

IRSA INVESTMENTS & REPRESENTATIONS INC

Form 6-K

November 29, 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 November, 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 a copy of the English translation of the Financial Statements for the three-month period ended on September 30, 2010 and on September 30, 2009 filed by the Company with the *Bolsa de Comercio de Buenos Aires* and the *Comisión Nacional de Valores*.

IRSA Inversiones y Representaciones

Sociedad Anónima and subsidiaries

Free translation of the Unaudited

Consolidated Financial Statements

For the three-month periods

Beginning on July 1, 2010 and 2009

and ended September 30, 2010 and 2009

Company: **IRSA Inversiones y Representaciones**

Sociedad Anónima

Corporate domicile: Bolívar 108 1° Floor Autonomous City of Buenos Aires

Principal activity: Real estate investment and development

Financial Statements as of September 30, 2010

Presented in comparative form with the previous fiscal year

Stated in thousands of Pesos

Fiscal year No. 68 beginning July 1st, 2010

DATE OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE

Of the By-laws: June 23, 1943

Of last amendment: February 12, 2008

Registration number with the

Superintendence of Corporations: 213,036

Duration of the Company: Until April 5, 2043

Controlling Company: Cresud Sociedad Anónima, Comercial,

Inmobiliaria, Financiera y Agropecuaria

Corporate Domicile: Moreno 877, 23th floor, Autonomous City of Buenos Aires

Principal Activity: Agricultural, livestock and real estate investment

Shareholding: 57.49%

Information related to subsidiaries is shown in Note 1.a.

CAPITAL COMPOSITION (Note 14 a. to the Basic Financial Statements)

Type of share	Authorized for Public Offer of Shares (*)	In thousands of pesos	
		Subscribed	Paid in
Common share, 1 vote each	578,676,460	578,676	578,676

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

IRSA Inversiones y Representaciones Sociedad Anónima**and subsidiaries****Unaudited Consolidated Balance Sheets as of September 30, 2010 and June 30, 2010**

In thousands of pesos (Notes 1 and 2)

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

	September 30, 2010	June 30, 2010
ASSETS		
CURRENT ASSETS		
Cash and banks (Note 4)	67,667	71,175
Investments (Note 5)	462,778	259,168
Accounts receivable, net (Note 6)	199,097	359,529
Other receivables (Note 7)	139,260	240,891
Inventories (Note 8)	293,685	259,569
Total Current Assets	1,162,487	1,190,332
NON-CURRENT ASSETS		
Accounts receivable, net (Note 6)	16,774	42,123
Other receivables (Note 7)	258,956	187,182
Inventories (Note 8)	54,299	55,088
Investments (Note 5)	1,607,863	1,480,805
Fixed assets, net (Note 9)	2,730,581	2,692,637
Intangible assets, net	43,408	54,397
Subtotal Non-Current Assets	4,711,881	4,512,232
Negative goodwill, net (Note 10)	(71,700)	(69,123)
Total Non-Current Assets	4,640,181	4,443,109
Total Assets	5,802,668	5,633,441
LIABILITIES		
CURRENT LIABILITIES		
Trade accounts payable (Note 11)	181,648	315,614
Customer advances (Note 12)	216,527	210,102
Short-term debt (Note 13)	272,586	609,190
Salaries and social security payable (Note 14)	24,820	37,375
Taxes payable (Note 15)	67,827	101,111
Other liabilities (Note 16)	44,445	65,338
Total debts	807,853	1,338,730
Provisions (Note 17)	1,347	2,890
Total Current Liabilities	809,200	1,341,620

<u>NON-CURRENT LIABILITIES</u>		
Trade accounts payable (Note 11)	24,458	23,368
Customer advances (Note 12)	89,112	90,370
Long-term debt (Note 13)	1,666,451	1,031,528
Taxes payable (Note 15)	115,151	110,441
Other liabilities (Note 16)	71,643	62,021
Total debts	1,966,815	1,317,728
Provisions (Note 17)	7,949	7,940
Total Non-Current Liabilities	1,974,764	1,325,668
Total Liabilities	2,783,964	2,667,288
Minority interest	557,958	563,107
SHAREHOLDERS' EQUITY	2,460,746	2,403,046
Total Liabilities and Shareholders' Equity	5,802,668	5,633,441

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

Eduardo S. Elsztain

President

IRSA Inversiones y Representaciones Sociedad Anónima**and subsidiaries****Unaudited Consolidated Statements of Income**

For the three-month periods beginning on July 1, 2010 and 2009

and ended September 30, 2010 and 2009

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

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

	September 30, 2010	September 30, 2009
Revenues	306,784	263,227
Costs	(103,059)	(106,216)
Gross profit	203,725	157,011
Selling expenses	(34,658)	(43,863)
Administrative expenses	(49,760)	(36,042)
Subtotal	(84,418)	(79,905)
Gain from recognition of inventories at net realizable value	13,453	10,946
Net gain from retain interest in securitized receivables	5,213	23,509
Operating income (Note 3)	137,973	111,561
Amortization of negative goodwill, net	629	413
Financial results generated by assets:		
Interest income	7,185	2,788
Foreign exchange gain	11,314	3,386
Other holding (expense) gain	(16,551)	6,083
Subtotal	1,948	12,257
Financial results generated by liabilities:		
Interest expense	(50,638)	(37,393)
Foreign exchange loss	(13,683)	(12,756)
Other financial income (expenses)	(754)	(3,629)
Subtotal	(65,075)	(53,778)
Financial results, net (Note 18a.)	(63,127)	(41,521)
Gain on equity investees	21,756	97,242
Other expenses, net (Note 18b.)	(3,366)	(4,604)
Income before taxes and minority interest	93,865	163,091

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Income tax and Minimum Presumed Income Tax (MPIT)	(12,133)	(26,119)
Minority interest	(25,539)	(5,527)
Net income for the period	56,193	131,445

Earnings per share (Note 13 to the Unaudited Basic Financial Statements)

Basic net income per share	0.097	0.227
Diluted net income per share	0.097	0.227

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

Eduardo S. Elsztain

President

IRSA Inversiones y Representaciones Sociedad Anónima
and subsidiaries

Unaudited Consolidated Statements of Cash Flows (1)

For the three-month periods beginning on July 1, 2010 and 2009

and ended September 30, 2010 and 2009

In thousands of pesos (Notes 1 and 2)

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

	September 30, 2010	September 30, 2009
CHANGES IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as of the beginning of the fiscal year	151,354	185,942
Cash and cash equivalents as of the end of the period	454,774	183,688
Net increase (decrease) in cash and cash equivalents	303,420	(2,254)
CAUSES OF CHANGES IN CASH AND CASH EQUIVALENTS		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income for the period	56,193	131,445
Plus income tax and MPIT	12,133	26,119
Adjustments to reconcile net income to cash flows from operating activities:		
Gain on equity investees	(21,756)	(97,242)
Amortization of negative goodwill, net	(629)	(413)
Minority Interest	25,539	5,527
Gain from recognition of inventories at net realizable value	(13,453)	(10,946)
Allowances and provisions	13,006	17,140
Depreciation and amortization	39,607	40,843
Financial results, net	44,817	(14,858)
Accrued interest	29,727	31,014
Changes in certain assets and liabilities net of non-cash transactions and effects of acquisitions:		
(Increase) Decrease in current investments	(5,856)	18,014
(Increase) Decrease in accounts receivable, leases and services receivables	(78,957)	19,388
(Increase) Decrease in other receivables	(36,045)	17,102
Increase in inventories	(21,042)	(2,379)
Increase in intangible assets, net		(612)
Increase (Decrease) in trade accounts payable	61,982	(36,112)
Decrease in taxes payable, salaries and social security payable	(37,425)	(43,916)
Increase in customer advances	5,476	20,300
(Decrease) Increase in other liabilities	(7,304)	7,981
Net cash provided by operating activities	66,013	128,395
CASH FLOWS FROM INVESTING ACTIVITIES:		
Share-holding increase in equity investees	(36,415)	(56,043)
Payments for the acquisition of equity investees	(6,053)	(78,788)
Collection from sale of real state.	2,652	
Advance payments for the acquisition of shares	(29,438)	
Acquisitions of undeveloped parcels of land	(1,613)	(1,302)
Payments of financed purchases	(3,950)	

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Acquisitions and improvements of fixed assets	(16,143)	(18,971)
Increase in intangible assets	(1,117)	
Increase (Decrease) in other investments	(33,319)	52,018
Outflow for the acquisition of shares, net	(9,969)	
Collection from sale of shares, net	67,477	
Collection of dividends	1,975	
Collection of equity investees credits	15,362	
Loans granted, net	41	(1,326)
Net cash used in investing activities	(50,510)	(104,412)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in short-term and long term debt	5,190	9,500
Payment of short-term and long-term debt	(25,366)	(16,568)
Decrease in bank overdrafts, net	(268,089)	(8,110)
Capital contribution by minority owners in related parties	474	24,678
Proceeds from issuance of Negotiable Obligations, net of expenses	607,449	
Interest paid	(31,741)	(35,737)
Net cash provided by (used in) financing activities	287,917	(26,237)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	303,420	(2,254)

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

Eduardo S. Elsztain

President

IRSA Inversiones y Representaciones Sociedad Anónima**and subsidiaries****Unaudited Consolidated Statements of Cash Flows (Continued)**

For the three-month periods beginning on July 1, 2010 and 2009

and ended September 30, 2010 and 2009

In thousands of pesos (Notes 1 and 2)

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

	September 30, 2010	September 30, 2009
Supplemental cash flow information		
Income tax paid	4,394	4,026
Non-cash activities:		
Capitalization of financial costs in fixed assets		1,963
Increase on inventories through a decrease on fixed assets, net		8,644
Issuance of trust certificates	18,786	4,580
Increase in non current investments through a decrease in other liabilities	6,053	
Increase in non current investments through an increase in financial loans		34,243
Increase in non current investments through a decrease in other receivables	36,036	
Increase in fixed assets net through an increase in trade accounts payable	5,352	174
Increase in fixed assets net through an increase in financial loans	53,896	
Cumulative translation adjustment of investments	1,507	1,284
Transfer of undeveloped parcels of land to inventories	3,030	
Decrease in inventories through a decrease in customer advances	1,920	
Composition of cash and cash equivalents at the period end		
Cash and Banks	67,667	84,279
Current investments	462,778	321,537
Subtotal cash and banks and current investments	530,445	405,816
Less: (items not considered cash and cash equivalents)		
Retained interest in securitized receivables of Tarshop S.A. CPs	4,550	182,442
Mutual funds	59,257	39,438
TDFs		10,467
Stock shares	11,369	
Mortgage bonds issued by BHSA	480	1,173
Other investments	15	52
Allowance for impairment of CPs		(11,444)
Cash and cash equivalents	454,774	183,688

Eduardo S. Elsztain

President

IRSA Inversiones y Representaciones Sociedad Anónima**and subsidiaries****Unaudited Consolidated Statements of Cash Flows (Continued)**

For the three-month periods beginning on July 1, 2010 and 2009

and ended September 30, 2010 and 2009

In thousands of pesos (Notes 1 and 2)

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

	September 30, 2010	September 30, 2009
<u>Acquisition of subsidiaries</u>		
Other receivables	(36,036)	
Investments	17,952	
Net value of assets acquired not considered cash and cash equivalents	(18,084)	
Minority interest	31,369	
Negative goodwill, net	(3,316)	
Outflow for the acquisition of shares	9,969	
<u>Sale of subsidiaries</u>		
Account receivables, net	278,805	
Other receivables	29,108	
Investments	143,646	
Fixed Assets	2,829	
Short-term and long-term debt	(91,173)	
Trade account payable	(204,255)	
Salaries and social security payable	(11,221)	
Taxes payable	(14,654)	
Other liabilities	(62)	
Net value of assets sold not considered cash and cash equivalents	133,023	
Devaluation and sale of investment	(12,119)	
Remaining investment	(32,175)	
Advances	(21,252)	
Collection from sale of shares	67,477	

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IRSA Inversiones y Representaciones Sociedad Anónima
and subsidiaries

Notes to Unaudited Consolidated Financial Statements

For the three-month periods beginning on July 1, 2010 and 2009
and ended September 30, 2010 and 2009

In thousands of pesos

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

NOTE 1: BASIS OF CONSOLIDATION CORPORATE CONTROL

a. Basis of consolidation

Financial Statements have been prepared in constant currency.

The Company has consolidated its unaudited balance sheets at September 30, 2010 and as of June 30, 2010; the unaudited statements of income and cash flows for the three-month periods ended September 30, 2010 and 2009 line by line with the financial statements of its subsidiaries, following the procedure established in Technical Resolution No. 21 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (F.A.C.P.C.E.) and approved by the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires and by the National Securities Commission. All significant intercompany balances and transactions have been eliminated in consolidation. The unaudited Consolidated Financial Statements include the assets, liabilities and results of operations of the following controlled subsidiaries:

COMPANIES	September 30,	June 30,	September 30,	June 30,
	2010	2010	2010	2010
	DIRECT AND INDIRECT % OF CAPITAL		DIRECT AND INDIRECT % OF VOTING SHARES	
Ritelco S.A.	100.00	100.00	100.00	100.00
Palermo Invest S.A.	100.00	100.00	100.00	100.00
Inversora Bolívar S.A.	100.00	100.00	100.00	100.00
Quality Invest S.A.	100.00	100.00	100.00	100.00
E-Commerce Latina S.A.	100.00	100.00	100.00	100.00
Solares de Santa María S.A. (2)	100.00	90.00	100.00	90.00
Hoteles Argentinos S.A.	80.00	80.00	80.00	80.00
Alto Palermo S.A. (APSA)	63.35	63.35	63.35	63.35
Llao Llao Resorts S.A.	50.00	50.00	50.00	50.00
Tyrus S.A.	100.00	100.00	100.00	100.00
Nuevas Fronteras S.A.	76.34	76.34	76.34	76.34
Torodur S.A. (1)	98.00	98.00	98.00	98.00
Unicity S.A. (2)	100.00		100.00	

(1) See Note 16.6. to the unaudited Basic Financial Statement

(2) See Note 16.9. to the unaudited Basic Financial Statement

IRSA Inversiones y Representaciones Sociedad Anónima

and subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

In thousands of pesos

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NOTE 1: (Continued)

a. (continued)

In addition, the assets, liabilities and results of operations of the Company jointly-controlled subsidiaries (of which the Company holds a direct interest) that follow have been included in the unaudited Consolidated Financial Statements, applying the proportionate consolidation method.

COMPANIES	September 30, 2010	June 30, 2010	September 30, 2010	June 30, 2010
	DIRECT AND INDIRECT % OF CAPITAL		DIRECT AND INDIRECT % OF VOTING SHARES	
Cyrsa S.A. (CYRSA) (1)	50.00	50.00	50.00	50.00
Canteras Natal Crespo S.A. (2)	50.00	50.00	50.00	50.00

(1) The Company holds joint control with Cyrela Brazil Realty S.A. Empreendimentos y Participações (see Note 22 A.1.)

(2) The Company holds joint control of this company with Euromayor S.A.

They also include assets, liabilities and net income of the companies controlled indirectly through other subsidiaries.

b. Comparative Information

Balances items as of June 30, 2010 shown in these unaudited financial statements for comparative purposes arise from audited annual financial statements for the year then ended.

Balances for the three-month period ended September 30, 2010 of income and cash flows statements are shown for comparative purposes with the same period of the previous fiscal year.

The financial statements as of June 30, 2010 and September 30, 2009 originally issued have been subject to certain reclassifications required in order to present these figures comparatively with those stated as of September 30, 2010.

c. Additional information about Tarshop S.A.'s sale

On September 13, 2010, APSA sold 80% of Tarshop S.A. Consequently, the Unaudited Consolidated Financial Statements as of September 30, 2010 are not comparable with those issued as of June 30, 2010 or September 30, 2009. The Unaudited Consolidated Balance Sheet as of September 30, 2010, does not include Tarshop S.A.'s assets and liabilities, which the Unaudited Statement of Income and the Unaudited Statement of Cash Flows as of September 30, 2010 include income and cash flows, respectively, for the two-month period in which APSA still controlled it.

IRSA Inversiones y Representaciones Sociedad Anónima

and subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

In thousands of pesos

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NOTE 1: (Continued)

c. (continued)

The following table shows a summary of the effect that would have had Tarshop S.A. s de-consolidation on the Balance Sheet as of June 30, 2010 and the Unaudited Statement of Income and Unaudited Statement of Cash Flows as of September 30, 2009.

	June 30, 2010	Elimination of Tarshop S.A. as of June 30, 2010	June 30, 2010 without Tarshop S.A.
Balance Sheet			
Current Assets	1,190,332	(269,148)	921,184
Non-current Assets	4,443,109	28,881	4,471,990
Total Assets	5,633,441	(240,267)	5,393,174
Current Liabilities	(1,341,620)	242,969	(1,098,651)
Non-Current liabilities	(1,325,668)	(2,702)	(1,328,370)