

IRSA INVESTMENTS & REPRESENTATIONS INC

Form 6-K

March 19, 2007

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 March, 2007

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 T Form 40-F

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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 T

IRSA INVERSIONES Y REPRESENTACIONES SOCIEDAD ANÓNIMA

(THE COMPANY)

REPORT ON FORM 6-K

Attached is a correction of the English translation of the unaudited consolidated financial statements for the six-month periods beginning on July 1, 2006 and 2005 and ended December 31, 2006 and 2005 filed with the *Comisión Nacional de Valores*.

IRSA Inversiones y Representaciones

Sociedad Anónima and subsidiaries

Free translation of the Unaudited

Consolidated Financial Statements

For the six-month periods

beginning on July 1, 2006 and 2005

and ended December 31, 2006 and 2005

IRSA Inversiones y Representaciones Sociedad Anónima**and subsidiaries**

Unaudited Consolidated Balance Sheets as of December 31, 2006 and June 30, 2006

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

	December 31, 2006	June 30, 2006
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and banks (Note 5)	71,716	103,018
Investments (Note 9)	217,025	130,420
Mortgage and leases receivables, net (Note 6)	167,891	114,911
Other receivables and prepaid expenses (Note 7)	66,047	52,159
Inventories (Note 8)	60,486	81,280
Total Current Assets	583,165	481,788
<u>NON-CURRENT ASSETS</u>		
Mortgages and leases receivables, net (Note 6)	51,123	33,044
Other receivables and prepaid expenses (Note 7)	93,734	97,882
Inventories (Note 8)	81,279	80,830
Investments (Note 9)	618,534	647,981
Fixed assets, net (Note 10)	1,682,841	1,413,212
Intangible assets, net	2,818	3,599
Subtotal Non-Current Assets	2,530,329	2,276,548
Goodwill, net	(14,188)	(18,215)
Total Non-Current Assets	2,516,141	2,258,333
Total Assets	3,099,306	2,740,121
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Trade accounts payable	189,369	127,369
Mortgages payable (Note 11)	21,621	18,407
Customer advances (Note 12)	61,349	64,847
Short term-debt (Note 13)	387,986	123,733
Salaries and social security payable	13,377	14,823
Taxes payable	51,413	33,928
Other liabilities (Note 14)	31,853	36,121
Total Current Liabilities	756,968	419,228
<u>NON-CURRENT LIABILITIES</u>		
Trade accounts payable	629	1,196
Mortgages payable (Note 11)	12,694	14,722
Customer advances (Note 12)	63,910	41,482
Long term-debt (Note 13)	215,435	280,560

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Taxes payable	12,422	14,926
Other liabilities (Note 14)	45,678	32,252
Total Non-Current Liabilities	350,768	385,138
Total Liabilities	1,107,736	804,366
Minority interest	414,993	449,989
SHAREHOLDERS EQUITY	1,576,577	1,485,766
Total Liabilities and Shareholders Equity	3,099,306	2,740,121

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Fernando A. Elsztain

Titular Director

acting as President

IRSA Inversiones y Representaciones Sociedad Anónima**and subsidiaries**

Unaudited Consolidated Statements of Income

For the six-month periods beginning on July 1, 2006 and 2005

and ended December 31, 2006 and 2005

In thousands of pesos, except earnings per share (Notes 1, 2 and 3)

	December 31, 2006	December 31, 2005
Revenues	340,331	256,446
Cost	(142,749)	(113,066)
Gross profit	197,582	143,380
Gain from recognition of inventories at net realizable value	6,965	7,409
Selling expenses	(43,034)	(26,310)
Administrative expenses	(61,162)	(40,927)
Subtotal	(97,231)	(59,828)
Net income from retained interest in securitized receivables	5,514	2,080
Operating income (Note 4)	105,865	85,632
Amortization of goodwill	(498)	(553)
Financial results generated by assets:		
Interest income	4,555	2,619
Interest on discount by assets	(72)	4
Gain on financial operations	28,423	4,681
Exchange gain	(1,752)	16,869
Subtotal	31,154	24,173
Financial results generated by liabilities:		
Interest on discount by liabilities	6	(2)
Discounts		
Exchange loss	1,482	(30,174)
Financial expenses	(20,583)	(26,321)
Subtotal	(19,095)	(56,497)
Financial results, net	12,059	(32,324)
Equity gain from related companies	15,034	28,539
Other income and expenses, net (Note 15)	(7,252)	(4,993)
Net Income before taxes and minority interest	125,208	76,301
Income tax and asset tax	(37,878)	(33,583)
Minority interest	(21,210)	(13,732)
Net income for the period	66,120	28,986
Earnings per common share		
Basic (Note 25)	0.151	0.080
Diluted (Note 25)	0.121	0.077

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Unaudited Consolidated Statements of Cash Flows (1)

For the six-month periods beginning on July 1, 2006 and 2005

and ended December 31, 2006 and 2005

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

	December 31, 2006	December 31, 2005
CHANGES IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as of beginning of year	163,940	142,589
Cash and cash equivalents as of end of period	192,355	159,295
Net increase in cash and cash equivalents	28,415	16,706
CAUSES OF CHANGES IN CASH AND CASH EQUIVALENTS		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income for the period	66,120	28,986
Plus income tax and asset tax accrued for the period	37,878	33,583
Adjustments to reconcile net income to cash flows from operating activities:		
Equity loss from related companies	(15,034)	(28,539)
Minority interest	21,210	13,732
Allowances and reserves	16,662	16,119
Amortization and depreciation	41,996	40,737
Financial results	(27,755)	20,884
Gain from recognition of inventories at net realizable value	(6,965)	(7,409)
Realized gains		(2,428)
Uncollected expenses		4,438
Changes in operating assets and liabilities:		
(Increase) Decrease in current investments	(166)	8,921
Increase in non-current investments	(17,873)	(6,572)
Increase in mortgages and lease receivables	(63,526)	(87,362)
(Increase) Decrease in other receivables	(25,899)	12,617
Decrease in inventories	27,243	18,234
Increase in intangible assets		
in intangible assets		(177)
Decrease in taxes payable, social security payable and customer advances	(23,971)	(3,483)
Increase in trade accounts payable	60,917	32,727
Increase in accrued interest	618	3,470
Increase (Decrease) in other liabilities	2,160	(5,698)
Net cash provided by operating activities	93,615	92,780
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increases in cash (Payments) for companies acquired net of cash acquired	17,112	(4,232)
Framework agreement guarantee deposit	9,111	(8,610)
Decrease in minority interest	(32,139)	(4,149)
Sale of IRSA Telecommunications N.V.		1,719
Purchase and improvements of fixed assets	(187,240)	(27,148)
Security deposit for the construction and purchase of parking lots	(4,902)	

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Increase in receivables with related companies	(285)	
Loans granted	(6,939)	
Increase in non-current investments	(607)	
Variation of undeveloped parcels of land	(3,283)	(423)
Net cash used in investing activities	(209,172)	(42,843)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Swap guarantee deposit		1,190
Increase in short-term and long-term debt	197,533	16,414
Payment of short-term and long-term debt	(45,432)	(31,511)
Settlement of debt for the purchase of shares of Mendoza Plaza Shopping S.A.		(5,150)
Increase (Decrease) of mortgages payable	228	(17,574)
Issuance of common stock	14,818	15,850
Dividends payments to minority shareholders of related subsidiaries	(23,175)	(11,130)
Payments to minority shareholders for common stock in reduction in subsidiaries		(1,320)
Net cash provided by (used in) financing activities	143,972	(33,231)
NET INCREASE IN CASH AND CASH EQUIVALENTS	28,415	16,706

(1) Includes cash and banks and investments with a realization term not exceeding three months.
The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

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Unaudited Consolidated Statements of Cash Flows (Continued)

For the six-month periods beginning on July 1, 2006 and 2005

and ended December 31, 2006 and 2005

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

	December 31, 2006	December 31, 2005
Supplemental cash flow information		
Interest paid	28,350	23,207
Income tax paid	6,995	413
Non-cash activities:		
Increase in inventories through a decrease in fixed assets		1,422
Increase in intangible assets through a decrease in fixed assets		6
Increase in real estate reserve through a decrease in fixed assets		1,626
Increase in inventories through a decrease in real estate reserve		18,404
Increase in fixed assets through a decrease in real estate reserve	59,912	
Increase in other receivables through a decrease in fixed assets		83
Increase in other receivables through a decrease in long-term investments	3,303	
Increase in long-term investments through an increase in loans	27,522	
Increase in fixed assets through an increase in accounts payable		10,860
Increase in fixed assets through an increase in other receivables	12,161	
Conversion of negotiable obligations into common shares	9,873	4,291

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Unaudited Consolidated Statements of Cash Flows (Continued)

For the six-month periods beginning on July 1, 2006 and 2005

and ended December 31, 2006 and 2005

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

	December 31, 2006	December 31, 2005
Acquisitions of subsidiaries:		
Accounts receivables and rent	1,040	
Fixed assets	51,684	
Accounts payable	(512)	
Other receivables	3,177	99
Customer advances	(17,242)	
Salaries and social security payable	(171)	
Undeveloped parcels of land		269
Taxes payable	(463)	
Other liabilities	(8,276)	(89)
Net value of the acquired non-cash assets	29,237	279
Acquired cash	187,689	
Net value of acquired assets	216,926	279
Higher value of undeveloped parcels of land acquired		3,953

DR. JEFFREY R.
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/s/ Mr. David Kroin

MR. DAVID
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