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

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K/A

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

For the month of December, 2012

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
(THE “COMPANY”)

REPORT ON FORM 6-K/A

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

IRSA Inversiones y Representaciones Sociedad Anónima

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

Legal information

Denomination: IRSA Inversiones y Representaciones Sociedad Anónima.

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

Company activity: Real estate investment and development

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

Date of registration of the By-laws in the Public Registry of Commerce: June 23, 1943.

Date of registration of last amendment of the by-laws in the Public Registry of Commerce: February 12, 2008.

Registration number with the Superintendence: 213,036

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

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

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

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

Main activity: Agricultural, livestock, and real estate

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

Capital stock: 373,267,973 common shares

	CAPITAL STATUS	
Type of stock	Authorized for Public Offer of Shares (*)	Subscribed, Issued and Paid up Ps.
Common stock with a face value of Ps.1 per share and entitled to 1 vote each	578,676,460	578,676

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

IRSA Inversiones y Representaciones Sociedad Anónima
Unaudited Condensed Interim Consolidated Statements of Financial Position
as of September 30, 2012 and June 30, 2012 and July 1, 2011
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

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

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

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

Inversiones y Representaciones Sociedad Anónima

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

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IRSA Inversiones y Representaciones Sociedad Anónima
Unaudited Condensed Interim Consolidated Statements of Income for the three-month periods ended September 30, 2012 and 2011
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

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

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

Inversiones y Representaciones Sociedad Anónima

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

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IRSA Inversiones y Representaciones Sociedad Anónima
Unaudited Condensed Interim Consolidated Statements of Comprehensive Income for the three-month periods ended September 30, 2012 and 2011
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

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

(i)Components of other comprehensive income have no impact on income tax.

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

Inversiones y Representaciones Sociedad Anónima

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

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IRSA Inversiones y Representaciones Sociedad Anónima
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity for the three-month periods ended
September 30, 2012 and 2011
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

	Attributable to equity holders of the parent										
	Share capital	Inflation Adjustment of Share Capital	Share Premium	Reserve for acquisition of Non-controlling interest	Cumulative translation adjustment reserve	Reserve for share-based compensation	Legal reserve	Other reserves	Retained earnings	Subtotal	Non-co int
Balance at July 1, 2012	578,676	274,387	793,123	(15,714)	14,502	2,595	71,136	419,783	510,853	2,649,341	390
Profit for the period	-	-	-	-	-	-	-	-	41,142	41,142	9,6
Others comprehensive income for the period	-	-	-	-	10,490	-	-	-	-	10,490	-
Total comprehensive income for the period	-	-	-	-	10,490	-	-	-	41,142	51,632	9,6
Reserve for share-based compensation	-	-	-	-	-	1,668	-	-	-	1,668	61
Acquisition of non-controlling interest	-	-	-	(334)	-	-	-	-	-	(334)	-
Dividends distribution of subsidiaries	-	-	-	-	-	-	-	-	-	-	(10
Capital Contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-	1,7
Balance at September 30, 2012	578,676	274,387	793,123	(16,048)	24,992	4,263	71,136	419,783	551,995	2,702,307	391

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

Inversiones y Representaciones Sociedad Anónima

By: /s/ Eduardo S. Elsztain

Eduardo S. Elsztain
President

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IRSA Inversiones y Representaciones Sociedad Anónima
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity for the three-month periods ended
September 30, 2012 and 2011
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

	Attributable to equity holders of the parent										
	Share capital	Inflation Adjustment of Share Capital	Share Premium	Other equity adjustment	Cumulative translation adjustment	Reserve for share-based compensation	Legal reserve	Other reserves	Retained earnings	Subtotal	No
Balance at July 1, 2011	578,676	274,387	793,123	-	-	-	57,031	391,262	656,525	2,751,004	
Loss of the period	-	-	-	-	-	-	-	-	(112,029)	(112,029)	
Other comprehensive income for the period	-	-	-	-	4,738	-	-	-	-	4,738	
Total comprehensive income for the period	-	-	-	-	4,738	-	-	-	(112,029)	(107,291)	
Other equity adjustment	-	-	-	(15,311)	-	-	-	-	-	(15,311)	
Capital reduction	-	-	-	-	-	-	-	-	-	-	
Reserve for share-based compensation	-	-	-	-	-	1,711	-	-	-	1,711	
Balance at September 30, 2011	578,676	274,387	793,123	(15,311)	4,738	1,711	57,031	391,262	544,496	2,630,113	

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

Inversiones y Representaciones Sociedad Anónima

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

IRSA Inversiones y Representaciones Sociedad Anónima
Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the three-month periods ended September 30, 2012 and 2011
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

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

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

Inversiones y Representaciones Sociedad Anónima

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

1. The Group's business and general information

IRSA Inversiones y Representaciones Sociedad Anónima ("IRSA" or "the Company") was founded in 1943 engaged in a diversified range of real estate activities in Argentina since 1991.

IRSA and its subsidiaries are collectively referred to hereinafter as "the Group".

As of September 30, 2012, the Group operates in six business segments. See Note 5 for a description of the Group's segments.

The Group's real estate business operations are conducted primarily through IRSA and IRSA's principal subsidiary, Alto Palermo S.A. ("APSA"). Through APSA, the Group primarily owns, manages and develops shopping centers across Argentina. The Group primarily owns, manages and develops a portfolio of office and other rental properties in Buenos Aires, the capital of Argentina. Through IRSA or APSA, the Group also develops residential properties for sale. The Group, through IRSA, is also involved in the operation of branded hotels. The Group uses the term "real estate" indistinctively in these consolidated financial statements to denote investment, development and/or trading properties activities.

The Group's segment "Financial operations and others" is carried out mainly through Banco Hipotecario S.A. ("BHSA"), where IRSA has a 30.51% interst. BHSA is a commercial bank offering a wide variety of banking activities and related financial services to individuals, small and medium-sized companies and large corporations, including the provision of mortgaged loans. BHSA's shares are listed on the Buenos Aires Stock Exchange ("BASE"). Besides that, APSA has a 11.54 % interest in Tarshop S.A ("Tarshop") which main activities are credit card and loan origination transactions.

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

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

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

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

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

2.1 Basis of preparation and transition to IFRS

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

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

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

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

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

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

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

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

2.2 Initial elections upon adoption of IFRS

IFRS exemption options

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

Exemption for business combinations

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

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

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

Exemption for deemed cost

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

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

Exemption for accumulated exchange differences

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

Exemption for compound financial instruments

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

Exemption for borrowing costs

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

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

Exemption for assets and liabilities of subsidiaries

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

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

IFRS mandatory exceptions

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

Exemption for estimates

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

Exemption for non-controlling interests

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

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

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

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

2.3 Reconciliations of Argentine GAAP to IFRS

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

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

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

IRSA Inversiones y Representaciones Sociedad Anónima
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

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

2.3.1. Summary of equity

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

2.3.1. Summary of profit / (loss)

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

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

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

2.3.1. Summary of other comprehensive income

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

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

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

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

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

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

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Reclassifications III	Measurement adjustments IV	IFRS balances V
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	-	-	(34,124)	-
Retained earnings	185,084	-	-	471,441	656,525
Equity attributable to equity holders of the parent company	2,313,687	-	-	437,317	2,751,004
Non-controlling interest	304,932	-	-	26,677	331,609
TOTAL SHAREHOLDERS' EQUITY	2,618,619	-	-	463,994	3,082,613
LIABILITIES					
Non-Current Liabilities					
Trade and other payables	132,565	(488)	-	17,278	149,355
Borrowings	1,756,919	(31,647)	-	-	1,725,272
Deferred income tax liabilities	476,864	(7,580)	-	15,748	485,032
Provisions	12,881	-	-	-	12,881
Total Non-Current Liabilities	2,379,229	(39,715)	-	33,026	2,372,540
Current Liabilities			-		
Trade and other payables	525,242	(128,959)	-	17,903	414,186
Income tax liabilities	57,791	-	-	-	57,791
Payroll and social security liabilities	35,792	(1,703)	-	-	34,089
Borrowings	683,813	(16,116)	-	(110)	667,587
Provisions	3,119	(13)	-	-	3,106
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 shareholders' equity at September 30, 2011 (Continued)

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

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

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

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

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2. Basis of Preparation and adoption of international financial reporting standards ("IFRS") (Continued)

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

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

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

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Presentation reclassifications III	Measurement adjustments IV	IFRS balances V
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	-	-	(65,473)	14,502
Reserve for share-based compensation	2,595	-	-	-	2,595
Acquisition of non-controlling interest	-	-	-	(15,714)	(15,714)
Legal reserve	71,136	-	-	-	71,136
Other reserves	419,783	-	-	-	419,783
Retained earnings	115,604	-	-	395,249	510,853
Equity attributable to equity holders of the parent	2,335,279	-	-	314,062	2,649,341
Non-controlling interest	362,929	-	-	27,499	390,428
TOTAL SHAREHOLDERS' EQUITY	2,698,208	-	-	341,561	3,039,769
LIABILITIES					
Non-Current Liabilities					
Trade and other payables	149,923	(4,576)	-	21,309	166,656
Borrowings	2,065,826	(17,429)	-	-	2,048,397
Deferred income tax liabilities	388,318	(12,880)	-	35,794	411,232
Provisions	17,823	-	-	-	17,823
Total Non-Current Liabilities	2,621,890	(34,885)	-	57,103	2,644,108
Current Liabilities					
Trade and other payables	556,775	(82,366)	-	26,517	500,926
Income tax liabilities	104,873	(4)	-	-	104,869
Payroll and social security liabilities	40,686	(1,079)	-	-	39,607
Borrowings	575,687	(17,668)	-	(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 three-month period ended September 30, 2011

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Reclassifications III	Measurement adjustments IV	IFRS balances V
Revenues	343,725	(28,122)	111,856	4,172	431,631
Costs	(134,676)	24,949	(111,856)	17,981	(203,602)
Gross Profit / (Loss)	209,049	(3,173)	-	22,153	228,029
General and administrative expenses	(39,672)	1,151	5,056	-	(33,465)
Selling expenses	(19,874)	3,212	-	70	(16,592)
Other operating income, net	(4,447)	24	-	436	(3,987)
Gain from recognition of assets at net realizable value	13,648	(2,927)	-	(10,721)	-
Profit from Operations	158,704	(1,713)	5,056	11,938	173,985
Share of profit / (loss) of associates and joint ventures	11,476	(971)	(2,807)	(24,974)	(17,276)
Profit from Operations Before Financing and Taxation	170,180	(2,684)	2,249	(13,036)	156,709
Finance income	(12,127)	(1,262)	2,807	26,668	16,086
Finance costs	(139,089)	2,761	(5,056)	(158,596)	(299,980)
Financial results, net	(151,216)	1,499	(2,249)	(131,928)	(283,894)
Amortization of goodwill, net	5,194	-	-	(5,194)	-
Profit / (Loss) from Operations Before Financing and Taxation	24,158	(1,185)	-	(150,158)	(127,185)
Income tax expense	(18,350)	1,185	-	(3,512)	(20,677)
Profit / (Loss) for the Period	5,808	-	-	(153,670)	(147,862)
Attributable to:					
Equity holders of the parent	12,341	-	-	(124,370)	(112,029)
Non-controlling interest	(6,533)	-	-	(29,300)	(35,833)

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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 year ended June 30, 2012

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Reclassifications III	Measurement adjustments IV	IFRS balances V
Revenues	1,571,440	(136,535)	351,992	13,385	1,800,282
Costs	(575,447)	124,700	(444,148)	27,551	(867,344)
Gross Profit	995,993	(11,835)	(92,156)	40,936	932,938
Gain on the sale of investment properties	-	-	92,156	24,533	116,689
General and administrative expenses	(182, 369)	5,043	-	-	(177,326)
Selling expenses	(99,201)	12,859	-	1,569	(84,773)
Gain from recognition of assets at net realizable value	42,817	(5,914)	-	(36,903)	-
Other operating income, net	-	-	(27,496)	(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)	(13,711)	(81,751)	11,660
Profit from Operations Before Financing and Taxation	873,059	(8,544)	(41,207)	(54,867)	768,441
Amortization of goodwill, net	18,145	-		(18,145)	-
Finance income	64,287	(7,346)	13,711	26,287	96,939
Finance costs	(529,632)	13,135	-	(13,194)	(529,691)
Financial results, net	(465,345)	5,789	13,711	13,093	(432,752)
Other (expenses) / income, net	(29,376)	1,880	27,496	-	-
Profit Before Income Tax	396,483	(875)	-	(59,919)	335,689
Income tax expense	(102,682)	875	-	(9,206)	(111,013)
Profit for the year	293,801	-	-	(69,125)	224,676
Attributable to:					
Equity holders of the parent	280,082	-	-	(76,191)	203,891
Non-controlling interest	13,719	-	-	7,066	20,785

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

2.3.7. Reconciliation of comprehensive income for the three-month period ended September 30, 2011

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Reclassifications III	Measurement adjustments IV	IFRS balances V
Profit / (Loss) for the Period	5,808	-	-	(153,670)	(147,862)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation adjustment	44,022	-	-	(39,284)	4,738
Other comprehensive income for the period	44,022	-	-	(39,284)	4,738
Total comprehensive income for the period	49,830	-	-	(192,954)	(143,124)
Attributable to:					
Equity holders of the parent	56,363	-	-	(163,654)	(107,291)
Non-controlling interest	(6,533)	-	-	(29,300)	(35,833)

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

	Argentine GAAP balances I	Deconsolidation of joint ventures II	Reclassifications III	Measurement adjustments IV	IFRS balances V
Gross Profit / (Loss)	293,801	-	-	(69,125)	224,676
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation adjustment	45,851	-	-	(31,349)	14,502
Other comprehensive income for the year	45,851	-	-	(31,349)	14,502
Total Other comprehensive income for the year	339,652	-	-	(100,474)	239,178
Attributable to:					
Equity holders of the parent	280,081	-	-	(76,190)	203,891
Non-controlling interest	59,571	-	-	(24,284)	35,287

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

2.3.9. Reconciliation of cash flows for the three-months periods ended September 30, 2011 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

	September 30, 2011	June 30, 2012
Cash generated from operating activities under Argentine GAAP	200,663	878,600
Sales of property, plant and equipment	-	(132,941)
Deconsolidation of joint ventures	(795)	(40,093)
Foreign Exchange (Gain) / Loss in cash and cash equivalents	(646)	5,361
Cash generated from operating activities under IFRS	199,222	710,927

(b) Investing activities

	September 30, 2011	June 30, 2012
Cash used in investing activities under Argentine GAAP	(160,456)	(402,324)
Acquisition of non-controlling interest in subsidiaries	7,363	8,054
Sales of property, plant and equipment	-	132,941
Deconsolidation of joint ventures	(1,505)	6,126
Cash used in investing activities under IFRS	(154,598)	(255,203)

(c) Financing activities

	September 30, 2011	June 30, 2012
Cash used in financing activities under Argentine GAAP	(63,397)	(505,410)
Acquisition of non-controlling interest in subsidiaries	(7,363)	(8,054)
Deconsolidation of joint ventures	(72)	20,858
Cash used in financing activities under IFRS	(70,832)	(492,606)

(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)

(d) Net increase / (decrease) in cash and cash equivalents

	September 30, 2011	June 30, 2012
Net decrease in cash and cash equivalents under Argentine GAAP	(23,190)	(29,134)
Foreign exchange (gain) / loss on cash and cash equivalents	(646)	5,361
Deconsolidation of joint ventures	(2,372)	(13,109)
Net decrease in cash and cash equivalents under IFRS	(26,208)	(36,882)

2.3.10. 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 historical Argentine GAAP accounting policies and the current IFRS accounting policies 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.

Column I in the tables 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 1, 2011), and in the Company's Argentine GAAP financial statements for the three-month period ended September 30, 2011. However, certain reclassifications and/or groupings have already been made in Column I to avoid lengthy explanations of certain format changes introduced in these first 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".

(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 "Investments" have been disclosed as separate assets or liabilities as appropriate.

(6) Investments in associates 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 statement of comprehensive income for the year ended June 30, 2012 and for the three-month period ended September 30, 2011:

(1) The format of the income statement 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 accounting standards in force, the share of losses and profits from associates is shown after the financial income (expense) line, on the grounds that they arise from an investment type of activity. Likewise, under IFRS, the share of profits and losses from associates 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 controlled companies 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 income (expenses), in Column I.

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

(3) Non-controlling interests in the income of a consolidated subsidiary which was previously classified as a component of net earnings within the income statement has been presented as an allocation of net earnings 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 accounting standards in force, financial income (expense) is broken down depending on whether it is generated by assets or liabilities. Under the IFRSs, the Group has adopted the criterion of showing financial income and financial expenses on different lines in the income statement. 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 expense" 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 comprehensive income statement 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.

2.3.10.1 Deconsolidation of joint ventures (Column II)

Argentine GAAP – Entities in which the Group has joint control are proportionately consolidated. As of July 1, 2011, the Group's joint ventures 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.

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 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 or loss of associates and joint ventures" on the statement of income. The impact of the IFRS adjustments on joint venture balances in further discussed in Note 2.3.10.2 below.

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

2.3.10.2 Presentation reclassifications (Column III)

Presentation reclassifications affecting the statement of financial position

The column titled "IFRS Reclassifications" reflects the various differences in content 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 amounts. The impact of the IFRS adjustments on reclassified balances is included in Column IV titled "IFRS Measurement Adjustments" and is further discussed in Note 2.3.10 below. Unless otherwise stated, these presentation reclassifications affect both the statement of financial position as at transition date, i.e. July 1, 2011, September 30, 2011 and June 30, 2012

(a) Investment properties

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.

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.

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

(b) Trading properties

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

IFRS – Trading properties are inventories under IAS 2 "Inventories". The Group also has harvested, 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 property 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 the Group's right to receive residential apartments to be constructed by a third-party developer are not financial assets under IFRS. These in-kind receivables are similar to trading property 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.

(e) Current investments – 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".

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

(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 property, 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".

(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".

Presentation reclassifications affecting the income statement for the three-month period ended September 30, 2011 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 income statement. The Group's advertising and promotional costs are expensed as incurred.

(ii) Gains and losses on disposal of investment

Argentine GAAP – As part of the Group's strategy, the Group may dispose of investment property 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 scope, except for property held as an investment property or property, plant and equipment..

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

(iii) Other income and expenses

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 income and expense" under IFRS.

(iv) Investment in financial assets

Argentine GAAP– Investments in entities in which the Company does not exercise significant influence 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 equity investments at fair value through profit or loss and dividends income are recorded within "Financial results, net" in the statement of income.

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

Reclassifications affecting the statement of cash flows for the three-month period ended September 30, 2011 and for the year ended June 30, 2012

Pursuant to Argentine GAAP, the Company proportionally consolidated the joint ventures' accounts. Consequently, a difference is generated between the amount of cash and cash equivalents reported in the main statement of cash flows 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 in force, 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, revenue from sale of property, plant and equipment (including properties classified as investment properties under IFRS) were reported as operating activities. In accordance with IFRS revenue from sale of investment properties and property, plant and equipment is reported as investment 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.

2.3.10.3 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) Foreign currency translation

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 1, 2011.

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

(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 Company) 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.

(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.

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

IFRS – Trading properties are measured at the lower 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 (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, investing properties, trading properties or the formation 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 Company 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 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 Company 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 1, 2011 have not been restated, and the carrying amount of negative goodwill under IFRS as of July 1, 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 associate's 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.

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

(H) Non-current investments – 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 Company 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.

(I) Initial direct costs on operating leases

Argentine GAAP – Under Argentine GAAP, certain initial direct costs (i.e. legal, 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 deposits generally range from one to three months of lease rentals. 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.

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

(K) Impairment of financial assets

Argentine GAAP - At July 1, 2011, September 30, 2011 and June 30, 2012, the Group maintains receivables relating to credit card loans. Which receivables are carried at amortized cost. Under Argentine GAAP, the Group determined a provision 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.

(M) Investment properties

Argentine GAAP – There are not specific requirements for presentation of investment property. Accordingly, the Company includes it as part of property, plant and equipment and non-current 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 is shown as "Gain from recognition of inventories at net realizable value" in the statement of income.

IFRS –Trading 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 and significant risk and rewards. For conditional exchanges, sales are recognized when these conditions are satisfied.

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

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

Argentine GAAP - Investments in entities in which the Company 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 at June 30, 2012, the associates of the Company are Banco Hipotecario S.A., Banco de Crédito & Securitización S.A., Manibil S.A., New Lipstick LLC, Lipstick Management LLC, Rigby 183 LLC, Tarshop S.A. and Bitania 26 S.A.

IFRS - The Company 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 Company also accounts for these investments under the equity method of accounting. However, the Company 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.

Following is a description of the most significant IFRS adjustments to the equity 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 1, 2011 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.

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

- Under Argentine GAAP, the provision 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 1, 2011 and June 30, 2012:

- 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 expense 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.

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

(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 Company reflect the Company'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. 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 at 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.

Following is a description of the most significant IFRS adjustments to the net 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:

-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.

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

- 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 Company 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 1, 2011 have not been restated.

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

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.

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

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) Foreign currency translation

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 under the line item "Financial results, net". 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.

(S) Deferred income taxes

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.

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

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 preparation of these Unaudited Condensed Interim Consolidated Financial Statements are consistent with those applied in the preparation of the information under IFRSs as of June 30, 2012, which is described in Exhibit I attached hereto and are based upon such IFRSs 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.

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.

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

2.6 Seasonal effects on operations

The operations of the Group's shopping centers are also subject to seasonal effects, which affects 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 December (Christmas) 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

As of August, 2012, the Group, through E-Commerce Latina S.A., acquired an additional equity interest of 0.038% in APSA for a total consideration of US$ 0.124 million. The book value of the non-controlling interest in APSA as of the date of the acquisition was Ps. 36 million (which represents an interest of 4.43%). As a result of this transaction, the non-controlling interest was reduced by Ps. 1 million and the interest attributable to the shareholders' of the controlling parents was reduced by Ps. 1 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	924
Price paid for the non-controlling interest	(590)
Reserve created due to the acquisition recognized in the parent's equity	334

Disposal of financial assets at fair value through profit or loss

In September 2012 the Group sold 2,000,000 ordinary shares of Hersha for a total amount of US$ 9.7 million. Accordingly, the Group's interest in Hersha decreased from 9.13% to 8.12% at September 30, 2012.

3. Acquisitions and disposals (Continued)

Significant sales of investment properties

On August 31, 2012, the Group sold through IRSA several functional units of the building "Libertador 498" in the 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. As a result of the transaction, the company posted income of Ps. 12.7 million.

On September 14, 2012, the Group sold through IRSA 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. As a result of the transaction the company posted income of Ps. 18.4 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 foreing currency risk, interest rate risk and price risk) credit risk, liquidity risk and capital risk.

The Exhibit I to the Unaudited Condensed Interim Consolidated Financial Statements provides information on financial risk management as of June 30, 2012 and July 1, 2011. Since June 30 of 2012 there have been no 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 reclassifications of financial assets.

Additionally, 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 instruments.

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5. Segment information

Below is a summarized analysis of the lines of business of the Group for the period ended September 30, 2012:

	September 30, 2012						
	Shopping Center Properties	Offices	Sales and developments	Hotels	International	Financial operation and others	Total
Revenues	358,842	70,328	52,503	53,793	-	693	536,159
Costs	(172,773)	(28,691)	(39,113)	(40,529)	-	(258)	(281,364)
Gross Profit	186,069	41,637	13,390	13,264	-	435	254,795
Gain from disposal of investment property	-	-	31,069	-	-	-	31,069
General and administrative expenses	(14,664)	(6,958)	(6,981)	(12,348)	(3,241)	-	(44,192)
Selling expenses	(11,809)	(2,807)	(5,044)	(6,990)		(546)	(27,196)
Other operating expense, net	(2,815)	(2,500)	(2,230)	250	(2,084)	193	(9,186)
Profit / (Loss) from Operations	156,781	29,372	30,204	(5,824)	(5,325)	82	205,290
Share of profit / (loss) of associates and joint ventures	78	-	564	43	(18,335)	30,626	12,976
Segment Profit / (Loss)	156,859	29,372	30,768	(5,781)	(23,660)	30,708	218,266
Investment properties, net	2,021,496	905,081	474,655	-	-	-	3,401,232
Property, plant and equipment, net	14,613	29,617	3,761	178,629	199	-	226,819
Trading properties	-	-	185,588	-	66,591	-	252,179
Goodwill	343	5,481	-	-	-	-	5,824
Inventories	11,312	-	484	5,932	-	-	17,728
Investments in associates and joint ventures	-	-	25,958	21,299	104,192	1,056,204	1,207,653
Operating assets	2,047,764	940,179	690,446	205,860	170,982	1,056,204	5,111,435

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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 September 30, 2011:

	September 30, 2011						
	Shopping Center Properties	Offices	Sales and developments	Hotels	International	Financial operation and others	Total
Revenues	304,557	58,169	55,433	39,556	-	2,065	459,780
Costs	(145,527)	(22,937)	(34,325)	(25,316)	-	(749)	(228,854)
Gross Profit	159,030	35,232	21,108	14,240	-	1,316	230,926
General and administrative expenses	(13,070)	(4,992)	(5,268)	(9,042)	(1,820)	-	(34,192)
Selling expenses	(5,526)	(3,009)	(5,127)	(5,382)	-	(632)	(19,676)
Other operating income (expense), net	1,155	(2,655)	488	(52)	42	(153)	(1,175)
Profit / (Loss) from Operations	141,589	24,576	11,201	(236)	(1,778)	531	175,883
Share of profit / (loss) of associates and joint Ventures	(85)	-	600	-	(20,459)	3,259	(16,685)
Segment Profit / (Loss	141,504	24,576	11,801	(236)	(22,237)	3,790	159,198

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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.

		September 30, 2012	
	As per Total Segment Information	Adjustment for share of profit (loss) of joint ventures	As per Statements of Income
Revenue	536,159	(49,848)	486,311
Costs	(281,364)	38,222	(243,142)
Gross Profit / (Loss)	254,795	(11,626)	243,169
Gain from disposal of investment properties	31,069	-	31,069
General and administrative expenses	(44,192)	659	(43,533)
Selling expenses	(27,196)	3,559	(23,637)
Other operating income/(expense), net	(9,186)	60	(9,126)
Profit / (Loss) from Operations Before Share of Profit / (Loss) of Associates and Joint Ventures	205,290	(7,348)	197,942
Share of profit of associates and joint ventures	12,976	3,720	16,696
Profit / (Loss) from Operations Before Financing and Taxation	218,266	(3,628)	214,638

		September 30, 2011	
	As per Total Segment Information	Adjustment for share of profit/ (loss) of joint ventures	As per Statements of Income
Revenue	459,780	(28,149)	431,631
Costs	(228,854)	25,252	(203,602)
Gross Profit / (Loss)	230,926	(2,897)	228,029
General and administrative expenses	(34,192)	727	(33,465)
Selling expenses	(19,676)	3,084	(16,592)
Other operating income/ (expense), net	(1,175)	(2,812)	(3,987)
Profit / (Loss) from Operations Before Share of Profit / (Loss) of Associates and Joint Ventures	175,883	(1,898)	173,985
	(16,685)	(591)	(17,276)

Share of profit / (loss) of associates and joint ventures			
Profit / (Loss) from Operations Before Financing and Taxation	159,198	(2,489)	156,709

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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.

	September 30, 2012
Total reportable assets as per Segment Information	5,111,435
Investment properties	(154,570)
Property, plant and equipment	(132)
Trading propertyies	(74,984)
Interests in associates and joint venture	229,664
Total assets as per the Statements of Financial Position	5,111,413

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			Panamerican Mall S.A.		
	September 30, 2012	June 30, 2012	July 1, 2011	September 30, 2012	June 30, 2012	July 1, 2011
Assets						
Non-current assets	2,639,976	2,186,603	2,103,243	638,144	635,283	650,155
Current assets	654,816	548,949	522,250	146,486	118,044	64,423
Total assets	3,294,792	2,735,552	2,625,493	784,630	753,327	714,578
Liabilities						
Non-current liabilities	1,295,327	1,208,701	1,155,633	29,083	22,855	24,682
Current liabilities	529,451	558,024	538,929	52,732	41,075	31,438
Total liabilities	1,824,778	1,766,725	1,694,562	81,815	63,930	56,120
Net assets	1,470,014	968,827	930,931	702,815	689,397	658,458

Summarized statements of income and statements of comprehensive income

	APSA		Panamerican Mall S.A.	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Revenue	363,217	328,678	44,757	38,505
Profit before income tax	125,638	136,661	20,416	14,333

Income tax expense	(58,286)	(46,397)	(7,813)	(5,293)
Total comprehensive income	62,817	87,384	12,603	9,040
Profit attributable to non-controlling interest	5,071	2,702	2,521	1,808
Dividends paid to non-controlling interest	-	-	-	-

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

6. Information about principal subsidiaries (Continued)

Summarized cash flows

	APSA		Panamerican Mall S.A.	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Net cash generated from operating activities	222,315	174,552	38,539	25,796
Net cash used in investing activities	(177,899)	(31,271)	(48,080)	(1,805)
Net cash used in financing activities	(47,991)	(74,708)	(137)	(2,751)
Net (decrease) / increase in cash and cash equivalents	(3,575)	68,573	(9,678)	21,240
Foreign exchange gain /(loss) on cash and cash equivalents	(1,480)	(1,163)	718	(34)
Cash and cash equivalents at beginning of year	102,698	145,552	29,885	486
Cash and cash equivalents at end of year	97,643	212,962	20,925	21,692

(i) Includes consolidated financial information of APSA.

The information above is the amount before inter-company eliminations.

7. Interests in joint ventures

As of September 30, 2012 and June 30, 2012, 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. and Nuevo Puerto Santa Fe (NPSF). The shares in these joint ventures are not publicly traded.

Changes in the Group’s investments in joint ventures for the three-month period ended September 30, 2012 and for the year ended June 30, 2012 were as follows:

	September 30, 2012	June 30, 2012
Beginning of the period / year	228,970	193,666
Acquisition of joint ventures	-	62,486
Capital contribution	7,570	15,850
Disposal of joint ventures	-	(19,448)
Share of Profit / (Loss)	4,331	(23,584)
End of the period / year	240,871	228,970

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

8. Interests in associates

As of September 30, 2012 and June 30, 2012, the associate of the Group are 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..

Changes in the Group's investments in associates for the three-month period ended September 30, 2012 and for the year ended June 30, 2012 were as follows:

	September 30, 2012	June 30, 2012
Beginning of the period / year	1,216,845	1,179,549
Acquisition of associates	-	6,166
Share of Profit	12,365	35,244
Exchange differences	1,048	(4,114)
Dividend payments	(33,813)	-
End of the period / year	1,196,445	1,216,845

Distribution of dividends of BHSA

On September 27, 2012 and after obtaining the Argentine Central Bank's approval for the distribution of cash dividends as resolved by the General Regular Shareholders' Meeting held on April 13, 2011, the Board of Directors of BHSA decided to make available to shareholders dividends in the amount of Ps. 100 as from October 10, 2012 for the year ended December 31, 2010. As of September 30, 2012, the Group shows dividends receivable in the amount Ps. 30.5 pursuant to its shareholdings, which amount was collected in October 2012.

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

9. Investment properties

Changes in the Group's investment properties for the three-month period ended September 30, 2012 and for the year ended June 30, 2012 were as follows:

	September 30, 2012	June 30, 2012
Beginning of the period / year	3,275,226	3,340,081
Additions	36,767	108,863
Disposals	(22,230)	(38,889)
Depreciation charge (i)	(43,101)	(134,829)
End of the period / year	3,246,662	3,275,226

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

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

	September 30, 2012	September 30, 2011
Rental and service income	424,198	360,247
Direct operating expenses	(199,100)	(167,870)

10. Property, plant and equipment, net

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

	September 30, 2012	June 30, 2012
Beginning of the period / year	228,033	235,245
Additions	5,832	16,170
Disposals	(643)	-
Depreciation charge (i) (Note 26)	(6,535)	(23,382)
End of the period / year	226,687	228,033

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

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11. Trading properties

Changes in the Group's trading property for the three-month period ended September 30, 2012 and for the year ended June 30, 2012 were as follows:

	September 30, 2012	June 30, 2012
Beginning of the period / year	176,823	181,991
Additions	2,230	15,399
Sales	(1,858)	(20,567)
End of the period / year	177,195	176,823

12. Intangible assets, net

Changes in the Group's intangible assets for the three-month period ended September 30, 2012 and for the year ended June 30, 2012 were as follows:

	September 30, 2012	June 30, 2012
Beginning of the period / year	29,389	31,900
Additions	254	711
Disposals	-	(2,960)
Amortization change (i)	(812)	(262)
End of the period / year	28,831	29,389

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

13. Inventories

Group's inventories as of September 30, 2012, June 30, 2012 and July 1, 2011 were as follows:

	September 30, 2012	June 30, 2012	July 1, 2011
Current			
Hotel supplies	5,933	4,792	3,575
Materials and good for resale	11,795	10,867	3,245
Current inventories	17,728	15,659	6,820
Total inventories	17,728	15,659	6,820

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

14. Trade and other receivables, net

Group's trade and other receivables, as of September 30, 2012, June 30, 2012 and July 1, 2011 were as follows:

	September 30, 2012	June 30, 2012	July 1, 2011
Non-current			
Trade, leases and services receivable	47,435	52,339	29,403
Mortgage receivable (i)	2,208	2,208	2,208
Less: provision for impairment of trade receivables	(2,208)	(2,208)	(2,208)
Non-current trade receivables, net	47,435	52,339	29,403
VAT receivables	38,665	33,942	48,214
Minimum Presumed Income Tax ("MPIT")	110,753	103,263	78,387
Other tax receivables	192	1,346	1,103
Advance payments	2,474	2,980	3,114
Advance payments for the acquisition of interest in associates	23,485	-	-
Others	1,968	1,592	3,958
Non-current other receivables, net	177,537	143,123	134,776
Related parties (Note 31)	933	910	830
Non-current trade and other receivables, net	225,905	196,372	165,009

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14. Trade and other receivables, net (Continued)

	September 30, 2012	June 30, 2012	July 1, 2011
Current			
Consumer financing receivables	15,459	15,992	75,117
Leases and services receivables	178,825	180,113	146,277
Receivables from hotel operations	14,355	14,106	9,954
Checks to be deposited	122,585	126,809	94,890
Notes receivables	6,394	8,317	5,987
Trade and lease debtors under legal proceedings	48,349	46,208	48,954
Less: provision for impairment of trade receivables	(68,370)	(65,899)	(117,552)
Current trade receivables, net	317,597	325,646	263,627
Income tax credit	1,905	-	-
VAT receivables	13,826	20,196	27,607
Gross sales tax credit	3,890	-	-
Income tax prepayments	-	4,154	2,370
MPIT	59	732	226
Other tax receivables	2,626	1,537	4,314
Loans granted	3,978	11,155	-
Prepaid expenses	42,267	47,284	40,687
Expenses and services to recover	3,851	-	-
Advance from vendors	45,902	21,056	14,595
Dividends received	4,728	-	-
Others	10,107	6,881	19,437
Current other receivables, net	133,139	112,995	109,236
Related parties (Note 31)	84,550	37,226	47,132
Current trade and other receivables, net	535,286	475,867	419,995
Total trade and other receivables, net	761,191	672,249	584,789

(i) It pertains to a mortgage-backed loan granted to a third party. During the year 2011, this debtor went bankrupt. Following the opinion of its legal advisors, the Group recorded aprovision for impairment of receivables for the full balance.

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14. Trade and other receivables, net (Continued)

Movements on the Group's provision for impairment of trade receivables are as follows:

	September 30, 2012	June 30, 2012
Beginning of the period / year	68,107	119,760
Additions	5,849	15,554
Unused amounts reversed	(3,280)	(8,590)
Used during the period / year	(98)	(58,617)
End of the period / year	70,578	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 provision account are generally written off, when there is no expectation of recovering additional cash.

15. Investments in financial assets

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

	September 30, 2012	June 30, 2012	July 1, 2011
Non-current			
Investment in equity securities in TGLT S.A. (i)	68,296	65,131	68,656
Investment in equity securities in Hersha (ii)	370,676	432,770	355,942
Preferred shares of Supertel (iii)	135,748	117,488	-
Don Mario S.G.R.	10,345	10,000	-
Government bonds related parties and others	27,069	30,271	8,078
Non-current portion	612,134	655,660	432,676
Current			
Mutual funds (Note 31)	184,586	57,955	60,061
Mortgage bonds	509	496	477
Government bonds related parties and others	12,026	-	-
Government bonds	-	9	12
Other securities in public companies	688	20,449	4,526
Current portion	197,809	78,909	65,076
Total Investments in finacial assets	809,943	734,569	497,883

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15. Financial assets at fair value through profit or loss (Continued)

(i) On November 4, 2010, the Group, through APSA, acquired 5,214,662 shares of common stock of TGLT S.A. ("TGLT") following TGLT initial public offering in the Buenos Aires Stock Exchange for Ps. 47.1 million in cash. TGLT is a residential housing developer with operations in Argentina and Uruguay. Following the initial acquisition, at certain dates in December 2010, January 2011, April 2011, and August 2011, the Group acquired 42,810, 98,000, 876,474 and 262,927 additional TGLT shares for an aggregate of Ps. 56 million. As of June 30, 2012 and 2011, the Group's interest in TGLT amounted to 9.25% and 8.87%, respectively.
(ii) As of June 30, 2012 and July 1, 2011, the balances consists of the Group's interest in Hersha of 9.13% and 9.18%, respectively; a Real Estate Investment Trust (REIT) listed in the NYSE, with interests in hotels throughout the United States of America. As of the date of these financial statements, the Group has transferred to Citibank N.A. 2,000,000 shares to back a loan of US$ 5 million.
(iii) The balance represents the fair value of Supertel's Preferred Shares purchased in February 2012 (for more information, see Note 2 to Exhibit I).

16. Derivative financial instruments

Group's derivative financial instruments for the three-month period ended September 30, 2012, June 30, 2012 and July 1, 2011 were as follows:

	September 30, 2012	June 30, 2012	July 1, 2011
Assets			
Non-current			
Hersha call option (i)	-	-	60,442
Warrants de Supertel (ii)	21,421	18,434	-
Non-current portion	21,421	18,434	60,442
Total assets	21,421	18,434	60,442
Liabilities			
Current			
Foreign-currency futures	1,572	-	-
Current portion	1,572	-	-
Total liabilities	1,572	-	-

(i) As of July 1, 2011, the balance represents the fair value of the call option on 5.7 million worth of Hersha's shares, at its original exercise price of August 4, 2014 (US$3 per share). Under the agreement, starting on August 4, 2011, if the quoted market price of Hersha's share exceeded US$ 5.00 per share during 20 consecutive trading sessions, Hersha could settle the call option by issuing and delivering a variable amount of shares to be determined in accordance with certain market values. In February 2012, Hersha exercised the option by issuing 2.5 million common shares (which represents a 1.7% equity interest).

(ii) The balance represents the fair value of Supertel's warrants purchased in February 2012 (for more information, see Note 2 to Exhibit I).

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17. Cash flow information

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

	September 30, 2012	June 30, 2012	July 1, 2011
Cash at bank and on hand	273,635	234,519	161,193
Mutual funds.	7,707	24,650	140,366
Total cash and cash equivalents	281,342	259,169	301,559

Following is a detailed description of cash flows generated by the Group's operations for the three-month periods ended September 30, 2012 and 2011.

	September 30, 2012	September 30, 2011
Profit / (loss) for the period	50,810	(112,029)
Adjustments for:		
Income tax expense	35,625	20,677
Retirement of obsolete properties	643	-
Depreciation and amortization	50,447	43,098
Loss / (gain) from disposal of investment properties	(31,069)	-
Dividends received	(9,917)	(2,807)
Share-based payments	1,729	1,711
Gain from derivative financial instruments	6,637	180,308
Interest expense, net	72,346	61,686
Provisions and allowances	25,389	12,523
Share of (profit) / loss of associates and joint ventures	(16,696)	17,276
Unrealized foreign exchange (gain) / loss, net	60,754	33,832
Changes in operating assets and liabilities:		
Increase in inventories	(2,069)	(559)
Decrease in trading properties	56	5,247
(Increase) / decrease in trade and other receivables, net	(50,101)	3,603
Increase in derivative financial instruments	-	1,150
Increase / (decrease) in trade and other payables	83,499	(49,518)
Decrease in payroll and social security liabilities	(5,227)	(8,045)
Decrease in provisions for other liabilities	(817)	-
Net cash generated from operating activities before income tax paid	272,039	208,153

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18. Trade and other payables

Group's trade and other payables as of September 30, 2012, June 30, 2012 and July 1, 2011 were as follows:

	September 30, 2012	June 30, 2012	July 1, 2011
Non-current			
Trade payables	-	4	47
Rent payments received in advance	141,493	129,417	112,229
Non-current trade payables, net	141,493	129,421	112,276
Tax amnesty plan for income tax	18,189	15,426	17,386
Other tax payables	6,761	3,460	2,759
Deferred income	8,837	8,903	10,143
Tenant deposits	6,295	9,056	3,876
Others	3,830	370	2,481
Non-current other payables	43,912	37,215	36,645
Related parties (Note 31)	9,120	20	434
Non-current trade and other payables	194,525	166,656	149,355
Current			
Trade payables	71,664	54,267	40,923
Provisions	71,460	65,008	57,989
Rent payments received in advance	238,277	197,129	167,179
Current trade payables, net	381,401	316,404	266,091
Post-date checks granted	8,839	-	-
Tenant deposits	3,093	2,957	3,978
VAT payables	22,306	24,980	21,615
MPIT	1,908	8,683	11,435
Deferred revenue	645	266	1,075
Other tax liabilities	21,713	21,707	26,677
Dividends payable	-	34,724	-
Others	10,103	7,330	22,071
Current other payables, net	68,607	100,647	86,851
Related parties (Note 31)	87,807	83,875	61,244
Current trade and other payables	537,815	500,926	414,186
Total trade and other payables	732,340	667,582	563,541

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19. Payroll and social security liabilities

Group’s Payroll and social security liabilities as of September 30, 2012, June 30, 2012 and July 1, 2011 were as follows:

	September 30, 2012	June 30, 2012	July 1, 2011
Current			
Provision for vacation and bonuses	18,811	30,323	25,681
Social security payable	14,892	6,584	7,545
Others	2,062	2,700	863
Current payroll and social security liabilities	35,765	39,607	34,089
Total payroll and social security liabilities	35,765	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	Others	Total
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	5,730	163	7	5,900
Recovery	(1,257)	(205)	-	(1,462)
Used during the period	(804)	-	(13)	(817)
At September 30, 2012	21,997	1,528	365	23,890

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20. Provisions (Continued)

The analysis of total provisions is as follows:

	September 30, 2012	June 30, 2012	July 1, 2011
Non-current	18,312	17,823	12,881
Current	5,578	2,446	3,106
	23,890	20,269	15,987

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21. Borrowings

The breakdown of the Group borrowings as of September 30, 2012, June 30, 2012 and July 1, 2011 was as follows:

	Secured / unsecured	Currency	Fixed / Floating	Effective interest rate %		Book value September 30, 2012	Book value June 30, 2012	Book value July 1, 2011
Non-current								
APSA CN due 2014	Unsecured	US$	Fixed	10.00	%	38	39	4,640
IRSA NCN due 2017	Unsecured	US$	Fixed	8.50	%	684,888	675,843	612,419
APSA NCN Series I due 2017	Unsecured	US$	Fixed	7.87	%	500,101	480,964	432.,591
IRSA NCN due 2020	Unsecured	US$	Fixed	11.50	%	686,408	661,078	598,116
IRSA NCN due 2013	Unsecured	Ps.	Floating	Badlar + 2.49	%	-	51,032	-
IRSA NCN due 2014	Unsecured	US$	Fixed	7.45	%	79,392	114,665	-
Seller financing of Soleil Factory goodwill	(i)					40,857	38,689	35,125
Seller financing of Arcos del Gourmet S.A.	(ii)					1,401	1,530	-
Seller financing of Zetol S.A.	(iv)					24,967	24,077	14,796
Long term loans and others						-	-	27,585
Finance lease obligations						342	480	-
Non-current borrowings						2,018,394	2,048,397	1,725,272

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21. Borrowings (Continued)

	Secured / unsecured	Currency	Fixed / floating	Effective interest rate %		Book value September 30, 2012	June 30, 2012	July 1, 2012
Current								
APSA NCN Series II due 2012	Unsecured	Ps.	Fixed	11	%	-	-	28,889
IRSA NCN due 2017	Unsecured	US$	Fixed	8.5	%	9,107	23,175	20,960
APSA NCN Series I due 2017	Unsecured	US$	Fixed	7.875	%	14,515	4,555	4,490
IRSA NCN due 2020	Unsecured	US$	Fixed	11.5	%	15.050	34,003	30,800
IRSA NCN due 2013	Unsecured	Ps.	Floating	Badlar + 2.49	%	155,443	102,889	-
IRSA NCN due 2014	Unsecured	US$	Fixed	7.45	%	79,751	38,278	-
Bank overdrafts						196,254	195,270	420,032
Short term loans						89,704	126,653	139,585
Seller financing of Soleil Factory goodwill	(i)					746	2,854	4,714
Seller financing of Arcos del Gourmet S.A.	(ii)					10,934	10,235	-
Seller financing of Zetol S.A.	(iv)					12,257	11,623	18,117
Seller financing of Nuevo Puerto Santa Fe S.A.	(iii)					3,190	7,417	-
Finance lease obligations						801	944	-
Related party						49,040		-
Current borrowings						636,792	557,896	667,587
Total borrowings						2,655,186	2,606,293	2,392,859

NCN: Non-convertible Notes.
CN: Convertible Notes.

(i) Seller financing of Soleil Factory goodwill (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) = Unsecured financing amounting to US$ 1 million plus a variable amount up to a maximum of US$ 3.5 million.

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

(iv) Seller financing of Zetol S.A. (investment 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 with the delivery of units in buildings to be built representative of 12% of the total marketable square meters built.

22. Current and deferred income tax

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

	September 30, 2012	September 30, 2011
Current income tax	65,708	145,831
Deferred income tax	(30,083)	(125,164)
Income tax expense	35,625	20,677

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

	September 30, 2012	June 30, 2012
Beginning of the period / year	(376,977)	(467,129)
Income tax expense	30,083	90,152
End of the period / year	(346,894)	(376,977)

The Group did not recognize deferred income tax assets of Ps. 49 million and Ps. 48.9 million as of September 30, 2012 and June 30, 2012, respectively. Although management believes that it will become profitable in the foreseeable future, as a result of the history of recent losses incurred during the development phase of the different Group's business operations and the lack of verifiable and objective evidence due to the limited operating history of the Group itself, the Board of Directors has determined that there is sufficient uncertainty as to the generation of sufficient income to utilize the losses within a reasonable timeframe, therefore, no deferred tax asset is recognized in relation to these losses.

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22. Current and deferred income tax (Continued)

Below is a reconciliation between income tax recognized and that which would result applying the prevailing tax rate on Profit Before Income Tax for the three-month period ended September 30, 2012 and 2011:

	September 30, 2012	September 30, 2011
Tax calculated at the tax rates applicable to profits in the respective countries	(30,252)	44,514
Permanent differences:		
Share of profit / (loss) in associates and join venture	5,843	(6,046)
Difference in deferred income tax at the beginning of the year	(14,540)	-
Others	3,324	(17,791)
Income tax expense	(35,625)	20,677

23. Dividends

The dividends paid in the period ended September 30, 2012 were Ps. 48.9 million.

Dividends for the year ended June 30, 2012 amounted to Ps. 180 million which were approved by the General Shareholders meeting as of October 31, 2012.

24. Revenue

	September 30, 2012	September 30, 2011
Base rent	180,997	146,846
Contingent rent	55,668	52,667
Admission rights	24,232	19,934
Averaging scheduled rent escalation	4,671	3,892
Parking fees	15,090	10,901
Letting fees	4,195	9,714
Service charges	130,243	111,957
Property management fee	8,255	3,759
Others	848	577
Total rental and service income	424,199	360,247
Sale of trading properties	7,625	29,763
Revenue from hotel operations	53,793	39,556
Others	694	2,065
Total other revenue	62,112	71,384
Total group revenue	486,311	431,631

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25. Costs

	September 30, 2012	September 30, 2011
Cost of rental and services	(199,100)	(167,870)
Cost of sale and development	(3,255)	(9,635)
Cost from hotel operations	(40,529)	(25,316)
Other costs	(258)	(781)
Total Group costs	(243,142)	(203,602)

26. Expenses by nature

The Group disclosed expenses the statements of income by function as part of the line items “Costs”, “General and administrative expenses” and “Selling expenses”.

The following tables provide the additional required disclosure of expenses by nature and their relationship to the function within the Group.

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26. Expenses by nature (Continued)

For the year ended September 30, 2012:

	Group Costs						
	Cost of rental and services	Cost of consumer financing	Cost of sale and development	Cost from hotel operations	General and administrative expenses	Selling expenses	Total
Lease, expenses and vacant property cost	8,020	-	498	136	-	230	8,884
Depreciation and amortization	45,503	-	-	3,304	1,678	62	50,547
Provision for impairment of receivables (charge and recovery)	-	-	-	-	-	2,983	2,983
Advertising and other selling expenses	18,907	-	-	993	1	4,313	24,214
Taxes, rates and contributions	13,632	-	300	73	1,465	11,031	26,501
Maintenance, security, cleaning, repairs and others	50,432	22	509	6,084	2,001	188	59,236
Fees and payments for services	6,617	234	19	178	6,298	736	14,082
Director´s fees	-	-	-	-	13,591	-	13,591
Salaries, Social security costs and other personnel administrative expenses	53,735	2	62	22,048	14,797	3,646	94,290
Cost of sale of properties	-	-	1,857	-	-	-	1,857
Food, beverage and other lodging expenses	-	-	-	7,365	589	155	8,109
Others	2,254	-	9	348	3,113	293	6,017
Total expenses by nature	199,100	258	3,254	40,529	43,533	23,637	310,311

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26. Expenses by nature (Continued)

For the period ended September 30, 2011:

	Group costs						
	Cost of rental and services	Cost of sale and development	Cost of consumer financing	Cost from hotel operations	Administrative expenses	Selling expenses	Total
Lease, expenses and vacant property cost	8,896	597	-	104	46	195	9,838
Depreciation and amortization	39,486	-	14	2,515	1,073	10	43,098
Provision for impairment of receivables (charge and recovery)	-	-	-	-	-	(1,864)	(1,864)
Advertising and other selling expenses	20,497	-	-	786	-	4,160	25,443
Taxes, sales and contributions	11,646	311	61	40	955	9,424	22,437
Maintenance, security, cleaning, repair and others	40,404	462	171	5,468	1,435	191	48,131
Fees and payments for services	4,264	71	521	712	6,220	1,110	12,898
Director´s fees	-	-	-	-	9,006	-	9,006
Salaries, social security costs and other personnel administrative expenses	41,928	21	14	11,457	12,479	3,057	68,956
Cost of sales of properties	-	8,168	-	-	-	-	8,168
Food, beverage and other lodging expenses	-	-	-	4,112	741	173	5,026
Others	1,110	5	-	122	1,510	136	2,883
	168,231	9,635	781	25,316	33,465	16,592	254,020

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27. Employee costs

	September 30, 2012	September 30, 2011
Salaries, bonuses, social security expenses and others	92,561	67,245
Shared-based compensation .	1,729	1,711
Total employee costs	94,290	68,956

28. Other income (expenses), net

	September 30, 2012	September 30, 2011
Tax on Shareholders' personal assets	(1.,209)	(1,208)
Donations	(1,057)	(2,285)
Judgments and others contingencies	(3,792)	(2,959)
Others	(3,068)	2,465
Total other operating income (expense), net	(9,126)	(3,987)

29. Financial results, net

	September 30, 2012	September 30, 2011
Finance income:		
- Interest income	10,782	3,786
- Foreign exchange gains, net	37,409	6,450
- Dividends income	9,917	2,807
- Fair value gains of financial assets at fair value through profit or loss	11,485	3,043
- Gain from repurchase of Non-Convertible Notes	41	-
Finance income	69,634	16,086
Finance costs:		
- Interest expense	(83,128)	(64,657)
- Foreign exchange losses, net	(88,103)	(41,881)
- Fair value loss of Financial assets at fair value through profit or loss	(15,605)	(148,042)
- Loss for disposal of financial assets at fair value through profit or loss	(987)	-
- Loss from derivative financial instruments	(1,572)	(39,674)
- Other financial costs	(8,442)	(5,726)
Finance costs	(197,837)	(299,980)
Total financial results, net	(128,203)	(283,894)

30. Shared-based payments

Established by the Group and subsidiaries

The Group incurred a charge of Ps. 1.7 million and Ps. 1.8 million for the periods ended September 30, 2012 and 2011, respectively, related to the awards granted under the Equity Incentive Plan.

Since June 30, 2012 shares granted under the Equity incentive plan have not vary.

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31. Related party transactions

The following is a summary of the balances with related parties as of September 30, 2012:

Related party	Reference	Description of transaction	Investments in Non-current financial assets	Investments in Current financial assets	Trade and other receivables Non-current	Trade and other receivables Current	Trade and other payables Non-current	Trade and other payables Current
Shareholders in general		Dividends	-	-	-	-	-	(3,111)
Consultores Assets Management S.A. (CAMSA)	4	Reimbursement of expenses	-	-	-	2,368	-	(18)
Estudio Zang, Bergel & Viñes	4	Advances	-	-	-	125	-	-
		Reimbursement of expenses	-	-	-	-	-	(5)
		Other payables	-	-	-	-	-	(5)
		Legal services	-	-	-	-	-	(867)
Fundación IRSA	4	Reimbursement of expenses	-	-	-	47	-	(2)
		Donations	-	-	-	-	-	
Museo de los Niños	4	Reimbursement of expenses	-	-	-	614	-	(18)
		Leases	-	-	-	600	-	
Directors	4	Reimbursement of expenses	-	-	-	157	-	
		Fees	-	-	-	18,580	(9,100)	(27,632)
		Convertible notes due 2014	-	-	-	-	-	
		Guarantee deposits	-	-	-	-	(20)	
Quality invest S.A.	2	Reimbursement of expenses	-	-	-	6	-	
		Management fees	-	-	-	-	-	(49)
New Lipstick LLC	3	Reimbursement of expenses	-	-	-	1,322	-	
		Capital contributions	-	-	-	-	-	

Lipstick Management LLC	3	Reimbursement of expenses	-	-	-	442	-	
IRSA Developments LP	3	Reimbursement of expenses	-	-	-	9	-	
		Capital contributions	-	-	-	-	-	(5)

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31. Related party transactions (Continued)

Related party	Reference	Description of transaction	Investments in financial assets Non-current	Investments in financial assets Current	Trade and other receivables Non-current	Trade and other receivables Current	Trade and other payables Non-current	Trade and other payables Current	Borrowings Non-current	B
Inversiones Financieras del Sur S.A.										