - | - | (30,557) | (14,746) | - |
| | Foreign-currency contracts | - | - | - | - | - | - | - | - | (600) |
| | Leases and/or rights of use | - | - | - | 1,855 | - | - | - | - | - |
| | Mortgage bonds | - | 594 | - | - | - | - | - | - | - |
| Lipstick Management LLC | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 545 | - | - | - | - | - |
| Manibil S.A. | | | | | | | | | | |
| | Other liabilities | - | - | - | - | - | (781) | - | - | - |
| New Lipstick LLC | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 1,636 | - | - | - | - | - |
| | | - | - | - | - | (237) | (153) | - | - | - |

| | Leases and/or rights of use | | Reimbursement | | | | | | |
|--------------|--------------------------------|-----|---------------|-------|--------|----------|-----------|-----------|--------|
| Tarshop S.A. | of expenses | | | | | | | | |
| Total | - | - | - | 1,693 | - | (1) | - | - | |
| Associates | - | 594 | - | 5,729 | (237) | (1,177) | (30,557) | (14,746) | (600) |

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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33. 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 |
|-----------------------------------|-----------------------------|---|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|----------------------------------|
| Joint ventures | | | | | | | | | | |
| | Contributions to be paid in | - | - | - | 60 | - | - | - | - | - |
| Baicom Networks S.A. | | | | | | | | | | |
| | Management fees | - | - | - | 5 | - | - | - | - | - |
| | Borrowings | - | - | 1,034 | - | - | - | - | - | - |
| | Reimbursement of expenses | - | - | - | 17 | - | (2) | - | - | - |
| Boulevard Norte S.A. | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 42 | - | - | - | - | - |
| Cyrsa S.A. | | | | | | | | | | |
| | Borrowings | - | - | - | - | - | - | (104,356) | - | - |
| | Reimbursement of expenses | - | - | - | 55 | - | (185) | - | - | - |
| Nuevo Puerto Santa Fe S.A. | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 204 | - | (50) | - | - | - |
| | Proceeds from leasing | - | - | - | - | - | (16) | - | - | - |
| | Leases and/or rights of use | - | - | - | - | - | (197) | - | - | - |
| | Management fees | - | - | - | 690 | - | - | - | - | - |
| Puerto Retiro S.A. | | | | | | | | | | |
| | Contributions to be paid in | - | - | - | 101 | - | - | - | - | - |
| | Borrowings | - | - | - | 4,147 | - | - | - | - | - |
| | Reimbursement of expenses | - | - | - | 188 | - | - | - | - | - |
| Quality Invest S.A. | | | | | | | | | | |
| | Management fees | - | - | - | 23 | - | (45) | - | - | - |
| | Reimbursement of expenses | - | - | - | 81 | - | - | - | - | - |

| | | | | | | | | | |
|----------------------|---|---|-------|-------|---|--------|-----------|---|---|
| Borrowings | - | - | - | - | - | - | - | - | - |
| Total Joint Ventures | - | - | 1,034 | 5,613 | - | (495) | (104,356) | - | - |

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 publication in Argentina

33. 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 |
|--|----------------------------|---|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|----------------------------------|
| Subsidiaries of the parent company | | | | | | | | | | |
| Cactus Argentina S.A. | Reimbursement of expenses | - | - | - | - | - | -7 | - | - | - |
| Helmir S.A. | Reimbursement of expenses | - | - | - | 1 | - | - | - | - | - |
| Alafox S.A. | Reimbursement of expenses | - | - | - | 63 | - | - | - | - | - |
| Doneldon S.A. | Reimbursement of expenses | - | - | - | 50 | - | - | - | - | - |
| Futuros y Opciones.com S.A. | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 94 | - | (38) | - | - | - |
| Sedelor S.A. | Reimbursement of expenses | - | - | - | 50 | - | - | - | - | - |
| Codalís S.A. | Reimbursement of expenses | - | - | - | 60 | - | - | - | - | - |
| FyO Trading S.A. | Reimbursement of expenses | - | - | - | 2 | - | - | - | - | - |
| Total Subsidiaries of the parent company | | | | | | | | | | |
| | | - | - | - | 320 | - | (45) | - | - | - |
| Other related parties | | | | | | | | | | |
| Consultores | | | | | | | | | | |
| Asset Management S.A. (CAMSA) | | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 2,632 | - | (41) | - | - | - |
| Estudio Zang | | | | | | | | | | |
| Bergel y Viñes | Advances | - | - | - | 7 | - | - | - | - | - |
| | Legal services | - | - | - | 10 | - | (599) | - | - | - |
| Dolphin Fund PLC | | | | | | | | | | |
| | Contributions | 446,753 | - | - | - | - | - | - | - | - |

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| | | | | | | | | | | |
|--|--------------------------------|---------|---|---|-------|---|--------|---|---|---|
| | Reimbursement of expenses | - | - | - | 133 | - | - | - | - | - |
| Elsztain Managing Partners | Reimbursement of expenses | - | - | - | - | - | (22) | - | - | - |
| Fundación IRSA | Reimbursement of expenses | - | - | - | 52 | - | (1) | - | - | - |
| Inversiones Financieras del Sur S.A. | Borrowings | - | - | - | 344 | - | (4) | - | - | - |
| | Capital contributions | - | - | - | - | - | (6) | - | - | - |
| IRSA Developments LP | Reimbursement of expenses | - | - | - | 2 | - | - | - | - | - |
| Museo de los niños | Reimbursement of expenses | - | - | - | 113 | - | (5) | - | - | - |
| | Leases and/or rights of use | - | - | - | 885 | - | (3) | - | - | - |
| Total Other related parties | | 446,753 | - | - | 4,178 | - | (681) | - | - | - |

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 publication in Argentina

33. 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 |
|---------------------------------------|----------------------------|---|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|----------------------------------|
| Directors and Senior Management | | | | | | | | | | |
| Directors | Fees | - | - | - | 5,955 | (11,343) | (11,486) | - | - | - |
| | Reimbursement of expenses | - | - | - | 246 | - | (105) | - | - | - |
| | Guarantee deposits | - | - | - | - | (20) | - | - | - | - |
| Total Directors and Senior Management | | | | | | | | | | |
| | | - | - | - | 6,201 | (11,363) | (11,591) | - | - | - |
| Total | | 460,753 | 14,483 | 1,034 | 23,866 | (11,600) | (48,873) | (134,913) | (14,746) | (600) |

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 publication in Argentina

33. 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 | | Trade | | Trade | | Borrowings | |
|--------------------------------|------------------------------|---|-----------------------------|---|-------------------------------|--------------------------------------|----------------------------------|------------------------|----------|
| | | Investments in financial assets non-current | in financial assets current | Trade and other receivables non-current | and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | 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. | | | | | | | | | |
| | Other liabilities | - | - | - | - | - | (781) | - | - |
| New Lipstick LLC | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | 1,525 | - | - | - | - |
| Tarshop S.A. | | | | | | | | | |
| | | - | - | - | 1,759 | - | (1) | - | - |

Reimbursement
of expenses

| | | | | | | | | | |
|------------|---|-------|---|-------|---|----------|----------|---------|--|
| Total | | | | | | | | | |
| Associates | - | 5,676 | - | 4,100 | - | (1,154) | (35,557) | (9,738) | |

47

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 publication in Argentina

33. Related party transactions (Continued)

| Related party | Description of transaction | Investments | | Trade and other receivables non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current |
|-----------------------------------|-----------------------------|---|---|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| | | Investments in financial assets non-current | Investments in financial assets 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 | - | - | - | - |
| Total Joint Ventures | | - | - | 1,007 | 5,867 | - | (703) | (98,328) | - |

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 publication in Argentina

33. 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 | - | - | - | - |
| Codalís 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 | - | - | - | 2,570 | - | (41) | - | - |
| Estudio Zang Bergel y Viñes | | | | | | | | | |
| | Advances | - | - | - | 14 | - | - | - | - |
| | Legal services | - | - | - | 22 | - | (979) | - | - |
| Dolphin Fund PLC | | | | | | | | | |
| | Contributions | 17,249 | - | - | - | - | - | - | - |
| | Reimbursement of expenses | - | - | - | 133 | - | - | - | - |

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| | | | | | | | | | |
|--------------------------------------|-----------------------------|--------|---|---|-------|---|-----------|---|---|
| Elsztain Realty Partners | Reimbursement of capital | - | - | - | - | - | (105,325) | - | - |
| Decater | Reimbursement of capital | - | - | - | - | - | (6,661) | - | - |
| Elsztain Managing Partners | Reimbursement of expenses | - | - | - | - | - | (61) | - | - |
| 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) | - | - |

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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33. Related party transactions (Continued)

| Related party | Description of transaction | Investments | Investments | Trade | Trade | Trade and | Borrowings | Borrowings | |
|--|----------------------------|---------------------------------|-----------------------------|-----------------------------------|-------------------------------|--------------------------------|----------------------------|-------------|----------|
| | | in financial assets non-current | in financial assets current | and other receivables non-current | and other receivables current | and other payables non-current | and other payables current | non-current | 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 | | 31,250 | 22,331 | 1,007 | 24,445 | (20) | (171,271) | (133,885) | (9,738) |

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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33. Related party transactions (Continued)

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

| Related party | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries |
|----------------------------------|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|-----------|----------------------|
| Parent company | | | | | | | |
| Cresud S.A.C.I.F. y A. | 316 | - | (27,851) | - | 1,768 | - | - |
| Total Parent company | 316 | - | (27,851) | - | 1,768 | - | - |
| Associates | | | | | | | |
| Banco Hipotecario S.A. | 120 | - | - | - | (676) | - | - |
| Tarshop S.A. | 1,597 | - | - | - | - | - | - |
| Total Associates | 1,717 | - | - | - | (676) | - | - |
| Join Ventures | | | | | | | |
| Baicom Networks S.A. | - | 3 | - | - | 28 | - | - |
| Cyrsa S.A. | - | - | - | - | (4,027) | - | - |
| Nuevo Puerto Santa Fe S.A. | (126) | 117 | - | - | - | - | - |
| Puerto Retiro S.A. | - | - | - | - | 231 | - | - |
| Quality Invest S.A. | - | 54 | - | - | - | - | - |
| Total Join Ventures | (126) | 174 | - | - | (3,768) | - | - |
| Other related parties | | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (700) | - | - | - |
| Fundación IRSA | - | - | - | - | - | (550) | - |
| Isaac Elsztein e hijos S.C.A. | (105) | - | - | - | - | - | - |
| Dolphin Fund PLC | - | - | - | - | 14,296 | - | - |
| Hamonet S.A. | (55) | - | - | - | - | - | - |
| Inversiones Financieras del | - | - | - | - | 61 | - | - |

| | | | | | | | |
|---------------------------------------|--------|-----|-----------|--------|--------|--------|-----------|
| Sur S.A. | | | | | | | |
| Total Other related parties | (160) | - | - | (700) | 14,357 | (550) | - |
| Directors and Senior Management | | | | | | | |
| Directors | - | - | - | - | - | - | (15,138) |
| Total Directors and Senior Management | | | | | | | |
| | - | - | - | - | - | - | (15,138) |
| Total | 1,747 | 174 | (27,851) | (700) | 11,681 | (550) | (15,138) |

IRSA Inversiones y Representaciones Sociedad Anónima

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

The following is a summary of the transactions with related parties for the three-month period ended September 30, 2012:

| 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. | 272 | - | (22,642) | - | 1,693 | - | - |
| Total Parent company | 272 | - | (22,642) | - | 1,693 | - | - |
| Associates | | | | | | | |
| Banco Hipotecario S.A. | 98 | - | - | - | 22 | - | - |
| Tarshop S.A. | 840 | - | - | - | - | - | - |
| Total Associates | 938 | - | - | - | 22 | - | - |
| Join Ventures | | | | | | | |
| Baicom Networks S.A. | - | 3 | - | - | 22 | - | - |
| Canteras Natal Crespo S.A. | - | 24 | - | - | 3 | - | - |
| Cyrsa S.A. | - | - | - | - | (608) | - | - |
| Nuevo Puerto Santa Fe S.A. | - | 86 | - | - | - | - | - |
| Puerto Retiro S.A. | - | - | - | - | 82 | - | - |
| Quality Invest S.A. | - | 54 | - | - | 25 | - | - |
| Total Join Ventures | - | 167 | - | - | (476) | - | - |
| Other related parties | | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (501) | - | - | - |
| Fundación IRSA | - | - | - | - | - | (384) | - |
| Isaac Elsztain e hijos S.C.A. | (88) | - | - | - | - | - | - |
| Hamonet S.A. | (46) | - | - | - | - | - | - |
| Inversiones | | | | | | | |
| Financieras del Sur S.A. | - | - | - | - | 73 | - | - |

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| | | | | | | | |
|---------------------------------------|--------|-----|-----------|--------|-------|--------|-----------|
| Total Other related parties | (134) | - | - | (501) | 73 | (384) | - |
| Directors and Senior Management | | | | | | | |
| Directors | - | - | - | - | - | - | (13,393) |
| Total Directors and Senior Management | - | - | - | - | - | - | (13,393) |
| Total | 1,076 | 167 | (22,642) | (501) | 1,312 | (384) | (13,393) |

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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34. 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.

35. Subsequent events

Ordinary and Extraordinary Shareholders' meeting

On October 31, 2013, the Company's Annual Shareholders' Meeting corresponding to fiscal year ended June 30, 2013, in order to consider and approve the following, among other things: (i) analysis of the provisions set forth in Ruling No. 609/ 2012 of the National Securities Commission (CNV) and setting up of a special reserve under Shareholder's Equity, deciding that (a) a special reserve be set up under Shareholder's Equity 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 under the previously effective accounting standards, and (b) the amount of Ps 19,762 be deducted from the "Special Reserve" to be reallocated to the Legal Reserve; (ii) consideration of the "Retained earnings" balance, and of the reversal of the "Reserve for new developments", as of June 30, 2013. It was approved by a majority the total reversal of "Retained earnings" and partial of "Reserve for new developments", to be applied to the payment of cash dividends, and previous increase of "Legal Reserve" balance.; (iii) the treatment and allocation of income/loss for the year ended June 30, 2013, that consisted of a profit of Ps. 238,737, and consideration of payment of cash dividends and/or in kind for up to Ps. 250,000. It was approved by a majority (a) the payment of cash dividends for the amount of Ps. 250,000, (b) increase the amount of "Legal Reserve" in Ps. 11,937; (iv) consideration of the Board of Director's and Supervisory Committee's performance. Both performances were approved; (v) update of the share services contract report. The Board's management in relation to the Master Agreement for corporate service sharing, its amendments and addenda, were approved; (vi) consideration of the Repurchase plan involving common shares and GDS issued by the Company. It was approved by a majority the Board of Director's performance related to the repurchase plan of common shares.

Forward Transactions

In October, Alto Palermo S.A. and Banco Hipotecario S.A. carried out US-dollar forward transactions as per the following detail:

| Buyer | Seller | Asset | Amount | Term Price | Date of Execution | Settlement |
|-------------------|------------------------|-------|-------------|------------|-------------------|------------|
| Alto Palermo S.A. | Banco Hipotecario S.A. | USD | 5.0 million | 6.420 | 10/01/2013 | 01/31/2014 |
| Alto Palermo S.A. | Banco Hipotecario S.A. | USD | 5.0 million | 6.418 | 10/01/2013 | 01/31/2014 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

Repurchase plan involving common shares and GDS issued by IRSA

On October 15, 2013, IRSA's Board of Directors approved a new increase to the maximum price, raising it to Ps. 11.00 per common share and USD 11.50 per GDS.

On October 22, 2013 IRSA's Board of Directors approved a new increase to the maximum price, raising it to Ps.14.50 per common share and USD 15.00 per GDS.

During October, IRSA acquired 123,000 common shares (nominal value Ps. 1 per share) for a total amount of Ps. 1.2 million and 62,079 GDS (representing 620,790 common shares) for a total amount of USD 0.62 million.

Subscription Dolphin Fund Ltd. ("Dolphin")

During the three-month period, the Group, through its subsidiaries Tyrus and Ritelco, subscribed shares of Dolphin for an amount of US\$ 75 million. After September 30, 2013, through Tyrus, the Group, subscribed shares of Dolphin for an amount of US\$ 9 million, and has given a loan for an amount of US\$ 6 million.

On November 3, 2013, Dolphin, along with other investors, made an offer to purchase up to a 45% interest in IDB Development Corporation ("IDBD"), an Israeli company, within the framework of a debt restructuring process its controlling company, IDBH, is currently negotiating with creditors, pursuant to Israel's applicable laws. Among other things, the process is subject to the approval of creditor's committees and courts with competent jurisdiction over the matter.

Dolphin plans to invest the funds contributed by its shareholders in IDBD by subscribing shares issued by said company and by making a payment to IDBH's creditors. As proof of Dolphin's engagement in the restructuring process, Dolphin and other investors have set up an escrow account for up to USD 75 million and, in order to submit its purchase offer, deposited USD 20.6 million in escrow in favor of the competent Court.

IDBD controls certain Israeli and international companies, and is involved in several markets and industry sectors, including real estate, insurance, agribusiness, banks and financial sector, retail, new technologies, telecommunications, utilities and oil & gas production.

Subject to the latest judicial developments, the acquisition process is expected to conclude during the first quarter of 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 consolidated statement of financial position of IRSA Inversiones y Representaciones Sociedad Anónima and its subsidiaries as of September 30, 2013, and the related unaudited condensed interim consolidated statements of income and comprehensive income for three-month period ended September 30, 2013, and the unaudited condensed interim consolidated statements of changes of shareholders' equity and cash flows for the three-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 consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). 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 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 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 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 consolidated 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 Business Summary ("Reseña Informativa") and the additional information required by Article 68 of the Buenos Aires Stock Exchange Regulations, on which, as regards these matters that are within our competence, we have no observations to make;
- d) at September 30, 2013, 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. 906,732, which was not callable at that date.

Autonomous City of Buenos Aires, November 11, 2013

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. Loiácono
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 September 30, 2013 and for the three-month periods ended September 30, 2013 and 2012

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Financial Position

as of September 30, 2013 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 publication in Argentina

| | Note | 09.30.2013 | 06.30.2013 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Investment properties | 6 | 798,887 | 804,788 |
| Property, plant and equipment | 7 | 8,763 | 8,681 |
| Trading properties | 8 | 62,762 | 62,762 |
| Intangible assets | 9 | 5,882 | 5,938 |
| Investments in subsidiaries, associates and joint ventures | 5 | 3,717,145 | 3,570,642 |
| Deferred income tax assets | 20 | 98,096 | 47,144 |
| Income tax and minimum presumed income tax credit | | 108,747 | 102,375 |
| Trade and other receivables | 12 | 106,995 | 85,862 |
| Investments in financial assets | 13 | 80 | 87 |
| Total Non-current Assets | | 4,907,357 | 4,688,279 |
| Current Assets | | | |
| Trading properties | 8 | 3,003 | 3,901 |
| Inventories | 10 | 508 | 463 |
| Trade and other receivables | 12 | 123,113 | 251,678 |
| Investments in financial assets | 13 | 174,956 | 72,713 |
| Cash and cash equivalents | 15 | 38,886 | 62,788 |
| Total Current Assets | | 340,466 | 391,543 |
| TOTAL ASSETS | | 5,247,823 | 5,079,822 |
| SHAREHOLDERS' EQUITY | | | |
| Shared capital | | 578,506 | 578,676 |
| Treasury stock | | 170 | - |
| Inflation adjustment of share capital | | 123,329 | 123,329 |
| Share premium | | 793,123 | 793,123 |
| Cost of treasury stock | | (1,182) | - |
| Reserve for share-based payments | | 13,988 | 8,258 |
| Legal reserve... | | 85,140 | 85,140 |

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| | | | |
|--|----|------------------|------------------|
| Special reserve | | 395,249 | 395,249 |
| Reserve for new developments | | 492,441 | 492,441 |
| Cumulative translation adjustment | | 65,687 | 50,776 |
| Acquisition of additional interest in subsidiaries | | (20,782) | (20,782) |
| Retained earnings | | 271,710 | 239,328 |
| TOTAL SHAREHOLDERS' EQUITY | | 2,797,379 | 2,745,538 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Trade and other payables | 16 | 11,627 | 7,054 |
| Borrowings | 19 | 1,933,448 | 1,796,521 |
| Provisions | 18 | 8,857 | 6,877 |
| Total Non-Current Liabilities | | 1,953,932 | 1,810,452 |
| Current Liabilities | | | |
| Trade and other payables | 16 | 66,877 | 88,242 |
| Salaries and social security liabilities | 17 | 4,411 | 5,490 |
| Borrowings | 19 | 419,399 | 423,835 |
| Derivative financial instruments | 14 | 219 | - |
| Provisions | 18 | 5,606 | 6,265 |
| Total Current Liabilities | | 496,512 | 523,832 |
| TOTAL LIABILITIES | | 2,450,444 | 2,334,284 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 5,247,823 | 5,079,822 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Income
for the three-month periods ended September 30, 2013 and 2012

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

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

| | Note | 09.30.2013 | 09.30.2012 |
|---|------|------------|------------|
| Revenues | 22 | 71,065 | 69,521 |
| Costs | 23 | (25,991) | (27,511) |
| Gross profit | | 45,074 | 42,010 |
| Gain from disposal of investment properties | 6 | - | 31,069 |
| General and administrative expenses | 24 | (14,629) | (12,892) |
| Selling expenses | 24 | (8,758) | (3,757) |
| Other operating results, net | 26 | (2,710) | (3,974) |
| Profit from operations | | 18,977 | 52,456 |
| Share of profit of subsidiaries, associates, and joint ventures | 5 | 127,768 | 66,341 |
| Profit from operations before financial results and income tax | | 146,745 | 118,797 |
| Finance income | 27 | 22,884 | 20,363 |
| Finance cost | 27 | (209,523) | (125,500) |
| Other financial results | 27 | 21,324 | 5,621 |
| Financial results, net | 27 | (165,315) | (99,516) |
| (Loss) / Profit before income tax | | (18,570) | 19,281 |
| Income tax | 20 | 50,952 | 21,861 |
| Profit for the period | | 32,382 | 41,142 |
| Profit per share for the period: | | | |
| Basic | | 0.056 | 0.071 |
| Diluted | | 0.056 | 0.071 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Comprehensive Income
for the three-month periods ended September 30, 2013 and 2012

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

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

| | 09.30.2013 | 09.30.2012 |
|---|------------|------------|
| Profit for the period | 32,382 | 41,142 |
| Other Comprehensive Income: | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Currency translation adjustment of subsidiaries, associates, and joint ventures | 14,911 | 10,490 |
| Other comprehensive income for the period (i) | 14,911 | 10,490 |
| Total comprehensive income for the period | 47,293 | 51,632 |

(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 Sociedad Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Changes in Shareholders' Equity
for the three-month periods ended September 30, 2013 and 2012

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

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

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

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

IRSA Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Changes in Shareholders' Equity
for the three-month periods ended September 30, 2013 and 2012

(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 | Reserve for acquisition of additional interest in subsidiaries | Cumulative translation adjustment | Reserve for share-based compensation | Legal reserve | Reserve for new development | Retained earnings | Total Shareholders' equity |
|--|------------------|--|------------------|---|---|---|------------------|-----------------------------------|----------------------|----------------------------------|
| Balance at July 1st, 2012 | 578,676 | 274,387 | 793,123 | (15,714) | 14,502 | 2,595 | 71,136 | 419,783 | 510,853 | 2,649,341 |
| Profit for the period | - | - | - | - | - | - | - | - | 41,142 | 41,142 |
| Other comprehensive income for the period | - | - | - | - | 10,490 | - | - | - | - | 10,490 |
| Total comprehensive income for the period | - | - | - | - | 10,490 | - | - | - | 41,142 | 51,632 |
| Acquisition of non-controlling interest | - | - | - | (334) | - | - | - | - | - | (334) |
| Reserve for share-based compensation | - | - | - | - | - | 1,668 | - | - | - | 1,668 |
| Balance at September 30, 2012 | 578,676 | 274,387 | 793,123 | (16,048) | 24,992 | 4,263 | 71,136 | 419,783 | 551,995 | 2,702,307 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Cash Flows

for the three-month periods ended September 30, 2013 and 2012

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

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

| | Note | 09.30.2013 | 09.30.2012 |
|--|------|------------|------------|
| Operating activities: | | | |
| Cash generated from the operations | 15 | 13,942 | 61,749 |
| Net cash generated by operating activities | | 13,942 | 61,749 |
| Investing activities: | | | |
| Capital contributions to subsidiaries, associates and joint ventures | 5 | (873) | (1,410) |
| Additions of investment properties | 6 | (830) | (1,088) |
| Proceeds from sale of investment properties | 6 | 118,936 | 53,732 |
| Proceed from sale of joint ventures | | 7,736 | - |
| Additions of property, plant and equipment | 7 | (383) | (57) |
| Additions of intangible assets | 9 | - | (52) |
| Additions of investments in financial assets | | (98,224) | (1,724) |
| Proceeds from sale of investments in financial assets | | 17,749 | 18,885 |
| Interest received from subsidiaries, associates and joint ventures | | 518 | 7,599 |
| Loans granted to subsidiaries, associates and joint ventures | | (14,502) | (23,225) |
| Loans repayments received from subsidiaries, associates and joint ventures | | - | 10,287 |
| Dividends received | | 1,536 | 156 |
| Net cash generated by investing activities | | 31,663 | 63,103 |
| Financing activities: | | | |
| Bank overdrafts, net | | 115,694 | 24,617 |
| Repayments of borrowings | | - | (30,000) |
| Payment of non-convertible notes | | (97,887) | - |
| Dividends paid | 21 | - | (35,703) |
| Interest paid | | (94,236) | (94,442) |
| Repurchase of Treasury stock | | (1,182) | - |
| Proceeds from borrowings from subsidiaries, associates and joint ventures | | 6,536 | 49,094 |
| Net cash used in financing activities | | (71,075) | (86,434) |
| Net increase in cash and cash equivalents | | (25,470) | 38,418 |
| Cash and cash equivalents at the beginning of the year | 15 | 62,788 | 76,872 |
| Foreign exchange gain on cash and cash equivalents | | 1,568 | 1,629 |
| Cash and cash equivalents at end of period | | 38,886 | 116,919 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate Financial Statements

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

Free translation from the original prepared in Spanish for 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 November 11, 2013.

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".

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.

These Unaudited Condensed Interim Separate Financial Statements corresponding to the three-month periods ended September 30, 2013 and 2012 have not been audited. The Company's Management believes they include all necessary adjustments to fairly present the results of each period. The Company's three-month periods ended September 30, 2013 and 2012 results do not necessarily reflect the proportion of the Company's full-year results.

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 publication in Argentina

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

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.

3. Acquisitions and disposals

See acquisitions and disposals made by the Company for the three-month period ended September 30, 2013 in Note 3 to the Unaudited Condensed Interim Consolidated Financial Statements.

4. Financial risk management

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.

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 publication in Argentina

4. Financial risk management (Continued)

The 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.

5. Information about principal subsidiaries, associates and joint ventures

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

Set out below is the summarized financial information for investments in subsidiaries, associates and joint ventures for the three-month period ended September 30, 2013 and for the year ended June 30, 2013:

Subsidiaries, Associates and Joint ventures

| | September 30, 2013 | June 30, 2013 |
|---|-----------------------|------------------|
| Beginning of period/year | 3,570,642 | 3,357,430 |
| Capital contribution | 873 | 143,634 |
| Disposal of subsidiaries | - | (5,436) |
| Share of profit, net | 127,768 | 346,772 |
| Translation adjustment | 14,911 | 36,274 |
| Cash dividends (i) | (1,536) | (308,479) |
| Reimbursement of expired dividends | - | 591 |
| Acquisition of non-controlling interest | - | (4,420) |
| Reserve for share-based payment | 4,487 | 4,276 |
| End of the period/year | 3,717,145 | 3,570,642 |

(i) During the period ended September 30, 2013, BHSA distributed dividends for an amount of Ps. 1.5 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)
 Free translation from the original prepared in Spanish for publication in Argentina

6. Investment properties

Changes in Company's investment properties for the three-month period ended September 30, 2013 and for the year ended June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|----------------------------|-----------------------|------------------|
| Beginning of period / year | 804,788 | 890,433 |
| Additions | 830 | 4,793 |
| Sales | - | (62,700) |
| Depreciation charge (i) | (6,731) | (27,738) |
| End of period / year | 798,887 | 804,788 |

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

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

| | September 30, 2013 | September 30, 2012 |
|---|-----------------------|-----------------------|
| Rental and service income | 66,779 | 63,847 |
| Direct operating expenses | (24,179) | (25,505) |
| Gain from disposal of investment properties | - | 31,069 |

7. Property, plant and equipment

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

| | September 30, 2013 | June 30, 2013 |
|---|-----------------------|------------------|
| Beginning of period / year | 8,681 | 8,765 |
| Additions | 383 | 1,707 |
| Disposals of unused property, plant and equipment | - | (602) |
| Depreciation charge (i) | (301) | (1,189) |
| End of period / year | 8,763 | 8,681 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

8. Trading properties

Changes in Company's trading properties for the three-month period ended September 30, 2013 and for the year ended June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|----------------------------|-----------------------|------------------|
| Beginning of period / year | 66,663 | 71,117 |
| Dispositions | (898) | (4,454) |
| End of period / year | 65,765 | 66,663 |

9. Intangible assets

Changes in Company's intangible assets for the three-month period ended September 30, 2013 and for the year ended June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|----------------------------|-----------------------|------------------|
| Beginning of period / year | 5,938 | 5,987 |
| Additions | - | 224 |
| Amortization charge (i) | (56) | (273) |
| End of period / year | 5,882 | 5,938 |

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

10. Inventories

Company's inventories as of September 30, 2013 and June 30, 2013 were as follows:

| | September 30, 2013 | June 30, 2013 |
|-------------------------------------|-----------------------|------------------|
| Current | | |
| Materials and other inventories (i) | 508 | 463 |
| Current inventories | 508 | 463 |
| Total inventories | 508 | 463 |

(i) The cost of inventories is recorded in "Costs" 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 publication in Argentina

11. Financial instruments by category

Determination of fair values

See determination of fair value in Note 14 to the 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 September 30 and June 30, 2013 and their allocation to the fair value hierarchy:

| | September 30, 2013 | | | Total |
|--|--------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities of TGLT | 80 | - | - | 80 |
| - Mutual funds | 45,431 | - | - | 45,431 |
| - Bonds | 129,597 | - | - | 129,597 |
| Total assets | 175,108 | - | - | 175,108 |

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|---------|---------|---------|-------|
| Liabilities | | | | |
| Derivative financial instruments: | | | | |
| - Interest rate swaps | - | 219 | - | 219 |
| Total liabilities | - | 219 | - | 219 |

| | June 30, 2013 | | | Total |
|--|---------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities of TGLT | 84 | - | - | 84 |
| - Mutual funds | 2,918 | - | - | 2,918 |
| - Bonds | 69,865 | - | - | 69,865 |
| Total assets | 72,867 | - | - | 72,867 |

The only liabilities of the Company stated at fair value relate to derivative financial instruments (see Note 14). They 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.

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 publication in Argentina

12. Trade and other receivables

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

| | September 30, 2013 | June 30, 2013 |
|---|-----------------------|------------------|
| Non-current | | |
| Sale, leases and services receivable | 1,327 | 1,702 |
| Total non-current trade receivables | 1,327 | 1,702 |
| Trade receivables of joint ventures | 2,317 | 2,147 |
| Others | 578 | 527 |
| Total non-current other receivables | 2,895 | 2,674 |
| Related parties (Note 29) | 102,773 | 81,486 |
| Total non-current trade and other receivables | 106,995 | 85,862 |
| Current | | |
| Sale, leases and services receivable | 24,818 | 143,831 |
| Checks to be deposited | - | 85 |
| Debtors under legal proceedings | 7,641 | 6,01 |
| Less: allowance for trade receivables | -8,803 | -5,359 |
| Total trade receivables | 23,656 | 144,567 |
| Trade receivables of joint ventures | 13,894 | 20,555 |
| Gross sales tax credit | 52 | 1,165 |
| Other tax receivables | 1,205 | 2,182 |
| Prepaid expenses | 2,705 | 3,07 |
| Expenses and services to recover | 2,464 | 2,077 |
| Advance payments | 2,825 | 2,973 |
| Others | 675 | 668 |
| Less: allowance for other receivables | -23 | -23 |
| Total current other receivables | 23,797 | 32,667 |
| Related parties (Note 29) | 75,66 | 74,444 |
| Total current trade and other receivables | 123,113 | 251,678 |
| Total trade and other receivables | 230,108 | 337,54 |

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

| | September 30, 2013 | June 30, 2013 |
|--------------------------------|-----------------------|------------------|
| Beginning of period / year | 5,382 | 4,783 |
| Additions of the period / year | 4,195 | 1,491 |
| Unused amounts reversed | (751) | (892) |
| End of period / year | 8,826 | 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.

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 publication in Argentina

13. Investments in financial assets

Company's investments in financial assets as of September 30, 2013 and June 30, 2013 are as follows:

| | September 30, 2013 | June 30, 2013 |
|---|-----------------------|------------------|
| Non-current | | |
| Financial assets at fair value | | |
| Investment in equity securities in TGLT | 80 | 84 |
| Government bonds | - | 3 |
| Total non-current investments in financial assets | 80 | 87 |
| Current | | |
| Financial assets at fair value | | |
| Mutual funds | 45,359 | 2,851 |
| Government bonds | 129,597 | 69,862 |
| Total current investments in financial assets | 174,956 | 72,713 |
| Total investments in financial assets | 175,036 | 72,800 |

14. Derivative financial instruments

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

| | September 30, 2013 | June 30, 2013 |
|--|-----------------------|------------------|
| Liabilities | | |
| Current | | |
| Interest rate swaps (i) | 219 | - |
| Total current derivative financial instruments | 219 | - |
| Total derivative financial instruments | 219 | - |

(i) In September 2013, the Company entered into interest rate swaps with Industrial and Commercial Bank of China, Banco Santander Río and Banco Itaú. The total amount of underlying assets for these agreements amounts to Ps. 130 million and are due in September 2014.

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 publication in Argentina

15. Cash flow information

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

| | September 30, 2013 | June 30, 2013 |
|---------------------------------|-----------------------|------------------|
| Cash at bank and on hand | 38,814 | 62,721 |
| Mutual funds | 72 | 67 |
| Total cash and cash equivalents | 38,886 | 62,788 |

Following is a detailed description of cash flows generated by the Company's operations for the three-month period ended September 30, 2013 and 2012:

| | Note | September 30, 2013 | September 30, 2012 |
|--|--------|-----------------------|-----------------------|
| Profit for the period | | 32,382 | 41,142 |
| Adjustments for: | | | |
| Income tax expense | 20 | (50,952) | (21,861) |
| Amortization and Depreciation | 24 | 7,088 | 7,731 |
| Gain from disposal of investment properties | 6 | - | (31,069) |
| Share-based payments | 25, 28 | 1,243 | 360 |
| Changes in fair value of investments in financial assets | 27 | (21,543) | (5,621) |
| Loss on derivative financial instruments | | 219 | - |
| Interest expense, net | | 62,119 | 58,405 |
| Provisions | | 7,900 | 8,594 |
| Share of profit of subsidiaries, associates and joint ventures | | (127,768) | (66,341) |
| Unrealized foreign exchange loss, net | | 119,455 | 43,967 |
| Increase in inventories | | (45) | (10) |
| Decrease in trading properties | | 898 | 1,478 |
| Decrease / (Increase) in trade and other receivables | | 10,798 | (14,426) |
| (Decrease) / Increase in trade and other payables | | (26,329) | 42,555 |
| Decrease in salaries and social security liabilities | | (1,079) | (3,006) |
| Decrease in provisions | | (444) | (149) |
| Net cash generated by operating activities | | 13,942 | 61,749 |

Additional information

| | | 09.30.2013 | 09.30.2012 |
|--|---|------------|------------|
| Increase in income tax and minimum presumed income tax credits through an increase in trade and other payables | | 6,370 | - |
| Reserve for share-based payment | 5 | 4,487 | 1,308 |
| Cumulative translation adjustment | | 14,911 | 10,490 |

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 publication in Argentina

16. Trade and other payables

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

| | September 30, 2013 | June 30, 2013 |
|---|-----------------------|------------------|
| Non-current | | |
| Sales, rent and services payments received in advance | 643 | 2,027 |
| Guarantee deposits | 4,390 | 4,768 |
| Total non-current trade payables | 5,033 | 6,795 |
| Minimum presumed income tax payable | 6,370 | - |
| Others | 206 | 242 |
| Total non-current other payables | 6,576 | 242 |
| Related parties (Note 29) | 18 | 17 |
| Total non-current trade and other payables | 11,627 | 7,054 |
| Current | | |
| Trade payables | 3,779 | 8,401 |
| Accrued invoices | 10,732 | 13,220 |
| Sales, rent and services payments received in advance | 23,414 | 22,707 |
| Guarantee deposits | 4,829 | 3,779 |
| Total current trade payables | 42,754 | 48,107 |
| VAT payables | 2,514 | 7,974 |
| Other tax payables | 7,467 | 13,786 |
| Others | 4,716 | 6,352 |
| Total current other payables | 14,697 | 28,112 |
| Related parties (Note 29) | 9,426 | 12,023 |
| Total current trade and other payables | 66,877 | 88,242 |
| Total trade and other payables | 78,504 | 95,296 |

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 publication in Argentina

17. Salaries and social security liabilities

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

| | September 30, 2013 | June 30, 2013 |
|---|-----------------------|------------------|
| Current | | |
| Provision for vacation and bonuses | 2,339 | 4,505 |
| Social security payable | 2,054 | 967 |
| Salaries payable | 18 | 18 |
| Total salaries and social security liabilities | 4,411 | 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 | 1,765 |
| Used during period | (444) |
| At September 30, 2013 | 14,463 |

The analysis of total provisions is as follows:

| | September 30, 2013 | June 30, 2013 |
|-------------|-----------------------|------------------|
| Non-current | 8,857 | 6,877 |
| Current | 5,606 | 6,265 |
| | 14,463 | 13,142 |

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 publication in Argentina

19. Borrowings

Company's borrowings as of September 30, 2013 and June 30, 2013 were as follows:

| | Secured/ unsecured | Currency | Fixed/ floating | Effective interest rate % | Nominal value | Book value | |
|---|-----------------------|----------|--------------------|------------------------------|------------------|-----------------------|------------------|
| | | | | | | September 30, 2013 | June 30, 2013 |
| Non-current | | | | | | | |
| IRSA NCN due 2017 (Note 29) | Unsecured | US\$ | Fixed | 8.50% | 150,000 | 866,836 | 805,868 |
| IRSA NCN due 2020 | Unsecured | US\$ | Fixed | 11.50% | 150,000 | 849,752 | 789,655 |
| Related parties (Note 29) | Unsecured | Ps. | Floating | Badlar | 13,532 | 129,941 | 123,914 |
| Related parties (Note 29) | Unsecured | US\$ | Floating | Libor 3m +200 | 8,012 | 46,414 | 43,169 |
| Related parties (Note 29) | Unsecured | US\$ | Fixed | 7.50% | 2,224 | 21,396 | 18,428 |
| Related parties (Note 29) | Unsecured | Ps. | Floating | Badlar+15.23% | 6,000 | 18,925 | 15,469 |
| Finance lease obligations | Secured | US\$ | Fixed | 7.50% | 126 | 184 | 18 |
| Total non-current borrowings | | | | | | 1,933,448 | 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% | 33,832 | 98,838 | 137,750 |
| IRSA NCN due 2017 (Note 29) | Unsecured | US\$ | Fixed | 8.5% | 150,000 | 11,436 | 27,749 |
| IRSA NCN due 2020 | Unsecured | US\$ | Fixed | 11.5% | 150,000 | 18,726 | 40,604 |
| Bank overdrafts | Unsecured | Ps. | Floating | - | - | 217,781 | 100,214 |
| Finance lease obligations | Secured | US\$ | Fixed | 7.50% | 126 | 228 | 105 |
| Related parties (Note 29) | Unsecured | Ps. | Floating | Badlar | 67,369 | 8 | 8 |
| Related parties (Note 29) | Unsecured | Ps. | Fixed | 7.50% | 6,000 | 70,328 | 64,533 |
| Related parties (Note 29) | Unsecured | US\$ | Floating | Libor 3m +200 | 8,012 | 449 | 170 |
| Related parties (Note 29) | Unsecured | US\$ | Fixed | 5% | 5,950 | 1,605 | 462 |
| Total Current borrowings | | | | | | 419,399 | 423,835 |
| Total borrowings | | | | | | 2,352,847 | 2,220,356 |

NCN: Non-convertible Notes

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 publication in Argentina

20. Current and deferred income tax

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

| | September 30, 2013 | September 30, 2012 |
|---------------------|-----------------------|-----------------------|
| Current income tax | - | - |
| Deferred income tax | 50,952 | 21,861 |
| Income tax | 50,952 | 21,861 |

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

| | September 30, 2013 | June 30, 2013 |
|----------------------------|-----------------------|------------------|
| Beginning of period / year | 47,144 | (19,179) |
| Income tax gain | 50,952 | 66,323 |
| End of period / year | 98,096 | 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 three-month periods ended September 30, 2013 and 2012:

| | September 30, 2013 | September 30, 2012 |
|--|-----------------------|-----------------------|
| Net income at tax rate | (6,500) | 6,748 |
| Permanent differences: | | |
| Share of loss from subsidiaries, associates and joint ventures | (44,719) | (23,219) |
| Non-deductible items | 84 | (27) |
| Others | 183 | (5,363) |
| Income tax expense | (50,952) | (21,861) |

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 publication in Argentina

21. Shareholders' Equity

During the three month period ended September 30, 2013, no dividends were paid out.

See Note 25 to the Unaudited Condensed Interim Consolidated Financial Statements.

22. Revenues

| | September 30, 2013 | September 30, 2012 |
|-------------------------------------|-----------------------|-----------------------|
| Rental and scheduled rent increases | 49,838 | 45,288 |
| Expenses | 15,523 | 17,484 |
| Property management fee | 1,053 | 935 |
| Others | 365 | 140 |
| Total rental and service income | 66,779 | 63,847 |
| Sale of trading properties | 4,286 | 5,674 |
| Total other revenue | 4,286 | 5,674 |
| Total revenues | 71,065 | 69,521 |

23. Costs

| | September 30, 2013 | September 30, 2012 |
|-----------------------------------|-----------------------|-----------------------|
| Leases and services costs | 24,179 | 25,505 |
| Cost of sales and development | 1,812 | 2,006 |
| Total cost of property operations | 25,991 | 27,511 |
| Total costs | 25,991 | 27,511 |

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.

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 publication in Argentina

24. Expenses by nature (Continued)

For the period ended September 30, 2013:

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

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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24. Expenses by nature (Continued)

For the period ended September 30, 2012:

| | Costs | | | | Total |
|--|-----------------------------|------------------------------|-------------------------------------|------------------|--------|
| | Cost of rental and services | Cost of sale and development | General and administrative expenses | Selling expenses | |
| Leases and service charges | 800 | 284 | 41 | - | 1,125 |
| Depreciation and amortization | 7,479 | - | 243 | 9 | 7,731 |
| Allowances for trade and other receivables | - | - | - | 406 | 406 |
| Salaries, social security costs and other personnel expenses | 2,579 | 29 | 6,246 | 804 | 9,658 |
| Directors' fees | - | - | 3,668 | - | 3,668 |
| Fees and payments for services | 546 | - | 1,275 | 279 | 2,100 |
| Maintenance, security, cleaning, repairs and others | 11,305 | 15 | 589 | 38 | 11,947 |
| Taxes, rates and contributions | 2,353 | 195 | 92 | 1,576 | 4,216 |
| Advertising and other selling expenses | - | - | - | 582 | 582 |
| Cost of sale of trading properties | - | 1,478 | - | - | 1,478 |
| Others | 443 | 5 | 738 | 63 | 1,249 |
| Total expenses by nature | 25,505 | 2,006 | 12,892 | 3,757 | 44,160 |

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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25. Employee costs

| | September 30, 2013 | September 30, 2012 |
|---|-----------------------|-----------------------|
| Salaries and social security costs | 12,377 | 8,722 |
| Share-based compensation | 1,243 | 360 |
| Pension costs – defined contribution plan | 133 | 268 |
| Other expenses and benefits | 878 | 308 |
| Total employee costs | 14,631 | 9,658 |

26. Other operating results, net

| | September 30, 2013 | September 30, 2012 |
|--------------------------------------|-----------------------|-----------------------|
| Donations | (244) | (78) |
| Lawsuits and other contingencies (1) | (1,616) | (2,040) |
| Others | (850) | (1,856) |
| Total other operating results, net | (2,710) | (3,974) |

(1) Includes judicial costs and expenses.

27. Financial results, net

| | September 30, 2013 | September 30, 2012 |
|--|-----------------------|-----------------------|
| Finance income: | | |
| - Interest income | 2,192 | 4,701 |
| - Foreign exchange gains | 20,692 | 15,662 |
| Total finance income | 22,884 | 20,363 |
| Finance costs: | | |
| - Interest expense | (64,311) | (63,106) |
| - Foreign exchange losses | (141,799) | (59,912) |
| - Other finance costs | (3,413) | (2,482) |
| Total finance costs | (209,523) | (125,500) |
| Other financial results: | | |
| - Fair value gain of investments in financial assets | 21,543 | 5,621 |
| - Loss on derivatives financial instruments | (219) | - |
| Total other financial results | 21,324 | 5,621 |
| Total financial results, net | (165,315) | (99,516) |

28. Share-based payments

For more details on share-based payments, see Note 32 to the Unaudited Condensed Interim Consolidated Financial Statements.

23

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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29. Related party transactions

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

| Related party | Description of Transaction | Investments in financial assets current | Investments in financial assets non-current | Trade and other receivables current | Trade and other receivables non-current | Trade and other liabilities current | Trade and other liabilities non-current | Borrowings current | Borrowings non-current |
|------------------------------------|------------------------------|---|---|-------------------------------------|---|-------------------------------------|---|--------------------|------------------------|
| Parent Company | | | | | | | | | |
| CRESUD S.A.C.I.F. y A. | | | | | | | | | |
| | Sale of good and/or services | - | - | 701 | - | - | - | - | - |
| | Corporate services | - | - | - | - | (4,712) | - | - | - |
| | Reimbursement of expenses | - | - | - | - | (1,537) | - | - | - |
| | Share-based payments | - | - | 559 | - | - | - | - | - |
| Total Parent Company | | - | - | 1,260 | - | (6,249) | - | - | - |
| Subsidiaries | | | | | | | | | |
| E. Commerce Latina S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 20 | - | - | - | - | - |
| | Management fees | - | - | 2 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | - | - | (13,475) |
| Alto Palermo S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 3,344 | - | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | - | - | (182) | (10,254) |
| | Share-based payments | - | - | - | - | (72) | - | - | - |
| | Borrowings | - | - | - | - | - | - | (70,328) | - |
| Solares de Santa Maria S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 4,213 | - | - | - | - | - |
| | Borrowings | - | - | - | 5 | - | - | - | - |
| Palermo Invest S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 30 | - | - | - | - | - |
| | Borrowings | - | - | 89 | - | - | - | (8) | (7,119) |
| Unicity S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 10 | - | - | - | - | - |

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| | | | | | | | | | |
|--------------|------------------------------|---|---|----|---|-------|---|--------|----------|
| Ritelco S.A. | Reimbursement of expenses | - | - | 31 | - | (15) | - | - | - |
| | Borrowings | - | - | - | - | - | - | (449) | (50,437) |

24

IRSA Inversiones y Representaciones Sociedad Anónima

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

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

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29. Related party transactions (Continued)

| Related party | Description of transaction | Investments in financial assets current | Investments in financial assets non-current | Trade and other receivables current | Trade and other receivables non-current | Trade and other liabilities current | Trade and other liabilities non-current | Borrowings current | Borrowings non-current |
|------------------------------------|----------------------------|---|---|-------------------------------------|---|-------------------------------------|---|--------------------|------------------------|
| Subsidiaries | | | | | | | | | |
| Inversora Bolivar S.A. | Reimbursement of expenses | - | - | 40 | - | - | - | - | - |
| | Borrowings | - | - | 1,479 | - | - | - | - | (15,704) |
| Hoteles Argentinos S.A. | | | | | | | | | |
| | Hotel services | - | - | 84 | - | (1,162) | - | - | - |
| Tyrus S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 379 | - | - | - | - | - |
| | Borrowings | - | - | - | 102,768 | - | - | - | - |
| Llao Llao Resorts S.A. | | | | | | | | | |
| | Hotel services | - | - | 2,524 | - | (41) | - | - | - |
| | Management fees | - | - | 553 | - | - | - | - | - |
| | Guarantee deposits | - | - | - | - | - | (10) | - | - |
| Nuevas Fronteras S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 12 | - | (6) | - | - | - |
| | Management fees | - | - | 55 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | - | (1,605) | (25,585) |
| Efanur S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 80 | - | - | - | - | - |
| | Borrowings | - | - | 48,154 | - | - | - | - | - |
| Total Subsidiaries | | - | - | 61,099 | 102,773 | (1,296) | (10) | (72,572) | (122,574) |
| Subsidiaries CRESUD | | | | | | | | | |
| Futuros y Opciones.com S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | - | (29) | - | - | - |
| Cactus S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | - | - | (7) | - | - | - |
| Alafox S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 50 | - | - | - | - | - |
| Helmir S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 2 | - | - | - | - | - |

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| | | | | | | | | | |
|-----------------------|------------------------------|---|---|-----|---|-------|---|---|---|
| Doneldon S.A. | Reimbursement of expenses | - | - | 38 | - | - | - | - | - |
| Sedelor S.A. | Reimbursement of expenses | - | - | 38 | - | - | - | - | - |
| Codalis S.A. | Reimbursement of expenses | - | - | 47 | - | - | - | - | - |
| Total Subsidiaries | | | | | | | | | |
| CRESUD | | - | - | 175 | - | (36) | - | - | - |

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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29. Related party transactions (Continued)

| Related party | Description of transaction | Investments in financial assets current | Investments in financial assets non-current | Trade receivables and other current | Trade receivables and other non-current | Trade liabilities current | Trade liabilities non-current | Borrowings current | Borrowings non-current |
|-----------------------------------|----------------------------|---|---|-------------------------------------|---|---------------------------|-------------------------------|--------------------|------------------------|
| Subsidiaries | | | | | | | | | |
| APSA | | | | | | | | | |
| Arcos del Gourmet S.A. | Reimbursement of expenses | - | - | 19 | - | - | - | - | - |
| Emprendimientos Recoleta S.A. | Reimbursement of expenses | - | - | - | - | (8) | - | - | - |
| | Non-Convertible Notes | - | - | - | - | - | - | (187) | (8,359) |
| Fibesa S.A. | Reimbursement of expenses | - | - | 26 | - | - | - | - | - |
| | Share-based payments | - | - | 63 | - | - | - | - | - |
| Panamerican Mall S.A. | Reimbursement of expenses | - | - | 55 | - | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | - | - | (723) | (32,337) |
| Shopping Neuquén S.A. | Reimbursement of expenses | - | - | 2 | - | - | - | - | - |
| Torodur S.A. | Reimbursement of expenses | - | - | 172 | - | - | - | - | - |
| Conil S.A | Reimbursement of expenses | - | - | 35 | - | - | - | - | - |
| Total Subsidiaries | | | | | | | | | |
| APSA | | - | - | 372 | - | (8) | - | (910) | (40,696) |
| Subsidiaries | | | | | | | | | |
| TYRUS | | | | | | | | | |
| Irsa International LLC | Reimbursement of expenses | - | - | 980 | - | (774) | - | - | - |
| Real Estate Investment Group LP I | Reimbursement of expenses | - | - | 41 | - | (31) | - | - | - |
| Real Estate Investment Group V | Reimbursement of expenses | - | - | 13 | - | - | - | - | - |
| Irsa Development LP | Reimbursement of expenses | - | - | - | - | - | - | - | - |

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| | | | | | | | | | |
|---------------------------|---------------------------|---|---|-------|---|--------|---|---|---|
| Real Estate Strategies LP | Reimbursement of expenses | - | - | - | - | - | - | - | - |
| New Lipstick LLC | Reimbursement of expenses | - | - | 1,395 | - | - | - | - | - |
| Imadison LLC | Reimbursement of expenses | - | - | 978 | - | - | - | - | - |
| Jiwin S.A. | Reimbursement of expenses | - | - | 3 | - | - | - | - | - |
| Zetol S.A. | Reimbursement of expenses | - | - | 160 | - | - | - | - | - |
| Total Subsidiaries | | | | | | | | | |
| TYRUS | | - | - | 3,57 | - | (805) | - | - | - |
| Associates | | | | | | | | | |
| Manibil S.A. | Other liabilities | - | - | - | - | (781) | - | - | - |
| Banco Hipotecario S.A. | Reimbursement of expenses | - | - | - | - | (9) | - | - | - |
| Total Associates | | | | | | (790) | - | - | - |
| Associates APSA | | | | | | | | | |
| Tarshop S.A. | Reimbursement of expenses | - | - | - | - | (1) | - | - | - |
| Total Associates APSA | | | | | | (1) | - | - | - |

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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29. Related party transactions (Continued)

| Related party | Description of transactions | Investments | | Trade and other receivables | Trade and other liabilities | Trade and other liabilities | Borrowings | Borrowings |
|----------------------------|------------------------------|-----------------------------|---------------------------------|-----------------------------|-----------------------------|-----------------------------|------------|------------|
| | | in financial assets current | in financial assets non-current | | | | | |
| Joint Ventures | | | | | | | | |
| Cyrsa S.A. | Reimbursement of expenses | - | - | 5 | - | - | - | - |
| | Borrowings | - | - | - | - | - | - | (104,356) |
| Baicom Networks S.A. | Reimbursement of expenses | - | - | 17 | - | (2) | - | - |
| | Reimbursement of expenses | - | - | 188 | - | - | - | - |
| Total Joint Ventures | | - | - | 210 | - | (2) | - | (104,356) |
| Joint Ventures | | | | | | | | |
| APSA | | | | | | | | |
| Nuevo Puerto Santa Fé S.A. | Reimbursement of expenses | - | - | 4 | - | - | - | - |
| | Reimbursement of expenses | - | - | 31 | - | - | - | - |
| Quality Invest S.A. | Management fees | - | - | - | - | (45) | - | - |
| | Total Joint Ventures | | - | - | 35 | - | (45) | - |
| Other related parties | | | | | | | | |
| Consultores | | | | | | | | |
| Asset Management | | | | | | | | |
| S.A. (CAMSA) | Reimbursement of expenses | - | - | 2,547 | - | (36) | - | - |
| | Reimbursement of expenses | - | - | 2 | - | (1) | - | - |
| Dolphin Fund PLC | Reimbursement of expenses | - | - | 133 | - | - | - | - |
| | Estudio Zang, Bergel & Viñes | | - | - | 4 | - | - | - |
| Legal services | Legal services | - | - | - | - | (153) | - | - |
| | | | - | - | 14 | - | (3) | - |

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| | | | | | | | | | |
|---------------------------------------|---|---|---|--------|---------|---------|-------|----------|-----------|
| Museo de los Niños Fundación IRSA | Leases and/or rights of use Reimbursement of expenses | - | - | 38 | - | (1) | - | - | - |
| Total Other related parties | | - | - | 2,738 | - | (194) | - | - | - |
| Directors and Senior Management | | | | | | | | | |
| Directors | Fees | - | - | 5,955 | - | - | - | - | - |
| | Reimbursement of expenses | - | - | 246 | - | - | - | - | - |
| | Guarantee deposits | - | - | - | - | - | (8) | - | - |
| Total Directors and Senior Management | | - | - | 6,201 | - | - | (8) | - | - |
| Total | | - | - | 75,660 | 102,773 | (9,426) | (18) | (73,482) | (267,626) |

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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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 | Investments in financial assets current | Investments in financial assets non-current | Trade and other receivables current | Trade and other receivables non-current | Trade and other liabilities current | Trade and other liabilities non-current | Borrowings current | Borrowings non-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 | - | - | - | (8) | (5,431) |

| | | | | | | | | | |
|--------------|------------------------------|---|---|----|---|-------|---|--------|----------|
| Unicity S.A. | Reimbursement of expenses | - | - | 7 | - | - | - | - | - |
| Ritelco S.A. | Reimbursement of expenses | - | - | 10 | - | (15) | - | - | - |
| | Borrowings | - | - | - | - | - | - | (170) | (47,036) |

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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29. Related party transactions (Continued)

| Related party | Description of transaction | Investments in financial assets current | Investments in financial assets non-current | Trade and other receivables current | Trade and other receivables non-current | Trade and other liabilities current | Trade and other liabilities non-current | Borrowings current | Borrowings non-current |
|------------------------------------|----------------------------|---|---|-------------------------------------|---|-------------------------------------|---|--------------------|------------------------|
| Subsidiaries | | | | | | | | | |
| Inversora Bolivar S.A. | Reimbursement of expenses | - | - | 27 | - | - | - | - | - |
| | Borrowings | - | - | 1,42 | - | - | - | - | (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 | - | - | - | - | - | - | (462) | (25,585) |
| Efanur S.A. | | | | | | | | | |
| | Reimbursement of expenses | - | - | 75 | - | - | - | - | - |
| | Borrowings | - | - | 44,43 | - | - | - | - | - |
| Total Subsidiaries | | - | - | 56,815 | 81,486 | (1,487) | (9) | (65,173) | (102,651) |
| 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. | | | | | | | | | |
| | | - | - | 1 | - | - | - | - | - |

| | | | | | | | | |
|-----------------------|------------------------------|---|---|-----|---|------|---|---|
| | Reimbursement of expenses | | | | | | | |
| Doneldon S.A. | Reimbursement of expenses | - | - | 36 | - | - | - | - |
| Sedelor S.A. | Reimbursement of expenses | - | - | 35 | - | - | - | - |
| Total Subsidiaries | | | | | | | | |
| CRESUD | | - | - | 162 | - | (2) | - | - |

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 publication in Argentina

29. Related party transactions (Continued)

| Related party | Description of transaction | Investments in financial assets current | Investments in financial assets non-current | Trade and other receivables current | Trade and other receivables non-current | Trade and other liabilities current | Trade and other liabilities non-current | Borrowings current | Borrowings non-current |
|-----------------------------------|----------------------------|---|---|-------------------------------------|---|-------------------------------------|---|--------------------|------------------------|
| Subsidiaries | | | | | | | | | |
| APSA | | | | | | | | | |
| Arcos del Gourmet S.A. | Reimbursement of expenses | - | - | 13 | - | - | - | - | - |
| Emprendimientos Recoleta S.A. | Reimbursement of expenses | - | - | - | - | (1) | - | - | - |
| | Non-Convertible Notes | - | - | - | - | - | - | (446) | (7,077) |
| Fibesa S.A. | Reimbursement of expenses | - | - | 128 | - | - | - | - | - |
| | Share-based payments | - | - | 63 | - | - | - | - | - |
| Panamerican Mall S.A. | Reimbursement of expenses | - | - | 78 | - | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | - | - | (764) | (12,050) |
| Shopping Neuquén S.A. | Reimbursement of expenses | - | - | 1 | - | - | - | - | - |
| Torodur S.A. | Reimbursement of expenses | - | - | 162 | - | - | - | - | - |
| Total Subsidiaries | | | | | | | | | |
| APSA | | - | - | 445 | - | (1) | - | (1,210) | (19,127) |
| Subsidiaries | | | | | | | | | |
| TYRUS | | | | | | | | | |
| Irsa International LLC | Reimbursement of expenses | - | - | 995 | - | (720) | - | - | - |
| Real Estate Investment Group LP I | Reimbursement of expenses | - | - | 38 | - | (28) | - | - | - |
| Real Estate Investment Group. V | Reimbursement of expenses | - | - | 12 | - | - | - | - | - |
| Irsa Development LP | Reimbursement of expenses | - | - | 2 | - | - | - | - | - |

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| | | | | | | | | | |
|---------------------------|---------------------------|---|---|-------|---|--------|---|---|---|
| Real Estate Strategies LP | Reimbursement of expenses | - | - | 1,350 | - | - | - | - | - |
| New Lipstick LLC | Reimbursement of expenses | - | - | 1,301 | - | - | - | - | - |
| Imadison LLC | Reimbursement of expenses | - | - | 909 | - | - | - | - | - |
| 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 | | | | | | | | | |
| APSA | | | | | | | | | |
| | | - | - | 8 | - | - | - | - | - |

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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29. Related party transactions (Continued)

| Related party | Description of transaction | Investments in financial assets current | Investments in financial assets non-current | Trade and other receivables current | Trade and other receivables non-current | Trade and other liabilities current | Trade and other liabilities non-current | Borrowings current | Borrowings non-current |
|---|-----------------------------|---|---|-------------------------------------|---|-------------------------------------|---|--------------------|------------------------|
| Joint Ventures | | | | | | | | | |
| Cyrsa S.A. | Reimbursement of expenses | - | - | - | - | (10) | - | - | - |
| | 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. (CAMSA) | 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) | - | - | - |

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| | | | | | | | | | |
|---------------------------------------|---------------------------|---|---|--------|--------|----------|-------|----------|-----------|
| Fundación IRSA | Reimbursement of expenses | - | - | 38 | - | (1) | - | - | - |
| Total Other related parties | | - | - | 2,702 | - | (354) | - | - | - |
| Directors and Senior Management | | | | | | | | | |
| Directors | Fees | - | - | 7,599 | - | - | - | - | - |
| | Guarantee deposits | - | - | - | - | - | (8) | - | - |
| Total Directors and Senior Management | | - | - | 7,599 | - | - | (8) | - | - |
| Total | | - | - | 74,444 | 81,486 | (12,023) | (17) | (66,383) | (220,106) |

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 publication in Argentina

29. Related party transactions (Continued)

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

| | Commissions | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and Salaries |
|----------------------------------|-------------|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|-----------|-------------------------|
| Related party | | | | | | | | |
| Last Parent Company | | | | | | | | |
| Cresud S.A.C.I.F. y A | - | 316 | - | - | - | - | - | - |
| Total Parent Company | - | 316 | - | - | - | - | - | - |
| Subsidiaries | | | | | | | | |
| Alto Palermo S.A. | | | | | | | | |
| | - | 1,18 | - | - | - | (5,915) | - | - |
| E-Commerce Latina S.A. | | | | | | | | |
| | - | - | - | - | - | (737) | - | - |
| Solares de Santa Maria S.A. | | | | | | | | |
| | - | - | - | - | - | - | - | - |
| Inversora Bolivar S.A. | | | | | | | | |
| | - | - | - | - | - | (881) | - | - |
| Llao Llao Resorts S.A. | | | | | | | | |
| | - | 32 | - | - | - | - | - | - |
| Ritelco S.A. | | | | | | | | |
| | - | - | - | - | - | (3,679) | - | - |
| Nuevas Fronteras S.A. | | | | | | | | |
| | - | - | - | - | - | (1,143) | - | - |
| Efanur S.A. | | | | | | | | |
| | - | - | - | - | - | 3,724 | - | - |
| Tyrus S.A. | | | | | | | | |
| | - | - | - | - | - | 7,162 | - | - |
| Palermo Invest S.A. | | | | | | | | |
| | - | - | - | - | - | (217) | - | - |
| Total Subsidiaries | - | 1,212 | - | - | - | (1,686) | - | - |
| Subsidiaries APSA | | | | | | | | |
| Fibesa S.A. | | | | | | | | |
| | - | 275 | - | - | - | - | - | - |
| Panamerican Mall S.A. | | | | | | | | |
| | - | - | - | - | - | (2,357) | - | - |
| Emprendimientos Recoleta S.A. | | | | | | | | |
| | - | - | - | - | - | 789 | - | - |
| Total Subsidiaries APSA | - | 275 | - | - | - | (1,568) | - | - |

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 publication in Argentina

29. Related party transactions (Continued)

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

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 publication in Argentina

29. Related party transactions (Continued)

The following is a summary of the transactions with related parties for the three-month period ended September 30, 2012:

| Related party | Commissions | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and Salaries |
|--------------------------------------|-------------|-----------------------------|-----------------|--------------------|----------------|----------------------|-----------|-------------------|
| Last Parent Company | | | | | | | | |
| Cresud S.A.C.I.F. y A | - | 272 | - | - | - | - | - | - |
| Total Parent Company | - | 272 | - | - | - | - | - | - |
| Subsidiaries | | | | | | | | |
| Alto Palermo S.A. | - | 1,384 | - | - | - | 9,022 | - | - |
| E-Commerce Latina S.A. | - | - | - | - | - | (296) | - | - |
| Inversora Bolivar S.A. | - | - | - | - | - | (309) | - | - |
| Ritelco S.A. | - | - | - | - | - | (1,211) | - | - |
| Llao Llao Resorts S.A. | - | 25 | - | - | - | 44 | - | - |
| Nuevas Fronteras S.A. | - | - | - | - | - | (1,354) | - | - |
| Efanur S.A. | - | - | - | - | - | - | - | - |
| Tyrus S.A. | - | - | - | - | - | 323 | - | - |
| Palermo Invest S.A. | - | - | - | - | - | 9 | - | - |
| Total Subsidiaries | - | 1,409 | - | - | - | 6,228 | - | - |
| Subsidiaries APSA | | | | | | | | |
| Fibesa S.A. | - | 235 | - | - | - | - | - | - |
| Panamerican Mall S.A. | - | - | - | - | - | (53) | - | - |
| Emprendimientos Recoleta S.A. | - | - | - | - | - | (31) | - | - |
| Total Subsidiaries APSA | - | 235 | - | - | - | (84) | - | - |

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 publication in Argentina

29. Related party transactions (Continued)

| Related party | Commissions | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and Salaries |
|--|-------------|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|-----------|-------------------------|
| Associates APSA | | | | | | | | |
| Tarshop S.A. | - | 651 | - | - | - | - | - | - |
| Total Associates | | | | | | | | |
| APSA | - | 651 | - | - | - | - | - | - |
| Joint Ventures | | | | | | | | |
| Canteras Natal | | | | | | | | |
| Crespo S.A. | - | - | - | - | - | 3 | - | - |
| Cyrsa S.A. | - | - | - | - | - | (608) | - | - |
| Total Joint Ventures | - | - | - | - | - | (605) | - | - |
| Other related parties | | | | | | | | |
| Estudio Zang, Bergel & Viñes | | | | | | | | |
| Isaac Elsztain e Hijos S.C.A. | - | (44) | - | - | - | - | - | - |
| Hamonet S.A. | - | (23) | - | - | - | - | - | - |
| Total Other related parties | - | (67) | - | - | - | - | - | - |
| Directors and Senior Management | | | | | | | | |
| Directors | - | - | (3,668) | - | - | - | - | - |
| Total Directors and Senior Management | - | - | (3,668) | - | - | - | - | - |
| Total | | 2,500 | (3,668) | - | - | 5,539 | - | - |

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. Subsequent Events

See subsequent events in Note 35 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 September 30, 2013

Stated in thousands of pesos

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

1. Specific and significant legal 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 | Falling due (Point 3.a.) | Without term (Point 3.b) | Without term (Point 3.b) | To be due (Point 3.c.) | | | | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|------------------------|--------------------|--------------------|---------------------|--------------------|-------------------|-------------------|-----------------|--|
| | 09.30.13 | Current | Non-current | Up to 3 months | From 3 to 6 months | From 6 to 9 months | From 9 to 12 months | From 1 to 2 months | From 2 to 3 years | From 3 to 4 years | From 4 years on | |
| Accounts receivable | | | | | | | | | | | | |
| Trade and other receivables | 60 | 113 | - | 42,237 | 20,78 | 59,923 | - | 1,336 | - | 2,317 | 103,342 | |
| Total | 60 | 113 | - | 42,237 | 20,78 | 59,923 | - | 1,336 | - | 2,317 | 103,342 | |
| Liabilities | | | | | | | | | | | | |
| Trade and other payables | 1,26 | - | - | 53,126 | 3,61 | 5,66 | 3,177 | 10,97 | 387 | 61 | 253 | |
| Borrowings | - | - | - | 337,898 | 80,352 | 1,267 | -118 | 149,44 | 38,807 | 893,019 | 852,182 | |
| Salaries and social security liabilities | - | - | - | 4,411 | - | - | - | - | - | - | - | |
| Provisions | - | 5,606 | - | - | - | - | - | 8,857 | - | - | - | |
| Total | 1,26 | 5,606 | - | 395,435 | 83,962 | 6,927 | 3,059 | 169,267 | 39,194 | 893,08 | 852,435 | |

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 September 30, 2013

Stated in thousands of pesos

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

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 receivables | | | | | | | | | |
| Trade and other receivables | 38,1 | 85,013 | 123,113 | 84 | 106,911 | 106,995 | 38,184 | 191,924 | 230,108 |
| Total | 38,1 | 85,013 | 123,113 | 84 | 106,911 | 106,995 | 38,184 | 191,924 | 230,108 |
| Liabilities | | | | | | | | | |
| Trade and other payables | 46,688 | 20,145 | 66,833 | 7,523 | 4,148 | 11,671 | 54,211 | 24,293 | 78,504 |
| Borrowings | 217,718 | 201,681 | 419,399 | 150,153 | 1,783,295 | 1,933,448 | 367,871 | 1,984,976 | 2,352,84 |
| Salaries and social security liabilities | 4,411 | - | 4,411 | - | - | - | 4,411 | - | 4,411 |
| Provisions | 5,606 | - | 5,606 | 8,857 | - | 8,857 | 14,463 | - | 14,463 |
| Total | 274,423 | 221,826 | 496,249 | 166,533 | 1,787,443 | 1,953,976 | 440,956 | 2,009,269 | 2,450,22 |

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

As of September 30, 2013 there are not receivable and liabilities subject to adjustment clause.

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 September 30, 2013

Stated in thousands of pesos

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

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

| Item | Current | | | | Non-current | | | | Accruing interest | |
|---------------------|--|---------------|-----------------------|------------|-------------------|---------|-----------------------|-----------|-------------------|--|
| | Accruing interest | | Non-accruing interest | Total | Accruing interest | | Non-accruing interest | Total | Fixed rate | |
| | Fixed rate | Floating rate | | Fixed rate | Floating rate | | | | | |
| Accounts receivable | Trade and other receivables | | | | | | | | | |
| | 48,594 | 1,568 | 72,951 | 123,113 | 102,768 | 5 | 4,222 | 106,995 | 151,362 | |
| | 48,594 | 1,568 | 72,951 | 123,113 | 102,768 | 5 | 4,222 | 106,995 | 151,362 | |
| Liabilities | Trade and other payables | | | | | | | | | |
| | - | - | 66,833 | 66,833 | 13 | - | 11,658 | 11,671 | 13 | |
| | 166,121 | 215,199 | 38,079 | 419,399 | 1,732,000 | 187,263 | 14,185 | 1,933,448 | 1,898,121 | |
| | Salaries and social security liabilities | | | | | | | | | |
| | - | - | 4,411 | 4,411 | - | - | - | - | - | |
| | Provisions | | | | | | | | | |
| | - | - | 5,606 | 5,606 | - | - | 8,857 | 8,857 | - | |
| | 166,121 | 215,199 | 114,929 | 496,249 | 1,732,013 | 187,263 | 34,7 | 1,953,976 | 1,898,134 | |

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 September 30, 2013

Stated in thousands of pesos

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

5. Related parties.

a. Interest in related parties:

| Name of the entity | % of ownership interest held by the Company | |
|--------------------------------------|---|---|
| Direct Controlling interest of IRSA: | | |
| Alafox S.A. | 100.00 | % |
| APSA | 95.68 | % |
| Codalis S.A. | 100.00 | % |
| Doneldon S.A. | 100.00 | % |
| 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 | % |
| Sedelor 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 27 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 Notes 6, 7, 8 and 10 to the Unaudited Condensed Interim Separate Financial Statements

9. Appraisal revaluation of property, plant and equipment.

None.

40

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 September 30, 2013

Stated in thousands of pesos

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

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 Notes 6, 7, 8 and 10 to the Unaudited Condensed Interim Separate Financial Statements.

13. Insurances.

Insured Assets

| Real Estate | Insured amounts (1) | Accounting values | Risk covered |
|--------------------|---------------------|-------------------|---|
| EDIFICIO REPÚBLICA | 96,361 | 206,691 | All operational risk with additional coverage and minor risks |
| BOUCHARD 551 | 63,303 | 90,383 | All operational risk with additional coverage and minor risks |
| MORENO 877 | 49,508 | 70,314 | All operational risk with additional coverage and minor risks |
| BOUCHARD 710 | 39,587 | 62,657 | All operational risk with additional coverage and minor risks |
| MAIPU 1300 | 25,787 | 32,221 | All operational risk with additional coverage and minor risks |
| SUIPACHA 652 | 17,041 | 9,207 | All operational risk with additional coverage and minor risks |
| AVDA. DE MAYO 595 | 5,148 | 3,511 | All operational risk with additional coverage and minor risks |
| LIBERTADOR 498 | 3,423 | 3,584 | All operational risk with additional coverage and minor risks |
| DIQUE IV | 3,056 | 57,189 | All operational risk with additional coverage and minor risks |
| RIVADAVIA 2768 | 369 | 139 | All operational risk with additional coverage and minor risks |
| MADERO 1020 | 216 | 155 | All operational risk with additional coverage and minor risks |

| | | | |
|-------------------|----------------|----------------|--|
| CONSTITUCIÓN 1159 | 191 | 8,762 | All operational risk with additional coverage and minor risks |
| SUBTOTAL | 303,990 | 544,813 | |
| 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.

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 September 30, 2013

Stated in thousands of pesos

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

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 25 to the Unaudited Condensed Interim Consolidated Financial Statements.

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

Autonomous City of Buenos Aires, November 11, 2013.

IRSA Inversiones y Representaciones Sociedad Anónima

Business Overview

In thousands of pesos

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

See attached.

2. Comparative summarized consolidated shareholders' equity structure

| | 09.30.13 | 06.30.13 |
|--------------------------|-----------|-----------|
| Non- Current Assets | 7,096,268 | 6,487,209 |
| Current Assets | 1,301,673 | 1,839,320 |
| Total Assets | 8,397,941 | 8,326,529 |
| Non-Current Liabilities | 3,853,168 | 3,590,593 |
| Current Liabilities | 1,351,138 | 1,605,247 |
| Total Liabilities | 5,204,306 | 5,195,840 |
| Non-controlling interest | 396,256 | 385,151 |
| Shareholders' Equity | 2,797,379 | 2,745,538 |
| Total | 8,397,941 | 8,326,529 |

3. Comparative summarized consolidated income structure

| | 09.30.13 | 09.30.12 |
|--|------------|------------|
| Operating result | 229,051 | 197,942 |
| Share of profit of associates and joint ventures | 38,991 | 16,731 |
| Profit before financial results and income tax | 268,042 | 214,673 |
| Finance income | 46,534 | 38,723 |
| Finance cost | (308,201) | (180,977) |
| Other financial results | 41,841 | 16,017 |
| Financial loss, net | (219,826) | (126,237) |
| Profit Before Income Tax | 48,216 | 88,436 |
| Income tax | (12,948) | (37,626) |
| Profit for the period | 35,268 | 50,810 |
| Attributable to: | | |
| Equity holders of the parent | | |
| Non-controlling interest | 32,382 | 41,142 |
| | 2,886 | 9,668 |

IRSA Inversiones y Representaciones Sociedad Anónima

Business Overview

In thousands of pesos

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4. Statistical data as compared with the same period of previous year.

Summary of properties sold in units and in thousands of pesos.

| | 09.30.13 | 09.30.12 |
|--|----------|----------|
| Apartments & Loft Buildings | | |
| Torres Jardín | 44 | - |
| Torres de Rosario | - | 1,925 |
| Libertador 1703 and 1755 (Horizons) | 11,774 | 44,886 |
| Others | - | 811 |
| Residential Communities | | |
| Abril / Baldovinos (2) | 1,750 | 1,113 |
| El Encuentro | 2,492 | 3,750 |
| Undeveloped plots of land | | |
| Canteras Natal Crespo | - | 18 |
| | 16,060 | 52,503 |

5. Key ratios as compared.

| | 09.30.13 | | 06.30.13 | |
|---|-----------|-------|-----------|-------|
| Liquidity | | | | |
| Current assets | 1,301,673 | | 1,839,320 | |
| Current liabilities | 1,351,138 | =0.96 | 1,605,247 | =1.15 |
| Debt | | | | |
| Total liabilities | 5,204,306 | | 5,195,840 | |
| Shareholders' Equity | 2,797,379 | =1.86 | 2,745,538 | =1.89 |
| Solvency | | | | |
| Shareholders' Equity | 2,797,379 | | 2,745,538 | |
| Total liabilities | 5,204,306 | =0.54 | 5,195,840 | =0.53 |
| Non-Current Assets to total Assets | | | | |
| Non- Current assets | 7,096,268 | | 6,487,209 | |
| Total assets | 8,397,941 | =0.85 | 8,326,529 | =0.78 |

6. Brief comment on the outlook for the coming period.

See attached.

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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 September 30, 2013, and the related unaudited condensed interim separate statements of income and comprehensive income for the three-month period ended September 30, 2013, and the unaudited condensed interim separate statements of changes of shareholders' equity and cash flows for the three-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, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at September 30, 2013, 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. 906,732 which was not callable at that date.

Autonomous City of Buenos Aires, November 11, 2013.

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. Loiácono
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

Summary as of September 30, 2013

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

Buenos Aires, November 11, 2013 - IRSA Inversiones y Representaciones Sociedad Anónima (NYSE: IRS) (BASE: IRSA), Argentina's leading real estate company, announces today the results of its operations for the three-month period ended September 30, 2013.

Consolidated Income*

| In millions of ARS | IQ 14 | IQ 13 | Var (ARS) | var (%) | |
|---|-------|-------|-----------|---------|---|
| Revenues | 621.4 | 483.0 | 138.4 | 28.7 | % |
| Operating Income / (Loss) | 229.1 | 197.9 | 31.2 | 15.8 | % |
| Depreciation and Amortization | 55.1 | 50.4 | 4.7 | 9.3 | % |
| EBITDA ₁ | 284.2 | 248.3 | 35.9 | 14.5 | % |
| Net Income for the period | 35.3 | 50.8 | (15.5) | (30.5) | % |
| Attributable to the parent company's shareholders | 32.4 | 41.1 | (8.7) | (21.2) | % |
| Attributable to non-controlling interest | 2.9 | 9.7 | (6.8) | (70.1) | % |

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

„ Revenues and EBITDA for the first quarter of 2014 were 28.7% and 14.5% higher than in the first quarter of 2013, mainly explained by an increase in revenues from the “Shopping Centers”, “Offices and other” and “Hotels” segments, offset by lower revenues in the “Sales and Developments” and “Financial Transactions and Other” segments.

„ Net income for the first 3-month period of fiscal year 2014 was ARS 35.3 million, 30.5% lower than in the same period of 2013 mainly due to lower financial results and exchange rate differences.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2013

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

During 2013, private consumption remained as the main driver of the economy, growing at rates close to 6% year on year and favored by the increase in nominal salaries, which recorded a 25% increase compared to the same period of the previous year according to the INDEC. This, in addition to the dynamism exhibited by consumer loans, with year-on-year increases close to 31%, was reflected in all the retail activities, which continue to grow at a solid pace.

Our tenants' sales grew 28.5% during the first quarter of fiscal year 2014 compared to the same period of 2013, in line with which was observed in the market.

| Shopping Centers (in millions of ARS) | IQ 14 | IQ 13 | % Var | |
|---------------------------------------|-------|-------|-------|----|
| Revenues | 455.8 | 355.6 | 28.2 | % |
| Operating Income | 207.1 | 154.0 | 34.6 | % |
| Depreciation and Amortization | 36.8 | 38.0 | (3.2) |)% |
| EBITDA | 244.0 | 192.0 | 27.1 | % |

| Shopping Centers Operating Indicators | IQ 14 | IVQ 13 | IIIQ 13 | IIQ 13 | IQ 13 |
|---|----------|----------|----------|----------|----------|
| Total Leaseable Area (sqm2)[1] | 307,721 | 308,793 | 308,793 | 309,021 | 309,021 |
| Tenants' Sales (12-month cumulative, ARS million) | 13,276.8 | 12,479.2 | 11,749.4 | 11,148.2 | 10,469.1 |
| Occupancy [1] | 98.6 | % 99.1 | % 98.7 | % 99.8 | % 98.4 |

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

- „ During the first quarter of fiscal year 2014, tenants' sales of our shopping centers reached ARS 3,586.8 million (a 28.5% increase compared to the same period of the previous fiscal year). This increase reflects the good performance of all the Company's Shopping Centers.
- „ The EBITDA/revenue margin for the first quarter of fiscal year 2014, excluding revenues from common maintenance expenses and commercial advertising fund, reached 78.6%, in line with the previous fiscal year.
- „ The portfolio's occupancy rate stood at 98.6%, showing a slight decrease compared to the last quarter due to a lower occupancy rate in two of our shopping centers located in the interior of the country caused by the refurbishment of some stores. As of the end of the fiscal year, although Alto Rosario had 1,130 sqm vacant, it had already closed a new lease agreement for the next quarter, and while Mendoza Plaza Shopping had 1,092 sqm vacant it had a new tenants' proposal for the next quarter.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of September 30, 2013

Operating data of our Shopping Centers as of September 30, 2013

| Shopping Center | Date of Acquisition | GLA (sqm)[1] | Stores | Occupancy % [2] | APSA's Interest [3] | Book Value (ARS thousand) [4] |
|---------------------------|---------------------|-----------------|--------|--------------------|------------------------|---|
| Alto Palermo | Nov-97 | 18,122 | 144 | 99.6 | % 100.0 | % 234,433 |
| Abasto Shopping [4] | Jul-94 | 37,022 | 171 | 100.0 | % 100.0 | % 288,767 |
| Alto Avellaneda | Nov-97 | 36,494 | 139 | 99.7 | % 100.0 | % 140,463 |
| Paseo Alcorta | Jun-97 | 13,666 | 107 | 100.0 | % 100.0 | % 122,885 |
| Patio Bullrich | Oct-98 | 11,617 | 86 | 100.0 | % 100.0 | % 121,811 |
| Buenos Aires Design | Nov-97 | 13,354 | 62 | 95.9 | % 53.7 | % 17,108 |
| Dot Baires Shopping | May-09 | 48,646 | 152 | 99.9 | % 80.0 | % 459,872 |
| Soleil | Jul-10 | 15,190 | 78 | 100.0 | % 100.0 | % 92,992 |
| Alto Noa Shopping | Mar-95 | 19,084 | 88 | 100.0 | % 100.0 | % 33,209 |
| Alto Rosario Shopping [5] | Nov-04 | 28,306 | 145 | 94.4 | % 100.0 | % 125,409 |
| Mendoza Plaza Shopping | Dec-94 | 42,272 | | | | |