

IRSA INVESTMENTS & REPRESENTATIONS INC

Form 6-K

May 20, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

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

For the month of May, 2004

Irsa Inversiones y Representaciones Sociedad Anónima

(Exact name of Registrant as specified in its charter)

Irsa Investments and Representations Inc.

(Translation of registrant's name into English)

Republic of Argentina

(Jurisdiction of incorporation or organization)

Bolívar 108

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(C1066AAB)

Buenos Aires, Argentina

(Address of principal executive offices)

Form 20-F ☐* Form 40-F ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☐*

IRSA INVERSIONES Y REPRESENTACIONES SOCIEDAD ANÓNIMA

(THE COMPANY)

REPORT ON FORM 6-K

Attached is a copy of the English translation of the Quarterly Financial Statements for the period ended on March 31, 2004 filed with the *Bolsa de Comercio de Buenos Aires* and with the *Comisión Nacional de Valores*.

IRSA Inversiones y Representaciones

Sociedad Anónima and subsidiaries

Free translation of the

Unaudited Consolidated Financial Statements

For the nine-month period ended as of

March 31, 2004

In comparative format

IRSA Inversiones y Representaciones Sociedad Anónima

and subsidiaries

Unaudited Consolidated Balance Sheets as of March 31, 2004 and June 30, 2003

In thousand of pesos (Notes 1, 2 and 3)

	March 31, 2004	June 30, 2003
ASSETS		
CURRENT ASSETS		
Cash and banks	92,259	87,182
Investments (Note 8)	58,548	139,105
Mortgages and leases receivables, net (Note 5)	39,042	35,594
Other receivables (Note 6)	105,777	12,147
Inventories (Note 7)	20,460	14,575
Total Current Assets	316,086	288,603
NON-CURRENT ASSETS		
Mortgages receivables, net (Note 5)	2,717	2,777
Other receivables (Note 6)	139,397	123,926
Inventories, net (Note 7)	5,185	8,767
Investments, net (Note 8)	430,363	433,760
Fixed assets, net (Note 9)	1,210,017	1,197,521
Intangible assets, net	2,148	3,239
Subtotal Non-Current Assets	1,789,827	1,769,990
Goodwill, net	(10,521)	(5,629)
Total Non-Current Assets	1,779,306	1,764,361
Total Assets	2,095,392	2,052,964
LIABILITIES		
CURRENT LIABILITIES		
Trade accounts payable	32,353	25,805
Mortgages payable	2,144	2,100
Customer advances (Note 10)	17,732	13,212
Short term-debt (Note 11)	89,473	87,434
Salaries and social security charges	4,707	5,393
Taxes payable	15,713	9,778
Other liabilities (Note 12)	20,317	28,736
Total Current Liabilities	182,439	172,458
NON-CURRENT LIABILITIES		
Trade accounts payable	2,963	3,609
Customer advances (Note 10)	27,191	25,260
Long term-debt (Note 11)	520,804	592,104

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Taxes payable	6,972	1,684
Other liabilities (Note 12)	6,671	7,331
	<u> </u>	<u> </u>
Total Non-Current Liabilities	564,601	629,988
	<u> </u>	<u> </u>
Total Liabilities	747,040	802,446
	<u> </u>	<u> </u>
Minority interest	448,260	441,332
SHAREHOLDERS' EQUITY	900,092	809,186
	<u> </u>	<u> </u>
Total Liabilities and Shareholders' Equity	2,095,392	2,052,964
	<u> </u>	<u> </u>

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

Eduardo Sergio Elsztain

President

IRSA Inversiones y Representaciones Sociedad Anónima
and subsidiaries

Unaudited Consolidated Statements of Income

For the nine month periods beginning on

July 1, 2003 and 2002

and ended March 31, 2004 and 2003

In thousand of pesos (Notes 1, 2 and 3)

	March 31, 2004	March 31, 2003
Sales, leases and services	162,309	168,116
Cost of sales, leases and services	(87,843)	(114,259)
Gross income	74,466	53,857
Selling expenses	(12,892)	(16,375)
Administrative expenses	(28,298)	(25,742)
Subtotal	(41,190)	(42,117)
Torres de Abasto unit contracts' rescissions		5
Net loss in credit card trust	(159)	(3,778)
Results from operations and holding of real estate assets (Note 13)		10,139
Operating income (Note 4)	33,117	18,106
Amortization of goodwill	(2,198)	(3,364)
Financial results generated by assets:		
Interest income	3,846	15,505
Interest on discount by assets	1,675	
Financial results	84,036	57,651
Exchange gain (loss)	12,530	(59,071)
Loss on exposure to inflation		(13,489)
Subtotal	102,087	596
Financial results generated by liabilities:		
Interest on discount by liabilities	(331)	31,233
Discounts	7,235	26,154
Exchange (loss) gain	(12,809)	251,997
Gain on exposure to inflation		6,908
Financial expenses	(46,187)	(38,297)
Subtotal	(52,092)	277,995
Financial results, net	49,995	278,591
Net loss in related companies	(11,178)	(2,248)
Other income, net (Note 14)	438	6,893

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Income before tax and minority interest	70,174	297,978
Income tax and asset tax	(22,069)	2,884
Minority interest	(2,874)	(34,991)
Income for the period	45,231	265,871
Earning per share		
Basic (Note 24)	0.206	1.271
Diluted (Note 24)	0.123	0.601

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

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President

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Unaudited Statements of Consolidated Cash Flows (1)

For the nine month periods beginning on

July 1, 2003 and 2002

and ended March 31, 2004 and 2003

In thousand of pesos (Notes 1, 2 and 3)

	March 31, 2004	March 31, 2003
CHANGES IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as of beginning of year	187,343	28,376
Cash and cash equivalents as of end of period	103,404	201,445
Net (decrease) increase in cash and cash equivalents	(83,939)	173,069
CAUSES OF CHANGES IN CASH AND CASH EQUIVALENTS		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income for the period	45,231	265,871
Plus (less) income tax and asset tax accrued for the period	22,069	(2,884)
Adjustments to reconcile net income to cash flow from operating activities:		
Equity in earnings of affiliated companies	11,178	2,248
Minority interest in related companies	2,874	34,991
Results from repurchase O.N.		(25,093)
Allowances and provisions	140	10,115
Amortization and depreciation	49,988	69,861
Results from sale of fixed assets		(2,132)
Financial results	(62,979)	(335,412)
Changes in operating assets and liabilities:		
Decrease in current investments	4,111	13,436
Increase in non-current investments	(11,756)	(521)
Increase in mortgages and leases receivables	(8,110)	(3,486)
(Increase) / Decrease in other receivables	(3,538)	4,236
Decrease in inventory	4,606	36,688
Increase in intangible assets	(242)	
Decrease in taxes payable, salaries and social security and customer advances	(3,612)	(6,556)
Increase / (Decrease) in accounts payable	5,902	(2,434)
Increase in accrued interest	9,183	33,509
Decrease in other liabilities	(10,051)	(10,396)
Net cash provided by operating activities:	54,994	82,041
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for acquisition of subsidiary companies and equity investees, net of cash acquired		16,464

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Decrease from equity interest in subsidiary companies		(52,203)
Purchase of shares and options of Banco Hipotecario S.A.	(127,281)	
Sale of Banco Hipotecario S.A. shares	46,031	
Payment for acquisition of undeveloped parcels of land	(340)	(651)
Sale of fixed assets and intangible assets		2,132
Purchase and improvements of fixed assets	(14,703)	18,630
Net cash used in Investing activities:	(96,293)	(15,628)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short-term and long-term debt	5,800	396,699
Payment of short-term and long-term debt	(66,159)	(279,299)
Decrease in minority shareholders	(301)	
Cash contribution from minority shareholders		89
Issuance of Common Stock	23,706	
Payment of mortgages		(9,648)
Dividends paid	(4,536)	
Payment for seller financing	(1,150)	(1,185)
Net cash (used in) provided by financing activities:	(42,640)	106,656
Net (decrease) increase in cash and cash equivalents:	(83,939)	173,069

(1) Includes cash, banks and investments with a realization term not exceeding three months.

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

Eduardo Sergio Elsztain

President

IRSA Inversiones y Representaciones Sociedad Anónima

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Unaudited Statements of Consolidated Cash Flows (Continued)

For the nine month periods beginning on

July 1, 2003 and 2002

and ended March 31, 2004 and 2003

In thousand of pesos (Notes 1, 2 and 3)

	March 31, 2004	March 31, 2003
	<u>2004</u>	<u>2003</u>
Supplemental cash flow information		
Non-cash activities:		
Increase in fixed assets through a decrease in inventory	40	1,212
Increase in inventory through a decrease in fixed assets	2,606	13,879
Increase in inventory through a decrease in undeveloped parcels of lands	10,748	
Increase in fixed assets through a decrease in undeveloped parcels of lands	51,501	
Increase in intangible assets through a decrease in fixed assets	31	
Issuance of credit card receivables	4,368	2,057
Liquidation of credit card receivables	1,322	1,940
Increase in non current other receivables through a decrease in inventory	5,890	
Increase in other receivables through an increase in taxes payable	3,178	
Decrease in short-term and long-term debt through an increase in other liabilities	1,326	
Decrease in investments through an increase in mortgages and leases receivables		1,970
Increase in customer advances through a decrease in other liabilities		2,862
Increase in undeveloped parcels of land through a decrease in inventory		14,210
Increase in fixed assets through an increase in mortgages		3,989
Increase in inventory through a decrease in mortgages and leases receivables		2,757
Increase in non current investments through a decrease in non current other receivables		117
Increase in short-term and long-term debt through a decrease in other liabilities		35,423
Increase in investments through a decrease in mortgages and leases receivables		762
Conversion of negotiable obligations into shares	21,969	

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IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the unaudited consolidated financial statements

For the nine month periods beginning on

July 1, 2003 and 2002

and ended March 31, 2004 and 2003

In thousand of pesos

NOTE 1: BASIS OF CONSOLIDATION CORPORATE CONTROL

a. Basis of consolidation

The Company has consolidated its Balance Sheets at March 31, 2004 and June 30, 2003 and the statements of income and cash flow for the periods ended March 31, 2004 and 2003 line by line with the financial statements of its controlled companies, following the procedure established in Technical Pronouncement No. 21 of the Argentine Federation of Professional Councils in Economic Sciences and approved by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires and the National Securities Commission.

All significant intercompany balances and transactions have been eliminated in consolidation.

The following table shows the data concerning the corporate control:

COMPANIES	DIRECT OR INDIRECT % OF CAPITAL		DIRECT OR INDIRECT % OF VOTING SHARES	
	March 31,	June 30,	March 31,	June 30,
	2004	2003	2004	2003
Ritelco S.A.	100,00	100,00	100,00	100,00
Palermo Invest S.A.	66,67	66,67	66,67	66,67
Abril S.A.	83,33	83,33	83,33	83,33
Pereiraola S.A.	83,33	83,33	83,33	83,33
Baldovinos S.A.	83,33	83,33	83,33	83,33
Hoteles Argentinos S.A.	80,00	80,00	80,00	80,00
Buenos Aires Trade & Finance Center S.A.	100,00	100,00	100,00	100,00
Alto Palermo S.A. (APSA)	53,72	54,79	53,72	54,79

b. Acquisition of related companies

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During the year ended at June 30, 2003, the Company acquired 30.955% of the capital stock and registered, non-endorsable, convertible negotiable obligations issued by Valle de Las Leñas S.A., falling due on October 31, 2005, with a face value of US\$ 3.7 million, for approximately US\$ 2.4 million. On March 4, 2003, the Company sold all its shareholding and negotiable obligations in Valle de las Leñas S.A. for US\$ 6.5 million.

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Notes to the unaudited consolidated financial statements (Contd.)

NOTE 2: CONSIDERATION OF THE EFFECTS OF INFLATION

The financial statements have been prepared in constant monetary units, reflecting the overall effects of inflation through August 31, 1995. As from that date, in accordance with professional accounting standards and the requirements of the control authorities, restatement of the financial statements has been discontinued until December 31, 2001. As from January 1, 2002, in accordance with professional accounting standards, recognition of the effects of inflation in these unaudited financial statements has been reestablished, considering that the accounting measurements restated due to changes in the purchasing power of the currency until August 31, 1995 as well as those arising between that date and December 31, 2001 are stated in currency of the latter date.

On March 25, 2003, the National Executive Branch issued Decree No. 664 establishing that the financial statements for years ending as from that date must be stated in nominal currency. Consequently, in accordance with Resolution No. 441 issued by the National Securities Commission, the Company discontinued the restatement of its financial statements as from March 1, 2003. This criterion is not in line with current professional accounting standards, which establish that the financial statements must be restated through to September 30, 2003. At March 31, 2004 however, this deviation has not had a material effect on the financial statements.

The rate used for restatement of items in these unaudited financial statements is the domestic wholesale price index published by the National Institute of Statistics and Census.

The following concepts are included together in the Statement of Income as Financial results generated by assets and Financial results generated by liabilities :

a. The result due to exposure to changes in the purchasing power of the currency

b. Other holding gains and losses arising during the period.

c. Financial results.

Comparative information

Certain amounts in the financials statements at June 30, 2003 and March 31, 2003 were reclassified for disclosure on a comparative basis with those for the period ended March 31, 2004.

IRSA Inversiones y Representaciones Sociedad Anónima

and subsidiaries

Notes to the unaudited consolidated financial statements (Contd.)

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the subsidiaries mentioned in Note 1, have been prepared on a consistent basis with those applied by IRSA Inversiones y Representaciones Sociedad Anónima.

a. Shares of Banco Hipotecario S.A.

The shares of Banco Hipotecario S.A. held by the Company and Ritelco S.A. (a wholly-owned subsidiary) have been valued at their quotation at the end of the period, less estimated selling expenses.

b. Revenue Recognition

The Company's revenues mainly stem from office rental, shopping center operations, development and sale of real estate, hotel operations and, to a lesser extent, from e-commerce activities.

See Note 4 for details on the Company's business segments. As discussed in Note 1, the consolidated statements of income were prepared following the guidelines of Technical Resolution No. 21 of the F.A.C.P.C.E.

Leases and services from shopping center operations

Leases with tenants are accounted for as operating leases. Tenants are generally charged a rent, which consists of the higher of (i) a monthly base rent (the Base Rent) and (ii) a specified percentage of the tenant's monthly gross retail sales (the Percentage Rent) (which generally ranges between 4% and 8% of tenant's gross sales).

Furthermore, pursuant to the rent escalation clause in most leases, a tenant's Base Rent generally increases between 4% and 7% each year during the term of the lease. Minimum rental income is recognized on a straight-line basis over the term of the lease. Certain lease agreements contain provisions, which provide for rents based on a percentage of sales or based on a percentage of sales volume above a specified threshold. The Company determines the compliance with specific targets and calculates the additional rent on a monthly basis as provided for in the contracts. Thus, these contingent rents are not recognized until the required thresholds are exceeded.

IRSA Inversiones y Representaciones Sociedad Anónima

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Notes to the unaudited consolidated financial statements (Contd.)

NOTE 3: (Continued)

b. Revenue Recognition (Continued)

Leases and services from shopping center operations (Continued)

Generally, the Company's lease agreements vary from 36 to 120 months. Law No. 24,808 provides that tenants may rescind commercial lease agreements after the initial nine months, upon not less than 60 days' written notice, subject to penalties which vary from one to one and a half months rent if the tenant rescinds during the first year of its lease, and one month of rent if the tenant rescinds after the first year of its lease. The Company also charges its tenants a monthly administration fee, prorated among the tenants according to their leases, which varies from shopping center to shopping center, relating to the administration and maintenance of the common area and the administration of contributions made by tenants to finance promotional efforts for the overall shopping centers operations.

Administration fees are recognized monthly when earned. In addition to rent, tenants are generally charged admission rights, a non-refundable admission fee that tenants may be required to pay upon entering into a lease and upon lease renewal. Admission right is normally paid in one lump sum or in a small number of monthly installments. Admission rights are recognized using the straight-line method over the life of the respective lease agreements. Furthermore, the lease agreements generally provide for the reimbursement of real estate taxes, insurance, advertising and certain common area maintenance costs. These additional rents and tenant reimbursements are accounted for on the accrual basis.

Credit card operations

Revenues derived from credit card transactions consist of commissions and financing income. Commissions are recognized at the time the merchants' transactions are processed, while financing income is recognized when earned.

Hotel operations

The Company recognizes revenues from its rooms, catering, and restaurant facilities as earned on the close of business each day.

c. Intangible assets, net

Intangible assets are carried at cost adjusted for inflation, less accumulated amortization.

IRSA Inversiones y Representaciones Sociedad Anónima

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Notes to the unaudited consolidated financial statements (Contd.)

NOTE 3: (Continued)

Trademarks

Trademarks include the expenses and fees related to their registration.

Pre-operating expenses

This item reflects expenses generated by the opening of new shopping malls restated into year-end currency. Those expenses are amortized by the straight-line method in periods ranging from 2 to 3 years for each shopping mall, beginning as from the date of inauguration.

Advertising expenses

Advertising expenses relate to the Torres de Abasto project and the opening of Abasto Shopping adjusted for inflation at the end of the period. The expenses incurred in relation to Torres de Abasto project are recognized in the statement of income as determined under the percentage-of-completion method. Other advertising expenses are amortized under the straight-line method over a term of 3 years.

Investment projects

Investment projects represent expenses primarily related to marketing efforts incurred by Alto Palermo S.A for the selling of merchandise through certain means of communication. These costs are amortized to income under the straight-line method as from the start up date of the project. These expenses are written off upon abandonment or disposal of project.

Tenants list-Patio Bullrich

This item represents the acquired tenant list of the Patio Bullrich shopping mall restated for inflation at the end of the period and is amortized using the straight-line method over a five-year period.

Intangible assets include advertising costs incurred by the subsidiary APSA, that cannot be capitalized in accordance with current accounting standards, but which will be amortized in the coming year by the Company through application of transition rules.

The value of these assets, net of the provision recorded, does not exceed the estimated recoverable value at the end of the period.

IRSA Inversiones y Representaciones Sociedad Anónima

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Notes to the unaudited consolidated financial statements (Contd.)

NOTE 3: (Continued)

d. Goodwill

Negative goodwill represents the market value of net assets of the subsidiaries at the percentage participation acquired in excess of acquisition cost. Goodwill has been restated following the guidelines mentioned in Note 1.4. to the basic financial statements and amortization has been calculated by the straight-line method based on an estimated life of 18 years, considering the weighted average of the remaining useful life of identifiable assets of the issuer subject to depreciation.

Additionally, also included was the goodwill from the controlled company APSA, originating from the purchase of shares of Tarshop S.A., Inversha S.A., Pentigras S.A. and Fibesa S.A. which is amortized through the straight line method over a period of not more than 10 years.

Amortization has been classified under Amortization of goodwill in the Statements of Income.

NOTA 4: SEGMENT INFORMATION

The Company has determined that its reportable segments are those that are based on the Company's method of internal reporting. Accordingly, the Company has five reportable segments. These segments are Development and Sales of properties, Office and other non-shopping center rental properties, Shopping centers, Hotel operations, and Others. As discussed in Note 1, the consolidated financial statements of income were prepared following the guidelines of Technical Resolution No. 21 of the F.A.C.P.C.E.

A general description of each segment follows:

Development and sale of properties

This segment includes the operating results of the Company's construction and ultimate sale of residential buildings business.

Office and other non-shopping center rental properties

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This segment includes the operating results of the Company's lease and service revenues of office space and other non-retail building properties from tenants.

Shopping centers

This segment includes the operating results of the Company's shopping centers principally comprised of lease and service revenues from tenants. This segment also includes revenues derived from credit card transactions that consist of commissions and financing income.

IRSA Inversiones y Representaciones Sociedad Anónima

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Notes to the unaudited consolidated financial statements (Contd.)

NOTE 4: (Continued)

Hotel operations

This segment includes the operating results of the Company's hotels principally comprised of room, catering and restaurant revenues.

Financial operations and others

This segment primarily includes revenues and associated costs generated from the sale of equity securities, other securities-related transactions and other non-core activities of the Company. This segment also includes the results in equity investees of the Company relating to Internet, telecommunications and other technology-related activities of the Company.

The Company measures its reportable segments based on net income. Inter-segment transactions, if any, are accounted for at current market prices. The Company evaluates performance of its segments and allocates resources to them based on net income. The Company is not dependent on any single customer.

The accounting policies of the segments are the same as those described in Note 1 to the unaudited financial statements and in Note 3 to the unaudited consolidated financial statements.

IRSA Inversiones y Representaciones Sociedad Anónima

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Notes to the unaudited consolidated financial statements (Contd.)

NOTE 4: (Continued)

The following information provides the operating results from each business unit:

As of March 31, 2004:

	Sales and developments	Office and Others (a)	Shopping centers	Hotels	Financial and other operations	Total
Income	16,951	10,929	103,398	31,031		162,309
Cost	(13,668)	(6,159)	(51,130)	(16,886)		(87,843)
Gross income	3,283	4,770	52,268	14,145		74,466
Selling expenses	(1,505)	(522)	(7,092)	(3,773)		(12,892)
Administrative expenses	(3,959)	(2,890)	(13,617)	(7,832)		(28,298)
Net loss in credit card trust			(159)			(159)
Results from operations and holding of real estate assets						
Operating (loss) / Income	(2,181)	1,358	31,400	2,540		33,117
Depreciation and amortization (b)	(1,349)	4,456	39,736	4,252		47,095
Addition of fixed assets and intangible assets	744	48	13,602	959		15,353
Non-current investments in other companies			7,157	15,309		22,466
Operating assets	283,760	249,740	974,722	111,953		1,620,175
Non- Operating assets	48,419	42,614	62,439	3,885	317,860	475,217
Total assets	332,179	292,354	1,037,161	115,838	317,860	2,095,392
Operating liabilities	8,386	4,995	82,258	7,164		102,803
Non-Operating liabilities	134,225	120,598	209,179	38,579	141,656	644,237
Total liabilities	142,611	125,593	291,437	45,743	141,656	747,040

(a) Includes offices, commercial and residential premises.

(b) Included in operating (loss) / income.

IRSA Inversiones y Representaciones Sociedad Anónima

and subsidiaries

Notes to the unaudited consolidated financial statements (Contd.)

NOTE 4: (Continued)

The following information provides the operating results from each business unit:

As of March 31, 2003

	Sales and developments	Office and Others (a)	Shopping centers	Hotels	Financial and other operations	Total
Income	44,497	14,498	83,079	26,042		168,116
Cost	(43,897)	(7,204)	(48,407)	(14,751)		(114,259)
Gross income	600	7,294	34,672	11,291		53,857
Selling expenses	(2,766)	(502)	(10,128)	(2,979)		(16,375)
Administrative expenses	(4,041)	(2,524)	(12,106)	(7,071)		(25,742)
Torres de Abasto unit contracts' rescissions	5					5
Net loss in credit card trust			(3,778)			(3,778)
Results from operations and holding of real estate assets	10,139					10,139
Operating Income	3,937	4,268	8,660	1,241		18,106
Depreciation and amortization (b)	3,505	4,916	42,756	4,656		55,833
Addition of fixed assets and intangible assets (c)	4,294	49	3,449	5,627		13,419
Non-current investments in other companies (c)			8,527	13,387		21,914
Operating assets (c)	299,381	255,890	994,917	112,124		1,662,312
Non-operating assets (c)	43,859	37,487	54,029	3,030	252,247	390,652
Total assets (c)	343,240	293,377	1,048,946	115,154	252,247	2,052,964
Operating liabilities (c)	6,562	4,582	69,349	4,664		85,157
Non-operating liabilities (c)	154,084	138,190	224,640	42,290	158,085	717,289
Total liabilities (c)	160,646	142,772	293,989	46,954	158,085	802,446

(a) Includes offices, commercial and residential premises.

(b) Included in operating income.

(c) At June 30, 2003.

IRSA Inversiones y Representaciones Sociedad Anónima

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Notes to the unaudited consolidated financial statements (Contd.)

NOTE 5: MORTGAGES AND LEASES RECEIVABLES, NET

The breakdown for this item is as follows:

	March 31,		June 30,	
	2004		2003	
	Non-		Non-	
	Current	Current	Current	Current
Debtors from sale of real estate	1,649	1,166	3,805	1,789
Unearned interest	(18)	(34)	(67)	(194)
Debtors from rent and credit card	39,637	1,628	45,973	1,236
Rent in litigation	22,294		22,054	
Debtors under legal proceedings	1,500		2,338	
Checks to be deposited	9,000		6,177	
Related parties	57			