

IIQ 2018 Conference Call

February 9, 2017

IRSA

COMMERCIAL
PROPERTIES



Hosted by: **Alejandro Elsztein, CEO**
Daniel Elsztein, COO
Matías Gaivronsky, CFO

Rental Operating Figures

- Shopping malls' sales grew by 22.6% in 6M18 vs. 6M17 and occupancy increased to 99.1%.
- The average rent of the office portfolio increased to USD/sqm 26.5 while occupancy reduced to 93.6% due to the vacancy of two floors at Boston Tower

CAPEX:

- Progress in construction works of ~ 25,000 sqm of malls' expansion during FY 2018.
- Works in progress in our office developments: Polo Dot 1st stage and Catalinas expected to be finished by FY19 and FY20 respectively.

Liquidity (equity):

- In October, our parent Company IRSA has sold 10,24 mm shares of the company for ~ USD 138.2 million increasing the float from 5,4% to 13.5%.

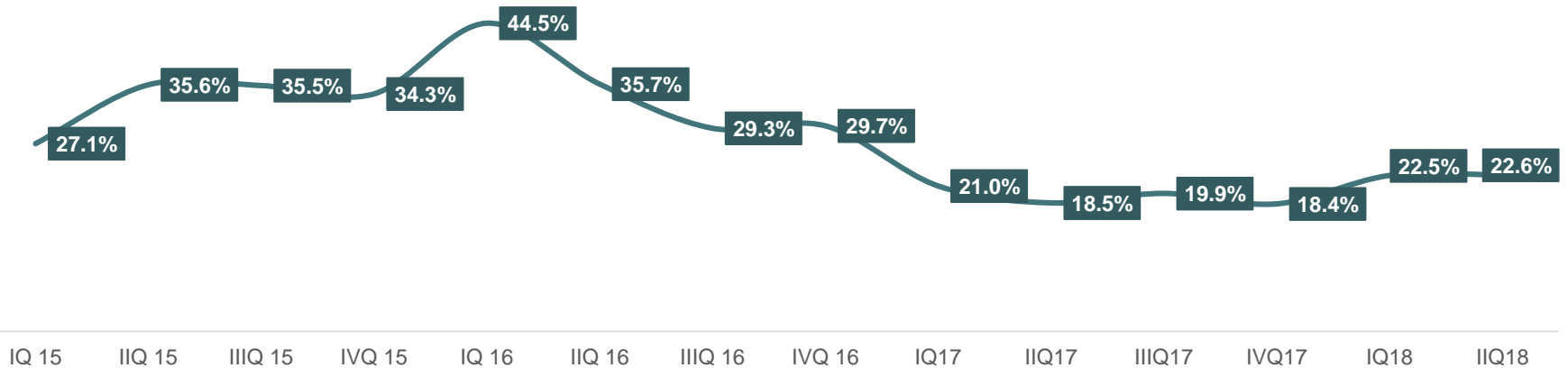
Annual Shareholders' meeting (Oct-31):

- Approval of a cash dividend of **ARS 680 million** (Div yield ~2.2%).
- Appointment of **Isela Costantini** as new independent director.

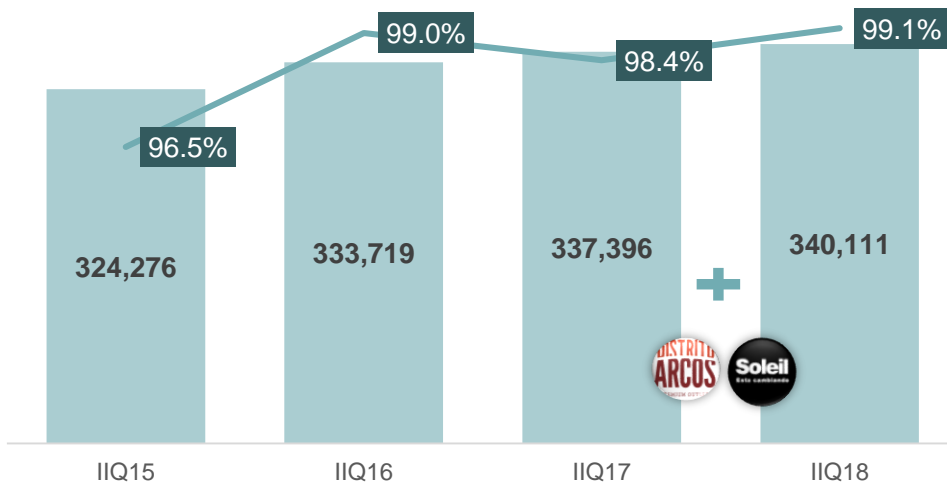
Consolidated Financial Statements:

- Adjusted EBITDA for 6M18 reached ARS 1,559.1 million increasing by 19.2% compared to 6M17.
- Adjusted EBITDA of Malls' and Office segment reached ARS 1,381.4 million and ARS 191.9 million, increasing by 23.0% and decreasing 3.6% respectively.
- Net income for 6M18 reached ARS 11,582.8 million compared to ARS 2,085.7 million in 6M17 mainly explained by higher results from changes in the fair value of investment properties due the positive impact of the tax reform and the currency depreciation on our assets denominated in USD.

Shopping Malls – Quarterly Tenants' Sales (% Var i.a)



Shopping Centers – Sqm of GLA (Th.) & Occupancy %



Summary Main Figures (IIQ 2018)

- Stock (sqm)
- Occupancy
- Sales (ARS)
- Visitors

Movie Theatres in the region of Patagonia

The shopping of the South of BA



City of Neuquén
Shopping mall

~ARS 180mm
estimated investment

2,200
sqm GLA

FY2019
opening date

Progress
49%

City of Buenos Aires
Shopping mall

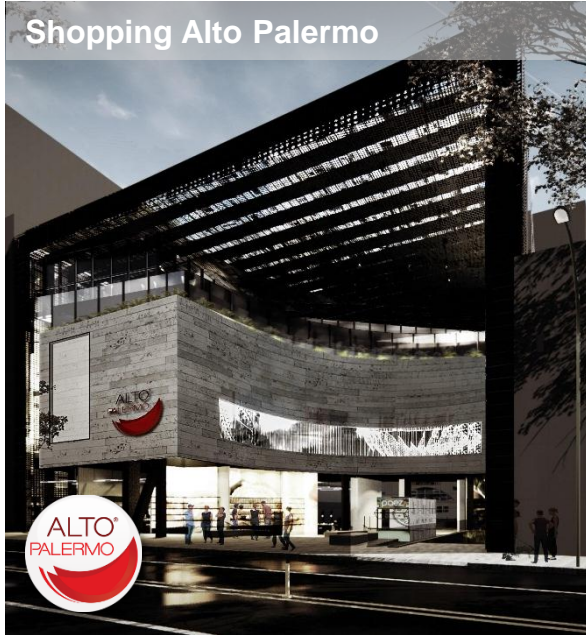
ARS 33 mm
Estimated Investment

3,000
sqm GLA

FY2018
opening date

Progress
100%

Highest sales/sqm mall in the region



City of Buenos Aires
shopping mall
FY2019
opening date

USD 28.5mm
estimated investment
3,900
sqm GLA

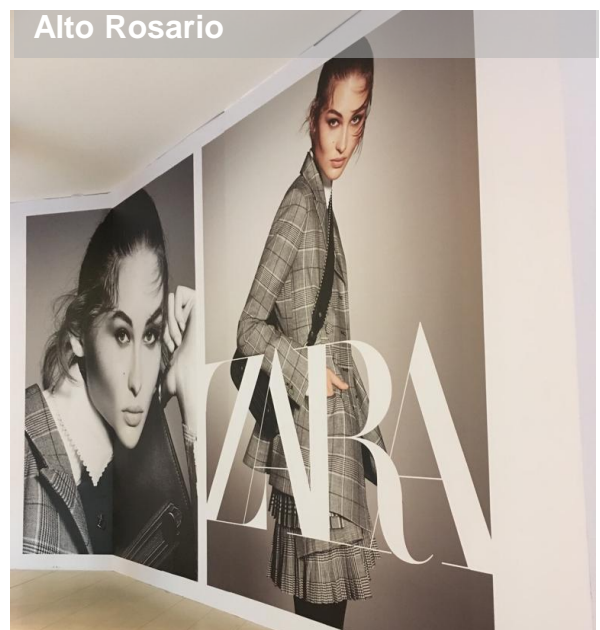
Sodimac New Store & Falabella



City of Mendoza
Shopping mall
FY2019/20
opening dates

USD 13.7mm
estimated investment
12,800
sqm GLA

New Store + GLA expansion

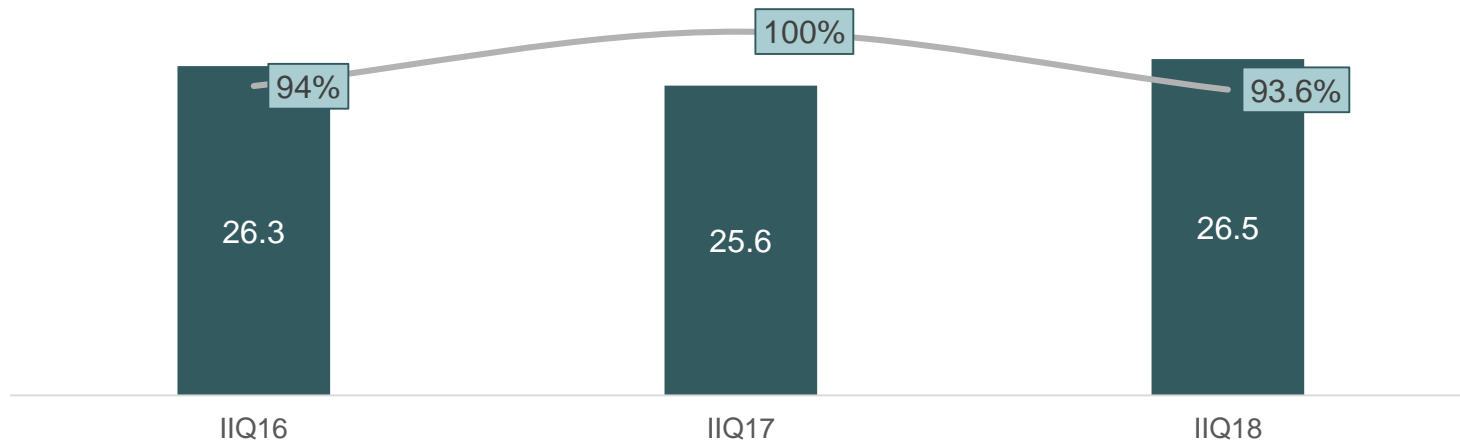


City of Rosario
Shopping mall
FY2018
opening date

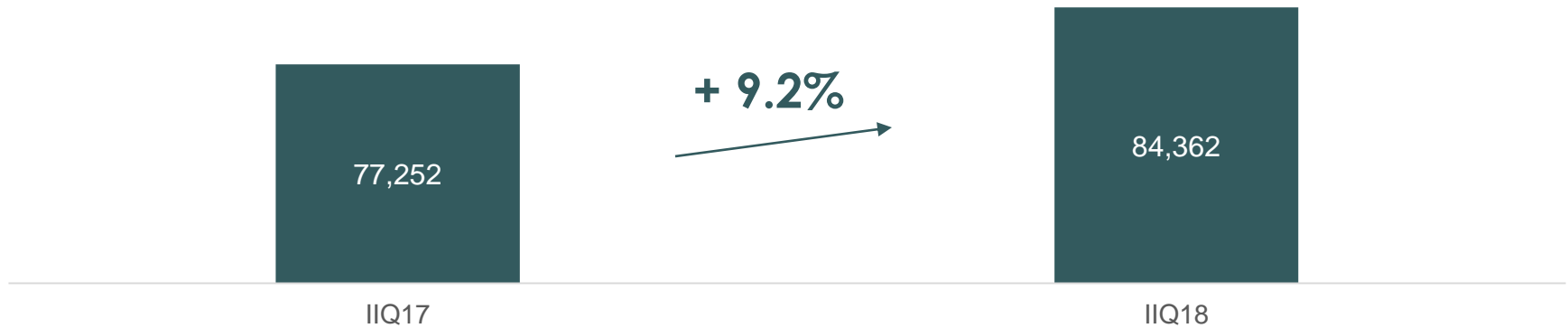
USD 2.1 mm
IRSA CP estimated investment
2,400
sqm GLA

1st Zara Store in the Interior of the country

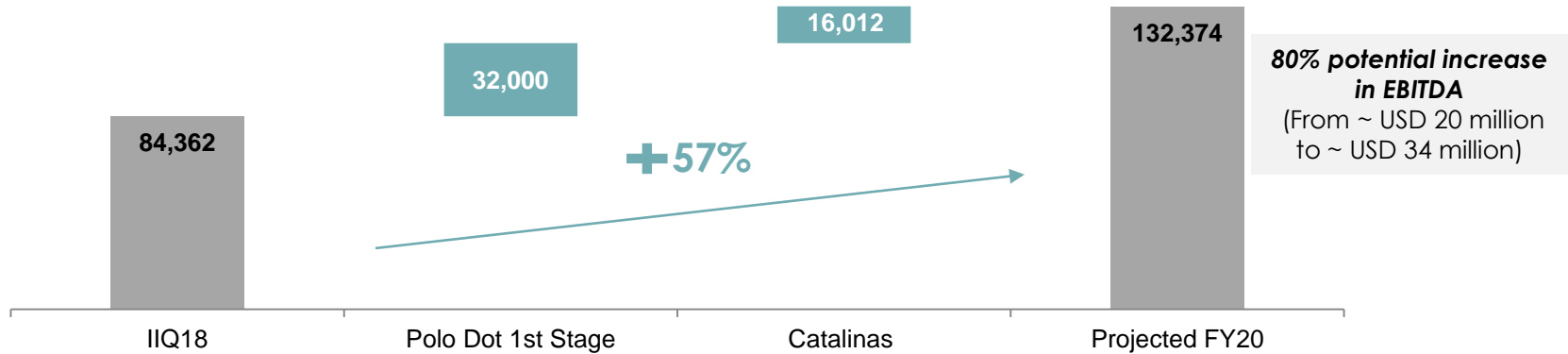
Offices – Leases USD/sqm/mth & Occupancy



Offices – Stock (sqm GLA)



Office buildings under development - Plan for 2018/19



Polo Dot 1st stage



Catalinas Office Building



City of Buenos Aires office

FY2019
opening date
~ ARS 1,000 mm
estimated investment

32,000
sqm GLA
Progress
44%

City of Buenos Aires office

FY2020
opening date
~ ARS 720 mm
estimated investment

16,000
sqm GLA
Progress
8.6%

Astor Palermo

US\$18.9mm (~ 9,2x BV)

Units received on Dec-30, 2016 from barter agreement with TGLT

- 36 residential units (2,413 sqm)
- 32 residential parking lots
- 171 commercial parking lots

Comercialization status as of December 31, 2017

- o 27 apartments and 12 parking lots for **USD 8.5 million**
- o **Gain recognition 6M18: ARS 34.6 million**





Financial Results

IRSA

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Reduction on Income Tax

- From current 35% to 30% for fiscal year beginning Jan-18 to Dec-19 and from 30% to 25% as of Jan-20

Tax on Dividends' distribution

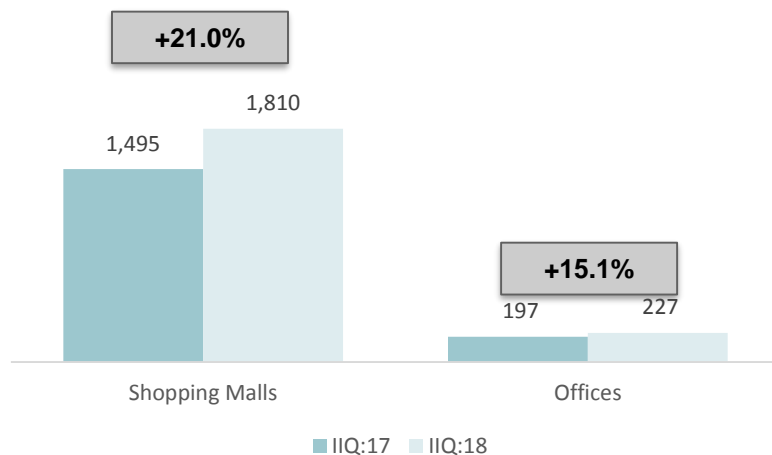
- Originated by results before Jun-18 will not be subject to the tax.
- Originated by results as of Jun-19 and Jun-20, paid to Argentinian individuals and / or foreign residents: 7%.
- Originated by results as of Jun-21 and following: 13%.

Revaluation of assets

- The special tax on the amount of the revaluation depends on the asset
 - 8% for real estate not classified as inventories
 - 15% for real estate classified as inventories
 - 5% for shares, quotas and equity interests owned by individuals and
 - 10% for the rest of the assets

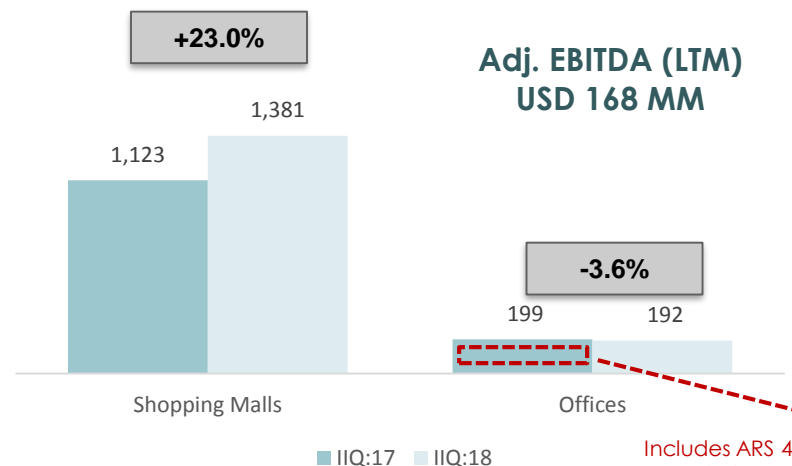
Revenues by Segment

(ARS million)



Adjusted EBITDA⁽¹⁾ by Segment

ARS million



Adj. EBITDA (LTM)
USD 168 MM

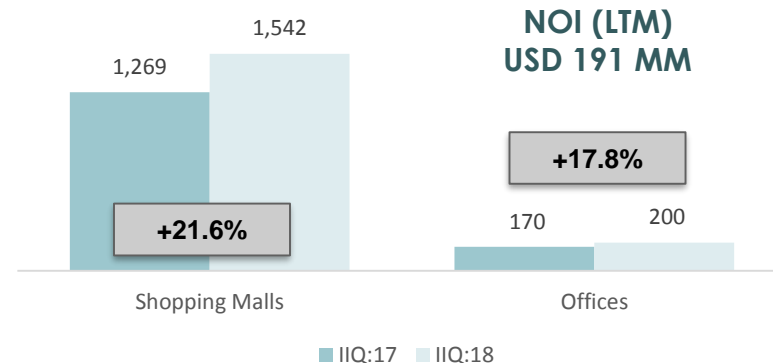
Includes ARS 44 MM gain from the business combination Entertainment Holding

EBITDA Margin by Segment %

	Shoppings Malls	Offices
6M18	76.3%	84.4%
6M17	75.1%	78.6% ⁽²⁾
var YoY	+1.2pp	+5.9pp

NOI by Segment⁽¹⁾

ARS million



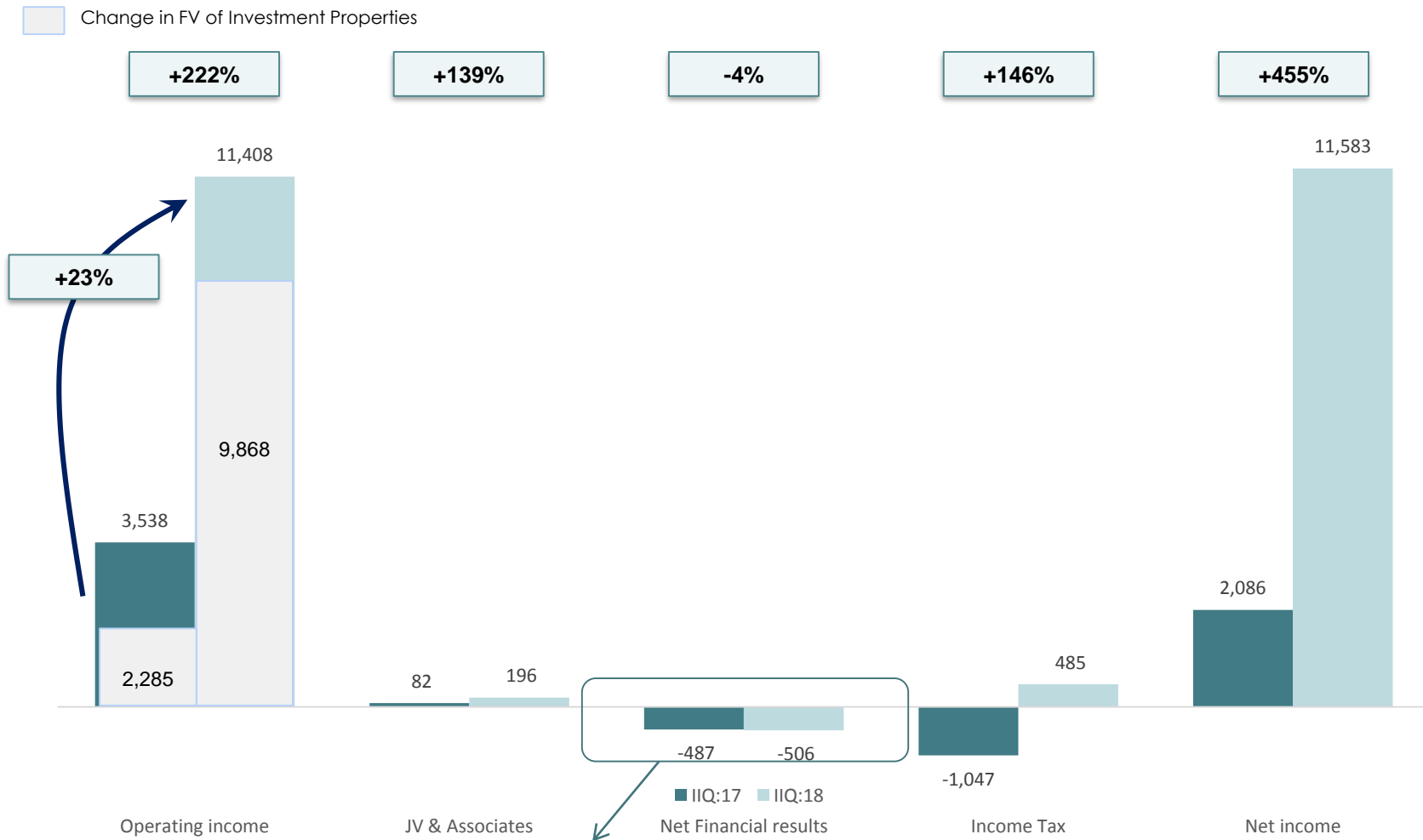
NOI (LTM)
USD 191 MM

(1) Adj. EBITDA: Operating income + D&A excluding changes in the fair value of investment properties + realized results from the change in fair value

NOI: Gross Profit minus Selling expenses plus net gain realized from sales of Investment Properties + D&A

(2) Excludes the ARS 44 million gain resulting from the business combination Entertainment Holding S.A, which is indirect holder of 35% of La Rural S.A

Consolidated Financial Results IIQ 18 (in ARS million)



Main Financial Results (ARS MM)	6M17	6M18
Loss Net Interest	-243	-300
Foreign Exchange differences, net	-275	-886
Fair value gains of financial assets	3	598
Derivative financial instruments	47	109

	Controlling	Non Controlling
IIQ 18	11,242	341
IIQ 17	2,003	83

Consolidated Debt as of December 31, 2017

Debt Description (USD million)

Description	Issue Currency	Outstanding Amount (US\$ million)	Rate	Maturity
Series II Notes due 2023 (int.)	US\$	360.0	8.75%	mar-23
Series iv Note due 2020 (local)	US\$	140.0	5,00%	Sep-20
Short-term debt	ARS	1.3	-	< 365 days
Other Loans		4.4	-	-
Total IRSA CP's Debt		505.7		
IRSA CP's Net Debt		190.9¹		

Debt Ratios

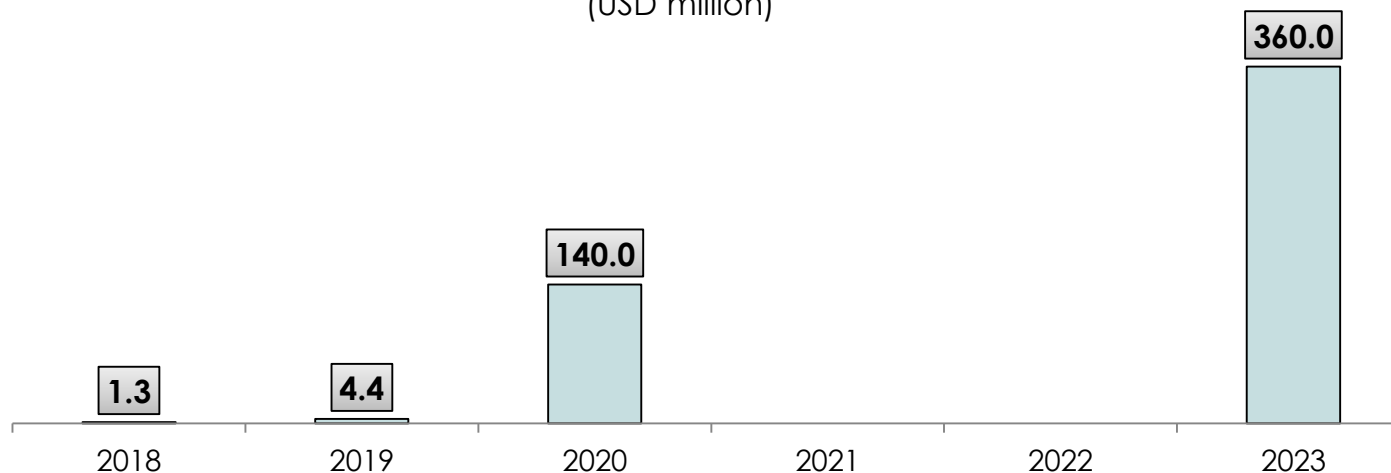
Net Debt/EBITDA LTM 1.1x

Loan to Value² 15%

Local Rating (Fitch) AA+

International Rating B+

Debt Amortization schedule (USD million)



Notes
 1. Net Debt less cash & equivalents, short-term financial current investments (cash & equivalents includes our holding in TGLT's convertible Notes).
 2. Gross Financial Debt over Total Assets

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Cautionary Statement

Investing in all equities, including natural resources and real estate-related equities, carries risks which should be taken into consideration when making an investment.

This institutional presentation contains statements that constitute forward-looking statements, in that they include statements regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. You should be aware that any such forward looking statements are no guarantees of future performance and may involve risks and uncertainties, and that actual results may differ materially and adversely from those set forth in this presentation. We undertake no obligation to release publicly any revisions to such forward-looking statements to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements can be found in the companies' Forms 20-F for Fiscal Year 2017 ended June 30, 2017, which are available for you in our web sites.