

IRSA Earnings Release for the First Quarter of FY 2015



Alto Palermo Shopping – City of Buenos Aires



**IRSA cordially invites you to participate in the three-month period
FY 2015, results conference
Wednesday, November 12, 2014 at 1:00 p.m.
Eastern Time**

The call will be hosted by:
Alejandro Elsztain, IIVP
Daniel Elsztain. COO
Matias Gaivironsky, CFO

To participate please call:
888-734-0544 if you are in the U.S. or
+1-706-758-3363 for international calls or
0-800-666-0273 if you are in Argentina
PIN # 21477735

In addition, you can Access through the following webcast:
<http://webcast.neo1.net/Cover.aspx?PlatformId=rWbDUWtJ0TrEXA2bdhUdqQ%3D%3D>
Preferably 10 minutes before the cal is due to begin.
The conference will be in English.

PLAYBACK

Available until November 19, 2014

Please call: **+1-404-537-3406 (International) or**
855-859-2056 (US)
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IRSA Inversiones y Representaciones Sociedad announces its results for the First Quarter of Fiscal Year 2015:

Highlights for the period

Among the activities of the first quarter of fiscal year 2015, the following are highlighted:

- Our net result for the first three month of 2015 was ARS 135.8 million compared to a gain of ARS 2.9 million in the same quarter of 2014.
- The company's EBITDA increased 140.3% in the first quarter of 2015, mainly explained by improved results in our rental segment and better results from the sale of Investment Properties, including Madison 183 and two floors of the building Maipú 1300.
- Tenant Sales in our shopping centers increased by 27.1% in the quarter and the portfolio occupancy stood at 98.5%.
- We made progress in the development of the "Alto Comahue" shopping center in Neuquén, which we expect to open during the current fiscal year, and we are waiting for the final legal resolution to open "Distrito Arcos". Moreover, we have recently acquired a land reserve in Luján for USD 2.4 per sqm, intended for a future real estate development.
- We increased occupancy in our Premium office portfolio to 97.9%.
- On September 29, 2014, we closed the sale of Madison 183 building for USD 185 million.

I. Brief comment on the Company's activities during the period, including references to significant events occurred after the end of the period.

Buenos Aires, November 11, 2014 - IRSA Inversiones y Representaciones Sociedad Anónima (NYSE: IRS) (BASE: IRSA), Argentina's leading real estate company, announces today the results of its operations for the three-month period ended September 30, 2014.

Consolidated Income*

(ARS million)

| In millions of ARS | IQ 15 | IQ 14 | Var (ARS) | Var (%) |
|---|-------|-------|-----------|---------|
| Revenues | 790.1 | 621.4 | 168.7 | 27.1% |
| Operating Income | 640.1 | 229.1 | 411.0 | 179.4% |
| Depreciation and Amortization | 42.8 | 55.1 | (12.3) | (22.3)% |
| EBITDA | 682.9 | 284.2 | 398.7 | 140.3% |
| Net Income | 135.8 | 35.3 | 100.5 | 284.7% |
| Attributable to the parent company's shareholders | 3.3 | 32.4 | (29.1) | (89.9)% |
| Attributable to non-controlling interest | 132.5 | 2.9 | 129.6 | - |

*It coincides with the Income Statement of the Financial Statements (Excludes interest in joint ventures).

Revenues for the first quarter of 2015 were 27.1% higher than in the first quarter of 2014, mainly explained by an increase in revenues from the "Shoppings Centers", "Offices and Other", "Hoteles" and "International" segments, partially offset by the "Sales and Developments" segments, which recorded lower results than in the period under comparison.

For the first quarter of the fiscal year the Company's Operating Income and EBITDA grew by 179.4% and 140.3%, respectively, mainly due to higher sales of investment properties, including the sale of the Madison 183 building in the City of New York, and the sale of two office floors of the Maipú 1300 Building.

Net Income for the first 3-month period of fiscal year 2015 was ARS 135.8 million, compared to ARS 35.3 million in the same period of 2014.

II. Shopping Centers (through our subsidiary Alto Palermo S.A.)

During this year, consumption levels have been showing a slight deceleration in growth rates. According to the INDEC, supermarket and shopping center sales as of September 2014 recorded a year-on-year deceleration of 1.6% and 9.8% in real terms.

Our tenants' sales for the first quarter of 2015 were ARS 4,557.3 million, 27.1% higher than for the same quarter of 2014, showing a slight deceleration in the growth rate compared to last year. During the period under review, the leaseable area in our portfolio totaled 310,255 square meters and the occupancy rate remained stable, at 98.5%.

| Shopping Centers (in millions of ARS) | IQ 15 | IQ 14 | % Var |
|---------------------------------------|-------|-------|---------|
| Revenues | 568.9 | 456.4 | 24.6% |
| Operating Income | 270.9 | 206.6 | 31.1% |
| Depreciation and Amortization | 31.1 | 36.9 | (15.7)% |
| EBITDA | 302.0 | 243.4 | 24.1% |

| Shopping Centers Operating Indicators | IQ 15 | IVQ 14 | IIIQ 14 | IIQ 14 | IQ 14 |
|--|---------|---------|---------|---------|---------|
| Total Leaseable Area (sqm) ^{[1] [2]} | 310,255 | 311,261 | 310,257 | 310,304 | 307,720 |
| Tenants' Sales (3-month cumulative, ARS million) | 4,557.3 | 4,560.7 | 3,488.9 | 4,496.8 | 3,586.3 |
| Occupancy ^[1] | 98.5% | 98.4% | 98.8% | 98.8% | 98.6% |

[1] Percentage over total leaseable area as of period end.

[2] Excludes Museo de los niños in Abasto Shopping and Alto Rosario Shopping.

Income from this segment grew by 24.6% during the quarter, whereas Operating Income reached ARS 270.9 million (+31.1% as compared to the first quarter of 2014). This increase is explained mainly by the increase in gross profit of the segment. The EBITDA margin, excluding income from common maintenance expenses and common promotional fund, reached 78.4%, in line with the margins observed during 2014.

IRSA Inversiones y Representaciones Sociedad Anónima
Earnings Release September 30, 2014

Operating Results of our Shopping Centers as of September 30, 2014

| Shopping Center | Date of Acquisition | GLA (sqm) ^[1] | Stores | Occupancy % ^[2] | APSA's Interest ^[3] | Book Value (ARS thousand) ^[4] |
|--------------------------------------|---------------------|--------------------------|--------------|----------------------------|--------------------------------|--|
| Alto Palermo | Nov-97 | 18,899 | 146 | 97.4% | 100.0% | 254,843 |
| Abasto Shopping ^[4] | Jul-94 | 36,809 | 171 | 99.6% | 100.0% | 270,041 |
| Alto Avellaneda | Nov-97 | 36,670 | 140 | 98.9% | 100.0% | 133,127 |
| Alcorta Shopping | Jun-97 | 15,220 | 107 | 99.8% | 100.0% | 102,860 |
| Patio Bullrich | Oct-98 | 11,813 | 86 | 95.1% | 100.0% | 115,158 |
| Buenos Aires Design | Nov-97 | 13,888 | 63 | 93.7% | 53.7% | 15,305 |
| Dot Baires Shopping | May-09 | 49,847 | 156 | 99.8% | 80.0% | 392,581 |
| Soleil | Jul-10 | 13,995 | 78 | 100.0% | 100.0% | 87,533 |
| Alto Noa Shopping | Mar-95 | 19,073 | 89 | 100.0% | 100.0% | 30,966 |
| Alto Rosario Shopping ^[5] | Nov-04 | 28,321 | 144 | 96.8% | 100.0% | 118,281 |
| Mendoza Plaza Shopping | Dec-94 | 42,132 | 145 | 98.1% | 100.0% | 106,301 |
| Córdoba Shopping | Dec-06 | 15,276 | 106 | 99.8% | 100.0% | 63,861 |
| La Ribera Shopping | Aug-11 | 8,312 | 50 | 95.7% | 50.0% | 16,876 |
| Total | | 310,255 | 1,481 | 98.5% | | 1,707,733 |

[1] Gross leasable area in each property. Excludes common areas and parking spaces.

[2] Calculated dividing occupied square meters by leaseable area on the last day of the period.

[3]. Cost of acquisition plus improvements, less cumulative depreciation, plus adjustment for inflation, less allowance for impairment in value, plus recovery of allowances, if applicable. Excludes works in progress.

[4] Excludes Museo de los Niños (3,732 sqm).

[5] Excludes Museo de los Niños (1,261 sqm.).

Cumulative tenants' sales as of September 30 of the fiscal periods 2015 and 2014

(In millions of ARS)

| Shopping Center | 1Q 15 | 1Q 14 | % Var |
|------------------------|----------------|----------------|--------------|
| Alto Palermo | 606.9 | 466.1 | 30.2% |
| Abasto | 710.4 | 561.5 | 26.5% |
| Alto Avellaneda | 616.0 | 519.2 | 18.6% |
| Alcorta Shopping | 313.5 | 235.4 | 33.2% |
| Patio Bullrich | 197.7 | 149.4 | 32.3% |
| Buenos Aires Design | 75.4 | 67.0 | 12.5% |
| Dot Baires | 547.8 | 436.9 | 25.4% |
| Soleil | 201.5 | 144.6 | 39.3% |
| Alto Noa | 225.8 | 168.6 | 33.9% |
| Alto Rosario | 402.2 | 300.4 | 33.9% |
| Mendoza Plaza Shopping | 423.8 | 349.3 | 21.3% |
| Córdoba Shopping | 152.3 | 121.8 | 25.0% |
| La Ribera Shopping | 84.0 | 66.1 | 27.1% |
| Total | 4,557.3 | 3,586.3 | 27.1% |

(In thousands of ARS)

| Revenues | IT15 | IT14 | Var % |
|--|----------------|----------------|--------------|
| Base Rent | 215,441 | 175,268 | 22.9% |
| Percentage Rent | 88,253 | 73,008 | 20.9% |
| Total Rent | 303,694 | 248,276 | 22.3% |
| Admission rights | 34,634 | 28,540 | 21.4% |
| Fees | 14,135 | 8,330 | 69.7% |
| Parking | 24,799 | 19,653 | 26.2% |
| Other | 7,536 | 6,109 | 23.4% |
| Total revenues before common maintenance expenses and common promotional fund | 384,798 | 310,908 | 23.8% |
| Common maintenance expenses and common promotional fund | 184,118 | 145,450 | 26.6% |
| Total Revenues | 568,916 | 456,358 | 24.6% |

Distrito Arcos Status (Palermo – Buenos Aires)

Although the construction works had obtained all the governmental permits necessary, we took all the actions required and obtained a new favorable environmental certificate and a favorable judicial resolution. We are waiting for a final resolution to be able to open this shopping center, which will consist of an outlet offering a variety of premium brands in an open-air environment and will add approximately 14,000 sqm of gross leasable area and 65 stores to APSA's portfolio.



Development of "Alto Comahue" Shopping (Neuquén – Argentina)

During this quarter, we have worked in progress in the development of our next shopping center "Alto Comahue" in Neuquen city in order to be able to open it during this fiscal year. The project, so expected by the local population will be the first of APSA in the Argentine Patagonian region and will add approximately 10,000 sqm and 101 stores to APSA's portfolio. As of today, we have signed the 56% of the agreements and negotiated about 90%. The total investment will be approximately ARS 250 million.

Works in Progress



Future Shopping Center



Shopping “La Ribera” Expansion Project (Santa Fe – Argentina)

During this quarter we have worked in progress with the development started last June of 2014 of an expansion and food court moving project of our shopping center “La Ribera”, located in the city of Santa Fe. The Project will add 16 new stores and 1.126 sqm of gross leasable area, move the food court and reallocate part of the leasable area. We expect to end the construction by November 2014 and the total investment will be of approximately ARS 18 million.

Works in Progress



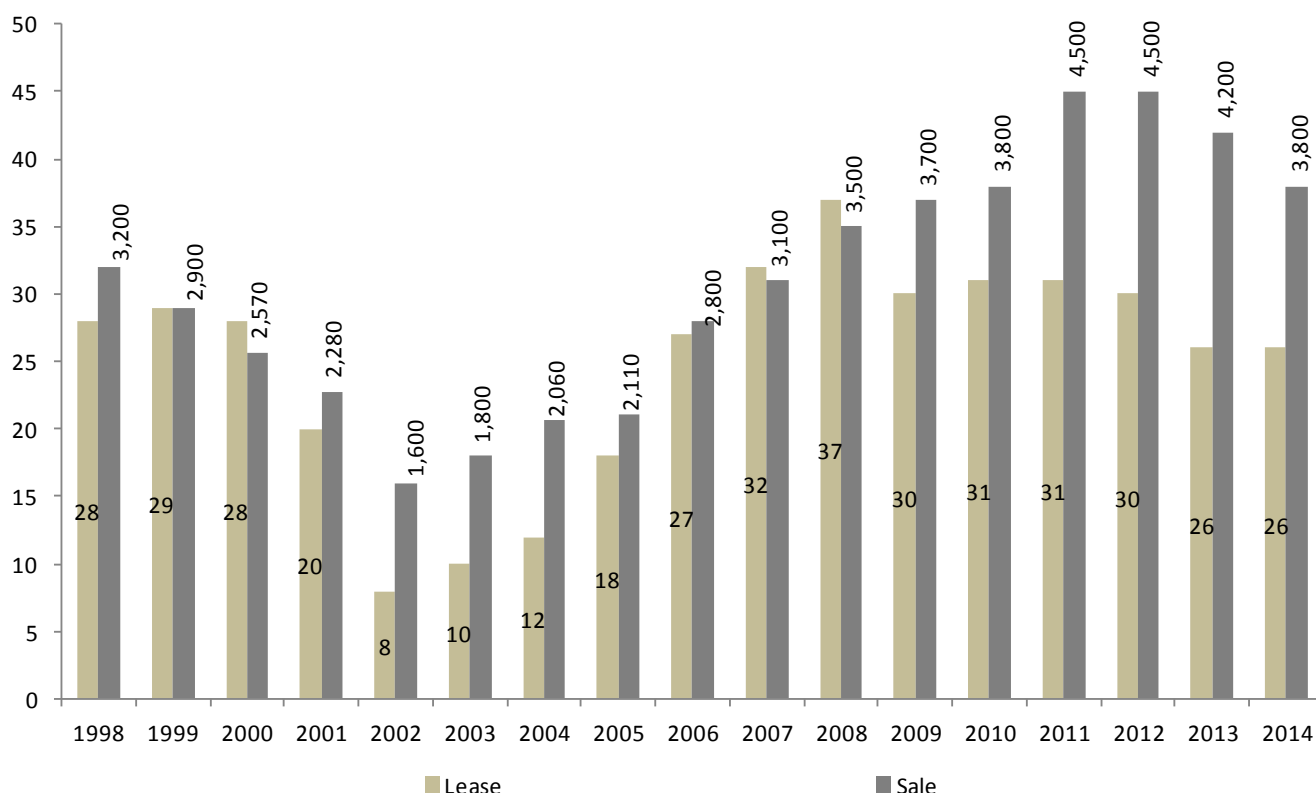
Shopping Expansion



III. Offices and Other

The A+ office market of the City of Buenos Aires remains robust. Although USD rental prices per square meter decreased compared to the previous year, demand for premium commercial spaces continues to be firm, whereas rental prices remain stable, averaging USD 26 per square meter. Vacancy rose slightly this year, to 10% in the City of Buenos Aires, 2 percentage points above the figure recorded last year.

Evolution of A+ offices' profitability in the City of Buenos Aires



Revenues from the Offices segment increased by 35.1% in the first quarter of fiscal year 2015 mainly due to higher rental income resulting from the devaluation of the exchange rate in January 2014 and an occupancy rate that was 1.2 percentage points higher than in the first quarter of 2014, explained by a higher occupancy rate in Edificio República and Juana Manso. It should be highlighted that the portfolio's gross leaseable area dropped by 7.4% to 121,380 square meters as a result of the sale of certain floors in "La Nación", "El Rulero" and "Maipú 1300" buildings during the period.

| In ARS MM | IQ 15 | IQ 14 | % Var |
|-------------------------------|-------|-------|-------|
| Revenues | 100.8 | 74.6 | 35.1% |
| Operating income | 54.2 | 30.5 | 77.7% |
| Depreciation and amortization | 8.7 | 8.5 | 2.4% |
| EBITDA | 62.8 | 39.0 | 61.0% |

| | IQ 15 | IVQ 14 | IIIQ 14 | IIQ 14 | IQ 14 |
|-------------------------------|---------|---------|---------|---------|---------|
| Leaseable area | 121,380 | 122,470 | 127,239 | 131,014 | 131,115 |
| Occupancy | 97.9% | 97.5% | 98.7% | 98.7% | 96.7% |
| Monthly Rent (ARS/leased sqm) | 214.3 | 176.2 | 163.8 | 148.9 | 146.0 |
| Monthly Rent (USD/leased sqm) | 26.0 | 26.1 | 26.1 | 26.0 | 26.6 |

IRSA Inversiones y Representaciones Sociedad Anónima
Earnings Release September 30, 2014

The portfolio's rental prices remained stable, at USD 26 per square meter.

EBITDA for this segment grew 61.0% in the first quarter of 2015, explained by higher revenues, stable costs and lower selling expenses. This increase in EBITDA, which outpaced revenues, caused the EBITDA margin, excluding income from common maintenance expenses, to increase significantly in this quarter, reaching 73.4% (compared to 61.6% in the first quarter of fiscal year 2014).

Below is information on our offices and other rental properties segment as of September 30, 2014.
(In thousands of ARS)

| | Date of Acquisition | Leaseable Area sqm (1) | Occupancy Rate (2) | IRSA's Effective Interest | Book Value (3) |
|----------------------------------|---------------------|---------------------------|-----------------------|------------------------------|----------------|
| Offices | | | | | |
| Edificio República | 04/28/08 | 19,884 | 96.8% | 100% | 199,134 |
| Torre Bankboston | 08/27/07 | 14,873 | 100.0% | 100% | 141,070 |
| Bouchard 551 | 03/15/07 | 7,592 | 100.0% | 100% | 60,489 |
| Intercontinental Plaza | 11/18/97 | 22,535 | 100.0% | 100% | 66,184 |
| Bouchard 710 | 06/01/05 | 15,044 | 99.8% | 100% | 61,047 |
| Dique IV, Juana Manso 295 (8) | 12/02/97 | 11,298 | 99.5% | 100% | 54,286 |
| Maipú 1300 | 09/28/95 | 6,565 | 93.4% | 100% | 20,953 |
| Libertador 498 | 12/20/95 | 620 | 100.0% | 100% | 3,575 |
| Suipacha 652/64 | 11/22/91 | 11,453 | 89.9% | 100% | 8,232 |
| Madero 1020 | 12/21/95 | - | - | 100% | 129 |
| Dot Building (7) | 11/28/06 | 11,242 | 100.0% | 96% | 123,059 |
| Other Offices (4) | N/A | 274 | - | N/A | 11,431 |
| Subtotal Offices | | 121,380 | 97.9% | N/A | 749,589 |
| Other Properties | | | | | |
| Commercial properties (5) | N/A | 312 | - | N/A | 715 |
| Santa María del Plata S.A. | 07/10/97 | 96,100 | 100% | 100% | 12,511 |
| Nobleza Picardo (8) | 05/31/11 | 98,610 | 100.0% | 50% | 7,931 |
| Other Properties (6) | N/A | 40,855 | 52.0% | N/A | 55,539 |
| Subtotal Other Properties | | 235,877 | 91.6% | N/A | 76,696 |
| TOTAL OFFICES AND OTHER | | 357,257 | 93.7% | N/A | 826,285 |

Notes:

- (1) Total leaseable area for each property as of September 30, 2014. Excludes common areas and parking.
- (2) Calculated dividing occupied square meters by leaseable area as of September 30, 2014.
- (3) Cost of acquisition, plus improvements, less accumulated depreciation, plus adjustment for inflation, less allowance for impairment.
- (4) Includes the following properties: Rivadavia 2774 and Abasto Offices.
- (5) Includes the following properties: Constitución 1111, Casona de Abril and other.
- (6) Includes the following properties: Ocampo parking spaces, Ferro, Plot adjoining Dot, Pto. Retiro, Anchorena 665 and Chanta IV.
- (7) Through Alto Palermo S.A.
- (8) Through Quality Invest S.A.

IV. Sales and Developments

According to the INDEC, the construction business grew 3.2% in September 2014, recording the highest year-on-year variation in the year. However, since the beginning of calendar year 2014 activity in this industry has shown a cumulative fall of 1.2%. For the rest of the year, the construction business is expected to regain momentum hand in hand with the implementation of government policies aimed at fueling spending, specifically the Argentine Credit Program (Programa de Crédito Argentino, PRO.CRE.AR) which started to have a greater impact during the current year.

| Sales and Developments in millions of ARS | IQ 15 | IQ 14 | % Var |
|---|-------|-------|----------|
| Revenues | 4.8 | 16.1 | (70.2%) |
| Operating income | 9.7 | (6.7) | (244.8%) |
| Depreciation and amortization | - | - | - |
| EBITDA | 9.7 | (6.7) | (244.8%) |

During the first quarter of fiscal year 2015, revenues from this segment reached ARS 4.8 million, reflecting sales in Condominios del Alto I (Parcel G), 70.1% lower than in the first quarter of 2014, which had totaled ARS 16.1 million, explained by sales of units in Horizons, El Encuentro and Abril Club de Campo. Operating income and EBITDA increased due to higher revenues from sales of investment properties, originated in the sale of the 19th and 20th floors of the Maipú 1300 Building.

In the section "Material Events Occurred during the Period and Subsequent Events" there is a detail of the sales of investment properties made during the quarter and after the quarter's closing date.

Accumulated sales as of September 30 of the fiscal periods
(in thousands of ARS)

| DEVELOPMENT | IQ 15 | IQ 14 | % Var |
|--|--------------|---------------|----------------|
| Residential apartments | | | |
| Condominios I and II ⁽¹⁾ | 3,642 | - | 100% |
| Libertador 1703 & 1755 (Horizons) ⁽²⁾ | 55 | 11,774 | (99.5)% |
| Other residential apartments ⁽³⁾ | - | 44 | (100)% |
| Subtotal Residential Apartments | 3,697 | 11,818 | (68.7)% |
| Residential Communities | | | |
| Abril/Baldovinos ⁽⁴⁾ | 646 | 1,750 | (63.1)% |
| El Encuentro | 461 | 2,492 | (81.5)% |
| Subtotal Residential Communities | 1,107 | 4,242 | (73.9)% |
| TOTAL | 4,804 | 16,060 | (70.1)% |

(1) Through Alto Palermo S.A.

(2) Owned by CYRSA S.A.

(3) Includes the following properties: Torres de Abasto through APSA (fully sold), units to be received in Beruti through APSA, Torres Jardín, Edificios Cruceros (fully sold), San Martín de Tours, Rivadavia 2768, Alto Palermo Park (fully sold), Minetti D (fully sold), Dorrego 1916 (fully sold), Padilla 902 (fully sold), Terreno Caballito and Lotes Pereiraola through IRSA.

(4) Includes sale of shares in Abril.

IRSA Inversiones y Representaciones Sociedad Anónima
Earnings Release September 30, 2014

| Development | Company | Interest | Date of Acquisition | Land Area sqm | Saleable area sqm | Buildable area sqm | Sold | Title Deed Executed | Location | Accumulated revenues as of September 2014 | Accumulated revenues as of September 2013 | Book Value |
|---|---------|----------|---------------------|---------------|-------------------|--------------------|--------|---------------------|--------------|---|---|------------|
| Residential Properties | | | | | | | | | | | | |
| Available for sale | | | | | | | | | | | | |
| Condominios del Alto I | APSA | 100% | 30/04/1999 | - | 2,233 | - | 71% | 67% | Santa Fe | 3,642 | - | 972 |
| Condominios del Alto II | APSA | 100% | 30/04/1999 | - | 5,009 | - | 96% | 93% | Santa Fe | - | - | 387 |
| Caballito Nuevo | IRSA | 100% | 03/11/1997 | - | 67 | - | 99.07% | 98% | CABA | - | - | 279 |
| Barrio Chico | IRSA | 100% | 01/03/2003 | - | 3,492 | - | 99% | 99% | CABA | - | - | 124 |
| El Encuentro | IRSA | 100% | 18/11/1997 | - | 5,335 | - | 90% | 100% | Buenos Aires | 461 | 2,492 | - |
| Abril Club de Campo – Plots | IRSA | 100% | 03/01/1995 | - | 5,137 | - | 100% | 100% | Buenos Aires | 646 | 1,750 | 2,357 |
| Abril Club de Campo – Manor House | IRSA | 100% | 03/01/1995 | 31,224 | 34,605 | - | - | - | Buenos Aires | - | - | - |
| Torres Jardín | IRSA | 100% | 18/07/1996 | - | - | - | - | - | CABA | - | 44 | - |
| Entre Rios 465/9 Apartment | APSA | 100% | - | - | - | - | - | - | Buenos Aires | - | - | 1,400 |
| Alto Palermo Park | APSA | 100% | 18/11/1997 | - | - | - | - | - | CABA | - | - | - |
| Horizons | IRSA | 50% | 16/01/2007 | - | 71,512 | - | 99.6% | 98% | Buenos Aires | 55 | 11,774 | 5,889 |
| Pereiraola (Greenville) | IRSA | 100% | 21/04/2010 | - | 39,634 | - | - | - | Buenos Aires | - | - | 8,200 |
| Intangible – Receivable units | | | | | | | | | | | | |
| Beruti (Astor Palermo) | APSA | 100% | 24/06/2008 | - | 2,632 | - | - | - | CABA | - | - | 32,872 |
| Caballito Manzana 35 | IRSA | 100% | 22/10/1998 | - | 8,258 | - | - | - | CABA | - | - | 52,205 |
| Subtotal Residential Properties | | | | 31,224 | 176,866 | | | | | 4,804 | 16,060 | 104,685 |
| Land Reserves | | | | | | | | | | | | |
| CONIL - Güemes 836 - Mz 99 & Güemes 902 - Mz 95 | APSA | 100% | 19/07/1996 | 2,398 | - | 5,994 | - | - | Buenos Aires | - | - | 1,681 |
| Neuquén –Hotel Parcel | APSA | 100% | 06/07/1999 | 3,000 | - | 10,000 | 100% | 100% | Neuquén | - | - | - |
| Isla Sirgadero | IRSA | 100% | 16/02/2007 | 8,360,000 | - | no data | - | - | Santa Fe | - | - | 2,895 |
| Pilar R8 Km 53 | IRSA | 100% | 29/05/1997 | 74,828 | - | - | - | - | Buenos Aires | - | - | 1,550 |
| Pontevedra | IRSA | 100% | 28/02/1998 | 730,994 | - | - | - | - | Buenos Aires | - | - | 918 |
| Mariano Acosta | IRSA | 100% | 28/02/1998 | 967,290 | - | - | - | - | Buenos Aires | - | - | 804 |
| Merlo | IRSA | 100% | 28/02/1998 | 1,004,987 | - | - | - | - | Buenos Aires | - | - | 639 |
| Terreno Rosario | APSA | 100% | 30/04/1999 | - | - | - | 100% | 100% | Santa Fe | - | - | - |
| Zelaya 3102 | IRSA | 10% | 01/07/2005 | - | - | - | - | - | CABA | - | - | 1,722 |
| Terreno San Luis | IRSA | 50% | 31/03/2008 | 3,250,523 | - | - | - | - | San Luis | - | - | 1,584 |
| Subtotal Land Reserves | | | | 14,394,020 | - | 15,994 | | | | - | - | 11,793 |
| Future Developments | | | | | | | | | | | | |
| Mixed uses | | | | | | | | | | | | |
| UOM Lujan | APSA | 100% | 31/05/2008 | 1,160,000 | - | no data | N/A | N/A | Buenos Aires | - | - | 33,905 |
| Canteras Natal Crespo (2 commercial parcels) | IRSA | 50% | 27/07/2005 | 39,546 | - | 59,319 | N/A | N/A | Cordoba | - | - | - |
| Nobleza Picardo | APSA | 50% | 31/05/2011 | 159,995 | - | 127,996 | N/A | N/A | Buenos Aires | - | - | - |
| Puerto Retiro | IRSA | 50% | 18/05/1997 | 82,051 | - | no data | N/A | N/A | CABA | - | - | 51,337 |
| Solares Santa María | IRSA | 100% | 10/07/1997 | 716,058 | - | no data | N/A | N/A | CABA | - | - | 158,951 |
| Residential | | | | | | | | | | | | |
| Coto Abasto Air Space | APSA | 100% | 24/09/1997 | - | - | 21,536 | N/A | N/A | CABA | - | - | 8,946 |
| Neuquén – Housing Parcel | APSA | 100% | 06/07/1999 | 13,000 | - | 18,000 | N/A | N/A | Neuquen | - | - | 803 |
| Uruguay Zetol | IRSA | 90% | 01/06/2009 | 152,977 | 62,756 | - | N/A | N/A | Uruguay | - | - | 61,685 |
| Uruguay Vista al Muelle | IRSA | 90% | 01/06/2009 | 102,216 | 62,737 | - | N/A | N/A | Uruguay | - | - | 44,577 |
| Retail | | | | | | | | | | | | |
| Caballito Shopping Plot | APSA | 100% | - | 23,791 | - | no data | N/A | N/A | CABA | - | - | - |
| Dot Potential Expansion | APSA | 80% | - | 15,881 | - | 47,643 | N/A | N/A | CABA | - | - | - |
| Offices | | | | | | | | | | | | |
| Philips Adjoining plots - Offices 1 & 2 | APSA | 80% | 28/11/2006 | 12,800 | - | 38,400 | N/A | N/A | CABA | - | - | 25,332 |
| Baicom | IRSA | 50% | 23/12/2009 | 6,905 | - | 34,500 | N/A | N/A | CABA | - | - | 4,459 |
| Intercontinental Plaza II) | IRSA | 100% | 28/02/1998 | 6,135 | - | 19,598 | N/A | N/A | CABA | - | - | 1,564 |
| Catalinas Norte Plot | IRSA | 100% | 17/12/2009 | 3,649 | - | 35,300 | N/A | N/A | CABA | - | - | 109,493 |
| Subtotal Future Developments | | | | 2,495,004 | 125,493 | 402,292 | | | | - | - | 467,147 |
| Total Land Reserves | | | | 16,920,248 | 302,359 | 418,286 | | | | 4,804 | 16,060 | 583,625 |

(1) The total saleable area of 2,233 sqm correspond to Condominios I and II.

IRSA Inversiones y Representaciones Sociedad Anónima
Earnings Release as of September 30, 2014

V. Hotels

The influx of tourists to our country in the first quarter of 2015 remained stable compared to the same quarter of 2014. The arrivals were 51% of Mercosur, leading Brazil, Uruguay and Chile; 28% Rest of America; Europe 14% and 7% Rest of World. The Intercontinental Hotel occupancy was 1% above the first quarter of 2014, while the Sheraton Libertador Hotel occupancy declined by 9% due to reforms that have taken place in the lobby. Meanwhile, the Hotel Llao Llao occupancy decreased by 6% during the first quarter of 2015.

| Hotels (in millions of ARS) | IQ 15 | IQ 14 | % Var |
|-------------------------------|-------|-------|----------|
| Revenues | 96.8 | 72.9 | 32.8% |
| Operating income | (0.2) | 0.5 | (140.0%) |
| Depreciation and amortization | 3.7 | 3.6 | .28% |
| EBITDA | 3.5 | 4.1 | (14.6)% |

| | IQ 15 | IVQ 14 | IIIQ 14 | IIQ 14 | IQ 14 |
|-----------------------------------|-------|--------|---------|--------|-------|
| Average Occupancy | 65.0% | 68.7% | 71.4% | 72.0% | 68.4% |
| Average Rate per Room (ARS/night) | 1,565 | 1,230 | 1,077 | 1,206 | 1,049 |
| Average Rate per Room (USD/night) | 188 | 180 | 183 | 185 | 185 |

During the first quarter of fiscal year 2015, the hotel segment recorded an increase in revenues of around 32.8%, whereas Operating Income showed a negative result of ARS 0.2 million mainly due to higher selling expenses.

The following is information on our hotel segment as of September 30, 2014:

| Hotels | Date of Acquisition | IRSA's Interest | Number of Rooms | Average Occupancy (1) | Average Rate | Book Value (in thousands of ARS) |
|-------------------------|---------------------|-----------------|-----------------|-----------------------|--------------|----------------------------------|
| Intercontinental (3) | 11/01/97 | 76.34% | 309 | 67.9% | 1,238 | 45,599 |
| Sheraton Libertador (4) | 03/01/98 | 80.00% | 200 | 72.1% | 1,070 | 34,519 |
| Llao Llao (5) | 06/01/97 | 50.00% | 205 | 53.6% | 2,833 | 83,869 |
| Total | | | 714 | 65.0% | 1,565 | 163,987 |

Notes:

- 1) Cumulative average for the 3-month period.
- 2) Cumulative average for the 3-month period.
- 3) Through Nuevas Fronteras S.A. (IRSA's subsidiary).
- 4) Through Hoteles Argentinos S.A.
- 5) Through Llao Llao Resorts S.A.

Accumulated sales as of September 30 of the fiscal periods

| Hotels | IQ 15 | IQ 14 | % Var |
|-------------------------|---------------|---------------|--------------|
| Intercontinental (3) | 34,860 | 24,834 | 40.4% |
| Sheraton Libertador (4) | 20,832 | 17,269 | 20.6% |
| Llao Llao (5) | 41,135 | 30,824 | 33.5% |
| Total | 96,827 | 72,927 | 32.8% |

VI. International

Interest in Metropolitan 885 Third Avenue Leasehold LLC ("Metropolitan") through New Lipstick LLC ("New Lipstick")

IRSA indirectly holds a 49.8% interest in New Lipstick LLC, a holding company that is owner of Metropolitan, a company whose main asset is the so-called "Lipstick" office building, and the debt associated to this asset, which amounts to approximately USD 113.0 million, following a restructuring previously reported by IRSA.

The Lipstick Building is a landmark building in the City of New York, located in Midtown Manhattan, with a gross leaseable area over 57,500 sqm. As of September 30, 2014, the building reached an occupancy rate of 92.69%, thus generating an average rent of USD 65 per sqm.

| Lipstick | Sep-14 | Sep-13 | % Var |
|----------------------------|--------|--------|----------|
| Gross Leaseable Area (sqm) | 58,019 | 58,019 | - |
| Occupancy | 92.69% | 86.1% | 6.59 pp. |
| Rental price (USD/sqm) | 65.3 | 63.8 | 2.4% |

Sale of a Building located at 183 Madison Ave, New York, NY

In September past, the Company, acting through its subsidiary Rigby 183 LLC ("Rigby 183") closed the sale of the Madison 183 building, located in the City of New York, United States of America, for USD 185 million, and discharged the mortgage on this asset for USD 75 million.

In December 2010, the Company, acting through a subsidiary, had purchased 49% of the stock capital of Rigby 183 LLC, owner of the building which had been valued at USD 85.1 million. In November 2012, IRSA indirectly increased its interest by 25.5%, raising its interest in Rigby 1833 LLC to 74.50% of its stock capital. As of the moment of this acquisition, the building was valued at USD 147.5 million. The building's sales price of USD 185 million implies a revaluation of 117% during the investment period.

Investment in Supertel Hospitality Inc.

As of September 30, 2014, jointly with other shareholders, we held the equivalent to 34% of the voting rights in Supertel Hospitality Inc., a REIT listed on NASDAQ under the symbol "SPPR". Supertel Hospitality Inc. has a portfolio of 61 medium-class and long-stay hotels with 5,319 rooms in 20 states of the United States of America, which are operated by various operators and franchises such as Hilton, IHG, Choice and Wyndham, among others.

Investment in Hersha Hospitality Trust

Hersha is a REIT listed on the New York Stock Exchange under the "HT" symbol. Hersha invests primarily in institutional grade hotels in located in shopping malls, suburban commercial hubs and secondary destinations and markets located mainly in the northeast region of the United States and in selected markets in the west coast of the United States. Hersha makes acquisitions in locations which it believes to have developing markets and it has a proactive management whose goal is to create and increase long-term added value.

During the month of August 2014, IRSA, acting through its subsidiary REIG IV, sold its remaining stake of 1 million shares in Hersha Hospitality Trust for an average price of USD 6.74 per share.

Investment in IDB Development Corporation

On July 1, 2014, DN B.V. exercised its rights to purchase additional shares in IDBD.

IRSA Inversiones y Representaciones Sociedad Anónima
Earnings Release as of September 30, 2014

As a result of the exercise of the rights received as mentioned above, DN B.V. received 17.32 million shares and 11.99 million warrants under Series 1, 2 and 3 and ETH received the same number of rights and therefore acquired the same number of shares and warrants as DN B.V. In addition, as a result of the exercise of the rights purchased, DN B.V. acquired 5.79 million shares and 4.01 million warrants under Series 1, 2 and 3. ETH also acquired the same number of shares and warrants as DN B.V.

During the period from July 9 to July 14, 2014, DN B.V. acquired through transactions in the open market 0.42 million shares and 0.34 million additional Series 2 warrants for NIS 1.77 million, equivalent to approximately USD 0.52 million. 50% of such shares and Series 2 warrants were sold to ETH pursuant to the provisions of the above mentioned agreement signed between the parties.

As of September 30, 2014, DN B.V. held an aggregate of 76,620,163 shares, 15,998,787 Series 1 warrants, 16,170,392 Series 2 warrants and 15,998,787 Series 3 warrants of IDBD, resulting in an undiluted holding of 28.99% and a fully diluted holding of 31.37% in IDBD. IDBD's Board of Directors is composed of nine members, three of whom were appointed by DN B.V., namely, Eduardo Elsztain, Alejandro Elsztain and Saúl Zang.

Under the purchase agreement, DN B.V. and ETH have promised to participate on a joint and several basis in any capital increases resolved by IDBD's Board of Directors in order to implement its business plan for 2014 and 2015, for at least NIS 300 million in 2014 and NIS 500 million in 2015 (equivalent to approximately USD 81.45 million and USD 135.8 million at the exchange rate prevailing as of September 30, 2014). As of the date of these financial statements, DN B.V. and ETH have contributed NIS 407.08 million (equivalent to USD 114.17 million) of the amounts committed by them.

Moreover, under the purchase agreement, DN B.V. and ETH jointly and severally committed to make one or more tender offers for acquiring shares in IDBD for a total amount of NIS 512.09 million (equivalent to approximately USD 139.0 million at the exchange rate prevailing as of September 30, 2014) as per the following scheme: (i) by December 31, 2015, an amount of at least NIS 249.8 million for a price per share of NIS 8.344 (subject to adjustment); and (ii) by December 31, 2016, an amount of at least NIS 512.09 million less the offer made in 2015, for a price per share of NIS 8.7612 (subject to adjustment). As security for the performance of the tender offers, 29,937,591 shares in IDBD held by DN B.V. were pledged as of September 30, 2014. As of the date of these financial statements, no tender offers had been made.

In addition, the purchase agreement provides that DN B.V. and ETH shall jointly and severally pay to the creditors who are parties to the above mentioned restructuring agreement an additional amount of NIS 100 million (equivalent to approximately USD 27.1 million at the exchange rate prevailing as of September 30, 2014) in the event that IDBD consummates the sale of its interest in its subsidiary Clal Insurance Enterprises Holdings Ltd. before December 31, 2014 and always provided that: (i) the sales price is not less than NIS 4,200 million (equivalent to approximately USD 1,140 million at the exchange rate prevailing as of September 30, 2014); and (ii) the closing of the transaction occurs before June 30, 2015, with IDBD having received by this last date a payment of not less than NIS 1,344 million (gross) (equivalent to approximately USD 364.9 million at the exchange rate prevailing on September 30, 2014). As of the date of these financial statements, none of the above mentioned conditions had been fulfilled.

On May 12, 2014, IDBD's shares became listed on the Tel Aviv Stock Exchange, Israel. Consequently, all the shares (including the pledged shares) were deposited in escrow with Bank Leumi Le-Israel as security in compliance with the lock-up provisions set forth in Chapter D of the Tel Aviv Stock Exchange Regulations which provide that initially listed shares may not be disposed of for a term of 18 months and allow the release of 2.5% per month beginning on the fourth month since the initial listing date.

In this way, pursuant to the Tel Aviv Stock Exchange regulations, as of September 30, 2014, 51,095,676 shares and 335,715 warrants under each of Series 1, 2 and 3 remained locked up under the terms mentioned above.

VII. Financial Operations and Other

Interest in Banco Hipotecario S.A. ("BHSA") through to IRSA and Avenida Inc. through to APSA

BHSA is a leading bank in the mortgage lending segment, in which IRSA held a 29.77% interest as of September 30, 2014 (excluding portfolio shares). For further information please refer to <http://www.cnv.gob.ar> or <http://www.hipotecario.com.ar>. The investment in Banco Hipotecario generated results for ARS 43.3 million during the first quarter of 2015, 18.9% lower than in the same quarter of 2014.

Through APSA SA (APSA) generated a profit ARS 8.6 million in "Other net operating income," because of the result of the sale of 5% participation in associate Avenida Inc..

VIII. EBITDA by segment

| 3M 15 | Shopping Centers | Offices | Sales and Developments | Hotels | International | Financial Transactions and Other | Total |
|-------------------------------|------------------|---------|------------------------|---------|---------------|----------------------------------|--------|
| Operating income / (loss) | 270.9 | 54.2 | 9.7 | (0.2) | 299.3 | 8.4 | 642.4 |
| Depreciation and Amortization | 31.1 | 8.7 | - | 3.7 | 0.1 | - | 43.5 |
| EBITDA | 302.0 | 62.8 | 9.7 | 3.5 | 299.4 | 8.4 | 685.9 |
| 3M 14 | Shopping Centers | Offices | Sales and Developments | Hotels | International | Financial Transactions and Other | Total |
| Operating income / (loss) | 206.6 | 30.5 | (6.7) | 0.5 | 3.2 | (1.6) | 232.4 |
| Depreciation and Amortization | 36.8 | 8.5 | - | 3.6 | 7.0 | - | 55.9 |
| EBITDA | 243.4 | 39.0 | (6.7) | 4.1 | 10.2 | (1.6) | 288.3 |
| EBITDA Var | 24.1% | 61.0% | (243.8)% | (13.4)% | - | (612.9)% | 137.9% |

IX. Reconciliation with Consolidated Income Statement

Below is an explanation of the reconciliation of the company's income by segment with its consolidated income statement. The difference lies in the presence of joint businesses included in the segment but not in the income statement.

| | Total Segment | Joint Businesses* | Inter-segment deletions | Income Statement |
|---|---------------|-------------------|-------------------------|------------------|
| Revenues | 799.6 | (7.7) | (1.8) | 790.1 |
| Costs | (359.3) | 4.4 | 1.4 | (353.5) |
| Gross Profit / (Loss) | 440.3 | (3.3) | (0.4) | 436.6 |
| Result from sale of investment properties | 317.5 | - | - | 317.5 |
| General and administrative expenses | (80.3) | 0.2 | 0.7 | (79.4) |
| Selling expenses | (38.1) | 0.5 | 0.1 | (37.4) |
| Other operating income, net | 2.9 | 0.2 | (0.3) | 2.8 |
| Operating Income | 642.4 | (2.3) | - | 640.1 |
| Income / (loss) from interests in equity investees and joint businesses | (117.7) | 6.1 | - | (111.7) |
| Income before financial income / (loss) and income tax | 524.7 | 3.7 | - | 528.4 |

*Includes Puerto Retiro, Baicom, CYRSA, Nuevo Puerto Santa Fe and Quality (Predio San Martín).

X. Financial Debt and Other Indebtedness

Consolidated Financial Debt as of September 30, 2014.

| Type of Debt | Currency | Amount (USD MM) ¹ | Interest Rate | Maturity |
|------------------------------------|------------|------------------------------|------------------|------------|
| Bank Overdraft | ARS | 44.9 | Variable | < 180 days |
| IRSA's Tranche I Series I Notes | USD | 150.0 | 8.50% | Feb-17 |
| IRSA's Tranche II Series II Notes | USD | 150.0 | 11.50% | Jul-20 |
| IRSA's Tranche III Series VI Notes | ARS | 1.3 | Badlar + 450 bps | Feb-17 |
| IRSA's Tranche III Series V Notes | ARS | 24.8 | Badlar + 395 bps | Aug-15 |
| Other Debt | ARS | 1.1 | 15.25% | Dec-16 |
| IRSA's Total Debt | | 372.1 | | |
| APSA's 2017 Series I Notes (int.) | USD | 120.0 | 7.88% | May-17 |
| Short Term Debt | ARS | 37.2 | Variable | - |
| Syndicated Loan - Arcos | ARS | 7.8 | 15.01% | Nov-15 |
| Syndicated Loan - Neuquén | ARS | 10.2 | 15.25% | Jun-16 |
| Com. 5319 Loan | ARS | 1.9 | 15.01% | Dec-15 |
| Other Debt | ARS | 1.9 | 15.25% | Dec-16 |
| APSA's Total Debt | USD | 179.0 | | |
| Total Consolidated Debt | | 551.1 | | |
| Consolidated Cash | | 147.7 | | |
| Debt Repurchase | | 23.2 | | |
| Net Consolidated Debt | | 380.2 | | |

⁽¹⁾ Principal face value in USD at an exchange rate of 8.43 ARS = 1 USD, without considering elimination of balances with subsidiaries.

Material Events Occurred During the Period and Subsequent Events

Sales of Investment Properties

July 2014

On July 7, 2014, the deed of conveyance for the sale of the 19th and 20th floors of the Maipú 1300 building, was executed. The transaction price was ARS 24.7 million (USD 3.0 million). The transaction resulted in a profit before taxes of approximately ARS 21.0 million.

October 2014

During the month of October, two deeds of conveyance were executed for the sale of office floors in the Bouchard 551 building. The price of the first transaction was ARS 168.7 million, for the 22nd and 23rd floors of the building, generating a profit before taxes of approximately ARS 151.4 million. The price of the second sales transaction was ARS 279.4 million for the 9th, 10th and 11th floors of the building. This transaction resulted in a profit before taxes of approximately ARS 243.3 million.

On October 22, 2014, the deed of conveyance for the sale of the 10th floor of the Maipú 1300 building, jointly with two parking spaces in the same building and one parking space in the Libertador 498, was executed. The price of this transaction was USD 1.4 million.

November 2014

During the month of November, 1,004 square meters of an office floor and 10 parking spaces were sold in the Bouchard Plaza building, located in the "Plaza Roma" area, City of Buenos Aires. The transaction price was

ARS 75.6 million, resulting in a profit of approximately ARS 63.9 million. Therefore, the Company has no leasable area left in this building, and keeps only 116 residual parking spaces.

Annual General Ordinary and Extraordinary Shareholders' Meeting

On October 31, 2014, the annual shareholders' meeting of the Company for the fiscal year ended June 30, 2014 resolved to have the meeting adjourned until November 14, 2014, to discuss the following Agenda: (i) Updating of report on Corporate Services Agreement; (ii) Report on the result of Tip Hogar's exchange offer for SAMAP's shares – (currently Alto Palermo SA (APSA)) and approval of Board of Directors' performance; (iii) Consideration of amendment to Section one of the bylaws for it to conform with the Capital Market Law in force; (iv) Consideration of amendment to Section twenty-four of the bylaws (Remote Participation at Shareholders' Meetings); (v) Plan of repurchase of shares and GDS issued by the Company and their allocation; (vi) Updating of report on Incentive Plan for the Company's officers as approved and acknowledged by the shareholders' meetings held in 2009/2010/2011/2012 and 2013. Approval of amendments according to the observations made by the Argentine Securities Commission (CNV), including the assignment of economic rights on the shares that are the subject-matter of the Plan. Incorporation of a benefit for all the staff, including controlled companies' personnel.

Additional Subscription in Dolphin Fund Ltd.

On October 30, 2014, the Group, acting through subsidiaries subscribed an additional amount of USD 21 million in Dolphin Fund Ltd. ("Dolphin"). This amount will be used to increase Dolphin's investment in IDB Development Corporation Ltd.

XI. Brief comment on prospects for the next period

We have started fiscal year 2015 with good results in our main lines of business. The shopping center and office portfolios have remained at maximum occupancy levels and revenues have grown at the same pace as in 2014. Our investments outside Argentina have had efficient operating ratios and attractive appreciation levels, as shown by the recent sale of the Madison 183 building in the City of New York. We expect to maintain and even improve the performance of all our assets during fiscal year 2015.

As concerns the projects underway, during this fiscal year we expect to open two new shopping centers, reaching a portfolio of 15 shopping centers. On the one hand, "Distrito Arcos", which will be an Outlet center with a variety of premium brands in an open-air environment that will add approximately 14,000 square meters of gross leaseable area and 65 stores to APSA's portfolio. On the other hand, we will progress in the development of our next shopping center, "Alto Comahue", in the City of Neuquén, the opening of which is planned for fiscal year 2015. This project, much longed-for by the local population, will be the company's first shopping center in the Argentine Patagonian region, and we believe that in light of the significant economic growth experienced by Neuquén in the past years, this project will be as successful as the rest of the shopping centers managed by APSA in other locations in the interior of Argentina.

Apart from progressing in the new developments, we expect to continue working towards optimizing the performance of our current shopping centers through improvements that allow us to take best advantage of their GLA potential and to furnish them with increased functionality and appeal for the benefit of consumers and retailers alike.

During this year we will vigorously continue to foster marketing actions, events and promotions in our shopping centers, as they have proved to be highly effective in terms of sales and have been eagerly endorsed by the public.

In the office segment, during the first quarter of 2015 we maintained occupancy and USD/sqm rental levels. We hope to reach full occupancy and to close the best possible lease agreements during the rest of the year, attracting new firms wishing to relocate to our premium spaces. We plan to continue our strategy of selling selected non-strategic assets in our portfolio for attractive prices, and we are deciding on the most suitable timing for launching the "Catalinas Norte" project, to be erected in one of the most highly priced lands in the City of Buenos Aires, in the area of Catalinas.

Our investments outside Argentina have continued to show very attractive levels of return. The recent sale of the Madison building for USD 185 million is proof of this. We will continue to search for opportunistic investments in top-quality assets for attractive prices and with capital structures with optimization potential.

We believe that IRSA has the financial soundness, managerial expertise and long track record in the Argentine real estate industry required to face the challenges that may arise in 2015 and to take advantage of all the opportunities that the market may offer.

Consolidated Condensed Interim Balance Sheets as of September 30, 2014 and June 30, 2014

(Amounts stated in thousands of Argentine pesos, except shares and share data, and unless otherwise stated)

| | Note | 09.30.2014 | 06.30.2014 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Investment properties | 10 | 3,507,220 | 3,269,595 |
| Property, plant and equipment | 11 | 225,992 | 220,013 |
| Properties for sale | 12 | 125,526 | 130,657 |
| Intangible assets | 13 | 124,181 | 124,085 |
| Investments in equity investees and joint businesses | 8,9 | 2,353,669 | 2,260,805 |
| Deferred tax asset | 25 | 416,179 | 368,641 |
| Accounts receivable from income tax and minimum presumed income tax | | 110,917 | 110,185 |
| Trade and other accounts receivable | 17 | 98,613 | 92,388 |
| Investments in financial assets | 18 | 375,634 | 274,716 |
| Derivative financial instruments | 19 | 11,714 | - |
| Total non-current assets | | 7,349,645 | 6,851,085 |
| Current assets | | | |
| Properties for sale | 12 | 4,204 | 4,596 |
| Inventories | 14 | 18,133 | 16,963 |
| Restricted assets | 16 | 8,742 | - |
| Accounts receivable from income tax and minimum presumed income tax | | 15,872 | 15,866 |
| Assets intended for sale | 40 | - | 1,357,866 |
| Trade and other accounts receivable | 17 | 815,230 | 706,846 |
| Investments in financial assets | 18 | 141,681 | 234,107 |
| Derivative financial instruments | 19 | 4,104 | 12,870 |
| Cash and cash equivalents | 20 | 1,245,496 | 609,907 |
| Total current assets | | 2,253,462 | 2,959,021 |
| TOTAL ASSETS | | 9,603,107 | 9,810,106 |
| SHAREHOLDERS' EQUITY | | | |
| Equity and reserves attributable to controlling company's shareholders | | | |
| Stock capital | | 573,771 | 573,771 |
| Treasury stock | | 4,905 | 4,905 |
| Restatement for capital stock and treasury stock | | 123,329 | 123,329 |
| Additional paid-in capital | | 793,123 | 793,123 |
| Cost of treasury stock | | (37,906) | (37,906) |
| Changes in non-controlling interest | | (16,904) | (21,808) |
| Reserve for equity based payments | 33 | 63,299 | 53,235 |
| Legal reserve | | 116,840 | 116,840 |
| Special reserve | | 375,487 | 375,487 |
| Reserve for new projects | | 413,206 | 413,206 |
| Reserve for conversion | | 435,587 | 398,931 |
| Retained earnings | | (781,611) | (784,869) |
| Total equity and reserves attributable to controlling company's shareholders | | 2,063,126 | 2,008,244 |
| Non-controlling interest | | 679,791 | 548,352 |
| TOTAL SHAREHOLDERS' EQUITY | | 2,742,917 | 2,556,596 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Trade and other accounts payable | 21 | 218,384 | 202,652 |
| Loans | 24 | 3,588,103 | 3,756,003 |
| Derivative financial instruments | 19 | 344,551 | 320,847 |
| Income tax and minimum presumed income tax payable | | 59,109 | - |
| Deferred tax liability | 25 | 341,864 | 345,607 |
| Salaries and social security charges | 22 | 3,330 | 3,749 |
| Provisions | 23 | 244,117 | 205,228 |
| Total non-current liabilities | | 4,799,458 | 4,834,086 |
| Current liabilities | | | |
| Trade and other accounts payable | 21 | 644,717 | 678,725 |
| Income tax payable | | 175,556 | 64,677 |
| Salaries and social security charges | 40 | - | 806,612 |
| Derivative financial instruments | 22 | 64,955 | 99,276 |
| Loans | 19 | 301 | 14,225 |
| Provisions | 24 | 1,155,728 | 737,477 |
| Total current liabilities | 23 | 2,060,732 | 2,419,424 |
| TOTAL LIABILITIES | | 6,860,190 | 7,253,510 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 9,603,107 | 9,810,106 |

The accompanying notes are an integral part of the consolidated condensed interim financial statements.

Consolidated Condensed Interim Income Statements for the three-month periods ended September 30, 2014 and 2013

(Amounts stated in thousands of Argentine pesos, except shares and share data, and unless otherwise stated)

| | Note | 09.30.2014 | 09.30.2013 |
|---|------|------------------|------------------|
| | 27 | | |
| Revenues | | 790,069 | 621,447 |
| | 28 | | |
| Costs | | (353,494) | (293,700) |
| Gross income | | 436,575 | 327,747 |
| Income / (loss) from sale of investment properties | 10 | 317,486 | - |
| General and administrative expenses | 29 | (79,389) | (58,478) |
| Selling expenses | 29 | (37,422) | (30,686) |
| Other operating income / (loss), net | 31 | 2,818 | (9,532) |
| Operating income..... | | 640,068 | 229,051 |
| Income from interests in equity investees and joint businesses..... | 8,9 | (111,650) | 38,991 |
| Income before financial results and income tax..... | | 528,418 | 268,042 |
| Financial income | 32 | 23,825 | 46,534 |
| Financial expenses..... | 32 | (327,126) | (293,930) |
| Other financial income | 32 | 87,013 | 27,570 |
| Financial income / (loss), net | 32 | (216,288) | (219,826) |
| Income before income tax..... | | 312,130 | 48,216 |
| Income tax..... | 25 | (176,331) | (12,948) |
| Net income..... | | 135,799 | 35,268 |
| Attributable to: | | | |
| Controlling company's shareholders | | 3,258 | 32,382 |
| Non-controlling interest..... | | 132,541 | 2,886 |
| Net income per share attributable to controlling company's shareholders: | | | |
| Basic..... | | 0.01 | 0.06 |
| Diluted | | 0.01 | 0.06 |

The accompanying notes are an integral part of the consolidated condensed interim financial statements.

Consolidated Condensed Interim Cash Flow Statements for the three-month periods ended September 30, 2014 and 2013

(Amounts stated in thousands of Argentine pesos, except shares and share data, and unless otherwise stated)

| | Note | 09.30.2014 | 09.30.2013 |
|--|-------|-------------------|-------------------|
| Operating activities: | | | |
| Cash provided by operating activities | 20 | 306,855 | 258,673 |
| Income tax paid | | (54,761) | (55,232) |
| Net cash provided by operating activities..... | | 252,094 | 203,441 |
| Investment activities: | | | |
| Capital contributions in equity investees and joint businesses | 8,9 | (3,280) | (1,221) |
| Acquisition of equity investees and joint businesses | 3,8,9 | (268,975) | (13,057) |
| Acquisition of investment properties | 10 | (228,662) | (70,820) |
| Collections from sale of investment properties | | 1,507,060 | 118,936 |
| Acquisition of property, plant and equipment | 11 | (11,685) | (4,152) |
| Acquisition of intangible assets | 13 | (383) | (139) |
| Increase in investments in financial assets | | (309,178) | (775,782) |
| Loans granted to equity investees and joint businesses..... | | 49 | - |
| Collections from sale of investments in financial assets | | 361,080 | 245,124 |
| Interest collected on financial assets..... | | 3,175 | - |
| Advances to suppliers | | - | (13,120) |
| Acquisition of derivative financial instruments..... | | - | (2,000) |
| Collections from sales of equity investees and joint businesses..... | | 19,139 | 7,736 |
| Dividends collected | | 290 | 14,698 |
| Net cash provided by / (used in) investment activities | | 1,068,630 | (493,797) |
| Financing activities: | | | |
| Borrowings..... | | 327,819 | 118,401 |
| Repayment of loans | | (81,629) | (141,218) |
| Payment of financial leases | | (592) | (390) |
| Repayment of principal on notes | | - | (97,887) |
| Dividends paid..... | | (48,055) | (6,060) |
| Contributions from non-controlling interest | | 275 | 347 |
| Interest paid | | (192,204) | (117,848) |
| Distribution of capital..... | | (3,786) | - |
| Discharge of liabilities intended for sale | | (603,021) | - |
| Collection of derivative financial instruments | | 131 | - |
| Acquisition of derivative financial instruments..... | | (16,344) | - |
| Reduction of subsidiaries' capital | | - | (712) |
| Borrowings from equity investees and joint businesses, net | | 13,009 | 2,000 |
| Repurchase of own shares | | - | (1,182) |
| Acquisition of non-controlling interest in subsidiaries..... | | (1,094) | - |
| Repayment of loans for the purchase of companies | | (105,861) | (1,640) |
| Net cash used in financing activities..... | | (711,352) | (246,189) |
| Net increase / (decrease) in cash and cash equivalents..... | | 609,372 | (536,545) |
| Cash and cash equivalents at the beginning of the fiscal year..... | 20 | 609,907 | 796,902 |
| Income from exchange difference of cash and cash equivalents | | 26,217 | 20,831 |
| Cash and cash equivalents at the end of the period | | 1,245,496 | 281,188 |

The accompanying notes are an integral part of the consolidated condensed interim financial statements.

IRSA Inversiones y Representaciones Sociedad Anónima
Earnings Release as of September 30, 2014

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