

IRSA INVESTMENTS & REPRESENTATIONS INC
Form 6-K
April 09, 2015

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of December, 2014

IRSA Inversiones y Representaciones Sociedad Anónima
(Exact name of Registrant as specified in its charter)

IRSA Investments and Representations Inc.
(Translation of registrant's name into English)

Republic of Argentina
(Jurisdiction of incorporation or organization)

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

Form 20-F Form 40-F

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

Yes No

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

REPORT ON FORM 6-K

Attached is the English translation of the Financial Results for the six month periods ended December 31, 2014 and December 31, 2013, filed by the Company with the Bolsa de Comercio de Buenos Aires and the Comisión Nacional de Valores:

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Financial Statements
as of December 31, 2014 and for the six-month periods
ended December 31, 2014 and 2013

IRSA Inversiones y Representaciones Sociedad Anónima
Legal information

Denomination: IRSA Inversiones y Representaciones Sociedad Anónima.

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

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

Company activity: Real estate investment and development.

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

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

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

Registration number with the Superintendence: 213,036.

Capital: 578,676,460 shares.

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

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

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

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

Interest of the Parent Company on the capital stock: 379,091,500 common shares.

Percentage of votes of the Parent Company on the shareholders' equity: 65.51%.

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 December 31, 2014 and June 30, 2014

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

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

| | Note | 12.31.2014 | 06.30.2014 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Non- Current Assets | | | |
| Investment properties | 10 | 3,495,461 | 3,269,595 |
| Property, plant and equipment | 11 | 219,941 | 220,013 |
| Trading properties | 12 | 131,562 | 130,657 |
| Intangible assets | 13 | 128,965 | 124,085 |
| Investments in associates and joint ventures | 8,9 | 1,999,614 | 2,260,805 |
| Deferred income tax assets | 25 | 215,093 | 368,641 |
| Income tax and minimum presumed income tax ("MPIT") credit | | 124,090 | 110,185 |
| Trade and other receivables | 17 | 97,477 | 92,388 |
| Investments in financial assets | 18 | 450,943 | 274,716 |
| Derivative financial instruments | 19 | 4,096 | - |
| Total Non-Current Assets | | 6,867,242 | 6,851,085 |
| Current Assets | | | |
| Trading properties | 12 | 1,370 | 4,596 |
| Inventories | 14 | 20,004 | 16,963 |
| Restricted assets | 16 | 8,867 | - |
| Income tax and minimum presumed income tax ("MPIT") credit | | 2,813 | 15,866 |
| Assets held for sale | 39 | - | 1,357,866 |
| Trade and other receivables | 17 | 825,910 | 706,846 |
| Investments in financial assets | | 759,084 | 234,107 |
| Derivative financial instruments | 19 | 2,636 | 12,870 |
| Cash and cash equivalents | 20 | 817,144 | 609,907 |
| Total Current Assets | | 2,437,828 | 2,959,021 |
| TOTAL ASSETS | | 9,305,070 | 9,810,106 |
| SHAREHOLDERS' EQUITY | | | |
| Capital and reserves attributable to equity holders of the parent | | | |
| Share capital | | 573,771 | 573,771 |
| Treasury stock | | 4,905 | 4,905 |
| Inflation adjustment of share capital and treasury stock | | 123,329 | 123,329 |
| Share premium | | 793,123 | 793,123 |
| Cost of treasury stock | | (37,906) | (37,906) |
| Changes in non-controlling interest | | (4,594) | (21,808) |
| Reserve for share-based compensation | 33 | 55,305 | 53,235 |
| Legal reserve | | 116,840 | 116,840 |
| Special reserve | | 3,825 | 375,487 |
| Reserve for new developments | | - | 413,206 |
| Cumulative translation adjustment | | 246,829 | 398,931 |
| Retained earnings | | 5,291 | (784,869) |
| Total capital and reserves attributable to equity holders of the parent | | 1,880,718 | 2,008,244 |
| Non-controlling interest | | 347,460 | 548,352 |

| | | | |
|---|----|-----------|-----------|
| TOTAL SHAREHOLDERS' EQUITY | | 2,228,178 | 2,556,596 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Trade and other payables | 21 | 233,783 | 202,652 |
| Borrowings | 24 | 3,494,075 | 3,756,003 |
| Derivative financial instruments | 19 | 271,302 | 320,847 |
| Deferred income tax liabilities | | 226,347 | 345,607 |
| Salaries and social security liabilities | 22 | 2,874 | 3,749 |
| Provisions | 23 | 262,884 | 205,228 |
| Total Non-Current Liabilities | | 4,491,265 | 4,834,086 |
| Current Liabilities | | | |
| Trade and other payables | 21 | 738,051 | 678,725 |
| Income tax and minimum presumed income tax ("MPIT") liabilities | | 244,250 | 64,677 |
| Liabilities held for sale | 39 | - | 806,612 |
| Salaries and social security liabilities | 22 | 83,006 | 99,276 |
| Derivative financial instruments | 19 | 232,441 | 14,225 |
| Borrowings | 24 | 1,246,640 | 737,477 |
| Provisions | 23 | 41,239 | 18,432 |
| Total Current Liabilities | | 2,585,627 | 2,419,424 |
| TOTAL LIABILITIES | | 7,076,892 | 7,253,510 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 9,305,070 | 9,810,106 |

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

IRSA Inversiones y Representaciones
S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Income

for the six and three-month periods beginning on July 1st and October 1st, 2014 and
2013 and ended December 31, 2014 and 2013

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

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

| | Note | Six months | | Three months | |
|---|------|------------|------------|--------------|------------|
| | | 12.31.2014 | 12.31.2013 | 12.31.2014 | 12.31.2013 |
| Revenues | 27 | 1,720,208 | 1,373,960 | 930,139 | 752,513 |
| Costs | 28 | (750,818) | (641,870) | (397,324) | (348,170) |
| Gross Profit | | 969,390 | 732,090 | 532,815 | 404,343 |
| Gain from disposal of investment properties | 10 | 801,052 | 7,481 | 483,566 | 7,481 |
| General and administrative expenses | 29 | (162,592) | (129,379) | (83,203) | (70,901) |
| Selling expenses | 29 | (84,175) | (65,761) | (46,753) | (35,075) |
| Other operating results, net | 31 | 67,987 | (17,344) | 65,169 | (7,812) |
| Profit from operations | | 1,591,662 | 527,087 | 951,594 | 298,036 |
| Share of profit of associates and joint ventures | 8,9 | (680,744) | 51,183 | (569,094) | 12,192 |
| Profit before financial results and income tax | | 910,918 | 578,270 | 382,5 | 310,228 |
| Finance income | 32 | 42,389 | 60,255 | 18,564 | 13,721 |
| Finance cost | 32 | (534,818) | (713,574) | (207,692) | (419,644) |
| Other financial results | 32 | 7,493 | 41,663 | (79,52) | 14,093 |
| Financial results, net | 32 | (484,936) | (611,656) | (268,648) | (391,830) |
| Profit / (Loss) before income tax | | 425,982 | (33,386) | 113,852 | (81,602) |
| Income tax | 25 | (379,097) | 7,312 | (202,766) | 20,260 |
| Profit / (Loss) for the period | | 46,885 | (26,074) | (88,914) | (61,342) |
| Attributable to: | | | | | |
| Equity holders of the parent | | 4,514 | (21,678) | 1,256 | (54,060) |
| Non-controlling interest | | 42,371 | (4,396) | (90,170) | (7,282) |
| Profit / (Loss) per share attributable to equity holders of the parent during the period: | | | | | |
| Basic | | 0.008 | (0.038) | (0.002) | (0.097) |
| Diluted | | 0.008 | (0.038) | (0.002) | (0.097) |

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

IRSA Inversiones y Representaciones
S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income
for the six and three-month periods beginning on July 1st and on October 1st, 2014 and 2013 and ended December 31,
2014 and 2013

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

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

| | Six months | | Three months | |
|--|------------|------------|--------------|------------|
| | 12.31.2014 | 12.31.2013 | 12.31.2014 | 12.31.2013 |
| Profit / (Loss) for the period | 46,885 | (26,074) | (88,914) | (61,342) |
| Other comprehensive income: | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Currency translation adjustment | (135,880) | 71,776 | (180,943) | 48,483 |
| Other comprehensive income for the period (i) | (135,880) | 71,776 | (180,943) | 48,483 |
| Total comprehensive income for the period | (88,995) | 45,702 | (269,857) | (12,859) |
| Attributable to: | | | | |
| Equity holders of the parent | (147,588) | 29,758 | (187,502) | (17,535) |
| Non-controlling interest | 58,593 | 15,944 | (82,355) | 4,676 |

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

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

IRSA Inversiones y Representaciones
S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the six-month periods ended December 31, 2014 and 2013

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

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

| | Attributable to equity holders of the parent | | | | | | | | | |
|--|--|----------|---|---------|----------|-----------------|--------------|---------|-------------|-------------|
| | | | Inflation adjustment of share capital and | | Cost of | Changes | Reserve | | | Reserve |
| | Share | Treasury | treasury | Share | treasury | in | for | Legal | Special | for new |
| | capital | stock | stock (2) | premium | stock | non-controlling | share-based | reserve | reserve (1) | development |
| | | | | | | interest | compensation | | | |
| Balance at July 1st, 2014 | 573,771 | 4,905 | 123,329 | 793,123 | -37,906 | (21,808) | 53,235 | 116,84 | 375,487 | 413,206 |
| Profit for the period | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - | - |
| Appropriation of retained earnings approved by Shareholders' meeting held 11.14.14 | - | - | - | - | - | - | - | - | (371,662) | (413,206) |
| Reserve for share-based compensation (Note 33) | - | - | - | - | - | - | 2,070 | - | - | - |
| Capital reduction | - | - | - | - | - | - | - | - | - | - |
| Changes in non-controlling interest | - | - | - | - | - | 17,214 | - | - | - | - |
| Reimbursement of expired dividends | - | - | - | - | - | - | - | - | - | - |
| Dividends distribution of non-controlling interest | - | - | - | - | - | - | - | - | - | - |
| Capital contribution of non-controlling interest | - | - | - | - | - | - | - | - | - | - |
| Balance at December 31, 2014 | 573,771 | 4,905 | 123,329 | 793,123 | -37,906 | (4,594) | 55,305 | 116,840 | 3,825 | - |

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

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

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

IRSA Inversiones y Representaciones
S.A.

By:

/s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the six-month periods ended December 31, 2014 and 2013

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

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

| | Attributable to equity holders of the parent | | | | | | | | | | |
|--|--|----------------|--|---------------|------------------------|---------------------------------|--------------------------------------|---------------|---------------------|-----------------------------|-----------------------------------|
| | Share capital | Treasury stock | Inflation adjustment of share capital and treasury stock (2) | Share premium | Cost of treasury stock | Changes in non-control interest | Reserve for share-based compensation | Legal reserve | Special reserve (1) | Reserve for new development | Cumulative translation adjustment |
| Balance at July 1st, 2013 | 578,676 | - | 123,329 | 793,123 | - | (20,782) | 8,258 | 85,14 | 395,249 | 492,441 | 50 |
| Loss for the period | - | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | 51 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | 51 |
| Appropriation of retained earnings approved by Shareholders' meeting held 10.31.13 | - | - | - | - | - | - | - | 31,700 | (19,762) | (22,610) | - |
| Dividends distribution – approved by Shareholders' meeting held 10.31.13 | - | - | - | - | - | - | - | - | - | - | - |
| Reserve for share-based compensation | - | - | - | - | - | - | 11,437 | - | - | - | - |

(Note 33)

| | | | | | | | | | | | |
|--|---------|-------|---------|---------|----------|----------|--------|---------|---------|---------|----|
| Purchase of Treasury stock | (4,088) | 4,088 | - | - | (29,627) | - | - | - | - | - | - |
| Distribution of share capital of subsidiaries | - | - | - | - | - | - | - | - | - | - | - |
| Reimbursement of expired dividends | - | - | - | - | - | - | - | - | - | - | - |
| Dividends distribution of non-controlling interest | - | - | - | - | - | - | - | - | - | - | - |
| Capital contribution of non-controlling interest | - | - | - | - | - | - | - | - | - | - | - |
| Balance at December 31, 2013 | 574,588 | 4,088 | 123,329 | 793,123 | -29,627 | (20,782) | 19,695 | 116,840 | 375,487 | 469,831 | 10 |

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

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

(2) Includes Ps. 871 of Inflation adjustment treasury stock. See Note 26.

IRSA Inversiones y Representaciones
S.A.

By:

/s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the six-month periods ended December 31, 2014 and 2013

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

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

| | Note | 12.31.2014 | 12.31.2013 |
|---|------|--------------|--------------|
| Operating activities: | | | |
| Cash generated by operations | 20 | 814,998 | 572,038 |
| Income tax and Minimum Presumed Income tax paid | | (166,013) | (150,057) |
| Net cash generated by operating activities | | 648,985 | 421,981 |
| Investing activities: | | | |
| Capital contributions in associates and joint ventures | 8,9 | (32,761) | (1,221) |
| Purchases of associates and joint ventures | 8,9 | (279,307) | (13,057) |
| Purchases of investment properties | 10 | (301,518) | (138,366) |
| Proceeds from sale of investment properties | | 2,046,211 | 127,852 |
| Purchases of property, plant and equipment | 11 | (19,771) | (7,464) |
| Purchases of intangible assets | 13 | (4,107) | (202) |
| Purchase of investments in financial assets | | (1,520,066) | (1,330,828) |
| Proceeds from sale of investments in financial assets | | 956,521 | 747,872 |
| Advanced payments..... | | - | (36,576) |
| Proceeds from sale of joint ventures | | - | 7,736 |
| Sale of equity interest in associates | | 19,139 | - |
| Interest received from financial assets | | 3,175 | 2,971 |
| Loans granted to associates and joint ventures | | 49 | - |
| Dividends received | | 8,232 | 15,922 |
| Net cash generated by / (used in) investing activities | | 875,797 | (625,361) |
| Financing activities: | | | |
| Proceeds from borrowings | | 427,652 | 145,057 |
| Repayments of borrowings | | (723,522) | (119,491) |
| Payment of non-convertible notes | | - | (189,512) |
| Payment of financial leasing | | (1,356) | (758) |
| Dividends paid | | (55,466) | (34,208) |
| Acquisition of non-controlling interest in subsidiaries | | (4,831) | - |
| Acquisition of non-controlling interest | | 415 | 367 |
| Interest paid | | (281,269) | (181,310) |
| Capital reduction of subsidiaries | | - | (1,927) |
| Loans from associates and joint ventures, net | | 21,938 | 12,550 |
| Distribution of capital of non-controlling interest in subsidiaries | | (228,101) | - |
| Repurchase of treasury stock | | - | (29,627) |
| Payment of seller financing of shares | | (105,861) | (1,640) |
| Payments of derivative financial instruments | | (16,818) | (1,164) |
| Proceeds from derivative financial instruments | | 131 | 3,060 |
| Net cash used in financing activities | | (967,088) | (398,603) |
| Net Increase / (decrease) in cash and cash equivalents | | 557,694 | (601,983) |
| Cash and cash equivalents at beginning of year | 20 | 609,907 | 796,902 |
| Foreign exchange (loss) gain on cash and cash equivalents | | (350,457) | 30,821 |

| | | |
|--|---------|---------|
| Cash and cash equivalents at end of period | 817,144 | 225,740 |
|--|---------|---------|

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

IRSA Inversiones y Representaciones
S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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

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

1. The Group's business and general information

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

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

As of December 31, 2014, the Group operates in six business segments. See Note 6 to the Consolidated Financial Statements as of June 30, 2014 for a description of such segments.

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

During fiscal year 2014, the Group made an investment in the Israeli market, through Dolphin, in IDB Development Corporation (IDBD) (an Israeli Company), of an initial interest of 26.65%. As of December 31, 2014, the equity interest in IDBD amounts to a non-diluted 31.26% and a fully-diluted 32.38%. IDBD is one of the Israeli biggest and most diversified investment groups, which is involved, through its subsidiaries, in several markets and industry, including real estate, retail, agribusiness insurance, telecommunications, etc.; controlling companies as: Clal Insurance (Insurance Company), Cellcom (Mobile phone services), Adama (Agrochemicals), Super-Sol (supermarket), PBC (Real Estate), among others. IDBD went public in Tel Aviv Exchange in May, 2014.

The activities of the Group's segment "Financial operations and others" is carried out mainly through Banco Hipotecario S.A. ("BHSA"), where we have a 29.90% 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 43.08% interest in Tarshop S.A ("Tarshop"), which main activities are credit card and loan origination transactions.

IRSA Inversiones y Representaciones Sociedad Anónima

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

1. The Group's business and general information (Continued)

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

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

These Unaudited Condensed Interim Consolidated Financial Statements have been approved for issue by the Board of Directors on February 9, 2015.

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

2.1. Basis of preparation

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

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

These Unaudited Condensed Interim Consolidated Financial Statements corresponding to the six-month periods ended, December 31, 2014 and 2013 have not been audited. The management believes they include all necessary adjustments to fairly present the results of each period. The Company's six-month periods ended December 31, 2014 and 2013 results do not necessarily reflect the proportion of the Group's full-year results.

2.2. Significant accounting policies

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

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

Acquisition of assets carried out between entities under common control

The Group has elected to recognize acquisition of assets or group of assets carried out between entities under common control who also qualify as “Business Combination” according to IFRS 3, using acquisition method.

Total or partial disposal of foreign operation

The disposal of a Group’s interest in any foreign operation amounts to any reduction of such ownership interest in the operation. The Group may fully or partially dispose its interest in foreign operation through sale, liquidation or return of contributed capital.

In the case of total or partial disposals of foreign operations and once such disposal becomes effective, the Group proportionally reclassifies the disposal made, the accumulated exchange differences related to the foreign operations recognized under Other comprehensive income and accumulated under a separate item in shareholders’ equity.

2.3. Use of estimates

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

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

2.4. Comparative Information

Balance items as of December 31, 2013 and June 30, 2014 shown in these financial statements for comparative purposes arise from Consolidated Financial Statements then ended. Certain reclassifications have been made in order to present figures comparatively with those of this period.

IRSA Inversiones y Representaciones Sociedad Anónima

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

3. Seasonal effects on operations

The operations of the Group's shopping centers are subject to seasonal effects, which affect the level of sales recorded by lessees. During summer time (January and February), the lessees of shopping centers experience the lowest sales levels in comparison with the winter holidays (July) and year-end holidays (December) when they tend to record peaks of sales. Apparel stores generally change their collections during the spring and the fall, which impacts positively on shopping mall sales. Sale

discounts at the end of each season also affect the business. As a consequence, a higher level of revenues is generally expected in the second half of the year rather than the first in shopping center operations.

4. Acquisitions and dispositions

For the six-month period ended as of December 31, 2014

Sale of investment properties

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

On September 29, 2014, the Group through its subsidiary Rigby 183 LLC ("Rigby 183"), finalized the sale of the Madison 183 Building, located in the city of New York, United States, in the sum of US\$ 185 million, thus paying off the mortgage levied on the asset in the amount of US\$ 75 million. Such transaction generated a gain before tax of approximately Ps. 296.5 million.

On October 8, 2014, the Group through IRSA signed the transfer deed for the sale of the 22nd and 23th floors of the building Bouchard 551. The total price of the transaction was Ps. 168.7 million. Such transaction generated a gain before tax of approximately Ps. 151.4 million.

On October 22, 2014, the Group through IRSA signed the transfer deep for the sale of the 10th floor, two parking units of the Building Maipú 1300 and one parking unit of the building Libertador 498. The total price of the transaction was Ps. 12.0 million. Such transaction generated a gain before tax of approximately Ps. 10.4 million.

On October 28, 2014, the Group through IRSA signed the transfer deed for the sale of 9th, 10th and 11th floors of the building Bouchard 551. The total price of the transaction was Ps. 279.4 million. Such transaction generated a gain before tax of approximately Ps. 240.5 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 the publication in Argentina

4. Acquisition and disposals (Continued)

On November 7, 2014, the Group through IRSA signed the transfer deed for the sale of the 21st floor of the Building Bouchard 551. The total price of the transaction was Ps. 75.6 million. Such transaction generated a gain before tax of approximately Ps. 66.7 million.

On December 10, 2014, the Group through IRSA signed the transfer deed for the sale of the 9th floor of the Building Maipú 1300. The total price of the transaction was Ps. 12.5 million. Such transaction generated a gain before tax of approximately Ps. 11.0 million.

All sales mentioned above led to a combined profit for the Group of Ps.801.1 million, disclosed within the line "Gain from disposal of investment properties" in the statement of income.

Decreased shareholding in Avenida Inc.

On July 18, 2014, the Group - through Torodur S.A. - exercised the warrant held associated to this investment and consequently its interest in Avenida Inc. was increased to 6,172,840 shares or 35.46%. However, simultaneously, the Group's holding was reduced to 23.01% as a result of the acquisition of 35.12% interest in the Company by a new investor.

Subsequently, on September 2, 2014, Torodur S.A. sold 1,430,000 shares representing 5 % of the Avenida Inc.'s capital stock in the amount of Ps. 19.1 million (US\$ 2.3 million), thus reducing equity interest to 17.68% of its share capital. Such transaction generated a gain of Ps. 8.8 million which are shown in the line "Other operating results, net" in the income statements.

As a result of the sale of the interest, the Group has forborne to recognize the equity interest in Avenida Inc. as investment in associates and has considered as a financial asset at fair value in the financial statements at December 31, 2014.

Purchases of investment properties

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

Acquisition of additional interest in BHSA

During December 2014, the Group acquired 1,976,579 additional shares of BHSA in a total amount of Ps. 7.1 million, thus increasing its interest in such company from 29.77% to 29.90%, without consideration of Treasury shares.

IRSA Inversiones y Representaciones Sociedad Anónima

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

4. Acquisition and disposals (Continued)

Investment in IDBD

On July 1^o, 2014 Dolphin Netherlands B.V. exercised all rights granted and acquired on June 30, 2014 to purchase additional shares of IDBD. As a result of exercising the granted rights, DN B.V. received 17.32 million shares and 11.99 million warrants of Series 1, 2 and 3. ETH received the same amount of rights and, as a result, acquired the same amount of shares and warrants as DN B.V. Additionally, upon exercising the rights purchased; DN B.V. acquired 5.79 million shares and 4.01 million warrants of Series 1, 2, and 3. ETH also acquired the same amount of shares and warrants as DN B.V.

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

On November 2, 2014, DN B.V. exercised 15,998,787 warrants Series 1. ETH also exercised the same amount of warrants Series 1.

As a result of the transactions mentioned above, as of December 31, 2014, DN B.V. held an aggregate amount of 92,618,950 shares, 16,170,392 warrants Series 2 and 15,988,787 warrants Series 3 of IDBD, representing a non-diluted equity interest in IDBD of 31.26% and a fully diluted equity interest of 32.38%. As December 31, 2014, IDBD's Board of Directors consists of nine members, three of whom have been designated by DN B.V.: Eduardo Elsztain, Alejandro Elsztain and Saúl Zang.

On December 29, 2014, DN B.V. sent an irrevocable proposal to IDBD for purposes of starting a rights offering of approximately NIS 800 million (or US\$ 205 million as of December 31, 2014 –hereinafter the “Maximum Immediate Payment”) and issue 3 series of warrants (the “New Warrants”) exercisable at a rate of 110%, 120% and 130%, respectively, the price of the rights offered and maturing in 1, 2 and 3 years, respectively (hereinafter, the rights offering and the New Warrants are defined as “the Rights Offering”).

Subject to the resolution of the IDBD with respect to the Rights Offering, DN B.V., the Company agreed to a capital injection to IDBD in an amount ranging between NIS 256 million and NIS 400 million, as follows: (i) NIS 256 million by exercising rights of DN B.V. resulting from the Rights Offering; (ii) an additional investment (the “Additional Investment”) in a sum equal to (a) the Maximum Immediate Payment less (b) the amount received by IDBD as a result of the Rights Offering, excluding the exercise of the New Warrants, but in no case will it exceed the amount of NIS 144 million. The Additional Investment would be made by DN B.V. by exercising the additional rights to be acquired by DN B.V., or –should such rights not be acquired – by participating in another rights offering to be executed by IDBD.

IRSA Inversiones y Representaciones Sociedad Anónima

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

4. Acquisition and disposals (Continued)

Furthermore, DFL agreed to (i) exercise the first series of New Warrants for a total amount of NIS 150 million (equal to US\$ 39 million as of December 31, 2014) provided it is so requested by the Board of IDBD within 6 to 12 months of the Rights Offering date, and (ii) exercise all the New Warrants received as part of the Rights Offering, if two conditions are simultaneously met, to wit: (a) that IDBD and its lenders reach an agreement to amend some covenants, and (b) that the Commissioner of Capital Markets, Insurance and Savings of Israel approves control over Clal Insurance Company Ltd. (“Clal”).

Disposal of financial assets

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

Changes in non-controlling interest

IRSA Propiedades Comerciales

During the period, the Group, through IRSA, acquired an additional equity interest of 0.08% in IRSA Propiedades Comerciales for a total consideration of Ps. 4.7 million. As a result of this transaction, the non-controlling interest was reduced by Ps. 0.8 million and the interest attributable to the shareholders’ of the controlling parents was reduced by Ps. 4.0 million. The equity interest in IRSA Propiedades Comerciales as of December 31, 2014 is 95.79%. The effect on shareholders’ equity of this change in the equity interest in IRSA Propiedades Comerciales is summarized as follows:

| | Ps. |
|--|----------|
| Carrying value of the equity interests acquired by the Group | 775 |
| Price paid for the non-controlling interest | (4,750) |
| Reserve recognized in the Shareholders’ equity | (3,975) |

Dolphin

On October 30, 2014, the Group – through its subsidiaries — subscribed an additional sum of US\$ 21 million in Dolphin Fund Ltd. (“Dolphin”). Such amount was allocated to increase Dolphin’s investment in IDB Development Corporation Ltd.

The Group’s interest in Dolphin decreased from 86.16 % to 91.64 %. Consequently, the Company recognized a decrease in non-controlling interest for an amount of Ps. 21.2 million and an increase in equity attributable to holders of the parent.

IRSA Inversiones y Representaciones Sociedad Anónima

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

4. Acquisition and disposals (Continued)

Rigby 183 LLC Capital reduction

On October 17, 2014, Rigby 183 LLC reduced its capital stock by distributing among existing shareholders, proportionally to their shareholdings, the gain made on the sale of the Madison building. The total amount distributed is US\$ 103.8 million, of which the Group received US\$ 77.4 million (US\$ 26.5 million through IRSA International and US\$ 50.9 million through IMadison LLC) and US\$ 26.4 were distributed to other shareholders. As a result of such reduction, the Group has decided to reverse the corresponding accumulated conversion difference on a pro-rata basis, which amounted to Ps. 188.3 million. This reversal has been recognized in the line "Other operating results, net" in the income statements.

Conil Barter Agreement

On November 5, 2014, the Group executed a conveyance deed evidencing a barter to convey title on four plots of land located in Avellaneda district. The agreement provides for the development by the Trust of two building construction undertakings. In consideration for such work, the compensation agreed included the amount of US\$ 0.01 million and delivery, within 24 months as from such agreement execution; of two functional units for commercial purposes and one functional unit for office purposes (the non-monetary compensation was valued at US\$ 0.7 million).

5. Financial risk management and fair value estimates

5.1 Financial risk

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

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

5.2 Fair value estimates

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

6. Segment information

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

| | December 31, 2014 | | | | | | Total Urban Properties and Investment |
|--|--------------------|-----------------------|---------------------------|------------|---------------|---------------------------------------|---|
| | Shopping Center | Offices and others | Sales and developments | Hotels | International | Financial operations and others | |
| Revenues | 1,290,249 | 201,992 | 6,572 | 213,036 | 28,131 | 65 | 1,740,045 |
| Costs | (547,674) | (59,329) | (8,021) | (138,520) | (9,379) | (64) | (762,987) |
| Gross Profit / (Loss) | 742,575 | 142,663 | (1,449) | 74,516 | 18,752 | 1 | 977,058 |
| Gain from disposal of investment properties | - | - | 504,543 | - | 296,509 | - | 801,052 |
| General and administrative expenses | (56,259) | (23,744) | (20,693) | (37,008) | (26,658) | - | (164,362) |
| Selling expenses | (45,989) | (7,460) | (3,770) | (28,066) | - | (158) | (85,443) |
| Other operating results, net | (13,708) | (112,587) | (942) | (366) | 187,180 | 8,407 | 67,984 |
| Profit / (Loss) from operations | 626,619 | (1,128) | 477,689 | 9,076 | 475,783 | 8,250 | 1,596,289 |
| Share of profit / (l o s s) o f associates and joint ventures | - | 3,319 | 1,558 | 1,254 | (779,119) | 83,690 | (689,298) |
| Segment Profit / (Loss) | 626,619 | 2,191 | 479,247 | 10,330 | (303,336) | 91,940 | 906,991 |
| Investment properties | 2,287,502 | 714,907 | 636,579 | - | - | - | 3,638,988 |
| Property, plant and equipment | 30,087 | 25,662 | 1,240 | 161,683 | 1,432 | - | 220,104 |
| Trading properties | - | - | 138,679 | - | - | - | 138,679 |
| Goodwill | 1,829 | 9,392 | - | - | - | - | 11,221 |
| Right to receive future units under barter agreements | 9,264 | 5,409 | 75,813 | - | - | - | 90,486 |
| Inventories | 13,136 | - | 576 | 6,667 | - | - | 20,379 |

| | | | | | | | |
|--|-----------|---------|---------|---------|---------|-----------|-----------|
| Investments in associates and joint ventures | - | 26,628 | 47,197 | 23,383 | 405,695 | 1,337,358 | 1,840,261 |
| Operating assets | 2,341,818 | 781,998 | 900,084 | 191,733 | 407,127 | 1,337,358 | 5,960,118 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

6. Segment information (Continued)

Below is a summarized analysis of the lines of business of the Group for the period ended December 31, 2013:

| | December 31, 2013 | | | | | | Total |
|---|-------------------|-------------------------------|------------------------|------------|---------------|---------------------------------|------------|
| | Shopping Center | Offices and others properties | Sales and developments | Hotels | International | Financial operations and others | |
| Revenues | 1,012,651 | 150,440 | 40,979 | 160,575 | 39,456 | 334 | 1,404,435 |
| Costs | (457,166) | (52,376) | (21,344) | (105,437) | (26,455) | (171) | (662,949) |
| Gross Profit | 555,485 | 98,064 | 19,635 | 55,138 | 13,001 | 163 | 741,486 |
| Gain from disposal of investment properties | - | - | 7,481 | - | - | - | 7,481 |
| General and administrative expenses | (51,026) | (21,736) | (19,007) | (28,952) | (9,915) | (55) | (130,691) |
| Selling expenses | (32,232) | (9,892) | (6,271) | (19,974) | - | 317 | (68,052) |
| Other operating results, net | (13,786) | (1,053) | (1,779) | 177 | 187 | (2,161) | (18,415) |
| Profit / (Loss) from operations | 458,441 | 65,383 | 59 | 6,389 | 3,273 | (1,736) | 531,809 |
| Share of profit / (loss) of associates and joint ventures | - | 2,842 | 1,693 | 310 | (49,008) | 86,933 | 42,770 |
| Segment Profit / (Loss) | 458,441 | 68,225 | 1,752 | 6,699 | (45,735) | 85,197 | 574,579 |
| Investment properties | 2,227,401 | 856,523 | 367,894 | - | 887,130 | - | 4,338,948 |
| Property, plant and equipment | 17,936 | 19,880 | 3,867 | 162,690 | 219 | - | 204,592 |
| Trading properties | - | - | 132,194 | - | - | - | 132,194 |
| Goodwill | 1,667 | 9,392 | - | - | 61,808 | - | 72,867 |
| Right to receive future units under barter agreements | 9,264 | - | 75,813 | - | - | - | 85,077 |
| Inventories | 8,557 | - | 525 | 6,918 | - | - | 16,000 |
| Investments in associates | - | 26,936 | 33,613 | 21,649 | 1,208 | 1,172,048 | 1,255,454 |
| Operating assets | 2,264,825 | 912,731 | 613,906 | 191,257 | 950,365 | 1,172,048 | 6,105,132 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

6. Segment information (Continued)

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

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

| | | December 31, 2014 | | |
|---|-------------|-------------------|---------------|--------------|
| | Total | Adjustment | Adjustment to | Total as per |
| | segment | for | income for | Statement |
| | information | share of | elimination | of |
| | | profit / | of | income |
| | | (loss) of | inter-segment | |
| | | joint | transactions | |
| | | ventures | | |
| Revenues | 1,740,045 | (16,352) | (3,485) | 1,720,208 |
| Costs | (762,987) | 9,580 | 2,589 | (750,818) |
| Gross profit | 977,058 | (6,772) | (896) | 969,390 |
| Gain from disposal of investment properties | 801,052 | - | - | 801,052 |
| General and administrative expenses | (164,362) | 408 | 1,362 | (162,592) |
| Selling expenses | (85,443) | 1,048 | 220 | (84,175) |
| Other operating results, net | 67,984 | 689 | (686) | 67,987 |
| Profit from operations | 1,596,289 | (4,627) | - | 1,591,662 |
| Share of (loss) / profit of associates and joint ventures | (689,298) | 8,554 | - | (680,744) |
| Net segment profit before financing and taxation | 906,991 | 3,927 | - | 910,918 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

6. Segment information (Continued)

| | December 31, 2013 | | | |
|--|----------------------------------|--|---|---|
| | Total Segments Information | Adjustment | | Total as per Statement of income |
| | | share of profit / (loss) of joint ventures | Adjustment to income for elimination of inter-segment transactions | |
| Revenues | 1,404,435 | (28,416) | (2,059) | 1,373,960 |
| Costs | (662,949) | 19,461 | 1,618 | (641,870) |
| Gross profit | 741,486 | (8,955) | (441) | 732,090 |
| Gain from disposal of investment properties | 7,481 | - | - | 7,481 |
| General and administrative expenses | (130,691) | 462 | 850 | (129,379) |
| Selling expenses | (68,052) | 2,224 | 67 | (65,761) |
| Other operating results, net | (18,415) | 1,547 | (476) | (17,344) |
| Profit from operations | 531,809 | (4,722) | - | 527,087 |
| Share of profit / (loss) of associates | 42,770 | 8,413 | - | 51,183 |
| Net segment profit before financing and taxation | 574,579 | 3,691 | - | 578,270 |

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.

| | December 31, 2014 | December 31, 2013 |
|--|-------------------------|-------------------------|
| Total reportable assets as per segment information | 5,960,118 | 6,105,132 |
| Investment properties | (143,527) | (160,733) |
| Property, plant and equipment | (163) | (110) |
| Trading properties | (5,747) | (7,638) |
| Goodwill | (5,740) | (5,235) |
| Inventories | (375) | (170) |
| Investment in associates and joint ventures | 159,353 | 273,395 |
| Total assets as per the statements of financial position | 5,963,919 | 6,204,641 |

7. Information about main subsidiaries

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

7. Information about main subsidiaries (Continued)

Summarized statements of financial position

| | Panamerican Mall S.A. ("PAMSA") | | Rigby | | Dolphin Fund Ltd. | |
|-------------------------------|------------------------------------|------------------|-------------------------|------------------|-------------------------|------------------|
| | December 31, 2014 | June 30, 2014 | December 31, 2014 | June 30, 2014 | December 31, 2014 | June 30, 2014 |
| ASSETS | | | | | | |
| Total Non-current assets | 467,895 | 474,207 | - | - | 403,506 | 595,991 |
| Total Current assets | 458,908 | 361,857 | 18,598 | 1,288,300 | 2,500 | 448,539 |
| TOTAL ASSETS | 926,803 | 836,064 | 18,598 | 1,288,300 | 406,006 | 1,044,530 |
| LIABILITIES | | | | | | |
| Total Non-current liabilities | 17,061 | 17,895 | - | - | 503,743 | 320,847 |
| Total Current liabilities | 97,441 | 76,329 | 974 | 817,275 | 30,327 | 187,825 |
| TOTAL LIABILITIES | 114,502 | 94,224 | 974 | 817,275 | 534,070 | 508,672 |
| NET ASSETS | 812,301 | 741,840 | 17,624 | 471,025 | (128,064) | 535,858 |

Summarized statements of income and statements of comprehensive income

| | PAMSA | | Rigby | | Dolphin Fund Ltd. |
|--|-------------------------|----------------------|-------------------------|----------------------|-----------------------------|
| | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 | December 31, 2014 (*) |
| Revenues | 174,693 | 126,182 | 28,131 | 39,456 | - |
| Profit / (loss) before income tax | 108,465 | 81,264 | 397,704 | 1,679 | (855,653) |
| Income tax expense | (38,004) | (28,439) | - | - | - |
| Profit / (loss) for the period | 70,461 | 52,824 | 397,704 | 1,679 | (855,653) |
| Total comprehensive income / (loss) for the period | 70,461 | 52,824 | 397,704 | 1,679 | (855,653) |
| Profit / (Loss) attributable to non-controlling interest | 14,092 | 10,204 | 101,414 | 428 | (855,653) |
| Dividends paid to non-controlling interest | - | - | - | - | - |

IRSA Inversiones y Representaciones Sociedad Anónima

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

7. Information about principal subsidiaries (Continued)

Summarized statement of cash flows

| | PAMSA | | Rigby | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| Net cash generated by operating activities: | 54,914 | 71,411 | 942 | 11,790 |
| Net cash (used in) generated from investing activities | (73,101) | (69,709) | 1,500,876 | (2,887) |
| Net cash generated from / (used in) financing activities | 13,128 | (4,404) | (1,500,025) | (7,556) |
| Net decrease / increase in cash and cash equivalents. | (5,059) | (2,702) | 1,793 | 1,347 |
| Foreign exchange gain on cash and cash equivalents | 1,480 | 617 | 419 | 2,581 |
| Cash and cash equivalents at beginning of period | 44,387 | 11,416 | 7,520 | 11,491 |
| Cash and cash equivalents at end of period | 40,808 | 9,331 | 9,732 | 15,419 |

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

(*) As of December 31, 2013 Dolphin Fund Ltd did not accomplish with materiality criteria.

8. Interests in joint ventures

As of December 31, 2014 and June 30, 2014, the joint ventures of the Group were Cyrsa S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A., NPSF, Entretenimiento Universal S.A. and EHSA. The shares in these joint ventures are not publicly traded.

Evolution of Group's investments in joint ventures for the six-month period ended December 31, 2014 and for the year ended June 30, 2014 was as follows:

| | December 31, 2014 | June 30, 2014 |
|-------------------------------|-------------------------|------------------|
| Beginning of the period /year | 316,658 | 287,846 |
| Capital contribution | 1,869 | 3,343 |
| Cash dividends (ii) | (33,614) | - |
| Share of profit | 11,873 | 25,469 |
| Capital reduction (iii) | (110,860) | - |
| End of the period / year (i) | 185,926 | 316,658 |

Includes Ps. (55) and Ps. (59) reflecting interests in companies with negative equity as of December 31, 2014 and June 30, 2014, respectively, which are disclosed in "Provisions" (see Note 23).

(ii) During the period, the Group cashed dividends from Cyrsa and Nuevo Puerto Santa Fe S.A. in the amount of Ps. 31.0 and Ps. 2.6 million, respectively.

(iii)

During the period ended December 31, 2014, Cyrsa S.A. made a capital reduction to the Company in the amount of Ps. 110.9 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 the publication in Argentina

9. Interests in associates

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

As of December 31, 2014, the associates of the Group were New Lipstick LLC, BHSA, IDBD, Tarshop S.A., Manibil S.A., Lipstick Management LLC, Banco de Crédito y Securitización S.A. (“BACS”) and Bitania 26 S.A..

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

| | December 31, 2014 | June 30, 2014 |
|--|-------------------------|------------------|
| Beginning of the period /year | 1,767,165 | 1,096,999 |
| Acquisition of associates | - | 1,131,806 |
| Capital contributions | 30,892 | 16,716 |
| Share of (loss) / profit (iii) | (10,473) | 77,721 |
| Currency translation adjustment | 215,844 | (29,133) |
| Cash dividends (ii) | - | (9,983) |
| Sale of equity interest (see Note 4) | (10,381) | - |
| Increase in equity interest (see Note 4) | 279,307 | - |
| Reclassification to financial instruments (see Note 4) | (30,089) | - |
| Net loss on investments at fair value | (682,144) | (516,961) |
| End of the period / year (i) (iii) | 1,560,121 | 1,767,165 |

(i) Includes Ps. (253,512) and Ps. (176,923) reflecting interests in companies with negative equity as of December 31, 2014 and June 30, 2014, respectively, which are disclosed in “Provisions” (see Note 23).

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

(iii) As of December 31, 2014, the equity method was applied on provisional figures because as of this balance sheet date, the financial statements of, BHSA, BACS, Tarshop S.A. and Bitania 26 S.A. were yet to be issued and approved.

Restrictions, commitments and other matters in respect of associates

IDBD

As part of the purchase agreement, DN B.V. and ETH have agreed to participate jointly and severally in capital increases resolved by the Board of Directors of IDBD to carry out its business plan during 2014 and 2015, in amounts of at least NIS 300 million in 2014 and NIS 500 million in 2015 (approximately equal to US\$ 77 million and US\$ 128 million at the exchange rate prevailing on December 31, 2014). As of December 31, 2014, DN B.V. and ETH have contributed an amount of NIS 407 million (equal to approximately US\$104 million) thus complying with the amounts

committed for 2014, while NIS 393 are still to be contributed in 2015.

IRSA Inversiones y Representaciones Sociedad Anónima

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

9. Interests in associates (Continued)

Furthermore, under the purchase agreement, DN B.V. and ETH have agreed jointly and severally to make one or more tender offers for the purchase of shares in IDBD for an aggregate amount of NIS 512.09 million (equal to approximately US\$ 131 million at the exchange rate prevailing on December 31, 2014), based on the following scheme: (i) before December 31, 2015, an amount of at least NIS 249.8 million at a share price of NIS 8.344 (subject to adjustments) and (ii) before December 31, 2016 an amount of at least NIS 512.09 million less the tender offer conducted in 2015, at a share price of NIS 8.7612 (subject to adjustments). To secure compliance with the tender offers, an aggregate amount of 29,937,591 shares of IDBD held by DN B.V. were pledged as of December 31, 2014. As of the balance sheet date, no tender offers had been made.

On the other hand, the purchase agreement provides that DN B.V. and ETH shall jointly and severally pay to creditors who participated in the restructuring arrangement indicated above the additional sum of NIS 100 million (equal approximately to US\$ 26 million at the exchange rate prevailing on December 31, 2014), in the event that IDBD executes the sale of its equity interest in the subsidiary Clal Insurance Enterprises Holdings Ltd. before December 31, 2014 and provided that: (i) the sale price shall not be lower than NIS 4,200 million (equal to approximately US\$ 1,078 million at the exchange rate prevailing on December 31, 2014) and (ii) the transaction is closed before June 30, 2015, provided that IDBD has received by the latter date a payment of at least NIS 1,344 million (gross) (equal to approximately US\$ 345 million at the exchange rate prevailing on December 31, 2014). As of December 31, 2014, IDBD did not execute the sale of its interest in Clal Insurance Enterprises Holdings Ltd. Given that, as of December 31, 2014, IDBD did not perfect the above mentioned sale, the additional commitment assumed by DN B.V. and ETH ceased to have effect.

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

Hence, in accordance with Tel Aviv Rules applicable as of December 31, 2014, 47,355,557 shares and 335,715 warrants of each of the Series 2 and 3 were still subject to lock-up provisions under the terms described above.

IRSA Inversiones y Representaciones Sociedad Anónima

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

9. Interests in associates (Continued)

BHSA

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

Such a ruling assessed a fine in the amount of Ps. 4.04 million to Banco Hipotecario S.A. and fines of diverse amounts to incumbent and former members of the Board and managers. Against such penalty, on November 25, 2014 Banco Hipotecario and other affected parties filed a writ of appeal, as per the provisions of section 42 of the Financial Entities Act, which was sent by the BCRA to the National Court of Appeals in Administrative Litigation Matters, and will be decided by Division I of said Court of Appeals. Moreover, the same Division will also decide on motions for injunctions filed on December 30, 2014 by the Bank and the persons affected by the collection proceedings filed by the BCRA for the collection of penalties. Notwithstanding the expectations to get a judicial revocation of the penalties applied by the BCRA, Banco Hipotecario S.A. has set up an allowance equal to 100% of the penalty applied by the ruling.

IRSA Inversiones y Representaciones Sociedad Anónima

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

10. Investment properties

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

| | Shopping Center portfolio | Office buildings and other rental properties portfolio | Undeveloped parcel of lands | Properties under development | Total |
|--|---------------------------------|--|-----------------------------------|------------------------------------|-------------|
| At July 1, 2013: | | | | | |
| Costs | 3,099,729 | 1,756,964 | 367,591 | 185,185 | 5,409,469 |
| Accumulated amortization | (1,239,831) | (186,372) | - | - | (1,426,203) |
| Residual value | 1,859,898 | 1,570,592 | 367,591 | 185,185 | 3,983,266 |
| Year ended June 30, 2014 | | | | | |
| Opening residual value | 1,859,898 | 1,570,592 | 367,591 | 185,185 | 3,983,266 |
| Additions | 61,108 | 23,988 | 454 | 156,927 | 242,477 |
| Currency translation adjustment | - | 375,263 | - | - | 375,263 |
| Reclassification of held for sale | - | (1,098,990) | - | - | (1,098,990) |
| Disposals | (35) | (46,977) | - | (684) | (47,696) |
| Transfers | (25,332) | 15,076 | (174) | (803) | (11,233) |
| Financial costs capitalized | - | - | - | 22,376 | 22,376 |
| Depreciation (i) | (130,394) | (65,474) | - | - | (195,868) |
| Closing residual value | 1,765,245 | 773,478 | 367,871 | 363,001 | 3,269,595 |
| At June 30, 2014: | | | | | |
| Costs | 3,135,470 | 1,022,389 | 367,871 | 363,001 | 4,888,731 |
| Accumulated amortization | (1,370,225) | (248,911) | - | - | (1,619,136) |
| Residual value | 1,765,245 | 773,478 | 367,871 | 363,001 | 3,269,595 |
| Period ended December 31, 2014: | | | | | |
| Opening residual value | 1,765,245 | 773,478 | 367,871 | 363,001 | 3,269,595 |
| Additions | 14,592 | 807 | 214,599 | 119,716 | 349,714 |
| Transfers to property, plant and equipment | - | 7,361 | - | - | 7,361 |
| Transfers (ii) | 211,961 | - | - | (211,961) | - |
| Disposals | - | (57,477) | (1,687) | (631) | (59,795) |
| Depreciation (i) | (55,477) | (15,937) | - | - | (71,414) |
| Closing residual value | 1,936,321 | 708,232 | 580,783 | 270,125 | 3,495,461 |
| At December 31, 2014: | | | | | |
| Costs | 3,231,629 | 910,541 | 580,783 | 270,125 | 4,993,078 |
| Accumulated amortization | (1,295,308) | (202,309) | - | - | (1,497,617) |

| | | | | | |
|----------------|-----------|---------|---------|---------|-----------|
| Residual value | 1,936,321 | 708,232 | 580,783 | 270,125 | 3,495,461 |
|----------------|-----------|---------|---------|---------|-----------|

- (i) Depreciation charges of investment property were included in “Costs” in the statement of income (Note 29).
- (ii) Related to completion of works at Arcos.

25

IRSA Inversiones y Representaciones Sociedad Anónima

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

10. Investment properties (Continued)

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

| | December 31, 2014 | December 31, 2013 |
|---|-------------------------|-------------------------|
| Rental and service income | 1,501,306 | 1,189,911 |
| Direct operating expenses | (605,781) | (528,259) |
| Development expenditures | (4,674) | (2,673) |
| Gain from disposal of investment property | 801,052 | 7,481 |

Properties under development mainly comprise works in Shopping Neuquén S.A. (Alto Comahue) and Arcos del Gourmet S.A. (Distrito Arcos). As of December 31, 2014 and June 30, 2014 works in Alto Comahue amount to Ps. 244,095 and Ps. 126,799, respectively. The project is expected to be completed in March, 2015. Works in Distrito Arcos as of December 31, 2014 and June 30, 2014 amount to Ps. 26,030 and Ps. 236,202, respectively.

In respect of Arcos del Gourmet S.A., on December 10, 2013, the Judicial Branch confirmed an injunction order that suspended the opening of the shopping center on the grounds that it did not have certain governmental permits. The Company carried out specific actions, challenged the ruling that imposed the penalty and requested that it be lifted with expectations of a favorable result. In this context, on April 10, 2014, the government of the City of Buenos Aires granted a new environmental clearing certificate.

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

As to the other process entitled “Federación de Comercio e Industria de la Ciudad de Buenos Aires (FECOBA) and others vs. GCBA on amparo”, on August 29, 2014 the lower court rendered a decision rejecting the case. This judgment was appealed and following the corresponding service of notices between the parties, the record of proceedings was submitted to the Court of Appeals in September 2014. Following the corresponding notification of the Court’s Prosecutor, the record of proceedings was docketed for a decision on October 8, 2014 following a decision by the Court of Appeals in early December 2014. Such decision confirmed the judgment rendered by the lower court where it held both FECOBA and Vicente Lourenzo lacked active legitimation to file an action to protect the environment and fair competition. As a result, on December 18, 2014 the Shopping Center was opened and thus, given that this decision confirmed the lower court’s decision, the injunction that had prevented the opening of the Shopping Center became ineffective.

It should be noted that the plaintiff filed an action in first instance requesting the continuation of the injunction on the grounds that it had filed an action for unconstitutionality, which is an extraordinary remedy to be decided by the CABA Higher Court of Justice.

IRSA Inversiones y Representaciones Sociedad Anónima

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

10. Investment properties (Continued)

Even though we are not certain about the remedy being filed for we have not been notified of its existence and content as of the balance sheet date, the first instance court rejected the plaintiff's motion on the grounds that the decision rendered by the Court of Appeals has the same effects as a final judgment and, thus, the injunction is no longer in force.

The following is a detailed summary of the Group's investment properties by type at December 31, 2014 and June 30, 2014:

| Name | Net book amount | |
|--|-------------------|---------------|
| | December 31, 2014 | June 30, 2014 |
| Shopping centers: | | |
| Abasto de Buenos Aires | 265,181 | 273,575 |
| Alto Palermo Shopping | 252,931 | 258,200 |
| Alto Avellaneda | 131,204 | 134,822 |
| Paseo Alcorta | 102,264 | 103,065 |
| Alto Noa | 30,321 | 31,638 |
| Buenos Aires Design | 14,675 | 15,722 |
| Patio Bullrich | 113,701 | 116,539 |
| Alto Rosario | 117,000 | 119,968 |
| Mendoza Plaza | 104,554 | 107,509 |
| Dot Baires Shopping | 414,726 | 421,430 |
| Córdoba Shopping | 63,147 | 64,951 |
| Patio Olmos | 28,121 | 29,192 |
| Soleil Factory | 86,535 | 88,634 |
| Distrito Arcos | 211,961 | - |
| Subtotal Shopping Centers | 1,936,321 | 1,765,245 |
| Office building and other rental properties portfolio: | | |
| Bouchard 551 | 7,826 | 60,893 |
| Bouchard 710 | 60,671 | 61,354 |
| Dique IV | 53,469 | 55,100 |
| Intercontinental Plaza | 54,494 | 49,279 |
| Libertador 498 | 4,021 | 3,257 |
| Madero 1020 | 124 | 134 |
| Maipú 1300 | 17,591 | 23,685 |
| Rivadavia 2768 | 329 | 364 |
| Suipacha 652 | 8,065 | 8,432 |
| Torre BankBoston | 139,378 | 142,085 |
| República building | 196,833 | 200,755 |

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| | | |
|--|-----------|-----------|
| Constitución 1111 | 704 | 726 |
| Dot building | 96,783 | 97,967 |
| Building annexed to DOT | 25,332 | 25,332 |
| Santa María del Plata | 12,513 | 12,504 |
| Ocampo parking space | 14,875 | 15,349 |
| Others | 15,224 | 16,262 |
| Total Office and Other rental properties portfolio | 708,232 | 773,478 |
| Undeveloped parcels of lands: | | |
| Santa María del Plata | 158,951 | 158,951 |
| Catalinas Norte | 109,494 | 109,494 |
| Pilar | 1,550 | 1,550 |
| Luján plot of land | 41,973 | 41,973 |
| Caballito - Ferro | 45,814 | 45,814 |
| La Adela | 214,594 | - |
| Others | 8,407 | 10,089 |
| Total undeveloped parcels of land | 580,783 | 367,871 |
| Properties under development: | | |
| Distrito Arcos | 26,030 | 236,202 |
| Alto Comahue | 244,095 | 126,799 |
| Total properties under development | 270,125 | 363,001 |
| Total | 3,495,461 | 3,269,595 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

11. Property, plant and equipment

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

| | Hotel buildings and facilities | Buildings and facilities | Furniture and fixtures | Machinery and equipment | Vehicles | Total |
|---------------------------------------|---|--------------------------------|------------------------------|-------------------------------|----------|------------|
| At July 1st, 2013: | | | | | | |
| Cost | 380,543 | 62,773 | 14,336 | 87,846 | 512 | 546,010 |
| Accumulated depreciation | (212,343) | (37,252) | (10,296) | (72,934) | (512) | (333,337) |
| Residual value | 168,200 | 25,521 | 4,040 | 14,912 | - | 212,673 |
| Year ended June 30, 2014 | | | | | | |
| Opening residual value | 168,200 | 25,521 | 4,040 | 14,912 | - | 212,673 |
| Additions | 9,980 | 1,596 | 2,818 | 9,481 | - | 23,875 |
| Currency translation adjustment | - | - | 92 | - | - | 92 |
| Disposals | (24) | - | - | (36) | - | (60) |
| Transfers | - | 12,231 | - | - | - | 12,231 |
| Depreciation charge (i) | (13,770) | (7,044) | (906) | (7,078) | - | (28,798) |
| Closing residual value..... | 164,386 | 32,304 | 6,044 | 17,279 | - | 220,013 |
| At June 30, 2014: | | | | | | |
| Cost | 390,499 | 76,600 | 17,246 | 97,291 | 512 | 582,148 |
| Accumulated depreciation | (226,113) | (44,296) | (11,202) | (80,012) | (512) | (362,135) |
| Residual value | 164,386 | 32,304 | 6,044 | 17,279 | - | 220,013 |
| Period ended December 31, 2014 | | | | | | |
| Opening residual value | 164,386 | 32,304 | 6,044 | 17,279 | - | 220,013 |
| Additions | 4,714 | 1,346 | 2,019 | 9,524 | 2,863 | 20,466 |
| Currency translation adjustment | - | - | 45 | - | - | 45 |
| Transfers of investment properties | - | (7,459) | - | 98 | - | (7,361) |
| Depreciation charge (i) | (7,417) | (775) | (685) | (4,154) | (191) | (13,222) |
| Closing residual value | 161,683 | 25,416 | 7,423 | 22,747 | 2,672 | 219,941 |
| At September 30, 2014: | | | | | | |
| Cost | 381,443 | 63,443 | 18,404 | 99,835 | 3,375 | 566,500 |
| Accumulated depreciation | (219,760) | (38,027) | (10,981) | (77,088) | (703) | (346,559) |
| Residual value | 161,683 | 25,416 | 7,423 | 22,747 | 2,672 | 219,941 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

11. Property, plant and equipment (Continued)

The following is a detailed summary of hotels and facilities included in property, plant and equipment of the Group by type at December 31, 2014 and June 30, 2014:

| Name | Net book amount | |
|------------------------|-------------------|----------------|
| | December 31, 2014 | June 30, 2014 |
| Hotels: | | |
| Llao Llao | 82,839 | 83,211 |
| Hotel Intercontinental | 45,738 | 46,026 |
| Sheraton Libertador | 33,106 | 35,149 |
| Total Hotels | 161,683 | 164,386 |

12. Trading properties

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

| | Completed properties | Properties under development | Undeveloped sites | Total |
|---------------------------------|----------------------|------------------------------|-------------------|----------|
| At July 1st, 2013 | 6,794 | 88,864 | 10,495 | 106,153 |
| Additions | 1,400 | 2,694 | - | 4,094 |
| Currency translation adjustment | - | 27,630 | - | 27,630 |
| Transfers | 7,897 | - | (747) | 7,150 |
| Disposals | (9,774) | - | - | (9,774) |
| At June 30, 2014 | 6,317 | 119,188 | 9,748 | 135,253 |
| Additions | - | 168 | - | 168 |
| Currency translation adjustment | - | (1,451) | - | (1,451) |
| Disposals | (1,038) | - | - | (1,038) |
| At December 31, 2014 | 5,279 | 117,905 | 9,748 | 132,932 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

12. Trading properties (Continued)

The following is a detailed summary of the Group's trading properties by type as of December 31, 2014 and June 30, 2014:

| Description | Net book amount | |
|------------------------------------|-------------------|---------------|
| | December 31, 2014 | June 30, 2014 |
| Under developed sites: | | |
| Air space Coto | 8,945 | 8,945 |
| Neuquén Project | 803 | 803 |
| Total under developed sites | 9,748 | 9,748 |
| Properties under development: | | |
| Vista al Muelle | 44,868 | 45,368 |
| Zetol | 64,837 | 65,620 |
| Pereiraola | 8,200 | 8,200 |
| Total properties under development | 117,905 | 119,188 |
| Completed properties: | | |
| Abril | 2,357 | 2,357 |
| El Encuentro | - | 79 |
| San Martín de Tours | 124 | 124 |
| Entre Rios 465/9 apartment | 1,400 | 1,400 |
| Condominio I | 415 | 956 |
| Condominio II | 945 | 1,122 |
| Caballito Nuevo | 38 | 279 |
| Total completed properties | 5,279 | 6,317 |
| Total | 132,932 | 135,253 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

13. Intangible assets

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

| | Goodwill | Computer software | Rights of use (ii) | Right to receive future units under barter agreements (iii) | Others | Total |
|--|-----------|-------------------|--------------------|---|--------|-----------|
| At July 1, 2013 | | | | | | |
| Cost | 56,893 | 17,752 | 20,873 | 93,225 | 907 | 189,650 |
| Accumulated depreciation | - | (15,998) | - | - | (774) | (16,772) |
| Residual value | 56,893 | 1,754 | 20,873 | 93,225 | 133 | 172,878 |
| Year ended June 30, 2014 | | | | | | |
| Opening residual value | 56,893 | 1,754 | 20,873 | 93,225 | 133 | 172,878 |
| Additions | - | 785 | - | - | 10,954 | 11,739 |
| Currency translation adjustment | 26,016 | - | - | - | - | 26,016 |
| Disposals | - | (162) | - | - | - | (162) |
| Transfers | - | - | - | (8,148) | - | (8,148) |
| Reclassification of held for sale | (77,085) | - | - | - | - | (77,085) |
| Amortization charges (i) | - | (1,073) | - | - | (80) | (1,153) |
| Residual value at year end | 5,824 | 1,304 | 20,873 | 85,077 | 11,007 | 124,085 |
| At June 30, 2014 | | | | | | |
| Cost | 5,824 | 18,324 | 20,873 | 85,077 | 11,861 | 141,959 |
| Accumulated depreciation | - | (17,020) | - | - | (854) | (17,874) |
| Residual value | 5,824 | 1,304 | 20,873 | 85,077 | 11,007 | 124,085 |
| Period ended December 31, 2014: | | | | | | |
| Opening residual value | 5,824 | 1,304 | 20,873 | 85,077 | 11,007 | 124,085 |
| Additions | - | 364 | - | 5,409 | - | 5,773 |
| Disposals | (343) | - | - | - | - | (343) |
| Amortization charges (i) | - | (510) | - | - | (40) | (550) |
| Residual value at period end | 5,481 | 1,158 | 20,873 | 90,486 | 10,967 | 128,965 |
| Period ended December 31, 2014: | | | | | | |

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| | | | | | | |
|--------------------------|-------|-----------|--------|--------|--------|-----------|
| Cost | 5,481 | 18,688 | 20,873 | 90,486 | 11,861 | 147,389 |
| Accumulated depreciation | - | (17,530) | - | - | (894) | (18,424) |
| Residual value | 5,481 | 1,158 | 20,873 | 90,486 | 10,967 | 128,965 |

- (i) Amortization charges of intangible assets are included in “General and administrative expenses” in the statement of income (Note 29). There are no impairment charges for any of the years / period presented.
- (ii) Correspond to Distrito Arcos, which will start to amortize at the time of delivering the shopping center.
- (iii) Correspond to receivables in kind representing the right to receive residential apartments in the future by way of barter agreements.

IRSA Inversiones y Representaciones Sociedad Anónima

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

14. Inventories

Breakdown of Group's inventories as of December 31, 2014 and June 30, 2014 were as follows:

| | December 31, 2014 | June 30, 2014 |
|---|-------------------------|------------------|
| Current | | |
| Hotel supplies | 6,667 | 6,011 |
| Materials and others items of inventories | 13,337 | 10,952 |
| Current inventories | 20,004 | 16,963 |
| Total inventories | 20,004 | 16,963 |

15. Financial instruments by category

Determination of fair values

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

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

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

15. Financial instruments by category (Continued)

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

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

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

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

15. Financial instruments by category (Continued)

The following tables present the Group's financial assets and financial liabilities that are measured at fair value as of December 31, 2014 and June 30, 2014 and their allocation to the fair value hierarchy:

| | December 31, 2014 | | | Total |
|--|-------------------|----------|----------------|------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities of TGLT | 53,512 | - | - | 53,512 |
| - Investment in preferred shares of Supertel | - | - | 333,621 | 333,621 |
| - Investment in equity securities of Avenida Inc. | 63,810 | - | - | 63,810 |
| - Mutual funds | 76,052 | - | - | 76,052 |
| - Banco Macro bonds | 1,521 | - | - | 1,521 |
| - Public companies securities | 11,690 | - | - | 11,690 |
| - Government bonds | 669,821 | - | - | 669,821 |
| Derivative financial instruments: | | | | |
| - Warrants of IDBD | 2,636 | - | - | 2,636 |
| - Warrants of Supertel | - | - | 4,096 | 4,096 |
| Cash and cash equivalents: | | | | |
| - Mutual funds | 1,263 | - | - | 1,263 |
| Investment in associates: | | | | |
| - IDBD | 400,187 | - | - | 400,187 |
| Total assets | 1,280,492 | - | 337,717 | 1,618,209 |

| | December 31, 2014 | | | Total |
|---|-------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | |
| Liabilities | | | | |
| Derivative financial instruments: | | | | |
| - Commitment to tender offer shares in IDBD | - | - | 503,743 | 503,743 |
| Borrowings: | | | | |
| | - | 23,900 | - | 23,900 |

| | | | | |
|--------------------|---|--------|---------|---------|
| - Other borrowings | | | | |
| Total liabilities | - | 23,900 | 503,743 | 527,643 |

34

IRSA Inversiones y Representaciones Sociedad Anónima

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

15. Financial instruments by category (Continued)

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

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

| | | | | |
|-------------------|--------|--------|---------|---------|
| Total liabilities | 22,901 | 65,668 | 320,847 | 409,416 |
|-------------------|--------|--------|---------|---------|

The following table presents the changes in Level 3 instruments for the period ended December 31, 2014 and June 30, 2014:

| | Shares of Supertel | Warrants of Supertel | Commitment to tender offer of shares in IDBD | Total |
|--|-----------------------|-------------------------|--|-----------|
| Total as of July 1, 2013 | 139,121 | 16,949 | - | 156,070 |
| Currency translation adjustment | - | - | (5,247) | (5,247) |
| Total gains / (losses) for the year 2014 | 72,049 | (16,949) | (315,600) | (260,500) |
| Balance at June 30, 2014 | 211,170 | - | (320,847) | (109,677) |
| Currency translation adjustment | - | - | (19,429) | (19,429) |
| Total gain / (losses) for the period (i) | 122,451 | 4,096 | (163,467) | (36,920) |
| Balance at December 31, 2014 | 333,621 | 4,096 | (503,743) | (166,026) |

(i) The gain / (loss) is not realized as of December 31, 2014 and June 30, 2014 and is accounted for under "Financial results, net" in the statement of income (Note 29).

IRSA Inversiones y Representaciones Sociedad Anónima

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

15. Financial instruments by category (Continued)

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

According to Group estimates, all things being constant, a 10% decline in the price of the underlying assets of Shares and Warrants of Supertel (data observed in the market) of Level 3 as of December 31, 2014, would reduce pre-tax income by Ps. 37 million.

According to Group estimates, all things being constant, a 10% decrease 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 December 31, 2014, would increase pre-tax income by Ps. 0,01 million. The rate used as of December 31, 2014 was 14.07%.

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

| Description | Pricing model | Pricing method | Parameters | Range |
|--------------------------------------|----------------------------------|-------------------|--|--|
| Foreign currency-contracts | Present value method | Theoretical price | Money market interest-rate curve; Foreign exchange curve. | - |
| Derivative on tender offer IDBD | Black-Scholes | Theoretical price | Underlying asset price; share price volatility (historical) and money market interest-rate curve (ILS rate curve). | Underlying asset price 1.1 to 2 Share price volatility 75% to 95% Money market interest rate 0.25% to 0.4% |
| Loan for the purchase of IDBD shares | Market price of underlying asset | Theoretical price | Underlying asset price | - |
| Interest rate swaps | Cash flow Binomial tree | Theoretical price | Interest rate and cash flow forward contract. | - |

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| | | | | |
|------------------------------|----------------------|-------------------|---|---|
| Preferred shares of Supertel | | Theoretical price | Underlying asset price (Market price); share price volatility (historical) and money market interest-rate curve (Libor rate). | Underlying asset price 2.08 to 2.55 Share price volatility 55% to 75% Money market interest rate 0.85% to 1.05% |
| Warrants of Supertel | Black-Scholes | Theoretical price | Underlying asset price (Market price); share price volatility (historical) and money market interest-rate curve (Libor rate). | Underlying asset price 2.08 to 2.55 Share price volatility 55% to 75% Money market interest rate 0.85% to 1.05% |
| Call option of Arcos | Discounted cash flow | - | Projected income and discounted interest rate. | - |

IRSA Inversiones y Representaciones Sociedad Anónima

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

16. Restricted assets

Group's restricted assets as of December 31, 2014 and June 30, 2014 are as follows:

| | December 31, 2014 | June 30, 2014 |
|--|-------------------------|------------------|
| Current | | |
| Deposit in escrow | 8,867 | - |
| Total restricted assets current | 8,867 | - |
| Total restricted assets | 8,867 | - |

17. Trade and other receivables

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

| | December 31, 2014 | June 30, 2014 |
|--|-------------------------|------------------|
| Non-current | | |
| Trade, leases and services receivables | 61,998 | 55,105 |
| Less: allowance for trade receivables | (2,208) | (2,208) |
| Non-current trade receivables | 59,790 | 52,897 |
| Trade receivables of joint venture | 3,380 | 3,213 |
| VAT receivables | 20,808 | 19,710 |
| Prepaid expenses | 5,534 | 14,332 |
| Advance from vendors | 6,342 | - |
| Others | 415 | 1,093 |
| Non-current other receivables | 36,479 | 38,348 |
| Related parties (Note 34) | 1,208 | 1,143 |
| Total non-current trade and other receivables | 97,477 | 92,388 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

17. Trade and other receivables (Continued)

| | December 31, 2014 | June 30, 2014 |
|--|-------------------------|------------------|
| Current | | |
| Consumer financing receivables | 14,737 | 14,861 |
| Trade, leases and services receivables | 377,309 | 256,110 |
| Receivables from hotel operations | 37,992 | 33,861 |
| Checks to be deposited | 212,137 | 183,422 |
| Trade and lease debtors under legal proceedings | 62,913 | 59,397 |
| Less: allowance for trade receivables | (85,698) | (79,926) |
| Trade receivables | 619,390 | 467,725 |
| VAT receivables | 8,982 | 8,788 |
| Other tax receivables | 11,434 | 16,085 |
| Loans granted | 10,253 | 9,084 |
| Prepaid expenses | 31,745 | 54,626 |
| Advance from vendors | 66,075 | 74,521 |
| Contributions to be paid in by non-controlling interests | - | 12,840 |
| Dividends received | 19,959 | 11,778 |
| Others | 22,919 | 19,749 |
| Less: allowance for other receivables | (165) | (175) |
| Current other receivables | 171,202 | 207,296 |
| Related parties (Note 34) | 35,318 | 31,825 |
| Current trade and other receivables | 825,910 | 706,846 |
| Total trade and other receivables | 923,387 | 799,234 |

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

| | December 31, 2014 | June 30, 2014 |
|--------------------------------|-------------------------|------------------|
| Beginning of the period / year | 82,309 | 79,148 |
| Additions | 9,053 | 17,671 |
| Unused amounts reversed | (2,402) | (6,045) |
| Used during the period / year | (847) | (8,465) |
| Receivables written off | (42) | - |
| End of the period / year | 88,071 | 82,309 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

18. Investments in financial assets

Group's investments in financial assets as of December 31, 2014 and June 30, 2014 are as follows:

| | December 31, 2014 | June 30, 2014 |
|---|-------------------------|------------------|
| Non-current | | |
| Financial assets at fair value | | |
| Investment in equity securities in TGLT | 53,512 | 63,546 |
| Investment in equity securities in Supertel | 333,621 | 211,170 |
| Investment in equity securities in Avenida Inc. | 63,810 | - |
| Total investments in non-current financial assets | 450,943 | 274,716 |
| Current | | |
| Financial assets at fair value | | |
| Mutual funds | 76,052 | 140,095 |
| Mortgage bonds (Note 34) | - | 53,901 |
| Banco Macro bonds | 1,521 | 1,438 |
| Public companies securities | 11,690 | 14,318 |
| Government bonds | 669,821 | 10,276 |
| Financial assets at amortized cost | | |
| Non-Convertible Notes related parties (Note 34) | - | 14,079 |
| Total investments in current financial assets | 759,084 | 234,107 |
| Total investments in financial assets | 1,210,027 | 508,823 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

19. Derivative Financial Instruments

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

| | December 31, 2014 | June 30, 2014 |
|--|-------------------------|------------------|
| Assets | | |
| Non-current | | |
| Warrants of Supertel (i) | 4,096 | - |
| Total non-current derivative financial instruments | 4,096 | - |
| Current | | |
| Interest rate swaps | - | 684 |
| Warrants of IDBD | 2,636 | - |
| Foreign-currency future contracts | - | 1,200 |
| IDBD preemptive rights | - | 10,986 |
| Total current derivative financial instruments | 2,636 | 12,870 |
| Total assets | 6,732 | 12,870 |
| Liabilities | | |
| Non-current | | |
| Commitment to tender offer shares in IDBD | (271,302) | (320,847) |
| Total non-current derivative financial instruments | (271,302) | (320,847) |
| Current | | |
| Commitment to tender offer shares in IDBD | (232,441) | - |
| Foreign currency future contracts (Note 34) | - | (14,225) |
| Total current derivative financial instruments | (232,441) | (14,225) |
| Total liabilities | (503,743) | (335,072) |

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

20. Cash flow information

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

| | December 31, 2014 | June 30, 2014 |
|--|-------------------------|------------------|
|--|-------------------------|------------------|

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| | | |
|---------------------------------|---------|---------|
| Cash at bank and on hand | 815,881 | 607,291 |
| Mutual funds | 1,263 | 2,616 |
| Total cash and cash equivalents | 817,144 | 609,907 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

20. Cash flow information (Continued)

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

| | Note | December 31, 2014 | December 31, 2013 |
|---|------|-------------------------|-------------------------|
| Income / (loss) for the period | | 46,885 | (26,074) |
| Adjustments for: | | | |
| Income tax expense | 25 | 379,097 | (7,312) |
| Retirement of obsolete property, plant and equipment | 11 | - | 38 |
| Amortization and depreciation | 29 | 85,186 | 113,251 |
| Gain from disposal of investment property | 10 | (801,052) | (7,481) |
| Dividends received | 32 | (8,356) | (6,510) |
| Share-based payments | 33 | 2,070 | 11,835 |
| Gain from purchase of subsidiaries and joint ventures | 8.9 | - | 12 |
| Gain from derivative financial instruments | 32 | 192,991 | (13,552) |
| Changes in fair value of investments in financial assets | 32 | (200,484) | (40,985) |
| Interest expense, net | 32 | 307,504 | 172,382 |
| (Loss) from disposal of associates | | (8,758) | - |
| Provisions and allowances | | 54,517 | 48,607 |
| Share of profit / (loss) of associates and joint ventures | 8.9 | 680,744 | (51,183) |
| Gain on repurchase of Non-Convertible notes | 32 | - | 12,874 |
| Unrealized foreign exchange loss, net | | 121,193 | 453,851 |
| Changes in operating assets and liabilities: | | | |
| (Increase) / Decrease in inventories | | (3,041) | 491 |
| Decrease in trading properties | | 870 | 1,254 |
| (Increase) / Decrease in trade and other receivables | | (110,182) | 46,147 |
| Increase/ (Decrease) in trade and other payables | | 96,391 | (131,697) |
| Decrease in salaries and social security liabilities | | (17,145) | (3,296) |
| Decrease in provisions | | (3,432) | (614) |
| Net cash generated by operating activities before income tax paid | | 814,998 | 572,038 |

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

| | December 31, 2014 | December 31, 2013 |
|--|-------------------------|-------------------------|
| Decrease in borrowings through a decrease in equity investments in subsidiaries, associates and joint ventures | 136,685 | - |

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| | | |
|--|--------|---------|
| Reimbursement of expired dividends | 812 | 784 |
| Dividends payable | - | 72,182 |
| Increase in investment properties through a decrease in financial assets | 48,196 | - |
| Increase in borrowings through a decrease in dividends payable | - | 160,173 |
| Increase in financial assets through a decrease in equity investments in associates and joint ventures | 30,089 | - |
| Increase in restricted assets through a decrease in assets held for sale | 8,742 | - |
| Increase in Property, Plant and Equipment through an increase in borrowings | 695 | - |
| Decrease in investment properties through an increase in property, plant and equipment | 7,361 | - |
| Decrease in investment properties through an increase in intangible assets | 1,666 | - |

41

IRSA Inversiones y Representaciones Sociedad Anónima

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

21. Trade and other liabilities

Group's trade and other payables as of December 31, 2014 and June 30, 2014 are as follows:

| | December 31, 2014 | June 30, 2014 |
|---|-------------------------|------------------|
| Non-current | | |
| Admission rights | 131,268 | 113,617 |
| Sale and rent payments received in advance | 67,525 | 51,638 |
| Guarantee deposits | 6,513 | 6,759 |
| Non-current trade payables | 205,306 | 172,014 |
| Tax payment facilities plan | 12,487 | 14,813 |
| Deferred income tax | 7,667 | 7,914 |
| Others | 8,257 | 7,716 |
| Non-current other payables | 28,411 | 30,443 |
| Related parties (Note 34) | 66 | 195 |
| Non-current trade and other payables | 233,783 | 202,652 |
| Current | | |
| Trade payables | 166,145 | 64,217 |
| Accrued invoices | 104,940 | 107,982 |
| Guarantee deposits | 15,240 | 9,985 |
| Admission rights | 124,322 | 111,024 |
| Sale and rent payments received in advance | 168,631 | 180,985 |
| Current trade payables | 579,278 | 474,193 |
| VAT payables | 34,852 | 28,509 |
| Deferred revenue | 495 | 495 |
| Other tax payables | 35,929 | 27,478 |
| Dividends payable to non-controlling shareholders | 13,911 | 23,940 |
| Others | 9,078 | 7,449 |
| Current other payables | 94,265 | 87,871 |
| Related parties (Note 34) | 64,508 | 116,661 |
| Current trade and other payables | 738,051 | 678,725 |
| Total trade and other payables | 971,834 | 881,377 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

22. Salaries and social security liabilities

Group's Salaries and social security liabilities as of December 31, 2014 and June 30, 2014 are as follows:

| | December 31, 2014 | June 30, 2014 |
|---|-------------------------|------------------|
| Non-current | | |
| Social security payable | 2,874 | 3,749 |
| Total non-current salaries and social security liabilities | 2,874 | 3,749 |
| Current | | |
| Provision for vacation, bonuses and others | 62,000 | 80,577 |
| Social security payable | 20,436 | 18,098 |
| Others | 570 | 601 |
| Total current salaries and social security liabilities | 83,006 | 99,276 |
| Total salaries and social security liabilities | 85,880 | 103,025 |

23. Provisions

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

| | Labor, legal and other claims | Tax and social security claims | Investments in associates and joint ventures (*) | Total |
|------------------------|-------------------------------------|-----------------------------------|---|----------|
| At July 1st, 2013 | 31,010 | 1,686 | 39,091 | 71,787 |
| Additions | 23,641 | 478 | 115,359 | 139,478 |
| Recovery | (7,529) | (574) | - | (8,103) |
| Used during the period | (2,034) | - | - | (2,034) |
| Contributions | - | - | (16,667) | (16,667) |
| Foreign exchange gain | - | - | 39,199 | 39,199 |
| At June 30, 2014 | 45,088 | 1,590 | 176,982 | 223,660 |
| Additions | 16,774 | 177 | 67,792 | 84,743 |
| Recovery | (9,465) | (176) | - | (9,641) |
| Used during the period | (3,432) | - | (4) | (3,436) |
| Contributions | - | - | (1,485) | (1,485) |
| Foreign exchange gain | - | - | 10,282 | 10,282 |
| At December 31, 2014 | 48,965 | 1,591 | 253,567 | 304,123 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

23. Provisions (Continued)

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

| | December 31, 2014 | June 30, 2014 |
|-------------|-------------------------|------------------|
| Non-current | 262,884 | 205,228 |
| Current | 41,239 | 18,432 |
| | 304,123 | 223,660 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

24. Borrowings

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

| | Secured / unsecured | Currency | Rate | Effective interest rate % | Nominal Value of share capital | Book value | |
|---|------------------------|----------|----------|---------------------------------|---|-------------------------|------------------|
| | | | | | | December 31, 2014 | June 30, 2014 |
| Non-current | | | | | | | |
| NCN IRSA due 2015 | Unsecured | Ps. | Floating | Badlar + 395ps | - | - | 209,297 |
| NCN IRSA due 2017 | Unsecured | US\$ | Fixed | 8.5 % | 149,000 | 1,273,079 | 1,210,359 |
| NCN IRSA due 2017 | Unsecured | Ps. | Floating | Badlar + 450 ps | 10,790 | 10,736 | 10,734 |
| NCN APSA due 2017 | Unsecured | US\$ | Fixed | 7.875 % | 110,000 | 912,566 | 866,549 |
| NCN IRSA due 2020 | Unsecured | US\$ | Fixed | 11.5 % | 146,518 | 1,170,439 | 1,111,449 |
| Seller financing of plot of land (v) | Secured | US\$ | Fixed | 3.5 % | 2,334 | 19,998 | 19,072 |
| Seller financing of Soleil Factory (i) | Secured | US\$ | Fixed | 5 % | - | - | 80,126 |
| Seller financing of Zetol S.A. (ii) | Secured | US\$ | Fixed | 3.5 % | 4,500 | 46,041 | 22,058 |
| Bank loans | Unsecured | Ps. | Fixed | 15.25 % | 14,488 | 13,685 | 6,938 |
| Syndicated loan (iii) | Unsecured | Ps. | Fixed | (iii) | 126,455 | 24,481 | 74,964 |
| Banco Provincia de Buenos | | | | | | | |
| Aires loan (iv) | Unsecured | Ps. | Fixed | - | - | - | 6,421 |
| Related parties (Note 34) | Secured | Ps. | Fixed | 15.25 % | 5,000 | 2,458 | 3,750 |
| Related parties (Note 34) | Unsecured | Ps. | Fixed | 24.00 % | 7,000 | 6,860 | - |
| Related parties (Note 34) | Unsecured | Ps. | Floating | Badlar | 12,735 | 13,156 | 133,314 |
| Finance leases obligations | Secured | US\$ | Fixed | 7.5 % | 5,338 | 576 | 972 |
| Total Non-current borrowings | | | | | | 3,494,075 | 3,756,003 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

24. Borrowings (Continued)

| | Secured / unsecured | Currency | Rate | Effective interest rate % | Nominal Value of share capital | Book value | |
|---|------------------------|----------|----------|---------------------------------|---|-------------------------|------------------|
| | | | | | | December 31, 2014 | June 30, 2014 |
| Current | | | | | | | |
| NCN IRSA due 2015 | Unsecured | Ps. | Floating | Badlar + 395ps | 209,398 | 213,212 | 4,325 |
| NCN IRSA due 2017 | Unsecured | US\$ | Fixed | 8.5 % | 149,000 | 43,648 | 41,472 |
| NCN IRSA due 2017 | Unsecured | Ps. | Floating | Badlar + 450ps | 10,790 | 218 | 255 |
| NCN APSA due 2017 | Unsecured | US\$ | Fixed | 7.875 % | 110,000 | 9,470 | 8,968 |
| NCN IRSA due 2020 | Unsecured | US\$ | Fixed | 11.5 % | 146,518 | 60,283 | 57,281 |
| Short-term loans | Unsecured | Ps. | Fixed | 28.25 % | 124,488 | 116,136 | 2,873 |
| Bank overdrafts | Unsecured | Ps. | Floating | - | - | 533,928 | 401,963 |
| Syndicated loan (iii) | Unsecured | Ps. | Fixed | (iii) | 126,455 | 101,598 | 101,339 |
| Banco Provincia de Buenos Aires loan (iv) | Unsecured | Ps. | Fixed | - | 132,889 | 133,054 | 12,886 |
| Seller financing of plot of land (v) | Secured | US\$ | Fixed | 3.5 % | - | - | 2,335 |
| Seller financing of Soleil Factory (i) | Secured | US\$ | Fixed | 5 % | - | - | 5,128 |
| Seller financing of Zetol S.A. (ii) | Secured | US\$ | Fixed | 3.5 % | - | - | 21,207 |
| Other borrowings | Unsecured | - | - | - | - | 23,900 | 74,344 |
| Related parties (Note 34) | Unsecured | Ps. | Fixed | 15.25 % | 5,000 | 2,458 | 71 |
| Related parties (Note 34) | Unsecured | Ps. | Floating | Badlar + 300bps | 6,635 | 7,052 | 1,250 |
| Finance leases obligations | Secured | US\$ | Fixed | 7.5 % | 2,443 | 1,683 | 1,780 |
| Total Current borrowings | | | | | | 1,246,640 | 737,477 |
| Total borrowings | | | | | | 4,740,715 | 4,493,480 |

NCN: Non-convertible Notes

(i) Seller financing of Soleil Factory (investment properties): Mortgage financing of US\$ 20.7 million with a fixed 5% interest rate due in June 2017. As of the date of these financial statements, the mentioned capital is fully canceled.

(ii) Seller financing of Zetol S.A. (trading properties): Mortgage financing of US\$ 7 million with a fixed 3.5% interest rate. The balance is payable, by choice of the seller, in money or with the delivery of units in buildings to be built

representative of 12% of the total marketable square meters built.

(iii) On November 16, 2012, the Company subscribed a syndicated loan for Ps. 118,000. Principal will be payable in 9 quarterly consecutive installments and shall accrue interest at rate of 15.01%. On June 12, 2013 the Company subscribes a new syndicated loan for Ps. 111,000. Principal will be payable in 9 quarterly consecutive installments and shall accrue interest at rate of 15.25%. Both loans have been entered into with various banking institutions, one of which is Banco Hipotecario (Note 34).

On December 12, 2012, the Group subscribed a loan with Banco Provincia de Buenos Aires for Ps. 29 million.
(iv) Principal will be repaid in 9 quarterly consecutive installments beginning in December 2013. Additionally, on February 3, 2014 a new loan has been subscribed for Ps. 20 million. As of the date of these financial statements, the mentioned capital is fully canceled. On December 23, 2014, a new loan with Banco Provincia de Buenos Aires for Ps. 120 million has been subscribed. Principal will be payable in only one installment due on June 19, 2015.

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

25. Taxes

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

| | December 31, 2014 | December 31, 2013 |
|------------------------------------|-------------------------|-------------------------|
| Current income tax | (613,867) | (143,166) |
| Deferred income tax | 236,504 | 150,478 |
| Minimum Presumed Income tax (MPIT) | (1,734) | - |
| Income tax | (379,097) | 7,312 |

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

| | December 31, 2014 | June 30, 2014 |
|--|-------------------------|------------------|
| Beginning of the period /year | 23,034 | (310,700) |
| Use of tax loss carryforwards | (236,210) | - |
| Cumulative translation adjustment | (1,236) | (17,948) |
| Reclassified to assets held for sale | (33,346) | 33,346 |
| Income tax expense and deferred income tax | 236,504 | 318,336 |
| End of period / year | (11,254) | 23,034 |

The Group did not recognize deferred income tax assets of Ps. 26.5 million and Ps. 22.9 million as of December 31, 2014 and June 30, 2014, respectively. Although management believes that it will become profitable in the foreseeable future, as a result of the history of recent losses incurred during the development phase of the different Group's business operations and the lack of verifiable and objective evidence due to the limited operating history of the Group itself, the Board of Directors has determined that there is sufficient uncertainty as to the generation of sufficient income to utilize the losses within a reasonable timeframe, therefore, no deferred tax asset is recognized in relation to these losses.

Below is a reconciliation between income tax recognized and that which would result applying the prevailing tax rate on Profit before income tax for the six-month periods ended December 31, 2014 and 2013:

| | December 31, 2014 | December 31, 2013 |
|---|-------------------------|-------------------------|
| Tax calculated at the tax rates applicable to profits in the respective countries | (107,653) | 2,685 |
| Permanent differences: | | |
| Share of profit of associates and joint ventures | (314,425) | 17,914 |

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| | | |
|---|------------|-----------|
| Unrecognized tax losses | (2,437) | (22,087) |
| Valuation changes and sale of shares Avenida in Torodur | 14,602 | - |
| Non-taxable income | 20,288 | 12,117 |
| Others | 12,262 | (3,317) |
| Income tax | (377,363) | 7,312 |
| Minimum Presumed Income tax (MPIT) | (1,734) | - |

IRSA Inversiones y Representaciones Sociedad Anónima

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

26. Shareholders' equity

Special reserve

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

Repurchase plan involving common shares and GDS issued by IRSA

On July 25, 2013, IRSA's Board of Directors set forth the terms and conditions governing the purchase of the Company's own stock pursuant to Section 64 of Law No. 26,831 and the CNV's regulations, for up to an aggregate amount of Ps. 200.0 million and up to 5% of the capital stock. During the year ended June 30, 2014, the Company repurchased 533,947 common shares (nominal value Ps. 1 per share) for a total of Ps. 5.2 million and 437,075 GDS (representing 4,370,750 common shares) for a total amount of US\$ 5.2 million.

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

27. Revenues

| | December 31, 2014 | December 31, 2013 |
|-------------------------------------|-------------------------|-------------------------|
| Base rent | 602,404 | 499,306 |
| Contingent rent | 256,952 | 178,997 |
| Admission rights | 71,488 | 60,046 |
| Averaging scheduled rent escalation | 16,120 | 10,585 |
| Parking fees | 52,989 | 40,032 |
| Letting fees | 20,870 | 16,825 |
| Service charges | 460,919 | 368,780 |
| Property management fee | 15,771 | 13,035 |
| Others | 3,793 | 2,305 |
| Total rental and service income | 1,501,306 | 1,189,911 |
| Sale of trading properties | 5,801 | 23,140 |
| Revenue from hotel operations | 213,036 | 160,575 |
| Consumer financing | 65 | 334 |
| Total other revenue | 218,902 | 184,049 |
| Total revenues | 1,720,208 | 1,373,960 |

28. Costs

| | December 31, 2014 | December 31, 2013 |
|------------------------------------|-------------------------|-------------------------|
| Costs of rental and services costs | 605,781 | 528,259 |
| Cost of sale and development | 6,453 | 8,003 |
| Costs from hotel operations | 138,520 | 105,437 |
| Costs from consumer financing | 64 | 171 |
| Total costs | 750,818 | 641,870 |

29. Expenses by nature

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

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

29. Expenses by nature (Continued)

For the period ended December 31, 2014:

| | Group Costs | | | | | | |
|---|------------------------------------|---------------------------------------|--|-----------------------------------|---|---------------------|---------|
| | Cost of sale and development | Costs of rental and services | Costs from consumer financing | Costs from hotel operations | General and administrative expenses | Selling expenses | Total |
| Leases and service charges | 415 | 10,637 | - | 269 | 1,941 | 661 | 13,923 |
| Amortization and depreciation | 211 | 76,171 | - | 6,067 | 2,599 | 138 | 85,186 |
| Allowance for trade and other receivables (charge and recovery) | - | - | - | - | - | 6,651 | 6,651 |
| Advertising and other selling expenses | - | 110,380 | - | 3,282 | - | 13,301 | 126,963 |
| Taxes, rates and contributions | 1,641 | 48,137 | - | 155 | 4,053 | 42,808 | 96,794 |
| Maintenance, security, cleaning, repair and others | 2,646 | 152,313 | - | 17,173 | 9,521 | 522 | 182,175 |
| Fees and payments for services | 94 | 17,185 | 55 | 1,377 | 34,894 | 3,314 | 56,919 |
| Director's fees | - | - | - | - | 40,556 | - | 40,556 |
| Salaries, social security costs and other personnel expenses | 427 | 178,262 | - | 78,015 | 53,648 | 13,978 | 324,330 |
| Cost of sales of properties | 829 | - | - | - | - | - | 829 |
| Food, beverage and other lodging expenses | - | - | - | 31,884 | 4,229 | 2,369 | 38,482 |
| Other expenses | 190 | 12,696 | 9 | 298 | 11,151 | 433 | 24,777 |
| Total expenses by nature | 6,453 | 605,781 | 64 | 138,520 | 162,592 | 84,175 | 997,585 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

29. Expenses by nature (Continued)

For the period ended December 31, 2013:

| | Cost of sale and development | Group Costs Costs of rental and services | Cost from consumer financing | Cost from hotel operations | General and administrative expenses | Selling expenses | Total |
|---|------------------------------------|--|------------------------------------|----------------------------------|---|---------------------|---------|
| Leases and service charges | 694 | 6,578 | - | 279 | 3,659 | 490 | 11,700 |
| Amortization and depreciation | 242 | 104,766 | - | 5,511 | 2,623 | 109 | 113,251 |
| Allowance for trade and other receivables (charge and recovery) | - | - | - | - | - | 2,692 | 2,692 |
| Advertising and other selling expenses | - | 94,259 | - | 2,078 | - | 12,873 | 109,210 |
| Taxes, rates and contributions | 1,314 | 38,800 | - | 243 | 3,162 | 33,666 | 77,185 |
| Maintenance, security, cleaning, repair and others | 1,761 | 118,570 | - | 12,358 | 7,291 | 303 | 140,283 |
| Fees and payments for services | 28 | 14,144 | 169 | 1,006 | 17,699 | 2,966 | 36,012 |
| Director's fees | - | - | - | - | 40,177 | - | 40,177 |
| Salaries, social security costs and other personnel expenses | 77 | 143,855 | - | 59,407 | 45,442 | 10,482 | 259,263 |
| Cost of sales of properties | 3,862 | - | - | - | - | - | 3,862 |
| Food, beverage and other lodging expenses | - | - | - | 24,336 | 3,211 | 1,633 | 29,180 |
| Other expenses | 25 | 7,287 | 2 | 219 | 6,115 | 547 | 14,195 |
| Total expenses by nature | 8,003 | 528,259 | 171 | 105,437 | 129,379 | 65,761 | 837,010 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

30. Employee costs

| | December 31, 2014 | December 31, 2013 |
|--|-------------------------|-------------------------|
| Salaries, bonuses and social security expenses | 297,142 | 229,303 |
| Costs of equity incentive plan and defined contribution plan | 7,268 | 13,470 |
| Other employee costs and benefits | 19,920 | 16,490 |
| Total employee costs | 324,330 | 259,263 |

31. Other operating results, net

| | December 31, 2014 | December 31, 2013 |
|--|-------------------------|-------------------------|
| Gain from disposal of equity interest in associate | 8,758 | - |
| Expenses related to transfers of investment property to subsidiaries (1) | (110,482) | - |
| Reversal of currency translation adjustment (2) | 188,323 | - |
| Donations | (7,847) | (7,534) |
| Judgments and other contingencies (3) | (7,747) | (6,865) |
| Others | (3,018) | (2,945) |
| Total other operating results, net | 67,987 | (17,344) |

(1) On December 22, 2014, IRSA conveyed title on the properties located in Bouchard 710, Suipacha 652, Torre BankBoston, República Building, Intercontinental Plaza and the plot of land next to the latter, to its subsidiary IRSA Propiedades Comerciales, which as

from such date will continue to operate such properties. This transfer has had no effects whatsoever in the consolidated financial statements of the Group other than the expenses and taxes associated to the transfer.

(2) Corresponds to the reversal of the translation reserve generated in Rigby following the partial repayment of principal of the company (see Note 4).

(3) Includes legal costs and expenses.

32. Financial results, net

| | December 31, 2014 | December 31, 2013 |
|--------------------|-------------------------|-------------------------|
| Finance income: | | |
| - Interest income | 19,765 | 33,013 |
| - Foreign exchange | 14,268 | 20,732 |
| - Dividends income | 8,356 | 6,510 |

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| | | |
|---|------------|------------|
| Total finance income | 42,389 | 60,255 |
| Finance costs: | | |
| - Interest expense | (327,269) | (205,395) |
| - Foreign exchange | (177,986) | (496,636) |
| - Other finance costs | (39,401) | (26,200) |
| Subtotal finance costs | (544,656) | (728,231) |
| Less: Capitalized finance costs | 9,838 | 14,657 |
| Total finance costs | (534,818) | (713,574) |
| Other financial results: | | |
| - Fair value gain of financial assets and liabilities at fair value through profit or loss, net | 200,484 | 13,552 |
| - Loss on derivative financial instruments, net | (192,991) | (12,874) |
| - Gain on repurchase of Non-Convertible Notes | - | 40,985 |
| Total other financial results | 7,493 | 41,663 |
| Total financial results, net | (484,936) | (611,656) |

IRSA Inversiones y Representaciones Sociedad Anónima

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

33. Share-based payments

Equity incentive plan

The Group incurred a charge of Ps. 4,072 and Ps. 11,835 for the six-month periods ended December 31, 2014 and 2013, respectively.

34. Related party transactions

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

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

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

34. Related party transactions (Continued)

The following is a summary of the balances with related parties as of December 31, 2014:

| Related party | Description of transaction | Investment in financial assets non-current | Investment in financial assets current | Trade and other receivables non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current | Derivative financial instruments current |
|-------------------------|------------------------------|--|--|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|--|
| Parent Company | Reimbursement of expenses | - | - | - | 16 | - | (5,772) | - | - | - |
| | Sale of good and/or services | - | - | - | 216 | - | - | - | - | - |
| | Share-based payments | - | - | - | - | - | (5,467) | - | - | - |
| | Long-term incentive plan | - | - | - | - | - | (12,545) | - | - | - |
| | Management Fees | - | - | - | - | - | (63) | - | - | - |
| | Corporate services | - | - | - | - | - | (23,072) | - | - | - |
| Cresud S.A.C.I.F. y A. | Non-Convertible Notes | - | - | - | - | - | - | (59,899) | (2,127) | - |
| | Leases and/or rights of use | - | - | - | 687 | - | - | - | - | - |
| Total Parent Company | | - | - | - | 919 | - | (46,919) | (59,899) | (2,127) | - |
| Associates | Reimbursement of expenses | - | - | - | 512 | - | (198) | - | - | - |
| | Borrowings | - | - | - | - | - | - | (14,875) | (22,647) | - |
| Banco Hipotecario S.A. | Leases and/or rights of use | - | - | - | 155 | - | - | - | - | - |
| | Commissions per stands | - | - | - | 59 | - | - | - | - | - |
| Lipstick Management LLC | Reimbursement of expenses | - | - | - | 804 | - | - | - | - | - |
| New Lipstick LLC | Reimbursement of expenses | - | - | - | 2,416 | - | - | - | - | - |
| | | - | - | - | 613 | - | - | - | - | - |

| | | | | | | | | | | | |
|-----------------------------------|-----------------------------|---|---|---|-------|----|--------|-----------|-----------|---|---|
| Banco de crédito y securitización | Reimbursement of expenses | | | | | | | | | | |
| | Leases and/or rights of use | - | - | - | 1 | 46 | (436) | - | - | - | - |
| Tarshop S.A. | Reimbursement of expenses | - | - | - | 898 | - | - | - | - | - | - |
| Total Associates | | - | - | - | 5,458 | 46 | (634) | (14,875) | (22,647) | - | - |

IRSA Inversiones y Representaciones Sociedad Anónima

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

34. Related party transactions (Continued)

| Related party | Description of transaction | Investments | Investments | Trade | Trade | Trade | Borrowings | Borrowings | Derivative financial instruments | |
|--------------------------------|---------------------------------|---------------------------------|-----------------------------|-----------------------------------|-------------------------------|--------------------------------|------------|------------|----------------------------------|----------------------------|
| | | 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 |
| Joint Ventures | | | | | | | | | | |
| | Contributions to be paid in | - | - | - | 10 | - | - | - | - | - |
| | Management fees | - | - | - | 8 | - | - | - | - | - |
| | Borrowings | - | - | 1,208 | 10 | - | - | - | - | - |
| Baicom Networks S.A. | Reimbursement of expenses | - | - | - | 565 | - | - | - | - | - |
| Entertainment Holding S.A. | Reimbursement of expenses | - | - | - | 227 | - | - | - | - | - |
| | Borrowings | - | - | - | 66 | - | - | - | - | - |
| Entretenimiento Universal S.A. | Reimbursement of expenses | - | - | - | 134 | - | - | - | - | - |
| | Borrowings | - | - | - | 74 | - | - | - | - | - |
| Boulevard Norte S.A. | Reimbursement of expenses | - | - | - | - | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | - | (13,157) | - | - |
| | Reimbursement of expenses | - | - | - | 14 | - | (4) | - | - | - |
| Cyrsa S.A. | Credit due to capital reduction | - | - | - | 8,847 | - | - | - | - | - |
| | Reimbursement of expenses | - | - | - | 280 | - | (5) | - | - | - |
| | Proceeds from leasing | - | - | - | - | - | (4) | - | - | - |
| | Leases and/or rights of use | - | - | - | - | - | (687) | - | - | - |
| | Management fees | - | - | - | 2,501 | - | - | - | - | - |
| Nuevo Puerto Santa Fe S.A. | Share-based payments | - | - | - | 326 | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | - | - | (7,051) | - |
| | Borrowings | - | - | - | 1,956 | - | - | - | - | - |
| Puerto Retiro S.A. | Reimbursement of expenses | - | - | - | 220 | - | - | - | - | - |

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| | | | | | | | | | | |
|----------------------|---------------------------|---|---|-------|--------|---|--------|-----------|----------|---|
| | Management fees | - | - | - | 22 | - | (6) | - | - | - |
| Quality Invest S.A. | Reimbursement of expenses | - | - | - | 63 | - | - | - | - | - |
| Total Joint Ventures | | | - | 1,208 | 15,323 | - | (706) | (13,157) | (7,051) | - |

IRSA Inversiones y Representaciones Sociedad Anónima

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

34. Related party transactions (Continued)

| Related party | Description of transaction | Investments | Investments | Trade | Trade | Trade | Borrowings | Borrowings | Derivative financial instruments | |
|---|----------------------------|---------------------------------|-----------------------------|-----------------------------------|-------------------------------|--------------------------------|------------|------------|----------------------------------|----------------------------|
| | | 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 |
| Subsidiaries of the parent company | | | | | | | | | | |
| Exportaciones Agroindustriales | Reimbursement of expenses | - | - | - | - | - | (6) | - | - | - |
| Futuros y Opciones.com S.A. | Reimbursement of expenses | - | - | - | 141 | - | (29) | - | - | - |
| FyO Trading S.A. | Reimbursement of expenses | - | - | - | 1 | - | - | - | - | - |
| Total Subsidiaries of the parent company | | | | | | | | | | |
| | | - | - | - | 142 | - | (35) | - | - | - |
| Other related parties | | | | | | | | | | |
| Consultores | | | | | | | | | | |
| Asset Management S.A. | | | | | | | | | | |
| Estudio Zang, Bergel y Viñes | Reimbursement of expenses | - | - | - | 2,893 | - | - | - | - | - |
| Dolphin Fund Ltd. | Advances | - | - | - | 18 | - | - | - | - | - |
| Austral Gold | Legal services | - | - | - | - | - | (520) | - | - | - |
| Consultores | | | | | | | | | | |
| Venture Capital Uruguay | | | | | | | | | | |
| Ogden Argentina S.A. | Reimbursement of expenses | - | - | - | 60 | - | - | - | - | - |
| EMF | Reimbursement of expenses | - | - | - | 1 | - | (1) | - | - | - |
| Consultores | | | | | | | | | | |
| Venture Capital Uruguay | | | | | | | | | | |
| Ogden Argentina S.A. | Reimbursement of expenses | - | - | - | 1,052 | - | - | - | - | - |
| EMF | Reimbursement of expenses | - | - | - | 304 | - | - | - | - | - |
| Consultores | | | | | | | | | | |
| Venture Capital Uruguay | | | | | | | | | | |
| Ogden Argentina S.A. | Borrowings | - | - | - | 5 | - | - | - | - | - |
| EMF | Management fees | - | - | - | - | - | (32) | - | - | - |
| Fundación IRSA | Reimbursement of expenses | - | - | - | 93 | - | - | - | - | - |

| | | | | | | | | | | |
|-----------------------------|-----------------------------|---|---|---|-------|---|--------|---|---|---|
| | Reimbursement of expenses | - | - | - | 76 | - | - | - | - | - |
| Museo de los niños | Leases and/or rights of use | - | - | - | 930 | - | - | - | - | - |
| | Reimbursement of expenses | - | - | - | 911 | - | - | - | - | - |
| Boulevard Norte S.A. | Borrowings | - | - | - | 5 | - | - | - | - | - |
| Total other related parties | | - | - | - | 6,348 | - | (553) | - | - | - |

IRSA Inversiones y Representaciones Sociedad Anónima

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

| Description of transaction | Investments | Investments | Trade | Trade | Trade | Borrowings | Borrowings | Derivative financial instruments |
|---|---------------------------------|-----------------------------|-----------------------------------|-------------------------------|--------------------------------|------------|------------|----------------------------------|
| | in financial assets non-current | in financial assets current | and other receivables non-current | and other receivables current | and other payables non-current | | | |
| Related party Directors and Senior Management | | | | | | | | |
| Fees | - | - | - | - | 12 | (15,651) | - | - |
| Reimbursement of expenses | - | - | - | 301 | - | (10) | - | - |
| Directors Guarantee deposits | - | - | - | - | 8 | - | - | - |
| Advances | - | - | - | 6,827 | - | - | - | - |
| Total Directors and Senior Management | - | - | - | 7,128 | 20 | (15,661) | - | - |
| Total | - | - | 1,208 | 35,318 | 66 | (64,508) | (87,931) | (31,825) |

IRSA Inversiones y Representaciones Sociedad Anónima

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

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

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

| | | | | | | | | | | |
|-----------------------------------|-----------------------------|---|---|---|-------|--------|----------|-----------|-----------|----------|
| Banco de crédito y securitización | Leases and/or rights of use | - | - | - | 19 | - | (80) | - | - | - |
| | Leases and/or rights of use | - | - | - | - | (175) | (677) | - | - | - |
| | Reimbursement of expenses | - | - | - | 687 | - | - | - | - | - |
| | Commissions | | | | | | | | | |
| Tarshop S.A. | per stands | - | - | - | 19 | - | - | - | - | - |
| Total Associates | | - | - | - | 4,046 | (175) | (2,304) | (17,781) | (23,285) | (5,225) |

IRSA Inversiones y Representaciones Sociedad Anónima

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

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

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| | | | | | | | | | | |
|----------------------|---------------------------|---|---|-------|-------|---|--------|------------|-------|---|
| | Management fees | - | - | - | 22 | - | (45) | - | - | - |
| Quality Invest S.A. | Reimbursement of expenses | - | - | - | 64 | - | - | - | - | - |
| Total Joint Ventures | | - | - | 1,143 | 7,049 | - | (774) | (133,314) | (71) | - |

59

IRSA Inversiones y Representaciones Sociedad Anónima

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

34. Related party transactions (Continued)

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

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| | | | | | | | | | | |
|---------------------------------------|---------------------------|---|--------|-------|--------|--------|------------|------------|-----------|----------|
| Inversiones Financieras del Sur S.A. | Borrowings | - | - | - | 378 | - | (5) | - | - | - |
| IRSA Developments LP | Capital contribution | - | - | - | - | - | (13) | - | - | - |
| Museo de los niños | Reimbursement of expenses | - | - | - | 767 | - | (9) | - | - | - |
| Total Other related parties | | - | - | - | 15,839 | - | (11,679) | - | - | - |
| Directors and Senior Management | | | | | | | | | | |
| | Fees | - | - | - | 301 | - | (13,225) | - | - | - |
| | Reimbursement of expenses | - | - | - | - | - | (10) | - | - | - |
| Directors | Tenant deposits | - | - | - | - | (20) | - | - | - | - |
| Total Directors and Senior Management | | - | - | - | 301 | (20) | (13,235) | - | - | - |
| Total | | - | 14,079 | 1,143 | 31,825 | (195) | (116,661) | (208,067) | (25,379) | (5,225) |

IRSA Inversiones y Representaciones Sociedad Anónima

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

The following is a summary of the transactions with related parties for the six-month period ended December 31, 2014:

| Related party | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries | Letting fees |
|-----------------------------------|-----------------------------|-----------------|--------------------|----------------|----------------------|-----------|-------------------|--------------|
| Parent Company | | | | | | | | |
| Cresud S.A.C.I.F. y A. | (1,968) | (50) | (44,141) | - | (4,574) | - | - | - |
| Total Parent company | (1,968) | (50) | (44,141) | - | (4,574) | - | - | - |
| Associates | | | | | | | | |
| Banco Hipotecario S.A. | 1,010 | - | - | - | (3,297) | - | - | - |
| Banco de crédito y securitización | 2,055 | - | - | - | - | - | - | - |
| Tarshop S.A. | 3,106 | - | - | - | - | - | - | 21 |
| Total Associates | 6,171 | - | - | - | (3,297) | - | - | 21 |
| Joint Ventures | | | | | | | | |
| Baicom Networks S.A. | - | 6 | - | - | 67 | - | - | - |
| Cyrsa S.A. | - | - | - | - | (7,895) | - | - | - |
| Nuevo Puerto Santa Fe S.A. | (402) | 1,233 | - | - | (625) | - | - | - |
| Puerto Retiro S.A. | - | - | - | - | 370 | - | - | - |
| Quality Invest S.A. | - | 108 | - | - | - | - | - | - |
| Total Joint Ventures | (402) | 1,347 | - | - | (8,083) | - | - | - |
| Other related parties | | | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (1,973) | - | - | - | - |
| Fundación IRSA | - | - | - | - | - | - | - | - |
| Isaac Elsztain e Hijos S.C.A. | (318) | - | - | - | - | - | - | - |
| Consultores Asset Management S.A. | - | 79 | - | - | - | - | - | - |
| Exportaciones Agroindustriales | - | - | - | - | 133 | - | - | - |
| Fundación IRSA | - | - | - | - | - | (1,905) | - | - |
| Hamonet S.A. | (167) | - | - | - | - | - | - | - |
| | - | - | - | - | 56 | - | - | - |

Inversiones

Financieras del Sur

S.A.

| | | | | | | | | |
|---------------------------------------|--------|-------|-----------|----------|-----------|----------|-----------|----|
| Total Other related parties | (485) | 79 | - | (1,973) | 189 | (1,905) | - | - |
| Directors and Senior Management | | | | | | | | |
| Directors | - | - | - | - | - | - | (39,787) | - |
| Senior Management | - | - | - | - | - | - | (3,410) | - |
| Total Directors and Senior Management | - | - | - | - | - | - | (43,197) | - |
| Total | 3,316 | 1,376 | (44,141) | (1,973) | (15,765) | (1,905) | (43,197) | 21 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

34. Related party transactions (Continued)

The following is a summary of the transactions with related parties for the six-month period ended December 31, 2013:

| Related party | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries |
|---|-----------------------------|-----------------|--------------------|----------------|----------------------|-----------|-------------------|
| Parent Company | | | | | | | |
| Cresud S.A.C.I.F. y A. | 827 | - | (45,719) | - | (10,376) | - | - |
| Total Parent Company | 827 | - | (45,719) | - | (10,376) | - | - |
| Associates | | | | | | | |
| Banco Hipotecario S.A. | 262 | - | - | - | 22,358 | - | - |
| Banco de crédito y securitización | 178 | - | - | - | - | - | - |
| Tarshop S.A. | 3,777 | (239) | - | - | - | - | - |
| Total Associates | 4,217 | (239) | - | - | 22,358 | - | - |
| Joint Ventures | | | | | | | |
| Baicom Networks S.A. | - | 6 | - | - | 59 | - | - |
| Cyrsa S.A. | - | - | - | - | (8,628) | - | - |
| Nuevo Puerto Santa Fe S.A. | (230) | 986 | - | - | - | - | - |
| Puerto Retiro S.A. | - | - | - | - | 456 | - | - |
| Quality Invest S.A. | - | 108 | - | - | - | - | - |
| Total Joint Ventures | (230) | 1,100 | - | - | (8,113) | - | - |
| Other related parties | | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (1,201) | - | - | - |
| Fundación IRSA | - | - | - | - | - | (1,450) | - |
| Isaac Elsztain e Hijos S.C.A. | (219) | - | - | - | - | - | - |
| Hamonet S.A. | (114) | - | - | - | - | - | - |
| Inversiones Financieras del Sur S.A. | - | - | - | - | 151 | - | - |

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|---------------------------------------|--------|-----|-----------|----------|-------|----------|-----------|
| Total Other related parties | (333) | - | - | (1,201) | 151 | (1,450) | - |
| Directors and Senior Management | | | | | | | |
| Senior Management | - | - | - | - | - | - | (2,315) |
| Directors | - | - | - | - | - | - | (27,346) |
| Total Directors and Senior Management | - | - | - | - | - | - | (29,661) |
| Total | 4,481 | 861 | (45,719) | (1,201) | 4,020 | (1,450) | (29,661) |

IRSA Inversiones y Representaciones Sociedad Anónima

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

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

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

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

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

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

36. CNV General Resolution N°. 622

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

| | |
|---|---|
| Exhibit A - Property, plant and equipment | Note 10 Investment properties and Note 11 Property, plant and equipment |
| Exhibit B - Intangible assets | Note 13 Intangible assets |
| Exhibit C - Equity investments | Note 37 Equity investments |
| Exhibit D - Other investments | Note 12 Financial instruments by category |
| Exhibit E – Provisions | Note 17 Trading and other receivables and Note 23 Provisions |
| Exhibit F - Cost of sales and services provided | Note 12 Trading properties Note 38 Foreign currency assets and liabilities |

Exhibit G - Foreign currency assets and liabilities

63

IRSA Inversiones y Representaciones Sociedad Anónima

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

37. Equity investments

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 12.31.14 | Value recorded as of 06.30.14 | Market value as of 12.31.14 | Main activity | Registered office | Issuer's information | | | |
|-----------------------------------|------------------------------|------------|--|--|--------------------------------------|-------------------------------------|----------------------|--|---------------------------------------|---------------------------------------|----------------|
| | | | | | | | | Last financial statements issued Date | Common stock (nominal value) | Profit (loss) for the period | Shareh Equi |
| Joint Ventures | | | | | | | | | | | |
| Baicom Networks S.A. | Common shares 1 vote | 4,701,455 | 2,928 | 2,950 | Not publicly traded | Real estate | Argentina | 12.31.14 | 9,403 | (722) | |
| | Irrevocable contributions | | - | 340 | | | | | | | |
| | Higher value | | 276 | 276 | | | | | | | |
| Cyrsa S.A. | Common shares 1 vote | 8,748,269 | 15,346 | 152,229 | Not publicly traded | Real estate | Argentina | 12.31.14 | 17,497 | 9,933 | |
| Entertainment Holdings S.A. | Common shares 1 vote | 22,395,574 | 23,128 | 19,092 | Not publicly traded | Investment | Argentina | 12.31.14 | 44,791 | 6,296 | |
| | Irrevocable contributions | | 100 | 721 | | | | | | | |
| | Lower value | | (23,192) | (23,192) | | | | | | | |
| | Goodwill | | 26,647 | 26,647 | | | | | | | |
| Entretenimiento Universal S.A. | Common shares 1 vote | 300 | (55) | (59) | Not publicly traded | Event organization and others | Argentina | 12.31.14 | 12 | (75) | |
| Nuevo Puerto Santa Fe S.A. | Common shares 1 vote | 138,750 | 20,908 | 21,566 | Not publicly traded | Commercial real estate | Argentina | 12.31.14 | 27,750 | 3,934 | |
| | Higher value | | 3,892 | 3,980 | | | | | | | |
| | Goodwill | | 1,323 | 1,323 | | | | | | | |

IRSA Inversiones y Representaciones Sociedad Anónima

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

37. Equity investments (Continued)

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 12.31.14 | Value recorded as of 06.30.14 | Market value as of 12.31.14 | Main activity | Registered office | Issuer's information | | | |
|--|---------------------------|-------------|-------------------------------|-------------------------------|-----------------------------|---------------|-------------------|----------------------|---|------------------------------|-------|
| | | | | | | | | Date | Last financial statements issued Common stock (nominal value) | Profit (loss) for the period | Share |
| Puerto Retiro S.A. | Common shares 1 vote | 23,067,250 | 14,950 | 13,868 | Not | Real estate | Argentina | 12.31.14 | 46,135 | (1,398) | E |
| | Irrevocable contributions | | 1,769 | 1,781 | publicly traded | | | | | | |
| | Higher value | | 29,209 | 29,209 | | | | | | | |
| Quality Invest S.A. | Common shares 1 vote | 70,314,342 | 67,675 | 64,402 | Not | Real estate | Argentina | 12.31.14 | 140,629 | 5,545 | E |
| | Irrevocable contributions | | - | 500 | publicly traded | | | | | | |
| | Goodwill | | 3,911 | 3,911 | | | | | | | |
| | Higher value | | (2,889) | (2,886) | | | | | | | |
| Total Joint Ventures Associates | | | 185,926 | 316,658 | | | | | | | |
| Avenida Inc | Preferred shares 1 vote | 4,742,836 | - | 2,023 | - | Investment | United States | 12.31.14 | - | - | E |
| | Goodwill | | - | 9,073 | | | | | | | |
| Banco de Crédito & Securitización S.A. (1) | Common shares 1 vote | 3,984,375 | 14,221 | 13,610 | Not publicly traded | Financial | Argentina | 12.31.14 | 62,500 | 55,461 | E |
| Banco Hipotecario S.A. (1) | Common shares 1 vote | 448,491,787 | 1,288,964 | 1,212,781 | 4.35 | Financial | Argentina | 12.31.14 | 1,500,000 | 549,972 | 4, |
| | Higher value | | (770) | (1,156) | | | | | | | |
| | Goodwill | | 1,582 | - | | | | | | | |
| Bitania S.A. | Common shares 1 vote | 4,724,203 | 13,786 | 12,308 | Not | Real estate | Argentina | 12.31.14 | 20,000 | 3,017 | E |
| | Goodwill | | 1,736 | 1,736 | publicly traded | | | | | | |
| | Higher value | | 7,860 | 8,085 | | | | | | | |

IRSA Inversiones y Representaciones Sociedad Anónima

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

37. Equity investments (Continued)

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 12.31.14 | Value recorded as of 06.30.14 | Market value as of 12.31.14 | Main activity | Registered office | Date | Issuer's information Last financial statement Common stock (nominal value) |
|---|---------------------------|------------|-------------------------------|-------------------------------|-----------------------------|--------------------|-------------------|-------------|--|
| IDB Development Corporation Ltd | Common shares 1 vote | 92,618,950 | | | (3) | 1.97 Investment | Israel | 12.31.14 | - |
| | | | 400,187 | 595,342 | | | | | |
| Lipstick Management LLC | Common shares 1 vote | N/A | 2,225 | 1,689 | Not publicly traded | Management company | United States | 12.31.14 | -(2) |
| | Irrevocable contributions | | 56 | 50 | | | | | |
| Manibil S.A. | Common shares 1 vote | 37,747,880 | 39,837 | 38,279 | Not publicly traded | Real estate | Argentina | 12.31.14 | 77,037 |
| | Irrevocable contributions | | 7,350 | - | | | | | |
| | Goodwill | | 10 | 10 | | | | | |
| New Lipstick LLC | Common shares 1 vote | N/A | (254,997) | (193,590) | Not publicly traded | Real State | United States | 12.31.14 | -(2) |
| | Irrevocable contributions | | 1,485 | 16,667 | | | | | -(16) |
| Supertel | Common shares 1 vote | 1,261,723 | 3,227 | 31,577 | 2.31 | Hotel | United States | 12.31.14(2) | 47(2) |
| Tarshop S.A. | Common shares 1 vote | 26,759,288 | 15,755 | 23,530 | Not publicly traded | Consumer financing | Argentina | 12.31.14 | - |
| | Irrevocable contributions | | 22,000 | - | | | | | |
| | Higher value | | (4,393) | (4,849) | | | | | |
| T o t a l Associates | | | 1,560,121 | 1,767,165 | | | | | |
| T o t a l investments in associates and joint | | | 1,746,047 | 2,083,823 | | | | | |

ventures

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

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

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

(3) Market value in NIS.

IRSA Inversiones y Representaciones Sociedad Anónima

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

38. Foreign currency assets and liabilities

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

| Items (3) | Amount of foreign currency (1) | Prevailing exchange rate (2) | Total as of 12.31.14 | Amount of foreign currency (1) | Prevailing exchange rate (2) | Total as of 06.30.14 |
|---|---|------------------------------------|-------------------------|---|------------------------------------|-------------------------|
| Assets | | | | | | |
| Trade and other receivables | | | | | | |
| US Dollar | 17,805 | 8.45 | 150,470 | 5,977 | 8.033 | 47,811 |
| Euros | - | 10.265 | 3 | 2 | 10.991 | 26 |
| Swiss francs | 80 | 8.540 | 683 | 27 | 9.051 | 242 |
| Uruguayan Pesos | 954 | 0.400 | 382 | 1,100 | 0.356 | 392 |
| Total unrelated party | | | 151,538 | | | 48,471 |
| Related party US\$ | | | | | | |
| Total related parties US\$ | 718 | 8.551 | 6,141 | 1,993 | 8.133 | 16,208 |
| Total trade and other receivables | | | 157,679 | | | 64,679 |
| Investments in financial assets | | | | | | |
| US Dollar | 44,992 | 8.45 | 380,231 | 35,240 | 8.033 | 283,083 |
| Pounds | 883 | 13.146 | 11,603 | 1,021 | 13.913 | 14,206 |
| New Israel Shekel | - | - | - | 5 | 2.377 | 13 |
| Total unrelated party | | | 391,834 | | | 297,302 |
| Related party US\$ | | | | | | |
| Total related parties US\$ | 552 | 8.551 | 4,722 | - | - | - |
| Total investments in financial assets | | | 396,556 | | | 297,302 |
| Derivative financial instruments | | | | | | |
| US Dollar | 485 | 8.45 | 4,096 | 4,622 | 2.377 | 10,986 |
| New Israel Shekel | 1,202 | 2.193 | 2,636 | - | - | - |
| Total derivative financial instruments | | | 6,732 | | | 10,986 |
| Cash and cash equivalents | | | | | | |
| US Dollar | 46,797 | 8.45 | 395,483 | 15,147 | 8.033 | 121,674 |
| Euros | 107 | 10.265 | 1,099 | 116 | 10.991 | 1,278 |
| Brazilian Reais | 6 | 3.350 | 20 | 2 | 3.550 | 6 |
| Swiss francs | - | 8.720 | - | - | 9.051 | 1 |
| Uruguayan Pesos | 172 | 0.400 | 69 | 90 | 0.356 | 32 |
| New Israel Shekel | 54 | 2.193 | 119 | 116,210 | 2.377 | 276,235 |
| Pounds | 2 | 13.146 | 31 | 2 | 13.913 | 32 |
| Total cash and cash equivalents | | | 396,821 | | | 399,258 |

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| | | | | | | |
|---|---------|-------|-----------|---------|-------|-----------|
| Total assets as of 12.31.14 | | | 957,788 | | | - |
| Total assets as of 06.30.14 | | | | | | 772,225 |
| Liabilities | | | | | | |
| Trade and other payables | | | | | | |
| US Dollar | 20,573 | 8.551 | 175,923 | 13,637 | 8.133 | 110,908 |
| Swiss francs | 50 | 8.653 | 433 | - | - | - |
| Uruguayan Pesos | 1,757 | 0.421 | 739 | 1,486 | 0.382 | 567 |
| Total unrelated party | | | 177,095 | | | 111,475 |
| Related party US\$ | | | | | | |
| Total related parties US\$ | 444 | 8.551 | 3,793 | 1,506 | 8.133 | 12,248 |
| Total trade and other payables | | | 180,888 | | | 123,723 |
| Borrowings | | | | | | |
| US Dollar | 402,515 | 8.551 | 3,441,904 | 426,670 | 8.133 | 3,470,110 |
| Total unrelated party | | | 3,441,904 | | | 3,470,110 |
| Related party US\$ | | | | | | |
| Total related parties US\$ | 2,705 | 8.551 | 23,130 | - | - | - |
| Total borrowings | | | 3,465,034 | | | 3,470,110 |
| Derivative Financial Instruments | | | | | | |
| New Israel Shekel | 229,705 | 2.193 | 503,743 | 134,980 | 2.377 | 320,847 |
| Total derivative financial instruments | | | 503,743 | | | 320,847 |
| Provisions | | | | | | |
| US Dollar | 50 | 8.551 | 428 | 200 | 8.133 | 1,627 |
| Total Provisions | | | 428 | | | 1,627 |
| Salaries and social security liabilities | | | | | | |
| US Dollar | 18 | 8.551 | 158 | - | - | - |
| Total Salaries and social security liabilities | | | 158 | | | - |
| Total liabilities as of 12.31.14 | | | 4,150,251 | | | |
| Total liabilities as of 06.30.14 | | | | | | 3,916,307 |

- (1) Considering foreign currencies those that differ from Company's functional currency at each period/year-end.
(2) Exchange rate as of December 31, 2014 and June 30, 2014 according to Banco Nación Argentina records.
(3) The Company uses derivative instruments as complement in order to reduce its exposure to exchange rate movements (See Note 15).

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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39. Group of assets and liabilities held for sale

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

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

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

Assets held for sale

| | June 30, 2014 |
|----------------------------------|------------------|
| Investment properties | 1,098,990 |
| Intangible assets – Goodwill | 77,086 |
| Restricted assets | 163,501 |
| Trade and other receivables | 17,990 |
| Derivative financial instruments | 299 |
| Total | 1,357,866 |

Liabilities directly associated with assets classified as held for sale

| | June 30, 2014 |
|---------------------------------|------------------|
| Trade and other liabilities | 170,245 |
| Deferred income tax liabilities | 33,346 |
| Borrowings | 603,021 |
| Total | 806,612 |

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

Upon the sale, the Company deposited US\$ 1.037 million under escrow (approximately equals to Ps. 8.8 million at the exchange rate prevailing on December 31, 2014) to cover for potential additional costs that may arise in relation to the

transaction, which amount is accounted for under Restricted assets.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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40. 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.

41. Subsequent events

- On January 7, 2015 the Board of BHSA decided to make available to shareholders as from January 16, 2015 the dividends that had been approved by the General Ordinary Shareholders' Meeting held on April 24, 2014 in the amount of Ps. 42 million, following a ruling with no objection whatsoever issued by the BCRA on December 23, 2014.
- On February 5, 2014, the Group, through Ritelco, sold its interest in Bitania 26 S.A., representing 49% of its capital stock, for an amount of US\$ 4.2 million. The result for this transaction amounted approximately to Ps. 12.5 million.
- On January 19, 2015, DFL acquired in the open market 94,000 shares of IDBD for a total amount of NIS 0.13 million (equal to US\$ 0.03 million on the purchase date) and later sold 50% to ETH in accordance with the terms and conditions of the agreement executed between the parties. Additionally, DFL acquired 42,564 shares of Discount Investment Corporation Ltd, a subsidiary of IDBD, for a consideration of NIS 0.24 million (equal to US\$ 0.06 million on the purchase date), 50% of which were offered to ETH under the terms and conditions of the agreement entered into between the parties. However, ETH decided not to acquire 50% of the shares.

Besides, on January 19, 2015, IDBD issued a prospectus for the Rights Offering pursuant to the irrevocable tender offer of DN B.V. granting on January 26, 2015 1 right (a "New Right") for each 25 shares of IDBD held. These new rights allow to subscribe on February 10, 2015 an amount of 45 common shares of IDBD at a price of NIS 68.04 (NIS 1.512 per share) and 20 Warrants Series 4, 19 Warrants Series 5 and 17 Warrants Series 6 to be issued by IDBD, with no charge. Each warrant to be issued by IDBD entitles to the acquisition of one common share of IDBD. Series 4 falls due on February 10, 2016 and will be exercisable at NIS 1.663 per warrant. Series 5 falls due on February 12, 2017 and will be exercisable at NIS 1.814 per warrant. Series 6 falls due on February 12, 2018 and will be exercisable at NIS 1.966 per warrant. The Rights Offering prospectus also provides that on February 5, 2015, rights received will be traded in the open market.

As a result of the Rights Offering described above, on January 26, 2015, DN B.V. received 3.7 million New Rights and DFL received 1,880 New Rights. Additionally, on February 5, 2015, DN B.V. acquired 2.05 million New Rights for a total amount of NIS 0.94 million (equal to US\$ 0.24 million on the purchase date), 50% of which were offered to ETH pursuant to the terms and conditions of the agreement entered into between the parties.

IRSA Inversiones y Representaciones Sociedad Anónima

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

On February 4, 2015, ETH forwarded a communication to IDBD expressing that, in view of the circumstances at the time of the letter; it would not exercise the New Rights that belongs to it pro rata, but making it clear that ETH reserved the right to change its decision.

As a result of the New Rights, the prices corresponding to committed tender offers mentioned in Note 9 have been adjusted accordingly to NIS 7.798 and NIS 8.188 per share for the 2015 and 2016 commitments, respectively, and the number of shares pledged by DN B.V. will be adjusted accordingly.

On the balance sheet date, DN B.V. had a total of 92,618,950 common shares, 16,170,392 warrants Series 2, 15,998,787 warrants Series 3 and 5,753,013 New Rights of IDBD, which represented an undiluted holding of 31.26% and a fully diluted holding of 32.38% of IDBD; however, such figures will be modified based on the outcome of the Rights Offering, on February 10, 2015. In addition, DFL held 47,000 shares and 1,880 New Rights of IDBD, which represented an undiluted interest of 0.02% and a fully diluted interest of 0.01%, subject to the same clarifications as DN B.V. as regards Rights Offering.

On the balance sheet date, the number of shares pledged to secure the tender offers amounted to 29,937,591. After exercising the Rights Offering scheduled for subscription on February 10, 2015, a total of 32,033,855 pledged shares will be maintained, and in compliance with the Rules of the Tel Aviv Stock Exchange, a total of 46,002,541 shares and 335,715 warrants of each one of Series 2 and 3 will be blocked.

As from December 31, 2014, the value per share of IDBD declined from NIS 1.97 per share to NIS 1.27 per share and the NIS/US\$ exchange rate went from 3.8987 NIS per Dollar to 3.899 NIS per Dollar, resulting in a reduction of the Group financial assets by US\$ 16.43 million (approximately Ps. 142.7 million) and an increase in the Group's liabilities associated to the tender offers committed of US\$ 5.1 million (approximately Ps. 43.9 million).

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REPORT ON THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the unaudited condensed interim consolidated financial statements attached of IRSA Inversiones y Representaciones Sociedad Anónima and its subsidiaries (hereinafter “the Company”) which included the unaudited condensed interim consolidated statements of financial position as of December 31, 2014, and the unaudited condensed interim consolidated statement of income and comprehensive income for the six and three-month periods ended December 31, 2014 and the unaudited condensed interim consolidated statement of changes in shareholders’ equity and unaudited condensed interim consolidated statement of cash flows for the six-month period ended December 31, 2014 and selected explanatory notes.

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

Management responsibility

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

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

Scope of our review

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

Conclusion

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

Report on compliance with current regulations

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

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

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

- d) at December 31, 2014, the debt of IRSA Inversiones y Representaciones Sociedad Anónima owed in favor of the Argentina Integrated Pension System which arises from accounting records and submissions amounted to Ps. 531,793 which was no callable at that date.

Autonomous City of Buenos Aires, February 9, 2015

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

Eduardo A. Loiácono

Public Accountant (UBA)

C.P.C.E.C.A.B.A. T° 326 F° 94

ABELOVICH, POLANO &
ASOCIADOS S.R.L.

(Partner)

C.P.C.E. C.A.B.A. T° 1 F° 30

José Daniel Abelovich

Public Accountant (U.B.A.)

C.P.C.E.C.A.B.A. T° 102 F° 191

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Financial Position
as of December 31, 2014 and June 30, 2014(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

| | Note | 12.31.2014 | 06.30.2014 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Investment properties | 6 | 416,881 | 736,865 |
| Property, plant and equipment | 7 | 2,673 | 8,164 |
| Trading properties | 8 | 10,703 | 8,387 |
| Intangible assets | 9 | 57,821 | 57,893 |
| Investments in subsidiaries, associates and joint ventures | 5 | 1,721,453 | 3,441,214 |
| Deferred income tax assets | 20 | - | 327,789 |
| Income tax and minimum presumed income tax credit | | 116,311 | 102,695 |
| Trade and other receivables | 12 | 2,540,230 | 400,860 |
| Investments in financial assets | 13 | 77 | 91 |
| Total Non-current Assets | | 4,866,149 | 5,083,958 |
| Current Assets | | | |
| Trading properties | 8 | 16 | 2,652 |
| Inventories | 10 | 576 | 584 |
| Trade and other receivables | 12 | 311,287 | 105,491 |
| Income tax and minimum presumed income tax ("MPIT") credit | | 1,696 | 14,657 |
| Investments in financial assets | 13 | 495,390 | 54,330 |
| Derivative financial instruments | | - | 650 |
| Cash and cash equivalents | 15 | 139,537 | 43,440 |
| Total Current Assets | | 948,502 | 221,804 |
| TOTAL ASSETS | | 5,814,651 | 5,305,762 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | | 573,771 | 573,771 |
| Treasury stock | | 4,905 | 4,905 |
| Inflation adjustment of share capital | | 123,329 | 123,329 |
| Share premium | | 793,123 | 793,123 |
| Cost of treasury stock | | (37,906) | (37,906) |
| Changes in non-controlling interest | | (4,594) | (21,808) |
| Reserve for share-based payments | | 55,305 | 53,235 |
| Legal reserve | | 116,840 | 116,840 |
| Special reserve | | 3,825 | 375,487 |
| Reserve for new developments | | - | 413,206 |
| Cumulative translation adjustment | | 246,829 | 398,931 |
| Retained earnings | | 5,291 | (784,869) |
| TOTAL SHAREHOLDERS' EQUITY | | 1,880,718 | 2,008,244 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |

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| | | | |
|---|----|------------------|------------------|
| Trade and other payables | 16 | 1,465 | 4,793 |
| Borrowings | 19 | 2,548,090 | 2,815,958 |
| Deferred income tax liabilities | 20 | 488,748 | - |
| Provisions | 18 | 221,066 | 4,196 |
| Total Non-Current Liabilities | | 3,259,369 | 2,824,947 |
| Current Liabilities | | | |
| Trade and other payables | 16 | 131,660 | 147,948 |
| Salaries and social security liabilities | 17 | 6,169 | 6,735 |
| Borrowings | 19 | 519,741 | 303,832 |
| Provisions | 18 | 16,994 | 14,056 |
| Total Current Liabilities | | 674,564 | 472,571 |
| TOTAL LIABILITIES | | 3,933,933 | 3,297,518 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 5,814,651 | 5,305,762 |

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

IRSA Inversiones y Representaciones
S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Income

for the six and three-month periods beginning on July 1st and October 1st, 2014 and 2013 and ended December 31, 2014 and 2013

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

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

| | Note | Six months | | Three months | |
|---|------|--------------|------------|--------------|------------|
| | | 12.31.2014 | 12.31.2013 | 12.31.2014 | 12.31.2013 |
| Revenues | 22 | 169,315 | 138,886 | 79,459 | 67,821 |
| Costs | 23 | (49,499) | (46,761) | (23,914) | (20,770) |
| Gross profit | | 119,816 | 92,125 | 55,545 | 47,051 |
| Gain from disposal of investment properties | 6 | 2,612,773 | 7,481 | 2,591,796 | 7,481 |
| General and administrative expenses | 24 | (42,790) | (39,130) | (22,452) | (24,501) |
| Selling expenses | 24 | (9,468) | (13,077) | (4,437) | (4,319) |
| Other operating results, net | 26 | (5,287) | (4,685) | (999) | (1,975) |
| Profit from operations | | 2,675,044 | 42,714 | 2,619,453 | 23,737 |
| Share of profit of subsidiaries, associates, and joint ventures | 5 | (1,531,801) | 257,780 | (1,614,955) | 130,012 |
| Profit from operations before financial results and income tax | | 1,143,243 | 300,494 | 1,004,498 | 153,749 |
| Finance income | 27 | 34,409 | 58,221 | 13,467 | 29,707 |
| Finance cost | 27 | (346,704) | (526,867) | (145,975) | (317,344) |
| Other financial results | 27 | (9,782) | (1,911) | (9,339) | (17,605) |
| Financial results, net | 27 | (322,077) | (470,557) | (141,847) | (305,242) |
| Profit / (Loss) before income tax | | 821,166 | (170,063) | 862,651 | (151,493) |
| Income tax | 20 | (816,652) | 148,385 | (861,395) | 97,433 |
| Profit / (Loss) for the period | | 4,514 | (21,678) | 1,256 | (54,060) |
| Profit / (Loss) per share for the period: | | | | | |
| Basic | | 0.008 | (0.038) | 0.002 | (0.097) |
| Diluted | | 0.008 | (0.038) | 0.002 | (0.097) |

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

IRSA Inversiones y Representaciones
S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Comprehensive Income

for the six and three-month periods beginning on July 1st and October 1st, 2014 and 2013 and ended December 31, 2014 and 2013

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

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

| | Six months | | Three months | |
|---|------------|------------|--------------|------------|
| | 12.31.2014 | 12.31.2013 | 12.31.2014 | 12.31.2013 |
| Profit / (Loss) for the period | 4,514 | (21,678) | 1,256 | (54,060) |
| Other Comprehensive Income: | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Currency translation adjustment of subsidiaries, associates, and joint ventures | (152,102) | 51,436 | (188,758) | 36,525 |
| Other comprehensive income for the period (i) | (152,102) | 51,436 | (188,758) | 36,525 |
| Total comprehensive income for the period | (147,588) | 29,758 | (187,502) | (17,535) |

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

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

IRSA Inversiones y Representaciones
S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Changes in Shareholders' Equity

for the six-month periods ended December 31, 2014 and 2013

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

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

| | Share capital | Treasury Stock | Inflation adjustment of Share Capital and Treasury Stock (2) | Share premium | Cost of treasury stock | Changes in non-controlling interest | Reserve for share-based compensation | Legal reserve | Special reserve (1) | Reserve for new developments | Cur tran adj |
|--|------------------|-------------------|---|------------------|------------------------------|--|---|------------------|---------------------------|------------------------------------|--------------------|
| Balance at June 30, 2014 | 573,771 | 4,905 | 123,329 | 793,123 | (37,906) | (21,808) | 53,235 | 116,840 | 375,487 | 413,206 | 39 |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | (1 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | (1 |
| Reserve for share-based compensation | - | - | - | - | - | - | 2,070 | - | - | - | - |
| Reimbursement of expired dividends | - | - | - | - | - | - | - | - | - | - | - |
| Appropriation of retained earnings approved by Shareholders' meeting held 11.14.14 | - | - | - | - | - | - | - | - | (371,662) | (413,206) | - |
| Acquisition of non-controlling interest | - | - | - | - | - | 17,214 | - | - | - | - | - |
| Balance at December 31, 2014 | 573,771 | 4,905 | 123,329 | 793,123 | (37,906) | (4,594) | 55,305 | 116,840 | 3,825 | - | 24 |

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

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

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

IRSA Inversiones y Representaciones
S.A.

By:

/s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Changes in Shareholders' Equity

for the six-month periods ended December 31, 2014 and 2013

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

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

| | Share capital | Treasury Stock | Inflation adjustment of Share Capital and Treasury Stock (2) | Share premium | Cost of treasury stock | Acquisition of interest in subsidiaries | Reserve for share-based compensation | Legal reserve | Special reserve (1) | Reserve for new developments | Cumulative translation adjustment |
|--|---------------|----------------|--|---------------|------------------------|---|--------------------------------------|---------------|---------------------|------------------------------|-----------------------------------|
| Balance at June 30, 2013 | 578,676 | - | 123,329 | 793,123 | - | (20,782) | 8,258 | 85,140 | 395,249 | 492,441 | 50,7 |
| Loss for the period | - | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | 51,4 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - | - | 51,4 |
| Appropriation of retained earnings approved by Shareholders' meeting held 10.31.13 | - | - | - | - | - | - | - | 31,700 | (19,762) | (22,610) | - |
| Distribution of dividends approved by Shareholders' meeting held 10.31.13 | - | - | - | - | - | - | - | - | - | - | - |
| Reserve for share-based compensation | - | - | - | - | - | - | 11,437 | - | - | - | - |
| Purchase of Treasury stock | (4,088..) | 4,088 | - | - | (29,627) | - | - | - | - | - | - |
| Reimbursement of expired | - | - | - | - | - | - | - | - | - | - | - |

dividends

| | | | | | | | | | | | |
|------------------------------------|---------|-------|---------|---------|----------|----------|--------|---------|---------|---------|-----|
| Balance at December 31, 2013 | 574,588 | 4,088 | 123,329 | 793,123 | (29,627) | (20,782) | 19,695 | 116,840 | 375,487 | 469,831 | 102 |
|------------------------------------|---------|-------|---------|---------|----------|----------|--------|---------|---------|---------|-----|

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

IRSA Inversiones y Representaciones
S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Separate Statements of Cash Flows

for the six-month periods ended December 31, 2014 and 2013

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

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

| | Note | 12.31.2014 | 12.31.2013 |
|--|------|------------|------------|
| Operating activities: | | | |
| Cash generated from the operations | 15 | 74,142 | 34,423 |
| Minimum presumed income tax paid | | - | (13,613) |
| Net cash generated by operating activities | | 74,142 | 20,810 |
| Investing activities: | | | |
| Capital contributions to subsidiaries, associates and joint ventures | 5 | (11,652) | (1,954) |
| Additions of investment properties | 6 | (166,168) | (1,856) |
| Proceeds from sale of property | 3 | 89,879 | - |
| Proceeds from sale of investment properties | 6 | 504,976 | 127,852 |
| Proceeds from sale of joint ventures | | - | 7,736 |
| Additions of property, plant and equipment | 7 | (620) | (388) |
| Additions of intangible assets | 9 | (27) | - |
| Additions of investments in financial assets | | (987,979) | (125,516) |
| Proceeds from sale of investments in financial assets | | 569,189 | 140,579 |
| Interest received from subsidiaries, associates and joint ventures | | - | 1,986 |
| Loans granted to subsidiaries, associates and joint ventures | | (1,858) | (141,198) |
| Proceeds from loans granted to subsidiaries, associates and joint ventures | | - | 7,267 |
| Share-holding increase in equity investees associates | | (4,751) | - |
| Dividends received | | 141,750 | 162,497 |
| Net cash generated by investing activities | | 132,739 | 177,005 |
| Financing activities: | | | |
| Bank overdrafts, net | | (4,169) | 55,098 |
| Proceeds from borrowings | | 110,000 | - |
| Payment of non-convertible notes | | - | (148,281) |
| Dividends paid | 21 | (48,179) | (19,810) |
| Interest paid | | (177,236) | (105,749) |
| Repurchase of treasury stock | | - | (29,627) |
| Acquisition of derivative financial instruments | | (764) | - |
| Payment of borrowings from subsidiaries, associates and joint ventures | | (1,442) | - |
| Proceeds from borrowings from subsidiaries, associates and joint ventures | | 10,689 | 31,075 |
| Payment of derivative financial instruments | | 29 | (1,164) |
| Net cash used in financing activities | | (111,072) | (218,458) |
| Net increase / (decrease) in cash and cash equivalents | | 95,809 | (20,643) |
| Cash and cash equivalents at the beginning of the year | 15 | 43,440 | 62,788 |
| Foreign exchange gain on cash and cash equivalents | | 288 | 6,848 |
| Cash and cash equivalents at end of period | | 139,537 | 48,993 |

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

IRSA Inversiones y Representaciones
S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate Financial Statements

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

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

1. General information and company's business

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

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

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

These Unaudited Condensed Interim Separate Financial Statements have been approved for issue by the Board of Directors on February 9, 2015.

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

2.1. Basis of preparation

The Unaudited Condensed Interim Financial Statements have been prepared in accordance with the Technical Resolution No. 26 of the Argentine Federation of Professional Councils of Economic Science ("FACPCE", as per its Spanish acronym) and with IAS 34 "Interim Financial Reporting". Furthermore, some additional issues were included as required by the Business Companies Act and/or regulations of the CNV, including supplementary information provided in the last paragraph of section 1, Chapter III, Title IV of General Ruling 622/13 of the CNV. Such information is included in the Notes to these Unaudited Condensed Interim Separate Financial Statements according to IFRS.

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

These Unaudited Condensed Interim Separate Financial Statements corresponding to the six and three-month periods ended December 31, 2014 and 2013 have not been audited. The Company's Management believes they include all necessary adjustments to fairly present the results of each period. The Company's six and three-month periods ended December 31, 2014 and 2013 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 the 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, 2014, and are based on those IFRS in force as of June 30, 2014 (except for the accounting of investments in subsidiaries, associates and joint ventures, which are accounted for under the equity method as required in RT 26). In addition, the most significant accounting policies are described in the Annual Separate Financial Statements.

2.3. Use of estimates

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

In the preparation of these Unaudited Condensed Interim Separate Financial Statements, the main significant judgments made by Management in applying the Company's accounting policies and the major sources of uncertainty were the same that the Company used in the preparation of financial statements as of and for the fiscal year ended June 30, 2013, save for changes in accrued income tax, provision for legal claims, allowance for bad debts and accrued supplementary rental.

2.4. Comparative Information

Balance items as of December 31, 2013 and June 30, 2014 shown in these financial statements for comparative purposes arise from financial statements then ended. Certain reclassifications have been made in order to present figures comparatively with those of this period.

IRSA Inversiones y Representaciones Sociedad Anónima

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

On December 22, 2014, the Company executed several deeds with IRSA Propiedades Comerciales S.A. (“IRSA Propiedades Comerciales”, as formerly company due to a change of corporate name of Alto Palermo S.A. (APSA)) whereby it conveyed title to properties identified as Bouchard 710, Suipacha 652, Torre BankBoston, Edificio República, Edificios Intercontinental Plaza and the land next to Intercontinental Plaza, for a total agreed price of US\$ 308 million, US\$ 61.6 million of which were paid as follows: i) US\$ 10.5 million in cash, ii) US\$ 1 million in corporate notes Class I maturing in 2017 issued by IRSA, for a nominal value of 1,000,000, iii) US\$ 14.7 million by netting off a receivable owed by IRSA Propiedades Comerciales to IRSA, iv) US\$ 4.1 million in corporate notes Class II maturing in 2020, issued by IRSA for a nominal value of 3,482,000, v) US\$ 21.3 million through an assignment of receivables due to IRSA Propiedades Comerciales by TYRUS; and the balance of US\$ 246.4 million – that shall accrue interest at a nominal rate of 8.5% per annum shall be payable semiannually, starting on January 12, 2015; it shall be paid up according to the following schedule: i) US\$ 150 million on January 23, 2017 and ii) US\$ 96.4 million due on July 6, 2020, plus accrued interest as of those dates. Related expenses amounted to Ps. 51.8 million and are disclosed net of the gain/loss on the sale of investment properties.

See other acquisitions and disposals made by the Company for the six-month period ended December 31, 2014 in Note 4 to the Unaudited Condensed Interim Consolidated Financial Statements.

4. Financial risk management and fair value estimates

4.1 Financial risks

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

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

4.2 Fair value estimates

Since June 30, 2014 there have been no significant changes in business or economic circumstances affecting the fair value of the Company's financial assets or liabilities (either measured at fair value or amortized cost) (see Note 5 to the Unaudited Condensed Interim Consolidated Financial Statements) nor any transfers between the different hierarchies used to assess the fair value of the Company's financial instruments.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)
 (All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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5. Information about principal subsidiaries, associates and joint ventures

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

Set out below is the summarized financial information for investments in subsidiaries, associates and joint ventures for the six-month period ended December 31, 2014 and for the year ended June 30, 2014:

Subsidiaries, Associates and Joint ventures

| | December 31, 2014 | June 30, 2014 |
|---|-------------------------|------------------|
| Beginning of the period /year | 3,441,214 | 3,570,642 |
| Capital contribution | 11,055 | 201,276 |
| Share of loss (iv) | (1,531,801) | (260,724) |
| Translation adjustment | (152,102) | 348,155 |
| Cash dividends (i) | (166,848) | (413,615) |
| Reimbursement of expired dividends | 779 | 1,618 |
| Capital reduction (ii) | (123,074) | - |
| Acquisition of non-controlling interest | 21,965 | 182 |
| Reserve for share-based payments | - | (6,320) |
| End of the period / year (iii) (iv) | 1,501,188 | 3,441,214 |

(i) During the period ended December 31, 2014, IRSA Propiedades Comerciales, Cyrsa S.A., Inversora Bolivar S.A. and E-commerce Latina S.A., distributed dividends for an amount of Ps. 132.7 million, Ps. 31.0 million, Ps. 1.7 million, and Ps. 1.4 million, respectively. During the year ended June 30, 2014, BHSA, Palermo Invest S.A., Inversora Bolivar S.A., IRSA Propiedades Comerciales, E-Commerce Latina S.A. and Manibil S.A., distributed dividends for an amount of Ps. 1.5 million, Ps. 6.3 million, Ps. 7.7 million, Ps. 389.5 million, Ps. 7.7 million and Ps. 0.8 million, respectively.

(ii) During the period ended December 31, 2014, Cyrsa S.A. and Nuevas Fronteras S.A. made a capital reduction to the Company in the amount of Ps. 110.9 and Ps. 12.2, respectively.

(iii) Includes a balance of Ps. (220,265) reflecting interests in companies with negative equity as of December 31, 2014 which is disclosed in "Provisions" (see Note 18).

(iv) As of December 31, 2014, the equity method was applied on provisional figures because as of this balance sheet date, the financial statements of BHSA and BACS, were yet to be issued and approved.

IRSA Inversiones y Representaciones Sociedad Anónima

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

Changes in Company's investment properties for the six-month period ended December 31, 2014 and for the year ended June 30, 2014 were as follows:

| | Office buildings and other rental properties portfolio | Undeveloped parcel of lands | Total |
|--|---|-----------------------------------|------------|
| At July 1st, 2013: | | | |
| Costs | 849,280 | 117,556 | 966,836 |
| Accumulated depreciation | (162,048) | - | (162,048) |
| Residual value | 687,232 | 117,556 | 804,788 |
| Year ended June 30, 2014: | | | |
| Additions | 3,216 | 343 | 3,559 |
| Disposals | (46,977) | - | (46,977) |
| Transfers | 251 | 1,550 | 1,801 |
| Depreciation charge (i) | (26,306) | - | (26,306) |
| Residual value at year end | 617,416 | 119,449 | 736,865 |
| At June 30, 2014: | | | |
| Costs | 802,835 | 119,449 | 922,284 |
| Accumulated depreciation | (185,419) | - | (185,419) |
| Residual value | 617,416 | 119,449 | 736,865 |
| Period ended December 31, 2014: | | | |
| Transfers to property, plant and equipment | (184) | - | (184) |
| Additions | 1,334 | 214,594 | 215,928 |
| Disposals | (523,181) | (1,564) | (524,745) |
| Depreciation charge (i) | (10,983) | - | (10,983) |
| Residual value at period end | 84,402 | 332,479 | 416,881 |
| At December 31, 2014: | | | |
| Costs | 234,352 | 332,479 | 566,831 |
| Accumulated depreciation | (149,950) | - | (149,950) |
| Residual value | 84,402 | 332,479 | 416,881 |

(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:

| December 31, | December 31, |
|-----------------|-----------------|
|-----------------|-----------------|

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| | 2014 | 2013 |
|---|-----------|-----------|
| Rental and service income | 167,187 | 132,191 |
| Direct operating expenses | (47,028) | (44,001) |
| Development expenses | (1,277) | (403) |
| Gain from disposal of investment properties | 2,612,773 | 7,481 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

The following is a detailed summary of the investment properties of the Company by type as of December 31, 2014 and June 30, 2014.

| Name | Net book amount | |
|--|-------------------|---------------|
| | December 31, 2014 | June 30, 2014 |
| Office building and other rental properties portfolio: | | |
| Bouchard 551 | 7,826 | 60,893 |
| Bouchard 710 | - | 61,354 |
| Dique IV | 53,469 | 55,100 |
| Intercontinental Plaza | - | 60,332 |
| Libertador 498 | 4,021 | 3,257 |
| Madero 1020 | 124 | 134 |
| Maipú 1300 | 17,933 | 23,990 |
| Rivadavia 2768 | 329 | 364 |
| Suipacha 652 | - | 8,432 |
| Torre BankBoston | - | 142,085 |
| República building | - | 200,749 |
| Constitución 1111 | 700 | 726 |
| Total Office and Other rental properties portfolio | 84,402 | 617,416 |
| Undeveloped parcels of lands: | | |
| Catalinas Norte | 109,496 | 109,496 |
| La Adela | 214,598 | - |
| Pilar | 1,550 | 1,550 |
| Others | 6,835 | 8,403 |
| Total of undeveloped land | 332,479 | 119,449 |
| Total | 416,881 | 736,865 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

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

| | Buildings and facilities | Furniture and fixtures | Machinery and equipment | Vehicles | Total |
|------------------------------------|-----------------------------|---------------------------|-------------------------------|----------|-----------|
| At July 1st, 2013: | | | | | |
| Costs | 19,256 | 3,110 | 11,709 | 221 | 34,296 |
| Accumulated depreciation | (12,013) | (2,668) | (10,713) | (221) | (25,615) |
| Residual value | 7,243 | 442 | 996 | - | 8,681 |
| Year ended June 30, 2014: | | | | | |
| Additions | 108 | 14 | 545 | - | 667 |
| Depreciation charge (i) | (598) | (63) | (523) | - | (1,184) |
| Residual value at year end | 6,753 | 393 | 1,018 | - | 8,164 |
| At June 30, 2014: | | | | | |
| Costs | 19,364 | 3,124 | 12,254 | 221 | 34,963 |
| Accumulated depreciation | (12,611) | (2,731) | (11,236) | (221) | (26,799) |
| Residual value | 6,753 | 393 | 1,018 | - | 8,164 |
| Period ended December 31, 2014: | | | | | |
| Additions | 55 | 52 | 513 | - | 620 |
| Disposals | (5,602) | (10) | (349) | - | (5,961) |
| Transfers of investment properties | 86 | - | 98 | - | 184 |
| Depreciation charge (i) | (7) | (34) | (293) | - | (334) |
| Residual value at period end | 1,285 | 401 | 987 | - | 2,673 |
| At December 31, 2014: | | | | | |
| Costs | 13,903 | 3,166 | 12,516 | 221 | 29,806 |
| Accumulated depreciation | (12,618) | (2,765) | (11,529) | (221) | (27,133) |
| Residual value | 1,285 | 401 | 987 | - | 2,673 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

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

| | Completed properties | Properties under development | Under developed sites | Total |
|----------------------|-------------------------|------------------------------------|-----------------------------|----------|
| At July 1st, 2013 | 4,708 | 8,200 | 1,550 | 14,458 |
| Disposals (i) | (1,618) | - | - | (1,618) |
| Transfers | (251) | - | (1,550) | (1,801) |
| At June 30, 2014 | 2,839 | 8,200 | - | 11,039 |
| Disposals (i) | (320) | - | - | (320) |
| At December 31, 2014 | 2,519 | 8,200 | - | 10,719 |

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

The following is a detailed summary of the properties for sale of the Company by type as of December 31, 2014 and June 30, 2014:

| Description | Book Values | |
|-----------------------------|-------------------------|------------------|
| | December 31, 2014 | June 30, 2014 |
| Under developed sites: | | |
| Pereiraola | 8,200 | 8,200 |
| Total under developed sites | 8,200 | 8,200 |
| Completed properties: | | |
| Abril | 2,357 | 2,357 |
| El Encuentro | - | 79 |
| San Martín de Tours | 124 | 124 |
| Caballito Nuevo | 38 | 279 |
| Total completed properties | 2,519 | 2,839 |
| Total | 10,719 | 11,039 |

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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9. Intangible assets

Changes in Company's intangible assets for the six-month period ended December 31, 2014 and for the year ended June 30, 2014 were as follows:

| | Goodwill | Computer Software | Units to be received from barter (ii) | Total |
|--|----------|-------------------|---------------------------------------|----------|
| At July 1st, 2013: | | | | |
| Costs | 5,481 | 1,825 | 52,205 | 59,511 |
| Accumulated depreciation | - | (1,368) | - | (1,368) |
| Residual value | 5,481 | 457 | 52,205 | 58,143 |
| Year ended June 30, 2014: | | | | |
| Additions | - | 17 | - | 17 |
| Disposals | - | (46) | - | (46) |
| Amortization charges (i) | - | (221) | - | (221) |
| Residual value at year end | 5,481 | 207 | 52,205 | 57,893 |
| At June 30, 2014: | | | | |
| Costs | 5,481 | 1,775 | 52,205 | 59,461 |
| Accumulated depreciation | - | (1,568) | - | (1,568) |
| Residual value | 5,481 | 207 | 52,205 | 57,893 |
| Period ended December 31, 2014: | | | | |
| Additions | - | 27 | - | 27 |
| Amortization charges (i) | - | (99) | - | (99) |
| Residual value at period end | 5,481 | 135 | 52,205 | 57,821 |
| At December 31, 2014: | | | | |
| Costs | 5,481 | 1,802 | 52,205 | 59,488 |
| Accumulated depreciation | - | (1,667) | - | (1,667) |
| Residual value | 5,481 | 135 | 52,205 | 57,821 |

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

(ii) As of December 31, 2014 and June 30, 2014 receivables in kind representing the right to receive residential apartments in the future by way of barter agreements, are included in properties under development for an amount of Ps. 52.2 million (see Note 38 to the annual consolidated financial statements as of June 30, 2014).

10. Inventories

Company's inventories as of December 31, 2014 and June 30, 2014 are as follows:

| December 31, | June 30, 2014 |
|--------------|---------------|
|--------------|---------------|

| | 2014 | |
|-------------------------------------|------|-----|
| Current | | |
| Materials and other inventories (i) | 576 | 584 |
| Total inventories | 576 | 584 |

(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 the publication in Argentina

11. Financial instruments by category

Determination of fair values

See determination of fair value in Note 15 to the Unaudited Condensed Interim Consolidated Financial Statements.

The following tables presents the financial assets and financial liabilities of the Company that are measured at fair value as of December 31, 2014 and June 30, 2014 and their allocation to the fair value hierarchy:

| | December 31, 2014 | | | Total |
|--|-------------------|----------|----------|----------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities in TGLT | 77 | - | - | 77 |
| - Mutual funds | 34,571 | - | - | 34,571 |
| - Non-Convertible Notes (Note 29) | 82,469 | - | - | 82,469 |
| - Governments Bonds | 378,350 | - | - | 378,350 |
| Derivative financial instruments: | | | | |
| - Interest rate swaps | - | - | - | - |
| Cash and cash equivalents: | | | | |
| - Mutual funds | 105 | - | - | 105 |
| Total assets | 495,572 | - | - | 495,572 |

| | June 30, 2014 | | | Total |
|--|---------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | |
| Assets | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Investment in equity securities in TGLT | 91 | - | - | 91 |
| - Mutual funds | 51,282 | - | - | 51,282 |
| - Governments Bonds | 3,048 | - | - | 3,048 |
| Derivative financial instruments: | | | | |

| | | | | |
|----------------------------|--------|-----|---|--------|
| - Interest rate swaps | - | 650 | - | 650 |
| Cash and cash equivalents: | | | | |
| - Mutual funds | 100 | - | - | 100 |
| Total assets | 54,521 | 650 | - | 55,171 |

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

11. Financial instruments by category (Continued)

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

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

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

12. Trade and other receivables

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

| | December 31, 2014 | June 30, 2014 |
|---|-------------------------|------------------|
| Non-current | | |
| Sale, leases and services receivable | 516 | 788 |
| Non-current trade accounts receivables | 516 | 788 |
| Trade accounts receivables of joint venture | 3,380 | 3,213 |
| Others | 343 | 210 |
| Non-current other receivables | 3,723 | 3,423 |
| Related parties (Note 29) | 2,535,991 | 396,649 |
| Total non-current trade and other receivables | 2,540,230 | 400,860 |
| Current | | |
| Sale, leases and services receivable | 20,896 | 15,484 |
| Checks to be deposited | 28 | 129 |
| Overdue debtors and debtors under legal proceedings | 6,951 | 6,672 |
| Less: Allowance for trade accounts receivables | (8,222) | (8,114) |
| Trade accounts receivables | 19,653 | 14,171 |
| Gross sales tax credit | 380 | 5,818 |
| Other tax receivables | 6,234 | 1,440 |
| Prepaid expenses | 2,323 | 5,089 |
| Expenses and services to recover | 6,709 | 5,084 |
| Advance payments | 3,309 | 3,670 |
| Others | 1,480 | 1,422 |
| Current other receivables | 20,435 | 22,523 |

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| | | |
|-------------------------------------|-----------|---------|
| Related parties (Note 29) | 271,199 | 68,797 |
| Current trade and other receivables | 311,287 | 105,491 |
| Total trade and other receivables | 2,851,517 | 506,351 |

17

IRSA Inversiones y Representaciones Sociedad Anónima

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

12. Trade and other receivables (Continued)

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

| | December 31, 2014 | June 30, 2014 |
|--------------------------------|-------------------------|------------------|
| Beginning of the period / year | 8,114 | 5,382 |
| Charges for the period / year | 422 | 7,252 |
| Unused amounts reversed | (314) | (2,009) |
| Used during the period / year | - | (2,511) |
| End of the period / year | 8,222 | 8,114 |

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

13. Investments in financial assets

Company's investments in financial assets as of December 31, 2014 and June 30, 2014 are as follows:

| | December 31, 2014 | June 30, 2014 |
|---|-------------------------|------------------|
| Non-current | | |
| Financial assets at fair value | | |
| Investment in equity securities in TGLT | 77 | 91 |
| Total Non-current investments in financial assets | 77 | 91 |
| Current | | |
| Financial assets at fair value | | |
| Mutual funds | 34,571 | 51,282 |
| Non-Convertible Notes (Note 29) | 82,469 | - |
| Government bonds | 378,350 | 3,048 |
| Total Current investments in financial assets | 495,390 | 54,330 |
| Total investments in financial assets | 495,467 | 54,421 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

14. Derivative financial instruments

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

| | December 31, 2014 | June 30, 2014 |
|-------------------------|-------------------------|------------------|
| Assets | | |
| Current | | |
| Interest rate swaps (i) | - | 650 |
| Total assets | - | 650 |

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

15. Cash flow information

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

| | December 31, 2014 | June 30, 2014 |
|---------------------------------|-------------------------|------------------|
| Cash at bank and on hand | 139,432 | 43,340 |
| Mutual funds | 105 | 100 |
| Total cash and cash equivalents | 139,537 | 43,440 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

15. Cash flow information (Continued)

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

| | Note | December 31, 2014 | December 31, 2013 |
|---|--------|-------------------------|-------------------------|
| Income / (Loss) for the period | | 4,514 | (21,678) |
| Adjustments for: | | | |
| Income tax | 20 | 816,652 | (148,385) |
| Depreciation and amortization | 24 | 11,416 | 14,059 |
| Gain from disposal of investment properties | 6 | (449,061) | (7,481) |
| Gain from disposal of properties | 3 | (2,163,712) | - |
| Retirement of obsolete property, plant and equipment | 7 | 359 | - |
| Loss from repurchase of Non-Convertible Notes | | 3,588 | - |
| Share-based payments | 25, 28 | 7,719 | 2,612 |
| Changes in fair value of investments in financial assets | 27 | 4,809 | 2,584 |
| Gain from derivative financial instruments | | 1,385 | (673) |
| Interest expense, net | | 186,813 | 123,605 |
| Provisions and allowances | | 11,335 | 17,893 |
| Share of (profit) from of subsidiaries, associates and joint ventures | | 1,531,801 | (257,780) |
| Unrealized foreign exchange loss, net | | 111,983 | 342,103 |
| Decrease / (Increase) in inventories | | 8 | (62) |
| Decrease in trading properties | | 320 | 1,297 |
| (Increase) / Decrease in trade and other receivables | | (13,597) | 777 |
| Increase / (Decrease) in trade and other payables | | 12,984 | (31,675) |
| Decrease in salaries and social security liabilities | | (566) | (2,046) |
| Decrease in provisions | | (4,608) | (727) |
| Net cash generated by operating activities | | 74,142 | 34,423 |

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| Additional information | | 12.31.2014 | 12.31.2013 |
|--|---|--------------|------------|
| Increase in investments in financial assets through an increase in borrowings | | 7,258 | - |
| Decrease in investments in financial assets through an increase in trade and other receivables | | 3,383 | - |
| Decrease in investment properties through an increase in property, plant and equipment | | 184 | - |
| Acquisition of non-controlling interest | | 17,214 | - |
| Reimbursement of expired dividends | 5 | 779 | 750 |
| Dividends payable | | - | 70,017 |
| Reserve for share-based compensation | 5 | 5,649 | 8,825 |
| Cumulative translation adjustment | | 152,102 | 51,436 |
| Decrease in borrowings through a decrease in equity investments in subsidiaries, associates and joint ventures | | 148,769 | 14,520 |
| Increase in investment properties through a decrease in financial assets | | 48,196 | - |
| Increase in borrowings through a decrease in dividends payable | | - | 160,173 |
| Increase in trade and other receivables through a decrease in investments in financial assets | | - | 36,091 |
| Increase in trade and other receivables through a decrease in borrowings | | - | 15,599 |
| | | | |
| Sale of properties to IRSA Propiedades Comerciales | | 12.31.2014 | 12.31.2013 |
| Gain from disposal to IRSA Propiedades comerciales | | 2,163,712 | - |
| Property, plant and equipment | | 418 | - |
| Investment properties | | 472,451 | - |
| Value of disposal assets | | 472,869 | - |
| Gain from disposal to IRSA Propiedades comerciales | | 2,636,581 | - |
| Trade and other receivables | | (2,291,841) | - |
| Investment in financial assets investment in financial assets | | (85,512) | - |
| Borrowings | | (169,349) | - |
| Total consideration paid not affecting funds | | (2,546,702) | - |
| Cash and cash equivalents | | 89,879 | - |

IRSA Inversiones y Representaciones Sociedad Anónima

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

16. Trade and other liabilities

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

| | December 31, 2014 | June 30, 2014 |
|--|-------------------------|------------------|
| Non-current | | |
| Sales rent and services payments received in advance | 1,218 | 227 |
| Tenant deposits | 225 | 4,544 |
| Total Non-current trade payables | 1,443 | 4,771 |
| Related parties (Note 29) | 22 | 22 |
| Total Non-current trade and other payables | 1,465 | 4,793 |
| Current | | |
| Trade payables | 51,064 | 5,151 |
| Accrued invoices to be received | 6,766 | 9,159 |
| Sales rent and services payments received in advance | 9,437 | 35,925 |
| Tenant deposits | 1,181 | 8,128 |
| Total current trade payables | 68,448 | 58,363 |
| VAT payables | - | 3,619 |
| Dividends payable to non-controlling shareholders | 9,175 | 19,655 |
| Other tax payables | 2,582 | 2,874 |
| Others | 4,539 | 2,098 |
| Total Current other payables | 16,296 | 28,246 |
| Related parties (Note 29) | 46,916 | 61,339 |
| Total Current trade and other payables | 131,660 | 147,948 |
| Total trade and other payables | 133,125 | 152,741 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

17. Payroll and social security liabilities

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

| | December 31, 2014 | June 30, 2014 |
|---|-------------------------|------------------|
| Current | | |
| Provision for vacation and bonuses | 2,937 | 3,842 |
| Social security payable | 820 | 768 |
| Other employee expenses and benefits | 2,412 | 2,125 |
| Total salaries and social security liabilities | 6,169 | 6,735 |

18. Provisions

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

| | Labor, legal and other claims | Investments in Subsidiaries (*) |
|-----------------------------|--|---|
| At June 30, 2014 | 18,252 | - |
| Additions | 4,151 | 220,265 |
| Decreases | (2,898) | - |
| Used during the period | (1,710) | - |
| At December 31, 2014 | 17,795 | 220,265 |

(*) Correspond to investment in Tyrus S.A., with negative equity as of December 31, 2014.

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

| | December 31, 2014 | June 30, 2014 |
|--------------------|-------------------------|------------------|
| Non-current | 221,066 | 4,196 |
| Current | 16,994 | 14,056 |
| | 238,060 | 18,252 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

19. Borrowings

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

| | Secured/ unsecured | Currency | Fixed Rate/ floating | Effective interest rate % | Nominal value of share capital | Book value | |
|---|-----------------------|----------|-------------------------|---------------------------------|---|----------------------|------------------|
| | | | | | | December 31, 2014 | June 30, 2014 |
| Non-current | | | | | | | |
| IRSA NCN due 2017 (Note 29) | Unsecured | US\$ | Fixed | 8.50 % | 149,000 | 1,273,079 | 1,218,492 |
| IRSA NCN due 2020 | Unsecured | US\$ | Fixed | 11.50 % | 146,518 | 1,230,510 | 1,196,902 |
| IRSA NCN due 2017 | Unsecured | Ps. | Floating | Badlar + 450 ps | 10,790 | 10,736 | 10,734 |
| IRSA NCN due 2015 Related parties (Note 29) | Unsecured | Ps. | Floating | Badlar + 395 ps | - | - | 209,297 |
| Finance lease obligations | Unsecured | Ps. | Floating | Badlar | 33,311 | 33,733 | 180,412 |
| IRSA NCN due 2017 | Secured | US\$ | Fixed | 7.50 % | 34 | 32 | 121 |
| Total non-current borrowings | | | | | | 2,548,090 | 2,815,958 |
| Current | | | | | | | |
| IRSA NCN due 2017 (Note 29) | Unsecured | US\$ | Fixed | 8.50 % | 149,000 | 43,648 | 41,756 |
| IRSA NCN due 2020 | Unsecured | US\$ | Fixed | 11.50 % | 146,518 | 63,353 | 61,649 |
| IRSA NCN due 2017 | Unsecured | Ps. | Floating | Badlar + 450 ps | 10,790 | 218 | 255 |
| IRSA NCN due 2015 | Unsecured | Ps. | Floating | Badlar + 395 ps | 209,398 | 213,212 | 4,325 |
| Bank overdrafts | Unsecured | Ps. | Floating | - | - | 25 | 6,133 |
| Finance lease obligations | Secured | US\$ | Fixed | 7.50 % | 221 | 215 | 235 |
| Short-term loans | Unsecured | Ps. | Fixed | 28.25 % | 110,000 | 110,596 | - |
| Related parties (Note 29) | Unsecured | US\$ | Fixed | 3.60 % | - | - | 117,384 |
| Related parties (Note 29) | Unsecured | US\$ | Floating | Libor 3 m + 200 ps | 68,511 | 69,547 | 66,140 |
| Related parties (Note 29) | Unsecured | Ps. | Floating | Badlar | 33,742 | 18,927 | 5,955 |
| Total Current borrowings | | | | | | 519,741 | 303,832 |

| | | |
|----------------------------|-----------|-----------|
| Total borrowings | 3,067,831 | 3,119,790 |
| 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 the publication in Argentina

20. Current and deferred income tax

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

| | December 31, 2014 | December 31, 2013 |
|------------------------------------|-------------------------|-------------------------|
| Current income tax | 236,210 | - |
| Deferred income tax | 580,327 | 148,385 |
| Minimum Presumed Income tax (MPIT) | 115 | - |
| Income tax | 816,652 | 148,385 |

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

| | December 31, 2014 | June 30, 2014 |
|--------------------------------|-------------------------|------------------|
| Beginning of the period / year | 327,789 | 47,144 |
| Use of tax loss carryforwards | (236,210) | - |
| Income tax | (580,327) | 280,645 |
| End of period / year | (488,748) | 327,789 |

Below is a reconciliation between income tax expense and the amount that would arise using the income tax rate applicable to Profit Before Income Tax for the six-month periods ended December 31, 2014 and 2013:

| | December 31, 2014 | December 31, 2013 |
|--|-------------------------|-------------------------|
| Net income at tax rate | 287,408 | (59,522) |
| Permanent differences: | | |
| Share of profit / (loss) from of subsidiaries, associates and joint ventures | 536,130 | (90,223) |
| Non-deductible items | 209 | 128 |
| Others | (7,095) | 1,232 |
| Income tax expense | 816,652 | (148,385) |

IRSA Inversiones y Representaciones Sociedad Anónima

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

21. Shareholders' Equity

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

22. Revenues

| | December 31, 2014 | December 31, 2013 |
|--|-------------------------|-------------------------|
| Rental and scheduled rent increases | 129,061 | 101,764 |
| Expenses | 34,290 | 27,993 |
| Property management fee | 2,647 | 2,071 |
| Others | 1,189 | 363 |
| Rental and service income | 167,187 | 132,191 |
| Income from sale of trading properties | 2,128 | 6,695 |
| Total revenues | 169,315 | 138,886 |

23. Costs

| | December 31, 2014 | December 31, 2013 |
|-----------------------------------|-------------------------|-------------------------|
| Leases and services costs | 47,028 | 44,001 |
| Cost of sales and development | 2,471 | 2,760 |
| Total cost of property operations | 49,499 | 46,761 |
| Total costs | 49,499 | 46,761 |

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 the publication in Argentina

24. Expenses by nature (Continued)

For the period ended December 31, 2014:

| | Costs | | | | Total |
|--|-----------------------------|------------------------------|-------------------------------------|------------------|---------|
| | Cost of rental and services | Cost of sale and development | General and administrative expenses | Selling expenses | |
| Salaries, social security costs and other personnel expenses | 7,981 | 427 | 24,013 | 3,983 | 36,404 |
| Maintenance, security, cleaning, repairs and others | 18,544 | 533 | 1,935 | 127 | 21,139 |
| Depreciation and amortization | 11,034 | - | 334 | 48 | 11,416 |
| Taxes, rates and contributions | 6,544 | 886 | 66 | 3,385 | 10,881 |
| Director's fees | - | - | 7,076 | - | 7,076 |
| Fees and payments for services | 1,444 | 25 | 4,354 | 862 | 6,685 |
| Other expenses | 487 | 72 | 3,747 | 140 | 4,446 |
| Leases and service charges | 994 | 208 | 1,265 | 50 | 2,517 |
| Advertising and others selling expenses | - | - | - | 765 | 765 |
| Cost of sale of trading properties | - | 320 | - | - | 320 |
| Allowances for trade and other receivables | - | - | - | 108 | 108 |
| Total expenses by nature | 47,028 | 2,471 | 42,790 | 9,468 | 101,757 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

24. Expenses by nature (Continued)

For the period ended December 31, 2013:

| | Costs | | | | Total |
|--|-----------------------------|------------------------------|-------------------------------------|------------------|--------|
| | Cost of rental and services | Cost of sale and development | General and administrative expenses | Selling expenses | |
| Salaries, social security costs and other personnel expenses | 6,586 | 77 | 17,708 | 4,183 | 28,554 |
| Maintenance, security, cleaning, repairs and others | 16,948 | 128 | 250 | 26 | 17,352 |
| Depreciation and amortization | 13,520 | 2 | 482 | 55 | 14,059 |
| Taxes, rates and contributions | 3,284 | 969 | 57 | 3,590 | 7,900 |
| Director's fees | - | - | 12,399 | - | 12,399 |
| Fees and payments for services | 1,526 | 28 | 3,691 | 540 | 5,785 |
| Other expenses | 671 | 23 | 4,062 | 571 | 5,327 |
| Leases and service charges | 1,466 | 236 | 481 | - | 2,183 |
| Advertising and others selling expenses | - | - | - | 1,135 | 1,135 |
| Cost of sale of trading properties | - | 1,297 | - | - | 1,297 |
| Allowances for trade and other receivables | - | - | - | 2,977 | 2,977 |
| Total expenses by nature | 44,001 | 2,760 | 39,130 | 13,077 | 98,968 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

| | | | |
|-----|---|------------|------------|
| 25. | Employee costs | | |
| | | December | December |
| | | 31, | 31, |
| | | 2014 | 2013 |
| | Salaries, bonuses and social security costs | 30,831 | 23,795 |
| | Share-based payments | 2,891 | 2,612 |
| | Pension costs - defined contribution plan | 695 | 407 |
| | Other expenses and benefits | 1,987 | 1,740 |
| | Total employee costs | 36,404 | 28,554 |
| 26. | Other operating results, net | | |
| | | December | December |
| | | 31, | 31, |
| | | 2014 | 2013 |
| | Personal assets tax | (850) | (1,718) |
| | Donations | (596) | (367) |
| | Lawsuits and other contingencies (1) | (1,511) | (2,747) |
| | Project analysis and assessment | (2,972) | (253) |
| | Others | 642 | 400 |
| | Total other operating results, net | (5,287) | (4,685) |
| | | | |
| | | | |
| | (1) Includes judicial costs and expenses. | | |
| 27. | Financial results, net | | |
| | | December | December |
| | | 31, | 31, |
| | | 2014 | 2013 |
| | Finance income: | | |
| | - Interest income | 12,718 | 8,621 |
| | - Foreign exchange gains | 21,691 | 49,600 |
| | Total finance income | 34,409 | 58,221 |
| | Finance costs: | | |
| | - Interest expense | (199,531) | (132,226) |
| | - Foreign exchange losses | (135,393) | (388,097) |
| | - Other finance costs | (11,780) | (6,544) |

| | | |
|---|------------|------------|
| Total finance costs | (346,704) | (526,867) |
| Other financial results: | | |
| - Fair value loss in financial assets | (4,809) | (2,584) |
| - (Loss) / gain on derivative financial instruments | (1,385) | 673 |
| - Loss on repurchase of NCN | (3,588) | - |
| Total other financial results | (9,782) | (1,911) |
| Total financial results, net | (322,077) | (470,557) |

28. Share-based payments

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

29. Related party transactions

The following is a summary of the balances with related parties as of December 31, 2014:

| Related party | Description of Transaction | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current | Investments Current |
|-----------------------------------|------------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|---------------------|
| Parent Company | | | | | | | | |
| | Sale of good and/or services | 216 | - | - | - | - | - | - |
| | Management fees | - | - | (63) | - | - | - | - |
| | Leases and/or rights of use | 687 | - | - | - | - | - | - |
| | Corporate services | - | - | (9,365) | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | (1,879) | (36,769) | - |
| | Reimbursement of expenses | - | - | (2,628) | - | - | - | - |
| CRESUD S.A.C.I.F. y A. | Long-term incentive program | - | - | (5,467) | - | - | - | - |
| Total Parent company | | 903 | - | (17,523) | - | (1,879) | (36,769) | - |
| Subsidiaries | | | | | | | | |
| E Commerce Latina S.A. | Reimbursement of expenses | 1 | - | - | - | - | - | - |
| | Borrowings | - | - | - | - | (5,657) | - | - |
| | Reimbursement of expenses | - | - | (20,589) | - | - | - | - |
| | Leases and/or rights of use | - | - | (6,812) | - | - | - | - |
| | Proceed from leases | - | - | (25) | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | - | - | 82,469 |
| IRSA Propiedades Comerciales S.A. | Long-term incentive program | 35,294 | - | - | - | - | - | - |

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|-------------------------------------|---------------------------|-------|-----------|---|---|-----------|---|---|
| | Sale of property | 4,477 | 2,106,965 | - | - | - | - | - |
| Solares de Santa Maria S.A. Palermo | Reimbursement of expenses | 5,972 | - | - | - | - | - | - |
| | Borrowings | - | 7 | - | - | - | - | - |
| Invest S.A. | Borrowings | - | 3,332 | - | - | - | - | - |
| Ritelco S.A. | Borrowings | - | - | - | - | (74,543) | - | - |

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 | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current | Investments Current |
|------------------------------------|----------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|---------------------|
| Subsidiaries | | | | | | | | |
| Inversora | Reimbursement of expenses | 54 | - | - | - | - | - | - |
| Bolivar S.A. | Borrowings | - | - | - | - | (6,150) | - | - |
| Hoteles Argentinos S.A. | | | | | | | | |
| | Hotel services | 104 | - | (1,715) | - | - | - | - |
| | Borrowings | 182,674 | 347,434 | - | - | - | - | - |
| Tyrus S.A. | | | | | | | | |
| | Reimbursement of expenses | 77 | - | - | - | - | - | - |
| | Hotel services | 3,390 | - | - | - | - | - | - |
| Llao Llao Resorts S.A. | | | | | | | | |
| | Guarantee deposits | - | - | - | (14) | - | - | - |
| | Reimbursement of expenses | 14 | - | - | - | - | - | - |
| Nuevas Fronteras S.A. | | | | | | | | |
| | Management fees | 607 | - | - | - | - | - | - |
| | Borrowings | - | - | - | - | (2,124) | (20,576) | - |
| Efanur S.A. | | | | | | | | |
| | Borrowings | - | 78,253 | - | - | - | - | - |
| Total Subsidiaries | | | | | | | | |
| | | 232,664 | 2,535,991 | (29,141) | (14) | (88,474) | (20,576) | 82,469 |
| Subsidiaries CRESUD | | | | | | | | |
| Futuros y Opciones.com S.A. | | | | | | | | |
| | Reimbursement of expenses | - | - | (28) | - | - | - | - |
| Total Subsidiaries CRESUD | | | | | | | | |
| | | - | - | (28) | - | - | - | - |

IRSA Inversiones y Representaciones Sociedad Anónima

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

29. Related party transactions (Continued)

| Related party | Description of Transaction | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current | Investments Current |
|--|-----------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|---------------------|
| Subsidiaries IRSA | | | | | | | | |
| Propiedades Comerciales | | | | | | | | |
| Arcos del Gourmet S.A. | Reimbursement of expenses | 51 | - | - | - | - | - | - |
| | Reimbursement of expenses | 268 | - | - | - | - | - | - |
| | Long-term incentive program | 327 | - | - | - | - | - | - |
| Emprendimientos Recoleta S.A. | Non-Convertible Notes | - | - | - | - | (631) | (12,339) | - |
| | Reimbursement of expenses | - | - | (6) | - | - | - | - |
| | Long-term incentive program | 8,299 | - | - | - | - | - | - |
| Fibesa S.A. | Reimbursement of expenses | 719 | - | - | - | - | - | - |
| | Long-term incentive program | 972 | - | - | - | - | - | - |
| Panamerican Mall S.A. | Non-Convertible Notes | - | - | - | - | (2,440) | (47,732) | - |
| Shopping Neuquén S.A. | Reimbursement of expenses | - | - | (3) | - | - | - | - |
| Total Subsidiaries IRSA Propiedades Comerciales | | | | | | | | |
| | | 10,636 | - | (9) | - | (3,071) | (60,071) | - |
| Subsidiaries TYRUS | | | | | | | | |
| Irsa International LLC | Reimbursement of expenses | 441 | - | - | - | - | - | - |
| Real Estate Investment Group LP | Reimbursement of expenses | 46 | - | (40) | - | - | - | - |

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|--|--------------------------------|-------|---|-------|---|---|---|---|
| Zetol S.A. | Reimbursement of expenses | 2 | - | - | - | - | - | - |
| Vista al Muelle S.A. | Reimbursement of expenses | 2 | - | - | - | - | - | - |
| Real Estate | | | | | | | | |
| Investment Group V LP | Reimbursement of expenses | 19 | - | - | - | - | - | - |
| Real Estate Strategies LP | Reimbursement of expenses | 2,242 | - | - | - | - | - | - |
| New Lipstick LLC | Reimbursement of expenses | 2,060 | - | - | - | - | - | - |
| Imadison LLC | Reimbursement of expenses | 1,443 | - | - | - | - | - | - |
| Total Subsidiaries | | | | | | | | |
| TYRUS | | 6,255 | - | (40) | - | - | - | - |
| Associates | | | | | | | | |
| Banco de Crédito y Securitización S.A. | | | | | | | | |
| | Leases and/or rights of use | 613 | - | - | - | - | - | - |
| Banco Hipotecario S.A. | Reimbursement of expenses | 1 | - | (6) | - | - | - | - |
| Total Associates | | | | | | | | |
| | | 614 | - | (6) | - | - | - | - |

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 | Trade and other receivables current | Trade and other receivables non-current | Trade and other payables current | Trade and other payables non-current | Borrowings current | Borrowings non-current | Current Investments |
|----------------------------|---------------------------------|-------------------------------------|---|----------------------------------|--------------------------------------|--------------------|------------------------|---------------------|
| Associates | | | | | | | | |
| IRSA | | | | | | | | |
| Propiedades Comerciales | | | | | | | | |
| | Leases and/or rights of use | 119 | - | - | - | - | - | - |
| Tarshop S.A | | | | | | | | |
| Total Associates | | | | | | | | |
| IRSA | | | | | | | | |
| Propiedades Comerciales | | 119 | - | - | - | - | - | - |
| Joint Ventures | | | | | | | | |
| | Reimbursement of expenses | 9 | - | - | - | - | - | - |
| | Credit due to capital reduction | 8,847 | - | - | - | - | - | - |
| Cyrsa S.A. | Borrowings | - | - | - | - | - | (13,157) | - |
| Baicom Networks S.A. | Reimbursement of expenses | 563 | - | - | - | - | - | - |
| | Borrowings | 10 | - | - | - | - | - | - |
| Puerto Retiro S.A. | Reimbursement of expenses | 220 | - | - | - | - | - | - |
| Total Joint Ventures | | 9,649 | - | - | - | - | (13,157) | - |
| Joint Ventures | | | | | | | | |
| IRSA | | | | | | | | |
| Propiedades Comerciales | | | | | | | | |
| | Reimbursement of expenses | 6 | - | (5) | - | - | - | - |
| | Long-term | | | | | | | |
| Nuevo Puerto Santa Fe S.A. | incentive program | 326 | - | - | - | - | - | - |

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|---|---------------------------|---------|-----------|-----------|-------|-----------|------------|--------|
| | Reimbursement of expenses | 58 | - | - | - | - | - | - |
| Quality Invest S.A. | Customers advances | | - | (6) | - | - | - | - |
| Total Joint Ventures IRSA Propiedades Comerciales | | 390 | - | (11) | - | - | - | - |
| Other related parties Consultores Asset Management S.A. | Reimbursement of expenses | 2,777 | - | - | - | - | - | - |
| Austral Gold S.A. | Reimbursement of expenses | - | - | (1) | - | - | - | - |
| Dolphin Fund Ltd. | Reimbursement of expenses | 60 | - | - | - | - | - | - |
| Estudio Zang, Bergel & Viñes | Advances Legal services | 4 | - | - | - | - | - | - |
| Total Other related parties Directors and Senior Management | | 2,841 | - | (158) | - | - | - | - |
| | Fees | 301 | - | - | - | - | - | - |
| | Advances | 6,827 | - | - | - | - | - | - |
| Directors | Guarantee deposits | - | - | - | (8) | - | - | - |
| Total Directors and Senior Management | | 7,128 | - | - | (8) | - | - | - |
| Total | | 271,199 | 2,535,991 | (46,916) | (22) | (93,424) | (130,573) | 82,469 |

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, 2014:

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

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|--------------|------------|---|---|---|---|----------|-----------|
| | Borrowings | - | - | - | - | (1,618) | - |
| Ritelco S.A. | Borrowings | - | - | - | - | (4,603) | (66,140) |

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 | Trade and other receivables non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current |
|------------------------------------|----------------------------|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Subsidiaries | | | | | | | |
| Inversora Bolivar S.A. | Reimbursement of expenses | - | 54 | - | - | - | - |
| | Borrowings | - | - | - | - | (8,127) | - |
| Hoteles Argentinos S.A. | | | | | | | |
| | Hotel services | - | 105 | - | (1,632) | - | - |
| Tyrus S.A. | | | | | | | |
| | Reimbursement of expenses | - | 2,416 | - | - | - | - |
| | Borrowings | 323,361 | - | - | - | - | - |
| Llao Llao Resorts S.A. | | | | | | | |
| | Hotel services | - | 3,085 | - | - | - | - |
| | Guarantee deposits | - | - | (14) | - | - | - |
| Nuevas Fronteras S.A. | | | | | | | |
| | Reimbursement of expenses | - | - | - | (2) | - | - |
| | Management fees | - | 970 | - | - | - | - |
| | Borrowings | - | - | - | - | (25,585) | (5,955) |
| Efanur S.A. | | | | | | | |
| | Borrowings | 73,282 | - | - | - | - | - |
| Total Subsidiaries | | 396,649 | 47,911 | (14) | (5,197) | (83,550) | (191,211) |
| Subsidiaries CRESUD | | | | | | | |
| Futuros y Opciones.com S.A. | | | | | | | |
| | Reimbursement of expenses | - | - | - | (29) | - | - |
| Cactus S.A. | | | | | | | |
| | Reimbursement of expenses | - | - | - | (515) | - | - |
| Total Subsidiaries CRESUD | | - | - | - | (544) | - | - |

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 | 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 IRSA | | | | | | | |
| Propiedades Comerciales | | | | | | | |
| Arcos del Gourmet S.A. | Reimbursement of expenses | - | 46 | - | - | - | - |
| | Reimbursement of expenses | - | - | - | (12) | - | - |
| Emprendimientos Recoleta S.A. | Long-term incentive program | - | 313 | - | - | - | - |
| | Non-Convertible Notes | - | - | - | - | (11,736) | (600) |
| | Reimbursement of expenses | - | 9 | - | - | - | - |
| | Long-term incentive program | - | 7,047 | - | - | - | - |
| Fibesa S.A. | Leases and/or rights of use | - | 151 | - | - | - | - |
| | Reimbursement of expenses | - | 204 | - | - | - | - |
| | Long-term incentive program | - | 944 | - | - | - | - |
| Panamerican Mall S.A. | Non-Convertible Notes | - | - | - | - | (45,398) | (2,320) |
| | Reimbursement of expenses | - | 154 | - | - | - | - |
| Total Subsidiaries IRSA Propiedades Comerciales | | | | | | | |
| | | - | 8,868 | - | (12) | (57,134) | (2,920) |
| Subsidiaries TYRUS | | | | | | | |
| Irsa International LLC | Reimbursement of expenses | - | 419 | - | - | - | - |
| Real Estate Investment Group LP | Reimbursement of expenses | - | 6 | - | - | - | - |
| Real Estate Investment Group V LP | Reimbursement of expenses | - | 18 | - | - | - | - |

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|---|-----------------------------|---|-------|---|--------|---|---|
| Real Estate Strategies LP | Reimbursement of expenses | - | 2,132 | - | - | - | - |
| New Lipstick LLC | Reimbursement of expenses | - | 1,959 | - | - | - | - |
| Imadison LLC | Reimbursement of expenses | - | 1,373 | - | - | - | - |
| Total Subsidiaries TYRUS | | - | 5,907 | - | - | - | - |
| Associates | | | | | | | |
| Banco de Crédito y Securitización S.A. | Leases and/or rights of use | - | 19 | - | - | - | - |
| Banco Hipotecario S.A. | Reimbursement of expenses | - | - | - | (80) | - | - |
| Total Associates | Reimbursement of expenses | - | - | - | (784) | - | - |
| Total Associates | | - | 19 | - | (864) | - | - |
| Associates IRSA Propiedades Comerciales | | | | | | | |
| Tarshop S.A. | Reimbursement of expenses | - | - | - | - | - | - |
| Total Associates IRSA Propiedades Comerciales | | - | - | - | - | - | - |

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 | Trade and other receivables non-current | Trade and other receivables current | Trade and other payables non-current | Trade and other payables current | Borrowings non-current | Borrowings current |
|--|-----------------------------|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Joint Ventures | | | | | | | |
| | Reimbursement of expenses | - | - | - | (9) | - | - |
| Cyrsa S.A. | Borrowings | - | - | - | - | (133,314) | - |
| Baicom Networks S.A. | Reimbursement of expenses | - | 191 | - | - | - | - |
| Puerto Retiro S.A. | Reimbursement of expenses | - | 211 | - | - | - | - |
| Total Joint Ventures | | - | 402 | - | (9) | (133,314) | - |
| Joint Ventures IRSA Propiedades Comerciales | | | | | | | |
| | Long-term incentive program | - | 304 | - | - | - | - |
| Nuevo Puerto Santa Fe S.A. | Reimbursement of expenses | - | 3 | - | - | - | - |
| Quality Invest S.A. | Reimbursement of expenses | - | 59 | - | - | - | - |
| | Customers advances | - | - | - | (45) | - | - |
| Total Joint Ventures IRSA Propiedades Comerciales | | - | 366 | - | (45) | - | - |
| Other related parties | | | | | | | |
| Consultores | | | | | | | |
| Asset Management S.A. | | | | | | | |
| | Reimbursement of expenses | - | 2,672 | - | - | - | - |
| Austral Gold S.A. | Reimbursement of expenses | - | - | - | (1) | - | - |
| Estudio Zang, Bergel & Viñes | Advances | - | 4 | - | - | - | - |
| | Legal services | - | - | - | (170) | - | - |

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|---------------------------------------|---------------------------|--------|---------|-------|-----------|------------|------------|
| Fundación IRSA | Reimbursement of expenses | - | 48 | - | - | - | - |
| Total Other related parties | | - | 2,724 | - | (171) | - | - |
| Directors and Senior Management | Fees | - | 301 | - | (1,056) | - | - |
| Directors | Guarantee deposits | - | - | (8) | - | - | - |
| Total Directors and Senior Management | | - | 301 | (8) | (1,056) | - | - |
| Total | | 68,797 | 396,649 | (22) | (61,339) | (308,970) | (195,918) |

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)

The following is a summary of the transactions with related parties for the six-month period ended December 31, 2014:

| Related party | Commissions | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries | Sale of properties |
|---|-------------|-----------------------------|-----------------|--------------------|----------------|----------------------|-----------|-------------------|--------------------|
| Parent Company | | | | | | | | | |
| Cresud S.A.C.I.F. y A | - | 1,218 | (50) | (15,160) | - | (3,894) | - | - | - |
| Total Parent company | - | 1,218 | (50) | (15,160) | - | (3,894) | - | - | - |
| Subsidiaries | | | | | | | | | |
| IRSA Propiedades Comerciales S.A. (IRSA Propiedades Comerciales) | | | | | | | | | |
| E-Commerce Latina S.A. | - | - | 3 | - | - | (644) | - | - | - |
| Inversora Bolivar S.A. | - | - | - | - | - | (715) | - | - | - |
| Llao Llao Resorts S.A. | - | 99 | - | - | - | - | - | - | - |
| Ritelco S.A. | - | - | - | - | - | (4,503) | - | - | - |
| Nuevas Fronteras S.A. | - | - | 632 | - | - | (2,124) | - | - | - |
| Hoteles Argentinos S.A. | - | - | - | - | - | (84) | - | - | - |
| Efanur S.A. | - | - | - | - | - | 4,970 | - | - | - |
| Tyrus S.A. | - | - | - | - | - | 22,180 | - | - | - |
| Palermo Invest S.A. | - | - | - | - | - | (585) | - | - | - |
| Total Subsidiaries | (19) | 2,495 | 635 | - | - | 8,382 | - | - | 2,636,480 |
| Subsidiaries IRSA Propiedades Comerciales | | | | | | | | | |
| Fibesa S.A. | - | 790 | - | - | - | - | - | - | - |
| Panamerican Mall S.A. | - | - | - | - | - | (2,722) | - | - | - |
| Emprendimientos | | | | | | | | | |
| Recoleta S.A. | - | - | - | - | - | (704) | - | - | - |
| Total Subsidiaries IRSA Propiedades Comerciales | - | 790 | - | - | - | (3,426) | - | - | - |

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 | Commissions | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Donations | Fees and salaries | Sale of properties |
|---|-------------|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|-----------|----------------------|-----------------------|
| Subsidiaries | | | | | | | | | |
| Tyrus | | | | | | | | | |
| REIG I | - | - | - | - | - | (1) | - | - | - |
| Total | | | | | | | | | |
| Subsidiaries | | | | | | | | | |
| Tyrus | | | | | | | | | |
| | - | - | - | - | - | (1) | - | - | - |
| Associates | | | | | | | | | |
| Banco de Crédito y Securitización S.A. | | | | | | | | | |
| | - | 2,055 | - | - | - | - | - | - | - |
| Banco Hipotecario S.A. | | | | | | | | | |
| | - | 685 | - | - | - | - | - | - | - |
| Total | | | | | | | | | |
| Associates | - | 2,740 | - | - | - | - | - | - | - |
| Associates | | | | | | | | | |
| IRSA | | | | | | | | | |
| Propiedades Comerciales | | | | | | | | | |
| Tarshop S.A. | - | 3,161 | - | - | - | - | - | - | - |
| Total | | | | | | | | | |
| Associates | | | | | | | | | |
| IRSA | | | | | | | | | |
| Propiedades Comerciales | - | 3,161 | - | - | - | - | - | - | - |
| Joint Ventures | | | | | | | | | |
| Cyrsa S.A. | | | | | | | | | |
| | - | - | - | - | - | (7,895) | - | - | - |
| Total Joint Ventures | - | - | - | - | - | (7,895) | - | - | - |
| Other related parties | | | | | | | | | |
| Estudio Zang, Bergel & Viñes | | | | | | | | | |
| | - | - | - | - | (573) | - | - | - | - |
| Consultores | - | - | 79 | - | - | - | - | - | - |
| Asset Management | | | | | | | | | |

| | | | | | | | | | |
|---------------------------------------|------|--------|-----|----------|-------|---------|--------|----------|-----------|
| S.A. | | | | | | | | | |
| Fundación IRSA | - | - | - | - | - | - | -(182) | - | - |
| Isaac Elsztein e Hijos S.C.A. | - | (159) | - | - | - | - | - | - | - |
| Hamonet S.A. | - | (84) | - | - | - | - | - | - | - |
| Total Other related parties | - | (243) | 79 | - | (573) | - | -(182) | - | - |
| Directors and Senior Management | | | | | | | | | |
| Senior Management | - | - | - | - | - | - | - | -(1,285) | - |
| Directors | - | - | - | - | - | - | - | -(4,663) | - |
| Total Directors and Senior Management | - | - | - | - | - | - | - | -(5,948) | - |
| Total | (19) | 10,161 | 664 | (15,160) | (573) | (6,834) | (182) | (5,948) | 2,636,480 |

IRSA Inversiones y Representaciones Sociedad Anónima

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

29. Related party transactions (Continued)

The following is a summary of the transactions with related parties for the six-month period ended December 31, 2013:

| Related party | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Fees and salaries |
|--------------------------------------|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|----------------------|
| Parent Company | | | | | | |
| Cresud S.A.C.I.F. y A | 827 | - | (6,045) | - | (12,534) | - |
| Total Parent company | 827 | - | (6,045) | - | (12,534) | - |
| Subsidiaries | | | | | | |
| IRSA Propiedades Comerciales | | | | | | |
| S.A. (IRSA Propiedades | | | | | | |
| Comerciales) | | | | | | |
| | 2,295 | - | - | - | (2,105) | - |
| E-Commerce Latina S.A. | - | 2 | - | - | (1,237) | - |
| Inversora Bolivar S.A. | - | - | - | - | (1,455) | - |
| Llao Llao Resorts S.A. | 67 | - | - | - | - | - |
| Ritelco S.A. | - | - | - | - | (10,031) | - |
| Nuevas Fronteras S.A. | - | 137 | - | - | (2,388) | - |
| Hoteles Argentinos S.A. | - | - | - | - | (227) | - |
| Efanur S.A. | - | - | - | - | 10,208 | - |
| Tyrus S.A. | - | - | - | - | 33,265 | - |
| Palermo Invest S.A. | - | - | - | - | (404) | - |
| Total Subsidiaries | 2,362 | 139 | - | - | 25,626 | - |
| Subsidiaries IRSA Propiedades | | | | | | |
| Comerciales | | | | | | |
| Fibesa S.A. | 562 | - | - | - | - | - |
| Panamerican Mall S.A. | - | - | - | - | (1,754) | - |
| Emprendimientos Recoleta S.A. | - | - | - | - | (507) | - |
| Total Subsidiaries IRSA | | | | | | |
| Propiedades Comerciales | 562 | - | - | - | (2,261) | - |

IRSA Inversiones y Representaciones Sociedad Anónima

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

29. Related party transactions (Continued)

| Related party | Leases and/or rights of use | Management fees | Corporate services | Legal services | Financial operations | Fees and salaries |
|--|--------------------------------------|--------------------|-----------------------|-------------------|-------------------------|----------------------|
| Associates | | | | | | |
| Banco de Crédito y Securitización S.A. | 178 | - | - | - | - | - |
| Total Associates | 178 | - | - | - | - | - |
| Associates IRSA Propiedades Comerciales | | | | | | |
| Tarshop S.A. | 2,265 | - | - | - | - | - |
| Total Associates IRSA Propiedades Comerciales | 2,265 | - | - | - | - | - |
| Joint Ventures | | | | | | |
| Canteras Natal Crespo S.A. | - | 24 | - | - | - | - |
| Cyrsa S.A. | - | - | - | - | (8,628) | - |
| Total Joint Ventures | - | 24 | - | - | (8,628) | - |
| Other related parties | | | | | | |
| Estudio Zang, Bergel & Viñes | - | - | - | (129) | - | - |
| Isaac Elsztain e Hijos S.C.A. | (109) | - | - | - | - | - |
| Hamonet S.A. | (57) | - | - | - | - | - |
| Total Other related parties | (166) | - | - | (129) | - | - |
| Directors and Senior Management | | | | | | |
| Senior Management | - | - | - | - | - | (778) |
| Directors | - | - | - | - | - | (2,890) |
| Total Directors and Senior Management | - | - | - | - | - | (3,668) |
| Total | 6,028 | 163 | (6,045) | (129) | 2,203 | (3,668) |

IRSA Inversiones y Representaciones Sociedad Anónima

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

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

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

30. 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.

31. CNV General Resolution No. 622

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

| | |
|---|---|
| Exhibit A - Property, plant and equipment | Note 6 Investment properties and Note 7 Property, plant and equipment |
| Exhibit B - Intangible assets | Note 9 Intangible assets |
| Exhibit C - Equity investments | Note 32 Equity investments |
| Exhibit D - Other investments | Note 11 Financial instruments by category |
| Exhibit E - Provisions | Note 12 Trade and other receivables and Note 18 Provisions |
| Exhibit F- Cost of sales and services provided | Note 8 Trading properties and Note 24 Expenses by nature |
| Exhibit G - Foreign currency assets and liabilities | Note 33 Foreign currency assets and liabilities |

IRSA Inversiones y Representaciones Sociedad Anónima

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

32.

Equity investments

| Issuer and type of securities | Class / Items | Amount | Value | | | Main activity | Registered office | Date | Issuer's information | | |
|---|---|-------------|----------------------------------|--------------------------------|--------------------------------------|-----------------------|----------------------|----------|----------------------------------|---------|---------------------------------------|
| | | | recorded as of 12.31.14 | recorded as of 06.30.14 | Market value as of 12.31.14 | | | | Last financial statements issued | | Common stock (nominal value) |
| IRSA Propiedades Comerciales S.A. (IRSA Propiedades Comerciales) | Common shares 1 vote Higher value Intergroup transactions | 120,500,167 | 973,106 (908,203) (38,512) | 777,737 427,709 (38,512) | 62.50 | Real estate | Argentina | 12.31.14 | 126,014 | 341,406 | 1,0 |
| Banco Hipotecario S.A. (1) | Common shares 1 vote | 75,000,000 | 215,546 | 203,693 | 4.35 | Consumer financing | Argentina | 12.31.14 | 1,500,000 | 549,972 | 4,3 |
| Banco de Crédito & Securitización S.A. (1) | Common shares 1 vote | 3,984,375 | 14,221 | 13,610 | Not publicly traded | Consumer financing | Argentina | 12.31.14 | 62,500 | 55,461 | 2 |
| Cyrsa S.A. | Common shares 1 vote | 8,748,270 | 15,346 | 152,229 | Not publicly traded | Real estate | Argentina | 12.31.14 | 17,497 | 9,933 | |
| E-Commerce Latina S.A. | Common shares 1 vote Irrevocable contributions Goodwill | 83,913,950 | 248,384 (1,511) | 236,735 (1,511) | Not publicly traded | Investment | Argentina | 12.31.14 | 86,509 | 12,384 | 2 |

42

IRSA Inversiones y Representaciones Sociedad Anónima

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

32. Equity investments (Continued)

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 12.31.14 | Value recorded as of 06.30.14 | Market value as of 12.31.14 | Main activity | Registered office | Date | Issuer's information | | |
|-------------------------------|--|-------------|-------------------------------|-------------------------------|-----------------------------|---------------|-------------------|----------|----------------------------------|----------------------|--------------------|
| | | | | | | | | | Last financial statements issued | | |
| | | | | | | | | | Common stock (nominal value) | Profit (loss) period | Shareholder Equity |
| Efanur S.A. | Common shares 1 vote Irrevocable contributions | 213,743,711 | 157,699 | 95,849 | Not publicly traded | Investment | Uruguay | 12.31.14 | 47,598 | 60,714 | 157,87 |
| | Higher value | | 179 | 221 | | | | | | | |
| Hoteles Argentinos S.A. | Common shares 1 vote Higher value | 15,366,840 | 2,976 | 5,851 | Not publicly traded | Hotel | Argentina | 12.31.14 | 19,209 | (3,594) | 3,72 |
| | Higher value | | 718 | 785 | | | | | | | |
| Inversora Bolivar S.A. | Common shares 1 vote Irrevocable contributions | 78,909,867 | 272,101 | 261,218 | Not publicly traded | Investment | Argentina | 12.31.14 | 84,449 | 11,705 | 286,02 |
| | Higher value | | - | 1,461 | | | | | | | |
| | Higher value | | 6,428 | 6,428 | | | | | | | |
| Llao Llao Resort S.A. | Common shares 1 vote Irrevocable contributions | 73,580,206 | 31,634 | 31,147 | Not publicly traded | Hotel | Argentina | 12.31.14 | 147,160 | 973 | 63,20 |
| | Higher value | | - | - | | | | | | | |
| | Higher value | | 94 | 101 | | | | | | | |
| Manibil S.A. | Common shares 1 vote Irrevocable contributions | 37,747,880 | 39,837 | 38,279 | Not publicly traded | Real estate | Argentina | 12.31.14 | 77,037 | 3,181 | 96,30 |
| | Goodwill | | 7,350 | - | | | | | | | |
| | Goodwill | | 10 | 10 | | | | | | | |
| Nuevas Fronteras S.A. | Common shares 1 vote Lower value | 38,068,999 | 39,248 | 50,284 | Not publicly traded | Hotel | Argentina | 12.31.14 | 49,869 | 1,544 | 51,41 |
| | Lower value | | (15,612) | (16,103) | | | | | | | |

IRSA Inversiones y Representaciones Sociedad Anónima

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

32. Equity investments (Continued)

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 12.31.14 | Value recorded as of 06.30.14 | Market value as of 12.31.14 | Main activity | Registered office | Date | Issuer's information | | | |
|-------------------------------|--|---------------|-------------------------------|-------------------------------|-----------------------------|---------------------|-----------------------|----------|----------------------------------|------------------------------|------------------------------|----------------------|
| | | | | | | | | | Last financial statements issued | Common stock (nominal value) | Profit (loss) for the period | Shareholders' Equity |
| | Common shares 1 vote | 153,283,988 | 226,495 | 214,149 | | | | | | | | |
| Palermo Invest S.A. | Irrevocable contributions Higher value | | - | 475 | 323 | Not publicly traded | Investment Argentina | 12.31.14 | 158,025 | 12,232 | 23 | |
| | Intergroup transactions | | (29,987) | (29,987) | | | | | | | | |
| | Common shares 1 vote | 181,016,717 | 318,570 | 325,795 | | | | | | | | |
| Ritelco S.A. | Irrevocable contributions | | - | 34 | | Not publicly traded | Investment Uruguay | 12.31.14 | 66,970 | (680) | 31 | |
| | Intergroup transactions | | (190) | (190) | | | | | | | | |
| Solares de Santa María S.A. | Common shares 1 vote | 306,706,975 | 284,357 | 285,078 | | | | | | | | |
| | Intergroup transactions | | (166,521) | (166,521) | | Not publicly traded | Real estate Argentina | 12.31.14 | 338,693 | (1,767) | 31 | |
| | Irrevocable contributions | | 884 | 880 | | | | | | | | |
| Tyrus S.A. | Common shares 1 vote | 3,761,514,117 | (222,736) | 339,468 | | | | | | | | |
| | Irrevocable contributions | | 2,471 | 196,884 | | Not publicly traded | Investment Uruguay | 12.31.14 | 792,521 | (637,455) | (220) | |

IRSA Inversiones y Representaciones Sociedad Anónima

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

32. Equity investments (Continued)

| Issuer and type of securities | Class / Items | Amount | Value recorded as of 12.31.14 | Value recorded as of 06.30.14 | Market value as of 12.31.14 | Main activity | Registered office | Issuer's information | | | |
|---|--|------------|-------------------------------|-------------------------------|-----------------------------|---------------|-------------------|----------------------|--|---|--------|
| | | | | | | | | Date | Last financial statements issued Common stock (nominal value) | Profit (loss) for the Shareholders period | Equity |
| Unicity S.A. | Common shares 1 vote Irrevocable contributions | 38,850,012 | 26,311 | 26,284 | Not publicly traded | Investment | Argentina | 12.31.14 | 41,588(246) | 29,8 | |
| T o t a l investments in subsidiaries, associates and joint ventures as of 12.31.14 | | | 1,501,188 | | | | | | | | |
| T o t a l investments in subsidiaries, associates and joint ventures as of 06.30.14 | | | | 3,441,214 | | | | | | | |

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

33. Foreign currency assets and liabilities

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

| Items | Amount of foreign currency (1) | Prevailing exchange rate (2) | Total as of 12.31.14 | Amount of foreign currency (1) | Prevailing exchange rate (2) | Total as of 06.30.14 |
|--|---|------------------------------------|-------------------------|---|------------------------------------|-------------------------|
| Assets | | | | | | |
| Trade and other receivables | | | | | | |
| US Dollar | 12,320 | 8.45 | 104,114 | 2,223 | 8.033 | 17,855 |
| Swiss Francs | 80 | 8.54 | 683 | 27 | 9.051 | 242 |
| Total unrelated parties | | | 104,797 | | | 18,097 |
| Related parties US\$ | | | | | | |
| Total related parties US\$ | 309,542 | 8.55 | 2,646,893 | 49,855 | 8.133 | 405,467 |
| Total trade and other receivables | | | 2,751,690 | | | 423,564 |
| Investments in financial assets | | | | | | |
| US Dollar | 4,439 | 8.45 | 37,512 | 925 | 8.033 | 7,430 |
| Total unrelated parties | | | 37,512 | | | 7,430 |
| Related parties US\$ | | | | | | |
| Total related parties US\$ | 9,644 | 8.55 | 82,469 | - | - | - |
| Total investments in financial assets | | | 119,981 | | | 7,430 |
| Cash and cash equivalents | | | | | | |
| US Dollar | 15,762 | 8.45 | 133,206 | 3,717 | 8.033 | 29,861 |
| Euros | 75 | 10.26 | 768 | 85 | 10.991 | 936 |
| Brazilian Reais | - | - | - | 1 | 3.55 | 2 |
| Swiss Francs | - | - | - | - | 9.051 | 1 |
| Pounds | 1 | 13.15 | 11 | 1 | 13.736 | 11 |
| Total cash and cash equivalents | | | 133,985 | | | 30,811 |
| Total assets as of 12.31.14 | | | 3,005,656 | | | |
| Total assets as of 06.30.14 | | | | | | 461,805 |
| Liabilities | | | | | | |
| Trade and other payables | | | | | | |
| US Dollar | 543 | 8.55 | 4,639 | 5,760 | 8.133 | 46,849 |
| Swiss Francs | 50 | 8.65 | 433 | - | - | - |
| Total unrelated parties | | | 5,072 | | | 46,849 |
| Related parties US\$ | | | | | | |
| Total related parties US\$ | 1,688 | 8.55 | 14,430 | 361 | 8.133 | 2,936 |
| Total trade and other payables | | | 19,502 | | | 49,785 |
| Borrowings | | | | | | |
| US Dollar | 305,998 | 8.55 | 2,616,586 | 310,551 | 8.133 | 2,525,713 |

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| | | | | | | |
|----------------------------------|-------|------|-----------|--------|-------|-----------|
| Total unrelated parties | | | 2,616,586 | | | 2,525,713 |
| Related parties US\$ | | | | | | |
| Total related parties US\$ | 8,133 | 8.55 | 69,547 | 22,565 | 8.133 | 183,524 |
| Total borrowings | | | 2,686,133 | | | 2,709,237 |
| Total liabilities as of 12.31.14 | | | 2,705,635 | | | |
| Total liabilities as of 06.30.14 | | | | | | 2,759,022 |

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

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

34. Subsequent Events

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

IRSA Inversiones y Representaciones Sociedad Anónima

Information required by Section 68 of the Buenos Aires Stock Exchange Regulations
Unaudited and Section 12, Chapter III, Title IV of the National Securities Commission Regulations
Statement of Financial Position as of December 31, 2014

Stated in thousands of pesos

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

1. Specific and significant systems that imply contingent lapsing or rebirth of benefits envisaged by such provisions.

None.

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

See Note 2.1.

3. Receivables and liabilities by maturity date.

| Items | Falling due (Point 3.a.) | Without term (Point 3.b) | Without term (Point 3.b) | To be due (Point 3.c.) | | | | | | | | | |
|---------------------|--|--------------------------|--------------------------|------------------------|---------|-------------|----------------|--------------------|--------------------|--------------------------|-------------------|-------------------|-------------------|
| | | | | 12.31.14 | Current | Non-current | Up to 3 months | From 3 to 6 months | From 6 to 9 months | From 9 Months to 1 years | From 1 to 2 years | From 2 to 3 years | From 3 to 4 years |
| Account receivables | Trade and other receivables | 89,325 | 1,702 | 315 | 36,530 | 183,097 | 315 | 318 | 5,001 | 1,284,817 | 347,434 | 902,663 | 2 |
| | Total | 89,325 | 1,702 | 315 | 36,530 | 183,097 | 315 | 318 | 5,001 | 1,284,817 | 347,434 | 902,663 | 2 |
| Liabilities | Trade and other payables | 21,533 | - | 810 | 9,444 | 26 | 213 | 444 | 1,457 | - | - | - | - |
| | Borrowings | - | - | -319 | 127 | 120,233 | (300) | 80,681 | (9,850) | 1,325,845 | 1(30,567) | 1,262,662 | 3 |
| | Salaries and social security liabilities | 46 | - | - | 3,187 | 1,386 | 1,550 | - | - | - | - | - | - |
| | Provisions | - | 16,994 | 801 | - | - | - | - | - | - | - | - | - |
| | Total | 21,579 | 16,994 | 809 | 431,758 | 121,645 | 1,463 | 81,125 | (8,393) | 1,325,845 | 1(30,567) | 1,262,662 | 3 |

IRSA Inversiones y Representaciones Sociedad Anónima

Information required by Section 68 of the Buenos Aires Stock Exchange Regulations
Unaudited and Section 12, Chapter III, Title IV of the National Securities Commission Regulations
Statement of Financial Position as of December 31, 2014

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 |
| Account receivables | | | | | | | | | |
| Trade and other receivables | 90,870 | 220,417 | 311,287 | 8,957 | 2,531,273 | 2,540,230 | 99,827 | 2,751,690 | 2,851,517 |
| Total | 90,870 | 220,417 | 311,287 | 8,957 | 2,531,273 | 2,540,230 | 99,827 | 2,751,690 | 2,851,517 |
| Liabilities | | | | | | | | | |
| Trade and other payables | 113,603 | 18,057 | 131,660 | 21 | 1,444 | 1,465 | 113,624 | 19,501 | 133,125 |
| Borrowings | 341,418 | 178,323 | 519,741 | 40,280 | 2,507,810 | 2,548,090 | 381,698 | 2,686,133 | 3,067,831 |
| Salaries and social security liabilities | 6,169 | - | 6,169 | - | - | - | 6,169 | - | 6,169 |
| Provisions | 16,994 | - | 16,994 | 801 | - | 801 | 17,795 | - | 17,795 |
| Total | 478,184 | 196,380 | 674,564 | 41,102 | 2,509,254 | 2,550,356 | 519,286 | 2,705,634 | 3,224,920 |

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

As of December 31, 2014 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 and Section 12, Chapter III, Title IV of the National Securities Commission Regulations
 Statement of Financial Position as of December 31, 2014

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.

| Items | Current | | | | Non-current | | | | | | |
|--|-------------------|---------------|-----------------------|---------|-------------------|---------------|-----------------------|-----------|-------------------|---------------|-----------------------|
| | Accruing interest | | Non-accruing interest | Total | Accruing interest | | Non-accruing interest | Total | Accruing interest | | Non-accruing interest |
| | Fixed rate | Floating rate | | | Fixed rate | Floating rate | | | Fixed rate | Floating rate | |
| Accounts receivables | - | - | 311,287 | 311,287 | 411,780 | - | 2,128,450 | 2,540,230 | 411,780 | - | -2,439,710 |
| receivables Total | - | - | 311,287 | 311,287 | 411,780 | - | 2,128,450 | 2,540,230 | 411,780 | - | -2,439,710 |
| Liabilities payables | - | - | 131,660 | 131,660 | - | - | 1,465 | 1,465 | - | - | 133,125 |
| Borrowings | 69,547 | 241 | 449,953 | 519,741 | 2,541,860 | 44,135 | (37,905) | 2,548,090 | 2,611,407 | 44,376 | 413,728 |
| Salaries and social security liabilities | - | - | 6,169 | 6,169 | - | - | - | - | - | - | - |
| Provisions | - | - | 16,994 | 16,994 | - | - | 801 | 801 | - | - | 1,195 |
| Total | 69,547 | 241 | 604,776 | 674,564 | 2,541,860 | 44,135 | (35,639) | 2,550,356 | 2,611,407 | 44,376 | 569,148 |

IRSA Inversiones y Representaciones Sociedad Anónima

Information required by Section 68 of the Buenos Aires Stock Exchange Regulations
Unaudited and Section 12, Chapter III, Title IV of the National Securities Commission Regulations
Statement of Financial Position as of December 31, 2014

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 Group | |
|--------------------------------------|---|---|
| Direct Controlling interest of IRSA: | | |
| IRSA Propiedades Comerciales | 95.79 | % |
| E-Commerce Latina S.A. | 100.00 | % |
| Efanur S.A. | 100.00 | % |
| Hoteles Argentinos S.A. | 80.00 | % |
| Inversora Bolívar S.A. | 100.00 | % |
| Llao Llao Resorts S.A. | 50.00 | % |
| Nuevas Fronteras S.A. | 76.34 | % |
| Palermo Invest S.A. | 100.00 | % |
| Ritelco S.A. | 100.00 | % |
| Solares de Santa María S.A. | 100.00 | % |
| Tyrus S.A. | 100.00 | % |
| Unicity S.A. | 100.00 | % |

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

6. Loans to directors.

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

7. Inventories.

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

8. Current values.

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

9. Appraisal revaluation of property, plant and equipment.

None.

51

IRSA Inversiones y Representaciones Sociedad Anónima

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10. Obsolete unused property, plant and equipment.

None.

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

None.

12. Recovery values.

See 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 | - | All operational risk with additional coverage and minor risks |
| BOUCHARD 551 | 63,303 | 7,826 | All operational risk with additional coverage and minor risks |
| MORENO 877 | 49,508 | - | All operational risk with additional coverage and minor risks |
| BOUCHARD 710 | 39,587 | - | All operational risk with additional coverage and minor risks |
| MAIPU 1300 | 25,787 | 17,933 | All operational risk with additional coverage and minor risks |
| SUIPACHA 652 | 17,041 | - | All operational risk with additional coverage and minor risks |
| LIBERTADOR 498 | 3,423 | 4,021 | All operational risk with additional coverage and minor risks |
| DIQUE IV | 3,056 | 53,469 | All operational risk with additional coverage and minor risks |
| RIVADAVIA 2768 | 369 | 329 | All operational risk with additional coverage and minor risks |

| | | | |
|-----------------------------|---------|---------|---|
| MADERO 1020 | 216 | 124 | All operational risk with additional coverage and minor risks |
| CONSTITUCIÓN 1111 | 191 | 700 | All operational risk with additional coverage and minor risks |
| CASONA ABRIL | 11,753 | 2,357 | All operational risk with additional coverage and minor risks |
| CATALINA NORTE PLOT OF LAND | 2,000 | 109,496 | All operational risk with additional coverage and minor risks |
| SUBTOTAL | 312,595 | 196,255 | |
| 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

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

None.

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

Not applicable.

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

Not applicable.

17. Unpaid accumulated dividends on preferred shares.

None.

18. Restrictions on distributions of profits.

According to the Argentine laws, 5% of the profit of the year is separated to constitute legal reserves until they reach legal capped amounts (20% of total capital). These legal reserves are not available for dividend distribution.

In addition, according to CNV General Resolution No. 609/12, a special reserve was constituted which could not be released to make distributions in cash or in kind. See Note 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 February 9, 2015.

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REVIEW REPORT ON THE UNAUDITED CONDENSED
INTERIM SEPARATE FINANCIAL STATEMENTS

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

Introduction

We have reviewed the unaudited condensed interim separate financial statements attached of IRSA Inversiones y Representaciones Sociedad Anónima (hereinafter “the Company”) which included the unaudited condensed interim separate statements of financial position as of December 31, 2014, and the unaudited condensed interim separate statements of income and comprehensive income for the six and three-month periods ended December 31, 2014 and the unaudited condensed interim separate statements of changes in shareholders’ equity and the unaudited condensed interim separate statements of cash flows for the six-month period ended December 31, 2014 and selected explanatory notes.

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

Management responsibility

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

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Scope of our review

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

Conclusion

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

Report on compliance with current regulations

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

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

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- d) at December 31, 2014, the debt of IRSA Inversiones y Representaciones Sociedad Anónima owed in favor of the Argentina Integrated Pension System which arises from accounting records and submissions amounted to Ps. 531,793 which was no callable at that date.

Autonomous City of Buenos Aires, February 9, 2015

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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

ABELOVICH, POLANO &
ASOCIADOS S.R.L.

(Partner)

C.P.C.E. C.A.B.A. T° 1 F° 30
José Daniel Abelovich
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 102 F° 191

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

Buenos Aires, February 9, 2015 - 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 first six months of fiscal year 2015 ended December 31, 2014.

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

In December, 2014, we transferred to our subsidiary Alto Palermo S.A., in which we hold a 95.79% controlling interest, 83,789 square meters of our portfolio of premium offices, including Edificio República, Bouchard 710, Della Paolera 265, Intercontinental Plaza and Suipacha 652 and the "Intercontinental II" land reserve, with a view to consolidating a vehicle that will be mainly engaged in the development and operation of commercial properties in the Republic of Argentina. We have kept title to the remaining office portfolio, potentially intended for sale. Moreover, at the Extraordinary Shareholders' Meeting held on February 5, 2015, it was resolved to change its corporate name from Alto Palermo S.A to IRSA Propiedades Comerciales S.A., as continuing company.

During the next month we will be changing our ticker in BASE and Nasdaq from "APSA" to "IRCP".

This transaction has not generated any results in our consolidated financial statements as it is a transaction between a controlling company and its controlled company.

Consolidated Income

(in millions of ARS, excluding joint ventures)

| | IIQ 15 | IIQ 14 | YoY Var | | 6M 15 | 6M 14 | YoY Var | |
|---|---------|---------|----------|----|---------|---------|------------|----|
| Revenues | 930.1 | 752.5 | 23.6 | % | 1,720.2 | 1,374.0 | 25.2 | % |
| Operating Income | 951.6 | 298.0 | 219.3 | % | 1,591.7 | 527.1 | 202.0 | % |
| Depreciation and Amortization | 42.4 | 58.1 | (27.0) |)% | 85.2 | 113.3 | (24.8) |)% |
| EBITDA(1) | 1,104.4 | 356.1 | 210.1 | % | 1,787.3 | 640.4 | 179.1 | % |
| Net Income | (88.9) | (61.3) | 45.0 | % | 46.9 | (26.1) | (279.7) |)% |
| Attributable to the parent company's shareholders | 1.3 | (54.1) | (102.4) |)% | 4.5 | (21.7) | (120.7) |)% |
| Attributable to non-controlling interest | (90.2) | (7.3) | 1,135.6 | % | 42.4 | (4.4) | (1,063.6) |)% |

(1) EBITDA: Operating Income plus Depreciation and Amortization, excluding stamp tax expenses incurred in the transfer of assets.

„Revenues for the second quarter of 2015 were 23.6% higher than in the second quarter of 2014 and 25.2% higher than in first six months of the previous fiscal year, mainly explained by the Shopping Centers and Offices segment, and to a lesser extent by the Hotels segment.

„Consolidated EBITDA for the first six-month period reached ARS 1,787.3 million, 179.1% higher than in the same period of the previous fiscal year, mainly due to higher sales of investment properties than in 2014, including the

sale of Madison 183 in the City of New York recorded in the first quarter of 2015 and the sale of various office floors in Maipú 1300, Libertador 498 and Bouchard Plaza 551 buildings, in which only 116 parking spaces are pending sale. Excluding the effect of these sales and the reversal of the conversion reserve generated in Rigby 183 as a result of the sale of Madison for ARS 188.3 million, the

1

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

Company's EBITDA rose 26.1% compared to the same six-month period of the previous fiscal year, reaching ARS 798.0 million.

„ Net Income for the first six-month period of fiscal year 2015 was ARS 46.9 million, explained mainly by the increase in Operating Income, offset by the losses from our investment in the Israeli company IDBD, whose stock prices fell significantly during the quarter, which is recorded at market value.

II. Shopping Centers

New Opening

On December 18, 2014, we opened our fourteenth shopping center, “Distrito Arcos”, located in the neighborhood of Palermo, City of Buenos Aires. “Distrito Arcos” is an Outlet center with a variety of premium brands in an open-air environment that has added, in a first stage, approximately 14,000 square meters of gross leaseable area, 52 stores and 15 stands to IRSA Propiedades Comerciales S.A.'s portfolio. The second stage of the project contemplates the construction of a gym, a home appliances store and an exceptional suite of cultural proposals, reaching an aggregate of 65 stores and 20 stands and adding approximately 2,000 further square meters of gross leaseable area.

The investment made in this project totaled approximately ARS 250 million.

Results

During the second quarter of fiscal year 2015, consumption levels in shopping centers have increased, with very satisfactory figures recorded in December, this month being highly seasonal as it includes Christmas purchases. According to the INDEC, shopping center sales for the second quarter posted an increase of 35.6% compared to the same period of 2014.

Our tenants' sales reached ARS 10,656.4 million during the first six months of fiscal year 2015, 31.8% higher than in the same period of 2014 (31.5% without considering sales from Distrito Arcos). In the second quarter, sales in the same shopping centers grew by 35.1% compared to 2014, up from 27.1% recorded in the first quarter of 2015. Our portfolio's leaseable area was 324,276 square meters during the period under review, whereas the occupancy rate remained stable, at 98.5%.

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

| | IIQ 15 | IIQ 14 | YoY Var | | 6M 15 | 6M 14 | YoY Var | |
|-------------------------------|--------|--------|---------|----|---------|---------|---------|----|
| Revenues | 721.3 | 556.3 | 29.7 | % | 1,290.2 | 1,012.7 | 27.4 | % |
| Operating Income | 355.7 | 251.9 | 41.2 | % | 626.6 | 458.4 | 36.7 | % |
| Depreciation and Amortization | 31.0 | 37.0 | (16.2) |)% | 62.1 | 73.8 | (15.9) |)% |
| EBITDA | 386.7 | 288.9 | 33.9 | % | 688.7 | 532.2 | 29.4 | % |

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

Operating indicators of the Shopping Centers segment
(in millions of ARS, except as indicated)

| | IIQ 15 | IQ 15 | IVQ 14 | IIIQ 14 | IIQ 14 |
|---|---------|---------|---------|---------|---------|
| Gross Leaseable Area (sqm)(1) | 324,276 | 310,254 | 311,261 | 310,257 | 310,304 |
| Tenants' Sales (12 month cumulative)(1) | 6,097.4 | 4,559.0 | 4,560.7 | 3,488.9 | 4,496.8 |
| Occupancy(1) | 98.5 % | 98.5 % | 98.4 % | 98.8 % | 98.8 % |

[1] FP-15 includes Distrito Arcos (opened on Dec-18-14): Gross Leaseable Area (sqm) 13,758, Sales (MM) 24.7. As concerns occupancy, it excludes Distrito Arcos, whose occupancy rate is 100% although as of December 2014 its occupancy was 51.4% as it opened on December 18 and opening of the stores occurred as the days went by.

Revenues from this segment grew 27.4% during this quarter, whereas Operating Income reached ARS 626.6 million (36.7% higher than in the second six-month period of 2014). The EBITDA margin, excluding revenues from common expenses and common promotional fund, reached 79.5%, in line with the margins recorded in 2014.

Operating data of our Shopping Centers

| Shopping Center | Date of Acquisition | Gross Leaseable Area (sqm)(1) | Stores | IRSA Propiedades Comerciales | | Occupancy (2) | Book Value (ARS thousand) (3) |
|--------------------------|---------------------|-------------------------------|--------|------------------------------|--|---------------|-------------------------------|
| | | | | S.A.'s Interest | | | |
| Alto Palermo | Nov-97 | 18,899 | 146 | 100.0 % | | 97.4 % | 252,931 |
| Abasto Shopping(4) | Jul-94 | 36,809 | 171 | 100.0 % | | 100.0 % | 265,181 |
| Alto Avellaneda | Nov-97 | 36,795 | 142 | 100.0 % | | 99.8 % | 131,204 |
| Alcorta Shopping | Jun-97 | 15,222 | 107 | 100.0 % | | 99.8 % | 102,264 |
| Patio Bullrich | Oct-98 | 11,903 | 85 | 100.0 % | | 99.5 % | 113,701 |
| Buenos Aires Design | Nov-97 | 13,888 | 63 | 53.7 % | | 94.4 % | 14,675 |
| Dot Baires Shopping | May-09 | 49,903 | 157 | 80.0 % | | 100.0 % | 414,726 |
| Soleil | Jul-10 | 13,972 | 78 | 100.0 % | | 100.0 % | 86,535 |
| Distrito Arcos(5) | Nov-09 | 13,758 | 66 | 90.0 % | | N/A | 211,961 |
| Alto Noa Shopping | Mar-95 | 19,073 | 89 | 100.0 % | | 100.0 % | 30,321 |
| Alto Rosario Shopping(6) | Nov-04 | 28,320 | 144 | 100.0 % | | 94.6 % | 117,000 |
| Mendoza Plaza Shopping | Dec-94 | 42,146 | 145 | 100.0 % | | 96.9 % | 104,554 |
| Córdoba Shopping | Dec-06 | 15,276 | 107 | 100.0 % | | 99.1 % | 63,147 |
| La Ribera Shopping(7) | Aug-11 | 8,312 | 50 | 50.0 % | | 96.9 % | 25,501 |
| Total Shopping Centers | | 324,276 | 1,550 | | | 98.5 % | 1,933,701 |

[1]
Corresponds to
gross leasable
area in each
property.

Excludes
common areas
and parking
spaces.

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

[3] Cost of
acquisition plus
improvements,
less cumulative
depreciation,
plus adjustment
for inflation.

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

[5] Distrito
Arcos: opened
on Dec-18-14.

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

[7] Through
our joint
ventures Nuevo
Puerto Santa
Fe S.A.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

Cumulative tenants' sales as of December 31

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

| Shopping Center | IIQ 15 | IIQ 14 | YoY Var | | 6M 15 | 6M 14 | YoY Var | |
|------------------------|---------|---------|---------|---|----------|---------|---------|---|
| Alto Palermo | 798.3 | 591.8 | 34.9 | % | 1,405.4 | 1,057.8 | 32.9 | % |
| Abasto Shopping | 910.5 | 692.4 | 31.5 | % | 1,621.0 | 1,253.9 | 29.3 | % |
| Alto Avellaneda | 843.0 | 669.9 | 25.8 | % | 1,457.2 | 1,189.1 | 22.5 | % |
| Alcorta Shopping | 466.7 | 331.5 | 40.8 | % | 781.3 | 566.9 | 37.8 | % |
| Patio Bullrich | 272.0 | 203.3 | 33.8 | % | 469.8 | 352.7 | 33.2 | % |
| Buenos Aires Design | 83.7 | 69.2 | 21.0 | % | 159.1 | 136.3 | 16.7 | % |
| Dot Baires Shopping | 776.2 | 581.7 | 33.4 | % | 1,324.6 | 1,018.7 | 30.0 | % |
| Soleil | 261.0 | 174.6 | 49.5 | % | 462.8 | 319.1 | 45.0 | % |
| Distrito Arcos(1) | 24.7 | - | - | | 24.7 | - | - | |
| Alto Noa Shopping | 289.0 | 194.8 | 48.4 | % | 515.0 | 363.5 | 41.7 | % |
| Alto Rosario Shopping | 548.6 | 377.2 | 45.4 | % | 951.2 | 677.7 | 40.4 | % |
| Mendoza Plaza Shopping | 507.3 | 391.8 | 29.5 | % | 931.0 | 741.1 | 25.6 | % |
| Córdoba Shopping | 220.6 | 153.2 | 44.0 | % | 373.5 | 275.0 | 35.8 | % |
| La Ribera Shopping(2) | 95.8 | 65.4 | 46.5 | % | 179.8 | 131.4 | 36.8 | % |
| Total(3) | 6,097.4 | 4,496.8 | 35.6 | % | 10,656.4 | 8,083.2 | 31.8 | % |

[1] Distrito Arcos: Opened on Dec-18-14 with an occupancy rate of 51.4%.

[2] Through our joint ventures Nuevo Puerto Santa Fe S.A.

[3] Excluding Distrito Arcos: Total 6M 15 (ARS MM) 10,631.7, Var 31.5%, 6M15 and 35.1% IIQ15.

Cumulative tenants' sales as of December 31

(by Type of Business, for the quarter and for the first six months of each fiscal year, in millions of ARS)

| Type of Business | IIQ 15 | IIQ 14 | YoY Var | | 6M 15 | 6M 14 | YoY Var | |
|----------------------|---------|---------|---------|---|----------|---------|---------|---|
| Anchor Store | 374.3 | 319.0 | 17.3 | % | 672.0 | 556.8 | 20.7 | % |
| Clothes and Footwear | 3,286.8 | 2,327.2 | 41.2 | % | 5,540.9 | 4,018.0 | 37.9 | % |
| Entertainment | 137.9 | 93.4 | 47.6 | % | 320.5 | 259.9 | 23.3 | % |
| Home | 995.0 | 809.1 | 23.0 | % | 1,764.8 | 1,483.1 | 19.0 | % |
| Restaurant | 469.2 | 351.0 | 33.7 | % | 919.8 | 721.4 | 27.5 | % |
| Miscellaneous | 782.7 | 563.6 | 38.9 | % | 1,352.6 | 983.0 | 37.6 | % |
| Services | 51.5 | 33.5 | 53.7 | % | 85.8 | 61.0 | 40.7 | % |
| Total(1) | 6,097.4 | 4,496.8 | 35.6 | % | 10,656.4 | 8,083.2 | 31.8 | % |

[1] Excluding Distrito Arcos: Total IIQ 15 (ARS MM) 6,072.7, Var 35.0%. Total 6M 15 (ARS MM) 10,631.7 Var 31.5%.

Revenues from cumulative leases as of December 31

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

| Detailed Revenues | IIQ15 | IIQ14 | YoY Var | | 6M 15 | 6M 14 | YoY Var | |
|---|-------|-------|---------|----|---------|---------|---------|---|
| Base Rent | 229.9 | 188.3 | 22.1 | % | 445.4 | 363.6 | 22.5 | % |
| Percentage Rent | 172.0 | 108.2 | 59.0 | % | 260.2 | 181.2 | 43.6 | % |
| Total Rent | 401.9 | 296.5 | 35.5 | % | 705.6 | 544.8 | 29.5 | % |
| Admission rights | 36.9 | 31.6 | 16.8 | % | 71.6 | 60.1 | 19.1 | % |
| Fees | 6.7 | 8.5 | (21.2) |)% | 20.9 | 16.8 | 24.4 | % |
| Parking | 28.1 | 20.4 | 37.7 | % | 52.9 | 40.0 | 32.3 | % |
| Management fees | 6.9 | 5.6 | 23.2 | % | 13.0 | 10.9 | 19.3 | % |
| Other | 1.2 | 1.1 | 9.1 | % | 2.6 | 1.9 | 36.8 | % |
| Total Revenues before Common Expenses and Common Promotional Fund | 481.7 | 363.7 | 32.4 | % | 866.6 | 674.5 | 28.5 | % |
| Common Expenses and Common Promotional Fund | 239.6 | 192.6 | 24.4 | % | 423.7 | 338.1 | 25.3 | % |
| Total Revenues | 721.3 | 556.3 | 29.7 | % | 1,290.3 | 1,012.6 | 27.4 | % |

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

III. Offices

The A+ office market in the City of Buenos Aires remains robust. Although there has been a drop in sales prices in terms of USD/sqm compared to the past year, demand for premium commercial spaces remains firm, whereas rental prices have remained stable, averaging USD 26 per square meter. The vacancy rate rose slightly during this year, to 10% in the City of Buenos Aires, 2 pp above the rate recorded last year.

Evolution of Profitability of A+ Offices, City of Buenos Aires

(USD/sqm)

Source: LJ Ramos

| in Millions of ARS | IIQ 15 | IIQ 14 | YoY Var | 6M 15 | 6M 14 | YoY Var |
|-------------------------------|---------|--------|-----------|--------|-------|-----------|
| Revenues | 101.2 | 75.8 | 33.5 % | 202.0 | 150.4 | 34.3 % |
| Operating Income | (55.3) | 34.8 | (258.9)% | (1.1) | 65.4 | (101.7)% |
| Depreciation and Amortization | 8.0 | 8.6 | (7.0)% | 16.7 | 17.1 | (2.3)% |
| EBITDA(1) | 63.2 | 43.4 | 45.6 % | 126.1 | 82.5 | 52.9 % |

(1) EBITDA: Operating Income plus Depreciation and Amortization, excluding stamp tax expenses incurred in the transfer of assets.

| | IIQ 15 | IQ 15 | IVQ14 | IIIQ14 | IIQ14 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Leaseable Area | 112,925 | 121,380 | 122,470 | 127,342 | 131,116 |
| Occupancy | 98.4 % | 97.9 % | 97.5 % | 98.7 % | 98.7 % |
| Monthly Revenues (ARS/Leased sqm) | 218.1 | 215.4 | 196.4 | 196.5 | 157.7 |
| Monthly Revenues (USD/Leased sqm) | 25.4 | 25.2 | 23.0 | 23.0 | 24.2 |

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

Revenues from the Offices segment increased by 33.5% in the second quarter of fiscal year 2015 compared to the same quarter of the previous fiscal year and 34.3% in the first six months of fiscal year 2015. Occupancy of the premium portfolio reached 98.4% in the quarter under review, above the 97.9% rate posted for the previous quarter. Rental prices have remained stable, at USD 25 per square meter.

EBITDA increased 52.9% in the first six months of 2015 compared to 2014, excluding the effect of stamp tax expenses incurred in the transfer of assets to our subsidiary IRSA Propiedades Comerciales S.A.

The EBITDA/revenue margin for the period, excluding revenues from common expenses and the expenses incurred in the above mentioned transfer, was 73.1%, similar to the past quarter and above the 65.1% recorded in the same quarter of 2014.

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

Offices Operating Data

(in thousands of ARS, except as indicated)

| | Date of Acquisition | Leaseable Area sqm(1) | Occupancy Rate(2) | IRSA's Effective Interest | Book Value (3) |
|-------------------------------------|---------------------|-----------------------|-------------------|---------------------------|----------------|
| Offices | | | | | |
| Edificio República(7) | Apr-08 | 19,885 | 96.8 % | 95.79 % | 196,833 |
| Torre Bankboston (Della Paolera)(7) | Aug-07 | 14,873 | 100.0 % | 95.79 % | 139,378 |
| Bouchard 551 | Mar-07 | - | - | 100.00 % | 7,826 |
| Intercontinental Plaza(7) | Nov-97 | 22,535 | 100.0 % | 95.79 % | 54,494 |
| Bouchard 710(7)(9) | Jun-05 | 15,044 | 99.8 % | 95.79 % | 60,671 |
| Dique IV, Juana Manso 295 | Dec-97 | 11,298 | 99.5 % | 100.00 % | 53,469 |
| Maipú 1300 | Sep-95 | 5,701 | 92.4 % | 100.00 % | 17,591 |
| Libertador 498 | Dec-95 | 620 | 100.0 % | 100.00 % | 4,021 |
| Suipacha 652/64(7) | Nov-91 | 11,453 | 96.7 % | 95.79 % | 8,065 |
| Madero 1020 | Dec-95 | - | - | 100.00 % | 124 |
| Dot Building(7) | Nov-06 | 11,242 | 100.0 % | 76.60 % | 96,783 |
| Other Offices(4) | N/A | 274 | - | - | 329 |
| Subtotal Offices | | 112,925 | 98.4 % | - | 639,584 |
| Other Properties | | | | | |
| Commercial Properties(5) | N/A | 312 | - | - | 704 |
| Santa María del Plata S.A. | Jul-97 | 96,100 | 100.0 % | 100 % | 12,513 |
| Nobleza Piccardo(8) | May-11 | 98,610 | 100.0 % | 50 % | 6,686 |
| Other Properties(6) | N/A | 43,646 | 55.1 % | - | 55,435 |
| Subtotal Other Properties | | 238,668 | 91.7 % | - | 75,338 |
| TOTAL OFFICES AND OTHER | | 351,593 | 93.8 % | - | 714,922 |

Notes:

- (1) Total leaseable area for each property as of December 31, 2014. Excludes common areas and parking.
- (2) Calculated dividing occupied square meters by leaseable area as of December 31, 2014.
- (3) Cost of acquisition, plus improvements, less accumulated depreciation, plus adjustment for inflation, less allowance for impairment.
- (4) Includes the following properties: Rivadavia 2774.
- (5) Includes the following properties: Constitución 1111.
- (6) Includes the following properties: Ocampo parking spaces, Ferro, Plot adjoining Dot, Pto. Retiro, Anchorena 665 and Chanta IV.
- (7) Through IRSA Propiedades Comerciales.
- (8) Through Quality Invest S.A.
- (9) Leaseable area modified to reflect spaces pending permit.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

IV. Sales and Developments

As measured by the ISAC (construction business synthetic indicator), the construction business continues to show a downward trend. In calendar year 2014, it recorded a cumulative fall of 0.4% compared to 2013. Compared to the prices of new and used residential units, a slightly decreasing trend has been noted in terms of USD/sqm, with less real estate transactions closed. In our case, IRSA has a small number of units in its portfolio pending sale or execution of title deeds.

Sales and Developments in

| Millions of ARS | IIQ 15 | IIQ 14 | YoY Var | 6M 15 | 6M 14 | YoY Var |
|-------------------------------|--------|--------|-----------|-------|-------|----------|
| Revenues | 1.8 | 24.9 | (92.8)% | 6.6 | 41.0 | (83.9)% |
| Operating Income | 468.0 | 6.8 | 6,782.4 % | 477.7 | 0.1 | - |
| Depreciation and Amortization | - | - | - | - | - | - |
| EBITDA | 468.0 | 6.8 | 6,782.4 % | 477.7 | 0.1 | - |

„During the first six months of fiscal year 2015 sales totaled ARS 6.6 million, 83.9% below cumulative sales for the same period of 2014. Operating income and EBITDA increased due to the higher revenues from sales of investment properties, originated in the sale of the 9th, 10th, 11th, 21st, 22nd and 23rd floors of Bouchard 551 building, the sale of the 9th and 10th floors of Maipú 1300 building and two parking spaces in that building and the sale of one parking space in Libertador 498 building.

Sales and Development Table

(In thousands of ARS except as indicated)

| DEVELOPMENT | 6M 15 | 6M 14 | YoY Var |
|--------------------------------------|--------------|---------------|-----------------|
| Residential Apartments | | | |
| Condominios I & II(1) | 3,673 | 16,445 | (77.7)% |
| Caballito Nuevo | 1,021 | - | - |
| Libertador 1703 & 1755 (Horizons)(2) | 770 | 17,838 | (95.7)% |
| Other residential apartments(3) | - | 44 | (100.0)% |
| Subtotal Residential Apartments | 5,464 | 34,327 | (84.1)% |
| Residential Communities | | | |
| Abril/Baldovinos(4) | 645 | 1,750 | (63.1)% |
| El Encuentro | 461 | 4,902 | (90.6)% |
| Subtotal Residential Communities | 1,106 | 6,652 | (83.4)% |
| TOTAL | 6,570 | 40,979 | (84.0)% |

(1) Through Alto Palermo S.A.

(2) Owned by CYRSA S.A.

(3) Includes the following properties: units to be received in Beruti through APSA, Torres Jardín, San Martín de Tours, Rivadavia 2768, Terreno Caballito and Lotes Pereiraola through IRSA.

(4) Includes sale of shares in Abril.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

| Development Residential Properties Available for sale(4) | Company | Interest | Date of Acquisition | Land Area sqm | Saleable area sqm(1) | Buildable area sqm | Title Deed Executed (%) | Location | Accumulated | Accumulated | Book Value |
|--|---------|----------|---------------------|---------------|----------------------|--------------------|-------------------------|--------------------|------------------------------|------------------------------|------------|
| | | | | | | | | | revenues as of December 2014 | revenues as of December 2013 | |
| Condominios del Alto I | APSA | 100% | 03/1999 | | 2,082 | - | 79 % | 79 % Santa Fe | 3,673 | 16,445 | 415 |
| Condominios del Alto II | APSA | 100% | 03/1999 | | 5,009 | - | 96 % | 96 % Santa Fe | - | - | 940 |
| Caballito Nuevo Barrio Chico | IRSA | 100% | 03/1997 | | 8,173 | - | 99 % | 99 % CABA | 1,021 | - | 38 |
| | IRSA | 100% | 01/2003 | | 3,492 | - | 99 % | 99 % CABA | - | - | 124 |
| El Encuentro | IRSA | 100% | 08/1997 | | 122,795 | - | 100 % | 99 % Buenos Aires | 461 | 4,902 | - |
| Abril Club de Campo – Loteo | IRSA | 100% | 03/1995 | | 5,137 | - | 100 % | 100 % Buenos Aires | 645 | 1,750 | 2,357 |
| Abril Club de Campo – Casona(5) | IRSA | 100% | 03/1995 | 31,224 | 34,605 | - | - | - Buenos Aires | - | - | - |
| Torres Jardin | IRSA | 100% | 08/1996 | | - | - | - | - CABA | - | - | - |
| Departamento Entre Rios 465/9 | APSA | 100% | - | - | - | - | - | - Buenos Aires | - | - | 1,400 |
| Alto Palermo Park | APSA | 100% | 08/1997 | | - | - | - | - CABA | - | - | - |
| Horizons Pereiraola | IRSA | 500% | 06/2007 | | 71,512 | - | 100 % | 100 % Buenos Aires | 770 | 17,838 | 5,747 |
| (Greenville) | IRSA | 100% | 02/2010 | | 39,634 | - | - | - Buenos Aires | - | - | 8,200 |
| Intangible - Units to be received | | | | | | | | | | | |
| Beruti (Astor Palermo)(6) | APSA | 100% | 06/2008 | | 2,632 | - | - | - CABA | - | 44 | 32,872 |
| Caballito Manzana 35 | IRSA | 100% | 02/1998 | | 8,258 | - | - | - CABA | - | - | 52,205 |
| Subtotal Residential Properties | | | | 31,224 | 303,329 | - | | | 6,570 | 40,979 | 104,298 |
| Land Reserves | APSA | 100% | 01/1996 | 26,398 | 1,389 | 5,994 | - | - | - | - | 5,409 |

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| | | | | | | | | | | | |
|---|------|-----------------|------------|--------|---------|------|------|-----------------|---|---|---------|
| CONIL - Güemes 836 - Mz 99 & Güemes 902 - Mz 95 | | | | | | | | Buenos Aires | | | |
| Neuquén – Parcela Hotel | APSA | 100% 10/1999 | 10,000 | - | 10,000 | 100% | 100% | Neuquén | - | - | - |
| Isla Sirgadero | IRSA | 100% 16/2008 | 7360,000 | - | no data | - | - | Santa Fe | - | - | 2,895 |
| Pilar R8 Km 53 | IRSA | 100% 29/1997 | 7,828 | - | - | - | - | Buenos Aires | - | - | 1,550 |
| Pontevedra | IRSA | 100% 28/1998 | 30,994 | - | - | - | - | Buenos Aires | - | - | 918 |
| Mariano Acosta | IRSA | 100% 28/1998 | 67,290 | - | - | - | - | Buenos Aires | - | - | 804 |
| Merlo Terreno | IRSA | 100% 28/1998 | 404,987 | - | - | - | - | Buenos Aires | - | - | 639 |
| Rosario | APSA | 100% 30/1999 | - | - | - | 100% | 100% | Santa Fe | - | - | - |
| Zelaya 3102 | IRSA | 100% 10/2005 | - | - | - | - | - | CABA | - | - | 1,722 |
| Terreno San Luis | IRSA | 500% 31/2008 | 250,523 | - | - | - | - | San Luis | - | - | 1,584 |
| Subtotal Land Reserves | | | 14,394,020 | 1,389 | 15,994 | | | | - | - | 15,521 |
| Future Developments | | | | | | | | | | | |
| Mixed uses | | | | | | | | | | | |
| UOM Lujan(7) | APSA | 100% 31/2008 | 160,000 | - | no data | - | - | Buenos Aires | - | - | 33,905 |
| Canteras Natal Crespo (2 commercial plots) | IRSA | 500% 27/2009 | 9,546 | - | 59,319 | - | - | Cordoba | - | - | - |
| Nobleza Picardo(8) | APSA | 500% 31/2011 | 59,995 | - | 127,996 | - | - | Buenos Aires | - | - | - |
| Puerto Retiro | IRSA | 500% 18/1982 | 2,051 | - | no data | - | - | CABA | - | - | 51,337 |
| Solares Santa María(9) | IRSA | 100% 10/1997 | 6,058 | - | no data | - | - | CABA | - | - | 158,951 |
| Residential | | | | | | | | | | | |
| Coto Abasto Air Space | APSA | 100% 24/1997 | - | - | 21,536 | - | - | CABA | - | - | 8,945 |
| Neuquén - Parcela Viviendas | APSA | 100% 10/1999 | 3,000 | - | 18,000 | - | - | Neuquén | - | - | 803 |
| La Adela | IRSA | 100% - | 10,600,000 | - | - | - | - | Buenos Aires | - | - | - |
| Uruguay Zetol | IRSA | 900% 10/2009 | 2,977 | 62,756 | - | - | - | Uruguay | - | - | 64,842 |
| Uruguay Vista al Muelle | IRSA | 900% 10/2009 | 2,216 | 62,737 | - | - | - | Uruguay | - | - | 44,868 |
| Retail | | | | | | | | | | | |
| Caballito Shopping | APSA | 100% - | 23,791 | - | no data | - | - | CABA | - | - | - |

| | | | | | | | | | | | |
|------------------|------|------|-----------|------------|---------|---------|---|------|-------|--------|---------|
| Plot(10) | | | | | | | | | | | |
| Dot Potential | | | | | | | | | | | |
| Expansion | APSA | 80 % | - 15,881 | - | 47,643 | - | - | CABA | - | - | - |
| Offices | | | | | | | | | | | |
| Philips | | | | | | | | | | | |
| Linderos - | | | | | | | | | | | |
| Offices 1 & 2 | APSA | 801 | 1/28/2001 | 2,800 | - | 38,400 | - | - | CABA | - | 25,332 |
| Baicom | IRSA | 501 | 2/23/2009 | 905 | - | 34,500 | - | - | CABA | - | 4,459 |
| Intercontinental | | | | | | | | | | | |
| Plaza II(11) | APSA | 100 | 2/28/1998 | 135 | - | 19,598 | - | - | CABA | - | 1,564 |
| Terreno | | | | | | | | | | | |
| Catalinas Norte | IRSA | 100 | 2/17/2009 | 649 | - | 35,300 | - | - | CABA | - | 109,494 |
| Subtotal Future | | | | | | | | | | | |
| Developments | | | | 13,095,004 | 125,493 | 402,292 | - | - | | | 504,500 |
| Total Land | | | | | | | | | | | |
| Reserves | | | | 27,520,248 | 430,211 | 418,286 | | | 6,570 | 40,979 | 624,319 |

- (1) Saleable Area is understood to be the individual sqm of each residential property, including parking and storage spaces. Computed at 100% before making any sales.
- (2) The % Sold comprises sales transactions in which a Preliminary Sale Agreement, Deed of Possession or Title Deed has been executed. Includes the individual sqm of each residential property, and parking and storage spaces.
- (3) % with Title Deed Executed comprises sales transactions in which a Title Deed has been executed. Includes the individual sqm of each residential property and parking and storage spaces.
 - (4) In those case where IRSA/APSA received units under barter agreements, the "Saleable Area" corresponds to the area received rather than the total project area.
- (5) The Saleable Area includes 31,224 sqm of land and 4,712.81 total sqm of La Casona (deducting 1,331.76 sqm on the ground floor).
- (6) The Saleable Area does not include the 171 commercial parking spaces receivable or the units corresponding to the discount.
 - (7) Feasibility of Mixed Uses requested, provincial approval pending.
- (8) The 127,996 sqm arise from the current regulations, a draft project for 479,415 buildable sqm is under way (pending approval).
- (9) Feasibility requested for 716,058 buildable sqm, pending approval by the Legislature of the City of Buenos Aires.
 - (10) Draft project for 71,374 buildable sqm, approval or urban parameters pending.
 - (11) The 6,135 sqm of Land correspond to the parcel, which includes Inter I & II.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

V. Hotels

Our hotels in the City of Buenos Aires and the Llao Llao resort owned by the company in the City of Bariloche maintain their historic average occupancy levels and have seen their occupancy rates rise by 7.6 pp. during the second quarter of fiscal year 2015 as compared to the previous quarter. Rates per night per room have risen in terms of USD during the quarter under review, reaching USD 191, compared to USD 188 in the past quarter and USD 185 during the second quarter of 2014.

| Hotels (in millions of ARS) | IIQ 15 | IIQ 14 | YoY Var | 6M 14 | 6M 13 | YoY Var |
|-------------------------------|--------|--------|---------|-------|-------|---------|
| Revenues | 116.2 | 87.6 | 32.6 % | 213.0 | 160.6 | 32.6 % |
| Operating income | 9.3 | 5.9 | 57.6 % | 9.1 | 6.4 | 42.2 % |
| Depreciation and amortization | 4.4 | 3.7 | 18.9 % | 7.6 | 7.2 | 5.6 % |
| EBITDA | 13.7 | 9.6 | 42.7 % | 16.7 | 13.6 | 22.8 % |

During the first six months of fiscal year 2015, the hotel segment recorded an increase in revenues of around 32.6% and an EBITDA of ARS 16.7 million, 22.8% higher than in the first six months of fiscal year 2014.

The following is information on our hotel segment as of December 31, 2014:

| | Date of Acquisition | IRSA's Interest | Number of Rooms | Average Occupancy(1) | Average Rate | Book Value (in thousands of ARS) |
|------------------------|---------------------|-----------------|-----------------|----------------------|--------------|----------------------------------|
| Intercontinental(2) | Nov-97 | 76.34 % | 309 | 71.6 % | 1,316 | 45,738 |
| Sheraton Libertador(3) | Mar-98 | 80.00 % | 200 | 76.9 % | 1,171 | 33,106 |
| Llao Llao(4) | Jun-97 | 50.00 % | 205 | 56.6 % | 2,744 | 82,839 |
| Total | | | 714 | 68.8 % | 1,609 | 161,683 |

Notes:

- (1) Cumulative average for the 6-month period.
- (2) Through Nuevas Fronteras S.A. (IRSA's subsidiary).
- (3) Through Hoteles Argentinos S.A.
- (4) Through Llao Llao Resorts S.A.

| | IIQ 15 | IQ 15 | IVQ 14 | IIIQ 14 | IIQ 14 |
|------------------------------------|--------|--------|--------|---------|--------|
| Average occupancy* | 72.6 % | 65.0 % | 70.2 % | 67.2 % | 75.6 % |
| Average rate per room (ARS/night)* | 1,609 | 1,565 | 1,230 | 1,077 | 1,206 |
| Average rate per room (USD/night)* | 191 | 188 | 180 | 183 | 185 |

*Average for the 3-month period.

Revenues

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(in Millions of ARS)

| | IIQ 15 | IIQ 14 | YoY Var | | 6M 15 | 6M 14 | YoY Var | |
|---------------------|--------|--------|---------|---|-------|-------|---------|---|
| Intercontinental | 42.5 | 23.3 | 82.4 | % | 77.3 | 58.1 | 33.0 | % |
| Sheraton Libertador | 27.3 | 16.4 | 66.5 | % | 48.1 | 37.3 | 29.0 | % |
| Llao Llao | 46.5 | 24.1 | 92.9 | % | 87.6 | 65.2 | 34.4 | % |
| Total | 116.3 | 63.8 | 82.3 | % | 213.0 | 160.6 | 32.6 | % |

9

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

VI. International

| | IIQ 15 | IIQ 14 | YoY Var | 6M 15 | 6M 14 | YoY Var |
|-------------------------------|--------|--------|-----------|-------|-------|-----------|
| Revenues | - | 20.1 | (100.0)% | 28.1 | 39.5 | (28.9)% |
| Operating Income / (Loss) | 176.5 | 0.1 | - | 475.8 | 3.3 | - |
| Depreciation and Amortization | 0.1 | 9.7 | (99.0)% | 0.2 | 16.7 | (98.8)% |
| EBITDA | 176.6 | 9.8 | 1,702.0 % | 476.0 | 20.0 | 2,280.0 % |

The International segment recorded lower revenues during the first six months of fiscal year 2015 due to the drop in revenues from leases in the Madison Building. Operating Income increased significantly during the first quarter of 2015, reflecting the sale of the Madison 183 building in the City of New York in September past.

Interest in Metropolitan 885 Third Ave. LLC (“Metropolitan”) through New Lipstick LLC (“New Lipstick”)

IRSA indirectly holds a 49.8% interest in New Lipstick LLC, a holding company that is owner of Metropolitan, a company whose main asset is the so-called “Lipstick” office building.

The Lipstick Building is a landmark building in the City of New York, located in Midtown Manhattan, with a gross leaseable area over 57,500 sqm. As of December 31, 2014, the building reached an occupancy rate of 94.99%, thus generating an average rent of USD 70.5 per sqm.

| | Lipstick | Dec-14 | Dec-13 | YoY Var |
|----------------------------|----------|--------|--------|---------|
| Gross Leaseable Area (sqm) | 58,019 | 58,019 | - | |
| Occupancy rate | 94.99 % | 86.1 % | 8.89 % | |
| Rental price (USD/sqm) | 70.5 | 66.6 | 5.85 % | |

Sale of Building Located at 183 Madison Ave, New York, NY

In September past, the Company, acting through its subsidiary Rigby 183 LLC (“Rigby 183”) consummated the sale of the Madison 183 building, located in the City of New York, United States of America, for USD 185 million, and discharged the mortgage on this asset for USD 75 million. During this quarter we recorded a balance of ARS 188.3 million as reversal of the conversion reserve generated in Rigby 183 as a result of the partial repayment of principal of the Company.

Investment in Supertel Hospitality Inc.

As of December 31, 2014, jointly with other shareholders, we held the equivalent to 34% of the voting rights in Supertel Hospitality Inc., a REIT listed on NASDAQ under the symbol “SPPR”. Supertel Hospitality Inc. has a portfolio of 56 medium-class and long-stay hotels with 4,798 rooms in 20 states of the United States of America, which are operated by various operators and franchises such as Comfort Inn, Days Inn, Hampton Inn, Holiday Inn, Sleep Inn, and Super 8, among others.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

Investment in IDB Development Corporation

On July 1^o, 2014 DN B.V. exercised all rights granted and acquired as of June 30, 2014 to purchase additional shares of IDBD. As a result of exercising the granted rights, DN B.V. received 17.32 million shares and 11.99 million warrants of Series 1, 2 and 3. ETH received the same number of rights and therefore acquired the same number of shares and warrants as DN B.V. In addition, as a result of exercising of the rights purchased, DN B.V. acquired 5.79 million shares and 4.01 million warrants of Series 1, 2 and 3. ETH also acquired the same number of shares and warrants as DN B.V.

Between July 9 to July 14, 2014, DN B.V. acquired through transactions in the open market 0.42 million shares and 0.34 million additional Series 2 warrants for NIS 1.77 million (equivalent to approximately USD 0.52 million at such date). 50% of such shares and Series 2 warrants were sold to ETH in accordance with the terms and conditions of the agreement entered into between the parties.

On November 2, 2014, DN B.V. exercised 15,998,787 Series 1 warrants. Besides, ETH also exercised the same number of Series 1 warrants.

As a result of the above mentioned transactions, as of December 31, 2014, DN B.V. held an aggregate of 92,618,950 shares, 16,170,392 Series 2 warrants and 15,988,787 Series 3 warrants, representing a non-diluted equity interest of 31.26% and a fully diluted equity interest of 32.38% in IDBD. As of December 31, 2014, IDBD's Board of Directors consists of nine members, three of whom were appointed by DN B.V., namely, Eduardo Elsztain, Alejandro Elsztain and Saúl Zang.

Under the purchase agreement, DN B.V. and ETH have promised to participate on a joint and several basis in any capital increases resolved by IDBD's Board of Directors in order to carry out its business plan for 2014 and 2015, for at least NIS 300 million in 2014 and NIS 500 million in 2015 (equivalent to approximately USD 77 million and USD 128 million at the exchange rate prevailing as of December 31, 2014). As of December 31, 2014, DN B.V. and ETH have contributed NIS 407 million (equivalent to approximately USD 104 million) and thus completed performance of their obligations for 2014, with a balance of NIS 393 million to be contributed in 2015.

Moreover, under the purchase agreement, DN B.V. and ETH jointly and severally committed to make one or more tender offers for acquiring shares in IDBD for a total amount of NIS 512.09 million (equivalent to approximately USD 131 million at the exchange rate prevailing as of December 31, 2014) as per the following scheme: (i) before December 31, 2015, an amount of at least NIS 249.8 million for a price per share of NIS 8.344 (subject to adjustment); and (ii) before December 31, 2016, an amount of at least NIS 512.09 million less the offer made in 2015, for a price per share of NIS 8.7612 (subject to adjustment). To secure compliance of the tender offers, 29,937,591 shares in IDBD held by DN B.V. were pledged as of December 31, 2014. As of the date of these financial statements, no tender offers had been made.

In addition, the purchase agreement provides that DN B.V. and ETH shall jointly and severally pay to the creditors who participated in the above mentioned restructuring agreement an additional amount of NIS 100 million (equivalent to approximately USD 26 million at the exchange rate prevailing as of December 31, 2014) in the event that IDBD consummates the sale of its interest in its subsidiary Clal Insurance Enterprises Holdings Ltd. before December 31, 2014 and

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

always provided that: (i) the sales price is not less than NIS 4,200 million (equivalent to approximately USD 1,078 million at the exchange rate prevailing as of December 31, 2014); and (ii) the closing of the transaction occurs before June 30, 2015, with IDBD having received by this last date a payment of not less than NIS 1,344 million (gross) (equivalent to approximately USD 345 million at the exchange rate prevailing as of December 31, 2014). As of December 31, 2014, IDBD had not executed the sale of its interest in Clal Insurance Enterprises Holdings Ltd. As IDBD had not consummated the above mentioned sale as of December 31, 2014, the additional commitment assumed by DN B.V. and ETH ceased to have effect.

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

In this way, pursuant to the Tel Aviv Stock Exchange regulations, as of December 31, 2014, 47,355,557 shares and 335,715 warrants of each of Series 2 and 3 remained in escrow under the terms mentioned above.

On January 19, 2015, DFL purchased in the open market 94,000 shares of IDBD for a total amount of NIS 0.13 million (equivalent to USD 0.03 million as of the date of purchase) and then sold 50% to ETH pursuant to the terms of the agreement executed between the parties. In addition, DFL purchased 42,564 shares in Discount Investment Corporation Ltd., a subsidiary of IDBD, for NIS 0.24 million (equivalent to USD 0.06 million as of the date of purchase), out of which 50% were offered to ETH under the terms of the agreement executed between the parties. However, ETH decided not to acquire 50% of such shares.

On December 29, 2014, DN B.V. sent an irrevocable proposal to IDBD for launching a rights offering for approximately NIS 800 million (equivalent to USD 205 million as of December 31, 2014) (hereinafter, the "Maximum Immediate Payment") and the issuance of 3 series of warrants (the "New Warrants") exercisable for prices equivalent to 110%, 120% and 130% of the prices of the rights offered, respectively, and falling due within 1, 2 and 3 years, respectively (hereinafter, the rights offered and the New Warrants are referred to as the "Rights Offering").

Contingent upon the resolution to be adopted by IDBD's board of directors regarding the launching of the Rights Offering, DN B.V. promised to inject funds in IDBD for at least NIS 256 million and up to NIS 400 million, as follows: (i) NIS 256 million through the exercise of DN B.V.'s rights arising from the Rights Offering; (ii) an additional investment (the "Additional Investment") for an amount equivalent to (a) the Maximum Immediate Payment, less (b) the amount received by IDBD as a result of the Rights Offering, excluding the exercise of the New Warrants, but in no event for an amount higher than NIS 144 million. The Additional Investment would be made by DN B.V. by exercising additional rights to be acquired by DN B.V., or if such rights were not acquired, by participating in another rights offering to be conducted by IDBD.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

Furthermore, DFL agreed to (i) exercise the first series of the New Warrants for a total amount of NIS 150 million (equivalent to USD 39 million as of December 31, 2014), provided that it is requested to do so by IDBD's Board of Directors within 6 to 12 months of the Rights Offering date; and (ii) exercise all the New Warrants received in the Rights Offering, subject to the simultaneous satisfaction of two conditions: (a) that IDBD and its lenders reach an agreement to amend certain covenants; and (b) that a control permit on Clal Insurance Company Ltd. ("Clal") is secured from the Capital Markets, Insurance and Savings Commissioner of Israel.

In addition, on January 19, 2015, IDBD issued a prospectus for the Rights Offering in accordance with the irrevocable offer submitted by DN B.V., so as to grant on January 26, 2015, 1 right (a "New Right") for every 25 shares of IDBD held. These new rights will entitle to subscribe on February 10, 2015 for 45 common shares of IDBD for a price of NIS 68.04 (NIS 1.512 per share) and 20 Series 4 warrants, 19 Series 5 warrants and 17 Series 6 warrants to be issued by IDBD, with no charge. Each warrant to be issued by IDBD will entitle to acquire one common share in IDBD. Series 4 falls due on December 10, 2016 and will be exercisable at NIS 1.663 per warrant. Series 5 falls due on February 12, 2017 and will be exercisable at NIS 1.814 per warrant. Series 6 falls due on February 12, 2018 and will be exercisable at NIS 1.966 per warrant. The Rights Offering prospectus also provides that on February 5, 2015 the rights received will be traded in the public market.

As part of the above mentioned Rights Offering, on January 26, 2015, DN B.V. received 3.7 million New Rights and DFL received 1,880 New Rights. Moreover, on February 5, 2015, DN B.V. acquired 2.05 million New Rights for a total amount of NIS 0.94 million (equivalent to USD 0.24 million as of the date of purchase) out of which 50% was offered to ETH pursuant to the terms of the agreement entered into between the parties.

On February 4, 2015, ETH sent a notice to IDBD stating that in view of the circumstances prevailing as of the date of the letter, it would not exercise the New Rights to which it is ratably entitled, yet making it clear that ETH retained the right to change its decision.

As a result of the New Rights, the prices corresponding to the tender offer commitments mentioned above have been accordingly adjusted to NIS 7.798 and NIS 8.188 per share for the 2015 and 2016 commitments, respectively, and the number of shares pledged by DN B.V. will be adjusted accordingly.

As of the date of issuance of these financial statements, DN B.V. had an aggregate of 92,618,950 common shares, 16,170,392 Series 2 warrants, 15,998,787 Series 3 warrants and 5,753,013 New Rights of IDBD, representing a 31.26% undiluted holding in IDBD and a fully diluted holding of 32.38%; however, such amounts will be changed based on the result of the Rights Offering, on February 10, 2015. Besides, DFL held 47,000 shares and 1,880 New Rights of IDBD, representing an undiluted holding of 0.02% and a fully diluted holding of 0.01%, subject to the same considerations as DNB.V. regarding the Rights Offering.

As of the date of issuance of these financial statements, the number of shares pledged as security for the tender offers is 29,937,591. After exercising the New Rights to be subscribed for

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

on February 10, 2015, 32,033,855 shares will remain pledged, and in compliance with the Tel Aviv Stock Exchange regulations, 46,002,541 shares and 335,715 warrants of each of Series 2 and 3 will be held in escrow.

Since December 31, 2014, the value of IDBD's shares has decreased from NIS 1.97 per share to NIS 1.27 per share, and the NIS/USD exchange rate has gone from 3.8987 NIS per dollar to 3.899 NIS per dollar, resulting in a reduction in the Group's financial asset of USD 16.43 million (approximately \$ 142.7 million) and an increase in the liabilities derived from the tender offers' commitment of USD 5.1 million (approximately \$ 43.9 million).

VII. Financial Operations and Others

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

BHSA is a leading bank in the mortgage lending segment, in which IRSA held a 29.90% interest as of December 31, 2014 (excluding portfolio shares). For further information please refer to <http://www.cnv.gob.ar> or <http://www.hipotecario.com.ar>. The investment in Banco Hipotecario generated results for 70.6 million during the second quarter of 2015, 18.1% higher than in the same quarter of 2014.

For further information visit <http://www.cnv.gob.ar> or <http://www.hipotecario.com.ar>.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

VIII. EBITDA by Segment

| | Shopping Centers | Offices | Sales and Developments | Hotels | International | Financial Operations and others | Total |
|--|---------------------|---------|---------------------------|--------|---------------|---------------------------------------|---------|
| 6M 15 Operating income / (loss) | 626.6 | (1.1) | 477.7 | 9.1 | 475.8 | 8.3 | 1,596.4 |
| Depreciation and Amortization | 62.1 | 16.7 | - | 7.6 | 0.2 | - | 86.6 |
| EBITDA (1) | 688.7 | 126.1 | 477.7 | 16.7 | 476.0 | 8.3 | 1,793.5 |
| | Shopping Centers | Offices | Sales and Developments | Hotels | International | Financial Operations and others | Total |
| 6M 14 Operating income / (loss) | 458.4 | 65.4 | 0.1 | 6.4 | 3.3 | (1.7) | 531.9 |
| Depreciation and Amortization | 73.8 | 17.1 | - | 7.2 | 16.7 | - | 114.8 |
| EBITDA | 532.2 | 82.5 | 0.1 | 13.6 | 20.0 | (1.7) | 646.7 |
| EBITDA Var | 29.4 % | 52.8 % | - | 22.8 % | 2,280.0 % | (588.2)% | 177.3 % |

(1) EBITDA: Operating Income plus Depreciation and Amortization, excluding expenses and taxes incurred in the transfer of assets.

IX. Reconciliation with Consolidated Income Statement as of December 31 *
(in Millions of ARS)

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

| | Segment Total | | Joint Ventures(1) | | Inter.-segment Deletions | | Income Statement | | YoY Var | |
|-------------------------|---------------|----------|-------------------|---------|-----------------------------|--------|---------------------|----------|---------|---|
| | 6M 15 | 6M 14 | 6M 15 | 6M 14 | 6M 15 | 6M 14 | 6M 15 | 6M 14 | | |
| Revenues | 1,740.0 | 1,404.4 | (16.4) | (28.4) | (3.5) | (2.1) | 1,720.2 | 1,374.0 | 25.2 | % |
| Costs | (763.0) | (662.9) | 9.6 | 19.5 | 2.6 | 1.6 | (750.8) | (641.9) | 17.0 | % |
| Gross Profit /(Loss) | 977.0 | 741.5 | (6.8) | (9.0) | (0.9) | (0.4) | 969.4 | 732.1 | 32.4 | % |
| Result from sale of | 801.1 | 7.5 | - | - | - | - | 801.1 | 7.5 | - | |

| | | | | | | | | | | | |
|---|----------|----------|--------|--------|--------|--------|----------|----------|-----------|---|--|
| investment properties | | | | | | | | | | | |
| General and administrative expenses | (164.4) | (130.7) | 0.4 | 0.5 | 1.4 | 0.9 | (162.6) | (129.4) | 25.7 | % | |
| Selling expenses | (85.4) | (68.1) | 1.0 | 2.2 | 0.2 | 0.1 | (84.2) | (65.8) | 28.0 | % | |
| Other operating income, net | 68.0 | (18.4) | 0.7 | 1.5 | (0.7) | (0.5) | 68.0 | (17.3) | (493.1) | % | |
| Operating Income | 1,596.3 | 531.8 | (4.6) | (4.7) | - | - | 1,591.7 | 527.1 | 202.0 | % | |
| Income / (loss) from interests in equity investees and joint ventures | (689.3) | 42.8 | 8.6 | 8.4 | - | - | (680.7) | 51.2 | (1,429.5) | % | |
| Income before financial income / (loss) and income tax | 907.0 | 574.6 | 3.9 | 3.7 | - | - | 910.9 | 578.3 | 57.5 | % | |

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

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

X. Financial Debt and Other Indebtedness

Consolidated Financial Debt as of December 31, 2014

| Type of Debt | Currency | Amount (USD MM)(1) | Interest Rate | Maturity |
|-------------------------------------|----------|--------------------------|----------------------|------------|
| Bank Overdraft | ARS | 19.0 | Variable | < 30 d |
| IRSA's Tranche I Series I Notes(2) | USD | 150.0 | 8.50 % | Feb-17 |
| IRSA's Tranche II Series II(3) | USD | 150.0 | 11.50 % | Jul-20 |
| IRSA's Series V Notes | ARS | 24.5 | Badlar + 395 bps. | Aug-15 |
| IRSA's Series VI Notes | ARS | 1.3 | Badlar + 450 bps. | Feb-17 |
| Nuevas Fronteras 5600 Mortgage Loan | ARS | 0.8 | Variable | Dec-17 |
| Other Debt | ARS | 1.1 | 15.25 % | Dec-16 |
| IRSA's Total Debt | USD | 346.7 | | |
| Series I Notes due 2017 (int.)(4) | USD | 120.0 | 7.88 % | May-17 |
| Short-term Debt | ARS | 72.7 | Variable | < 180 days |
| Syndicated Loan – Arcos | ARS | 6.1 | 15.01 % | Nov-15 |
| Syndicated Loan – Neuquén | ARS | 8.7 | 15.25 % | Jun-16 |
| Other Debt | ARS | 4.5 | - | - |
| Total IRSA PC's Debt | | 212.0 | | |
| Total Consolidated Debt(5) | | 558.7 | | |
| Consolidated Cash | | 95.6 | | |
| Debt Repurchase | | 23.2 | | |
| Net Consolidated Debt | | 439.9 | | |

1 Principal face value in USD at an exchange rate of ARS 8.551 = USD 1, without considering elimination of balances with subsidiaries.

2 As of 12/31/14 IRSA held bonds for a principal amount of USD 1.0 million.

3 As of 12/31/14 IRSA held bonds for a principal amount of USD 3.5 million, ERSA held bonds for a principal amount of USD 1.4 million and PAMSA held bonds for a principal amount of USD 5.6 million.

4 As of 12/31/14 IRSA held bonds for a principal amount of USD 10.0 million, ERSA held bonds for a principal amount of USD 0.1 million and PAMSA held bonds for a principal amount of USD 1.6 million.

5 Excludes loan receivable from IRSA Propiedades Comerciales S.A. under the asset transfer for USD 246.4 million.

XI. Material Events Occurred during the Period and Subsequent Events

Sale of Investment Properties

October 2014

On October 8, 2014, the Group, acting through IRSA, executed the deed of sale of the 22nd and 23rd floors of Bouchard 551 building. The transaction price was \$ 168.7 million, and the sale resulted in a gain before taxes of approximately \$ 151.4 million.

On October 22, 2014, the Group, acting through IRSA, executed the deed of sale of the 10th Floor of Maipú 1300 building jointly with two parking spaces in that building and a parking space in Libertador 498 building. The transaction price was \$ 12.0 million, and the sale resulted in a gain before taxes of approximately \$ 10.4 million.

On October 28, 2014, the Group, acting through IRSA, executed the deed of sale of the 9th, 10th and 11th floors of Bouchard 551 building. The transaction price was \$ 279.4 million, and the sale resulted in a gain before taxes of approximately \$ 240.5 million.

16

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

November 2014

On November 7, 2014, the Group, acting through IRSA, executed the deed of sale of the 21st floor of Bouchard 551 building. The transaction price was \$ 75.6 million, and the sale resulted in a gain before taxes of approximately \$ 66.7 million.

December 2014

On December 10, 2014, the Group, acting through IRSA, executed the deed of sale of the 9th floor of Maipú 1300 building. The transaction price was \$ 12.5 million (USD 1.6 million), and the sale resulted in a gain before taxes of approximately \$ 11.0 million.

Additional Investments in IDB Development Corporation Ltd.

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

On February 2, 2015, the Company resolved to make an additional investment in IDBD Development Corporation Ltd. ("IDBD") for up to USD 105,000,000, to be used to subscribe for new shares and warrants convertible into IDBD shares, which will be offered under a new rights offering pursuant to terms and conditions of the prospectus published on the Tel Aviv Stock Exchange on January 19, 2015.

The subscription will be made through a subsidiary, Tyrus S.A. ("Tyrus"), that is wholly controlled by IRSA. Such subscription will result in the right to receive additional shares in Dolphin Fund Ltd. ("Dolphin") and/or membership interests in Dolphin Fund II LP ("Dolphin II") and/or shares of stock in any of the controlled subsidiaries. In connection with the investment in Dolphin and/or Dolphin I and/or their controlled subsidiaries, IRSA will pay only the ratable portion of the expenses effectively incurred to maintain the investment.

Transfer of properties to our subsidiary IRSA Propiedades Comerciales S.A. (continuing company of Alto Palermo S.A. (APSA))

In December past, we transferred to our subsidiary IRSA Propiedades Comerciales S.A. 83,789 square meters of our portfolio of premium offices, including República building, Bouchard 710, Della Paolera 265, Intercontinental Plaza and Suipacha 652 and the "Intercontinental II" land reserve, with a view to consolidating a vehicle that will be mainly engaged in the development and operation of commercial properties in the Republic of Argentina.

The purpose of this asset reorganization is to add the best office portfolio in the City of Buenos Aires to the best shopping center portfolio in Argentina.

The total transaction amount was USD 308 million, USD 61.6 million of which have already been paid, while the balance of USD 246.4 million has been financed at an effective rate of 8.5% per annum with maturities in 2017 and 2020.

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

Below is a description of the assets that have been transferred:

1- República building, City of Buenos Aires

This property, which was designed by the renowned architect César Pelli is a unique premium office building in downtown Buenos Aires. It has approximately 19,885 gross leaseable square meters distributed in 20 floors. As of December 31, 2014, its occupancy rate was 96.8%.

2- Bouchard 710, City of Buenos Aires

Bouchard 710 is a 12-story office building located in the Retiro area. It has 15,014 gross leaseable square meters. As of December 31, 2014, its occupancy rate was 100.0%.

3- Della Paolera 265, City of Buenos Aires

The “BankBoston” Tower is a modern office building located at Carlos María Della Paolera 265, City of Buenos Aires. It was designed by the renowned architect Cesar Pelli and has 14,873 square meters of gross leaseable area. As of December 31, 2014, its occupancy rate was 100.0%.

4- Intercontinental Plaza, City of Buenos Aires

Intercontinental Plaza is a modern 24-story building located next to the Intercontinental Hotel in the historic neighborhood of Montserrat in downtown Buenos Aires. It has a leaseable area of 22,535 square meters. As of December 31, 2014, its occupancy rate was 100.0%.

5- Suipacha 652/64, City of Buenos Aires

Suipacha 652/64 is a 7-story office building located in downtown Buenos Aires. It has 11,453 square meters of leaseable area and as of December 31, 2014 its occupancy rate was 96.7%.

6- Intercontinental Plaza II Plot - City of Buenos Aires

The Intercontinental Plaza complex is located in the heart of the Montserrat district. It comprises an office tower and the exclusive Intercontinental Hotel. In the 6,135 square meter plot, it would be feasible to develop a second office tower, including 19,600 square meters and 25 floors, that would supplement the one already erected in the intersection of Moreno and Tacuarí streets.

February 2015: Sale of interest in Bitania 26 S.A.

We indirectly sold our entire interest in Bitania 26 S.A., representing 49% of its stock capital. Bitania 26 S.A owns the “Esplendor Savoy” hotel in the City of Rosario. The transaction amount was USD 4.2 million.

XI. Comparative Summary Consolidated Balance Sheet Data.

18

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

| | 12.31.14 | 12.31.13 | 12.31.12 |
|-------------------------|-----------|-----------|-----------|
| Current assets | 6,867,242 | 7,558,024 | 6,680,475 |
| Non-current assets | 2,437,828 | 1,181,982 | 1,208,407 |
| Total | 9,305,070 | 8,740,006 | 7,888,882 |
| Current liabilities | 4,491,265 | 4,170,962 | 3,208,496 |
| Non-current liabilities | 2,585,627 | 1,671,724 | 1,509,024 |
| Sub-total | 7,076,892 | 5,842,686 | 4,717,520 |
| Minority interest | 347,460 | 389,464 | 465,233 |
| Shareholders' Equity | 1,880,718 | 2,507,856 | 2,706,129 |
| Total | 9,305,070 | 8,740,006 | 7,888,882 |

XII. Comparative Summary Consolidated Income Statement Data

| | 12.31.14 | 12.31.13 | 12.31.12 |
|---|------------|------------|------------|
| Operating income | 1,591,662 | 527,087 | 558,874 |
| Income from interest in equity investees and joint ventures | (680,744) | 51,183 | 14,384 |
| Income before financial income / (loss) and income tax | 910,918 | 578,270 | 573,258 |
| Financial income | 42,389 | 60,255 | 57,964 |
| Financial expenses | (534,818) | (713,574) | (358,428) |
| Other financial income | 7,493 | 41,663 | 47,374 |
| Financial income / (loss), net | (484,936) | (611,656) | (253,090) |
| (Loss) / Income before income tax | 425,982 | 33,386 | 320,168 |
| Income tax | (379,097) | 7,312 | (74,289) |
| Net (Loss) / Income | 46,885 | (26,074) | 245,879 |
| Other comprehensive net income | (135,880) | 71,776 | 23,733 |
| Total comprehensive net income | (88,995) | 45,702 | 269,612 |
| Attributable to: | | | |
| Controlling company's shareholders | 4,514 | (21,678) | 223,782 |
| Non-controlling interest | 42,371 | (4,396) | 22,097 |

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

Summary
(stated in thousands of pesos)

XIII. Summary Comparative Consolidated Cash Flow.

| | 12.31.14 | 12.31.13 | 12.31.12 |
|--|------------|------------|------------|
| Net cash generated by operating activities | 648,985 | 421,981 | 351,696 |
| Net cash used in investing activities | 875,797 | (625,361) | (195,244) |
| Net cash used in financing activities | (967,088) | (398,603) | (60,241) |
| Net (decrease) / increase in cash and cash equivalents | 557,694 | (601,983) | 96,211 |

XIV. Comparative Statistics.

See item IV of this Summary.

XV. Comparative Ratios.

| | 12.31.2014 | 12.31.2013 | 12.31.2012 |
|-----------------------|------------------|------------------|------------------|
| Liquidity | | | |
| Current Assets | 2,437,828 | 1,181,982 | 1,208,407 = 0.80 |
| Current Liabilities | 2,585,627 = 0.94 | 1,671,724 = 0.71 | 1,509,024 |
| Indebtedness | | | |
| Total Liabilities | 7,076,892 | 5,842,686 | 4,717,520 = 1.74 |
| Shareholders' Equity | 1,880,718 = 3.76 | 2,507,856 = 2.33 | 2,706,129 |
| Solvency | | | |
| Shareholders' Equity | 1,880,718 | 2,507,856 | 2,706,129 = 0.57 |
| Total Liabilities | 7,076,892 = 0.27 | 5,842,686 = 0.43 | 4,717,520 |
| Capital Assets | | | |
| Non-current Assets | 6,867,242 | 7,558,024 | 6,680,475 = 0.85 |
| Total Assets | 9,305,070 = 0.74 | 8,740,006 = 0.87 | 7,888,882 |

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

XVI. Brief comment on prospects for the next quarter

During the second quarter of 2015 we recovered the rate of growth of our shopping centers' sales and maintained optimum occupation levels. During December we opened our fourteenth shopping center, "Distrito Arcos", located in the neighborhood of Palermo, City of Buenos Aires. "Distrito Arcos" is an Outlet center with a variety of premium brands in an open-air environment that has added approximately 14,000 square meters of gross leaseable area and 65 stores to the company's portfolio. We expect to record satisfactory sales figures in this new shopping center in the next quarter ending on March 31, 2015.

In addition, we are moving ahead in the development of our next shopping center in the City of Neuquén, "Alto Comahue", whose degree of progress is 90%. We expect to open Alto Comahue next March. This project, much longed-for by the local population, which will add approximately 10,000 square meters to our portfolio, will be the company's first shopping center in the Argentine Patagonian region, and we believe that in light of the significant economic growth experienced by Neuquén in the past years, this project will be as successful as the rest of the shopping centers managed by IRSA Propiedades Comerciales in other locations in the interior of Argentina.

We will remain active throughout the year by encouraging marketing actions, events and promotions in our shopping centers, as they have proved to be highly effective in terms of sales and have been eagerly endorsed by the public. Moreover, we expect to continue working with the aim of optimizing the performance of our current shopping centers and offices through improvements that result in taking better advantage of the leaseable square meters and higher functionality and attractiveness for the benefit of consumers, stores and tenants.

As concerns the office business, we have continued to consolidate through our subsidiary IRSA Propiedades Comerciales the office buildings we transferred to this company during December, while we have kept approximately 18,000 square meters for potential sale. We will continue to optimize the best and most integrated premium office portfolio by selling selected non-strategic assets in our portfolio for attractive prices as we have been doing during the last months. Moreover, we will continue to work towards achieving maximum occupancy in our buildings and executing the most favorable lease agreements, attracting new firms wishing to relocate in our spaces.

In connection with the Sales and Developments segment, we expect to continue with the sale of non-strategic assets and small land reserves and to make progress in the sale and execution of title deeds in the remaining residential projects. Moreover, we hold a large land reserve for future developments which we will launch as soon as suitable financial, business and governmental conditions arise.

As concerns our investments outside of Argentina, we will continue working towards increasing occupancy levels and rental prices in our only rental property abroad: the Lipstick Building in Manhattan, New York. Concerning our investment in the hotel REIT, Supertel Hospitality Inc., we are working on changing the senior management team as we believe that it will help improve the company's performance and regain market trust so as to take advantage of future opportunity windows. Finally, despite the evolution of its stock prices during the last months, we are confident in the fundamentals of our investment in IDBD, one of the largest and most diversified investment groups in Israel that participates through its subsidiaries in numerous markets and

IRSA Inversiones y Representaciones Sociedad Anónima

Summary as of December 31, 2014

industry sectors, such as real estate, retail, agroindustry, oil and gas production, insurance, telecommunications, etc.

Considering the quality of the real estate assets that compose our portfolio, the company's financial position and low indebtedness level, experience in seizing market opportunities and franchise to access the capital markets, we are confident that we are on the right track of growth as we consolidate the best real estate portfolio in Argentina, taking advantage of the opportunities that arise in Argentina or abroad.

IRSA Inversiones y Representaciones S.A.

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

April 08, 2015