IRSA INVESTMENTS & REPRESENTATIONS INC
Form 6-K
June 03, 2013

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 June, 2013

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 x Form 40-F o

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 o No x

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Financial Statements
as of March 31, 2013 and for the nine-month periods
ended March 31, 2013 and 2012

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: 65.19%
Interest of the Parent Company on the capital stock: 377,253,404 common shares.

CAPITAL STATUS

Type of stock	Authorized for Public Offer of Shares (*)	Subscribed, Issued and Paid up (In thousands of Pesos)
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.

Unaudited Condensed Interim Consolidated Statements of Financial Position
as of March 31, 2013, June 30, 2012 and July 1st, 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

	Note	03.31.2013	06.30.2012	07.01.2011
ASSETS				
Non- Current Assets				
Investment properties, net	9	3,984,770	3,275,226	3,340,081
Property, plant and equipment, net	10	211,835	228,033	235,245
Trading properties	11	185,563	167,109	155,876
Intangible assets, net	12	77,167	29,389	31,900
Investments in associates and joint ventures	7, 8	1,430,688	1,445,815	1,373,215
Deferred income tax assets	22	74,413	34,255	17,903
Restricted assets	3	11,406	-	-
Trade and other receivables, net	14	229,097	196,372	165,009
Investments in financial assets	15	639,247	655,660	432,676
Derivative financial instruments	16	23,824	18,434	60,442
Total Non-Current Assets		6,868,010	6,050,293	5,812,347
Current Assets				
Trading properties	11	6,528	9,714	26,115
Inventories	13	16,531	15,659	6,820
Restricted assets	3	1,136	-	-
Trade and other receivables, net	14	540,231	475,877	419,995
Investments in financial assets	15	279,139	78,909	65,076
Cash and cash equivalents	17	399,276	259,169	301,559
Total Current Assets		1,242,841	839,328	819,565
TOTAL ASSETS		8,110,851	6,889,621	6,631,912
SHAREHOLDERS' EQUITY				
Capital and reserves attributable to equity holders of the parent				
Share capital		578,676	578,676	578,676
Inflation adjustment of share capital		123,329	274,387	274,387
Share premium		793,123	793,123	793,123
Acquisition of additional interest in subsidiaries		(17,254)	(15,714)	-
Cumulative translation adjustment		38,500	14,502	-
Reserve for share-based compensation		8,321	2,595	-
Legal reserve		85,140	71,136	57,031
Other reserves		492,441	419,783	391,262
Retained earnings		716,478	510,853	656,525
Total capital and reserves attributable to equity holders of the parent		2,818,754	2,649,341	2,751,004
Non-controlling interest		505,460	390,428	331,609
TOTAL SHAREHOLDERS' EQUITY		3,324,214	3,039,769	3,082,613
LIABILITIES				
Non-Current Liabilities				
Trade and other payables	18	196,920	166,656	149,355

Borrowings	21	2,618,989	2,048,397	1,725,272
Deferred income tax liabilities	22	396,441	411,232	485,032
Provisions	20	46,556	17,823	12,881
Total Non-Current Liabilities		3,258,906	2,644,108	2,372,540
Current Liabilities				
Trade and other payables	18	594,652	500,926	414,186
Income tax liabilities		71,715	104,869	57,791
Salaries and social security liabilities	19	41,504	39,607	34,089
Borrowings…..	21	806,724	557,896	667,587
Provisions	20	13,136	2,446	3,106
Total Current Liabilities		1,527,731	1,205,744	1,176,759
TOTAL LIABILITIES		4,786,637	3,849,852	3,549,299
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		8,110,851	6,889,621	6,631,912

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

Inversiones y Representaciones S.A.

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

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Unaudited Condensed Interim Consolidated Statements of Income
for the nine and three-month periods beginning on July 1st, 2012 and 2011
and January 1st, 2013 and 2012, respectively and ended March 31, 2013 and 2012
(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

		Nine months		Three months	
	Note	03.31.2013	03.31.2012	03.31.2013	03.31.2012
Revenues	24	1,604,059	1,328,523	518,018	415,604
Costs	25	(801,198)	(637,257)	(260,481)	(196,821)
Gross Profit		802,861	691,266	257,537	218,783
Gain from disposal of investment properties	9	64,019	42,737	8,060	18,010
General and administrative expenses	26	(151,130)	(125,055)	(42,144)	(43,071)
Selling expenses	26	(73,244)	(56,257)	(24,712)	(21,763)
Other operating results, net	28	107,173	(11,998)	(7,936)	(3,537)
Profit from operations		749,679	540,693	190,805	168,422
Share of profit /(loss) of associates and joint ventures	7,8	15,112	15,922	728	(302)
Profit before financial results and income tax		764,791	556,615	191,533	168,120
Finance income	29	267,300	114,325	145,714	64,292
Finance cost	29	(571,737)	(384,173)	(192,856)	(78,513)
Financial results, net	29	(304,437)	(269,848)	(47,142)	(14,221)
Profit before income tax		460,354	286,767	144,391	153,899
Income tax	22	(81,093)	(91,296)	(11,009)	(37,812)
Profit for the period		379,261	195,471	133,382	116,087
Attributable to:					
Equity holders of the parent		320,638	176,622	96,856	95,071
Non-controlling interest		58,623	18,849	36,526	21,016
Profit per share attributable to equity holders of the parent during the period:					
Basic		0.554	0.305	0.167	0.164
Diluted		0.554	0.305	0.167	0.164

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

Inversiones y Representaciones S.A.

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

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income
for the nine and three-month periods beginning on July 1st, 2012 and 2011
and January 1st, 2013 and 2012, respectively and ended March 31, 2013 and 2012
(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

	Nine months		Three months	
	03.31.2013	03.31.2012	03.31.2013	03.31.2012
Profit for the period	379,261	195,471	133,382	116,087
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation adjustment	40,306	10,955	16,573	2,074
Other comprehensive income for the period, net of tax (i)	40,306	10,955	16,573	2,074
Total comprehensive income for the period	419,567	206,426	149,955	118,161
Attributable to:				
Equity holders of the parent	357,551	188,700	110,348	98,365
Non-controlling interest	62,016	17,726	39,607	19,796

(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 S.A.

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

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Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the nine-month periods ended March 31, 2013 and 2012
(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

	Attributable to equity holders of the parent										
	Share capital	Inflation adjustment of share capital	Share Premium	Acquisition of additional interest in subsidiaries	Cumulative translation adjustment	Reserve for share-based compensation	Legal reserve	Other reserves	Retained earnings	Subtotal	Non
Balance at July 1st, 2012	578,676	274,387	793,123	(15,714)	14,502	2,595	71,136	419,783	510,853	2,649,341	
Profit for the period	-	-	-	-	-	-	-	-	320,638	320,638	
Others comprehensive income for the period	-	-	-	-	36,913	-	-	-	-	36,913	
Total comprehensive income for the period	-	-	-	-	36,913	-	-	-	320,638	357,551	
Appropriation of retained earnings approved by Shareholders' meeting held 10.31.12	-	-	-	-	-	-	14,004	72,658	(86,662)	-	
Reclassification of the deferred tax liability – Approved by Shareholders' meeting held 10.31.12	-	(151,058)	-	-	-	-	-	-	151,058	-	
Dividends distribution – approved by Shareholders meeting held 10.31.12	-	-	-	-	-	-	-	-	(180,000)	(180,000)	
Acquisition of subsidiary (Note 3)	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	(12,915)	-	-	-	-	(12,915)	

Cumulative translation adjustment for interest held before business combination (Note 3)										
Distribution of share capital	-	-	-	-	-	-	-	-	-	-
Reserve for share-based compensation (Notes 27 y 30)	-	-	-	-	-	5,726	-	-	-	5,726
Conversion of corporate notes	-	-	-	-	-	-	-	-	-	-
Capital contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	(1,540)	-	-	-	-	-	(1,540)
Reimbursement of expired dividends	-	-	-	-	-	-	-	-	591	591
Balance as of March 31, 2013	578,676	123,329	793,123	(17,254)	38,500	8,321	85,140	492,441	716,478	2,818,754

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

Inversiones y Representaciones S.A.

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

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Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the nine-month periods ended March 31, 2013 and 2012
(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

	Attributable to equity holders of the parent										
	Share capital	Inflation adjustment of share capital	Share premium	Acquisition of additional interest in subsidiaries	Cumulative translation adjustment	Reserve for share-based compensation	Legal reserve	Other reserves	Retained earnings	Subtotal	N con in
Balance at July 1st, 2011	578,676	274,387	793,123	-	-	-	57,031	391,262	656,525	2,751,004	33
Profit for the period	-	-	-	-	-	-	-	-	176,622	176,622	18
Other comprehensive income for the period	-	-	-	-	12,078	-	-	-	-	12,078	(1
Total comprehensive income for the period	-	-	-	-	12,078	-	-	-	176,622	188,700	17
Appropriation of retained earnings approved by Shareholders meeting held 10.31.11	-	-	-	-	-	-	14,105	56,421	(70,526)	-	-
Dividends distribution – Approved by Shareholders meeting held 10.31.11	-	-	-	-	-	-	-	-	(211,575)	(211,575)	(1
Reimbursement of expired dividends	-	-	-	-	-	-	-	-	3,640	3,640	16
Capital contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-	44
Acquisition of non-controlling interest	-	-	-	(15,311)	-	-	-	-	-	(15,311)	(9
Reserve for share-based compensation	-	-	-	-	-	2,698	-	-	-	2,698	97

(Notes 27 y 30)

Balance as of March 31, 2012	578,676	274,387	793,123	(15,311)	12,078	2,698	71,136	447,683	554,686	2,719,156	39

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

Inversiones y Representaciones S.A.

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

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Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the nine-month periods ended March 31, 2013 and 2012
(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

	Note	03.31.2013	03.31.2012
Operating activities:			
Cash generated by operations	17	765,248	637,567
Income tax paid		(192,890)	(122,352)
Net cash generated by operating activities:		572,358	515,215
Investing activities:			
Capital contributions in associates and joint ventures	7, 8	(39,925)	-
Purchases of associates and joint ventures	3, 7	(32,024)	(148,328)
Purchases of investment properties, net	9	(157,324)	(42,709)
Proceeds from sale of investment properties, net	9	91,456	52,827
Purchases of property, plant and equipment, net	10	(4,445)	(9,787)
Purchases of intangible assets, net	12	(614)	(1,363)
Purchases of investments in financial assets		(157,881)	(76,759)
Proceeds from sale of investments in financial assets		153,117	-
Advanced payments for purchases of investment properties and property, plant and equipment, net		(39,554)	(9,130)
Acquisition of subsidiaries, net of cash acquired	3	(117,874)	(6,644)
Interest received		5,300	-
Loans granted to associates and joint ventures		(813)	(131,349)
Dividends received		49,602	5,819
Loans repayments received from associates and joint ventures		-	119,831
Net cash used in investing activities		(250,979)	(247,592)
Financing activities:			
Issuance of non-convertible notes		-	295,035
Proceeds from borrowings		456,535	124,644
Repayments of borrowings		(239,187)	(342,482)
Payment of seller financing		(6,420)	(19,879)
Acquisition of non-controlling interest in subsidiaries		(2,364)	(7,364)
Dividends paid		(180,260)	(211,077)
Capital contribution of non-controlling interest		6,092	44,082
Interest paid		(221,152)	(204,895)

Payment for acquisition of non-controlling interest		(4,460)	(9,730)
Capital reduction of subsidiaries		(39,654)	-
Loans from associates and joint ventures, net		59,147	(1,535)
Reimbursement of dividends		-	6,937
Net cash used in financing activities		(171,723)	(326,264)
Net increase / (decrease) in cash and cash equivalents		149,656	(58,641)
Cash and cash equivalents at beginning of period	17	259,169	301,559
Foreign exchange (loss) / gain on cash and cash equivalents		(9,549)	11,840
Cash and cash equivalents at end of period		399,276	254,758

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

Inversiones y Representaciones S.A.

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

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1. The Group's business and general information

IRSA Inversiones y Representaciones Sociedad Anónima ("IRSA", "the Company" / "Us" or "the Society") was founded in 1943 and is 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 March 31, 2013, the Group operates in six business segments. See Note 5 for a description of such segments.

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 the Autonomous City of Buenos Aires, and it entered the US real estate market in 2009, mainly through the acquisition of non-controlling interests in office buildings and hotels (see Note 3). 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 activities of the Group's segment "Financial operations and others" is carried out mainly through Banco Hipotecario S.A. ("BHSA"), where IRSA has a 29.77% interest (without considering treasury shares of our own). 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, the Group has a 42.95% interest in Tarshop S.A ("Tarshop") which main activities are credit card and loan origination transactions.

IRSA's shares are listed and traded on both the BASE and the New York Stock Exchange ("NYSE"). APSA's shares are listed and traded on both the BASE and the NASDAQ of USA.

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

These Unaudited Condensed Interim Consolidated Financial Statements have been approved for issuance by the Board of Directors on May 17, 2013.

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. 562/09 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 (as per its Spanish acronym "FACPCE"), which adopt the International Financial Reporting Standards ("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 1st, 2012, being these financial statements the first interim financial statements for the nine-month periods prepared under those standards. Consequently, the Group's transition date for the adoption of IFRS is July 1st, 2011.

The Unaudited Condensed Interim Consolidated Financial Statements of the Group for the nine-month periods ended March 31, 2013 and 2012 have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" and IFRS 1. The Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with the accounting policies that the Group expects to adopt in its first annual consolidated financial statements for the fiscal year ended June 30, 2013 in accordance with IFRS. 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 significant aspects. 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 1st, 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 1st, 2011), on the adoption date (June 30, 2012) and on the closing date of the comparative period (March 31, 2012) and the statements of income and other comprehensive income figures for the fiscal year ended June 30, 2012 and for the nine and three-month periods ended March 31, 2012, 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 flows.

2. Basis of 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 and with the Unaudited Condensed Interim Consolidated Financial Statements as of September 30, 2012, which include an Exhibit ("Exhibit I") which presents additional information as of June 30, 2012 and July 1st, 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, for the nine and three-month periods ended March 31, 2012 and the figures of the statement of financial position as of July 1st, 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 thousands of Argentine Pesos.

Unaudited Condensed Interim Consolidated Financial Statements corresponding to the nine and three-month periods ended March 31, 2013 and 2012 have not been audited. The management believes they include all necessary adjustments to fairly present the results of each period. The Company's nine and three-month periods ended March 31, 2013 and 2012 results do not necessarily reflect the proportion of the Group's full-year results.

The format of the primary financial statements under Argentine GAAP is governed by Technical Resolutions No. 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 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.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

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.

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 properties at price-adjusted historical values as of July 1st, 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 properties 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.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

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.

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 associates, Tarshop S.A. and Banco Hipotecario 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.

Exception for estimates

IFRS estimates as of July 1st, 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.

Exception 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 Argentine 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.

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 Group 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 as of June 30, 2012, at March 31, 2012 and July 1st, 2011, and the reconciliations of income and comprehensive income for the nine and three-month periods ended March 31, 2012 and for the year ended June 30, 2012 and cash flows for the nine-month period ended March 31, 2012 and for the year ended June 30, 2012. The reconciliations included below were prepared based on the IFRS standards that are estimated to be applicable for the Group 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 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 as of July 1st, 2011, as of March 31, 2012 and June 30, 2012 (Note 2.3.1). The second reconciliation provides details of the impact on income for the nine and three-month periods ended March 31, 2012 and for the year ended June 30, 2012 (Note 2.3.1). The third reconciliation provides details of the impact on other comprehensive income for the nine and three-month periods ended March 31, 2012 and for the year ended June 30, 2012 (Note 2.3.1). The following reconciliations provide details of the impact of the transition on:

- Statement of financial position as of July 1st, 2011 (Note 2.3.2)
- Statement of financial position as of March 31, 2012 (Note 2.3.3)
- Statement of financial position as of June 30, 2012 (Note 2.3.4)
- Statement of income for the nine-month periods ended March 31, 2012 (Note 2.3.5)
- Statement of income for the three-month periods ended March 31, 2012 (Note 2.3.6)

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2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

- Statement of income for the fiscal year ended June 30, 2012 (Note 2.3.7)
- Statement of comprehensive income for the nine-month period ended March 31, 2012 (Note 2.3.8)
- Statement of comprehensive income for the three-month period ended March 31, 2012 (Note 2.3.9)
- Statement of comprehensive income for the fiscal year ended June 30, 2012 (Note 2.3.10)
- Statement of cash flows for the nine-month period ended March 31, 2012 and for the fiscal year ended June 30, 2012 (Note 2.3.11)

2.3.1. Summary of equity

		07.01.11	03.31.12	06.30.12
Total shareholders' equity under Argentine GAAP attributable to IRSA		2,313,687	2,365,292	2,335,279
Revenue recognition – "scheduled rent increases"	(B)	51,991	71,857	78,479
Revenue recognition – "letting fees"	(C)	(35,447)	(42,306)	(44,446)
Trading property	(D)	(29,315)	(17,542)	(18,946)
Pre-operating and organization expenses	(E)	(22,002)	(18,308)	(22,083)
Goodwill	(F,G)	425,839	411,332	406,526
Non-current investments – financial assets	(H)	151,411	156,526	138,204
Initial direct costs on operating leases	(I)	698	979	946
Tenant deposits	(J)	114	259	329
Impairment of financial assets	(K)	(2,088)	(1,378)	(519)
Present value accounting – tax credits	(L)	11,231	7,478	5,917
Investments in associates	(N)	(56,224)	(130,301)	(152,163)
Investments in joint ventures	(O)	(16,716)	(15,626)	(11,219)
Acquisition of non-controlling interest	(P)	-	(14,774)	(15,178)
Amortization of borrowing costs	(Q)	110	487	123
Deferred income tax	(S)	(15,748)	(28,035)	(24,409)
Non-controlling interest on adjustments above	(T)	(26,537)	(26,784)	(27,499)
Subtotal shareholders' equity under IFRS attributable to IRSA		2,751,004	2,719,156	2,649,341
Non-controlling interest		331,609	391,679	390,428
Total shareholders' equity under IFRS		3,082,613	3,110,835	3,039,769

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2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

2.3.1. Summary of profit

		Nine months 03.31.12	06.30.12	Three months 03.31.12
Profit under Argentine GAAP attributable to IRSA		227,954	280,081	86,770
Revenue recognition – "scheduled rent increases"	(B)	19,866	26,488	6,622
Revenue recognition – "letting fees"	(C)	(6,859)	(8,999)	(2,782)
Trading properties	(D)	11,772	10,369	3,296
Pre-operating and organization expenses	(E)	3,717	(81)	1,875
Goodwill	(F,G)	(14,474)	(19,398)	(3,639)
Non-current investments – financial assets	(H)	5,115	(13,207)	42,855
Initial direct costs on operating leases	(I)	281	248	88
Tenant deposits	(J)	145	215	42
Impairment of financial assets	(K)	710	1,569	947
Present value accounting – tax credits	(L)	(3,753)	(5,314)	(1,920)
Investment properties	(M)	-	-	16,595
Investments in associates	(N)	(70,868)	(89,837)	(36,011)
Investments in joint ventures	(O)	1,092	5,497	(1,342)
Amortization of borrowing costs	(Q)	377	13	(194)
Currency translation adjustment	(R)	18,808	32,518	6,107
Deferred income tax	(S)	(12,850)	(9,206)	(15,450)
Non-controlling interest on adjustments above	(T)	(4,411)	(7,065)	(8,788)
Profit under IFRS attributable to IRSA		176,622	203,891	95,071
Non-controlling interest		18,849	20,785	21,016
Profit under IFRS		195,471	224,676	116,087

2.3.1. Summary of other comprehensive income

		Nine months 03.31.12	06.30.12	Three months 03.31.12
Other comprehensive income under Argentine GAAP attributable to IRSA		28,888	45,851	8,827
Goodwill	(F,G)	(33)	85	36
Investments in associates	(N)	(3,208)	(6,082)	(1,195)
Currency translation adjustment	(R)	(18,808)	(32,518)	(6,107)
Deferred income tax	(S)	568	544	144
Non-controlling interest on adjustments above	(T)	4,671	6,622	1,589
Other comprehensive income under IFRS attributable to IRSA		12,078	14,502	3,294
Other comprehensive income attributable to non-controlling interest		(1,123)	180	(1,220)
Other comprehensive income under IFRS		10,955	14,682	2,074

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2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

2.3.2. Reconciliation of the statement of financial position as of July 1st, 2011

	Balances under Argentine GAAP I	Ref 2.3.12.1	Deconsolidation of joint ventures II	Ref 2.3.12.2	Reclassifications III	Ref 2.3.12.3	Measurement adjustments IV	IFRS balances V
ASSETS								
Non- current Assets								
Investment properties	-		-	a	3,339,383	I,M	698	3,340,081
Property, plant and equipment, net	3,405,980		(70,068)	a,b,f,g	(3,100,667)		-	235,245
Trading properties, net	-		-	a,b,c	164,091	D	(8,215)	155,876
Intangible assets, net	51,147		(73)	g	1,924	E,F	(21,098)	31,900
Inventories	89,441		(59)	b,c	(89,382)		-	-
Investments in associates and joint ventures	1,209,808		210,393	f	(1,797)	G,N,O	(45,189)	1,373,215
Other investments	675,756		(64,608)	a,b,d,f	(611,148)		-	-
Deferred income tax assets	18,678		(775)		-		-	17,903
Trade and other receivables, net	145,248		(18,425)		-	B,L	38,186	165,009
Derivative financial instruments	60,442		-		-		-	60,442
Investments in financial assets	-		-	d	281,265	H	151,411	432,676
Negative Goodwill	(398,075)		-		-	G	398,075	-
Total Non-current Assets	5,258,425		56,385		(16,331)		513,868	5,812,347
Current Assets								
Trading property	-		-	b	48,120	D,E	(22,005)	26,115
Inventories, net	262,660		(209,458)	b,c	(46,382)		-	6,820
	404,167		(21,715)	f	14,593	B,K	22,950	419,995

Trade and other receivables, net						
Investments in financial assets	62,678	-	e	2,398	-	65,076
Cash and cash equivalents	309,659	(10,717)	e	2,617	-	301,559
Other investments	6,016	(1,001)	e	(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)

	Argentine GAAP balances I	Ref 2.3.12.1	Deconsolidation of joint ventures II	Ref 2.3.12.2	Reclassification III	Ref 2.3.12.3	Measurement adjustments IV	IFRS balances V
SHAREHOLDERS' EQUITY								
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		-		-	A,R	(34,124)	-
Retained earnings	185,084		-		-		471,441	656,525
Total capital and reserves attributable to equity holders of the parent company	2,313,687		-		-		437,317	2,751,004
Non-controlling interest	304,932		-		-	T	26,677	331,609
TOTAL SHAREHOLDERS' EQUITY	2,618,619		-		-		463,994	3,082,613
LIABILITIES								
Non-current Liabilities								
Trade and other payables	132,565		(488)		-	C,J	17,278	149,355
Borrowings	1,756,919		(31,647)		-		-	1,725,272
Deferred income tax liabilities	476,864		(7,580)		-	S	15,748	485,032
Provisions	12,881		-		-		-	12,881
Total Non-current Liabilities	2,379,229		(39,715)		-		33,026	2,372,540
Current Liabilities					-			
Trade and other payables	525,242		(128,959)		-	C,J	17,903	414,186
Income tax liabilities	57,791		-		-		-	57,791
Salaries and social security liabilities	35,792		(1,703)		-		-	34,089
Borrowings	683,813		(16,116)		-	Q	(110)	667,587

Provisions	3,119	(13)	-	-	3,106
Total Current Liabilities	1,305,757	(146,791)	-	17,793	1,176,759
TOTAL LIABILITIES	3,684,986	(186,506)	-	50,819	3,549,299
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	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)

2.3.3. Reconciliation of statement of financial position as of March 31, 2012

	Argentine GAAP balances I	Ref 2.3.12.1	Deconsolidation of joint ventures II	Ref 2.3.12.2	Reclassifications III	Ref 2.3.12.3	Measurement adjustments IV	IFRS balances V
ASSETS								
Non-current Assets								
Investment properties, net	-		-	a	3,265,282	I	979	3,266,261
Property, plant and equipment, net	3,350,152		(81,783)	a,b,f,g	(3,034,477)		-	233,892
Trading properties	-		-	b,c	179,091	D	(13,389)	165,702
Intangible assets, net	69,933		(6,991)	g	2,396	E,F,P	(33,411)	31,927
Investments in associates and joint ventures	1,317,531		228,529	f	(277)	G,N,O	(117,985)	1,427,798
Other investments	881,324		(64,593)	a,b,d,f	(816,731)		-	-
Deferred income tax assets	44,370		(9,205)		-		-	35,165
Investments in financial assets	-		-	d	481,751	F	156,526	638,277
Trade and other receivables, net	162,659		(22,583)		-	B,J,K	45,310	185,386
Inventories	97,560		(101)	b,c	(97,459)		-	-
Negative Goodwill	(383,720)		-		-	G	383,720	-
Total Non-current Assets	5,539,809		43,273		(20,424)		421,750	5,984,408
Current Assets								
Trading properties	-		-	b	13,286	D	(4,153)	9,133
Inventories	184,769		(163,290)	b,c	(13,537)		-	7,942
Trade and other receivables, net	427,141		(25,380)	f	20,675	B,J,K	32,757	455,193
Investments in financial assets	101,552		(2,645)	e	31,168		-	130,075
	277,526		(22,768)		-		-	254,758

Cash and cash equivalents						
Investments	31,168	-	e	(31,168)	-	-
Total Current Assets	1,022,156	(214,083)		20,424	28,604	857,101
TOTAL ASSETS	6,561,965	(170,810)		-	450,354	6,841,509

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2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

	Argentine GAAP balances I	Ref 2.3.12.1	Deconsolidation of joint ventures II	Ref 2.3.12.2	Reclassifications III	Ref 2.3.12.3	Measurement adjustments IV	IFRS balances V
SHAREHOLDERS' EQUITY								
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	-		-		-	P	(15,311)	(15,311)
Legal reserve	71,136		-		-		-	71,136
Other reserves	447,683		-		-		-	447,683
Reserve for share-based compensation	2,698		-		-		-	2,698
Retained earnings	134,577		-		-		420,109	554,686
Cumulative translation adjustment	63,012		-		-	A,R	(50,934)	12,078
Total capital and reserves attributable to equity holders of the parent company	2,365,292		-		-		353,864	2,719,156
Non-controlling interest	364,895		-		-	T	26,784	391,679
TOTAL SHAREHOLDERS' EQUITY	2,730,187		-		-		380,648	3,110,835
LIABILITIES								
Non-current liabilities								
Trade and other payables	150,093		(3,495)		-	C,J	21,493	168,091
Derivative financial instruments	836		-		-		-	836
Borrowings	2,122,620		(33,718)		-		-	2,088,902
Deferred Income tax	421,897		(9,792)		-	S	28,035	440,140
Provisions	12,929		(14)		-		-	12,915
Total Non-current Liabilities	2,708,375		(47,019)		-		49,528	2,710,884
Current liabilities								
	477,410		(102,748)		-	C,J	20,665	395,327

Trade and other payables						
Income tax liabilities	83,881	-	-		-	83,881
Borrowings	522,976	(20,029)	-	Q	(487)	502,460
Salaries and social security liabilities	28,310	(1,014)	-		-	27,296
Provisions	10,826	-	-		-	10,826
Total Current Liabilities	1,123,403	(123,791)	-		20,178	1,019,790
TOTAL LIABILITIES	3,831,778	(170,810)	-		69,706	3,730,674
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,561,965	(170,810)	-		450,354	6,841,509

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2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

2.3.4. Reconciliation of the statement of financial position as of June 30, 2012

	Argentine GAAP balances I	Ref 2.3.12.1	Deconsolidation of joint ventures II	Ref 2.3.12.2	Reclassifications III	Ref 2.3.12.3	Measurement adjustments IV	IFRS balances V
ASSETS								
Non- current assets								
Investment properties	-		-	a	3,274,280	I,M	946	3,275,226
Property, plant and equipment, net	3,319,798		(88,717)	a,b,f,g	(3,003,048)		-	228,033
Trading properties	-		-	b,c	180,433	D	(13,324)	167,109
Intangible assets, net	71,157		(2,113)	g	2,475	E,F	(42,130)	29,389
Inventories	97,221		(107)	b,c	(97,114)		-	-
Investments in associates and joint ventures	1,342,337		239,177		-	N,O	(135,699)	1,445,815
Other investments	978,672		(64,700)	a,b,d	(913,972)		-	-
Deferred income tax assets	30,104		(12,104)		-	S	16,255	34,255
Trade and other receivables, net	175,689		(28,987)		-	B,L	49,670	196,372
Investments	-		-		-		-	-
Investments in financial assets	-		-	d	517,456	H	138,204	655,660
Derivative financial instruments	-		-	d	18,434		-	18,434
Negative goodwill	(377,463)		-		-	G	377,463	-
Total Non-current Assets	5,637,515		42,449		(21,056)		391,385	6,050,293
Current Assets								
Trading properties	-		-	b	11,177	D	(1,463)	9,714
Inventories	140,018		(113,182)	b	(11,177)		-	15,659
Trade and other receivables, net	442,392		(22,707)	f	21,056	B,L,K	35,136	475,877
Investments in financial assets	76,546		(18,591)	e	20,954		-	78,909
Cash and cash equivalents	283,140		(23,971)		-		-	259,169
Other investments	20,954		-	e	(20,954)		-	-

Total Current Assets	963,050	(178,451)	21,056	33,673	839,328
TOTAL ASSETS	6,600,565	(136,002)	-	425,058	6,889,621

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2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

	Argentine GAAP balances I	Ref 2.3.12.1	Deconsolidation of joint ventures II	Ref 2.3.12.2	Reclassifications III	Ref 2.3.12.3	Measurement adjustments IV	IFRS balances V
SHAREHOLDERS' EQUITY								
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		-		-	A,R	(65,473)	14,502
Reserve for share-based compensation	2,595		-		-		-	2,595
Acquisition of non-controlling interest	-		-		-	P	(15,714)	(15,714)
Legal reserve	71,136		-		-		-	71,136
Other reserves	419,783		-		-		-	419,783
Retained earnings	115,604		-		-		395,249	510,853
Total capital and reserves attributable to equity holders of the parent	2,335,279		-		-		314,062	2,649,341
Non-controlling interest	362,929		-		-	T	27,499	390,428
TOTAL SHAREHOLDERS' EQUITY	2,698,208		-		-		341,561	3,039,769
LIABILITIES								
Non-current Liabilities								
Trade and other payables	149,923		(4,576)		-	C,J	21,309	166,656
Borrowings	2,065,826		(17,429)		-		-	2,048,397
Deferred income tax liabilities	388,318		(12,880)		-	S	35,794	411,232
Provisions	17,823		-		-		-	17,823
Total Non-Current Liabilities	2,621,890		(34,885)		-		57,103	2,644,108
Current Liabilities								
	556,775		(82,366)		-	C,J	26,517	500,926

Trade and other payables					
Income tax liabilities	104,873	(4)	-	-	104,869
Salaries and social security liabilities	40,686	(1,079)	-	-	39,607
Borrowings	575,687	(17,668)	-	Q (123)	557,896
Provisions	2,446	-	-	-	2,446
Total Current Liabilities	1,280,467	(101,117)	-	26,394	1,205,744
TOTAL LIABILITIES	3,902,357	(136,002)	-	83,497	3,849,852
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,600,565	(136,002)	-	425,058	6,889,621

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2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

2.3.5. Reconciliation of statement of income for the nine-month period ended March 31, 2012

	Argentine GAAP balances I	Ref 2.3.12.1	Deconsolidation of joint ventures II	Ref 2.3.12.2	Reclassifications III	Ref 2.3.12.3	Measurement adjustments IV	IFRS balances V
Revenues	1,078,611		(79,178)	i,ii	315,308	B,C,J	13,782	1,328,523
Costs	(402,932)		69,588	i,ii	(329,340)	E,F,D,I,M	25,427	(637,257)
Gross Profit	675,679		(9,590)		(14,032)		39,209	691,266
Gain from disposal of investment properties	-		-	ii	18,205	M	24,532	42,737
General and administrative expenses	(128,911)		3,856		-		-	(125,055)
Selling expenses	(63,513)		7,120		-	G,K	136	(56,257)
Other operating results, net	-		-	iii	(13,014)	E,F,G	1,016	(11,998)
Gain from recognition of inventories at net realizable value	39,408		(4,570)		-	D,M	(34,838)	-
Profit from operations	522,663		(3,184)		(8,841)		30,055	540,693
Share of (profit) / loss of associates and joint ventures	99,710		(4,046)	iv	(9,966)	N,O	(69,776)	15,922
Profit from operations before financial results and income tax	622,373		(7,230)		(18,807)		(39,721)	556,615
Finance income	87,543		(3,354)	iv	9,966	H,L,R	20,170	114,325
Finance cost	(392,618)		8,698		-	Q,J	(253)	(384,173)
Financial results, net	(305,075)		5,344	iv	9,966		19,917	(269,848)
Other results, net	(10,353)		1,512	iii	8,841		-	-
Amortization of goodwill, net	14,267		-		-	G	(14,267)	-
Profit before income tax	321,212		(374)		-		(34,071)	286,767
Income tax	(78,820)		374		-	S	(12,850)	(91,296)
Profit for the period	242,392		-		-		(46,921)	195,471
Attributable to:								
	227,954		-		-		(51,332)	176,622

Equity holders of the parent						
Non-controlling interest	14,438	-	-	T	4,411	18,849

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2 Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

2.3.6. Reconciliation of statement of income for the three-month period ended March 31, 2012

	Argentine GAAP balances I	Deconsolidation of joint ventures II (*)	Reclassifications III (*)	Measurement adjustments IV (*)	IFRS balances NIIF V
Revenues	339,197	(19,681)	91,964	4,124	415,604
Costs	(128,683)	16,615	(91,490)	6,737	(196,821)
Gross Profit	210,514	(3,066)	474	10,861	218,783
Gain from disposal of investment properties	-	-	1,573	16,437	18,010
General and administrative expenses	(45,234)	1,696	-	467	(43,071)
Selling expenses	(25,291)	1,976	-	1,552	(21,763)
Other operating results, net	1,703	-	(6,256)	1,016	(3,537)
Gain from recognition of inventories at net realizable value	4,160	(1,626)	-	(2,534)	-
Profit from operations	145,852	(1,020)	(4,209)	27,799	168,422
Share of profit / (loss) of associates and joint ventures	41,140	(1,523)	(3,513)	(36,406)	(302)
Profit from operations before financial results and income tax	186,992	(2,543)	(7,722)	(8,607)	168,120
Finance income	52,635	(1,100)	3,513	9,244	64,292
Finance cost	(119,049)	3,232	-	37,304	(78,513)
Financial results, net	(66,414)	2,132	3,513	46,548	(14,221)
Other results, net	(4,779)	570	4,209	-	-
Amortization of goodwill, net	5,402	-	-	(5,402)	-
Profit before income tax	121,201	159	-	32,539	153,899
Income tax	(22,203)	(159)	-	(15,450)	(37,812)
Profit for the period	98,998	-	-	17,089	116,087
Attributable to:					
Equity holders of the parent	86,770	-	-	8,301	95,071
Non-controlling interest	12,228	-	-	8,788	21,016

(*) Corresponds to the same items explained in Notes 2.3.5 and 2.3.7.

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2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

2.3.7. Reconciliation of statement of income for the year ended June 30, 2012

	Argentine GAAP balances I	Ref 2.3.12.1	Deconsolidation of joint ventures II	Ref 2.3.12.2	Reclassifications III	Ref 2.3.12.3	Measurement adjustments IV	IFRS balances V
Revenues	1,571,440		(136,535)	i,ii	351,992	B,C,D,J	13,385	1,800,282
Costs	(575,447)		124,700	i,ii	(444,148)	E,F,D,I	27,551	(867,344)
Gross Profit	995,993		(11,835)		(92,156)		40,936	932,938
Gain from disposal of investment properties	-		-	ii	92,156	M	24,533	116,689
General and administrative expenses	(182,369)		5,043		-		-	(177,326)
Selling expenses	(99,201)		12,859		-	K	1,569	(84,773)
Gain from recognition of inventories at net realizable value	42,817		(5,914)		-	D	(36,903)	-
Other operating results, net	-		-	iii	(27,496)	E	(3,251)	(30,747)
Profit from operations	757,240		153		(27,496)		26,884	756,781
Share of profit / (loss) of associates and joint ventures	115,819		(8,697)	iv	(13,711)	N,O	(81,751)	11,660
Profit from operations before financial results and income tax	873,059		(8,544)		(41,207)		(54,867)	768,441
Finance income	64,287		(7,346)	iv	13,711	H,L,R	26,287	96,939
Finance cost	(529,632)		13,135		-	H,G	(13,194)	(529,691)
Financial results, net	(465,345)		5,789		13,711		13,093	(432,752)
Other results, net	(29,376)		1,880	iii	27,496		-	-
Amortization of goodwill, net	18,145		-		-	G	(18,145)	-
Profit before income tax	396,483		(875)		-		(59,919)	335,689
Income tax	(102,682)		875		-	S	(9,206)	(111,013)
Profit / (Loss) for the year	293,801		-		-		(69,125)	224,676
Attributable to:								
	280,081		-		-		(76,190)	203,891

Equity holders of the parent						
Non-controlling interest	13,720	-	-	T	7,065	20,785

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2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

2.3.8. Reconciliation of the statement of comprehensive income for the nine-month period ended March 31, 2012

	Argentine GAAP Balances I	Ref 2.3.12.2	Measurement adjustments IV	IFRS balances V
Profit for the period	242,392		(46,921)	195,471
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation adjustment	27,765	A,R	(16,810)	10,955
Other comprehensive income for the period	27,765		(16,810)	10,955
Total comprehensive income for the period	270,157		(63,731)	206,426
Attributable to:				
Equity holders of the parent	256,842		(68,142)	188,700
Non-controlling interest	13,315		4,411	17,726

2.3.9. Reconciliation of the statement of comprehensive income for the three-month period ended March 31, 2012

	Argentine GAAP Balances I	Measurement adjustments IV (*)	IFRS balances V
Profit for the period	98,998	17,089	116,087
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustment	7,607	(5,533)	2,074
Other comprehensive income for the period	7,607	(5,533)	2,074
Total comprehensive income for the period	106,605	11,556	118,161
Attributable to:			
Equity holders of the parent	95,597	2,768	98,365
Non-controlling interest	11,008	8,788	19,796

(*) Corresponds to the same items explained in Notes 2.3.8 and 2.3.10.

2.3.10. Reconciliation of the statement of comprehensive income for the year ended June 30, 2012

	Argentine GAAP Balances I	Ref 2.3.12.2	Measurement adjustments IV	IFRS balances V
Profit for the period	293,801		(69,125)	224,676
Other comprehensive income:				

Items that may be reclassified subsequently to profit or loss:				
Currency translation adjustment	46,031	A,R	(31,349)	14,682
Other comprehensive income for the year	46,031		(31,349)	14,682
Total comprehensive income for the year	339,832		(100,474)	239,358
Attributable to:				
Equity holders of the parent	325,932		(107,539)	218,393
Non-controlling interest	13,900		7,065	20,965

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

2.3.11. Reconciliation of the statement of cash flows for the nine-month period ended March 31, 2012 and for the year ended June 30, 2012

Based on IAS 7 "Statement of Cash Flows" requirements, the Group has made the following reclassification between operating, investing and financing activities in the cash flow statements presented under Argentine GAAP and the cash flows statements under IFRS as further detailed below:

(a) Operating activities

	03.31.2012	06.30.2012
Cash generated by operating activities under Argentine GAAP	592,405	878,600
Proceeds from sale of property, plant and equipment and investment properties	(52,827)	(132,941)
Deconsolidation of joint ventures	(12,523)	(40,093)
Foreign exchange (gain) / loss in cash and cash equivalents	(11,840)	5,361
Cash generated by operating activities under IFRS	515,215	710,927

(b) Investing activities

	03.31.2012	06.30.2012
Cash used in investing activities under Argentine GAAP	(308,722)	(402,324)
Acquisition of non-controlling interest in subsidiaries	7,364	8,054
Proceeds from sale of property, plant and equipment and investment properties	52,827	132,941
Deconsolidation of joint ventures	939	6,126
Cash used in investing activities under IFRS	(247,592)	(255,203)

(c) Financing activities

	03.31.2012	06.30.2012
Cash used in financing activities under Argentine GAAP	(318,431)	(505,410)
Acquisition of non-controlling interest in subsidiaries	(7,364)	(8,054)
Deconsolidation of joint ventures	(469)	20,858
Cash used in financing activities under IFRS	(326,264)	(492,606)

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2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

(d) Net decrease in cash and cash equivalents

	03.31.2012	06.30.2012
Net decrease in cash and cash equivalents under Argentine GAAP	(34,748)	(29,134)
Foreign exchange (gain) / loss in cash and cash equivalents	(11,840)	5,361
Deconsolidation of joint ventures	(12,053)	(13,109)
Net decrease in cash and cash equivalents under IFRS	(58,641)	(36,882)

2.3.12. Explanation of the transition to IFRS

In addition to the exemptions and exceptions discussed above, the following narratives explain the significant differences between the previous Argentine GAAP accounting policies and the current IFRS applied by the Group. Only the differences having an impact on the Group are explained below. The following is not a complete summary of all of the differences between Argentine GAAP and IFRS. The descriptive caption next to each numbered item below corresponds to the same numbered and descriptive caption in the reconciliations above, which reflect the quantitative impacts from each change. Unless the quantitative impact is disclosed, the impact is not significant to the Group.

Column I in the tables included on previous pages represents Argentine GAAP balances prior to transition as published in the latest Group's Argentine GAAP financial statements as of and for the year ended June 20, 3012 compared to transition date (July 1st, 2011), and in the Group's Argentine GAAP financial statements for the nine-month period ended March 31, 2012. However, certain reclassifications and/or groupings have already been made to that information in Column I to avoid lengthy explanations of certain format changes introduced in these IFRS financial statements. The following changes have been made to the previous Argentine GAAP statement of financial position in Column I:

(1) The line items "Trade receivables" and "Other receivables" have been grouped into the new line item "Trade and other receivables, net".

(2) The line items "Trade payables", "Customer advances", "Taxes payable" and "Other liabilities" have been also grouped into the new line item "Trade and other payables", with the exception of income tax payable and deferred income tax which have been shown separately.

(3) Goodwill which was previously disclosed separately offsetting negative goodwill has been included as part of "Intangible assets".

(4) Cash equivalents previously disclosed as part of the line item current investments have been grouped together with cash and banks, in the line named "Cash and cash equivalents".

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

(5) Derivative financial instruments which were previously included as part of the non-current line items "Other receivables", "Other payables" and/ or "Iinvestments" have been disclosed as separate assets or liabilities as appropriate.

(6) Investments in associates and joint ventures previously included as part of "Non-Current Investments" have been separately disclosed in the new line item "Investments in associates and joint ventures".

(7) The portion of equity in a subsidiary not attributable directly or indirectly to a parent is known as "Minority interest" and is classified as a separate component between the liability and equity sections of the statement of financial position (mezzanine section). IFRS 10 "Consolidated financial statements" specifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as a separate component within equity in the consolidated financial statements. The Group has non-controlling interest in more than one subsidiary. Accordingly, the Group aggregated its various non-controlling interests on the consolidated statements, renamed them as "Non-controlling interest" and reclassified the aggregated amount from the mezzanine section to shareholders' equity at transition date.

The following changes have been made to the statements of income for the year ended June 30, 2012 and for the nine and three-month periods ended March 31, 2012:

(1) The format of the statement of income has been restructured to simplify its reading. To that effect, all revenue streams of the Group which were previously disclosed separately (i.e. sales of development properties, leases and services revenue, and hotel revenue), together with its corresponding costs of sales, have been aggregated into two line items titled "Revenues" and "Costs" in Column I. Revenues and Costs are then cross-referenced to the respective notes in the financial statements where a detailed breakdown is provided per line of business.

(2) Pursuant to the Argentine GAAP in force, the share of losses and profits from associates and joint ventures is shown after the financial results. Likewise, under IFRS, the share of profits and losses from associates and joint ventures is generally shown after the financial income (expense) line. However, where associates and joint ventures are an integral vehicle to carry out the Group's operations, it is more adequate to show the share of profits and losses of associates and joint ventures before financial income (expense). In accordance with its strategy, the Group conducts its operations through associates or joint ventures. Therefore, under the IFRS, the Group shows the profits or losses from associates and joint ventures before the financial income (expense) line. For simplicity, the share of profits and losses associates is shown before financial results, net, in Column I.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

(3) Non-controlling interests in the results of a consolidated subsidiary which was previously classified as a component of profits within the statement of income has been presented as an allocation of profit in Column I. As part of the adoption to IFRS, the term "Minority interest" has also been replaced with the new term "non-controlling interest" in accordance with IAS 1.

(4) Under the Argentine GAAP in force, financial results are broken down depending on whether it is generated by assets or by liabilities. Under the IFRSs, the Group has adopted the criterion of showing financial income and financial expenses on different lines in the statement of income. For simplicity, the Group has reclassified the figures as per Argentine GAAP shown under "Financial income (expense) generated by assets" and "Financial income (expense) generated by liabilities", into "Financial income" and "Financial cost" as established by the IFRS, as applicable, in Column I.

(5) According to IFRS, income and expense items not recognized in the statement of income (that is, exchange differences related to translation of foreign businesses) are shown in the statement of comprehensive income as "Other comprehensive income". According to Argentine GAAP, the statement of comprehensive income is not mandatory and, therefore, such items are recognized as part of shareholders' equity, in a separate reserve account. For simplicity, these items are shown in "Other comprehensive income" in Column I.

2.3.12.1 Deconsolidation of joint ventures (Column II)

Argentine GAAP – Entities in which the Group has joint control are proportionately consolidated. As of July 1st, 2011, the Group's joint ventures are Cyrsa S.A., Canteras Natal Crespo S.A., Puerto Retiro S.A., Baicom Networks S.A. and Quality Invest S.A.. As of March 31, 2012 and June 30, 2012, the joint ventures of the Group are Cyrsa S.A., Canteras Natal Crespo S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A. and Nuevo Puerto Santa Fe S.A..

IFRS - The Group has assessed the nature of its joint arrangements in line with IFRS 11 "Joint Arrangements" and determined them to be joint ventures. Joint ventures are accounted for under the equity method of accounting.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

As a result, the Group deconsolidated the accounts of the joint ventures and presented them as a single line item on the face of the statement of financial position. Column II titled "Deconsolidation of joint ventures" reflects the elimination on a line-by-line basis of the Argentine GAAP pro-rata equity interest in the joint ventures and the disclosure of the Group's investments in the joint ventures as a single line item titled "Investments in associates and joint ventures" on the statement of financial position and as a single line item titled "Share of profit / loss of associates and joint ventures" on the statement of income. The impact of the IFRS adjustments on joint ventures balances is further discussed in Note 2.3.12.3 below.

2.3.12.2 Reclassifications (Column III)

Reclassifications affecting the statement of financial position

The column titled "Reclassifications" reflects the differences in presentation and format between the statement of financial position under Argentine GAAP and IFRS. Unless otherwise stated, amounts have been reclassified for presentational purposes under IFRS prior to affecting the corresponding IFRS adjustments, as applicable, to the Argentine GAAP corresponding amounts. The impact of the IFRS adjustments on reclassified balances is included in Column IV titled ¨Measurement Adjustments¨ and is further discussed in Note 2.3.12.3 below. Unless otherwise stated, reclassifications affect both the statement of financial position as of transition date (July 1st, 2011), March 31, 2012, and June 30, 2012.

(a) Investment properties, net

Argentine GAAP - There are not specific requirements for presentation of investment property. Accordingly, the Group does not present separately investment property and includes it as part of property, plant and equipment and non-current investments.

Certain property of the Group is being partially owner-occupied while the rest is being rented out to third parties. There is no such distinction under Argentine GAAP. Portions that are owner-occupied are accounted for and presented in the same way as portions that are being rented out.

Certain associates and joint ventures are currently occupying certain property of the Group. There is no distinction under Argentine GAAP and property rented out to associates or joint ventures are accounted for as property, plant and equipment.

IFRS - IAS 1 "Presentation of Financial Statements" requires investment property to be presented as a separate line item on the face of the statement of financial position within non-current assets.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

In addition, the portions of the property that are being owner-occupied are accounted for and presented as property, plant and equipment under IAS 16 while the portions being rented out are treated and presented as investment property under IAS 40.

The Group's property occupied by associates or joint ventures accounted for using the equity method of accounting is not considered part of the Group for consolidation purposes and, therefore, the property is not owner-occupied from the Group's perspective. Therefore, this property is treated as investment property.

(b) Trading properties

Argentine GAAP – There are not specific requirements for separate presentation of trading properties. Trading properties are included as part of inventories and non-current investments.

IFRS – Trading properties are inventories under IAS 2 "Inventories". The Group also has materials and supplies, and other items classified as inventories under IAS 2. Due to the significance and different nature of these inventories, the Group decided to present trading properties separately.

(c) In-kind receivables from barter transactions

Argentine GAAP – In-kind receivables from barter transactions representing the Group's right to receive residential apartments to be constructed by a third-party developer are classified as inventory on the face of the statement of financial position.

IFRS – In-kind receivables representing are not financial assets under IFRS. These in-kind receivables are similar to trading properties and they are classified accordingly in current or non-current assets, as appropriate.

(d) Non-current investments – financial assets

Argentine GAAP – There are not specific requirements for separate presentation of financial assets. Certain financial assets carried at cost under Argentine GAAP were included within non-current investments.

IFRS – IAS 1 "Presentation of Financial Statements" requires financial assets carried at fair value through profit or loss to be presented as a separate line item on the face of the statement of financial position.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

(e) Current investments – investments in financial assets

Argentine GAAP – Certain instruments carried at fair value are included within the line item investments in the face of the statement of financial position.

IFRS – These investments are also carried at fair value but they are separately disclosed in the new line item titled "Investments in financial assets".

(f) Advances for purchases of property, plant and equipment, inventories and investments in associates and joint ventures

Argentine GAAP – Receivables representing money advances made for the purchase of items of property, plant and equipment, inventories and investments in associates and joint ventures are shown as part of their respective balances.

IFRS - Advances for the purchase of items of investment properties, property, plant and equipment, inventories and investments in associates and joint ventures are not considered part of these balances until the respective item is received, and, thus, they are shown within "Trade and other receivables, net".

(g) Software

Argentine GAAP – Under Argentina GAAP, the Group classified software into property, plant and equipment.

IFRS – Software is not considered part of property, plant and equipment, thus, it is shown within Intangible Assets, net".

Reclassifications affecting the statement of income for the nine and three-month periods ended March 31, 2012 and for the year ended June 30, 2012

(i) Revenue – service income and service charges

Argentine GAAP – The Group structures its operating leases to allow for recovery of a significant portion of property operating, real estate taxes, repairs and maintenance, and advertising and promotion expenses from tenants. A substantial portion of the Group's leases require the tenants to reimburse the Group for a substantial portion of operating expenses, including common area maintenance, real estate taxes and insurance. The Group's tenants are required to pay for their proportionate share of property common operating costs. These expenses ("service charge expenses") are incurred and paid by the Group and subsequently charged to tenants without any mark-up ("service charge income").

Under Argentine GAAP, service charge income and service charge expense are offset and presented net in the income statement.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

IFRS – IAS 18 states that whether an entity is acting as a principal or an agent in transactions is dependent on the facts and circumstances of the relationship. The Group has assessed the substance of the transactions and concluded that the Group is acting as a principal since it has exposure to the significant risks and rewards associated with the rendering of services.

Therefore, service charge income is presented separately from property operating expenses. Property operating expenses are expensed as incurred and any property operating expenditure not recovered from tenants through service charges or when the property is vacant are charged to the statement of income. The Group's advertising and promotional costs are expensed as incurred.

(ii) Gains on disposal of investment

Argentine GAAP – As part of the Group's strategy, the Group may dispose of investment properties which are no longer considered core to the Group's ongoing operations and for which profit can be realized from value appreciation. Gain on disposals of office buildings is classified as revenue in the statement of income.

IFRS – Based on the IFRS Conceptual Framework, gain on disposal of assets described above are not reported under "Revenues".

Under IFRS, gains from the disposal of fixed assets are not included in "Revenue" as the standard refers to the sale of goods including goods produced by the entity for sale or purchased for resale. Only property acquired or constructed for sale and held as inventory ("Trading property") would therefore be included in the "Revenues", except for property held as an investment properties or property, plant and equipment.

(iii) Other operating results, net

Argentine GAAP - Under Argentine GAAP, certain income and expense items are included as part of financial results or other non-operating income and expenses, as appropriate. These items primarily comprise fees payable related to the management contract charges for provisions (i.e. generally charges for litigation and claims), gains or losses on disposal of property, plant and equipment items, gains or losses from the sale of subsidiaries and taxes borne by the Group on behalf of shareholders, among others.

IFRS - Under IFRS, income and expense items are generally presented according to its nature and the Group's presentation policy. The items described above are generally presented as "Other operating results, net" under IFRS.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

(iv) Investment in financial assets

Argentine GAAP – Investments in entities in which the Company does not exercise significant influence, joint control or control, are accounted at cost plus dividends. The received dividends are included within share of profit or loss of associates and joint ventures.

IFRS – Investments in entities which are not subsidiaries, associates and joint ventures, are measured at fair value. Changes in fair values and gains from disposal of equity investments at fair value through profit or loss and dividends income are recorded within "Financial results, net" in the statement of income.

Reclassifications affecting the statements of cash flows for the nine-month period ended March 31, 2012 and for the year ended June 30, 2012.

Pursuant to Argentine GAAP, the Group proportionally consolidated the joint ventures' accounts. Consequently, a difference is generated between the amount of cash and cash equivalents reported in the statement of cash flows under Argentine GAAP and the amount of cash and cash equivalents that would be reported in the statement of cash flows prepared under IFRS.

On the other hand, under the Argentine GAAP, the effect of exchange rate changes on cash and cash equivalents was shown as part of operating activities and not under a fourth category in the statement of cash flows as required by the IFRSs.

Additionally, pursuant to Argentine GAAP, proceeds from sale of property, plant and equipment (including properties classified as investment properties under IFRS) were reported as operating activities. In accordance with IFRS proceeds from sale of investment properties and property, plant and equipment are reported as investing activities.

Finally, pursuant to Argentine GAAP, acquisition of non-controlling interest was reported as investing activities, whereas, in accordance with IFRS, it must be reported as cash from financing activities.

Thus, cash flows generated by or used in operating, investing and financing activities were different in the statement of cash flow prepared under Argentine GAAP.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

2.3.12.3 Measurement adjustments (Column IV)

Argentine GAAP differs in certain significant respects from IFRS. Such differences involve methods of measuring the amounts shown in the consolidated financial statements, as further described below:

(A) Currency translation adjustment

As noted in the section titled "IFRS exemption options", the Group has applied the one-time exemption to set the foreign currency cumulative translation adjustment ("CTA") to zero as of July 1st, 2011.

(B) Revenue recognition – "scheduled rent increases"

Argentine GAAP - Revenue from "non-cancelable" leases subject to scheduled rent escalation clauses is recognized when the escalated payments are due. Therefore, revenue does not include an averaging of rental income. Rent-free periods, reduced rent or other tenant incentives, if any, are recognized in the period in which these incentives are provided.

IFRS - The Group applied IAS 17 "Leases". As a result, lease income from operating leases with scheduled rent increases is recognized on a straight-line basis over the term of the leases. All tenant incentives, if any, are treated as a reduction of rental income on a straight-line basis over the lease terms.

(C) Revenue recognition – "letting fees"

Argentine GAAP - The Group does not generally use the services of a third-party lease agent for its shopping center properties. Rather, the Group acts as its own leasing agent and earns letting fees. Letting fees are recognized at the time a transaction is successfully completed. A transaction is considered successfully completed when both parties (the tenant and the Group) have signed the related lease contract.

IFRS - The Group considers that in these circumstances payments received from tenants for "letting fees" are not different from other payments received such as admission rights. Accordingly, revenue from letting fees is recognized under the straight-line method over the lease term.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

(D) Trading properties

Argentine GAAP - Trading properties are stated at the lower of cost adjusted for inflation or net realizable value. Additionally, trading properties are measured at net realizable value when contracts are exchanged for which a non-refundable deposit has been received securing the sale in advance of legal completion (i.e. transfer of deed of title and significant risk and rewards). This form of sale fixes the price of the property and the terms and conditions of the contract providing reasonable certainty about the closing of the transaction and realization of the gain. Accordingly, these transactions are deemed consummated for Argentine GAAP purposes and revenue is recognized at the time the contract is signed. Gains on the revaluation of trading property to net realizable value are shown as "gain from recognition of inventories at net realizable value" in the statement of income.

IFRS - Trading properties are measured at the lowest of cost or net realizable value. Revenue from the sale of properties is recognized only when the significant risks and rewards have transferred to the buyer. This will normally take place on unconditional exchange of contracts at the moment of the transfer of title deed. For conditional exchanges, sales are recognized when these conditions are satisfied.

(E) Pre-operating and organization expenses

Argentine GAAP - Under Argentine GAAP, pre-operating, organization expenses and other start-up costs (mainly related to the opening of new shopping centers) are capitalized and amortized under the straight-line method generally over a period of three to five years.

IFRS - IFRS prescribes that pre-operating expenses cannot be attributed to the cost of property, plant and equipment, investment properties, trading properties or the creation of intangible assets and are immediately recognized as expenses.

(F) Goodwill

Argentine GAAP - The Group accounts for acquisitions of businesses and non-controlling interests under the purchase method of accounting. Under the purchase method of accounting, the Group allocates the purchase price to tangible and intangible assets and liabilities based on the respective fair values. Goodwill represents the excess of cost over the fair value of net identifiable assets and is amortized under the straight-line method over the weighted average useful life of the tangible assets acquired. Goodwill does not exceed its respective estimated recoverable value at year-end.

IFRS - As noted in Note 2.2., the Group has applied the exemption in IFRS 1 for business combinations. Also, as noted in Note 2.2., the Group has applied the exception in IFRS 1 for acquisitions of non-controlling interests.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

(G) Negative Goodwill

Argentine GAAP - Under Argentine GAAP, when the amount paid in a business combination or acquisition of a non-controlling interest is lower than the carrying amount of the acquired assets and assumed liabilities, the Group recognizes such amount as negative goodwill on the statement of financial position (as a deduction to non-current assets) and amortizes it over the period considered to justify negative goodwill not exceeding 20 years. However, under Argentine GAAP, when negative goodwill exists, acquired intangible assets which otherwise would be recognized are reduced to absorb the negative goodwill even if they are then assigned a zero value.

Additionally, where the amount paid for the acquisition of associates and/or joint ventures is lower to the investor's interest in the net fair values of the associate and/or joint venture's identifiable assets and liabilities, the Group recognizes such amount as negative goodwill on the statement of financial position and amortizes it over the period considered to justify negative goodwill not exceeding 20 years. That amortization is recognized under the line "Share of profit / (loss) of associates and joint ventures" in the statement of income.

IFRS - As noted in Note 2.2., the Group has applied the exemption in IFRS 1 for business combinations. Also, as noted in Note 2.2., the Group has applied the exception in IFRS 1 for acquisitions of non-controlling interests. Consequently, business combinations and acquisitions of non-controlling interests completed prior to July 1st, 2011 have not been restated, and the carrying amount of negative goodwill under IFRS as of July 1st, 2011 equals the carrying amount under Argentine GAAP as of that date. In accordance with IFRS, negative goodwill is recognized in profit or loss immediately.

Additionally, acquisitions of associates and/or joint ventures are initially recorded at cost of the investment. Any difference between the cost of the investment and the investor's interest in the net fair values of the associates' and/ or joint venture's identifiable assets and liabilities is goodwill. Negative goodwill is taken to the income statement in the period when the associate and/or joint venture is acquired.

(H) Non-current investments – investments in financial assets

Argentine GAAP - The Group holds investments in quoted equity securities with readily determinable fair values, namely TGLT S.A., Hersha Hospitality Trust and Supertel. Under Argentine GAAP, these investments are carried at acquisition cost since they are not held for the purpose of trading in the short term.

IFRS - Under IFRS 9 "Financial Instruments", all equity investments are measured at fair value. For certain equity investments, the Group can make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. However, the Group has decided to not recognize changes in fair value through other comprehensive income. The Group has elected to recognize changes in the fair value of these equity securities in the statement of income.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

(I) Initial direct costs on operating leases

Argentine GAAP - Under Argentine GAAP, certain initial direct costs (i.e. legal fees, commissions and other fees) paid to third parties for arranging a lease (when the Group is a lessor) are recognized as an immediate expense when incurred.

IFRS - Initial direct costs incurred by lessors in arranging an operating lease are added to the carrying amount of the leased assets (i.e. investment properties) and are recognized as an expense over the lease term on the same basis as the lease income.

(J) Tenant deposits

Argentine GAAP - The Group obtains deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition or for the lease payments for a period of generally 3 years. The deposit amounts, usually, one month of rent. These deposits are treated as liabilities under Argentine GAAP and measured at the amount received by the tenants.

IFRS - Tenant deposits are treated as a financial liability in accordance with IFRS 9, and they are initially recognized at fair value. The difference between fair value and cash received is considered to be part of the minimum lease payments received for the operating lease (deferred income). The deposits are subsequently measured at amortized cost, and deferred income is amortized under the straight line method over the lease term.

(K) Impairment of financial assets

Argentine GAAP - At July 1st, 2011, March 31, and June 30, 2012, the Group maintains receivables relating to credit card loans, which are carried at amortized cost. Under Argentine GAAP, the Group determined an allowance for doubtful accounts based on specific criteria set forth for financial and banking institutions.

IFRS - The Group applied the criteria for impairment provisions in IFRS 9.

(L) Present value accounting – tax credits

Argentine GAAP - Under Argentine GAAP, certain long-term tax credits are present-valued as of year-end.

IFRS - Under IFRS, there is no requirement to discount long-term tax credits. The Group elects to measure tax receivables and payables at the amounts expected to be recovered from or paid to the tax authorities and thus, not discounting long-term tax credits.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

(M) Investment properties

Argentine GAAP - There are not specific requirements for presentation of investment property. Accordingly, the Group includes it as part of property, plant and equipment and non-current investments and are measured at acquisition cost less accumulated amortization and loss for impairments, if any. Additionally, trading properties are measured at net realizable value when contracts are exchanged for which a non-refundable deposit has been received securing the sale in advance of legal completion (i.e. transfer of title deed and significant risk and rewards). This form of sale fixes the price of the property and the terms and conditions of the contract providing reasonable certainty about the closing of the transaction and realization of the gain. Accordingly, these transactions are deemed consummated for Argentine GAAP purposes and revenue is recognized at the time the contract is signed. Gains on the revaluation of trading property to net realizable value are shown as "Gain from recognition of inventories at net realizable value" in the statement of income.

IFRS - Investments properties are measured at cost, less accumulated depreciation and loss for impairments, if any. Revenue from the sale of properties is recognized only when the significant risks and rewards have transferred to the buyer. This will normally take place with the transfer of title deed. For conditional exchanges, sales are recognized when these conditions are satisfied.

(N) Impact of adjustments in accordance with IFRS in investments in associates

Argentine GAAP - Investments in entities in which the Group exercises significant influence, but not control, are accounted for under the equity method. Under the equity method, the investment is recorded at original cost and periodically increased (decreased) by the investor's proportionate share of earnings (losses) of the investee and decreased by all dividends received from the investor by the investee. The Group applies its percentage ownership interest to the financial statements of its equity method investments prepared under Argentine GAAP.

As of July 1st, 2011, the associates of the Group are Banco Hipotecario S.A., Banco de Crédito & Securitización S.A., Manibil S.A., New Lipstick LLC, Lipstick Management LLC, Rigby 183 LLC and Tarshop S.A. As of March 31 and June 30, 2012 Bitania 26 S.A. is incorporated.

IFRS - The Group assessed all of its interests in the entities mentioned in the paragraph above and determined that the Company exercises significant influence over them. Accordingly, under IFRS, the Group also accounts for these investments under the equity method of accounting. However, the Group has assessed the impact of IFRS adjustments on the financial statements of these investments prepared under Argentine GAAP prior to the application of the equity method.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

Following is a description of the most significant IFRS adjustments to the equity, income and comprehensive income of its associates. For ease of presentation and to facilitate an understanding of the nature of the IFRS adjustments, associates were grouped by business activities. Associates are not discussed below when IFRS adjustments were not significant to the Group or no IFRS adjustments were identified:

Banking business

The Group assessed the financial statements of associates of the Group related to the banking business as of July 1st, 2011, March 31, and June 30, 2012 and determined the following adjustments to IFRS:

- Under Argentine GAAP, revenues from life and disability insurance and loan origination fees are recognized on an up-front basis. Under IFRS, these revenues are recognized on a straight line basis over the term of the respective underlying receivables.

- Under Argentine GAAP, the allowance for doubtful accounts for loan losses are recognized based on specific criteria as set forth by the Central Bank for financial and banking institutions. Under IFRS, the associate applied the impairment provisions in IFRS 9.

- Under Argentine GAAP, receivables transferred to trusts in securitization programs are treated as sales and a gain or loss is recognized on the sale. Usually the transferor retains an interest in the trust and maintains a cash reserve which serves as collateral for payments of amounts due under the debt securities issued by the trust. Under IFRS, following the provisions of IFRS 9, the associate is not able to derecognize financial assets with these characteristics. As a result, the associate continues recognizing the receivables and a liability for the consideration received upon transfer. The receivables recognized are then tested for impairment following the IFRS 9 criteria.

- Under Argentine GAAP, the calculation of the insurance technical reserves is recognized following the regulations issued by the National Insurance Superintendence. Under IFRS, following the guidance of IFRS 4 "insurance contracts", the associate measured the insurance technical reserve in accordance with the "best estimation" approach.

Investment properties

The Company assessed the financial statements of the associates related to the investment property business and determined the following adjustments to IFRS as of July 1st, 2011, March 31 and June 30, 2012:

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

- Under Argentine GAAP, revenue from non-cancelable leases subject to scheduled rent escalation clauses is recognized when the escalated payments are due. Therefore, revenue does not include an averaging of rental income. Rent-free periods, reduced rent or other tenant incentives, if any, are recognized in the period in which these incentives are provided. Under IFRS, lease income from operating leases with scheduled rent increases is recognized on a straight-line basis over the term of the leases. All tenant incentives, if any, are treated as a reduction of rental income on a straight-line basis over the lease terms.

- Under Argentine GAAP, lease expense where the entity is the lessee under an operating ground lease agreement subject to escalation clauses is recognized when the escalated payments are due. Therefore, lease expenses are not recognized on a straight-line basis. Under IFRS, lease payments for operating leases with scheduled rent increases are recognized on a straight-line basis over the term of the leases.

(O) Impact of IFRS adjustment on joint ventures

Argentine GAAP - Investments in entities in which the Group exercises joint control are accounted for under the proportionate consolidation method. Under the proportionate consolidation method, the financial statements of the Group reflect the Group's pro-rata equity interest in the jointly controlled entities on a line-by-line basis. The Group applied its pro-rata equity interest to the financial statements of its jointly-controlled entities prepared under Argentine GAAP.

IFRS – The Group assessed all of its interests in joint arrangements and determined that they are joint ventures under IFRS 11 "Joint Arrangements". Accordingly, the Group accounted for its joint ventures under the equity method of accounting. The Group has assessed the impact of IFRS adjustments on the financial statements of joint ventures prepared under Argentine GAAP prior to the application of the equity method.

As of July 1st, 2011, the joint ventures of the Group are Cyrsa S.A., Canteras Natal Crespo S.A., Puerto Retiro S.A., Baicom Networks S.A. and Quality Invest S.A. As of March 31 and June 30, 2012 Nuevo Puerto Santa Fe S.A. is incorporated.

Following is a description of the most significant IFRS adjustments to the equity and income of the joint ventures. Joint ventures are not discussed below when IFRS adjustments were not significant to the Group or no adjustments were identified.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

- Under Argentine GAAP, the joint venture has historically accounted for revenues and therefore profits from all property sales on a percentage of completion basis once contracts for the sale of a property have been exchanged and only if the eventual profit from that property can be foreseen with reasonable certainty. Under IFRS, the joint venture has applied IFRIC 15 "Agreements for the construction of Real Estate". The Group assessed the contractual terms of the agreements and concluded that revenue from open market sales of real estate should be accounted for on legal completion of the agreement in accordance with IAS 18 "Revenue". As a result, the joint venture recognizes revenue from the sale of private homes and commercial units entirely at the point of legal completion in accordance with IAS 18. The most significant impact of IFRIC 15 is therefore the deferral of profits previously recognized from the point of exchange of contracts onwards until the point of legal completion. All of these profits are now recognized at a later date.

- Under Argentine GAAP, tenant deposits are treated as liabilities and measured at the amount received by the tenants. Under IFRS, tenant deposits are treated as both a financial asset and a financial liability in accordance with IFRS 9, and they are initially recognized at fair value. The difference between fair value and cash received is considered to be part of the minimum lease payments received for the operating lease. The deposits are subsequently measured at amortized cost.

- Under Argentine GAAP, revenue from non-cancelable leases subject to scheduled rent escalation clauses is recognized when the escalated payments are due. Under IFRS, the Group applied IAS 17 "Leases". Consequently, revenue derived from operating leases with scheduled increases in recognized on a straight line basis over the lease agreement term.

- Under Argentine GAAP, certain long-term tax credits are present-valued as of year-end. Under IFRS, there is no requirement to discount long-term tax credits. The joint venture elects to measure tax receivables and payables at the amounts expected to be recovered from or paid to the tax authorities and thus, not discounting long-term tax credits. As a result, the joint venture eliminated the effect of discounting tax.

(P) Acquisition of non-controlling interest

As stated in Note 2.2., the Group has applied the exception provided by IFRS 1 for accounting for changes in the interest in subsidiaries that do not result in loss of control. Consequently, acquisitions of non-controlling interests that took place before July 1st, 2011 have not been restated.

IFRS adjustments detailed below relate to acquisitions of non-controlling interest that took place on July 1st, 2011 or after date.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

Argentine GAAP - Under Argentine GAAP, the Group accounted for the acquisition of the non-controlling interests under the purchase method of accounting. Under the purchase method of accounting, the purchase price paid is allocated to the net assets acquired based on its fair value. Assets, including goodwill, and liabilities of the acquired business are recognized using a cost accumulation approach (i.e. for the previous equity interests acquired). These acquisitions generated goodwill since the cost of acquisition exceeded the fair value of the net tangible and intangible assets acquired.

IFRS - Under IFRS, the Group applied the principles of IFRS 10 in accounting for changes in ownership interests. As per IFRS 10, when an additional interest is obtained and control is maintained, the transaction is accounted for as an equity transaction. The Group does not recognize any additional acquisition adjustments to reflect the subsequent acquisition of additional interest in the subsidiary if there is no change in control.

Under IFRS, the difference between the fair value of the consideration paid and the related carrying value of the non-controlling interest acquired is recognized in the controlling interest's equity as a credit or debit to a reserve in net equity. Therefore, no gain or loss is recognized in the statement of income and no additional goodwill is recognized. The carrying value of the non-controlling interest is adjusted to reflect the change in the non-controlling interest's ownership interest in the subsidiary.

(Q) Amortization of borrowing costs

Argentine GAAP - Under Argentine GAAP, transactions costs directly attributable to the acquisition of borrowings are amortized under the straight-line method over the contract term.

IFRS – Transaction costs directly attributable to the acquisition of borrowings are deducted from the fair value at which the financial liability is initially recognized. Subsequently, they are amortized using the effective interest method over the contract term.

(R) Currency translation adjustment

Argentine GAAP - Foreign operations shall be classified as integrated or non-integrated entities depending if their activities are carried out as an extension of the reporting entity. Exchange differences resulting from the translation of integrated entities are recognized in the statement of income. Exchange differences resulting from the translation of non-integrated entities are recognized in a separate reserve in equity.

IFRS – Exchange differences resulting from the translation of foreign operations of subsidiaries and associates are recognized in the statement of other comprehensive income.

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

(S) Deferred income tax

Argentine GAAP - The Group accounts for income taxes using the deferred tax method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax based assets and liabilities and are measured using the enacted tax rates. Argentine GAAP does not prescribe detailed specific guidance related to the recognition of a valuation allowance. The Group assesses the need for a valuation allowance based on several factors including but not limited to current projections, legal expiration periods and others.

IFRS – There is no difference in the determination of deferred income taxes. However, deferred tax assets are recognized when it is considered probable (defined as "more likely than not") that sufficient taxable profits will be available to utilize the temporary difference or unused tax losses. IFRS does not allow the recognition of valuation allowances.

IFRS establishes more specific and strict procedures to assess whether a deferred tax asset should be recognized. All available evidence, both positive and negative, is considered to determine whether, based on the weight of that evidence, a deferred tax asset should be recognized. Judgment must be used in considering the relative impact of negative and positive evidence. The weight given to the potential effect of negative and positive evidence should be commensurate with the extent to which it can be objectively verified. The more negative evidence that exists (a) the more positive evidence is necessary and (b) the more difficult it is to support a conclusion that a deferred tax asset can be recognized.

(T) Non-controlling interest

Differences for non-controlling interest include the effect of recording, where applicable, the corresponding effect of other differences between Argentine GAAP and IFRS.

2.4. Significant Accounting Policies

The principal accounting policies applied in the presentation of these Unaudited Condensed Interim Consolidated Financial Statements are consistent with those applied in the preparation of the information under IFRS as of June 30, 2012, which are described in Exhibit I attached hereto and are based upon such IFRS expected to be in force as of June 30, 2013. The most significant accounting policies are described in Exhibit I.

2.5. Use of estimates

The preparation of financial statements at a certain date requires the Management to make estimations and evaluations affecting the amount of assets and liabilities recorded and contingent assets and liabilities disclosed at such date, as well as income and expenses recorded during the period. Actual future results might differ from the estimates and evaluations made at the date of preparation of these financial statements.

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

2. Basis of preparation and adoption of International Financial Reporting Standards ("IFRS") (Continued)

In the preparation of these condensed interim consolidated financial statements, the significant judgments made by Management in applying the Group's accounting policies and the main sources of uncertainty were the same applied by the Group in the preparation of the annual consolidated financial statements for the year ended June 30, 2012 which are described in Exhibit I.

2.6 Seasonal effects on operations

The operations of the Group's shopping centers are also subject to seasonal effects, which affect the level of sales recorded by lessees. During summer time (January and February), the lessees of shopping centers experience the lowest sales levels in comparison with the winter holidays (July) and Christmas holidays (December) when they tend to record peaks of sales. Apparel stores generally change their collections during the spring and the fall, which impacts positively on shopping mall sales. Sale discounts at the end of each season also affect the business. As a consequence, a higher level of revenues is generally expected in the second half of the year rather than the first in shopping center operations.

3. Acquisitions and disposals

Transactions with non-controlling interest

APSA

During the current nine-month period, the Group, through IRSA and E-Commerce Latina S.A., acquired an additional equity interest of 0.1% in APSA for a total consideration of Ps. 2.3 million. As a result of this transaction, the non-controlling interest was reduced by Ps. 0.8 million and the interest attributable to the shareholders' of the controlling parents was reduced by Ps. 1.5 million. The effect on shareholders' equity of this change in the equity interest in APSA is summarized as follows:

	Ps.
Carrying value of the equity interests acquired by the Group	824
Price paid for the non-controlling interest	(2,364)
Reserve created due to the acquisition recognized in the parent's equity	(1,540)

45

3. Acquisition and disposals (Continued)

Acquisition of equity interest in joint venture

On November 29, 2012 the Group through APSA acquired shares of common stock, representing 50% of Entertainment Holdings S.A. ("EHSA")'s capital stock and votes for Ps. 32 million. Under the acquisition agreement, APSA is entitled to exercise joint control over EHSA. EHSA is an Argentine company whose main asset consists of an indirect interest of 50% in the capital and voting rights of La Rural S.A. ("LRSA"), whereby it has joint control over this Company together with Sociedad Rural Argentina ("SRA"), who owns the remaining 50%. Thus, APSA is the owner of an indirect interest of 25% in LRSA, whose main asset consists of an usufruct agreement on the Predio Ferial de Buenos Aires, located between Cerviño, Sarmiento, Santa Fé Avenues and Oro street, in the city of Buenos Aires (the "Predio Ferial") entered into with SRA, owner of such Predio Ferial.

The fair value of the APSA's investment in the joint business was determined based on the fair value of EHSA's net assets, being the main asset the usufruct agreement mentioned above. APSA has preliminary allocated the price paid at the fair value of the net assets acquired based on the information available as of the closing date of Unaudited Condensed Interim Consolidated Financial Statements. Such fair value amounted to Ps. 15.3 million, which means a goodwill figure of Ps. 10.6 million recognized in the "Investments in associates and joint business" line in the balance sheet as of March 31, 2013. The fair value and identified goodwill should not be treated as final until the process of allocating the price paid is finalized.

The fair value of the usufruct agreement has been determined by the application of the discounted cash flow method. This estimate considered a discount rate that reflects the market assessments regarding uncertainties in terms of the cash flow amount and timing. The amount of net future cash flows was estimated based on the specific features of the property, the agreements in force, market information and future forecasts as of the valuation date. Net income forecasts, revenues growth rates and discount rates are among the most important assumptions used in the valuation.

Purchase of financial assets

During this period the Group purchased:

a) Government bonds of the City of Buenos Aires, for a nominal value of Ps. 19.0 million. These bonds accrue interest at an annual 7.95% fixed rate, payable semi- annually and maturing on April 29, 2014.

b) BHSA Non-Convertible Notes for Ps. 5 million, which accrue interest at an annual 18.75% fixed annual rate, payable semi- annually maturing on August 8, 2013.

3. Acquisition and disposals (Continued)

Disposal of financial assets

During the current nine-month period, the Group sold 3,823,412 ordinary shares of Hersha Hospitality Trust ("Hersha") for a total amount of US$ 19.4 million. Consequently, as of the date of issuance of these Unaudited Condensed Interim Consolidated Financial Statements, the Group's interest in Hersha's capital stock decreased from 9.13% (at the beginning of the year) to 7.19%. Subsequent to March 31, 2013, the Group sold an additional number of Hersha's shares (see Note 33).

In November and December 2012, IRSA sold all of its shareholdings in NH Hoteles S.A. (138,572 shares for a consideration of € 0.38 million) and in NH Hoteles S.A. (387,758 shares for a total consideration of US$ 1.4 million).

In December 2012, IRSA sold all of its shareholdings in Metrovacesa F (1,238,990 shares for a consideration of € 2.7 million); Metrovacesa SM (229,995 shares for a total consideration of € 0.5 million) and Metrovacesa F (919,087 shares for a consideration of US$ 2.7 million).

Significant sales of investment properties

On August 31, 2012, IRSA executed the transfer deeds that formalize the sale of certain functional units of the building "Libertador 498" of the Autonomous City of Buenos Aires. The total price of the transaction amounted to Ps. 15 million and was paid on the execution of the title conveyance deeds. This transaction generated a gain of Ps. 12.7 million.

On September 14, 2012, IRSA sold certain functional units on floors 18 and 19, as well as parking areas, of the building Bouchard 551. The total price of the transaction was US$ 8.5 million paid upon execution of the conveyance deed. This transaction generated a gain of Ps. 18.4 million.

On October 4 and 11, 2012, IRSA signed the transfer deed for the sale of several functional units (stores and parking spaces) of the building "Libertador 498". The transactions price was set at Ps. 29.4 million, amount that had been completely collected. This transaction generated a gain of Ps. 24.9 million.

On January 8, 2013, IRSA sold certain functional units (stores and parking spaces) of the building "Costeros Dique IV". The total price of the transaction was Ps. 9.2 million. This transaction generated a gain of Ps. 7.8 million.

On March 14, the Group through APSA sold, a functional unit of the building located on Anchorena 559. The transaction Price was set at Ps. 0.4 million, which resulted in approximately Ps. 0.2 million gain.

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

3. Acquisition and disposals (Continued)

Acquisition of Rigby 183 LLC

On June 30, 2012, the Group held through its subsidiary IMadison LLC a 49% equity interest in the capital stock of Rigby 183 LLC ("Rigby"), a company that owns office buildings for rental at Madison Avenue 183, New York, USA. On November 27, 2012, the Group, through its subsidiary IRSA International LLC, purchased an additional 25.5% equity interest in Rigby's capital stock, thus taking control over said company. As a result of the acquisition, the Group expects to increase its footprint in the US real estate market. The goodwill from the acquisition, which amounts to Ps. 45.7 million, is attributable to the synergies expected to be achieved by combining the Group's and Rigby's operations.

The following chart shows the consideration paid by the Group, the fair value of the acquired assets, the assumed liabilities and the non-controlling interest as of the acquisition date.

Consideration paid:	11.27.2012
Cash and cash equivalents	118,373
Total consideration paid	118,373
Fair value of the interest in Rigby's equity held before the business combination	227,462
Total consideration	345,835
Recognized balances of acquired identifiable assets and assumed liabilities:	
Cash and cash equivalents	499
Investment properties (Note 9)	679,219
Restricted assets (i)	11,818
Trade and other receivables, net	2,317
Borrowings	(252,834)
Trade and other payables	(12,081)
Deferred income tax liabilities (Note 22)	(26,103)
Total net identifiable assets	402,835
Non-controlling interest	(102,723)
Goodwill (Note 12)	45,723
Total	345,835

(i) It pertains to cash held in escrow as security deposits and taxes paid in advance by tenants.

The acquisition-related costs (which amount to Ps. 2.5 million) were charged under "General and Administrative Expenses" in the statement of income.

The fair value of the investment property acquired is Ps. 679.2 million and was assessed by a qualified independent appraiser. The fair value of trade and other receivables amounts to Ps. 14.1 million, including trade receivables in the amount of Ps. 0.1 million. As of the acquisition date, the Group estimates that these receivables are recoverable. The fair value of the non-controlling interest in Rigby, an unlisted company, has been determined on a proportional basis to the fair value of net acquired assets.

3. Acquisition and disposals (Continued)

The Group recognized income of Ps. 124.1 million derived from the reassessment of the fair value of the 49% interest held in Rigby before the business combination. In addition, all cumulative currency translation gains (losses) accumulated in shareholders' equity from the interest held in Rigby before the business combination (Ps. 12.9 million) were charged to income. These gains were disclosed under "Other operating results, net" in the statement of income.

The revenues Rigby has generated since November 27, 2012 and that have been disclosed in the consolidated statement of income amount to Ps. 25.6 million. Rigby has also run a net loss of Ps. 2.6 million during said period. If Rigby had been included in the consolidation since July 1st, 2012, the consolidated income statement would have shown pro-forma revenues in the amount of Ps. 1,618.4 million and pro-forma net income of Ps. 317.2 million.

4. Financial risk management

4.1. Financial risk

The group´s diverse activities are exposed to a variety of financial risk: market risk (including foreign currency risk, interest rate risk and price risk) credit risk, liquidity risk and capital risk.

The Exhibit I provides information on financial risk management as of June 30, 2012 and July 1st, 2011. Since June 30, 2012, there have been no significant changes in the risk management or risk management policies applied by the Group.

4.2. Fair value estimates

Since June 30, 2012 there have been no significant changes in business or economic circumstances affecting the fair value of the Group's financial assets or liabilities (either measured at fair value or amortized cost), nor any transfers between the different hierarchies used to assess the fair value of the Group's financial instrument and / or reclassifications between categories of financial instruments.

IRSA Inversiones y Representaciones Sociedad Anónima
Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(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

5. Segment information

Below is a summarized analysis of the lines of business of the Group for the period ended March 31, 2013:

	03.31.2013 Shopping Center Properties	Offices and others	Sales and developments	Hotels	International	Financial operations and others	Total
Revenues	1,183,590	213,084	117,178	174,694	25,632	1,100	1,715,278
Costs	(566,096)	(85,962)	(89,066)	(126,233)	(20,361)	(845)	(888,563)
Gross Profit	617,494	127,122	28,112	48,461	5,271	255	826,715
Gain from disposal of investment properties	-	-	64,019	-	-	-	64,019
General and administrative expenses	(46,819)	(31,389)	(28,111)	(36,526)	(9,105)	(216)	(152,166)
Selling expenses	(39,023)	(8,667)	(12,609)	(21,124)	-	(187)	(81,610)
Other operating results, net	(17,590)	(2,120)	(8,418)	456	134,487	(616)	106,199
Profit / (loss) from operations	514,062	84,946	42,993	(8,733)	130,653	(764)	763,157
Share of profit / (loss) of associates	-	-	1,478	(4)	(58,446)	62,924	5,952
Segment Profit / (Loss)	514,062	84,946	44,471	(8,737)	72,207	62,160	769,109
Investment properties, net	2,067,356	839,898	535,834	-	710,525	-	4,153,613
Property, plant and equipment, net	13,636	23,325	3,795	171,002	199	-	211,957
Trading properties	-	-	144,150	-	81,691	-	225,841
Goodwill	1,666	19,971	-	-	48,547	-	70,184
Inventories	10,140	-	511	5,984	-	-	16,635
Investments in associates	-	-	26,873	21,252	691	1,082,112	1,130,928
Operating assets	2,092,798	883,194	711,163	198,238	841,653	1,082,112	5,809,158

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5. Segment information (Continued)

Below is a summarized analysis of the lines of business of the Group for the period ended March 31, 2012:

	03.31.2013 Shopping Center Properties	Offices and others	Sales and developments	Hotels	International	Financial operations and others	Total
Revenues	969,781	185,433	89,457	130,020	-	4,169	1,378,860
Costs	(466,786)	(69,820)	(51,486)	(83,940)	-	(1,917)	(673,949)
Gross Profit	502,995	115,613	37,971	46,080	-	2,252	704,911
Gain from disposal of investment properties	-	-	42,737	-	-	-	42,737
General and administrative expenses	(42,166)	(26,034)	(24,965)	(27,200)	(5,807)	(182)	(126,354)
Selling expenses	(29,989)	(6,258)	(10,914)	(16,554)	-	1,793	(61,922)
Other operating results, net	(4,058)	(6,356)	(2,544)	(1,531)	(333)	1,033	(13,789)
Profit / (Loss) from operations	426,782	76,965	42,285	795	(6,140)	4,896	545,583
Share of profit / (loss) of associates	-	-	632	89	(44,007)	62,127	18,841
Segment profit / (loss)	426,782	76,965	42,917	884	(50,147)	67,023	564,424

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5. Segment information (Continued)

The following tables present a reconciliation between the total results of segment operations and the results of operations as per the statements of income. The adjustments relate to the presentation of the results of operations of joint ventures accounted for under the equity method under IFRS.

	03.31. 2013		
	As per Total segment information	Adjustment for share of profit / (loss) of joint ventures	As per statements of income
Revenues	1,715,278	(111,219)	1,604,059
Costs	(888,563)	87,365	(801,198)
Gross Profit	826,715	(23,854)	802,861
Gain from disposal of investment properties	64,019	-	64,019
General and administrative expenses	(152,166)	1,036	(151,130)
Selling expenses	(81,610)	8,366	(73,244)
Other operating results, net	106,199	974	107,173
Profit from operations	763,157	(13,478)	749,679
Share of profit of associates and joint ventures	5,952	9,160	15,112
Profit before financial results and income tax	769,109	(4,318)	764,791

	03.31. 2012		
	As per Total segment information	Adjustment for share of profit / (loss) of joint ventures	As per statements of income
Revenues	1,378,860	(50,337)	1,328,523
Costs	(673,949)	36,692	(637,257)
Gross profit	704,911	(13,645)	691,266
Gain from disposal of investment properties	42,737	-	42,737
General and administrative expenses	(126,354)	1,299	(125,055)
Selling expenses	(61,922)	5,665	(56,257)
Other operating results, net	(13,789)	1,791	(11,998)
Profit from operations	545,583	(4,890)	540,693
Share of profit / (loss) of associates and joint ventures	18,841	(2,919)	15,922
Profit Before financial results and income tax	564,424	(7,809)	556,615

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5. Segment information (Continued)

Total segment assets are allocated based on the operations of the segment and the physical location of the asset. In line with the discussion above, segment assets include the proportionate share of the assets of joint ventures. The statements of financial position under IFRS show the net investment in these joint ventures as a single item.

	03.31.2013
Total reportable assets as per segment information	5,809,158
Investment properties, net	(168,843)
Property, plant and equipment, net	(122)
Trading properties	(33,750)
Inventories	(104)
Investments in associates and joint venture	299,760
Total assets as per the statements of financial position	5,906,099

6. Information about main subsidiaries

The Group conducts its business through several operating and holding subsidiaries which are listed in Note 1.3 of Exhibit I. The Group considers that the subsidiaries below are the ones with non-controlling interests material to the Group.

Set out below are the summarized financial information for each subsidiary that has non-controlling interests that are material to the Group:

Summarized statements of financial position

	APSA (i)			TYRUS (i)			EFANUR (i)		
	03.31.2013	06.30.2012	07.01.2011	03.31.2013	06.30.2012	07.01.2011	03.31.2013	06.30.2012	0
Assets									
Non-current assets	2,085,131	1,954,917	1,858,277	1,427,330	769,240	788,363	179,376	135,922	-
Current assets	774,762	548,949	521,078	219,322	46,050	76,269	4,776	2,975	-
Total assets	2,859,893	2,503,866	2,379,355	1,646,652	815,290	864,632	184,152	138,897	-
Liabilities									
Non-current liabilities	1,012,703	973,319	909,950	497,445	24,077	24,878	41,900	37,926	-
Current liabilities	752,328	558,024	536,651	46,369	38,451	65,869	1,835	1,216	-
Total liabilities	1,765,031	1,531,343	1,446,601	543,814	62,528	90,747	43,735	39,142	-
Net assets	1,094,862	972,523	932,754	1,102,838	752,762	773,885	140,417	99,755	-

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6. Information about main subsidiaries (Continued)

Summarized statements of income and statements of comprehensive income

	APSA (i)		TYRUS (i)		EFANUR (i)	
	03.31.2013	03.31.2012	03.31.2013	03.31.2012	03.31.2013	03.31.2012
Revenues	1,196,747	1,011,288	25,632	-	-	-
Profit before income tax	403,874	410,493	174,970	(18,068)	41,601	670
Income tax expense	(143,168)	(140,014)	(19,402)	-	-	-
Profit for the period	260,706	270,479	155,568	(18,068)	41,601	670
Other comprehensive income	-	-	37,305	12,737	-	-
Profit attributable to non-controlling interest	14,937	9,762	26,018	5,580	15,910	443
Dividends paid to non-controlling interest	(7,895)	(4,316)	-	-	-	-

Summarized cash flows

	APSA (i)		TYRUS (i)		EFANUR (i)	
	03.31.2013	03.31.2012	03.31.2013	03.31.2012	03.31.2013	03.31.2012
Net cash generated by (used in) operating activities	490,736	420,863	(10,730)	(7,071)	(431)	186
Net cash (used in) generated by investing activities	(335,122)	(135,721)	(146,787)	(38,047)	4,527	(131,374)
Net cash (used in) generated by financing activities	(80,012)	(247,480)	187,093	(21,924)	(2,829)	131,795
Net increase / (decrease) in cash and cash equivalents	75,602	37,662	29,576	(67,042)	1,267	607
Foreign exchange gain /(loss) on cash and cash equivalents	3,776	(4,177)	2,749	4,591	289	46
Cash and cash equivalents at beginning of year	102,698	145,552	38,854	70,147	1,446	-
Cash and cash equivalents at end of year	182,076	179,037	71,179	7,696	3,002	653

(i) Includes consolidated financial information.
The information above is the amount before inter-company eliminations.

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7. Interests in joint ventures

As of March 31, 2013, the joint ventures of the Group are Canteras Natal Crespo S.A., Cyrsa S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A. Nuevo Puerto Santa Fe S.A. ("NPSF") and EH. The shares in these joint ventures are not publicly traded.

As of June 30, 2012, the joint ventures of the Group were Canteras Natal Crespo S.A., Cyrsa S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A. and NPSF.

As noted Note 3, the Group through APSA acquired shares of common stock, representing 50% of Entertainment Holdings S.A. ("EH")´s capital stock and votes and as a consequence holds a jointly indirect interest in LRSA of 25% which operates the fairground Predio.

In connection with the Fairground, as publicly known, in December 2012 the Executive Branch issued Executive Order 2552/12 that annulled an executive order dated 1991 which approved the sale of the Fairground to the SRA; the effect of this new order was to revoke the sale transaction. Subsequent to December 21, 2012, the Executive Branch notified the SRA of said executive order and further ordered that the property be returned to the Federal Government within 30 subsequent days. Then, the SRA issued a press release publicly disclosing the initiation of legal actions.

Neither has the Group been served notice formally nor is it a party involved in the legal actions brought by the SRA.

As of the date of these Unaudited Condensed Interim Consolidated Financial Statements, the above mentioned legal matters resulted in certain delays in gathering all the necessary financial information to register the acquisition pursuant to IFRS 3. However, the Group has strived to complete the preliminary allocation of the price paid based on its fair value estimates made on the information available to date. Therefore, values included are preliminary and are subject to changes. The Group expects to finalize this process by June 30, 2013.

Changes in the Group's investments in joint ventures for the nine-month period ended March 31, 2013 and for the year ended June 30, 2012 were as follows:

	03.31.2013	06.30.2012
Beginning of period / year	228,970	193,666
Acquisition of joint ventures	32,024	43,038
Capital contribution	29,606	15,850
Share of profit, net	9,160	(23,584)
End of period / year	299,760	228,970

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8. Interests in associates

As of June 30, 2012, the associate of the Group were New Lipstick LLC, Rigby 183 LLC, BHSA, Tarshop S.A., Manibil S.A., Lipstick Management LLC, Banco de Crédito y Securitización S.A. ("BACS") and Bitania 26 S.A..

As of December 31, 2012, Rigby 183 LLC began to be reported on a consolidated basis an ceased to be an affiliate, thus as of March 31, 2013, the associates of the Group are New Lipstick LLC, BHSA, Tarshop S.A., Manibil S.A., Lipstick Management LLC, BACS and Bitania 26 S.A..

Changes in the Group's investments in associates for the nine-month period ended March 31, 2013 and for the year ended June 30, 2012 were as follows:

	03.31.2013	06.30.2012
Beginning of the period / year	1,216,845	1,179,549
Acquisition of associates	-	6,166
Capital contributions	10,319	-
Share of profit, net	5,952	35,244
Currency translation adjustment	4,996	(4,114)
Dividend payments (ii)	(33,813)	-
Decrease for the taking over (see Note 3)	(103,315) (*)	-
End of the period/year (i) year	1,100,984	1,216,845

(i) Includes a balance of Ps. (29,944) reflecting interests in companies with negative equity as of March 31, 2013 which is reclassified to "Provisions" (see Note 20).
(ii) During the period, the Group cashed dividends from Manibil S.A. and BHSA in the amount of Ps. 3.3 million and Ps. 30.5 million, respectively.

9. Investment properties

Changes in the Group's investment properties for the nine-month period ended March 31, 2013 and for the year ended June 30, 2012 were as follows:

	03.31.2013	06.30.2012
Beginning of the period / year	3,275,226	3,340,081
Currency translation adjustment	42,070	-
Additions and acquisitions	157,324	108,863
Acquisition of subsidiaries (ii)	679,219	-
Sales and disposals (ii)	(27,437)	(38,889)
Depreciation charge (i)	(141,632)	(134,829)
End of the period / year	3,984,770	3,275,226

(i) Depreciation charges of investment properties were included in "Costs" in the Statements of Income (Note 26).
(ii) See Note 3.

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9. Investment properties (Continued)

The following amounts have been recognized in the statements of income:

	03.31.2013	03.31.2012
Rental and service income	1,408,089	1,144,231
Direct operating expenses	(664,274)	(532,470)
Gain from disposal of investment properties	64,019	42,737

10. Property, plant and equipment, net

Changes in the Group's property, plant and equipment for the nine-month period ended March 31, 2013 and for the year ended June 30, 2012 were as follows:

	03.31.2013	06.30.2012
Beginning of the period / year	228,033	235,245
Currency translation adjustment	24	-
Additions	4,445	19,089
Disposals of unused assets	(939)	(2,919)
Depreciation charge (i)	(19,728)	(23,382)
End of the period / year	211,835	228,033

(i) Depreciation charges of property, plant and equipment were included in "General and administrative expenses" and "Costs" in the Statement of Income (Note 26).

11. Trading properties

Changes in the Group's trading properties for the nine-month period ended March 31, 2013 and for the year ended June 30, 2012 were as follows:

	03.31.2013	06.30.2012
Beginning of the period / year	176,823	181,991
Additions	6,643	15,399
Currency translation adjustment	13,609	-
Sales	(4,984)	(20,567)
End of the period / year	192,091	176,823

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12. Intangible assets, net

Changes in the Group's intangible assets for the nine-month period ended March 31, 2013 and for the year ended June 30, 2012 were as follows:

	03.31.2013	06.30.2012
Beginning of the period / year	29,389	31,900
Additions	614	711
Acquisition of subsidiary (goodwill)	45,723	-
Currency translation adjustment	2,824	-
Disposals	-	(2,960)
Amortization change (i)	(1,383)	(262)
End of the period / year	77,167	29,389

(i) Amortization charges of intangible assets are included in "General and administrative expenses" in the Statement of Income (Note 26).

13. Inventories

Group's inventories as of March 31, 2013, June 30, 2012 and July 1st, 2011 were as follows:

	03.31.2013	06.30.2012	07.01.2011
Current			
Hotel supplies (i)	5,984	4,792	3,575
Materials and others items of inventories (i)	10,547	10,867	3,245
Current inventories	16,531	15,659	6,820
Total inventories	16,531	15,659	6,820

(i) Inventories cost are included in "Costs" in the Statement of Income (Note 26).

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14. Trade and other receivables, net

Group's trade and other receivables, as of March 31, 2013, June 30, 2012 and July 1st, 2011 were as follows:

	03.31.2013	06.30.2012	07.01.2011
Non-current			
Trade, leases and services receivable	64,097	54,547	31,611
Less: allowance for trade receivables	(2,208)	(2,208)	(2,208)
Non-current trade receivables	61,889	52,339	29,403
VAT receivables	34,145	33,942	48,214
Minimum presumed income tax ("MPIT")	126,273	103,263	78,387
Other tax receivables	141	1,346	1,103
Advance payments	5,141	2,980	3,114
Others	527	1,592	3,958
Non-current other receivables, net	166,227	143,123	134,776
Related parties (Note 31)	981	910	830
Non-current trade and other receivables, net	229,097	196,372	165,009
Current			
Consumer financing receivables	16,261	15,992	75,117
Leases and services receivables	188,875	180,113	146,277
Receivables from hotel operations	28,792	14,106	9,954
Checks to be deposited	178,269	126,809	94,890
Notes receivables	4,808	8,317	5,987
Trade and lease debtors under legal proceedings	46,112	46,208	48,954
Less: allowance for trade receivables	(69,916)	(65,899)	(117,552)
Current trade receivables, net	393,201	325,646	263,627
VAT receivables	12,320	20,196	27,607
MPIT	-	732	226
Other tax receivables	9,564	5,691	7,282
Loans granted	5,583	11,155	644
Prepaid expenses	50,867	47,284	42,679
Restituted funds receivables	-	-	4,278
Advance from vendors	36,963	21,056	14,595
Dividends received	4,726	-	-
Other	4,461	6,891	11,925
Less: allowance for other receivables	(181)	-	-
Current other receivables, net	124,303	113,005	109,236
Related parties (Note 31)	22,727	37,226	47,132
Current trade and other receivables, net	540,231	475,877	419,995
Total trade and other receivables, net	769,328	672,249	585,004

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14. Trade and other receivables, net (Continued)

Movements on the Group's allowance for trade and other receivables are as follows:

	03.31.2013	06.30.2012
Beginning of the period / year	68,107	119,760
Charges of the period / year	14,757	15,554
Unused amounts reversed	(9,109)	(8,590)
Used during the period / year	(1,215)	(58,617)
Receivables written off	(235)	-
End of the period / year	72,305	68,107

The creation and release of provision for impaired receivables have been included in "Selling expenses" in the statements of income (Note 26). Amounts charged to the allowance account are generally written off, when there is no expectation of recovery.

15. Investments in financial assets

Group's financial assets at fair value through profit or loss as of March 31, 2013, June 30, 2012 and July 1st, 2011 were as follows:

	03.31.2013	06.30.2012	07.01.2011
Non-current			
Financial assets at fair value			
Investment in equity securities in TGLT S.A	53,512	65,131	68,656
Investment in equity securities in Hersha	397,982	432,770	355,942
Common shares of Supertel	155,552	117,488	-
Others	10,085	10,221	271
Financial assets at amortized cost			
Non-Convertible Notes related parties and others (Note 31)	22,116	30,050	7,807
Total investments in non-current financial assets	639,247	655,660	432,676
Current			
Financial assets at fair value			
Mutual funds (Note 31)	211,180	57,955	60,061
Mortgage bonds (Note 31)	520	496	477
Non-Convertible Notes.	23,954	9	12
Non-Convertible Notes related parties and others (Note 31)	5,021	8,781	2,615
Investment in equity securities in Hersha	25,898	-	-
Others	1,175	11,668	1,911
Financial assets at amortized cost			
Non-Convertible Notes related parties and others (Note 31)	11,391	-	-
Total investments in current financial assets	279,139	78,909	65,076
Total investments in financial assets.	918,386	734,569	497,752

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16. Derivative financial instruments

Group's derivative financial instruments as of March 31, 2013, June 30, 2012 and July 1st, 2011 were as follows:

	03.31.2013	06.30.2012	07.01.2011
Assets			
Non-current			
Hersha call option	-	-	60,442
Warrants of Supertel	23,824	18,434	-
Total non-current derivative financial instruments	23,824	18,434	60,442
Total derivative financial instruments	23,824	18,434	60,442

17. Cash flow information

The following table shows the amounts of cash and cash equivalents as of March 31, 2013 and for the year ended June 30, 2012 and July 1st, 2011:

	03.31.2013	06.30.2012	07.01.2011
Cash at bank and on hand	239,823	234,519	161,193
Time deposits in local currency	114,702	-	-
Mutual funds	44,751	24,650	140,366
Total cash and cash equivalents	399,276	259,169	301,559

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17. Cash flow information (Continued)

Following is a detailed description of cash flows generated by the Group's operations for the nine-month periods ended March 31, 2013 and 2012.

	Note	03.31.2013	03.31.2012
Profit for the period		379,261	195,471
Adjustments for:			
Income tax expense	22	81,093	91,296
Retirement of obsolete properties, plant and equipment	10	939	-
Amortization and depreciation	26	162,743	128,726
(Gain) from disposal of investment properties	9	(64,019)	(42,737)
Dividends received	29	(14,329)	(9,863)
Share-based payments	27	5,935	2,795
Loss on financial instruments	29	(147,527)	(26,497)
(Gain) / loss on derivative financial instruments	29	(5,390)	5,417
(Gain) from purchase of subsidiaries	28	(137,062)	-
Interest expense, net	29	208,668	201,710
Provisions and allowances		73,097	41,427
Share of (profit) of associates and joint ventures	7,8	(15,112)	(15,922)
Unrealized foreign exchange loss, net		239,165	75,030
Other financial results		-	27,360
Changes in operating assets and liabilities:			
Increase in inventories		(872)	(1,300)
(Increase) / Decrease in trading properties		(1,659)	15,213
Increase in trade and other receivables, net		(27,936)	(46,675)
Increase in restricted founds		(12,542)	-
Increase in trade and other payables		39,575	2,130
Increase / (Decrease) in salaries and social security liabilities		1,897	(6,014)
Decrease in provisions		(677)	-
Net cash generated by operating activities before income tax paid		765,248	637,567

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17. Cash flow information (Continued)

The following table shows a detail of non-cash transactions occurred in the periods ended March 31, 2013 and 2012:

	03.31.2013	03.31.2012
Increase in investments in financial assets through an increase in borrowings	18,767	-
Reimbursement of expired dividends	625	3,809
Dividends payable	54,097	-
Decrease in non-controlling interest through an increase in trade and other payables	-	8,039
Foreign currency translation of subsidiaries	-	10,955
Increase in trade and other receivables, net through an increase in trade and other payables	-	429
Conversion of corporate notes	126	38
Increase in capital through a capitalization (decrease) in trade and other payables	-	1,000
Decrease in trade and other receivables, net	-	8,671
Decrease in investments in associates and joint ventures	-	16,004
Decrease in trade and other payables through a decrease in equity investments in associates and joint ventures	-	(24,675)

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

18. Trade and other payables

Group's trade and other payables as of March 31, 2013, June 30, 2012 and July 1st, 2011 were as follows:

	03.31.2013	06.30.2012	07.01.2011
Non-current			
Trade payables	-	4	47
Admission rights	107,532	85,281	66,885
Sale and rent payments received in advance	47,969	44,846	45,345
Guarantee deposits	14,376	8,346	3,875
Non-current trade payables	169,877	138,477	116,152
Tax payment facilities plan	16,659	15,426	17,386
Other tax liabilities	1,067	3,460	2,759
Deferred income tax	8,704	8,903	10,143
Other	372	370	2,481
Non-current other payables	26,802	28,159	32,769
Related parties (Note 31)	241	20	434
Non-current trade and other payables	196,920	166,656	149,355
Current			
Trade payables	54,474	54,267	40,923
Invoices to be received	76,223	65,008	57,989
Guarantee deposits	6,538	2,957	3,978
Admission rights	93,598	78,030	60,580
Sale and rent payments received in advance	176,609	119,099	106,599
Current trade payables	407,442	319,361	270,069
VAT payables	23,588	24,980	21,615
MPIT	11,556	8,683	11,435
Deferred revenue	1,315	266	17,079
Other tax liabilities	25,342	21,707	26,677
Dividends payable to non-controlling shareholders	56,599	34,724	-
Others	5,853	7,330	6,067
Current other payables	124,253	97,690	82,873
Related parties (Note 31)	62,957	83,875	61,244
Current trade and other payables	594,652	500,926	414,186
Total trade and other payables	791,572	667,582	563,541

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

19. Salaries and social security liabilities

Group's Salaries and social security liabilities as of March 31, 2013, June 30, 2012 and July 1st, 2011 were as follows:

	03.31.2013	06.30.2012	07.01.2011
Current			
Provision for vacation, bonuses and severance	24,848	30,323	25,681
Social security payable	14,119	6,584	7,545
Others	2,537	2,700	863
Current salaries and social security liabilities	41,504	39,607	34,089
Total salaries and social security liabilities	41,504	39,607	34,089

20. Provisions

The table below shows the movements in the Group's provisions for other liabilities categorized by type of provision:

	Labor, legal and other claims	Tax and social security	Investments in associates (*)	Others	Total as per
At July 1, 2011	14,925	670	-	392	15,987
Additions	11,705	1,697	-	90	13,492
Recovery	(5,674)	(797)	-	(126)	(6,597)
Used during the year	(2,628)	-	-	15	(2,613)
At June 30, 2012	18,328	1,570	-	371	20,269
Additions	13,094	-	29,944	-	43,038
Recovery	(2,469)	(469)	-	-	(2,938)
Used during the period	(677)	-	-	-	(677)
At March 31, 2013	28,276	1,101	29,944	371	59,692

(*) Corresponds to equity interests in affiliates with negative equity.

The analysis of total provisions is as follows:

	03.31.2013	06.30.2012	07.01.2011
Non-current	46,556	17,823	12,881
Current	13,136	2,446	3,106
	59,692	20,269	15,987

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21. Borrowings

The breakdown of the Group borrowings as of March 31, 2013, June 30, 2012 and July 1st, 2011 was as follows:

						Book v	
	Secured / unsecured	Currency	Rate	Effective interest rate %	Nominal Value	03.31.2013	06.30.2
Non-current							
APSA CN due 2014	Unsecured	US$	Fixed	10 %	50,000	-	
NCN IRSA due 2017	Unsecured	US$	Fixed	8.5 %	150,000	745,773	675
APSA NCN due 2017	Unsecured	US$	Fixed	7.875 %	120,000	546,059	480
NCN IRSA due 2020	Unsecured	US$	Fixed	11.5 %	150,000	749,681	661
NCN IRSA due 2013	Unsecured	Ps.	Floating	Badlar + 2.49%	153,152	-	51
NCN IRSA due 2014	Unsecured	US$	Fixed	7.45 %	33,832	-	114
Seller financing of plot of land (vii)	Secured	US$	Fixed	3.5 %	2,700	13,829	12
Seller financing of Soleil Factory (i)	Secured	US$	Fixed	5 %	12,610	46,112	38
Seller financing of Arcos del Gourmet S.A. (ii)	Unsecured	US$	Fixed	11.69 %	258	1,238	1
Seller financing of Zetol S.A. (iv)	Secured	US$	Fixed	3.5 %	2,618	13,412	11
Other borrowings						-	
Syndicated loan (Note 31) (v)	Unsecured	Ps.	Fixed	15.01 %	118,000	90,722	
Banco Provincia de Buenos Aires loan (vi)	Unsecured	Ps.	Fixed	15.01 %	29,000	22,429	
Banco M&T loan	Secured	US$	Fixed	1.673 %	75,000	389,506	
Finance leases obligations	Secured	US$	Fixed	7.5 %	792	228	
Total Non-current borrowings						2,618,989	2,048

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21. Borrowings (Continued)

						Book value		
	Secured / unsecured	Currency	Rate	Effective interest rate %	Nominal Value	03.31.2013	06.30.2012	07.01.2011
Current								
APSA NCN due 2012	Unsecured	Ps.	Fixed	11%	154,020	-	-	28,889
NCN IRSA due 2017	Unsecured	US$	Fixed	8.5%	150,000	9,647	23,175	20,960
APSA NCN due 2017	Unsecured	US$	Fixed	7.875%	120,000	15,323	4,555	4,490
NCN IRSA due 2020	Unsecured	US$	Fixed	11.5%	150,000	15,985	34,003	30,800
NCN IRSA due 2013	Unsecured	Ps.	Floating	Badlar + 2.49%	153,152	104,344	102,888	-
NCN IRSA due 2014	Unsecured	US$	Fixed	7.45 %	33,832	174,388	38,278	-
Bank overdrafts	Unsecured	Ps.	Floating			316,375	195,270	420,032
Short-term loans						30,309	126,654	139,585
Syndicated loan (Note 31) (v)	Unsecured	Ps.	Fixed	15.01 %	118,000	25,528	-	-
Banco Provincia de Buenos Aires loan (vi)	Unsecured	Ps.	Fixed	15.01 %	29,000	6,522	-	-
Seller financing of plot of land (vii)	Secured	US$	Fixed	3.5 %	1,800	12,287	10,342	-
Seller financing of Soleil Factory (i)	Secured	US$	Fixed	5 %	12,610	2,424	2,854	4,714
Seller financing of Arcos del Gourmet S.A. (ii)	Unsecured	US$	Fixed	11.69 %	1,700	8,072	10,235	-
Seller financing of Zetol S.A. (iv)	Secured	US$	Fixed	3.5 %	283	1,469	1,281	18,117
Seller financing of Nuevo Puerto Santa Fe S.A. (iii)	Unsecured	US$	Fixed	7.44 %	269	-	7,417	-
Finance lease obligations	Secured	US$	Fixed	7.5 %	792	575	944	-
Related party (Note 31)	Unsecured	Ps.	Floating	Badlar	78,079	83,476	-	-
Current borrowings						806,724	557,896	667,587
Total borrowings						3,425,713	2,606,293	2,392,859

CN: Convertible Notes.
NCN: Non-convertible Notes

(i) Seller financing of Soleil Factory (investment properties): Mortgage financing of US$ 20.7 million with a fixed 5% interest rate due in June 2017.

(ii) Seller financing - Arcos del Gourmet S.A. (intangible assets).

(iii) Seller financing - Nuevo Puerto Santa Fe S.A. (investment properties): Financing of US$ 4.5 million without interest paid in 19 installments due in February 2013.

(iv) Seller financing of Zetol S.A. (trading properties): Mortgage financing of US$ 7 million with a fixed 3.5% interest rate. The balance is payable, by choice of the seller, in money or with the delivery of units in buildings to be built representative of 12% of the total marketable square meters built.

(v) On November 16, 2012, the Group executed a syndicated loan for Ps. 118 million with several banks, including Banco Hipotecario. Principal will be payable in 9 quarterly consecutive installments.

(vi) On December 12, 2012, the Group subscribed a loan with Banco Provincia de Buenos Aires for Ps. 29 million. Principal will be repaid in 9 quarterly consecutive installments beginning in December 2013.

(vii) Seller financing of plot of land - Vista al Muelle S.A. in Canelones, Uruguay (Trading properties). Nominal value US$ 1.800 with a fixed 3,5% interest rate annual.

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22. Current and deferred income tax

The details of the provision for the Group's income tax, were as follows:

	03.31.2013	03.31.2012
Current income tax	(159,049)	(151,864)
Deferred income tax	77,956	60,568
Income tax gain	(81,093)	(91,296)

The gross movement on the deferred income tax account was as follows:

	03.31.2013	06.30.2012
Beginning of the period / year	(376,977)	(467,129)
Acquisition of subsidiary	(26,103)	-
Currency translation adjustment	3,096	-
Income tax and deferred income tax	77,956	90,152
End of the period / year	(322,028)	