

IRSA INVESTMENTS & REPRESENTATIONS INC
Form 6-K
May 13, 2010

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, 2010

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 the English translation of the summary of the results of the Company's operations for the nine-month period ended March 31, 2010, which was filed by the Company on May 12, 2010 with the *Bolsa de Comercio de Buenos Aires* and with the *Comisión Nacional de Valores*.

IRSA Inversiones y Representaciones S.A.**Summary of Earnings Release****as of March 31, 2010***Brief comment on the Company's activities during the period, including references**to significant situations occurred after the end of the period*

Buenos Aires, May 12, 2010 - IRSA Inversiones y Representaciones Sociedad Anónima (NYSE: IRS) (BASE: IRSA), Argentina's leading real estate company, announces the results of its operations for the nine-month period ended on March 31, 2010.

HIGHLIGHTS

In Millions of Ps.	IIIQ 10	IIIQ 09	var%	9M 10	9M 09	var%
Revenues	295.5	290.6	1.7%	952.1	832.0	14.4%
Operating Income	101.3	90.3	12.2%	393.1	139.2	182.4%
<i>Depreciation and Amortization</i>	39.8	32.7	21.9%	120.6	99.4	21.3%
EBITDA¹	141.1	123.0	14.7%	513.7	238.6	115.3%
Net Income	35.4	-7.2		299.7	-106.2	

Revenues for the first nine months of fiscal year 2010 rose by 14.4%, driven by a 32.2% increase in revenues in Shopping Centers.

The strong increase in Operating Income for the first nine months of fiscal year 2010 (+182.4%) is explained by a 29.9% improvement in Gross Profit, a 6.8% reduction in Marketing and Administrative Expenses, and Income from Trusts of Ps. 34.8 million (vs. Ps. 49.0 million for the first nine months of fiscal year 2009).

Net Income for the first nine months of fiscal year 2010 was Ps. 405.9 million higher than for the first nine months of fiscal year 2009, due to several factors, including an increase in Operating Income of Ps. 253.9 million and an increase of approximately Ps. 200 million in equity investees.

The increase in Revenues for the third quarter of fiscal year 2010 vs. the third quarter of fiscal year 2009 was tempered by lower revenues recognized in the Sales and Developments segment (lower number of office buildings sold during the last quarter).

Net Income for the third quarter of fiscal year 2010 was Ps. 35.4 million, compared to a net loss of Ps. 7.2 million in the third quarter of fiscal year 2009.

¹ EBITDA represents operating income plus depreciation and amortization less gain from operations and holdings of real estate assets, net (included in operating income). Our presentation of EBITDA does not reflect the methodology suggested by its acronym. We believe EBITDA provides investors with meaningful information with respect to our operating performance and facilitates comparisons to our historical operating results. However, our EBITDA measure has limitations as an analytical tool, and should not be considered in isolation, as an alternative to net income or as an indicator of our operating performance or as a substitute for analysis of our results as reported under Argentine GAAP. Some of these limitations include:

it does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;

it does not reflect changes in, or cash requirements for, our working capital needs;

it does not reflect our interest expense, or the cash requirements to service the interest or principal payments of our debt;

it does not reflect any cash income taxes or employees' profit sharing we may be required to pay;

it reflects the effect of non-recurring expenses, as well as investing gains and losses;

it is not adjusted for all non-cash income or expense items that are reflected in restatements of changes in financial position;
and

other companies in our industry could calculate this measure differently than we do, which may limit its usefulness as a comparative measure.

Because of these limitations, our EBITDA measure should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. EBITDA is not a recognized financial measure under Argentine GAAP. You should compensate for these limitations by relying principally on our Argentine GAAP results and using our EBITDA measurement supplementally.

Highlights for the first nine months of fiscal year 2010, including references to significant situations occurred after the end of the period.**I. Offices and Other Non-Shopping Center Rental Properties**

During the last 3 months of calendar year 2009, there was an upward trend in the office leasing market in the City of Buenos Aires. This market, in which IRSA holds a major position, has shown a slow decrease in lease prices along with an increase in vacancy levels since the end of 2008, mainly as a result of two factors: on the one hand, supply rose in 2009, increasing the stock of leasable square meters in the downtown area of Buenos Aires and the northern region of Greater Buenos Aires, and on the other, demand was affected by the 2009 international economic crisis. By year end, the market started to show slight signs of recovery, resulting in vacancy levels of 5.8% and average prices of US\$ 29.2 per square meter for the A+ building segment, according to Colliers International's Annual Real Estate Report, Buenos Aires, 2009/2010.

Offices and Other Non-Shopping Center Rental Properties

		IIIQ 10	IIIQ 09	var%	9M 10	9M 09	var%
Results (in Millions of Ps.)	Revenues	37.9	37.6	0.8%	116.9	108.4	7.8%
	Operating income	19.7	18.9	4.4%	58.7	56.0	4.9%
	Depreciation and Amortization	6.1	3.7	63.8%	18.2	18.6	-2.6%
	EBITDA	25.8	22.6	14.2%	76.9	74.6	3.0%

		IIIQ 10	IIQ 10	IQ 10	IVQ 09	IIIQ 09	IIQ 09
Office Portfolio	Leasable Area ² (sqm)	141,724	142,964	152,270	156,000	156,938	161,502
	Occupancy ³ (GLA)	90.9%	89.6%	90.7%	91.2%	94.1%	92.8%
	Monthly Revenues ⁴ (Ps./sqm leased)	93.3	91.4	95.0	93.0	87.3	78.4

The growth in revenues and EBITDA lessened as a result of the smaller amount of leasable properties resulting from sales of non-strategic assets made in fiscal year 2010.

During the third quarter of fiscal year 2010 IRSA continued to improve its portfolio mix by selling non-strategic office properties at attractive prices. 1,240 square meters of leasable office space have been disposed of in Edificio Av. Libertador 498 for US\$ 4.3 million.

During the second quarter of fiscal year 2010, IRSA agreed to purchase a plot of land of 3,650 square meters in CATALINAS NORTE, a premium office district in the City of Buenos Aires, which may be used to develop an A+ office building.

² At period end

³ At period end

⁴ Considering contracts in effect, occupancy and leasable meters at the closing of each period.

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Below is information relating to our office properties as of March 31, 2010.

Offices and Non-Shopping Center Other Rental Properties

	Date of Acquisition	Leasable Area sqm	Occupancy rate Mar-09	IRSA s effective interest	Monthly rental income Ps./000 (3)	Annual accumulated rental income over fiscal periods Ps./000 (4)			Book Value Ps./000 (5)
						2010	2009	2008	
Offices									
Edificio República	28/04/08	19,884	80%	100%	1,700	15,718	11,972	N/A	220,952
Torre Bankboston	27/08/07	14,873	100%	100%	1,667	16,486	14,227	9,005	155,871
Bouchard 551	15/03/07	23,378	100%	100%	1,950	16,788	14,742	11,496	151,152
Intercontinental Plaza	18/11/97	22,535	100%	100%	1,914	16,210	12,003	8,808	83,411
Dique IV, Juana Manso 295 (10)	02/12/97	11,298	92%	100%	1,196	10,404			65,194
Bouchard 710	01/06/05	15,014	72%	100%	1,101	10,781	12,666	9,324	65,517
Maipú 1300	28/09/95	10,280	95%	100%	959	8,510	7,025	6,023	38,633
Libertador 498	20/12/95	3,714	100%	100%	464	5,567	7,234	6,173	14,799
Costeros Dique IV	29/08/01	5,437	86%	100%	436	3,852	3,841	3,325	19,258
Edificios Costeros	20/03/97		N/A	100%		1,384	3,218	2,888	
Suipacha 652/64	22/11/91	11,453	95%	100%	535	3,579	2,713	1,805	11,049
Dock Del Plata	15/11/06	809		100%		1,353	4,986	5,295	3,167
Madero 1020	21/12/95	101	100%	100%	3	23	25	73	223
Laminar Plaza	25/03/99		N/A	100%		198	4,882	4,034	
Reconquista 823/41	12/11/93		N/A	100%		44	1,898	1,679	
Other Offices (6)	N/A	2,948	66%	N/A	89	1,507	925	1,017	7,667
Subtotal Offices		141,724	91%	N/A	12,014	112,404	102,357	70,945	836,893
Other Properties									
Commercial Properties (7)	N/A	312		N/A		1	191	138	3,442
Museo Renault	12/06/07	1,275	100%	100%	30	267	267	114	4,808
Santa María del Plata S.A.	07/10/97	60,100	100%	90%	86	757	455	455	12,496
Thames	11/01/97	33,191		100%		175	714	623	3,898
Other Properties (8)	N/A	2,072	100%	N/A	6	70	2,225	213	5,719
Subtotal Other Properties		96,950	65%	N/A	122	1,270	3,852	1,543	30,363
Management Fees (11)		N/A	N/A	N/A		3,200	2,218	1,004	N/A
TOTAL OFFICES AND OTHER LEASE PROPERTIES (9)									
		238,674	81%	N/A	12,136	116,874	108,427	73,492	867,256

- (1) Total leasable area for each property as of 03/31/10. Excludes common areas and parking.
- (2) Calculated dividing occupied square meters by leasable area as of 03/31/10.
- (3) Agreements in force as of 03/31/10 for each property were computed.
- (4) Total consolidated leases, according to the RT21 method.
- (5) Cost of acquisition, plus improvements, less accumulated depreciation, plus adjustment for inflation, less allowance for impairment in value.
- (6) Includes the following properties: Madero 942 (fully sold), Av. de Mayo 595, Av. Libertador 602, Rivadavia 2774 and Sarmiento 517.
- (7) Includes the following properties: Constitución 1111, Crucero I (fully sold), Abril Stores (fully assigned) and Casona de Abril.
- (8) Includes the following properties: 1 unit in Alto Palermo Park, Constitución 1159 and Dique III (fully sold).
- (9) Corresponds to the Offices and Other Non-Shopping Center Rental Properties business unit mentioned in Note 4 to the Consolidated Financial Statements.

(10) The building was occupied on 05/15/09.

(11) Income from building management fees.

II. Alto Palermo S.A. (APSA): Shopping Centers and Consumer Finance

After an atypical start to 2009 characterized by a smaller inflow of foreign tourists due to the international crisis and the H1N1 virus outbreak (which had affected the pace in the growth of sales during the third and fourth quarters of fiscal year 2009) the shopping center industry experienced a significant rebound during the first nine months of fiscal year 2010. Sales in the summer months grew notably as a result of the recovery in domestic consumption and an inflow of tourists, mainly from Brazil and Chile.

Prospects in this segment for the rest of 2010 are promising, in line with an upsurge in consumption and economic activities.

The following information relates to data extracted from the financial statements of our subsidiary Alto Palermo S.A. (APSA), the company that operates our shopping center business, in which we have a 63.35% interest as of March 31, 2010⁵.

		Shopping Centers			9M	9M	
		IIIQ 10	IIIQ 09	var%	10	09	var%
Results (in Millions of Ps.)	Revenues	122.8	88.3	39.0%	375.0	283.6	32.2%
	Operating income	59.6	43.8	36.2%	198.9	146.4	35.9%
	<i>Depreciation and Amortization</i>	27.8	21.6	29.1%	84.5	62.4	35.4%
	EBITDA	87.5	65.3	33.9%	283.4	208.8	35.7%
		IIIQ 10	IIQ 10	IQ 10	IVQ 09	IIIQ 09	IIQ 09
Shopping Centers	Leasable area (sqm)	286,286	289,410	286,581			