

IRSA INVESTMENTS & REPRESENTATIONS INC

Form 6-K

May 20, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

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

For the month of May, 2004

Irsa Inversiones y Representaciones Sociedad Anónima

(Exact name of Registrant as specified in its charter)

Irsa Investments and Representations Inc.

(Translation of registrant's name into English)

Republic of Argentina

(Jurisdiction of incorporation or organization)

Bolívar 108

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(C1066AAB)

Buenos Aires, Argentina

(Address of principal executive offices)

Form 20-F * Form 40-F

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

Yes No *

IRSA INVERSIONES Y REPRESENTACIONES SOCIEDAD ANÓNIMA

(THE COMPANY)

REPORT ON FORM 6-K

Attached is a copy of the English translation of the Quarterly Financial Statements for the period ended on March 31, 2004 filed with the *Bolsa de Comercio de Buenos Aires* and with the *Comisión Nacional de Valores*.

IRSA Inversiones y Representaciones

Sociedad Anónima and subsidiaries

Free translation of the

Unaudited Consolidated Financial Statements

For the nine-month period ended as of

March 31, 2004

In comparative format

IRSA Inversiones y Representaciones Sociedad Anónima

and subsidiaries

Unaudited Consolidated Balance Sheets as of March 31, 2004 and June 30, 2003

In thousand of pesos (Notes 1, 2 and 3)

| | March 31, | June 30, |
|--|-------------------|-------------------|
| | 2004 | 2003 |
| | <u> </u> | <u> </u> |
| <u>ASSETS</u> | | |
| <u>CURRENT ASSETS</u> | | |
| Cash and banks | 92,259 | 87,182 |
| Investments (Note 8) | 58,548 | 139,105 |
| Mortgages and leases receivables, net (Note 5) | 39,042 | 35,594 |
| Other receivables (Note 6) | 105,777 | 12,147 |
| Inventories (Note 7) | 20,460 | 14,575 |
| | <u> </u> | <u> </u> |
| Total Current Assets | 316,086 | 288,603 |
| <u>NON-CURRENT ASSETS</u> | | |
| Mortgages receivables, net (Note 5) | 2,717 | 2,777 |
| Other receivables (Note 6) | 139,397 | 123,926 |
| Inventories, net (Note 7) | 5,185 | 8,767 |
| Investments, net (Note 8) | 430,363 | 433,760 |
| Fixed assets, net (Note 9) | 1,210,017 | 1,197,521 |
| Intangible assets, net | 2,148 | 3,239 |
| Subtotal Non-Current Assets | 1,789,827 | 1,769,990 |
| Goodwill, net | (10,521) | (5,629) |
| | <u> </u> | <u> </u> |
| Total Non-Current Assets | 1,779,306 | 1,764,361 |
| | <u> </u> | <u> </u> |
| Total Assets | 2,095,392 | 2,052,964 |
| | <u> </u> | <u> </u> |
| <u>LIABILITIES</u> | | |
| <u>CURRENT LIABILITIES</u> | | |
| Trade accounts payable | 32,353 | 25,805 |
| Mortgages payable | 2,144 | 2,100 |
| Customer advances (Note 10) | 17,732 | 13,212 |
| Short term-debt (Note 11) | 89,473 | 87,434 |
| Salaries and social security charges | 4,707 | 5,393 |
| Taxes payable | 15,713 | 9,778 |
| Other liabilities (Note 12) | 20,317 | 28,736 |
| | <u> </u> | <u> </u> |
| Total Current Liabilities | 182,439 | 172,458 |
| | <u> </u> | <u> </u> |
| <u>NON-CURRENT LIABILITIES</u> | | |
| Trade accounts payable | 2,963 | 3,609 |
| Customer advances (Note 10) | 27,191 | 25,260 |
| Long term-debt (Note 11) | 520,804 | 592,104 |

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| | | |
|---|-------------------|-------------------|
| Taxes payable | 6,972 | 1,684 |
| Other liabilities (Note 12) | 6,671 | 7,331 |
| | <u> </u> | <u> </u> |
| Total Non-Current Liabilities | 564,601 | 629,988 |
| | <u> </u> | <u> </u> |
| Total Liabilities | 747,040 | 802,446 |
| | <u> </u> | <u> </u> |
| Minority interest | 448,260 | 441,332 |
| SHAREHOLDERS' EQUITY | 900,092 | 809,186 |
| | <u> </u> | <u> </u> |
| Total Liabilities and Shareholders' Equity | 2,095,392 | 2,052,964 |
| | <u> </u> | <u> </u> |

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

Eduardo Sergio Elsztain

President

IRSA Inversiones y Representaciones Sociedad Anónima
and subsidiaries

Unaudited Consolidated Statements of Income

For the nine month periods beginning on

July 1, 2003 and 2002

and ended March 31, 2004 and 2003

In thousand of pesos (Notes 1, 2 and 3)

| | March 31, 2004 | March 31, 2003 |
|---|-------------------|----------------------|
| Sales, leases and services | 162,309 | 168,116 |
| Cost of sales, leases and services | (87,843) | (114,259) |
| Gross income | 74,466 | 53,857 |
| Selling expenses | (12,892) | (16,375) |
| Administrative expenses | (28,298) | (25,742) |
| Subtotal | (41,190) | (42,117) |
| Torres de Abasto unit contracts' rescissions | | 5 |
| Net loss in credit card trust | (159) | (3,778) |
| Results from operations and holding of real estate assets (Note 13) | | 10,139 |
| Operating income (Note 4) | 33,117 | 18,106 |
| Amortization of goodwill | (2,198) | (3,364) |
| Financial results generated by assets: | | |
| Interest income | 3,846 | 15,505 |
| Interest on discount by assets | 1,675 | |
| Financial results | 84,036 | 57,651 |
| Exchange gain (loss) | 12,530 | (59,071) |
| Loss on exposure to inflation | | (13,489) |
| Subtotal | 102,087 | 596 |
| Financial results generated by liabilities: | | |
| Interest on discount by liabilities | (331) | 31,233 |
| Discounts | 7,235 | 26,154 |
| Exchange (loss) gain | (12,809) | 251,997 |
| Gain on exposure to inflation | | 6,908 |
| Financial expenses | (46,187) | (38,297) |
| Subtotal | (52,092) | 277,995 |
| Financial results, net | 49,995 | 278,591 |
| Net loss in related companies | (11,178) | (2,248) |
| Other income, net (Note 14) | 438 | 6,893 |

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| | | |
|--|---------------|----------------|
| Income before tax and minority interest | 70,174 | 297,978 |
| Income tax and asset tax | (22,069) | 2,884 |
| Minority interest | (2,874) | (34,991) |
| Income for the period | 45,231 | 265,871 |
| Earning per share | | |
| Basic (Note 24) | 0.206 | 1.271 |
| Diluted (Note 24) | 0.123 | 0.601 |

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

Eduardo Sergio Elsztain

President

IRSA Inversiones y Representaciones Sociedad Anónima
and subsidiaries

Unaudited Statements of Consolidated Cash Flows (1)

For the nine month periods beginning on

July 1, 2003 and 2002

and ended March 31, 2004 and 2003

In thousand of pesos (Notes 1, 2 and 3)

| | March 31, 2004 | March 31, 2003 |
|--|-------------------------------|-------------------------------|
| | <u>2004</u> | <u>2003</u> |
| CHANGES IN CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents as of beginning of year | 187,343 | 28,376 |
| Cash and cash equivalents as of end of period | 103,404 | 201,445 |
| Net (decrease) increase in cash and cash equivalents | (83,939) | 173,069 |
| CAUSES OF CHANGES IN CASH AND CASH EQUIVALENTS | | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Income for the period | 45,231 | 265,871 |
| Plus (less) income tax and asset tax accrued for the period | 22,069 | (2,884) |
| Adjustments to reconcile net income to cash flow from operating activities: | | |
| Equity in earnings of affiliated companies | 11,178 | 2,248 |
| Minority interest in related companies | 2,874 | 34,991 |
| Results from repurchase O.N. | | (25,093) |
| Allowances and provisions | 140 | 10,115 |
| Amortization and depreciation | 49,988 | 69,861 |
| Results from sale of fixed assets | | (2,132) |
| Financial results | (62,979) | (335,412) |
| Changes in operating assets and liabilities: | | |
| Decrease in current investments | 4,111 | 13,436 |
| Increase in non-current investments | (11,756) | (521) |
| Increase in mortgages and leases receivables | (8,110) | (3,486) |
| (Increase) / Decrease in other receivables | (3,538) | 4,236 |
| Decrease in inventory | 4,606 | 36,688 |
| Increase in intangible assets | (242) | |
| Decrease in taxes payable, salaries and social security and customer advances | (3,612) | (6,556) |
| Increase / (Decrease) in accounts payable | 5,902 | (2,434) |
| Increase in accrued interest | 9,183 | 33,509 |
| Decrease in other liabilities | (10,051) | (10,396) |
| Net cash provided by operating activities: | 54,994 | 82,041 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Payment for acquisition of subsidiary companies and equity investees, net of cash acquired | | 16,464 |

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| | | |
|--|-----------------|-----------------|
| Decrease from equity interest in subsidiary companies | | (52,203) |
| Purchase of shares and options of Banco Hipotecario S.A. | (127,281) | |
| Sale of Banco Hipotecario S.A. shares | 46,031 | |
| Payment for acquisition of undeveloped parcels of land | (340) | (651) |
| Sale of fixed assets and intangible assets | | 2,132 |
| Purchase and improvements of fixed assets | (14,703) | 18,630 |
| Net cash used in Investing activities: | (96,293) | (15,628) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from short-term and long-term debt | 5,800 | 396,699 |
| Payment of short-term and long-term debt | (66,159) | (279,299) |
| Decrease in minority shareholders | (301) | |
| Cash contribution from minority shareholders | | 89 |
| Issuance of Common Stock | 23,706 | |
| Payment of mortgages | | (9,648) |
| Dividends paid | (4,536) | |
| Payment for seller financing | (1,150) | (1,185) |
| Net cash (used in) provided by financing activities: | (42,640) | 106,656 |
| Net (decrease) increase in cash and cash equivalents: | (83,939) | 173,069 |

(1) Includes cash, banks and investments with a realization term not exceeding three months.

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

Eduardo Sergio Elsztain

President

IRSA Inversiones y Representaciones Sociedad Anónima
and subsidiaries

Unaudited Statements of Consolidated Cash Flows (Continued)

For the nine month periods beginning on

July 1, 2003 and 2002

and ended March 31, 2004 and 2003

In thousand of pesos (Notes 1, 2 and 3)

| | March 31, | March 31, |
|---|------------------|------------------|
| | 2004 | 2003 |
| | | |
| Supplemental cash flow information | | |
| Non-cash activities: | | |
| Increase in fixed assets through a decrease in inventory | 40 | 1,212 |
| Increase in inventory through a decrease in fixed assets | 2,606 | 13,879 |
| Increase in inventory through a decrease in undeveloped parcels of lands | 10,748 | |
| Increase in fixed assets through a decrease in undeveloped parcels of lands | 51,501 | |
| Increase in intangible assets through a decrease in fixed assets | 31 | |
| Issuance of credit card receivables | 4,368 | 2,057 |
| Liquidation of credit card receivables | 1,322 | 1,940 |
| Increase in non current other receivables through a decrease in inventory | 5,890 | |
| Increase in other receivables through an increase in taxes payable | 3,178 | |
| Decrease in short-term and long-term debt through an increase in other liabilities | 1,326 | |
| Decrease in investments through an increase in mortgages and leases receivables | | 1,970 |
| Increase in customer advances through a decrease in other liabilities | | 2,862 |
| Increase in undeveloped parcels of land through a decrease in inventory | | 14,210 |
| Increase in fixed assets through an increase in mortgages | | 3,989 |
| Increase in inventory through a decrease in mortgages and leases receivables | | 2,757 |
| Increase in non current investments through a decrease in non current other receivables | | 117 |
| Increase in short-term and long-term debt through a decrease in other liabilities | | 35,423 |
| Increase in investments through a decrease in mortgages and leases receivables | | 762 |
| Conversion of negotiable obligations into shares | 21,969 | |