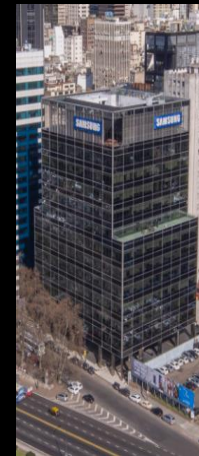




**IRSA**

J.P. Morgan  
Conference

Miami – February 2019





**IRSA**

**1.**  
THE  
COMPANY





# IRSA at a glance



63.7%



## IRSA



*Leading diversified  
Real Estate Company*

81.3%



PROPIEDADES  
COMERCIALES



SHOPPINGS  
MALLS

OFFICE  
BUILDINGS

COMMERCIAL  
LANDBANK

HOTELS



INTERCONTINENTAL  
HOTELS & RESORTS



Sheraton



LLAO LLAO  
RESORT, GOLF & SPA  
Patagonia Argentina

SANTA MARÍA  
& OTHER  
LANDBANK

29.9%



INTERNATIONAL

VP 18.9%



Dolphin

98.7%



77.1%

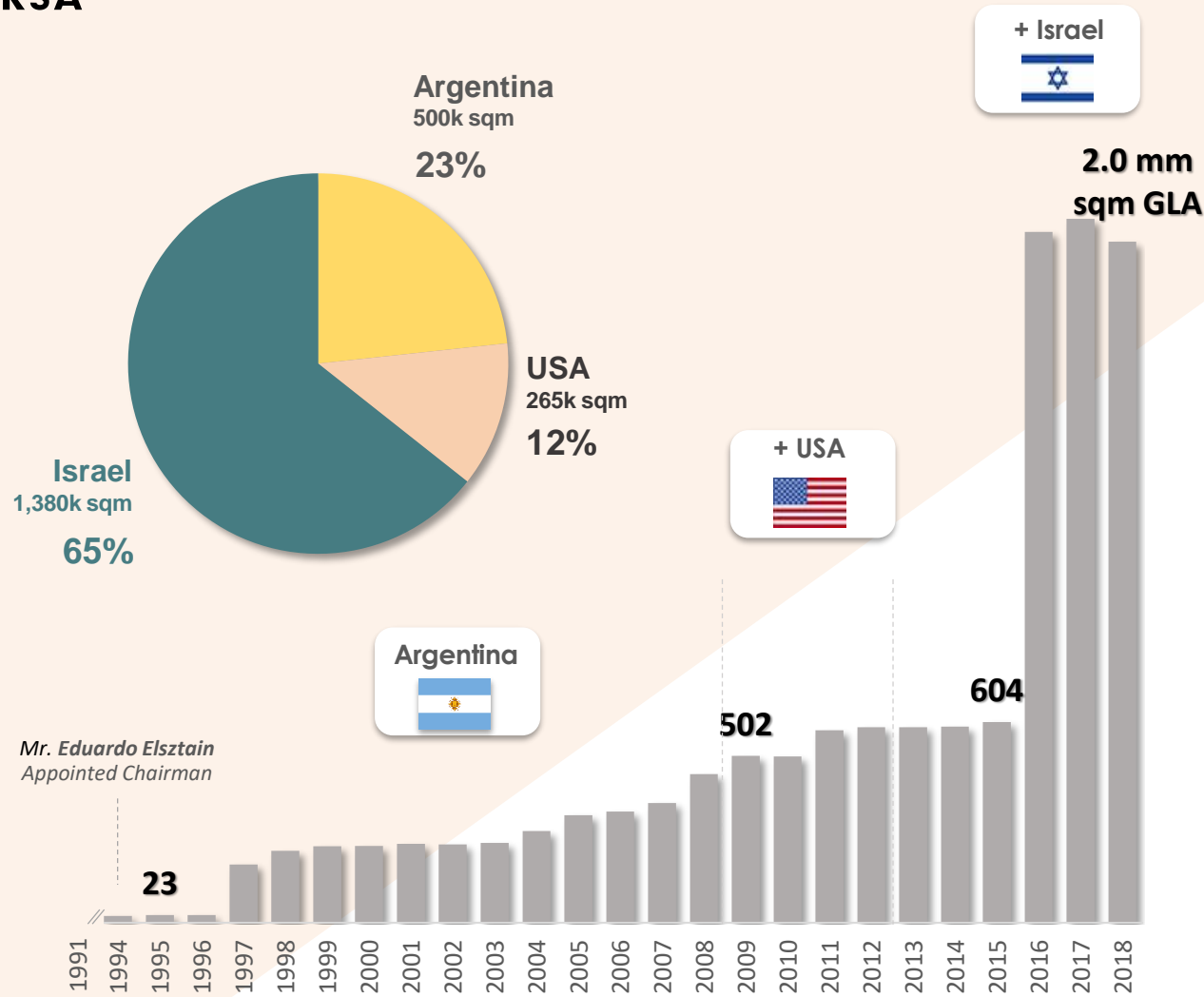


49.0%





# Company's real estate growth through access to Capital Markets



Mr. Eduardo Elsztein  
Appointed Chairman

- + **20 years** of history issuing in capital markets
- + **200 transactions** in the capital markets
- + **USD 17 Bn** issued through different vehicles
- **No defaulting** history (even during Argentina's 2001 crisis)
- **13 Listed companies:** New York (NYSE & NASDAQ), Buenos Aires (BYMA), San Pablo (Novo Mercado) & Tel Aviv (TASE).



Acquisition



Office portfolio acquisition  
from IRSA  
APSA renamed IRCP



**IRSA**



**2.**

**REAL ESTATE  
IN ARGENTINA**



# IRCP at a glance



## Unique Portfolio of Prime Commercial Real Estate

**15** Shopping Malls

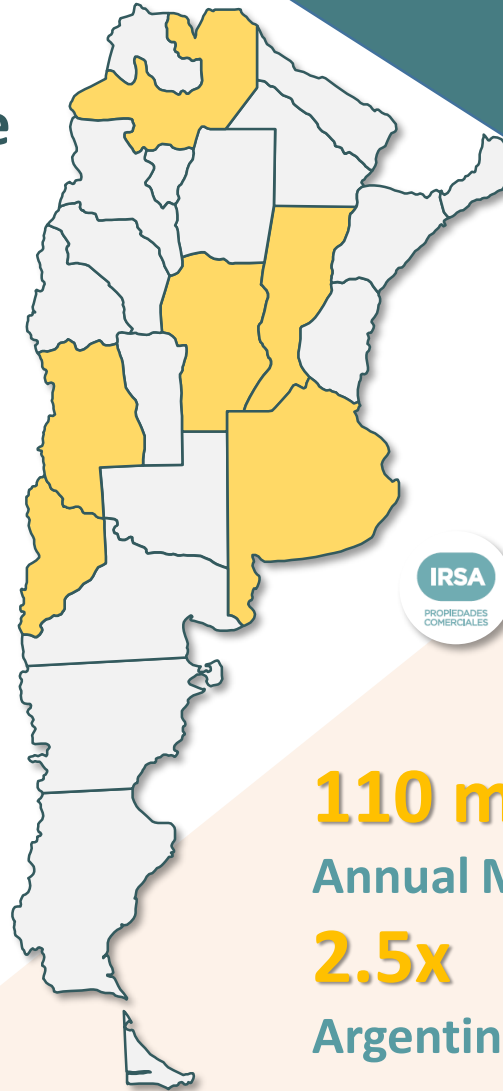
**332k** sqm GLA

**67%** Market Share BA City

**8** Office Buildings

**115k** sqm GLA

**11%** Market Share  
A+ BA City



## High brand recognition & customer loyalty

**110 mn**

Annual Mall visitors

**2.5x**

Argentina's population

**Top of mind**

Shopping Malls



## Best-in-Class Operator

Shopping Malls

**95%** Occupancy

**75%** EBITDA Mg

Offices

**90%** occupancy

**80%** EBITDA Mg

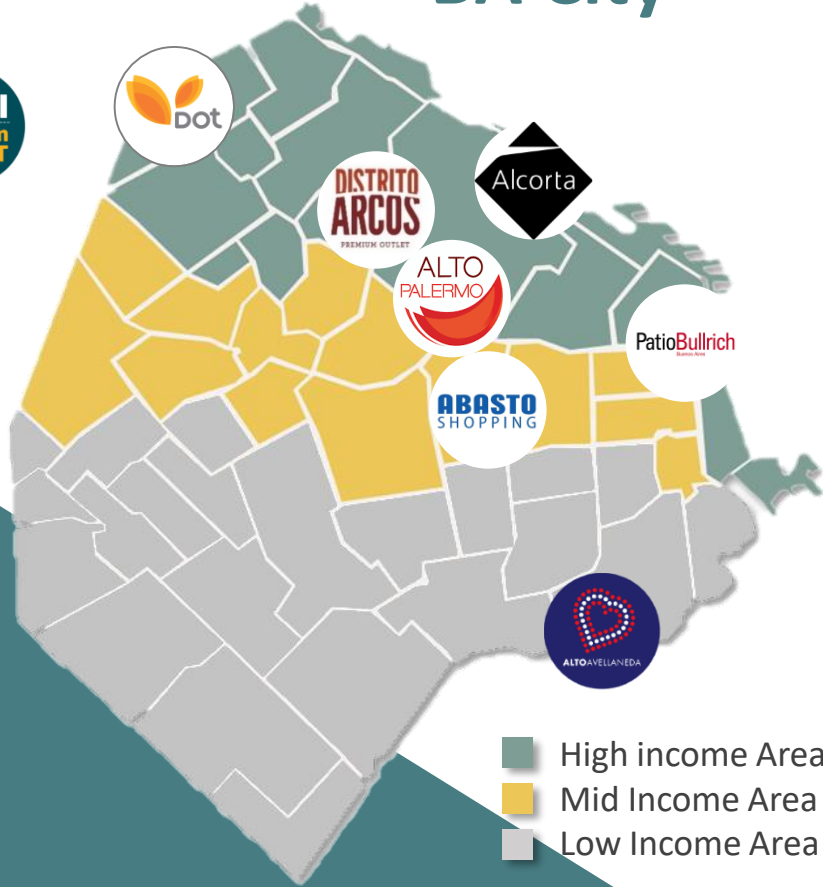


**Valuable customers  
information &  
technology innovation**



# Premium Portfolio of Shopping Malls

## BA City



- High income Area
- Mid Income Area
- Low Income Area



## Argentina



USD **115** MN LTM EBITDA

USD **1.1** BN Book Value dec'18

(USD **2.0** BN dec'17)

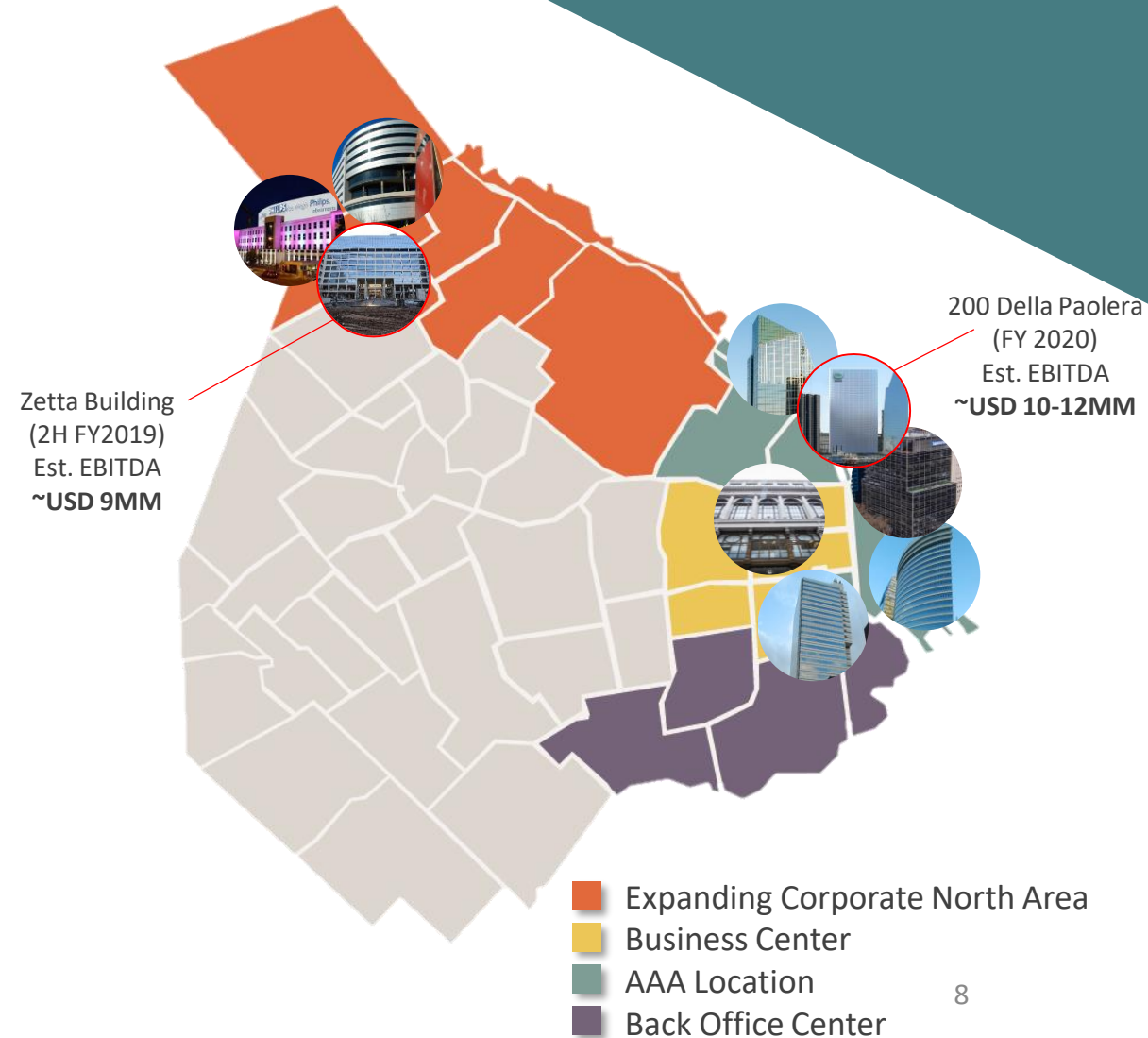


# Premium Portfolio of Office Buildings



USD **18** MM LTM **EBITDA**  
USD **0.3** BN **Book Value**

## BA City

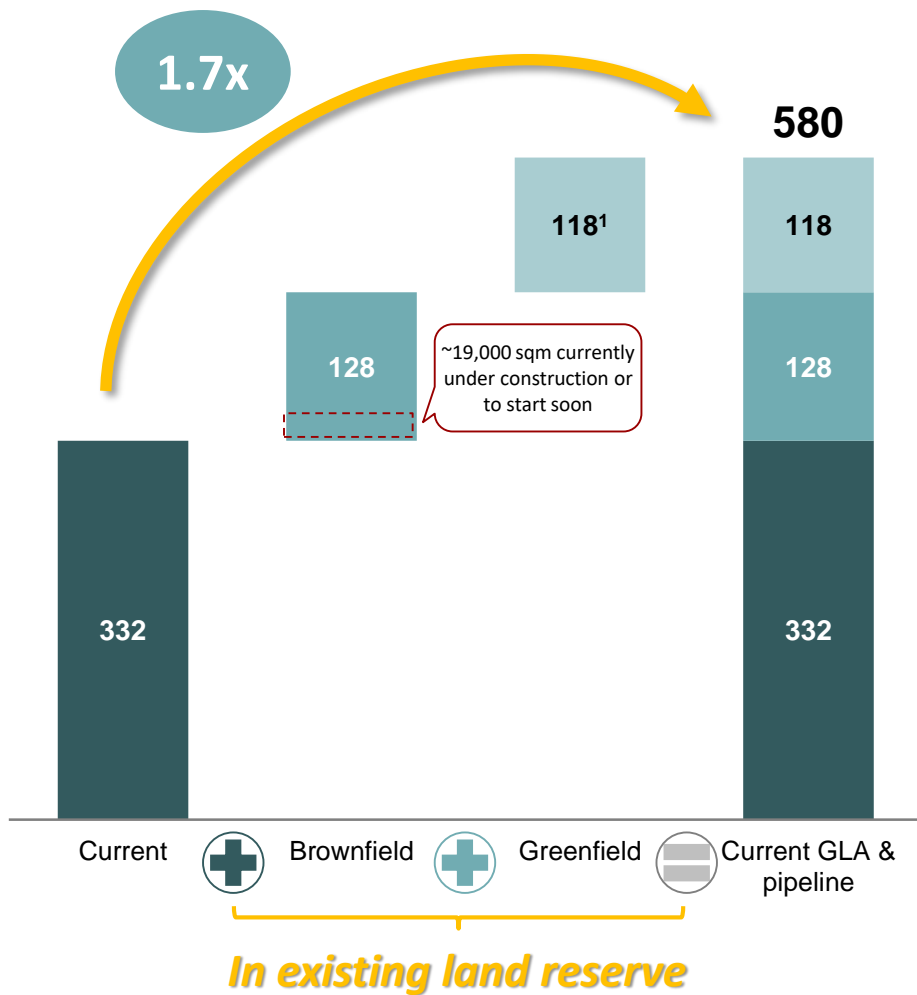




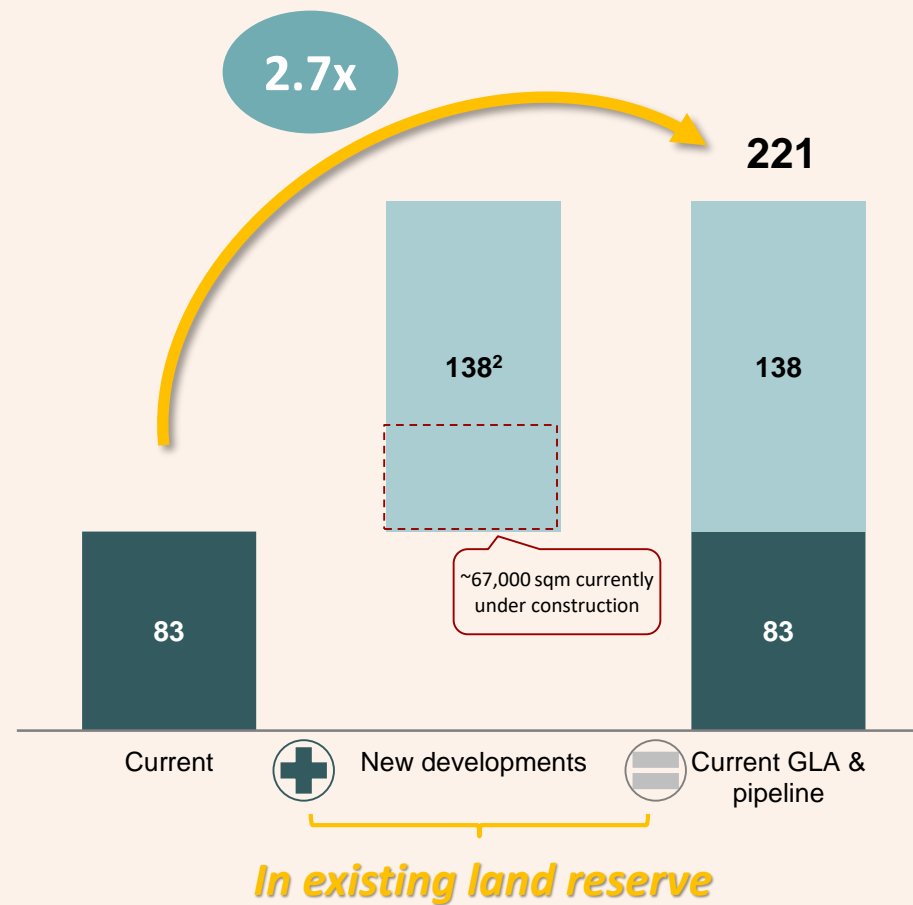


# Our land reserve will allow us to significantly expand our commercial real estate portfolio

## We have a robust pipeline for shopping malls...



## ...as well as for premium office properties





# Premium Hotels



## Intercontinental

BA city  
309 rooms



## Llo Llo Resort

Bariloche city  
205 rooms

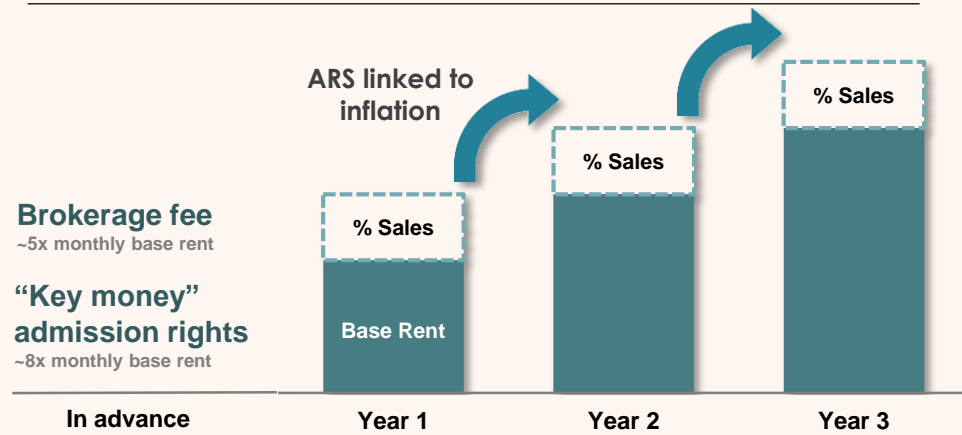


## Sheraton

BA city  
200 rooms

## Shopping Malls

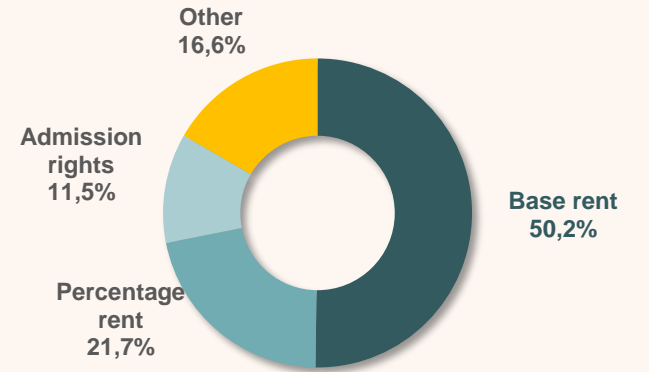
### Revenue from leases



### Other revenues

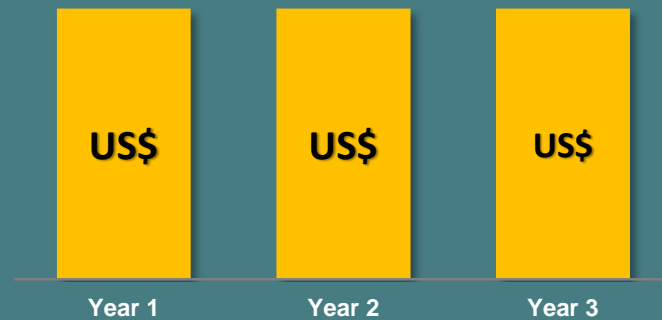


### Rent revenue breakdown



## Offices

### Revenue from leases



- **3-year average term** for office lease contracts
- **US Dollar based**
- Rental rates **for renewed terms are negotiated at market**

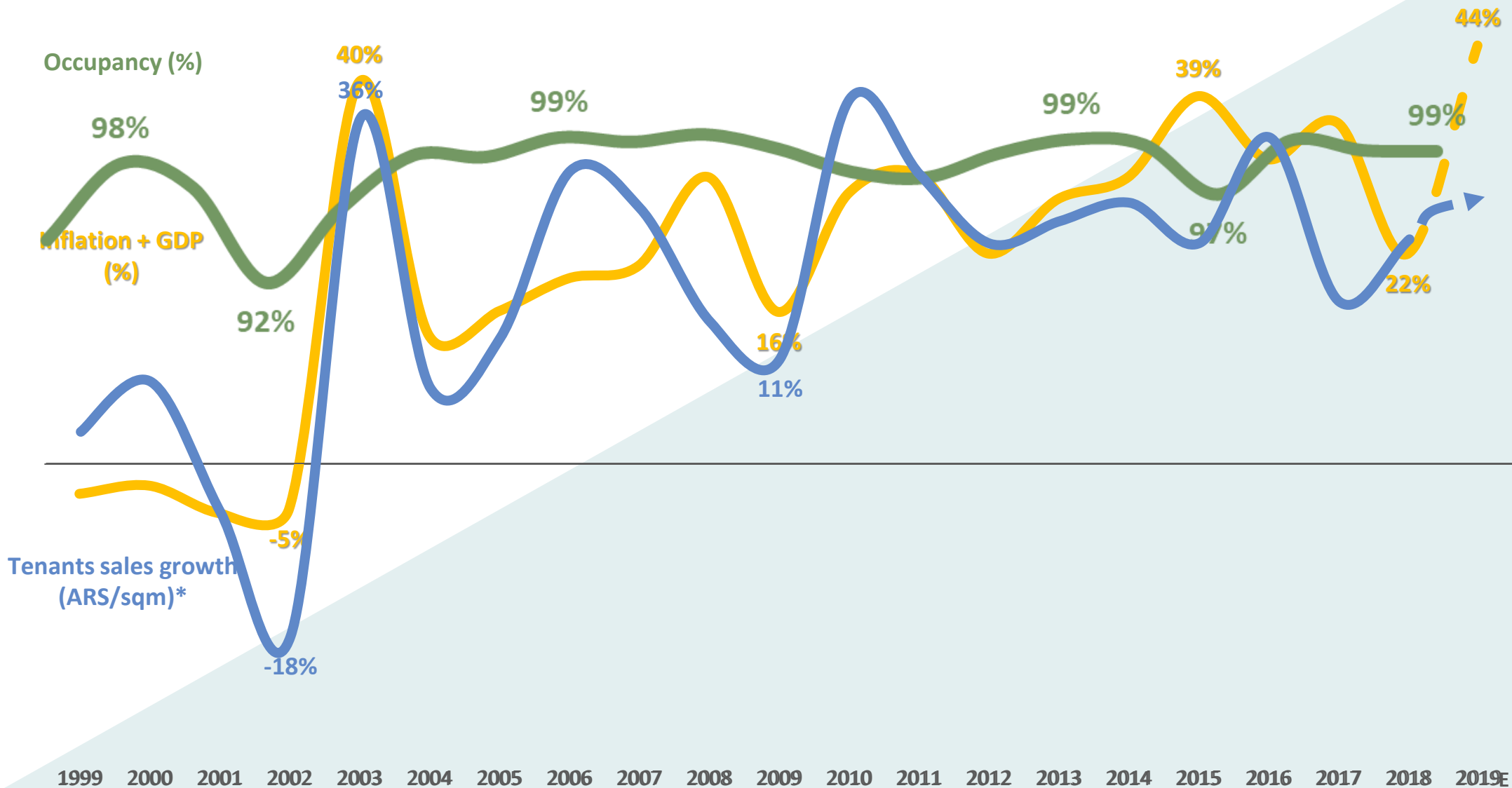
## Hotels

### Revenues





# Shopping Malls historical figures evolution

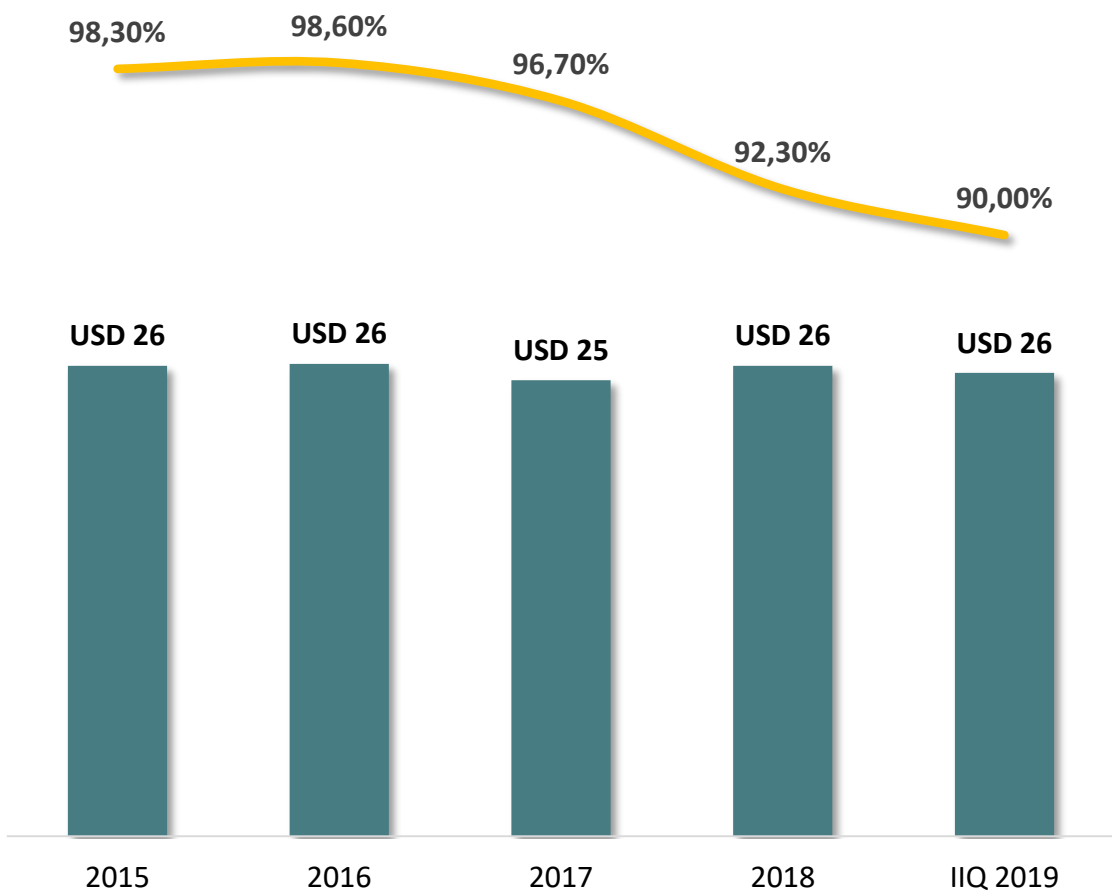


\* Excluding DOT Baires

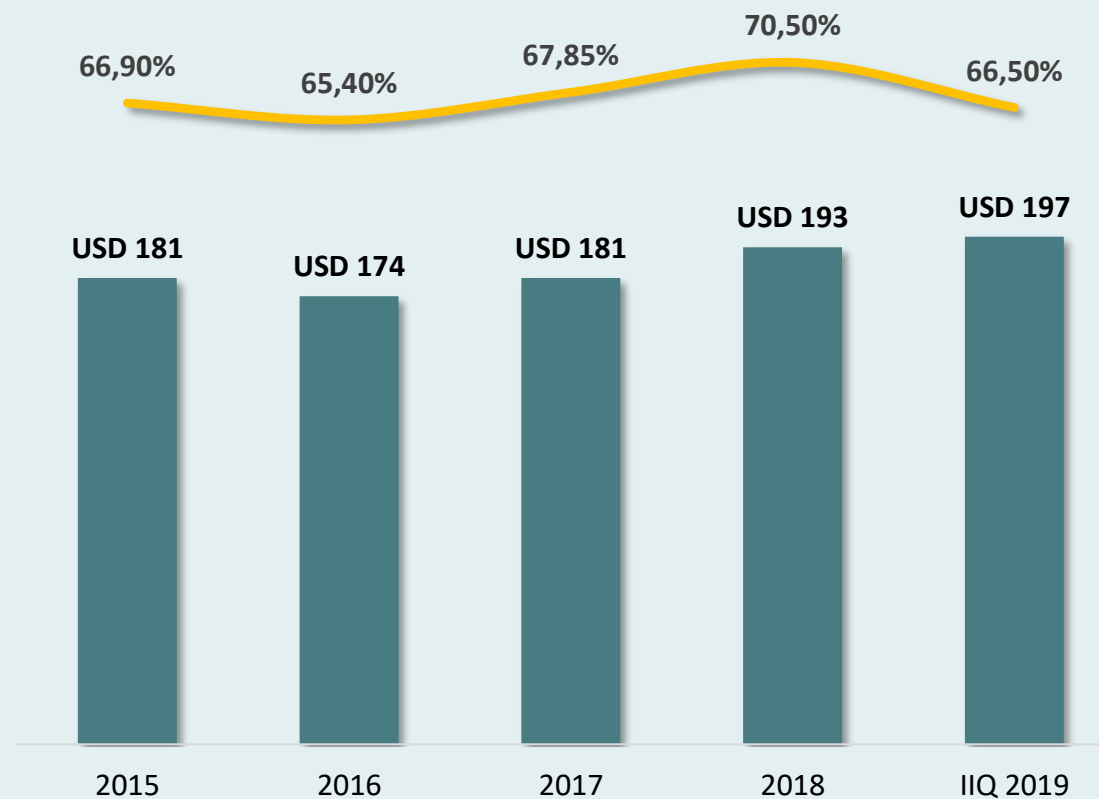


# Offices & hotels historical figures evolution

### IRCP Office Portfolio Rent/sqm/month & Occupancy evolution



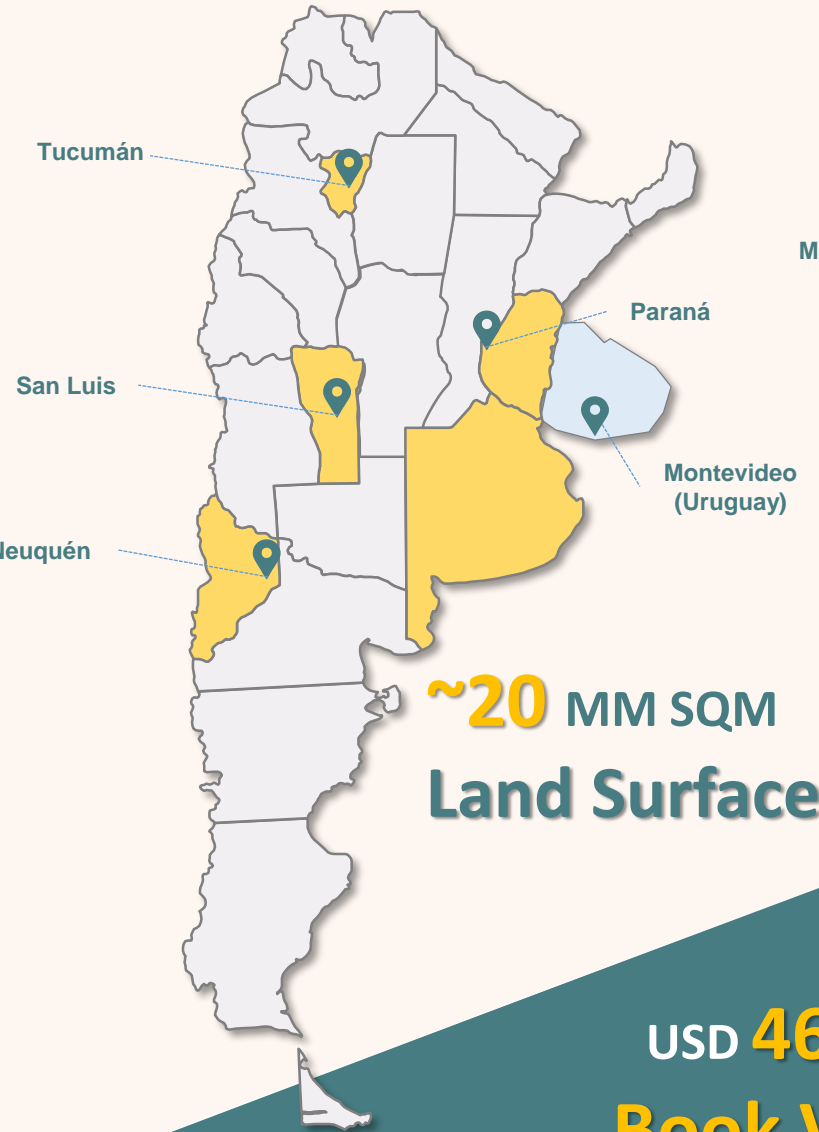
### IRSA Hotels Portfolio Rate/night & Occupancy evolution





# Premium mixed-use Landbank for future developments

## Argentina



**~20 MM SQM**  
**Land Surface**

## BA Province



## BA City



**USD 460 MM**  
**Book Value**



~ 700,000 sqm of Premium Real Estate to be developed in the best location of BA City (Approvals pending)

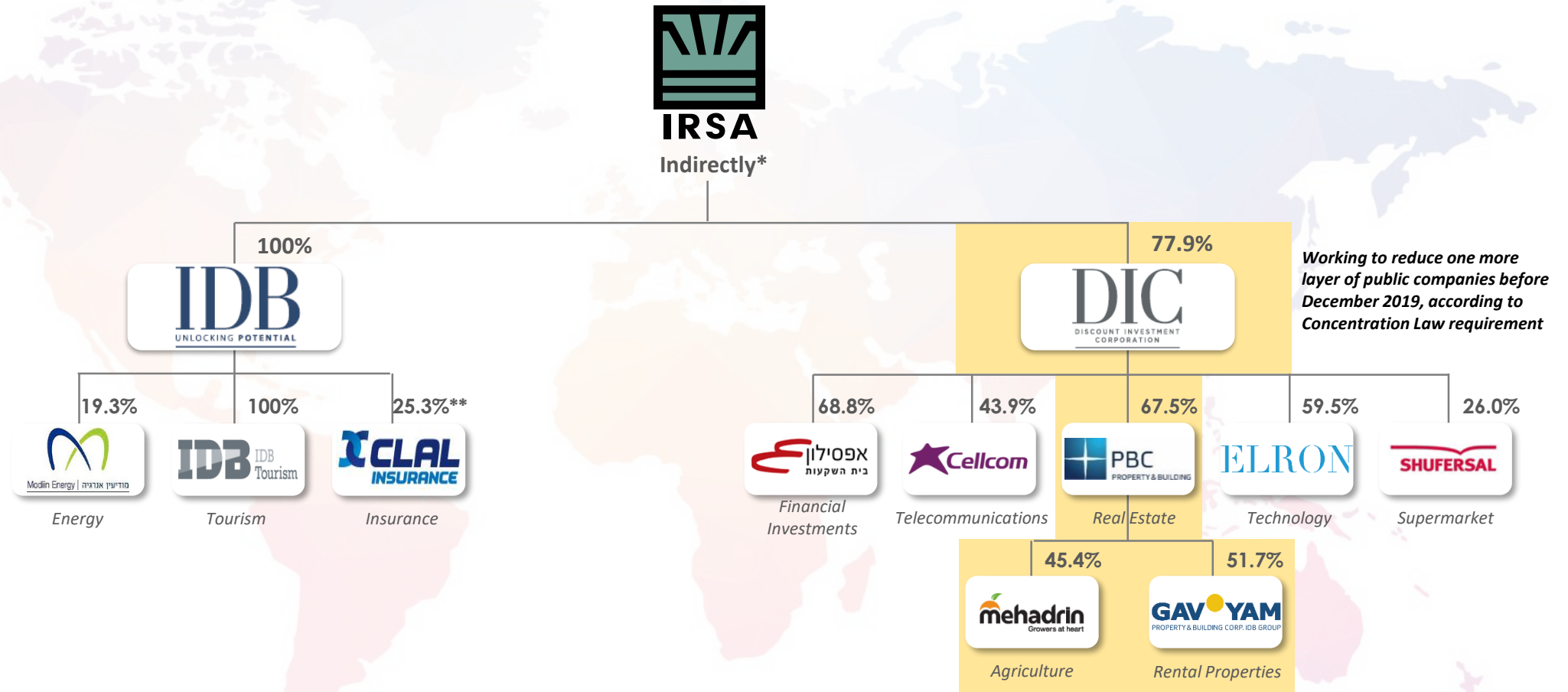


### 3. INVESTMENT IN ISRAEL



# Investment in IDB & DIC Israel

*Largest and most well diversified conglomerates in Israel*



\* There is a non recourse intercompany loan between Dolphin (borrower) and IDB (lender) due to the transference of DIC shares. This loan is guaranteed with DIC shares sold.

\*\* 29.6% stake sold through local swap transactions, holding economic rights for 54.9%.





# PBC (67.5% DIC stake) & Gav Yam (51.7% PBC stake) Leading Real Estate companies in Israel



Market Cap  
USD 523 MM



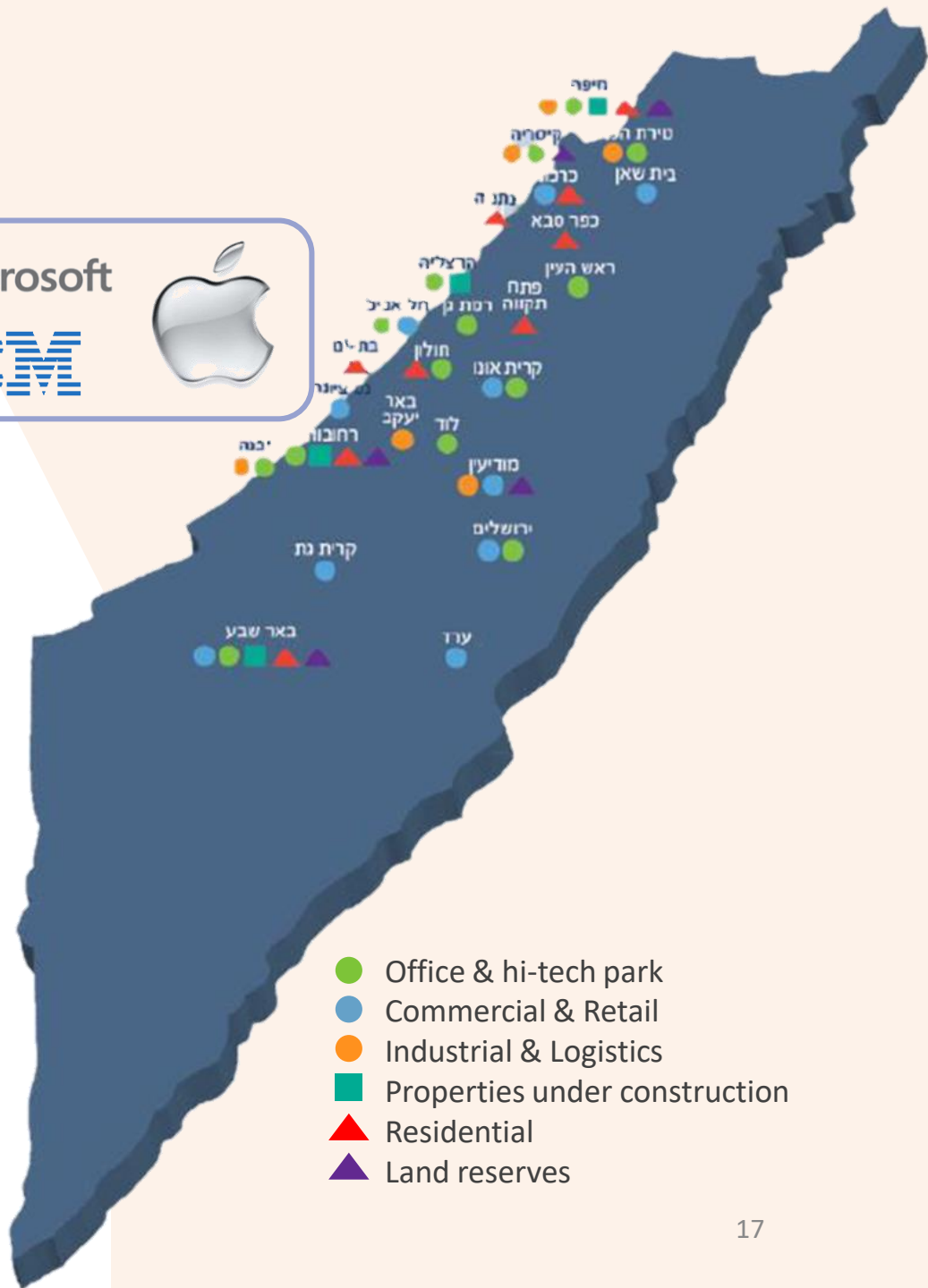
USD 1,010MM

1,160,000 sqm  
in Israel

670,000 sqm  
Land reserve

97%  
occupancy

142,000 sqm  
in USA





# Real Estate projects under development in Israel



REHOVOT: 3 of 4 buildings finished

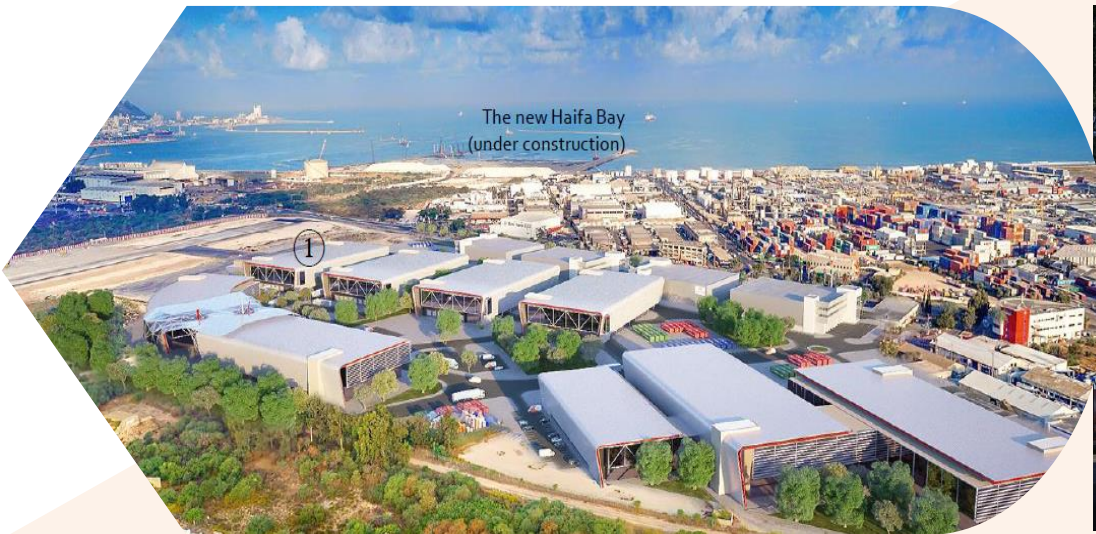
**8** Projects  
**194,000** sqm



MATAM-YAM: Recently finished  
Amazon main tenant



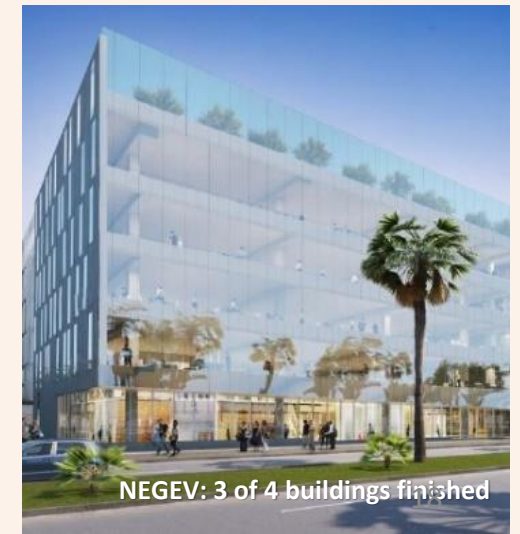
TOHA: 95% already leased. Opening during 2H FY 2019



The new Haifa Bay (under construction)



The New Haifa Bay – Logistic Center  
Opening during 2H FY 2019



NEGEV: 3 of 4 buildings finished

# Shufersal (26.0% DIC stake): Israel's Leading Food Retailer

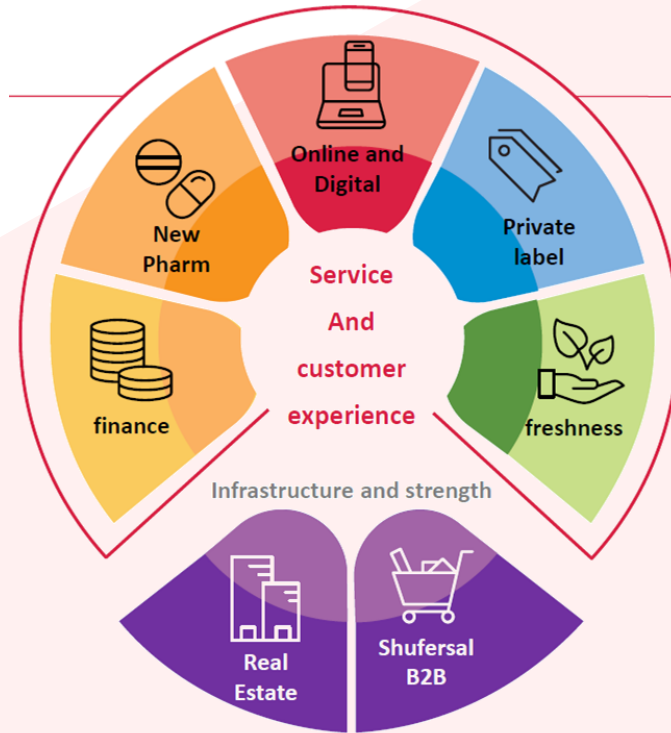
## Shufersal

- ✓ Traded on TASE – Market cap **USD 1,674 MM**
- ✓ Operates **338 stores** nationwide
  - Shufersal: 274 stores
  - New Pharm: 64 stores
- ✓ Holds a real estate portfolio of ~ **NIS 3 billion**

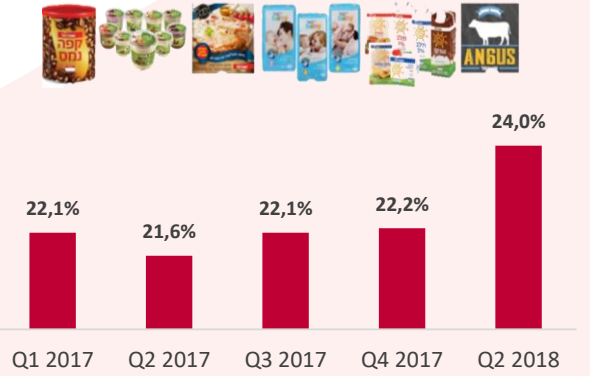


**New Pharm recent acquisition**  
2<sup>nd</sup> largest pharmacy chain in Israel

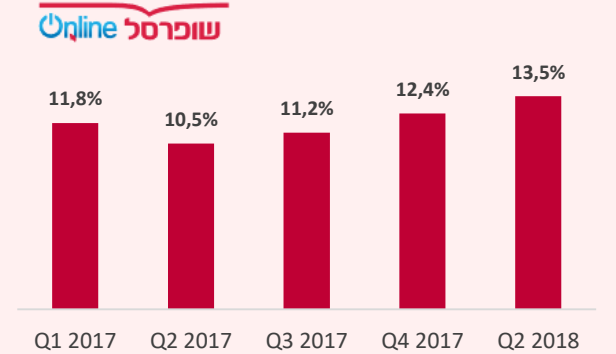
**ניו-פארם**  
פשוט חשתלם.



**Private Label - % of Total Sales**



**Online Sales - % of Total Sales**





# Largest Telecommunications Provider

(43.9% DIC stake)



✓ Israel's largest cellular provider – **2.8 million subscribers**  
**26% market share**

✓ **Competition:**

- Operates in competitive environment -5 cellular providers.
- Cellular: ARPU NIS 51.8 vs ~ NIS 163 in the US.

✓ **Transition from cellular company to communication Group:**



✓ Market cap **USD 603 MM**

✓ Fastest growing company in TV, internet & fixed line services:

- **ISP Service for 685k households**
- **Over 195,000 pay TV subscribers**

**Cellcom TV Subscribers (Th.)**





# Other Assets in Israel



(25.3% IDB stake – 54.9% economic rights)

- One of the **largest insurance company in Israel.**
- Assets under management (AUM) **over USD 55 billion.**
- Operates with ~2,000 insurance agents and has ~4,000 employees
- Market share:
  - Health insurance: 17%
  - Pension, provident funds and financial products: 15%
  - General insurance: 11.3%
  - Life Insurance and long term savings: 20%

**Market Cap vs. Book Value**  
(NIS million)



57% BV

Insurance Companies	P / BV
CLAL	0.6x
Avg. Israel	0.8x
Avg. USA	1.4x

# ELRON (59.5% DIC stake)

- Elron is a leading Israeli investor in early stage ventures. Leader of several exits of more than USD 1.5 billion over the last 5 years
- Elron specializes in the fields of medical devices, cybersecurity and IT.



- Pocared (69%):  
Real time automated microbiology lab system.



- CartiHeal (31%):  
Cell-free cartilage regeneration.



- BrainsGate (30%) – Device for treating stroke:

Implement used to electrically stimulate the SPG nervous center behind the nose known to increase blood flow in the brain.

Market cap  
**USD 79 MM**



- Traded on TASE - Market cap **USD 161 MM**
- Revenues from agricultural Activity 1,392 Knis, Net profit of about 20 million.
- Real estate – leases of 13.6k dunams comprising 27%
- Total revenues ~ NIS 1.46 billion





**IRSA**

**5.**  
**OTHER**  
**INVESTMENTS**



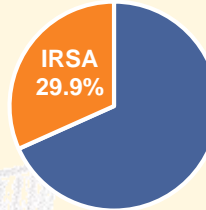


# Investment in Banco Hipotecario

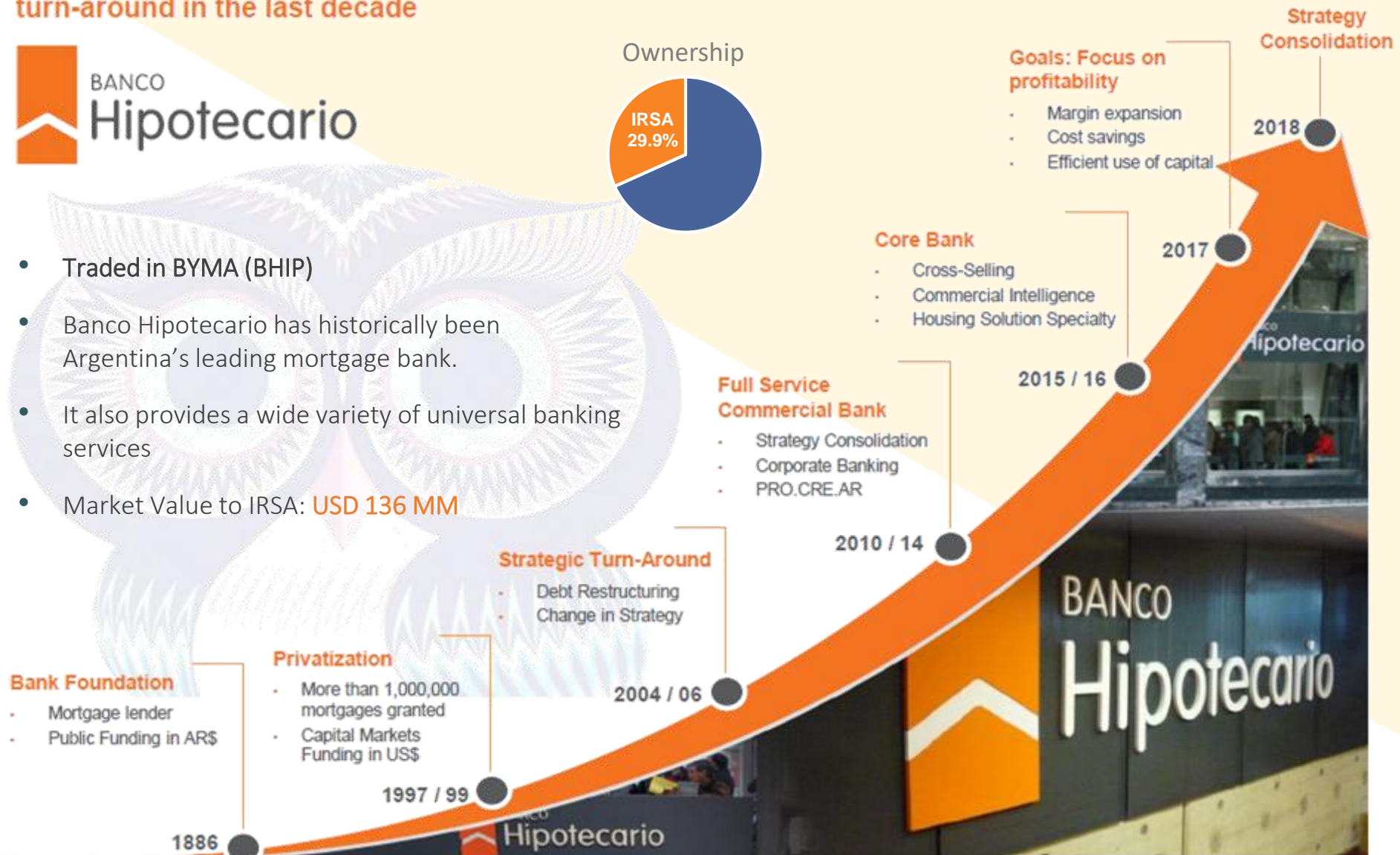
Banco Hipotecario has been in the banking business for 130 years and has implemented a business turn-around in the last decade



## Ownership



- Traded in BYMA (BHIP)
- Banco Hipotecario has historically been Argentina's leading mortgage bank.
- It also provides a wide variety of universal banking services
- Market Value to IRSA: **USD 136 MM**

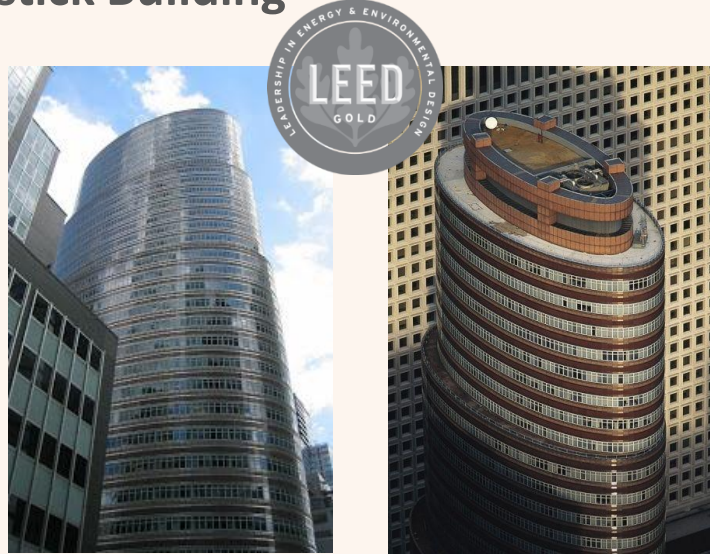




# US Investments

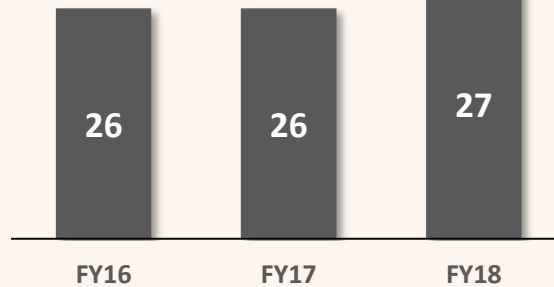
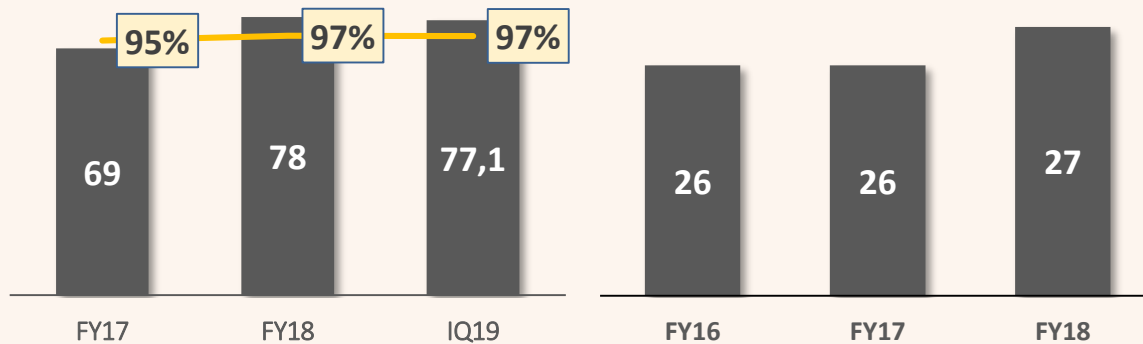
## Lipstick Building

- Landmark building in New York City
- Designed by Architects John Burgee and Philip Johnson
- 58,000 sqm GLA  
34 floors



### Leases (USD MM) & Occupancy

### NOI (USD MM)

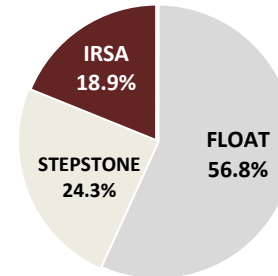


- Hotel Reit Traded in NYSE (CDOR)
- Real estate investment trust that specializes in the ownership of premium-branded select-service, extended-stay, and limited-service hotels in the upper-midscale and upscale segments

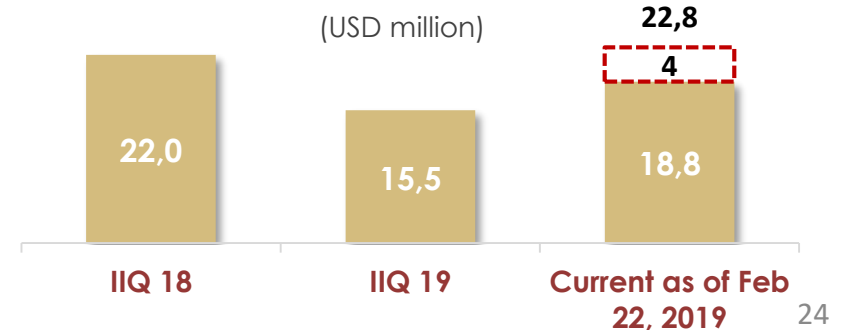
### Quick Facts

<b>16</b> Hotels	<b>8</b> States	NYSE American: <b>CDOR</b>
<b>Bethesda, MD</b> Corporate Headquarters		Price: <b>8.52</b>
<b>1,967</b> Guestrooms	<b>4 Years</b> Average Age <sup>(1)</sup>	Market Cap (\$M): <b>101.28</b>

### Ownership



### Market Value to IRSA







## 6. FINANCIALS



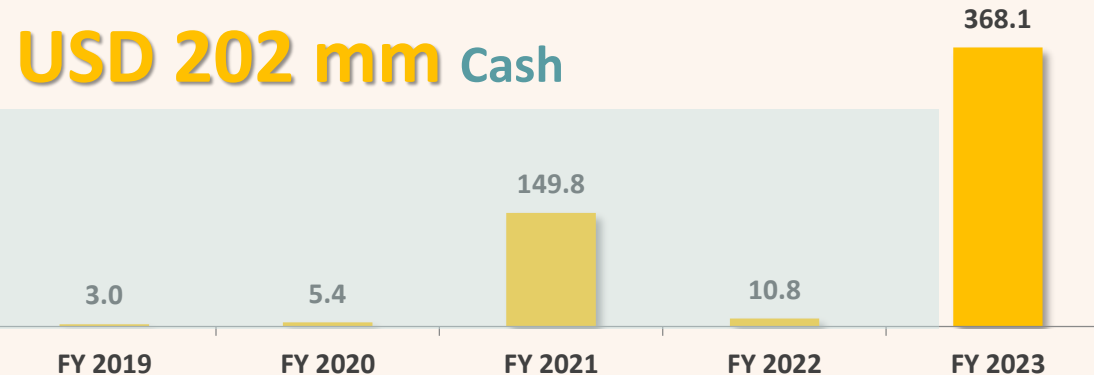
# IRSA Commercial Properties' Financial Solvency

As of December 31, 2018

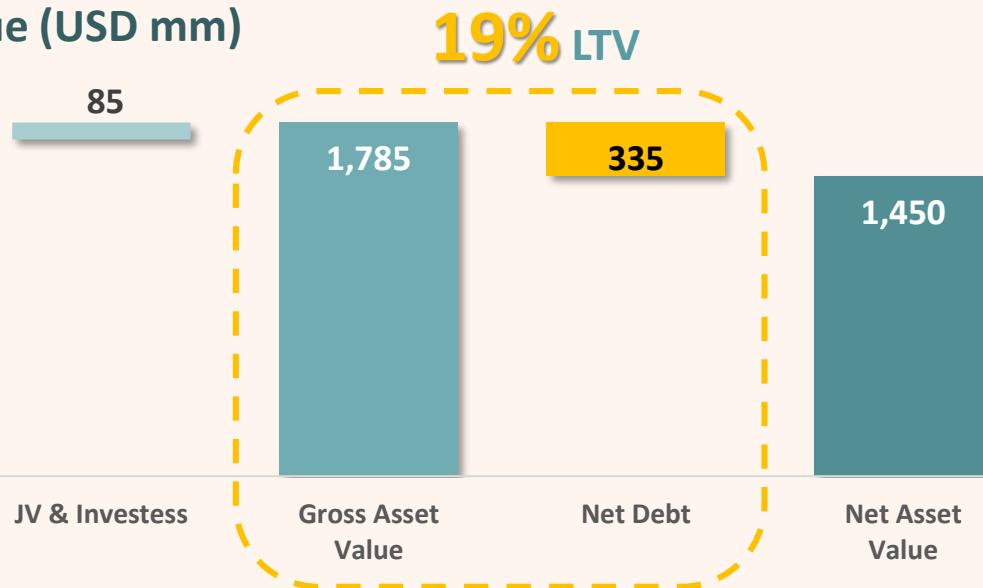
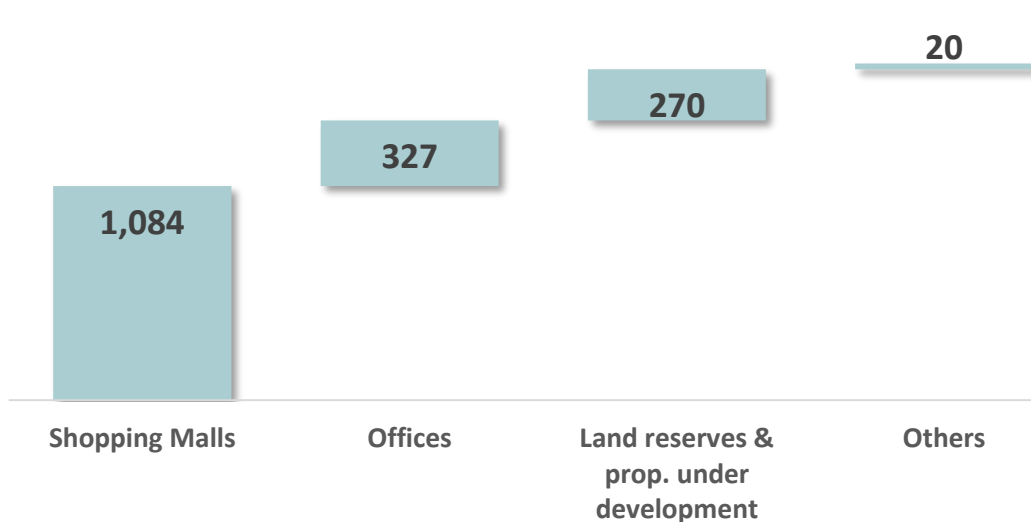


Debt	USD 537 MM
Net Debt	USD 335 MM
Net Debt / EBITDA	2.5x
EBITDA / Interests	3.6x
Local Rating	AA+
International Rating	B+

## Debt Amortization Schedule



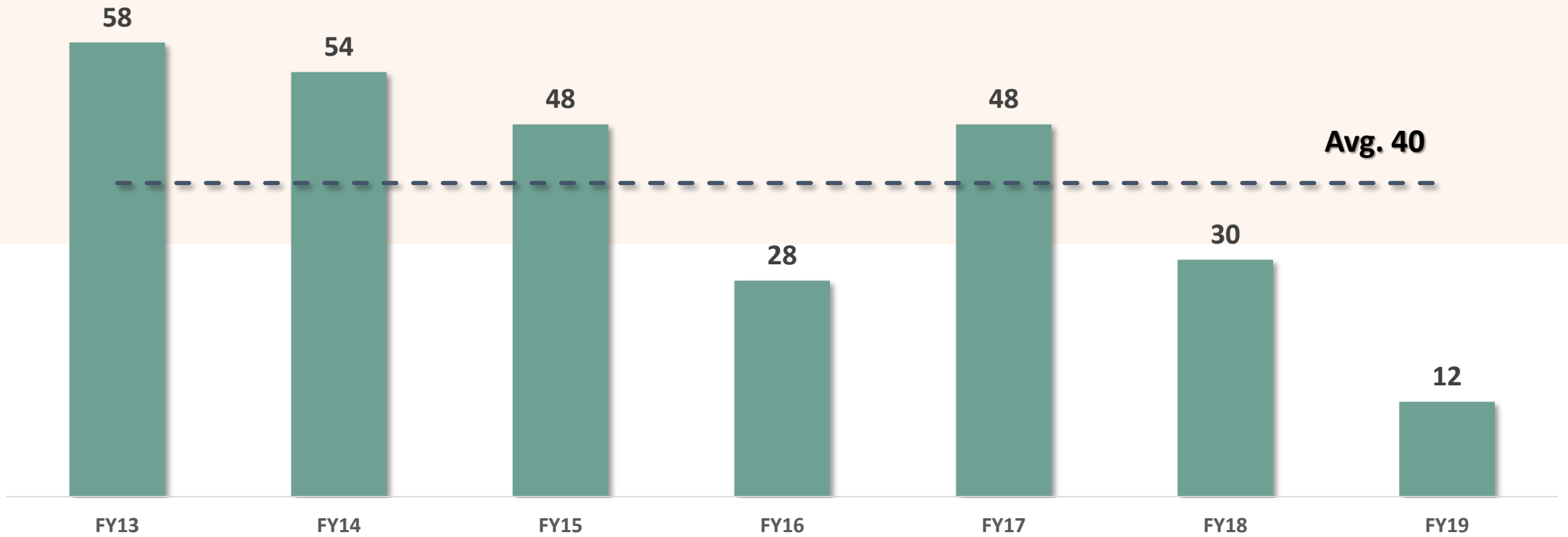
## Net Asset Value (USD mm)





# Dividends received from IRCP

(USD MM)





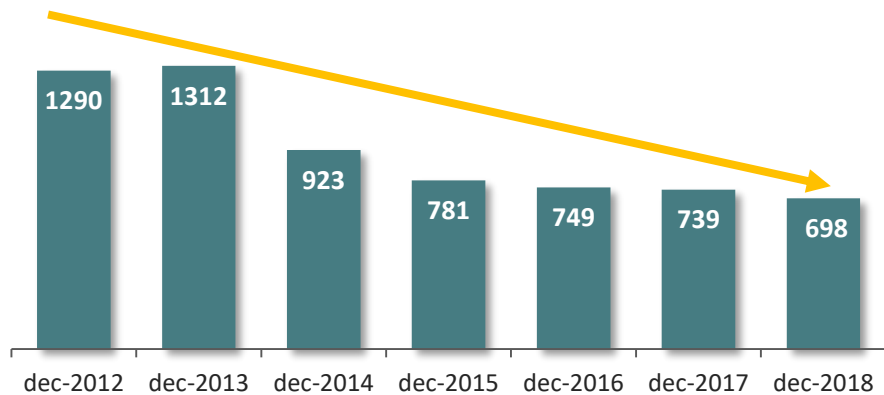
# Israel Financial Figures

(USD MM)



Stand alone

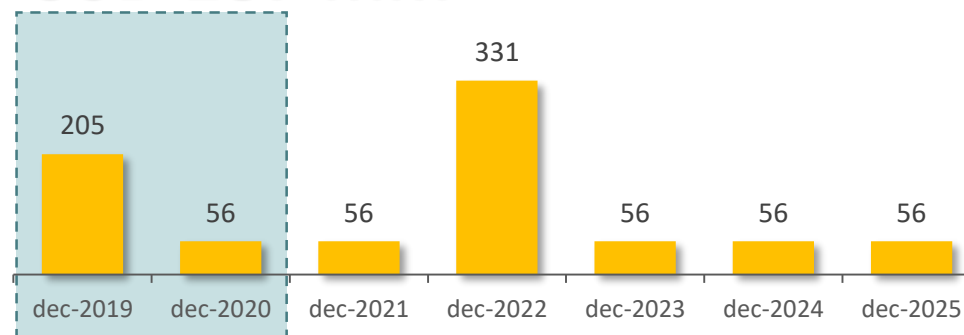
## Net Debt evolution



**iBBB-**  
Credit Rating

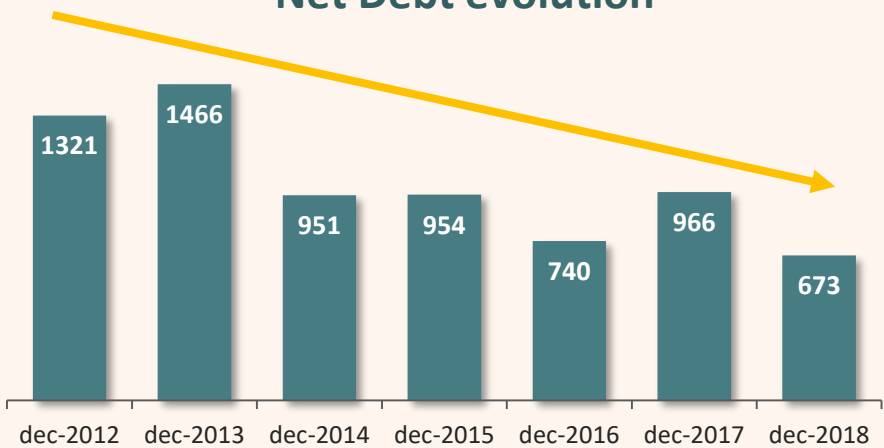
## Debt Amortization Schedule

**USD 187 mm** Cash



Stand alone

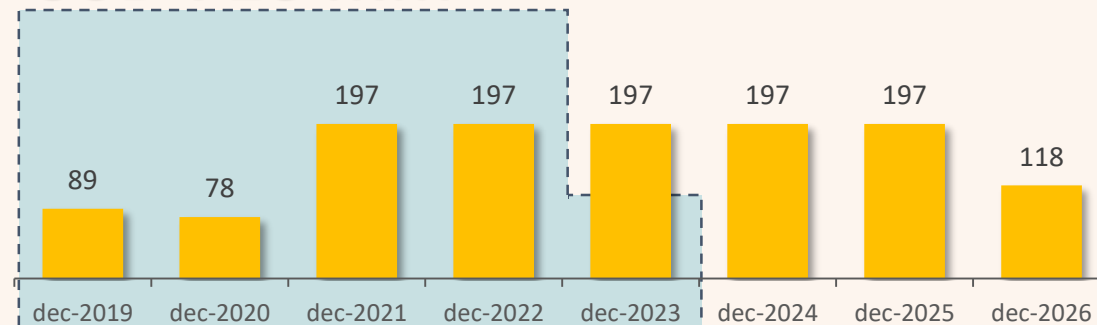
## Net Debt evolution



**iBBB+**  
Credit Rating  
**USD 520 mm**  
NAV  
**58%**  
LTV

## Debt Amortization Schedule

**USD 718 mm** Cash

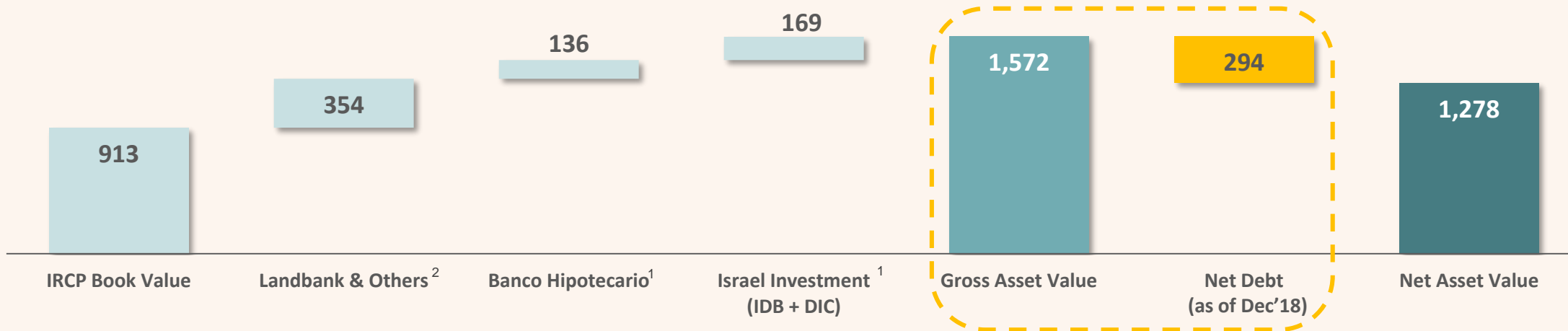




# IRSA Stand Alone Financial Figures

## Net Asset Value (USD mm)

As of September 30, 2018



- 1. Market value as of September 30, 2018.
- 2. Book value as of September 30, 2018. Others includes hotels at historical cost for USD 4 million and investment in Condor Hospitality Trust at market value

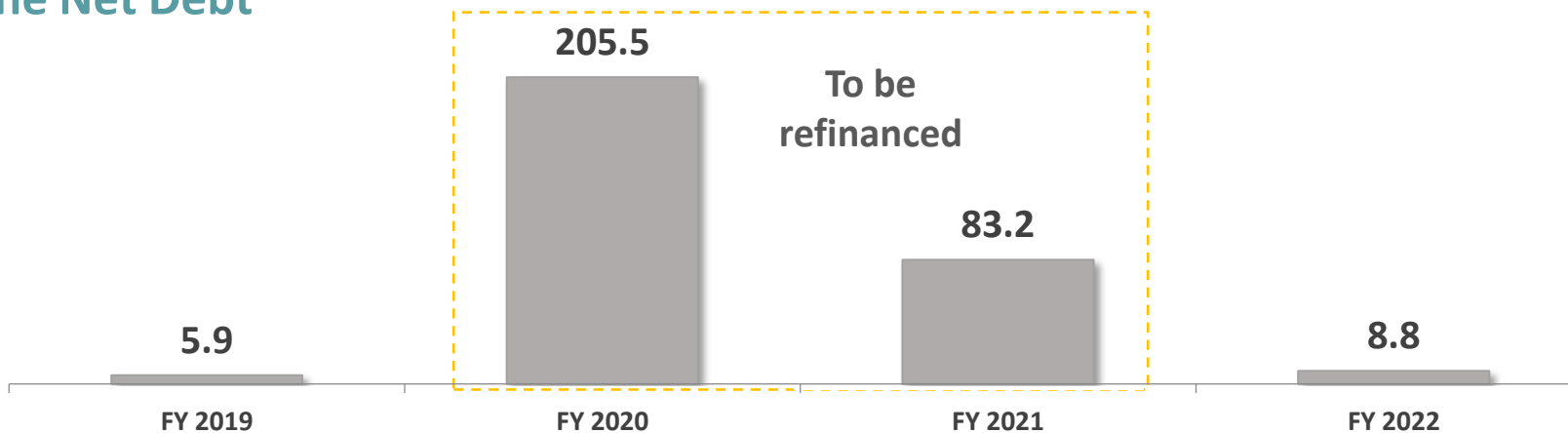
**19% LTV**

**22% LTV (IRCP at Market Value)**

**USD 294.2 mm**  
Stand Alone Net Debt

## Debt Amortization Schedule

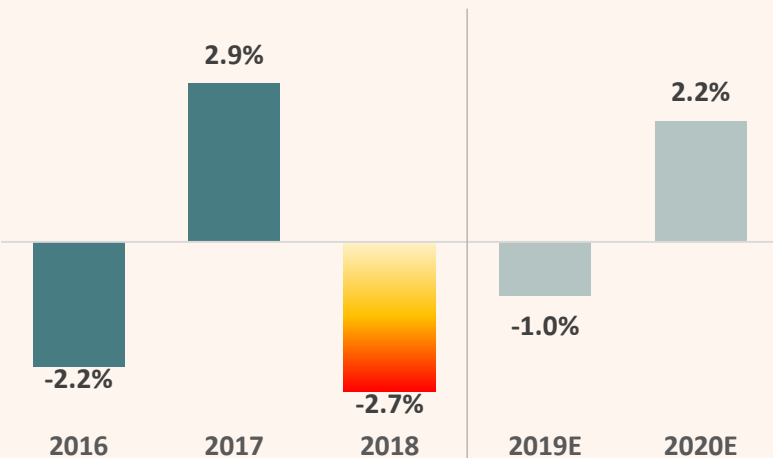
As of December 31, 2018



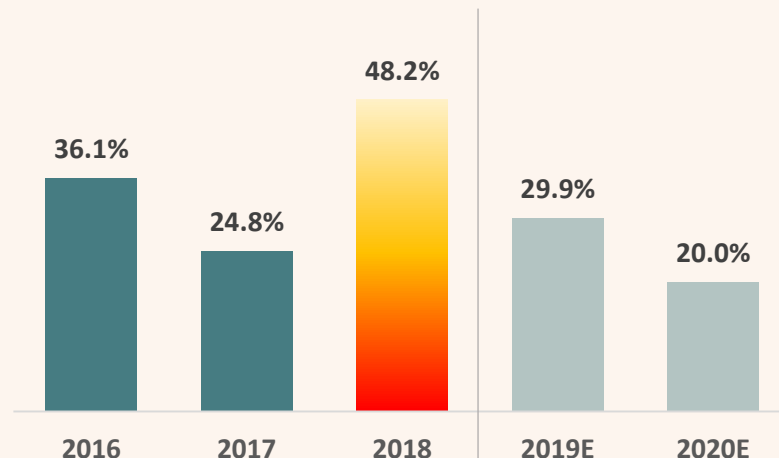


# Argentina Macroeconomic Forecast

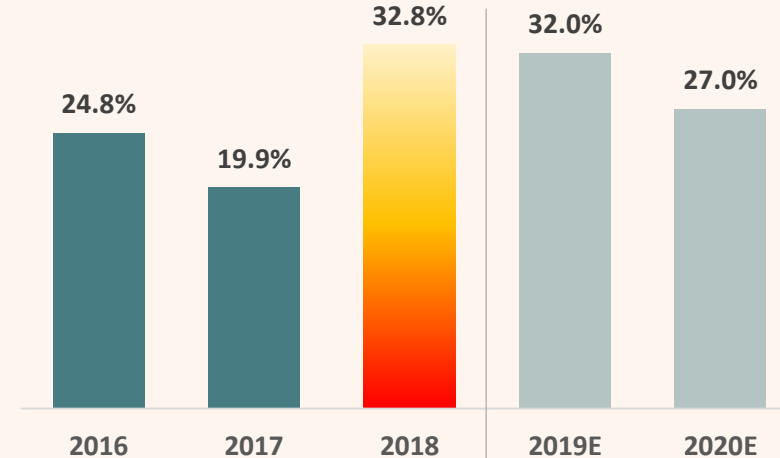
### GDP (%)



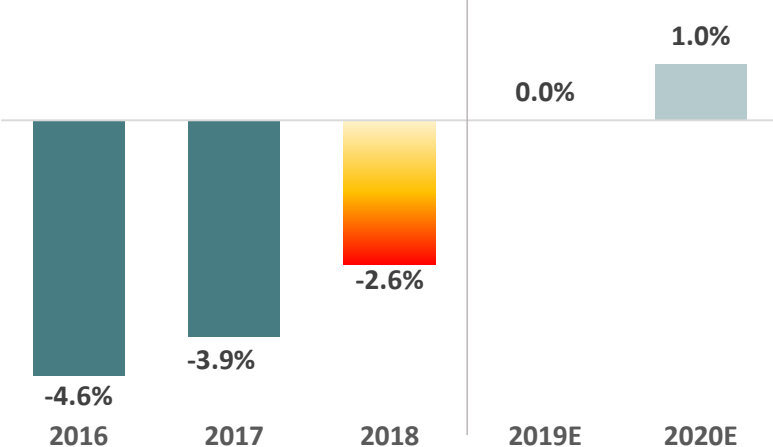
### Inflation (%)



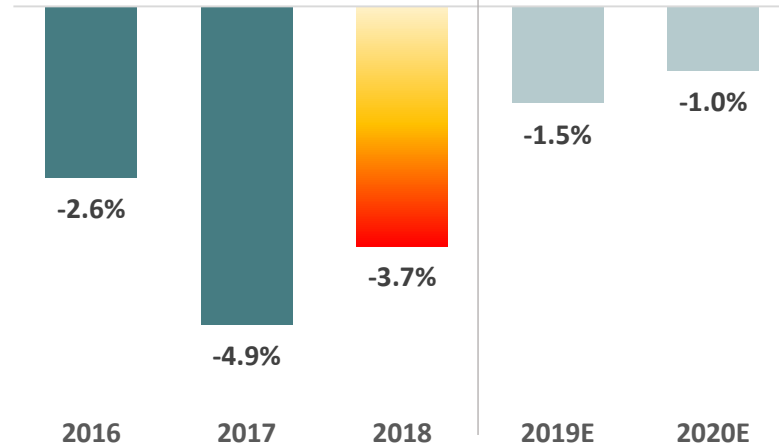
### BADLAR Rate (%)



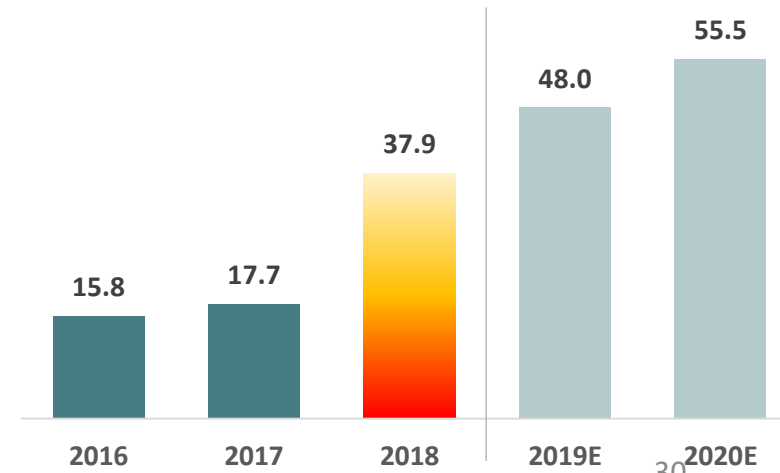
### Fiscal Account (% of GDP)



### Current Account (% of GDP)



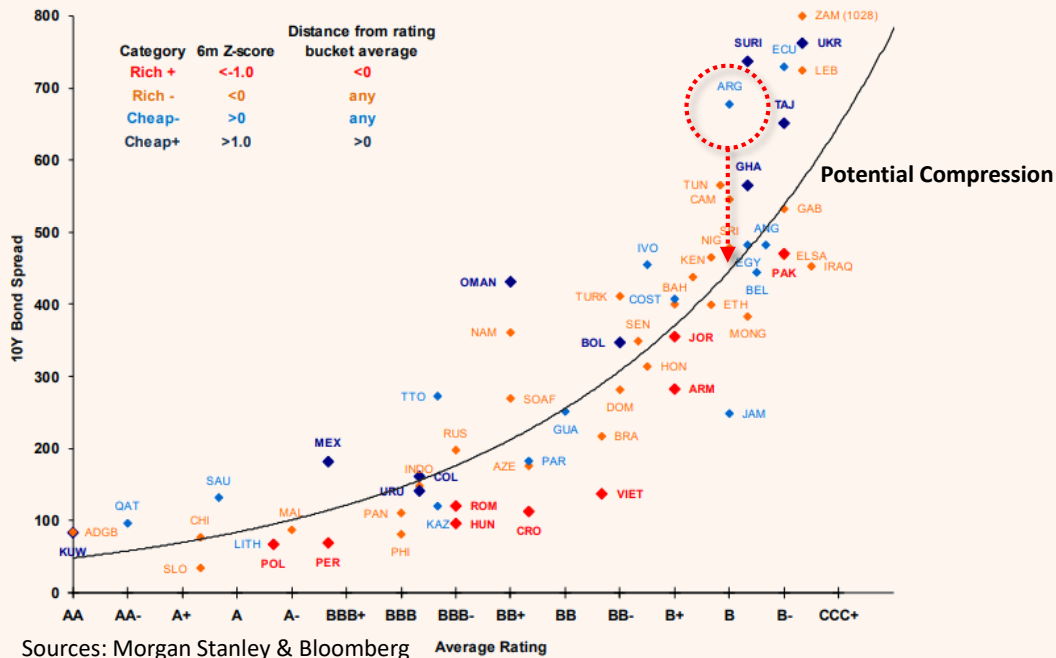
### Nominal FX



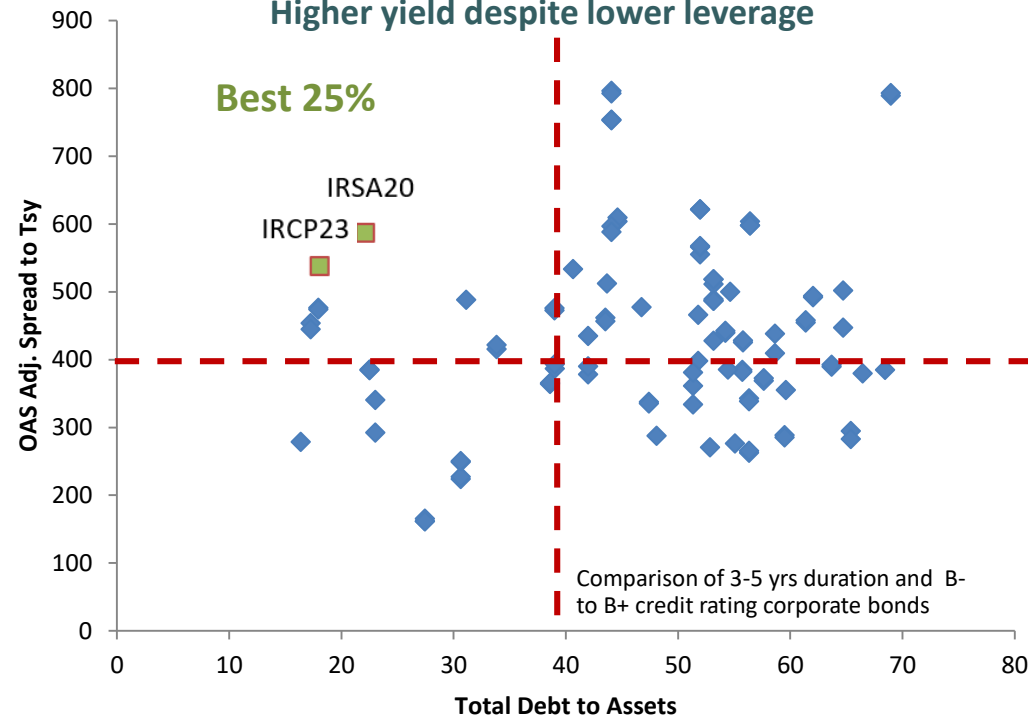


# Argentina Credit Market

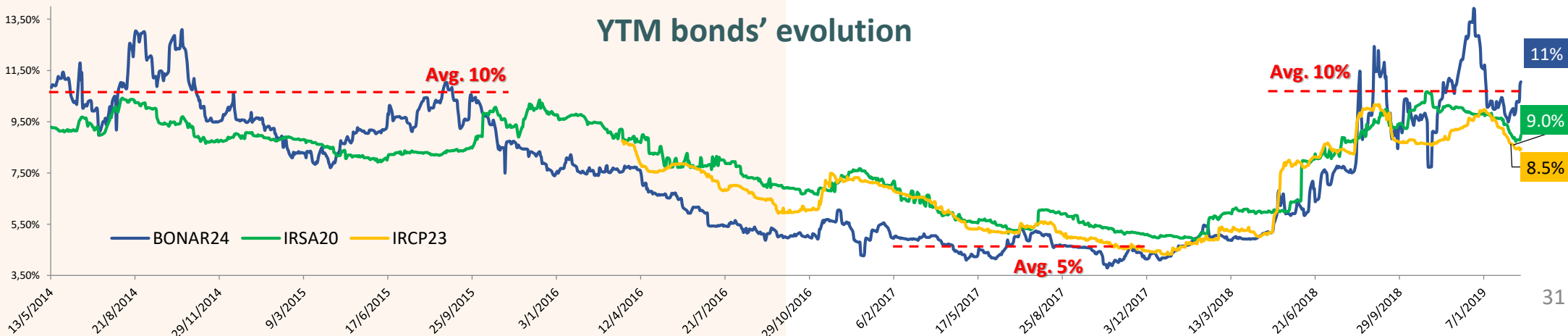
## Sovereign 10y bonds vs Ratings Argentina: High yield relative to rating



## IRSA & IRCP bonds Higher yield despite lower leverage



## YTM bonds' evolution





# Investment Highlights

<b>25 years</b> Listed in NYSE	<b>Leading Real Estate Company</b>	
<b>Strong</b> Capital Markets <b>track record</b>	<b>2.1 mm sqm</b> worldwide	<b>Diversified country risk</b> Argentina Israel USA
Best standards of <b>Corporate Governance</b>	<b>Unique</b> Portfolio of <b>Real Assets</b> across the world	<b>Financial Solvency</b>



# IRSA