

IRSA INVESTMENTS & REPRESENTATIONS INC  
Form 6-K/A  
December 19, 2012

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 6-K/A

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

For the month of December, 2012

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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)

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Republic of Argentina  
(Jurisdiction of incorporation or organization)

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

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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/A

The present Amendment is being filed because there was an inaccuracy in the month consigned in the cover of the 6-K form filed by the Company on December 19, 2012.

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IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Financial Statements  
as of September 30, 2012 and for the three-month periods  
ended September 30, 2012 and 2011

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Legal information

Denomination: IRSA Inversiones y Representaciones Sociedad Anónima.

Legal address: Bolívar 108, 1st floor, Buenos Aires, Argentina.

Company activity: Real estate investment and development

Fiscal year No.: 70, beginning on July 1, 2012

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: February 12, 2008.

Registration number with the Superintendence: 213,036

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

Common Stock subscribed, issued and paid up 578,676,460

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

Legal Address: Moreno 877, 23rd. floor, Buenos Aires, Argentina

Main activity: Agricultural, livestock, and real estate

Percentage of votes of the Parent Company on the equity: 64.50%

Capital stock: 373,267,973 common shares

CAPITAL STATUS

Type of stock	Authorized for Public Offer of Shares (*)	Subscribed, Issued and Paid up Ps.
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 September 30, 2012 and June 30, 2012 and July 1, 2011

(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

	September 30, 2012	June 30, 2012	July 1, 2011
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Investment properties, net	3,246,662	3,275,226	3,340,081
Property, plant and equipment, net	226,687	228,033	235,245
Trading properties	167,168	167,109	155,876
Intangible assets, net	28,831	29,389	31,900
Investments in associates and joint ventures	1,437,316	1,445,815	1,373,215
Deferred income tax assets	33,843	34,255	17,903
Trade and other receivables, net	225,905	196,372	165,009
Investment in financial assets	612,684	655,660	432,676
Derivative financial instruments	21,421	18,434	60,442
<b>Total Non-Current Assets</b>	<b>6,000,517</b>	<b>6,050,293</b>	<b>5,812,347</b>
<b>Current Assets</b>			
Trading properties	10,027	9,714	26,115
Inventories	17,728	15,659	6,820
Investment in financial assets	535,286	475,877	419,995
Financial Assets at fair value through profits or loss	219,161	78,909	65,076
Cash and cash equivalents	281,342	259,169	301,559
<b>Total Current Assets</b>	<b>1,063,544</b>	<b>839,328</b>	<b>819,565</b>
<b>TOTAL ASSETS</b>	<b>7,064,061</b>	<b>6,889,621</b>	<b>6,631,912</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the parent</b>			
Share capital	578,676	578,676	578,676
Inflation adjustment of share capital	274,387	274,387	274,387
Other equity adjustments	(16,048 )	(15,714 )	-
Cumulative translation adjustment	24,992	14,502	-
Share premium	793,123	793,123	793,123
Reserve for share-based compensation	4,263	2,595	-
Legal reserve	71,136	71,136	57,031
Other reserves	419,783	419,783	391,262
Retained earnings	551,995	510,853	656,525
<b>Equity attributable to equity holders of the parent</b>	<b>2,702,307</b>	<b>2,649,341</b>	<b>2,751,004</b>
Non-controlling interest	391,659	390,428	331,609
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,093,966</b>	<b>3,039,769</b>	<b>3,082,613</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Trade and other payables	194,525	166,656	149,355
Borrowings	2,018,394	2,048,397	1,725,272

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Income tax liabilities	61,850	-	-
Deferred income tax liabilities	380,737	411,232	485,032
Provisions	18,312	17,823	12,881
<b>Total Non-Current Liabilities</b>	<b>2,673,818</b>	<b>2,644,108</b>	<b>2,372,540</b>
<b>Current Liabilities</b>			
Trade and other payables	537,815	500,926	414,186
Income tax liabilities	78,755	104,869	57,791
Payroll and social security liabilities	35,765	39,607	34,089
Borrowings	636,792	557,896	667,587
Derivative financial instruments	1,572	-	-
Provisions	5,578	2,446	3,106
<b>Total Current Liabilities</b>	<b>1,296,277</b>	<b>1,205,744</b>	<b>1,176,759</b>
<b>TOTAL LIABILITIES</b>	<b>3,970,095</b>	<b>3,849,852</b>	<b>3,549,299</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>7,064,061</b>	<b>6,889,621</b>	<b>6,631,912</b>

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

Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain  
Eduardo S. Elsztain  
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Income for the three-month periods ended September 30, 2012 and 2011

(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

	September 30, 2012	September 30, 2011
Revenues	486,311	431,631
Costs	(243,142 )	(203,602 )
Gross Profit	243,169	228,029
Gain from disposal of investment properties	31,069	-
General and administrative expenses	(43,533 )	(33,465 )
Selling expenses	(23,637 )	(16,592 )
Other operating expense, net	(9,126 )	(3,987 )
Profit from Operations	197,942	173,985
Share of profit / (loss) of associates and joint ventures	16,696	(17,276 )
Profit from Operations Before Financing and Taxation	214,638	156,709
Finance income	69,634	16,086
Finance cost	(197,837 )	(299,980 )
Financial results, net	(128,203 )	(283,894 )
Profit / (loss) Before Income Tax	86,435	(127,185 )
Income tax expense	(35,625 )	(20,677 )
Profit / (loss) for the period	50,810	(147,862 )
Attributable to:		
Equity holders of the parent	41,142	(112,029 )
Non-controlling interest	9,668	(35,833 )
Profit / (loss) per share attributable to equity holders of the parent during the period:		
Basic	0.071	(0.194 )
Diluted	0.071	(0.194 )

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

Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain  
Eduardo S. Elsztain  
President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income for the three-month periods ended  
September 30, 2012 and 2011

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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	September 30, 2012	September 30, 2011
Profit / (Loss) for the period	50,810	(147,862 )
Other Comprehensive Income:		
Items that may be reclassified subsequently to profit or loss:	-	
Currency translation adjustment of associates and joint ventures	10,490	4,738
Other Comprehensive Income for the period, net of tax (i)	10,490	4,738
Total Comprehensive Income / (Loss) for the period	61,300	(143,124 )
Attributable to:		
Equity holders of the parent	51,632	(107,291 )
Non-controlling interest	9,668	(35,833 )

(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.

Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain  
Eduardo S. Elsztain  
President



IRSA Inversiones y Representaciones Sociedad Anónima  
 Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity for the three-month  
 periods ended  
 September 30, 2012 and 2011

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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	Share capital	Inflation Adjustment of Share Capital	Share Premium	Non-controlling interest	Attributable to equity holders of the parent Reserve for acquisition of Cumulative adjustment reserve	Share-based compensation	Legal reserve	Other reserves	Retained earnings	Subtotal	Non-co inte
Balance at July 1, 2012	578,676	274,387	793,123	(15,714)	14,502	2,595	71,136	419,783	510,853	2,649,341	390
Profit for the period	-	-	-	-	-	-	-	-	41,142	41,142	9,6
Others comprehensive income for the period	-	-	-	-	10,490	-	-	-	-	10,490	-
Total comprehensive income for the period	-	-	-	-	10,490	-	-	-	41,142	51,632	9,6
Reserve for share-based compensation	-	-	-	-	-	1,668	-	-	-	1,668	61
Acquisition of non-controlling interest	-	-	-	(334 )	-	-	-	-	-	(334 )	-
Dividends distribution of subsidiaries	-	-	-	-	-	-	-	-	-	-	(10
Capital Contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-	1,7
Balance at September 30, 2012	578,676	274,387	793,123	(16,048)	24,992	4,263	71,136	419,783	551,995	2,702,307	390

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

Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain

Eduardo S. Elsztain  
President

IRSA Inversiones y Representaciones Sociedad Anónima  
 Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity for the three-month  
 periods ended  
 September 30, 2012 and 2011

(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

	Share capital	Inflation Adjustment of Share Capital	Share Premium	Attributable to equity holders of the parent				Other reserves	Retained earnings	N
				Other equity adjustment	Cumulative translations adjustment	Reserve for share-based compensation	Legal reserve			
Balance at July 1, 2011	578,676	274,387	793,123	-	-	-	57,031	391,262	656,525	2,751,004
Loss of the period	-	-	-	-	-	-	-	-	(112,029)	(112,029)
Other comprehensive income for the period	-	-	-	-	4,738	-	-	-	-	4,738
Total comprehensive income for the period	-	-	-	-	4,738	-	-	-	(112,029)	(107,291)
Other equity adjustment	-	-	-	(15,311)	-	-	-	-	-	(15,311)
Capital reduction	-	-	-	-	-	-	-	-	-	-
Reserve for share-based compensation	-	-	-	-	-	1,711	-	-	-	1,711
Balance at September 30, 2011	578,676	274,387	793,123	(15,311)	4,738	1,711	57,031	391,262	544,496	2,630,113

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

Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain  
 Eduardo S. Elsztain  
 President

IRSA Inversiones y Representaciones Sociedad Anónima  
Unaudited Condensed Interim Consolidated Statements of Cash Flows  
for the three-month periods ended September 30, 2012 and 2011

(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

	September 30, 2012	September 30, 2011
<b>Cash flows from operating activities:</b>		
Cash generated from operations	272,039	208,153
Income tax paid	(25,931 )	(8,931 )
Net cash generated from operating activities	246,108	199,222
<b>Cash Flows from investing activities:</b>		
Capital contributions in associates and joint ventures		-
Purchases of associates and joint ventures	(7,570 )	(1,538 )
Purchases of investment properties	(36,767 )	(12,378 )
Proceeds from sale of investment properties	53,299	-
Purchases of property, plant and equipment	(5,832 )	(3,256 )
Purchases of intangible assets	(253 )	(608 )
Purchases in financial assets at fair value through profit or loss	(102,855 )	(30,288 )
Proceeds from sale of financial assets at fair value through profit or loss	46,433	-
Advanced payments for purchases of associates	(23,485 )	-
Loans granted to associates and joint ventures	-	(109,459 )
Dividends received	4,953	2,929
Net cash used in investing activities	(72,077 )	(154,598 )
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings	24,624	72,975
Repayments of borrowings	(80,266 )	(50,072 )
Payment of seller financing	(2,000 )	(9,821 )
Acquisition of non-controlling interest in subsidiaries	-	(7,363 )
Dividends paid	(48,899 )	-
Capital contribution of non-controlling interest	1,717	3,036
Interest paid	(96,116 )	(79,587 )
Loans from Associates and Joint Ventures	47,181	-
Net cash used in financing activities	(153,759 )	(70,832 )
<b>Net increase in cash and cash equivalents</b>	<b>20,272</b>	<b>(26,208 )</b>
Cash and cash equivalents at beginning of period .	259,169	301,559
Foreign exchange gain on cash and cash equivalents	1,901	646
Cash and cash equivalents at end of period	281,342	275,997

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

Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain  
Eduardo S. Elsztain  
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 publication in Argentina

1. The Group's business and general information

IRSA Inversiones y Representaciones Sociedad Anónima ("IRSA" or "the Company") was founded in 1943 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 September 30, 2012, the Group operates in six business segments. See Note 5 for a description of the Group's segments.

The Group's real estate business operations are conducted primarily through IRSA and IRSA's principal subsidiary, Alto Palermo S.A. ("APSA"). Through APSA, the Group primarily owns, manages and develops shopping centers across Argentina. The Group primarily owns, manages and develops a portfolio of office and other rental properties in Buenos Aires, the capital of Argentina. Through IRSA or APSA, 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.

The Group's segment "Financial operations and others" is carried out mainly through Banco Hipotecario S.A. ("BHSA"), where IRSA has a 30.51% interest. 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, APSA has a 11.54 % interest in Tarshop S.A. ("Tarshop") which main activities are credit card and loan origination transactions.

In 2009, IRSA entered into the US real estate market, mainly through the acquisition of non-controlling interests in US assets, primarily office properties and hotel investments.

IRSA's shares are listed and traded on both the Buenos Aires Stock Exchange ("BASE") and the New York Stock Exchange ("NYSE"). APSA's shares are listed and traded on both the BASE and the National Association of Securities Dealers Automated Quotation ("NASDAQ").

Cresud is the ultimate parent company and is a corporation incorporated and domiciled in the Republic of Argentina. The address of its registered office is Moreno 877, 23rd Floor, Buenos Aires, Argentina.

These consolidated financial statements have been approved for issue by the Board of Directors on November 19, 2012.

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 publication in Argentina

2. Basis of preparation and adoption of international financial reporting standards (“IFRS”)

2.1 Basis of preparation and transition to IFRS

The National Securities Commission, (“CNV”, as per its Spanish acronym), through General Resolutions No. 562/9 and 576/10, has provided for the application of Technical Resolutions No. 26 and 29 of the Argentine Federation of Professional Councils of Economic Sciences, which adopt the IFRS, issued by the International Accounting Standards Board (IASB), for companies subject to the public offering regime ruled by Law 17,811, due to the listing of their shares or corporate notes, and for entities that have applied for authorization to be listed under the mentioned regime.

The Group is required to adopt IFRS as from the fiscal year beginning July 1, 2012, being the current financial statements the first interim financial statements prepared under IFRS as published by the IASB. Consequently, the Group’s transition date for the adoption of IFRS is July 1, 2011.

The Unaudited Condensed Interim Consolidated Financial Statements of the Group for the three-month periods ended September 30, 2012 and 2011 have been prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” and IFRS 1 “First-time Adoption of International Financial Reporting Standards”. The Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with the accounting policies that the Group expects to adopt in its annual consolidated financial statements as of June 30, 2013. The accounting policies are based on IFRS issued by the IASB and the interpretations issued by the IFRS Interpretation Committee (“IFRIC”) that the Group expects to become applicable on such date.

The consolidated financial statements of the Group were prepared in accordance with the Argentine accounting standards (“Argentine GAAP”) in force, which differ from IFRS in some areas. To prepare these Unaudited Condensed Interim Consolidated Financial Statements, the Management of the Company has modified certain valuation and presentation accounting policies that were previously applied under Argentine GAAP in order to comply with the IFRS.

Comparative figures and figures as of the transition date (July 1, 2011) have been modified to reflect such adjustments. The notes below include a reconciliation of shareholders’ equity figures of consolidated financial statements prepared in accordance with the Argentine GAAP on the transition date (July 1, 2011), on the adoption date (June 30, 2012) and on the closing date of the comparative period (September 30, 2011) and the statements of income and other comprehensive income figures for the fiscal year ended June 30, 2012 and for the three-month period ended September 30, 2011, and those presented in accordance with the IFRS in these condensed consolidated interim financial statements, as well as the effects of the adjustments to cash flow.

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)

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2. Preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

These Unaudited Condensed Interim Consolidated Financial Statements should be read together with the annual financial statements of the Group as of June 30, 2012 prepared in accordance with Argentine GAAP in force. Exhibit I present additional information as of June 30, 2012 and July 1, 2011 under IFRS which is considered necessary to understand these condensed interim consolidated financial statements. The figures corresponding to the unaudited statement of financial position, the statement of income, the statement of changes in shareholders’ equity, and the statement of cash flows under IFRS for the fiscal year ended June 30, 2012, and the figures of the statement of financial position as of July 1, 2011 are detailed in Note 2.3 to these Unaudited Condensed Interim Consolidated Financial Statements. The Unaudited Condensed Interim Consolidated Financial Statements are presented in Argentine Pesos.

The format of the primary financial statements under Argentine GAAP is governed by Technical Resolutions 8 and 9 of the Argentine Federation of Professional Councils of Economic Science (as per its Spanish acronym “FACPCE”) and Resolutions of the CNV. IAS 1 “Presentation of Financial Statements” requires certain disclosures to be made on the face of the primary statements and other required disclosures may be made in the notes or on the face of the financial statements, unless another standard specifies otherwise. The transition to IFRS has resulted in the Group changing the format of its statement of income, statement of financial position and statement of cash flows, as well as the disclosure of certain line items not prescribed by Argentine GAAP.

2.2 Initial elections upon adoption of IFRS

IFRS exemption options

As a general rule, the Group is required to establish its IFRS accounting policies for the year ended June 30, 2013 and apply these retrospectively. However, advantage has been taken of certain exemptions afforded by IFRS 1 “First-time adoption of International Financial Reporting Standards” as further described below:

Exemption for business combinations

IFRS 1 provides the option to apply IFRS 3, “Business combinations”, prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply IFRS 3 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

The business combination exemption applies equally to acquisitions of investments in associates or joint ventures. The Group elected not to restate the acquisitions of investments in associates or joint ventures prior to transition date.



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)

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2. Basis of preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

Exemption for deemed cost

IFRS 1 allows previous GAAP revaluations to be used as deemed cost under IFRS if those valuations were, at the time of the valuation, equivalent to fair value or depreciated cost adjusted to reflect changes in a price index. The Group elected to measure certain items of property, plant and equipment and investment property at price-adjusted values as at July 1, 2011.

In addition, IFRS 1 allows the carrying values of the assets and liabilities immediately following a business combination to be deemed cost for any cost-based measurement going forward from the date of the combination. The Group adopted a cost-based policy for all of its assets. As such, the Group used the previous fair values recognized in past business combinations (not restated as per the business combination exemption above) for certain items of investment property and property, plant and equipment (primarily shopping centers, office buildings and hotels) as deemed cost at the date of transition. All depreciation methods were already in compliance with those required by IAS 16, “Property, plant and equipment”.

Exemption for accumulated exchange differences

The IFRS 1 allows accumulated exchange differences to be reset to zero on the transition date, thus avoiding the determination of accumulated exchange differences pursuant to IAS 21 “Effects of changes in foreign exchange rates” from the moment a subsidiary or associate was created or acquired. The Group chose to reset all accumulated exchange differences to zero on the transition date.

Exemption for compound financial instruments

IFRS 1 provides that if the liability component of a financial instrument is no longer outstanding at the date of transition to IFRS, first-time adopters do not have to separate it from the equity component. The Group elected not to restate convertible debt instruments that were not outstanding at the date of transition.

Exemption for borrowing costs

IFRS 1 has been amended to permit first-time adopters not to restate borrowing costs capitalized at transition date under previous GAAP. The Group elected to apply the provisions of IAS 23 “Borrowing costs” prospectively from the date of transition.

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)

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2. Basis of preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

Exemption for assets and liabilities of subsidiaries

In accordance with IFRS 1, if a parent company adopts IFRS subsequent to its subsidiary, associate or joint venture adopting IFRS, the assets and liabilities of the subsidiary, associate or joint venture are to be included in the consolidated financial statements at the same carrying amounts as in the financial statements of the subsidiary, associate or joint venture, adjusted to reflect changes for the Group’s accounting policies upon consolidation, as applicable. The Group’s associate, Tarshop S.A., adopted IFRS in December 31, 2011.

The group has not used other optional exemptions of IFRS 1.

IFRS mandatory exceptions

Set out below are the applicable mandatory exceptions in IFRS 1 applied in the conversion from Argentine GAAP to IFRS.

Exemption for estimates

IFRS estimates as at July 1, 2011 are consistent with the estimates as at the same date made in conformity with Argentine GAAP. Therefore the estimates made by the Group under previous GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

Exemption for non-controlling interests

IFRS 1 establishes that an entity must apply the requirements IFRS 10 “Consolidated financial statements” for accounting for changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control prospectively. Under previous GAAP, the Group accounted for acquisitions of non-controlling interests that did not result in change of control as business combinations. Furthermore, under Argentine GAAP, the Group accounted for disposals of non-controlling interests based on its carrying value at the date of disposal, recognizing any difference between the carrying value of the non-controlling interest and the consideration received in the statement of income. The Group did not restate these acquisitions prior to transition date.

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2. Basis of preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

IFRS 1 establishes that an entity must apply the requirements of IFRS 10 for accounting for a loss of control over a subsidiary prospectively. Under Argentine GAAP, the Company recognized any non-controlling equity investment retained under the equity method at the date control was lost.

The other compulsory exceptions of IFRS 1 have not been applied, as these are not relevant to the Group.

2.3 Reconciliations of Argentine GAAP to IFRS

In accordance with the requirements of Technical Resolution No. 26 and 29 of the FACPCE, set out below are the reconciliations of shareholders’ equity from Argentine GAAP to IFRS at June 30, 2012, at September 30, 2011 and July 1, 2011, and the reconciliations of income, comprehensive income and cash flows for the year ended June 30, 2012 and for the three-month period ended September 30, 2011. The reconciliations included below were prepared based on the IFRS standards that are estimated to be applicable for the Company for the financial statements as of and for the year ended June 30, 2013. The items and amounts in the reconciliations included below are subject to change and should only be deemed final when the annual financial statements prepared under IFRS for the first time as of and for the year ended June 30, 2013 are issued. The items and amounts included in the reconciliations could be modified to the extent that, when preparing financial statements as of and for the year ended June 30, 2013, applicable standards are different.

The first reconciliation provides an overview of the impact on equity of the transition at July 1, 2011, at September 30, 2011 and June 30, 2012 (Note 2.3.1). The following reconciliations provide details of the impact of the transition on:

- Shareholders’ equity at July 1, 2011 (Note 2.3.2)
- Shareholders’ equity at September 30, 2011 (Note 2.3.3)
- Shareholders’ equity at June 30, 2012 (Note 2.3.4)
- Statement of income for the three-month periods ended September 30, 2011 (Note 2.3.5)
  - Statement of income for the fiscal year ended June 30, 2012 (Note 2.3.6)
- Statement of comprehensive income for the three-month periods ended September 30, 2011 (Note 2.3.7)
  - Statement of comprehensive income for the fiscal year ended June 30, 2012 (Note 2.3.8)
- Statement of cash flows for the three-month period ended September 30, 2011 and for the fiscal year ended June 30, 2012 (Note 2.3.9).

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2. Basis of preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

2.3.1. Summary of equity

		July 1, 2011	September 30, 2011	June 30, 2012
Total shareholders’ equity under Argentine GAAP attributable to IRSA		2,313,687	2,337,597	2,335,279
Revenue recognition – “scheduled rent increases”	B	51,991	58,613	78,479
Revenue recognition – “letting fees”	C	(35,447 )	(38,137 )	(44,446 )
Trading properties	D	(29,315 )	(15,724 )	(18,946 )
Pre-operating and organization expenses	E	(22,002 )	(20,252 )	(22,083 )
Goodwill	F,G	425,839	418,722	406,526
Long-term investments – financial assets	H	151,411	19,296	138,204
Initial direct costs on operating leases	I	698	839	946
Tenant deposits	J	114	163	329
Impairment of financial assets	K	(2,088 )	(2,159 )	(519 )
Present value accounting – tax credits	L	11,231	7,973	5,917
Investment properties	M	-	(8,095 )	-
Investments in associates	N	(56,224 )	(83,396 )	(152,163 )
Investments in joint ventures	O	(16,716 )	(16,203 )	(11,219 )
Acquisition of non-controlling interest	P	-	(14,575 )	(15,178 )
Amortization of transaction costs on borrowings	Q	110	180	123
Deferred income tax	S	(15,748 )	(19,029 )	(24,409 )
Non- controlling interest on adjustments above	T	(26,537 )	4,300	(27,499 )
Subtotal shareholders’ equity under IFRS attributable to IRSA		2,751,004	2,630,113	2,649,341
Non-controlling interest		331,609	295,343	390,428
Total shareholders’ equity under IFRS		3,082,613	2,925,456	3,039,769

2.3.1. Summary of profit / (loss)

		September 30, 2011	June 30, 2012
Profit under Argentine GAAP attributable to IRSA		5,693	280,081
Revenue recognition – “scheduled rent increases”	B	6,622	26,488
Revenue recognition – “letting fees”	C	(2,691 )	(8,999 )
Trading properties	D	21,378	10,369
Pre-operating and organization expenses	E	1,772	(81 )
Goodwill	F,G	(5,125 )	(19,398 )
Long-term investments – financial assets	H	(131,697 )	(13,207 )
	I	141	248

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Initial direct costs on operating leases			
Tenant deposits	J	49	215
Impairment of financial assets	K	(71 )	1,569
Present value accounting – tax credits	L	(3,294 )	(5,314 )
Investment properties	M	(8,095 )	-
Investments in associates	N	(26,008 )	(89,858 )
Investments in joint ventures	O	(91 )	5,497
Acquisition of non-controlling interest	P	-	1,245
Amortization of transaction costs on borrowings	Q	70	13
Foreign currency translation	R	3,532	32,518
Deferred income tax	S	(3,513 )	(9,205 )
Non- controlling interest on adjustments above	T	29,299	(8,290 )
(Loss) / Profit under Argentine GAAP attributable to IRSA		(112,029 )	203,891
Non-controlling interest		(35,833 )	20,785
(Loss) / Profit under IFRS		(147,862 )	224,676

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2. Basis of preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

2.3.1. Summary of other comprehensive income

		September 30, 2011	June 30, 2012
Other comprehensive income under Argentine GAAP attributable to IRSA		9,898	45,851
Goodwill	F,G	1,565	85
Investments in associates	N	(677 )	(6,082 )
Currency translation adjustment	R	(7,737 )	(32,518 )
Deferred income tax	S	180	544
Non- controlling interest on adjustment above	T	1,509	8,430
Other comprehensive income under IFRS attributable to IRSA		4,738	16,310
Other comprehensive income under IFRS		4,738	16,310

2.3.2. Reconciliation of shareholders’ equity at July 1, 2011

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Reclassifications III	Measurement adjustments IV	IFRS balances V
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Investment properties, net	-	-	3,339,383	698	3,340,081
Property, plant and equipment, net	3,405,980	(70,068 )	(3,100,667 )	-	235,245
Trading properties	-	-	164,091	(8,215 )	155,876
Intangible assets, net	51,147	(73 )	1,924	(21,098 )	31,900
Inventories	89,441	(59 )	(89,382 )	-	-
Investments in associates and joint ventures	1,209,808	210,393	(1,797 )	(45,189 )	1,373,215
Other investments	675,756	(64,608 )	(611,148 )	-	-
Deferred tax income assets	18,678	(775 )	-	-	17,903
Trade and other receivables, net	145,248	(18,425 )	-	38,186	165,009
Derivative financial instruments	60,442	-	-	-	60,442
Investments in financial assets	-	-	281,265	151,411	432,676
Negative Goodwill	(398,075 )	-	-	398,075	-
Total Non-Current Assets	5,258,425	56,385	(16,331 )	513,868	5,812,347
<b>Current Assets</b>					
Trading property	-	-	48,120	(22,005 )	26,115
Inventories	262,660	(209,458 )	(46,382 )	-	6,820
Trade and other receivables, net	404,167	(21,715 )	14,593	22,950	419,995

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Investments in financial assets	62,678	-	2,398	-	65,076
Cash and cash equivalents	309,659	(10,717 )	2,617	-	301,559
Other investments	6,016	(1,001 )	(5,015 )	-	-
Total Current Assets	1,045,180	(242,891 )	16,331	945	819,565
TOTAL ASSETS	6,303,605	(186,506 )	-	514,813	6,631,912

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## 2. Basis of preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

## 2.3.2. Reconciliation of shareholders’ equity at July 1, 2011 (Continued)

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Reclassifications III	Measurement adjustments IV	IFRS balances V
<b>SHAREHOLDERS’ EQUITY</b>					
Capital and reserves attributable to equity holders of the parent company					
Share capital	578,676	-	-	-	578,676
Inflation adjustment of share capital	274,387	-	-	-	274,387
Share premium	793,123	-	-	-	793,123
Legal reserve	57,031	-	-	-	57,031
Other reserves	391,262	-	-	-	391,262
Cumulative translation adjustment	34,124	-	-	(34,124 )	-
Retained earnings	185,084	-	-	471,441	656,525
Equity attributable to equity holders of the parent company	2,313,687	-	-	437,317	2,751,004
Non-controlling interest	304,932	-	-	26,677	331,609
<b>TOTAL SHAREHOLDERS’ EQUITY</b>	<b>2,618,619</b>	<b>-</b>	<b>-</b>	<b>463,994</b>	<b>3,082,613</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Trade and other payables	132,565	(488 )	-	17,278	149,355
Borrowings	1,756,919	(31,647 )	-	-	1,725,272
Deferred income tax liabilities	476,864	(7,580 )	-	15,748	485,032
Provisions	12,881	-	-	-	12,881
<b>Total Non-Current Liabilities</b>	<b>2,379,229</b>	<b>(39,715 )</b>	<b>-</b>	<b>33,026</b>	<b>2,372,540</b>
<b>Current Liabilities</b>					
Trade and other payables	525,242	(128,959 )	-	17,903	414,186
Income tax liabilities	57,791	-	-	-	57,791
Payroll and social security liabilities	35,792	(1,703 )	-	-	34,089
Borrowings	683,813	(16,116 )	-	(110 )	667,587
Provisions	3,119	(13 )	-	-	3,106
<b>Total Current Liabilities</b>	<b>1,305,757</b>	<b>(146,791 )</b>	<b>-</b>	<b>17,793</b>	<b>1,176,759</b>
<b>TOTAL LIABILITIES</b>	<b>3,684,986</b>	<b>(186,506 )</b>	<b>-</b>	<b>50,819</b>	<b>3,549,299</b>
<b>TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES</b>	<b>6,303,605</b>	<b>(186,506 )</b>	<b>-</b>	<b>514,813</b>	<b>6,631,912</b>



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## 2. Basis of preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

## 2.3.3.Reconciliation of shareholders’ equity at September 30, 2011 (Continued)

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Reclassifications III	Measurement adjustments IV	IFRS balances V
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Investment properties, net	-	-	3,319,447	(7,257 )	3,312,190
Property, plant and equipment, net	3,384,461	(81,575 )	(3,066,536 )	-	236,350
Trading properties	-	-	164,638	(7,164 )	157,474
Intangible assets, net	70,862	(6,196 )	2,230	(34,734 )	32,162
Inventories	90,425	(76 )	(90,349 )	-	-
Investments in associates and joint ventures	1,223,954	228,932	134	(74,426 )	1,378,594
Other investments	682,687	(64,701 )	(617,986 )	-	-
Deferred tax income assets	41,667	(8,467 )	-	(11,445 )	21,755
Trade and other receivables, net	145,936	(17,425 )	-	38,642	167,153
Investments in financial assets	-	-	286,473	19,714	306,187
Negative Goodwill	(392,859 )	-	-	392,859	-
<b>Total Non-Current Assets</b>	<b>5,247,133</b>	<b>50,492</b>	<b>(1,949 )</b>	<b>316,189</b>	<b>5,611,865</b>
<b>Current Assets</b>					
Trading properties	-	-	27,831	(8,561 )	19,270
Inventories	241,860	(196,071 )	(38,410 )	-	7,379
Trade and other receivables, net	519,076	(25,416 )	12,528	25,906	532,094
Derivative financial instruments	22,051	-	-	-	22,051
Investments in financial assets	61,853	-	19,489	-	81,342
Cash and cash equivalents	289,084	(13,087 )	-	-	275,997
Other investments	19,489	-	(19,489 )	-	-
<b>Total Current Assets</b>	<b>1,153,413</b>	<b>(234,574 )</b>	<b>1,949</b>	<b>17,345</b>	<b>938,133</b>
<b>TOTAL ASSETS</b>	<b>6,400,546</b>	<b>(184,082 )</b>	<b>-</b>	<b>333,534</b>	<b>6,549,998</b>

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## 2. Basis of preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

## 2.3.3.Reconciliation of shareholders’ equity at September 30, 2011 (Continued)

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Reclassifications III	Measurement adjustments IV	IFRS balances V
<b>SHAREHOLDERS’ EQUITY</b>					
Capital and reserves attributable to equity holders of the parent company					
Share capital	578,676	-	-	-	578,676
Inflation adjustment of share capital	274,387	-	-	-	274,387
Share premium	793,123	-	-	-	793,123
Acquisition of non-controlling interest	-	-	-	(15,311 )	(15,311 )
Legal reserve	57,031	-	-	-	57,031
Other reserves	391,262	-	-	-	391,262
Reserve for share based payments	1,711	-	-	-	1,711
Retained earnings	197,385	-	-	347,111	544,496
Cumulative translation adjustment	44,022	-	-	(39,284 )	4,738
Equity attributable to equity holders of the parent company	2,337,597	-	-	292,516	2,630,113
Non-controlling interest	299,643	-	-	(4,300 )	295,343
<b>TOTAL SHAREHOLDERS’ EQUITY</b>	<b>2,637,240</b>	<b>-</b>	<b>-</b>	<b>286,216</b>	<b>2,925,456</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Trade and other payables	180,099	(1,308 )	-	19,501	198,292
Derivative Financial instruments	1,222	-	-	-	1,222
Deferred Income tax	463,827	(10,839 )	-	7,585	460,573
Borrowings	1,813,000	(32,379 )	-	-	1,780,621
Provisions	12,961	(13 )	-	-	12,948
<b>Total Non-Current Liabilities</b>	<b>2,471,109</b>	<b>(44,539 )</b>	<b>-</b>	<b>27,086</b>	<b>2,453,656</b>
<b>Current Liabilities</b>					
Trade and other payables	505,441	(121,164 )	-	18,569	402,846
Income tax liabilities	57,718	(90 )	-	-	57,628
Borrowings	696,559	(17,407 )	-	(181 )	678,971
Payroll and social security liabilities	26,926	(882 )	-	-	26,044
Provisions	5,554	-	-	-	5,554
<b>Total Current Liabilities</b>	<b>1,292,198</b>	<b>(139,543 )</b>	<b>-</b>	<b>18,388</b>	<b>1,171,043</b>
<b>TOTAL LIABILITIES</b>	<b>3,763,307</b>	<b>(184,082 )</b>	<b>-</b>	<b>45,474</b>	<b>3,624,699</b>
<b>TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES</b>	<b>6,400,547</b>	<b>(184,082 )</b>	<b>-</b>	<b>333,535</b>	<b>6,549,999</b>



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## 2. Basis of Preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

## 2.3.4.Reconciliation of shareholders’ equity at June 30, 2012 (Continued)

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Reclassifications III	Measurement adjustments IV	IFRS balances V
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Investment properties, net	-	-	3,274,280	946	3,275,226
Property, plant and equipment, net	3,319,798	(88,717 )	(3,003,048 )	-	228,033
Trading properties	-	-	180,433	(13,324 )	167,109
Intangible assets, net	71,157	(2,113 )	2,475	(42,130 )	29,389
Inventories	97,221	(107 )	(97,114 )	-	-
Investments in associates and joint ventures	1,342,337	239,177	-	(135,699 )	1,445,815
Other investments	978,672	(64,700 )	(913,972 )	-	-
Deferred tax assets	30,104	(12,104 )	-	16,255	34,255
Trade and other receivables, net	175,689	(28,987 )	-	49,670	196,372
Investments	-	-	-	-	-
Investments in financial assets	-	-	517,456	138,204	655,660
Derivative financial instruments	-	-	18,434	-	18,434
Negative Goodwill	(377,463 )	-	-	377,463	-
Total Non-Current Assets	5,637,515	42,449	(21,056 )	391,385	6,050,293
<b>Current Assets</b>					
Trading properties	-	-	11,177	(1,463 )	9,714
Inventories	140,018	(113,182 )	(11,177 )	-	15,659
Trade and other receivables, net	442,392	(22,707 )	21,056	35,136	475,877
Investments in financial assets	76,546	(18,591 )	20,954	-	78,909
Cash and cash equivalents	283,140	(23,971 )	-	-	259,169
Other investments	20,954	-	(20,954 )	-	-
Total Current Assets	963,050	(178,451 )	21,056	33,673	839,328
<b>TOTAL ASSETS</b>	<b>6,600,565</b>	<b>(136,002 )</b>	<b>-</b>	<b>425,058</b>	<b>6,889,621</b>

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2. Basis of preparation and adoption of international financial reporting standards (“IFRS”) (Continued)

2.3.4.Reconciliation of shareholders’ equity at June 30, 2012 (Continued)

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Presentation reclassifications III	Measurement adjustments IV	IFRS balances V
<b>SHAREHOLDERS’ EQUITY</b>					
Capital and reserves attributable to equity holders of the parent					
Share capital	578,676	-	-	-	578,676
Inflation adjustment of share capital	274,387	-	-	-	274,387
Share premium	793,123	-	-	-	793,123
Cumulative translation adjustment	79,975	-	-	(65,473 )	14,502
Reserve for share-based compensation	2,595	-	-	-	2,595
Acquisition of non-controlling interest	-	-	-	(15,714 )	(15,714 )
Legal reserve	71,136	-	-	-	71,136
Other reserves	419,783	-	-	-	419,783
Retained earnings	115,604	-	-	395,249	510,853
Equity attributable to equity holders of the parent	2,335,279	-	-	314,062	2,649,341
Non-controlling interest	362,929	-	-	27,499	390,428
<b>TOTAL SHAREHOLDERS’ EQUITY</b>	<b>2,698,208</b>	<b>-</b>	<b>-</b>	<b>341,561</b>	<b>3,039,769</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Trade and other payables	149,923	(4,576 )	-	21,309	166,656
Borrowings	2,065,826	(17,429 )	-	-	2,048,397
Deferred income tax liabilities	388,318	(12,880 )	-	35,794	411,232
Provisions	17,823	-	-	-	17,823
<b>Total Non-Current Liabilities</b>	<b>2,621,890</b>	<b>(34,885 )</b>	<b>-</b>	<b>57,103</b>	<b>2,644,108</b>
<b>Current Liabilities</b>					
Trade and other payables	556,775	(82,366 )	-	26,517	500,926