IRSA INVESTMENTS & REPRESENTATIONS INC
Form 6-K
April 09, 2015

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 December, 2014

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

Attached is the English translation of the Financial Results for the six month periods ended December 31, 2014 and December 31, 2013, filed by the Company with the Bolsa de Comercio de Buenos Aires and the Comisión Nacional de Valores:

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Financial Statements as of December 31, 2014 and for the six-month periods ended December 31, 2014 and 2013

IRSA Inversiones y Representaciones Sociedad Anónima
Legal information

Denomination: IRSA Inversiones y Representaciones Sociedad Anónima.

Fiscal year N°.: 72, beginning on July 1, 2014.

Legal address: 108 Bolívar St., 1st floor, Autonomous City of Buenos Aires, Argentina.

Company activity: Real estate investment and development.

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: March 15, 2013.

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

Registration number with the Superintendence: 213,036.

Capital: 578,676,460 shares.

Common Stock subscribed, issued and paid up (in thousands of Ps.): 578,676.

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

Legal Address: 877 Moreno St., 23rd. floor, Autonomous City of Buenos Aires, Argentina.

Main activity: Real estate, agricultural, commercial and financial activities.

Interest of the Parent Company on the capital stock: 379,091,500 common shares.

Percentage of votes of the Parent Company on the shareholders’ equity: 65.51%.

CAPITAL STATUS

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

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

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Financial Position
as of December 31, 2014 and June 30, 2014
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

	Note	12.31.2014	06.30.2014
ASSETS			
Non- Current Assets			
Investment properties	10	3,495,461	3,269,595
Property, plant and equipment	11	219,941	220,013
Trading properties	12	131,562	130,657
Intangible assets	13	128,965	124,085
Investments in associates and joint ventures	8,9	1,999,614	2,260,805
Deferred income tax assets	25	215,093	368,641
Income tax and minimum presumed income tax ("MPIT") credit		124,090	110,185
Trade and other receivables	17	97,477	92,388
Investments in financial assets	18	450,943	274,716
Derivative financial instruments	19	4,096	-
Total Non-Current Assets		6,867,242	6,851,085
Current Assets			
Trading properties	12	1,370	4,596
Inventories	14	20,004	16,963
Restricted assets	16	8,867	-
Income tax and minimum presumed income tax ("MPIT") credit		2,813	15,866
Assets held for sale	39	-	1,357,866
Trade and other receivables	17	825,910	706,846
Investments in financial assets		759,084	234,107
Derivative financial instruments	19	2,636	12,870
Cash and cash equivalents	20	817,144	609,907
Total Current Assets		2,437,828	2,959,021
TOTAL ASSETS		9,305,070	9,810,106
SHAREHOLDERS' EQUITY			
Capital and reserves attributable to equity holders of the parent			
Share capital		573,771	573,771
Treasury stock		4,905	4,905
Inflation adjustment of share capital and treasury stock		123,329	123,329
Share premium		793,123	793,123
Cost of treasury stock		(37,906)	(37,906)
Changes in non-controlling interest		(4,594)	(21,808)
Reserve for share-based compensation	33	55,305	53,235
Legal reserve		116,840	116,840
Special reserve		3,825	375,487
Reserve for new developments		-	413,206
Cumulative translation adjustment		246,829	398,931
Retained earnings		5,291	(784,869)
Total capital and reserves attributable to equity holders of the parent		1,880,718	2,008,244
Non-controlling interest		347,460	548,352

TOTAL SHAREHOLDERS' EQUITY		2,228,178	2,556,596
LIABILITIES			
Non-Current Liabilities			
Trade and other payables	21	233,783	202,652
Borrowings	24	3,494,075	3,756,003
Derivative financial instruments	19	271,302	320,847
Deferred income tax liabilities		226,347	345,607
Salaries and social security liabilities	22	2,874	3,749
Provisions	23	262,884	205,228
Total Non-Current Liabilities		4,491,265	4,834,086
Current Liabilities			
Trade and other payables	21	738,051	678,725
Income tax and minimum presumed income tax ("MPIT") liabilities		244,250	64,677
Liabilities held for sale	39	-	806,612
Salaries and social security liabilities	22	83,006	99,276
Derivative financial instruments	19	232,441	14,225
Borrowings	24	1,246,640	737,477
Provisions	23	41,239	18,432
Total Current Liabilities		2,585,627	2,419,424
TOTAL LIABILITIES		7,076,892	7,253,510
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		9,305,070	9,810,106

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Income
for the six and three-month periods beginning on July 1st and October 1st, 2014 and 2013 and ended December 31, 2014 and 2013
(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

		Six months		Three months	
	Note	12.31.2014	12.31.2013	12.31.2014	12.31.2013
Revenues	27	1,720,208	1,373,960	930,139	752,513
Costs	28	(750,818)	(641,870)	(397,324)	(348,170)
Gross Profit		969,390	732,090	532,815	404,343
Gain from disposal of investment properties	10	801,052	7,481	483,566	7,481
General and administrative expenses	29	(162,592)	(129,379)	(83,203)	(70,901)
Selling expenses	29	(84,175)	(65,761)	(46,753)	(35,075)
Other operating results, net	31	67,987	(17,344)	65,169	(7,812)
Profit from operations		1,591,662	527,087	951,594	298,036
Share of profit of associates and joint ventures	8,9	(680,744)	51,183	(569,094)	12,192
Profit before financial results and income tax		910,918	578,270	382,5	310,228
Finance income	32	42,389	60,255	18,564	13,721
Finance cost	32	(534,818)	(713,574)	(207,692)	(419,644)
Other financial results	32	7,493	41,663	(79,52)	14,093
Financial results, net	32	(484,936)	(611,656)	(268,648)	(391,830)
Profit / (Loss) before income tax		425,982	(33,386)	113,852	(81,602)
Income tax	25	(379,097)	7,312	(202,766)	20,260
Profit / (Loss) for the period		46,885	(26,074)	(88,914)	(61,342)
Attributable to:					
Equity holders of the parent		4,514	(21,678)	1,256	(54,060)
Non-controlling interest		42,371	(4,396)	(90,170)	(7,282)
Profit / (Loss) per share attributable to equity holders of the parent during the period:					
Basic		0.008	(0.038)	(0.002)	(0.097)
Diluted		0.008	(0.038)	(0.002)	(0.097)

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

	IRSA Inversiones y Representaciones S.A.
By:	/s/ Alejandro G. Elsztain Vice president II Acting as President

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IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income
for the six and three-month periods beginning on July 1st and on October 1st, 2014 and 2013 and ended December 31, 2014 and 2013
(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

	Six months		Three months	
	12.31.2014	12.31.2013	12.31.2014	12.31.2013
Profit / (Loss) for the period	46,885	(26,074)	(88,914)	(61,342)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation adjustment	(135,880)	71,776	(180,943)	48,483
Other comprehensive income for the period (i)	(135,880)	71,776	(180,943)	48,483
Total comprehensive income for the period	(88,995)	45,702	(269,857)	(12,859)
Attributable to:				
Equity holders of the parent	(147,588)	29,758	(187,502)	(17,535)
Non-controlling interest	58,593	15,944	(82,355)	4,676

(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.

IRSA Inversiones y Representaciones S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

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IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the six-month periods ended December 31, 2014 and 2013
(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	Treasury stock	Inflation adjustment of share capital and treasury stock (2)	Share premium	Cost of treasury stock	Changes in non-controlling interest	Reserve for share-based compensation	Legal reserve	Special reserve (1)	Reserve for new developm
Balance at July 1st, 2014	573,771	4,905	123,329	793,123	-37,906	(21,808)	53,235	116,84	375,487	413,206
Profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Appropriation of retained earnings approved by Shareholders' meeting held 11.14.14	-	-	-	-	-	-	-	-	(371,662)	(413,20
Reserve for share-based compensation (Note 33)	-	-	-	-	-	-	2,070	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interest	-	-	-	-	-	17,214	-	-	-	-
Reimbursement of expired dividends	-	-	-	-	-	-	-	-	-	-
Dividends distribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-
Capital contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2014	573,771	4,905	123,329	793,123	-37,906	(4,594)	55,305	116,840	3,825	-

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

(1) Related to CNV General Resolution No. 609/12. See Note 26.
(2) Includes Ps. 1,045 of Inflation adjustment treasury stock. See Note 26.

IRSA Inversiones y Representaciones S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

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IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the six-month periods ended December 31, 2014 and 2013
(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	Treasury stock	Inflation adjustment of share capital and treasury stock (2)	Share premium	Cost of treasury stock	Changes in non-controlling interest	Reserve for share-based compensation	Legal reserve	Special reserve (1)	Reserve for new developments	Cu tra adj
Balance at July 1st, 2013	578,676	-	123,329	793,123	-	(20,782)	8,258	85,14	395,249	492,441	50
Loss for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-			-	-	-	-	-	51
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	51
Appropriation of retained earnings approved by Shareholders' meeting held 10.31.13	-	-	-	-	-	-	-	31,700	(19,762)	(22,610)	-
Dividends distribution – approved by Shareholders' meeting held 10.31.13	-	-	-	-	-	-	-	-	-	-	-
Reserve for share-based compensation	-	-	-	-	-	-	11,437	-	-	-	-

(Note 33)											
Purchase of Treasury stock	(4,088)	4,088	-	-	(29,627)	-	-	-	-	-	-
Distribution of share capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expired dividends	-	-	-	-	-	-	-	-	-	-	-
Dividends distribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Capital contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2013	574,588	4,088	123,329	793,123	-29,627	(20,782)	19,695	116,840	375,487	469,831	10

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

(1) Related to CNV General Resolution No. 609/12. See Note 26.

(2) Includes Ps. 871 of Inflation adjustment treasury stock. See Note 26.

IRSA Inversiones y Representaciones S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

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IRSA Inversiones y Representaciones Sociedad Anónima

Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the six-month periods ended December 31, 2014 and 2013
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for the publication in Argentina

	Note	12.31.2014	12.31.2013
Operating activities:			
Cash generated by operations	20	814,998	572,038
Income tax and Minimum Presumed Income tax paid		(166,013)	(150,057)
Net cash generated by operating activities		648,985	421,981
Investing activities:			
Capital contributions in associates and joint ventures	8,9	(32,761)	(1,221)
Purchases of associates and joint ventures	8,9	(279,307)	(13,057)
Purchases of investment properties	10	(301,518)	(138,366)
Proceeds from sale of investment properties		2,046,211	127,852
Purchases of property, plant and equipment	11	(19,771)	(7,464)
Purchases of intangible assets	13	(4,107)	(202)
Purchase of investments in financial assets		(1,520,066)	(1,330,828)
Proceeds from sale of investments in financial assets		956,521	747,872
Advanced payments…………		-	(36,576)
Proceeds from sale of joint ventures		-	7,736
Sale of equity interest in associates		19,139	-
Interest received from financial assets		3,175	2,971
Loans granted to associates and joint ventures		49	-
Dividends received		8,232	15,922
Net cash generated by / (used in) investing activities		875,797	(625,361)
Financing activities:			
Proceeds from borrowings		427,652	145,057
Repayments of borrowings		(723,522)	(119,491)
Payment of non-convertible notes		-	(189,512)
Payment of financial leasing		(1,356)	(758)
Dividends paid		(55,466)	(34,208)
Acquisition of non-controlling interest in subsidiaries		(4,831)	-
Acquisition of non-controlling interest		415	367
Interest paid		(281,269)	(181,310)
Capital reduction of subsidiaries		-	(1,927)
Loans from associates and joint ventures, net		21,938	12,550
Distribution of capital of non-controlling interest in subsidiaries		(228,101)	-
Repurchase of treasury stock		-	(29,627)
Payment of seller financing of shares		(105,861)	(1,640)
Payments of derivative financial instruments		(16,818)	(1,164)
Proceeds from derivative financial instruments		131	3,060
Net cash used in financing activities		(967,088)	(398,603)
Net Increase / (decrease) in cash and cash equivalents		557,694	(601,983)
Cash and cash equivalents at beginning of year	20	609,907	796,902
Foreign exchange (loss) gain on cash and cash equivalents		(350,457)	30,821

Cash and cash equivalents at end of period	817,144	225,740

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

IRSA Inversiones y Representaciones S.A.

By: /s/ Alejandro G. Elsztain
Vice president II
Acting as President

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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 the publication in Argentina

1. The Group's business and general information

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

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

As of December 31, 2014, the Group operates in six business segments. See Note 6 to the Consolidated Financial Statements as of June 30, 2014 for a description of such segments.

The group's real estate business operations are conducted primarily through IRSA and its principally subsidiary, IRSA Propiedades Comerciales S.A. ("IRSA Propiedades Comerciales" formerly company due to change of corporate name from Alto Palermo S.A. (APSA)). Through IRSA Propiedades Comerciales and IRSA, the Group owns, manages and develops shopping centers across Argentina, a portfolio of office and other rental properties in the Autonomous City of Buenos Aires, and it entered the US real estate market in 2009, mainly through the acquisition of non-controlling interests in office buildings and hotels. Through IRSA or IRSA Propiedades Comerciales, 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.

During fiscal year 2014, the Group made an investment in the Israeli market, through Dolphin, in IDB Development Corporation (IDBD) (an Israeli Company), of an initial interest of 26.65%. As of December 31, 2014, the equity interest in IDBD amounts to a non-diluted 31.26% and a fully-diluted 32.38%. IDBD is one of the Israeli biggest and most diversified investment groups, which is involved, through its subsidiaries, in several markets and industry, including real estate, retail, agribusiness insurance, telecommunications, etc.; controlling companies as: Clal Insurance (Insurance Company), Cellcom (Mobile phone services), Adama (Agrochemicals), Super-Sol (supermarket), PBC (Real Estate), among others. IDBD went public in Tel Aviv Exchange in May, 2014.

The activities of the Group's segment "Financial operations and others" is carried out mainly through Banco Hipotecario S.A. ("BHSA"), where we have a 29.90% interest (without considering treasury shares of our own). BHSA is a commercial bank offering a wide variety of banking activities and related financial services to individuals, small and medium-sized companies and large corporations, including the provision of mortgaged loans. BHSA's shares are listed on the Buenos Aires Stock Exchange ("BASE"). Besides that, the Group has a 43.08% interest in Tarshop S.A ("Tarshop"), which main activities are credit card and loan origination transactions.

IRSA Inversiones y Representaciones Sociedad Anónima

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

1. The Group's business and general information (Continued)

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

Cresud S.A.C.I.F y A. is our ultimate parent company and is a corporation incorporated and domiciled in Argentina. The address of its registered office is 877 Moreno St., Floor 23, Autonomous City of Buenos Aires, Argentina.

These Unaudited Condensed Interim Consolidated Financial Statements have been approved for issue by the Board of Directors on February 9, 2015.

2. Basis of preparation of the Unaudited Condensed Interim Consolidated Financial Statements

2.1. Basis of preparation

These Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". Furthermore, some additional issues were included as required by the Business Companies Act and/or regulations of the CNV, including supplementary information provided in the last paragraph of section 1, Chapter III, Title IV of General Ruling 622/13 of the CNV. Such information is included in the Notes to the Unaudited Condensed Consolidated Interim Financial Statements.

These Unaudited Condensed Interim Consolidated Financial Statements should be read together with the Annual Consolidated Financial Statements of the Group as of June 30, 2014 prepared in accordance with IFRS in force. These Unaudited Condensed Interim Consolidated Financial Statements are presented in thousands of Argentine Pesos.

These Unaudited Condensed Interim Consolidated Financial Statements corresponding to the six-month periods ended, December 31, 2014 and 2013 have not been audited. The management believes they include all necessary adjustments to fairly present the results of each period. The Company's six-month periods ended December 31, 2014 and 2013 results do not necessarily reflect the proportion of the Group's full-year results.

2.2. Significant accounting policies

The principal accounting policies applied in the presentation of these Unaudited Condensed Interim Consolidated Financial Statements are consistent with those applied in the preparation of the information under IFRS as of June 30, 2014, which are described in Note 2 of the Annual Consolidated Financial Statements.

2. Basis of preparation of the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

Acquisition of assets carried out between entities under common control

The Group has elected to recognize acquisition of assets or group of assets carried out between entities under common control who also qualify as "Business Combination" according to IFRS 3, using acquisition method.

Total or partial disposal of foreign operation

The disposal of a Group's interest in any foreign operation amounts to any reduction of such ownership interest in the operation. The Group may fully or partially dispose its interest in foreign operation through sale, liquidation or return of contributed capital.

In the case of total or partial disposals of foreign operations and once such disposal becomes effective, the Group proportionally reclassifies the disposal made, the accumulated exchange differences related to the foreign operations recognized under Other comprehensive income and accumulated under a separate item in shareholders' equity.

2.3. 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 results might differ from the estimates and evaluations made at the date of preparation of these financial statements.

In the preparation of these Unaudited 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, 2014, save for changes in accrued income tax, provision for legal claims, allowance for bad debts and accrued supplementary rental.

2.4. Comparative Information

Balance items as of December 31, 2013 and June 30, 2014 shown in these financial statements for comparative purposes arise from Consolidated Financial Statements then ended. Certain reclassifications have been made in order to present figures comparatively with those of this period.

IRSA Inversiones y Representaciones Sociedad Anónima

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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3. Seasonal effects on operations

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

4. Acquisitions and dispositions

For the six-month period ended as of December 31, 2014

Sale of investment properties

On July 7, 2014, IRSA signed the transfer deed for the sale of the 19th and 20th floors of the building Maipú 1300. The total price of the transaction was Ps. 24.7 million. Such transaction generated a gain before tax of approximately Ps. 21.0 million.

On September 29, 2014, the Group through its subsidiary Rigby 183 LLC ("Rigby 183"), finalized the sale of the Madison 183 Building, located in the city of New York, United States, in the sum of US$ 185 million, thus paying off the mortgage levied on the asset in the amount of US$ 75 million. Such transaction generated a gain before tax of approximately Ps. 296.5 million.

On October 8, 2014, the Group through IRSA signed the transfer deed for the sale of the 22nd and 23th floors of the building Bouchard 551. The total price of the transaction was Ps. 168.7 million. Such transaction generated a gain before tax of approximately Ps. 151.4 million.

On October 22, 2014, the Group through IRSA signed the transfer deep for the sale of the 10th floor, two parking units of the Building Maipú 1300 and one parking unit of the building Libertador 498. The total price of the transaction was Ps. 12.0 million. Such transaction generated a gain before tax of approximately Ps. 10.4 million.

On October 28, 2014, the Group through IRSA signed the transfer deed for the sale of 9th, 10th and 11th floors of the building Bouchard 551. The total price of the transaction was Ps. 279.4 million. Such transaction generated a gain before tax of approximately Ps. 240.5 million.

4. Acquisition and disposals (Continued)

On November 7, 2014, the Group through IRSA signed the transfer deed for the sale of the 21st floor of the Building Bouchard 551. The total price of the transaction was Ps. 75.6 million. Such transaction generated a gain before tax of approximately Ps. 66.7 million.

On December 10, 2014, the Group through IRSA signed the transfer deed for the sale of the 9th floor of the Building Maipú 1300. The total price of the transaction was Ps. 12.5 million. Such transaction generated a gain before tax of approximately Ps. 11.0 million.

All sales mentioned above led to a combined profit for the Group of Ps.801.1 millon, disclosed within the line "Gain from disposal of investment properties" in the statement of income.

Decreased shareholding in Avenida Inc.

On July 18, 2014, the Group - through Torodur S.A. - exercised the warrant held associated to this investment and consequently its interest in Avenida Inc. was increased to 6,172,840 shares or 35.46%. However, simultaneously, the Group's holding was reduced to 23.01% as a result of the acquisition of 35.12% interest in the Company by a new investor.

Subsequently, on September 2, 2014, Torodur S.A. sold 1,430,000 shares representing 5 % of the Avenida Inc.'s capital stock in the amount of Ps. 19.1 million (US$ 2.3 million), thus reducing equity interest to 17.68% of its share capital. Such transaction generated a gain of Ps. 8.8 million which are shown in the line "Other operating results, net" in the income statements.

As a result of the sale of the interest, the Group has forborne to recognize the equity interest in Avenida Inc. as investment in associates and has considered as a financial asset at fair value in the financial statements at December 31, 2014.

Purchases of investment properties

On July 31, 2014, IRSA acquired from Cresud SACIFyA five plots of farmland of approximately 1,058 hectares located in the district of Luján and General Rodriguez, Province of Buenos Aires. The total price of the transaction was Ps. 210 million. Such property is disclosed in undeveloped parcels of land.

Acquisition of additional interest in BHSA

During December 2014, the Group acquired 1,976,579 additional shares of BHSA in a total amount of Ps. 7.1 million, thus increasing its interest in such company from 29.77% to 29.90%, without consideration of Treasury shares.

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4. Acquisition and disposals (Continued)

Investment in IDBD

On July 1°, 2014 Dolphin Netherlands B.V. exercised all rights granted and acquired on June 30, 2014 to purchase additional shares of IDBD. As a result of exercising the granted rights, DN B.V. received 17.32 million shares and 11.99 million warrants of Series 1, 2 and 3. ETH received the same amount of rights and, as a result, acquired the same amount of shares and warrants as DN B.V. Additionally, upon exercising the rights purchased; DN B.V. acquired 5.79 million shares and 4.01 million warrants of Series 1, 2, and 3. ETH also acquired the same amount of shares and warrants as DN B.V.

Between July 9 and 14, 2014, DN B.V.acquired 0.42 million shares and 0.34 million warrants (series 2) through open market operations in the amount of NIS 1.77 million (equal to approximately US$ 0.52 million at such date). Fifty percent of such shares and warrants Series 2 were sold to ETH in accordance with the terms and conditions of the agreement entered into between the parties.

On November 2, 2014, DN B.V. exercised 15,998,787 warrants Series 1. ETH also exercised the same amount of warrants Series 1.

As a result of the transactions mentioned above, as of December 31, 2014, DN B.V. held an aggregate amount of 92,618,950 shares, 16,170,392 warrants Series 2 and 15,988,787 warrants Series 3 of IDBD, representing a non-diluted equity interest in IDBD of 31.26% and a fully diluted equity interest of 32.38%. As December 31, 2014, IDBD’s Board of Directors consists of nine members, three of whom have been designated by DN B.V.: Eduardo Elsztain, Alejandro Elsztain and Saúl Zang.

On December 29, 2014, DN B.V. sent an irrevocable proposal to IDBD for purposes of starting a rights offering of approximately NIS 800 million (or US$ 205 million as of December 31, 2014 –hereinafter the “Maximum Immediate Payment”) and issue 3 series of warrants (the “New Warrants”) exercisable at a rate of 110%, 120% and 130%, respectively, the price of the rights offered and maturing in 1, 2 and 3 years, respectively (hereinafter, the rights offering and the New Warrants are defined as “the Rights Offering”).

Subject to the resolution of the IDBD with respect to the Rights Offering, DN B.V., the Company agreed to a capital injection to IDBD in an amount ranging between NIS 256 million and NIS 400 million, as follows: (i) NIS 256 million by exercising rights of DN B.V. resulting from the Rights Offering; (ii) an additional investment (the “Additional Investment”) in a sum equal to (a) the Maximum Immediate Payment less (b) the amount received by IDBD as a result of the Rights Offering, excluding the exercise of the New Warrants, but in no case will it exceed the amount of NIS 144 million. The Additional Investment would be made by DN B.V. by exercising the additional rights to be acquired by DN B.V., or –should such rights not be acquired – by participating in another rights offering to be executed by IDBD.

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4. Acquisition and disposals (Continued)

Furthermore, DFL agreed to (i) exercise the first series of New Warrants for a total amount of NIS 150 million (equal to US$ 39 million as of December 31, 2014) provided it is so requested by the Board of IDBD within 6 to 12 months of the Rights Offering date, and (ii) exercise all the New Warrants received as part of the Rights Offering, if two conditions are simultaneously met, to wit: (a) that IDBD and its lenders reach an agreement to amend some covenants, and (b) that the Commissioner of Capital Markets, Insurance and Savings of Israel approves control over Clal Insurance Company Ltd. ("Clal").

Disposal of financial assets

During August 2014, IRSA has sold through its subsidiary REIG IV the balance of 1 million shares of Hersha Hospitality Trust, at an average price of US$ 6.74 per share.

Changes in non-controlling interest

IRSA Propiedades Comerciales

During the period, the Group, through IRSA, acquired an additional equity interest of 0.08% in IRSA Propiedades Comerciales for a total consideration of Ps. 4.7 million. As a result of this transaction, the non-controlling interest was reduced by Ps. 0.8 million and the interest attributable to the shareholders' of the controlling parents was reduced by Ps. 4.0 million. The equity interest in IRSA Propiedades Comerciales as of December 31, 2014 is 95.79%. The effect on shareholders' equity of this change in the equity interest in IRSA Propiedades Comerciales is summarized as follows:

	Ps.
Carrying value of the equity interests acquired by the Group	775
Price paid for the non-controlling interest	(4,750)
Reserve recognized in the Shareholders' equity	(3,975)

Dolphin

On October 30, 2014, the Group – through its subsidiaries — subscribed an additional sum of US$ 21 million in Dolphin Fund Ltd. ("Dolphin"). Such amount was allocated to increase Dolphin's investment in IDB Development Corporation Ltd.

The Group's interest in Dolphin decreased from 86.16 % to 91.64 %. Consequently, the Company recognized a decrease in non-controlling interest for an amount of Ps. 21.2 million and an increase in equity attributable to holders of the parent.

4. Acquisition and disposals (Continued)

Rigby 183 LLC Capital reduction

On October 17, 2014, Rigby 183 LLC reduced its capital stock by distributing among existing shareholders, proportionally to their shareholdings, the gain made on the sale of the Madison building. The total amount distributed is US$ 103.8 million, of which the Group received US$ 77.4 million (US$ 26.5 million through IRSA International and US$ 50.9 million through IMadison LLC) and US$ 26.4 were distributed to other shareholders. As a result of such reduction, the Group has decided to reverse the corresponding accumulated conversion difference on a pro-rata basis, which amounted to Ps. 188.3 million. This reversal has been recognized in the line “"Other operating results, net" in the income statements.

Conil Barter Agreement

On November 5, 2014, the Group executed a conveyance deed evidencing a barter to convey title on four plots of land located in Avellaneda district. The agreement provides for the development by the Trust of two building construction undertakings. In consideration for such work, the compensation agreed included the amount of US$ 0.01 million and delivery, within 24 months as from such agreement execution; of two functional units for commercial purposes and one functional unit for office purposes (the non-monetary compensation was valued at US$ 0.7 million).

5. Financial risk management and fair value estimates

5.1 Financial risk

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

The Unaudited Condensed Interim Consolidated Financial Statements do not include all the information and disclosures on financial risk management; therefore they should be read along with the annual consolidated financial statements for the year ended June 30, 2014. There have been no changes in the risk management or risk management policies applied by the Group since year end.

5.2 Fair value estimates

Since June 30, 2014 there have been no significant changes in business or economic circumstances affecting the fair value of the Company's financial assets or liabilities (either measured at fair value or amortized cost). Furthermore, there have been no transfers between the different hierarchies used to assess the fair value of the Company’s financial instruments.

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6. Segment information

Below is a summarized analysis of the lines of business of the Group for the period ended December 31, 2014:

	December 31, 2014						
	Shopping Center	Offices and others	Sales and developments	Hotels	International	Financial operations and others	Total Urban Properties and Investment
Revenues	1,290,249	201,992	6,572	213,036	28,131	65	1,740,045
Costs	(547,674)	(59,329)	(8,021)	(138,520)	(9,379)	(64)	(762,987)
Gross Profit / (Loss)	742,575	142,663	(1,449)	74,516	18,752	1	977,058
Gain from disposal of investment properties	-	-	504,543	-	296,509	-	801,052
General and administrative expenses	(56,259)	(23,744)	(20,693)	(37,008)	(26,658)	-	(164,362)
Selling expenses	(45,989)	(7,460)	(3,770)	(28,066)	-	(158)	(85,443)
Other operating results, net	(13,708)	(112,587)	(942)	(366)	187,180	8,407	67,984
Profit / (Loss) from operations	626,619	(1,128)	477,689	9,076	475,783	8,250	1,596,289
Share of profit / (loss) of associates and joint ventures	-	3,319	1,558	1,254	(779,119)	83,690	(689,298)
Segment Profit / (Loss)	626,619	2,191	479,247	10,330	(303,336)	91,940	906,991
Investment properties	2,287,502	714,907	636,579	-	-	-	3,638,988
Property, plant and equipment	30,087	25,662	1,240	161,683	1,432	-	220,104
Trading properties	-	-	138,679	-	-	-	138,679
Goodwill	1,829	9,392	-	-	-	-	11,221
Right to receive future units under barter agreements	9,264	5,409	75,813	-	-	-	90,486
Inventories	13,136	-	576	6,667	-	-	20,379

Investments in associates and joint ventures	-	26,628	47,197	23,383	405,695	1,337,358	1,840,261
Operating assets	2,341,818	781,998	900,084	191,733	407,127	1,337,358	5,960,118

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6. Segment information (Continued)

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

	December 31, 2013						
	Shopping Center	Offices and others properties	Sales and developments	Hotels	International	Financial operations and others	Total
Revenues	1,012,651	150,440	40,979	160,575	39,456	334	1,404,435
Costs	(457,166)	(52,376)	(21,344)	(105,437)	(26,455)	(171)	(662,949)
Gross Profit	555,485	98,064	19,635	55,138	13,001	163	741,486
Gain from disposal of investment properties	-	-	7,481	-	-	-	7,481
General and administrative expenses	(51,026)	(21,736)	(19,007)	(28,952)	(9,915)	(55)	(130,691)
Selling expenses	(32,232)	(9,892)	(6,271)	(19,974)	-	317	(68,052)
Other operating results, net	(13,786)	(1,053)	(1,779)	177	187	(2,161)	(18,415)
Profit / (Loss) from operations	458,441	65,383	59	6,389	3,273	(1,736)	531,809
Share of profit / (loss) of associates and joint ventures	-	2,842	1,693	310	(49,008)	86,933	42,770
Segment Profit / (Loss)	458,441	68,225	1,752	6,699	(45,735)	85,197	574,579
Investment properties	2,227,401	856,523	367,894	-	887,130	-	4,338,948
Property, plant and equipment	17,936	19,880	3,867	162,690	219	-	204,592
Trading properties	-	-	132,194	-	-	-	132,194
Goodwill	1,667	9,392	-	-	61,808	-	72,867
Right to receive future units under barter agreements	9,264	-	75,813	-	-	-	85,077
Inventories	8,557	-	525	6,918	-	-	16,000
Investments in associates	-	26,936	33,613	21,649	1,208	1,172,048	1,255,454
Operating assets	2,264,825	912,731	613,906	191,257	950,365	1,172,048	6,105,132

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6. Segment information (Continued)

Operating results of Joint ventures operations from Cyrsa S.A., Nuevo Puerto Santa Fe S.A. ("NPSF"), Puerto Retiro S.A., Baicom Networks S.A. and Quality Invest S.A. are presented under the method of proportionate consolidation. Under this method, the income/loss generated by joint businesses is reported in the income statements line-by-line, rather than in a single item as required by IFRS. Management believes that the proportional consolidation method provides more useful information to understand the business return, because the assets and income/loss generated by consolidated operations are similar to the assets and income/loss booked under the equity method. This is due to the fact that under the proportional consolidation method, revenues and expenses are reported separately, instead of offsetting and reporting them as a single item in the statement of income. Therefore, the proportional consolidation method is used by the Group's Executive Committee to assess and understand the return and the results of operations of the business as a whole. On the other hand, operating results of Entertainment Holding S.A. ("EHSA") joint venture is accounted for under the equity method. Management believes that, in this case, this method provides more adequate information for this type of investment, given its low materiality and considering it is a company without direct trade operations, where the main assets consists of an indirect interest of 25% of la Rural S.A..

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 and the non-elimination of the inter-segment transactions.

	December 31, 2014			
	Total segment information	Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	Total as per Statement of income
Revenues	1,740,045	(16,352)	(3,485)	1,720,208
Costs	(762,987)	9,580	2,589	(750,818)
Gross profit	977,058	(6,772)	(896)	969,390
Gain from disposal of investment properties	801,052	-	-	801,052
General and administrative expenses	(164,362)	408	1,362	(162,592)
Selling expenses	(85,443)	1,048	220	(84,175)
Other operating results, net	67,984	689	(686)	67,987
Profit from operations	1,596,289	(4,627)	-	1,591,662
Share of (loss) / profit of associates and joint ventures	(689,298)	8,554	-	(680,744)
Net segment profit before financing and taxation	906,991	3,927	-	910,918

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6. Segment information (Continued)

	December 31, 2013			
	Total Segments Information	Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	Total as per Statement of income
Revenues	1,404,435	(28,416)	(2,059)	1,373,960
Costs	(662,949)	19,461	1,618	(641,870)
Gross profit	741,486	(8,955)	(441)	732,090
Gain from disposal of investment properties	7,481	-	-	7,481
General and administrative expenses	(130,691)	462	850	(129,379)
Selling expenses	(68,052)	2,224	67	(65,761)
Other operating results, net	(18,415)	1,547	(476)	(17,344)
Profit from operations	531,809	(4,722)	-	527,087
Share of profit / (loss) of associates	42,770	8,413	-	51,183
Net segment profit before financing and taxation	574,579	3,691	-	578,270

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.

	December 31, 2014	December 31, 2013
Total reportable assets as per segment information	5,960,118	6,105,132
Investment properties	(143,527)	(160,733)
Property, plant and equipment	(163)	(110)
Trading properties	(5,747)	(7,638)
Goodwill	(5,740)	(5,235)
Inventories	(375)	(170)
Investment in associates and joint ventures	159,353	273,395
Total assets as per the statements of financial position	5,963,919	6,204,641

7. Information about main subsidiaries

The Group conducts its business through several operating and holding subsidiaries. The Group considers that the subsidiaries below are the ones with non-controlling interests material to the Group.

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7. Information about main subsidiaries (Continued)

Summarized statements of financial position

	Panamerican Mall S.A. ("PAMSA")		Rigby		Dolphin Fund Ltd.	
	December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014
ASSETS						
Total Non-current assets	467,895	474,207	-	-	403,506	595,991
Total Current assets	458,908	361,857	18,598	1,288,300	2,500	448,539
TOTAL ASSETS	926,803	836,064	18,598	1,288,300	406,006	1,044,530
LIABILITIES						
Total Non-current liabilities	17,061	17,895	-	-	503,743	320,847
Total Current liabilities	97,441	76,329	974	817,275	30,327	187,825
TOTAL LIABILITIES	114,502	94,224	974	817,275	534,070	508,672
NET ASSETS	812,301	741,840	17,624	471,025	(128,064)	535,858

Summarized statements of income and statements of comprehensive income

	PAMSA		Rigby		Dolphin Fund Ltd.
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014 (*)
Revenues	174,693	126,182	28,131	39,456	-
Profit / (loss) before income tax	108,465	81,264	397,704	1,679	(855,653)
Income tax expense	(38,004)	(28,439)	-	-	-
Profit / (loss) for the period	70,461	52,824	397,704	1,679	(855,653)
Total comprehensive income / (loss) for the period	70,461	52,824	397,704	1,679	(855,653)
Profit / (Loss) attributable to non-controlling interest	14,092	10,204	101,414	428	(855,653)
Dividends paid to non-controlling interest	-	-	-	-	-

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7. Information about principal subsidiaries (Continued)

Summarized statement of cash flows

	PAMSA		Rigby	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Net cash generated by operating activities:	54,914	71,411	942	11,790
Net cash (used in) generated from investing activities	(73,101)	(69,709)	1,500,876	(2,887)
Net cash generated from / (used in) financing activities	13,128	(4,404)	(1,500,025)	(7,556)
Net decrease / increase in cash and cash equivalents.	(5,059)	(2,702)	1,793	1,347
Foreign exchange gain on cash and cash equivalents	1,480	617	419	2,581
Cash and cash equivalents at beginning of period	44,387	11,416	7,520	11,491
Cash and cash equivalents at end of period	40,808	9,331	9,732	15,419

The information above is the amount before inter-company eliminations.
(*) As of December 31, 2013 Dolphin Fund Ltd did not accomplish with materiality criteria.

8. Interests in joint ventures

As of December 31, 2014 and June 30, 2014, the joint ventures of the Group were Cyrsa S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A., NPSF, Entretenimiento Universal S.A. and EHSA. The shares in these joint ventures are not publicly traded.

Evolution of Group's investments in joint ventures for the six-month period ended December 31, 2014 and for the year ended June 30, 2014 was as follows:

	December 31, 2014	June 30, 2014
Beginning of the period /year	316,658	287,846
Capital contribution	1,869	3,343
Cash dividends (ii)	(33,614)	-
Share of profit	11,873	25,469
Capital reduction (iii)	(110,860)	-
End of the period / year (i)	185,926	316,658

Includes Ps. (55) and Ps. (59) reflecting interests in companies with negative equity as of December 31, 2014 and June 30, 2014, respectively, which are disclosed in "Provisions" (see Note 23).

(ii) During the period, the Group cashed dividends from Cyrsa and Nuevo Puerto Santa Fe S.A. in the amount of Ps. 31.0 and Ps. 2.6 million, respectively.

(iii)

During the period ended December 31, 2014, Cyrsa S.A. made a capital reduction to the Company in the amount of Ps. 110.9 million.

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9. Interests in associates

As of June 30, 2014, the associates of the Group were New Lipstick LLC, BHSA, IDBD, Tarshop S.A., Manibil S.A., Lipstick Management LLC, Banco de Crédito y Securitización S.A. ("BACS"), Bitania 26 S.A. and Avenida Inc.

As of December 31, 2014, the associates of the Group were New Lipstick LLC, BHSA, IDBD, 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 six-month period ended December 31, 2014 and for the year ended June 30, 2014 were as follows:

	December 31, 2014	June 30, 2014
Beginning of the period /year	1,767,165	1,096,999
Acquisition of associates	-	1,131,806
Capital contributions	30,892	16,716
Share of (loss) / profit (iii)	(10,473)	77,721
Currency translation adjustment	215,844	(29,133)
Cash dividends (ii)	-	(9,983)
Sale of equity interest (see Note 4)	(10,381)	-
Increase in equity interest (see Note 4)	279,307	-
Reclassification to financial instruments (see Note 4)	(30,089)	-
Net loss on investments at fair value	(682,144)	(516,961)
End of the period / year (i) (iii)	1,560,121	1,767,165

(i) Includes Ps. (253,512) and Ps. (176,923) reflecting interests in companies with negative equity as of December 31, 2014 and June 30, 2014, respectively, which are disclosed in "Provisions" (see Note 23).
(ii) During the year ended June 30, 2014, the Group cashed dividends from BHSA and Manibil S.A. in the amount of Ps. 9.2 million and Ps. 0.8 million, respectively.
(iii) As of December 31, 2014, the equity method was applied on provisional figures because as of this balance sheet date, the financial statements of, BHSA, BACS, Tarshop S.A. and Bitania 26 S.A. were yet to be issued and approved.

Restrictions, commitments and other matters in respect of associates

IDBD

As part of the purchase agreement, DN B.V. and ETH have agreed to participate jointly and severally in capital increases resolved by the Board of Directors of IDBD to carry out its business plan during 2014 and 2015, in amounts of at least NIS 300 million in 2014 and NIS 500 million in 2015 (approximately equal to US$ 77 million and US$ 128 million at the exchange rate prevailing on December 31, 2014). As of December 31, 2014, DN B.V. and ETH have contributed an amount of NIS 407 million (equal to approximately US$104 million) thus complying with the amounts committed for 2014, while NIS 393 are still to be contributed in 2015.

9. Interests in associates (Continued)

Furthermore, under the purchase agreement, DN B.V. and ETH have agreed jointly and severally to make one or more tender offers for the purchase of shares in IDBD for an aggregate amount of NIS 512.09 million (equal to approximately US$ 131 million at the exchange rate prevailing on December 31, 2014), based on the following scheme: (i) before December 31, 2015, an amount of at least NIS 249.8 million at a share price of NIS 8.344 (subject to adjustments) and (ii) before December 31, 2016 an amount of at least NIS 512.09 million less the tender offer conducted in 2015, at a share price of NIS 8.7612 (subject to adjustments). To secure compliance with the tender offers, an aggregate amount of 29,937,591 shares of IDBD held by DN B.V. were pledged as of December 31, 2014. As of the balance sheet date, no tender offers had been made.

On the other hand, the purchase agreement provides that DN B.V. and ETH shall jointly and severally pay to creditors who participated in the restructuring arrangement indicated above the additional sum of NIS 100 million (equal approximately to US$ 26 million at the exchange rate prevailing on December 31, 2014), in the event that IDBD executes the sale of its equity interest in the subsidiary Clal Insurance Enterprises Holdings Ltd. before December 31, 2014 and provided that: (i) the sale price shall not be lower than NIS 4,200 million (equal to approximately US$ 1,078 million at the exchange rate prevailing on December 31, 2014) and (ii) the transaction is closed before June 30, 2015, provided that IDBD has received by the latter date a payment of at least NIS 1,344 million (gross) (equal to approximately US$ 345 million at the exchange rate prevailing on December 31, 2014). As of December 31, 2014, IDBD did not execute the sale of its interest in Clal Insurance Enterprises Holdings Ltd. Given that, as of December 31, 2014, IDBD did not perfect the above mentioned sale, the additional commitment assumed by DN B.V. and ETH ceased to have effect.

On May 12, 2014, the shares of IDBD started to trade in the Tel Aviv Stock Exchange, Israel; as a result, all of the shares (including pledged shares) were held in trust at Bank Leumi Le-Israel to secure compliance with lock-up provisions of Chapter D of the Tel Aviv Stock Exchange Rules, whereby shares listed under an IPO (initial public offering) may not be freely disposed of for a term of 18 months, which are then released at a rate of 2.5% per month beginning on the fourth month of the IPO date.

Hence, in accordance with Tel Aviv Rules applicable as of December 31, 2014, 47,355,557 shares and 335,715 warrants of each of the Series 2 and 3 were still subject to lock-up provisions under the terms described above.

9. Interests in associates (Continued)

BHSA

On October 31, 2014 the Bank was notified of Ruling 685 dated October 29, 2014 issued by the Superintendence of Financial Entities and Exchange Offices in proceedings conducted pursuant to Financial Investigation Case Number 1320, whereby the Bank and its officers were charged with alleged infringements to rulings on assistance to Non-Financial Public Sector, excess credit risk exposure to non-financial public sector, excess collateralization, failure to comply with minimum capital requirements and objections to the accounting treatment afforded to the transaction "Cer Swap Linked to PG08 and External Debt"; and moreover, delays in communicating the appointment of new members of the board and to file documentation related to new members of the board designated by the Shareholders' Meetings.

Such a ruling assessed a fine in the amount of Ps. 4.04 million to Banco Hipotecario S.A. and fines of diverse amounts to incumbent and former members of the Board and managers. Against such penalty, on November 25, 2014 Banco Hipotecario and other affected parties filed a writ of appeal, as per the provisions of section 42 of the Financial Entities Act, which was sent by the BCRA to the National Court of Appeals in Administrative Litigation Matters, and will be decided by Division I of said Court of Appeals. Moreover, the same Division will also decide on motions for injunctions filed on December 30, 2014 by the Bank and the persons affected by the collection proceedings filed by the BCRA for the collection of penalties. Notwithstanding the expectations to get a judicial revocation of the penalties applied by the BCRA, Banco Hipotecario S.A. has set up an allowance equal to 100% of the penalty applied by the ruling.

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10. Investment properties

Changes in the Group's investment properties for the six-month period ended December 31, 2014 and for the year ended June 30, 2014 were as follows:

	Shopping Center portfolio	Office buildings and other rental properties portfolio	Undeveloped parcel of lands	Properties under development	Total
At July 1, 2013:					
Costs	3,099,729	1,756,964	367,591	185,185	5,409,469
Accumulated amortization	(1,239,831)	(186,372)	-	-	(1,426,203)
Residual value	1,859,898	1,570,592	367,591	185,185	3,983,266
Year ended June 30, 2014					
Opening residual value	1,859,898	1,570,592	367,591	185,185	3,983,266
Additions	61,108	23,988	454	156,927	242,477
Currency translation adjustment	-	375,263	-	-	375,263
Reclassification of held for sale	-	(1,098,990)	-	-	(1,098,990)
Disposals	(35)	(46,977)	-	(684)	(47,696)
Transfers	(25,332)	15,076	(174)	(803)	(11,233)
Financial costs capitalized	-	-	-	22,376	22,376
Depreciation (i)	(130,394)	(65,474)	-	-	(195,868)
Closing residual value	1,765,245	773,478	367,871	363,001	3,269,595
At June 30, 2014:					
Costs	3,135,470	1,022,389	367,871	363,001	4,888,731
Accumulated amortization	(1,370,225)	(248,911)	-	-	(1,619,136)
Residual value	1,765,245	773,478	367,871	363,001	3,269,595
Period ended December 31, 2014:					
Opening residual value	1,765,245	773,478	367,871	363,001	3,269,595
Additions	14,592	807	214,599	119,716	349,714
Transfers to property, plant and equipment	-	7,361	-	-	7,361
Transfers (ii)	211,961	-	-	(211,961)	-
Disposals	-	(57,477)	(1,687)	(631)	(59,795)
Depreciation (i)	(55,477)	(15,937)	-	-	(71,414)
Closing residual value	1,936,321	708,232	580,783	270,125	3,495,461
At December 31, 2014:					
Costs	3,231,629	910,541	580,783	270,125	4,993,078
Accumulated amortization	(1,295,308)	(202,309)	-	-	(1,497,617)

Residual value	1,936,321	708,232	580,783	270,125	3,495,461

(i) Depreciation charges of investment property were included in “Costs” in the statement of income (Note 29).
(ii) Related to completion of works at Arcos.

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10. Investment properties (Continued)

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

	December 31, 2014	December 31, 2013
Rental and service income	1,501,306	1,189,911
Direct operating expenses	(605,781)	(528,259)
Development expenditures	(4,674)	(2,673)
Gain from disposal of investment property	801,052	7,481

Properties under development mainly comprise works in Shopping Neuquén S.A. (Alto Comahue) and Arcos del Gourmet S.A. (Distrito Arcos). As of December 31, 2014 and June 30, 2014 works in Alto Comahue amount to Ps. 244,095 and Ps. 126,799, respectively. The project is expected to be completed in March, 2015. Works in Distrito Arcos as of December 31, 2014 and June 30, 2014 amount to Ps. 26,030 and Ps. 236,202, respectively.

In respect of Arcos del Gourmet S.A., on December 10, 2013, the Judicial Branch confirmed an injunction order that suspended the opening of the shopping center on the grounds that it did not have certain governmental permits. The Company carried out specific actions, challenged the ruling that imposed the penalty and requested that it be lifted with expectations of a favorable result. In this context, on April 10, 2014, the government of the City of Buenos Aires granted a new environmental clearing certificate.

On the other hand, in one of the two judicial processes (amparos – actions intended to protect constitutional rights) currently being heard, “Charlon, Marcelo Alejandro and others VS. GCBA on/ amparo”, the Court of Appeals referred to above confirmed the decision rendered by the lower court whereby the action was abated, as per notice served upon us on September 1, 2014. This means that, to date, the process has concluded with the decision being favorable to us.

As to the other process entitled “Federación de Comercio e Industria de la Ciudad de Buenos Aires (FECOBA) and others vs. GCBA on amparo”, on August 29, 2014 the lower court rendered a decision rejecting the case. This judgment was appealed and following the corresponding service of notices between the parties, the record of proceedings was submitted to the Court of Appeals in September 2014. Following the corresponding notification of the Court’s Prosecutor, the record of proceedings was docketed for a decision on October 8, 2014 following a decision by the Court of Appeals in early December 2014. Such decision confirmed the judgment rendered by the lower court where it held both FECOBA and Vicente Lourenzo lacked active legitimation to file an action to protect the environment and fair competition. As a result, on December 18, 2014 the Shopping Center was opened and thus, given that this decision confirmed the lower court’s decision, the injunction that had prevented the opening of the Shopping Center became ineffective.

It should be noted that the plaintiff filed an action in first instance requesting the continuation of the injunction on the grounds that it had filed an action for unconstitutionality, which is an extraordinary remedy to be decided by the CABA Higher Court of Justice.

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10. Investment properties (Continued)

Even though we are not certain about the remedy being filed for we have not been notified of its existence and content as of the balance sheet date, the first instance court rejected the plaintiff’s motion on the grounds that the decision rendered by the Court of Appeals has the same effects as a final judgment and, thus, the injunction is no longer in force.

The following is a detailed summary of the Group's investment properties by type at December 31, 2014 and June 30, 2014:

	Net book amount	
Name	December 31, 2014	June 30, 2014
Shopping centers:		
Abasto de Buenos Aires	265,181	273,575
Alto Palermo Shopping	252,931	258,200
Alto Avellaneda	131,204	134,822
Paseo Alcorta	102,264	103,065
Alto Noa	30,321	31,638
Buenos Aires Design	14,675	15,722
Patio Bullrich	113,701	116,539
Alto Rosario	117,000	119,968
Mendoza Plaza	104,554	107,509
Dot Baires Shopping	414,726	421,430
Córdoba Shopping	63,147	64,951
Patio Olmos	28,121	29,192
Soleil Factory	86,535	88,634
Distrito Arcos	211,961	-
Subtotal Shopping Centers	1,936,321	1,765,245
Office building and other rental properties portfolio:		
Bouchard 551	7,826	60,893
Bouchard 710	60,671	61,354
Dique IV	53,469	55,100
Intercontinental Plaza	54,494	49,279
Libertador 498	4,021	3,257
Madero 1020	124	134
Maipú 1300	17,591	23,685
Rivadavia 2768	329	364
Suipacha 652	8,065	8,432
Torre BankBoston	139,378	142,085
República building	196,833	200,755

Constitución 1111	704	726
Dot building	96,783	97,967
Building annexed to DOT	25,332	25,332
Santa María del Plata	12,513	12,504
Ocampo parking space	14,875	15,349
Others	15,224	16,262
Total Office and Other rental properties portfolio	708,232	773,478
Undeveloped parcels of lands:		
Santa María del Plata	158,951	158,951
Catalinas Norte	109,494	109,494
Pilar	1,550	1,550
Luján plot of land	41,973	41,973
Caballito - Ferro	45,814	45,814
La Adela	214,594	-
Others	8,407	10,089
Total undeveloped parcels of land	580,783	367,871
Properties under development:		
Distrito Arcos	26,030	236,202
Alto Comahue	244,095	126,799
Total properties under development	270,125	363,001
Total	3,495,461	3,269,595

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11. Property, plant and equipment

Changes in the Group's property, plant and equipment for the six-month period ended December 31, 2014 and for the year ended June 30, 2014 were as follows:

	Hotel buildings and facilities	Buildings and facilities	Furniture and fixtures	Machinery and equipment	Vehicles	Total
At July 1st, 2013:						
Cost	380,543	62,773	14,336	87,846	512	546,010
Accumulated depreciation	(212,343)	(37,252)	(10,296)	(72,934)	(512)	(333,337)
Residual value	168,200	25,521	4,040	14,912	-	212,673
Year ended June 30, 2014						
Opening residual value	168,200	25,521	4,040	14,912	-	212,673
Additions	9,980	1,596	2,818	9,481	-	23,875
Currency translation adjustment	-	-	92	-	-	92
Disposals	(24)	-	-	(36)	-	(60)
Transfers	-	12,231	-	-	-	12,231
Depreciation charge (i)	(13,770)	(7,044)	(906)	(7,078)	-	(28,798)
Closing residual value………………	164,386	32,304	6,044	17,279	-	220,013
At June 30, 2014:						
Cost	390,499	76,600	17,246	97,291	512	582,148
Accumulated depreciation	(226,113)	(44,296)	(11,202)	(80,012)	(512)	(362,135)
Residual value	164,386	32,304	6,044	17,279	-	220,013
Period ended December 31, 2014						
Opening residual value	164,386	32,304	6,044	17,279	-	220,013
Additions	4,714	1,346	2,019	9,524	2,863	20,466
Currency translation adjustment	-	-	45	-	-	45
Transfers of investment properties	-	(7,459)	-	98	-	(7,361)
Depreciation charge (i)	(7,417)	(775)	(685)	(4,154)	(191)	(13,222)
Closing residual value	161,683	25,416	7,423	22,747	2,672	219,941
At September 30, 2014:						
Cost	381,443	63,443	18,404	99,835	3,375	566,500
Accumulated depreciation	(219,760)	(38,027)	(10,981)	(77,088)	(703)	(346,559)
Residual value	161,683	25,416	7,423	22,747	2,672	219,941

(i) Depreciation charges of property, plant and equipment were included in “General and administrative expenses” and “Costs” in the statement of income (Note 29).

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11. Property, plant and equipment (Continued)

The following is a detailed summary of hotels and facilities included in property, plant and equipment of the Group by type at December 31, 2014 and June 30, 2014:

	Net book amount	
Name	December 31, 2014	June 30, 2014
Hotels:		
Llao Llao	82,839	83,211
Hotel Intercontinental	45,738	46,026
Sheraton Libertador	33,106	35,149
Total Hotels	161,683	164,386

12. Trading properties

Changes in the Group's trading properties for the six-month period ended December 31, 2014 and for the year ended June 30, 2014 were as follows:

	Completed properties	Properties under development	Undeveloped sites	Total
At July 1st, 2013	6,794	88,864	10,495	106,153
Additions	1,400	2,694	-	4,094
Currency translation adjustment	-	27,630	-	27,630
Transfers	7,897	-	(747)	7,150
Disposals	(9,774)	-	-	(9,774)
At June 30, 2014	6,317	119,188	9,748	135,253
Additions	-	168	-	168
Currency translation adjustment	-	(1,451)	-	(1,451)
Disposals	(1,038)	-	-	(1,038)
At December 31, 2014	5,279	117,905	9,748	132,932

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12. Trading properties (Continued)

The following is a detailed summary of the Group´s trading properties by type as of December 31, 2014 and June 30, 2014:

Description	Net book amount December 31, 2014	June 30, 2014
Under developed sites:		
Air space Coto	8,945	8,945
Neuquén Project	803	803
Total under developed sites	9,748	9,748
Properties under development:		
Vista al Muelle	44,868	45,368
Zetol	64,837	65,620
Pereiraola	8,200	8,200
Total properties under development	117,905	119,188
Completed properties:		
Abril	2,357	2,357
El Encuentro	-	79
San Martín de Tours	124	124
Entre Rios 465/9 apartment	1,400	1,400
Condominio I	415	956
Condominio II	945	1,122
Caballito Nuevo	38	279
Total completed properties	5,279	6,317
Total	132,932	135,253

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13. Intangible assets

Changes in the Group's intangible assets for the six-month period ended December 31, 2014 and for the year ended June 30, 2014 were as follows:

	Goodwill	Computer software	Rights of use (ii)	Right to receive future units under barter agreements (iii)	Others	Total
At July 1, 2013						
Cost	56,893	17,752	20,873	93,225	907	189,650
Accumulated depreciation	-	(15,998)	-	-	(774)	(16,772)
Residual value	56,893	1,754	20,873	93,225	133	172,878
Year ended June 30, 2014						
Opening residual value	56,893	1,754	20,873	93,225	133	172,878
Additions	-	785	-	-	10,954	11,739
Currency translation adjustment	26,016	-	-	-	-	26,016
Disposals	-	(162)	-	-	-	(162)
Transfers	-	-	-	(8,148)	-	(8,148)
Reclassification of held for sale	(77,085)	-	-	-	-	(77,085)
Amortization charges (i)	-	(1,073)	-	-	(80)	(1,153)
Residual value at year end	5,824	1,304	20,873	85,077	11,007	124,085
At June 30, 2014						
Cost	5,824	18,324	20,873	85,077	11,861	141,959
Accumulated depreciation	-	(17,020)	-	-	(854)	(17,874)
Residual value	5,824	1,304	20,873	85,077	11,007	124,085
Period ended December 31, 2014:						
Opening residual value	5,824	1,304	20,873	85,077	11,007	124,085
Additions	-	364	-	5,409	-	5,773
Disposals	(343)	-	-	-	-	(343)
Amortization charges (i)	-	(510)	-	-	(40)	(550)
Residual value at period end	5,481	1,158	20,873	90,486	10,967	128,965
Period ended December 31, 2014:						

Cost	5,481	18,688	20,873	90,486	11,861	147,389
Accumulated depreciation	-	(17,530)	-	-	(894)	(18,424)
Residual value	5,481	1,158	20,873	90,486	10,967	128,965

(i) Amortization charges of intangible assets are included in "General and administrative expenses" in the statement of income (Note 29). There are no impairment charges for any of the years / period presented.
(ii) Correspond to Distrito Arcos, which will start to amortize at the time of delivering the shopping center.
(iii) Correspond to receivables in kind representing the right to receive residential apartments in the future by way of barter agreements.

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14. Inventories

Breakdown of Group’s inventories as of December 31, 2014 and June 30, 2014 were as follows:

	December 31, 2014	June 30, 2014
Current		
Hotel supplies	6,667	6,011
Materials and others items of inventories	13,337	10,952
Current inventories	20,004	16,963
Total inventories	20,004	16,963

15. Financial instruments by category

Determination of fair values

IFRS 9 defines the fair value of a financial instrument as the amount for which an asset could be exchanged, or a financial liability settled, between knowledgeable, willing parties in an arm’s length transaction. All financial instruments recognized at fair value are allocated to one of the valuation hierarchy levels of IFRS 7. This valuation hierarchy provides for three levels.

In the case of Level 1, valuation is based on quoted prices (unadjusted) in active markets for identical assets and liabilities that the Company can refer to at the date of valuation. A market is deemed active if transactions of assets and liabilities take place with frequency and in sufficient quantity. Since a quoted price in an active market is the most reliable indicator of fair value, this should always be used if available. The financial instruments the Group has allocated to this level mainly comprise equity investments, mutual funds and mortgage bonds for which quoted prices in active markets are available. In the case of securities, the Group allocates them to this level when either a stock market price is available or prices are provided by a price quotation on the basis of actual market transactions.

In the case of Level 2, fair value is determined by using valuation methods based on inputs directly or indirectly observable in the market. If the financial instrument concerned has a fixed contract period, the inputs used for valuation must be observable for the whole of this period. The financial instruments the Group has allocated to this level mainly comprise interest rate swaps and foreign currency future contracts.

15. Financial instruments by category (Continued)

In the case of Level 3, the Group uses valuation techniques not based on inputs observable in the market. This is only permissible insofar as no market data are available. The inputs used reflect the Group's assumptions regarding the factors which market players would consider in their pricing. The Group uses the best available information for this, including internal company data. The Group has allocated to this level shares and warrants of Supertel, the call option of Arcos del Gourmet S.A. (with a fair value of zero at the end of the period) and commitment to tender offer of shares in IDBD.

The Group's Finance Division has a team in place in charge of estimating valuation of financial assets required to be reported in the financial statements, including the fair value of Level-3 instruments. The team directly reports to the Chief Financial Officer(CFO).

The CFO and the valuation team discuss the valuation methods and results upon the acquisition of an asset and, if necessary, on a quarterly basis, in line with the Group's quarterly reports.

According to the Group's policy, transfers among the several categories of valuation tiers are recognized when occurred, or when there are changes in the prevailing circumstances requiring the transfer.

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15. Financial instruments by category (Continued)

The following tables present the Group's financial assets and financial liabilities that are measured at fair value as of December 31, 2014 and June 30, 2014 and their allocation to the fair value hierarchy:

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss:				
- Investment in equity securities of TGLT	53,512	-	-	53,512
- Investment in preferred shares of Supertel	-	-	333,621	333,621
- Investment in equity securities of Avenida Inc.	63,810	-	-	63,810
- Mutual funds	76,052	-	-	76,052
- Banco Macro bonds	1,521	-	-	1,521
- Public companies securities	11,690	-	-	11,690
- Government bonds	669,821	-	-	669,821
Derivative financial instruments:				
- Warrants of IDBD	2,636	-	-	2,636
- Warrants of Supertel	-	-	4,096	4,096
Cash and cash equivalents:				
- Mutual funds	1,263	-	-	1,263
Investment in associates:				
- IDBD	400,187	-	-	400,187
Total assets	1,280,492	-	337,717	1,618,209

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative financial instruments:				
- Commitment to tender offer shares in IDBD	-	-	503,743	503,743
Borrowings:				
	-	23,900	-	23,900

- Other borrowings				
Total liabilities	-	23,900	503,743	527,643

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15. Financial instruments by category (Continued)

	June 30, 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss:				
- Investment in equity securities of TGLT	63,546	-	-	63,546
- Investment in equity securities of Hersha	53,901	-	-	53,901
- Investment in preferred shares of Supertel	-	-	211,170	211,170
- Mutual funds	140,095	-	-	140,095
- Banco Macro bonds	1,438	-	-	1,438
- Government bonds	10,276	-	-	10,276
- Public companies securities	14,318	-	-	14,318
Derivative financial instruments:				
- Foreign-currency future contracts	-	1,200	-	1,200
- IDBD preemptive rights	10,986	-	-	10,986
- Interest rate swaps (i)	-	684	-	684
Cash and cash equivalents:				
- Mutual funds	2,616	-	-	2,616
Investment in associates:				
- IDBD	595,342	-	-	595,342
Total assets	892,518	1,884	211,170	1,105,572

(i) Includes Ps. 299 in the line Assets held for sale (See note 39).

	June 30, 2014			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative financial instruments:				
- Foreign-currency future contracts	-	14,225	-	14,225
- Commitment to tender offer shares in IDBD	-	-	320,847	320,847
Borrowings:				
- Other borrowings	22,901	51,443	-	74,344

Total liabilities	22,901	65,668	320,847	409,416

The following table presents the changes in Level 3 instruments for the period ended December 31, 2014 and June 30, 2014:

	Shares of Supertel	Warrants of Supertel	Commitment to tender offer of shares in IDBD	Total
Total as of July 1, 2013	139,121	16,949	-	156,070
Currency translation adjustment	-	-	(5,247)	(5,247)
Total gains / (losses) for the year 2014	72,049	(16,949)	(315,600)	(260,500)
Balance at June 30, 2014	211,170	-	(320,847)	(109,677)
Currency translation adjustment	-	-	(19,429)	(19,429)
Total gain / (losses) for the period (i)	122,451	4,096	(163,467)	(36,920)
Balance at December 31, 2014	333,621	4,096	(503,743)	(166,026)

(i) The gain / (loss) is not realized as of December 31, 2014 and June 30, 2014 and is accounted for under "Financial results, net" in the statement of income (Note 29).

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15. Financial instruments by category (Continued)

Upon initial recognition (January, 2012), the consideration paid for the Shares and Warrants of Supertel was assigned to both instruments based on the relative fair values of those instruments upon acquisition. The fair values of these instruments exceeded the price of the transaction and were assessed using a valuation method that incorporates unobservable market data. Given the fact that the fair value of these instruments was estimated by applying the mentioned method, the Group did not recognize a gain of US$ 7.9 million at the time of initial recognition. As of June 30, 2014, the fair value of the Warrants of Supertel determined using the mentioned technique was minor than the gain not recognized at the time of initial recognition; remaining thus the Warrants remain valued at an amount of zero.

According to Group estimates, all things being constant, a 10% decline in the price of the underlying assets of Shares and Warrants of Supertel (data observed in the market) of Level 3 as of December 31, 2014, would reduce pre-tax income by Ps. 37 million.

According to Group estimates, all things being constant, a 10% decrease in the credit spread (data which is not observable in the market) of the Shares and Warrants of Supertel used in the valuation model applied to Level 3 financial instruments as of December 31, 2014, would increase pre-tax income by Ps. 0,01 million. The rate used as of December 31, 2014 was 14.07%.

When no quoted prices in an active market are available, fair values (particularly with derivatives) are based on recognized valuation methods. The Group uses a range of valuation models for the measurement of Level 2 and Level 3 instruments, details of which may be obtained from the following table:

Description	Pricing model	Pricing method	Parameters	Range
Foreign currency-contracts	Present value method	Theoretical price	Money market interest-rate curve; Foreign exchange curve.	-
Derivative on tender offer IDBD	Black-Scholes	Theoretical price	Underlying asset price; share price volatility (historical) and money market interest-rate curve (ILS rate curve).	Underlying asset price 1.1 to 2 Share price volatility 75% to 95% Money market interest rate 0.25% to 0.4%
Loan for the purchase of IDBD shares	Market price of underlying asset	Theoretical price	Underlying asset price	-
Interest rate swaps	Cash flow Binomial tree	Theoretical price	Interest rate and cash flow forward contract.	-

Preferred shares of Supertel		Theoretical price	Underlying asset price (Market price); share price volatility (historical) and money market interest-rate curve (Libor rate).	Underlying asset price 2.08 to 2.55 Share price volatility 55% to 75% Money market interest rate 0.85% to 1.05%
Warrants of Supertel	Black-Scholes	Theoretical price	Underlying asset price (Market price); share price volatility (historical) and money market interest-rate curve (Libor rate).	Underlying asset price 2.08 to 2.55 Share price volatility 55% to 75% Money market interest rate 0.85% to 1.05%
Call option of Arcos	Discounted cash flow	-	Projected income and discounted interest rate.	-

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16. Restricted assets

Group's restricted assets as of December 31, 2014 and June 30, 2014 are as follows:

	December 31, 2014	June 30, 2014
Current		
Deposit in escrow	8,867	-
Total restricted assets current	8,867	-
Total restricted assets	8,867	-

17. Trade and other receivables

Group's trade and other receivables as of December 31, 2014 and June 30, 2014 are as follows:

	December 31, 2014	June 30, 2014
Non-current		
Trade, leases and services receivables	61,998	55,105
Less: allowance for trade receivables	(2,208)	(2,208)
Non-current trade receivables	59,790	52,897
Trade receivables of joint venture	3,380	3,213
VAT receivables	20,808	19,710
Prepaid expenses	5,534	14,332
Advance from vendors	6,342	-
Others	415	1,093
Non-current other receivables	36,479	38,348
Related parties (Note 34)	1,208	1,143
Total non-current trade and other receivables	97,477	92,388

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17. Trade and other receivables (Continued)

	December 31, 2014	June 30, 2014
Current		
Consumer financing receivables	14,737	14,861
Trade, leases and services receivables	377,309	256,110
Receivables from hotel operations	37,992	33,861
Checks to be deposited	212,137	183,422
Trade and lease debtors under legal proceedings	62,913	59,397
Less: allowance for trade receivables	(85,698)	(79,926)
Trade receivables	619,390	467,725
VAT receivables	8,982	8,788
Other tax receivables	11,434	16,085
Loans granted	10,253	9,084
Prepaid expenses	31,745	54,626
Advance from vendors	66,075	74,521
Contributions to be paid in by non-controlling interests	-	12,840
Dividends received	19,959	11,778
Others	22,919	19,749
Less: allowance for other receivables	(165)	(175)
Current other receivables	171,202	207,296
Related parties (Note 34)	35,318	31,825
Current trade and other receivables	825,910	706,846
Total trade and other receivables	923,387	799,234

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

	December 31, 2014	June 30, 2014
Beginning of the period / year	82,309	79,148
Additions	9,053	17,671
Unused amounts reversed	(2,402)	(6,045)
Used during the period / year	(847)	(8,465)
Receivables written off	(42)	-
End of the period / year	88,071	82,309

The creation and release of provision for impaired receivables have been included in "Selling expenses" in the statement of income (Note 29). Amounts charged to the provision account are generally written off, when there is no expectation of recovering additional cash.

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18. Investments in financial assets

Group's investments in financial assets as of December 31, 2014 and June 30, 2014 are as follows:

	December 31, 2014	June 30, 2014
Non-current		
Financial assets at fair value		
Investment in equity securities in TGLT	53,512	63,546
Investment in equity securities in Supertel	333,621	211,170
Investment in equity securities in Avenida Inc.	63,810	-
Total investments in non-current financial assets	450,943	274,716
Current		
Financial assets at fair value		
Mutual funds	76,052	140,095
Mortgage bonds (Note 34)	-	53,901
Banco Macro bonds	1,521	1,438
Public companies securities	11,690	14,318
Government bonds	669,821	10,276
Financial assets at amortized cost		
Non-Convertible Notes related parties (Note 34)	-	14,079
Total investments in current financial assets	759,084	234,107
Total investments in financial assets	1,210,027	508,823

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19. Derivative Financial Instruments

Group's derivative financial instruments as of December 31, 2014 and June 30, 2014 are as follows:

	December 31, 2014	June 30, 2014
Assets		
Non-current		
Warrants of Supertel (i)	4,096	-
Total non-current derivative financial instruments	4,096	-
Current		
Interest rate swaps	-	684
Warrants of IDBD	2,636	-
Foreign-currency future contracts	-	1,200
IDBD preemptive rights	-	10,986
Total current derivative financial instruments	2,636	12,870
Total assets	6,732	12,870
Liabilities		
Non-current		
Commitment to tender offer shares in IDBD	(271,302)	(320,847)
Total non-current derivative financial instruments	(271,302)	(320,847)
Current		
Commitment to tender offer shares in IDBD	(232,441)	-
Foreign currency future contracts (Note 34)	-	(14,225)
Total current derivative financial instruments	(232,441)	(14,225)
Total liabilities	(503,743)	(335,072)

(i) The balance represents the fair value of Supertel's warrants purchased in February 2012. The warrants' gain not recognized upon initial recording amounted to US$ 1.1 million as of June 30, 2014. Warrants' fair value was lower than the mentioned amount, therefore, warrants were valued at zero.

20. Cash flow information

The following table shows the amounts of cash and cash equivalents as of December 31, 2014 and June 30, 2014:

	December 31, 2014	June 30, 2014

Cash at bank and on hand	815,881	607,291
Mutual funds	1,263	2,616
Total cash and cash equivalents	817,144	609,907

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20. Cash flow information (Continued)

Following is a detailed description of cash flows generated by the Group's operations for the six-month periods ended December 31, 2014 and 2013:

	Note	December 31, 2014	December 31, 2013
Income / (loss) for the period		46,885	(26,074)
Adjustments for:			
Income tax expense	25	379.097	(7,312)
Retirement of obsolete property, plant and equipment	11	-	38
Amortization and depreciation	29	85,186	113,251
Gain from disposal of investment property	10	(801,052)	(7,481)
Dividends received	32	(8,356)	(6,510)
Share-based payments	33	2,070	11,835
Gain from purchase of subsidiaries and joint ventures	8.9	-	12
Gain from derivative financial instruments	32	192,991	(13,552)
Changes in fair value of investments in financial assets	32	(200,484)	(40,985)
Interest expense, net	32	307,504	172,382
(Loss) from disposal of associates		(8,758)	-
Provisions and allowances		54,517	48,607
Share of profit / (loss) of associates and joint ventures	8.9	680,744	(51,183)
Gain on repurchase of Non-Convertible notes	32	-	12,874
Unrealized foreign exchange loss, net		121,193	453,851
Changes in operating assets and liabilities:			
(Increase) / Decrease in inventories		(3,041)	491
Decrease in trading properties		870	1,254
(Increase) / Decrease in trade and other receivables		(110,182)	46,147
Increase/ (Decrease) in trade and other payables		96,391	(131,697)
Decrease in salaries and social security liabilities		(17,145)	(3,296)
Decrease in provisions		(3,432)	(614)
Net cash generated by operating activities before income tax paid		814,998	572,038

The following table shows a detail of non-cash transactions occurred in the periods ended December 31, 2014 and 2013:

	December 31, 2014	December 31, 2013
Decrease in borrowings through a decrease in equity investments in subsidiaries, associates and joint ventures	136,685	-

Reimbursement of expired dividends	812	784
Dividends payable	-	72,182
Increase in investment properties through a decrease in financial assets	48,196	-
Increase in borrowings through a decrease in dividends payable	-	160,173
Increase in financial assets through a decrease in equity investments in associates and joint ventures	30,089	-
Increase in restricted assets through a decrease in assets held for sale	8,742	-
Increase in Property, Plant and Equipment through an increase in borrowings	695	-
Decrease in investment properties through an increase in property, plant and equipment	7,361	-
Decrease in investment properties through an increase in intangible assets	1,666	-

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21. Trade and other liabilities

Group's trade and other payables as of December 31, 2014 and June 30, 2014 are as follows:

	December 31, 2014	June 30, 2014
Non-current		
Admission rights	131,268	113,617
Sale and rent payments received in advance	67,525	51,638
Guarantee deposits	6,513	6,759
Non-current trade payables	205,306	172,014
Tax payment facilities plan	12,487	14,813
Deferred income tax	7,667	7,914
Others	8,257	7,716
Non-current other payables	28,411	30,443
Related parties (Note 34)	66	195
Non-current trade and other payables	233,783	202,652
Current		
Trade payables	166,145	64,217
Accrued invoices	104,940	107,982
Guarantee deposits	15,240	9,985
Admission rights	124,322	111,024
Sale and rent payments received in advance	168,631	180,985
Current trade payables	579,278	474,193
VAT payables	34,852	28,509
Deferred revenue	495	495
Other tax payables	35,929	27,478
Dividends payable to non-controlling shareholders	13,911	23,940
Others	9,078	7,449
Current other payables	94,265	87,871
Related parties (Note 34)	64,508	116,661
Current trade and other payables	738,051	678,725
Total trade and other payables	971,834	881,377

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22. Salaries and social security liabilities

Group’s Salaries and social security liabilities as of December 31, 2014 and June 30, 2014 are as follows:

	December 31, 2014	June 30, 2014
Non-current		
Social security payable	2,874	3,749
Total non-current salaries and social security liabilities	2,874	3,749
Current		
Provision for vacation, bonuses and others	62,000	80,577
Social security payable	20,436	18,098
Others	570	601
Total current salaries and social security liabilities	83,006	99,276
Total salaries and social security liabilities	85,880	103,025

23. 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 claims	Investments in associates and joint ventures (*)	Total
At July 1st, 2013	31,010	1,686	39,091	71,787
Additions	23,641	478	115,359	139,478
Recovery	(7,529)	(574)	-	(8,103)
Used during the period	(2,034)	-	-	(2,034)
Contributions	-	-	(16,667)	(16,667)
Foreign exchange gain	-	-	39,199	39,199
At June 30, 2014	45,088	1,590	176,982	223,660
Additions	16,774	177	67,792	84,743
Recovery	(9,465)	(176)	-	(9,641)
Used during the period	(3,432)	-	(4)	(3,436)
Contributions	-	-	(1,485)	(1,485)
Foreign exchange gain	-	-	10,282	10,282
At December 31, 2014	48,965	1,591	253,567	304,123

(*) Corresponds to equity interests in affiliates with negative equity, principally New Lipstick LLC.

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23. Provisions (Continued)

Disclosure of total provisions in current and non-current is as follows:

	December 31, 2014	June 30, 2014
Non-current	262,884	205,228
Current	41,239	18,432
	304,123	223,660

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24. Borrowings

The breakdown of the Group borrowings as of December 31, 2014 and June 30, 2014 was as follows:

						Book value	
	Secured / unsecured	Currency	Rate	Effective interest rate %	Nominal Value of share capital	December 31, 2014	June 30, 2014
Non-current							
NCN IRSA due 2015	Unsecured	Ps.	Floating	Badlar + 395ps	-	-	209,297
NCN IRSA due 2017	Unsecured	US$	Fixed	8.5 %	149,000	1,273,079	1,210,359
NCN IRSA due 2017	Unsecured	Ps.	Floating	Badlar + 450 ps	10,790	10,736	10,734
NCN APSA due 2017	Unsecured	US$	Fixed	7.875 %	110,000	912,566	866,549
NCN IRSA due 2020	Unsecured	US$	Fixed	11.5 %	146,518	1,170,439	1,111,449
Seller financing of plot of land (v)	Secured	US$	Fixed	3.5 %	2,334	19,998	19,072
Seller financing of Soleil Factory (i)	Secured	US$	Fixed	5 %	-	-	80,126
Seller financing of Zetol S.A. (ii)	Secured	US$	Fixed	3.5 %	4,500	46,041	22,058
Bank loans	Unsecured	Ps.	Fixed	15.25 %	14,488	13,685	6,938
Syndicated loan (iii)	Unsecured	Ps.	Fixed	(iii)	126,455	24,481	74,964
Banco Provincia de Buenos Aires loan (iv)	Unsecured	Ps.	Fixed	-	-	-	6,421
Related parties (Note 34)	Secured	Ps.	Fixed	15.25 %	5,000	2,458	3,750
Related parties (Note 34)	Unsecured	Ps.	Fixed	24.00 %	7,000	6,860	-
Related parties (Note 34)	Unsecured	Ps.	Floating	Badlar	12,735	13,156	133,314
Finance leases obligations	Secured	US$	Fixed	7.5 %	5,338	576	972
Total Non-current borrowings						3,494,075	3,756,003

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24. Borrowings (Continued)

	Secured / unsecured	Currency	Rate	Effective interest rate %		Nominal Value of share capital	Book value December 31, 2014	Book value June 30, 2014
Current								
NCN IRSA due 2015	Unsecured	Ps.	Floating	Badlar + 395ps		209,398	213,212	4,325
NCN IRSA due 2017	Unsecured	US$	Fixed	8.5	%	149,000	43,648	41,472
NCN IRSA due 2017	Unsecured	Ps.	Floating	Badlar + 450ps		10,790	218	255
NCN APSA due 2017	Unsecured	US$	Fixed	7.875	%	110,000	9,470	8,968
NCN IRSA due 2020	Unsecured	US$	Fixed	11.5	%	146,518	60,283	57,281
Short-term loans	Unsecured	Ps.	Fixed	28.25	%	124,488	116,136	2,873
Bank overdrafts	Unsecured	Ps.	Floating	-		-	533,928	401,963
Syndicated loan (iii)	Unsecured	Ps.	Fixed	(iii)		126,455	101,598	101,339
Banco Provincia de Buenos Aires loan (iv)	Unsecured	Ps.	Fixed	-		132,889	133,054	12,886
Seller financing of plot of land (v)	Secured	US$	Fixed	3.5	%	-	-	2,335
Seller financing of Soleil Factory (i)	Secured	US$	Fixed	5	%	-	-	5,128
Seller financing of Zetol S.A. (ii)	Secured	US$	Fixed	3.5	%	-	-	21,207
Other borrowings	Unsecured	-	-	-		-	23,900	74,344
Related parties (Note 34)	Unsecured	Ps.	Fixed	15.25	%	5,000	2,458	71
Related parties (Note 34)	Unsecured	Ps.	Floating	Badlar + 300bps		6,635	7,052	1,250
Finance leases obligations	Secured	US$	Fixed	7.5	%	2,443	1,683	1,780
Total Current borrowings							1,246,640	737,477
Total borrowings							4,740,715	4,493,480

NCN: Non-convertible Notes

(i) Seller financing of Soleil Factory (investment properties): Mortgage financing of US$ 20.7 million with a fixed 5% interest rate due in June 2017. As of the date of these financial statements, the mentioned capital is fully canceled.

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

(iii) On November 16, 2012, the Company subscribed a syndicated loan for Ps. 118,000. Principal will be payable in 9 quarterly consecutive installments and shall accrue interest at rate of 15.01%. On June 12, 2013 the Company subscribes a new syndicated loan for Ps. 111,000. Principal will be payable in 9 quarterly consecutive installments and shall accrue interest at rate of 15.25%. Both loans have been entered into with various banking institutions, one of which is Banco Hipotecario (Note 34).

(iv) On December 12, 2012, the Group subscribed a loan with Banco Provincia de Buenos Aires for Ps. 29 million. Principal will be repaid in 9 quarterly consecutive installments beginning in December 2013. Additionally, on February 3, 2014 a new loan has been subscribed for Ps. 20 million. As of the date of these financial statements, the mentioned capital is fully canceled. On December 23, 2014, a new loan with Banco Provincia de Buenos Aires for Ps. 120 million has been subscribed. Principal will be payable in only one installment due on June 19, 2015.

(v) Seller financing of plot of land - Vista al Muelle S.A. in Canelones, Uruguay (Trading properties).

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25. Taxes

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

	December 31, 2014	December 31, 2013
Current income tax	(613,867)	(143,166)
Deferred income tax	236,504	150,478
Minimum Presumed Income tax (MPIT)	(1,734)	-
Income tax	(379,097)	7,312

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

	December 31, 2014	June 30, 2014
Beginning of the period /year	23,034	(310,700)
Use of tax loss carryforwards	(236,210)	-
Cumulative translation adjustment	(1,236)	(17,948)
Reclassified to assets held for sale	(33,346)	33,346
Income tax expense and deferred income tax	236,504	318,336
End of period / year	(11,254)	23,034

The Group did not recognize deferred income tax assets of Ps. 26.5 million and Ps. 22.9 million as of December 31, 2014 and June 30, 2014, 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.

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 six-month periods ended December 31, 2014 and 2013:

	December 31, 2014	December 31, 2013
Tax calculated at the tax rates applicable to profits in the respective countries	(107,653)	2,685
Permanent differences:		
Share of profit of associates and joint ventures	(314,425)	17,914

Unrecognized tax losses	(2,437)	(22,087)
Valuation changes and sale of shares Avenida in Torodur	14,602	-
Non-taxable income	20,288	12,117
Others	12,262	(3,317)
Income tax	(377,363)	7,312
Minimum Presumed Income tax (MPIT)	(1,734)	-

26. Shareholders' equity

Special reserve

Pursuant to CNV General Ruling No. 609/12, the Company set up a special reserve reflecting the positive difference between the balance at the beginning of retained earnings disclosed in the first financial statements prepared according to IFRS and the balance at closing of retained earnings disclosed in the last financial statements prepared in accordance with previously effective accounting standards. This reserve may not be used to make distributions in kind or in cash, and may only be reversed to be capitalized, or otherwise to absorb potential negative balances in Retained Earnings.

Repurchase plan involving common shares and GDS issued by IRSA

On July 25, 2013, IRSA's Board of Directors set forth the terms and conditions governing the purchase of the Company's own stock pursuant to Section 64 of Law No. 26,831 and the CNV's regulations, for up to an aggregate amount of Ps. 200.0 million and up to 5% of the capital stock. During the year ended June 30, 2014, the Company repurchased 533,947 common shares (nominal value Ps. 1 per share) for a total of Ps. 5.2 million and 437,075 GDS (representing 4,370,750 common shares) for a total amount of US$ 5.2 million.

On June 10 2014, the Board of Directors of IRSA resolved to terminate the stock repurchase plan that was approved by resolution of the Board on July 25, 2013, and modified by resolutions adopted on September 18, 2013, October 15, 2013 and October 22, 2013. During the term of the Stock Repurchase Plan, IRSA has repurchased 4,904,697 shares for an aggregate amount of Ps. 37,905,631.

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27. Revenues

	December 31, 2014	December 31, 2013
Base rent	602,404	499,306
Contingent rent	256,952	178,997
Admission rights	71,488	60,046
Averaging scheduled rent escalation	16,120	10,585
Parking fees	52,989	40,032
Letting fees	20,870	16,825
Service charges	460,919	368,780
Property management fee	15,771	13,035
Others	3,793	2,305
Total rental and service income	1,501,306	1,189,911
Sale of trading properties	5,801	23,140
Revenue from hotel operations	213,036	160,575
Consumer financing	65	334
Total other revenue	218,902	184,049
Total revenues	1,720,208	1,373,960

28. Costs

	December 31, 2014	December 31, 2013
Costs of rental and services costs	605,781	528,259
Cost of sale and development	6,453	8,003
Costs from hotel operations	138,520	105,437
Costs from consumer financing	64	171
Total costs	750,818	641,870

29. 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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29. Expenses by nature (Continued)

For the period ended December 31, 2014:

	Group Costs						
	Cost of sale and development	Costs of rental and services	Costs from consumer financing	Costs from hotel operations	General and administrative expenses	Selling expenses	Total
Leases and service charges	415	10,637	-	269	1,941	661	13,923
Amortization and depreciation	211	76,171	-	6,067	2,599	138	85,186
Allowance for trade and other receivables (charge and recovery)	-	-	-	-	-	6,651	6,651
Advertising and other selling expenses	-	110,380	-	3,282	-	13,301	126,963
Taxes, rates and contributions	1,641	48,137	-	155	4,053	42,808	96,794
Maintenance, security, cleaning, repair and others	2,646	152,313	-	17,173	9,521	522	182,175
Fees and payments for services	94	17,185	55	1,377	34,894	3,314	56,919
Director´s fees	-	-	-	-	40,556	-	40,556
Salaries, social security costs and other personnel expenses	427	178,262	-	78,015	53,648	13,978	324,330
Cost of sales of properties	829	-	-	-	-	-	829
Food, beverage and other lodging expenses	-	-	-	31,884	4,229	2,369	38,482
Other expenses	190	12,696	9	298	11,151	433	24,777
Total expenses by nature	6,453	605,781	64	138,520	162,592	84,175	997,585

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29. Expenses by nature (Continued)

For the period ended December 31, 2013:

	Group Costs						
	Cost of sale and development	Costs of rental and services	Cost from consumer financing	Cost from hotel operations	General and administrative expenses	Selling expenses	Total
Leases and service charges	694	6,578	-	279	3,659	490	11,700
Amortization and depreciation	242	104,766	-	5,511	2,623	109	113,251
Allowance for trade and other receivables (charge and recovery)	-	-	-	-	-	2,692	2,692
Advertising and other selling expenses	-	94,259	-	2,078	-	12,873	109,210
Taxes, rates and contributions	1,314	38,800	-	243	3,162	33,666	77,185
Maintenance, security, cleaning, repair and others	1,761	118,570	-	12,358	7,291	303	140,283
Fees and payments for services	28	14,144	169	1,006	17,699	2,966	36,012
Director’s fees	-	-	-	-	40,177	-	40,177
Salaries, social security costs and other personnel expenses	77	143,855	-	59,407	45,442	10,482	259,263
Cost of sales of properties	3,862	-	-	-	-	-	3,862
Food, beverage and other lodging expenses	-	-	-	24,336	3,211	1,633	29,180
Other expenses	25	7,287	2	219	6,115	547	14,195
Total expenses by nature	8,003	528,259	171	105,437	129,379	65,761	837,010

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30. Employee costs

	December 31, 2014	December 31, 2013
Salaries, bonuses and social security expenses	297,142	229,303
Costs of equity incentive plan and defined contribution plan	7,268	13,470
Other employee costs and benefits	19,920	16,490
Total employee costs	324,330	259,263

31. Other operating results, net

	December 31, 2014	December 31, 2013
Gain from disposal of equity interest in associate	8,758	-
Expenses related to transfers of investment property to subsidiaries (1)	(110,482)	-
Reversal of currency translation adjustment (2)	188,323	-
Donations	(7,847)	(7,534)
Judgments and other contingencies (3)	(7,747)	(6,865)
Others	(3,018)	(2,945)
Total other operating results, net	67,987	(17,344)

(1) On December 22, 2014, IRSA conveyed title on the properties located in Bouchard 710, Suipacha 652, Torre BankBoston, República Building, Intercontinental Plaza and the plot of land next to the latter, to its subsidiary IRSA Propiedades Comerciales, which as from such date will continue to operate such properties. This transfer has had no effects whatsoever in the consolidated financial statements of the Group other than the expenses and taxes associated to the transfer.

(2) Corresponds to the reversal of the translation reserve generated in Rigby following the partial repayment of principal of the company (see Note 4).

(3) Includes legal costs and expenses.

32. Financial results, net

	December 31, 2014	December 31, 2013
Finance income:		
- Interest income	19,765	33,013
- Foreign exchange	14,268	20,732
- Dividends income	8,356	6,510

Total finance income	42,389	60,255
Finance costs:		
- Interest expense	(327,269)	(205,395)
- Foreign exchange	(177,986)	(496,636)
- Other finance costs	(39,401)	(26,200)
Subtotal finance costs	(544,656)	(728,231)
Less: Capitalized finance costs	9,838	14,657
Total finance costs	(534,818)	(713,574)
Other financial results:		
- Fair value gain of financial assets and liabilities at fair value through profit or loss, net	200,484	13,552
- Loss on derivative financial instruments, net	(192,991)	(12,874)
- Gain on repurchase of Non-Convertible Notes	-	40,985
Total other financial results	7,493	41,663
Total financial results, net	(484,936)	(611,656)

33. Share-based payments

Equity incentive plan

The Group incurred a charge of Ps. 4,072 and Ps. 11,835 for the six-month periods ended December 31, 2014 and 2013, respectively.

34. Related party transactions

During the normal course of business, the Group conducts transactions with different entities or parties related to it. An individual or legal entity is considered a related party where:

- An entity, individual or close relative of such individual or legal entity exercises control, or joint control, or significant influence over the reporting entity, or is a member of the Board of Directors or the Senior Management of the entity or its controlling company.
  - An entity is a subsidiary, associate or joint venture of the entity or its controlling or controlled company.

The main transactions conducted with related parties are described in the annual Financial Statements for the fiscal year ended June 30, 2014.

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34. Related party transactions (Continued)

The following is a summary of the balances with related parties as of December 31, 2014:

Related party	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	Borrowings current	Derivative financial instruments current
Parent Company										
	Reimbursement of expenses	-	-	-	16	-	(5,772)	-	-	-
	Sale of good and/or services	-	-	-	216	-	-	-	-	-
	Share-based payments	-	-	-	-	-	(5,467)	-	-	-
	Long-term incentive plan	-	-	-	-	-	(12,545)	-	-	-
	Management Fees	-	-	-	-	-	(63)	-	-	-
	Corporate services	-	-	-	-	-	(23,072)	-	-	-
Cresud	Non-Convertible Notes	-	-	-	-	-	-	(59,899)	(2,127)	-
S.A.C.I.F. y A.	Leases and/or rights of use	-	-	-	687	-	-	-	-	-
Total Parent Company		-	-	-	919	-	(46,919)	(59,899)	(2,127)	-
Associates										
	Reimbursement of expenses	-	-	-	512	-	(198)	-	-	-
	Borrowings	-	-	-	-	-	-	(14,875)	(22,647)	-
Banco	Leases and/or rights of use	-	-	-	155	-	-	-	-	-
Hipotecario S.A.	Commissions per stands	-	-	-	59	-	-	-	-	-
Lipstick Management LLC	Reimbursement of expenses	-	-	-	804	-	-	-	-	-
New Lipstick LLC	Reimbursement of expenses	-	-	-	2,416	-	-	-	-	-
		-	-	-	613	-	-	-	-	-

Banco de crédito y securitización	Reimbursement of expenses									
	Leases and/or rights of use	-	-	-	1	46	(436)	-	-	-
Tarshop S.A.	Reimbursement of expenses	-	-	-	898	-	-	-	-	-
Total Associates		-	-	-	5,458	46	(634)	(14,875)	(22,647)	-

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34. Related party transactions (Continued)

Related party	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	Borrowings current	Derivative financial instruments current
Joint Ventures										
	Contributions to be paid in	-	-	-	10	-	-	-	-	-
	Management fees	-	-	-	8	-	-	-	-	-
	Borrowings	-	-	1,208	10	-	-	-	-	-
Baicom Networks S.A.	Reimbursement of expenses	-	-	-	565	-	-	-	-	-
Enterteinment	Reimbursement of expenses	-	-	-	227	-	-	-	-	-
Holding S.A.	Borrowings	-	-	-	66	-	-	-	-	-
Entretenimiento	Reimbursement of expenses	-	-	-	134	-	-	-	-	-
Universal S.A.	Borrowings	-	-	-	74	-	-	-	-	-
Boulevard Norte S.A.	Reimbursement of expenses	-	-	-	-	-	-	-	-	-
	Borrowings	-	-	-	-	-	-	(13,157)	-	-
	Reimbursement of expenses	-	-	-	14	-	(4)	-	-	-
Cyrsa S.A.	Credit due to capital reduction	-	-	-	8,847	-	-	-	-	-
	Reimbursement of expenses	-	-	-	280	-	(5)	-	-	-
	Proceeds from leasing	-	-	-	-	-	(4)	-	-	-
	Leases and/or rights of use	-	-	-	-	-	(687)	-	-	-
	Management fees	-	-	-	2,501	-	-	-	-	-
Nuevo Puerto	Share-based payments	-	-	-	326	-	-	-	-	-
Santa Fe S.A.	Borrowings	-	-	-	-	-	-	-	(7,051)	-
	Borrowings	-	-	-	1,956	-	-	-	-	-
Puerto Retiro S.A.	Reimbursement of expenses	-	-	-	220	-	-	-	-	-

	Management fees	-	-	-	22	-	(6)	-	-	-
Quality Invest S.A.	Reimbursement of expenses	-	-	-	63	-	-	-	-	-
Total Joint Ventures			-	1,208	15,323	-	(706)	(13,157)	(7,051)	-

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34. Related party transactions (Continued)

Related party	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	Borrowings current	Derivative financial instruments current
Subsidiaries of the parent company										
Exportaciones Agroindustriales	Reimbursement of expenses	-	-	-	-	-	(6)	-	-	-
Futuros y Opciones.com S.A.	Reimbursement of expenses	-	-	-	141	-	(29)	-	-	-
FyO Trading S.A.	Reimbursement of expenses	-	-	-	1	-	-	-	-	-
Total Subsidiaries of the parent company		-	-	-	142	-	(35)	-	-	-
Other related parties										
Consultores Asset Management S.A.	Reimbursement of expenses	-	-	-	2,893	-	-	-	-	-
Estudio Zang,	Advances	-	-	-	18	-	-	-	-	-
Bergel y Viñes	Legal services	-	-	-	-	-	(520)	-	-	-
Dolphin Fund Ltd.	Reimbursement of expenses	-	-	-	60	-	-	-	-	-
Austral Gold	Reimbursement of expenses	-	-	-	1	-	(1)	-	-	-
Consultores Venture Capital Uruguay	Reimbursement of expenses				1,052	-	-	-	-	-
Ogden Argentina	Reimbursement of expenses	-	-	-	304	-	-	-	-	-
S.A.	Borrowings	-	-	-	5	-	-	-	-	-
EMP	Management fees	-	-	-	-	-	(32)	-	-	-
Fundación IRSA	Reimbursement of expenses	-	-	-	93	-	-	-	-	-

	Reimbursement of expenses	-	-	-	76	-	-	-	-	-
Museo de los niños	Leases and/or rights of use	-	-	-	930	-	-	-	-	-
Boulevard Norte	Reimbursement of expenses	-	-	-	911	-	-	-	-	-
S.A.	Borrowings	-	-	-	5	-	-	-	-	-
Total other related parties		-	-	-	6,348	-	(553)	-	-	-

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Related party	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	Borrowings current	Derivative financial instruments current
Directors and Senior Management										
	Fees	-	-	-	-	12	(15,651)	-	-	-
	Reimbursement of expenses	-	-	-	301	-	(10)	-	-	-
Directors	Guarantee deposits	-	-	-	-	8	-	-	-	-
	Advances	-	-	-	6,827	-	-	-	-	-
Total Directors and Senior Management		-	-	-	7,128	20	(15,661)	-		