

IIIQ 2017 Conference Call

May 15, 2017

IRSA
COMMERCIAL
PROPERTIES



Alto Comahue Shopping

Hosted by:

Alejandro Elsztain, CEO

Daniel Elsztain, COO

Matías Gaivironsky, CFO

- During IIIQ17 we have changed the Valuation method of our investment properties from historical Cost to Fair Value

Financial Consolidated Results 9M17

- Revenues: **ARS 2,494 million (+29.9% vs. 9M16)**
- EBITDA: **ARS 3,818 million (-77.8% vs 9M16)**.
 - Excluding changes in the fair value of investment properties adding realized results from sold properties, **EBITDA grew by 31.3%**.
- Net Income: **Gain of ARS 2,454 million** (vs. ARS 11,020 million in 9M16)

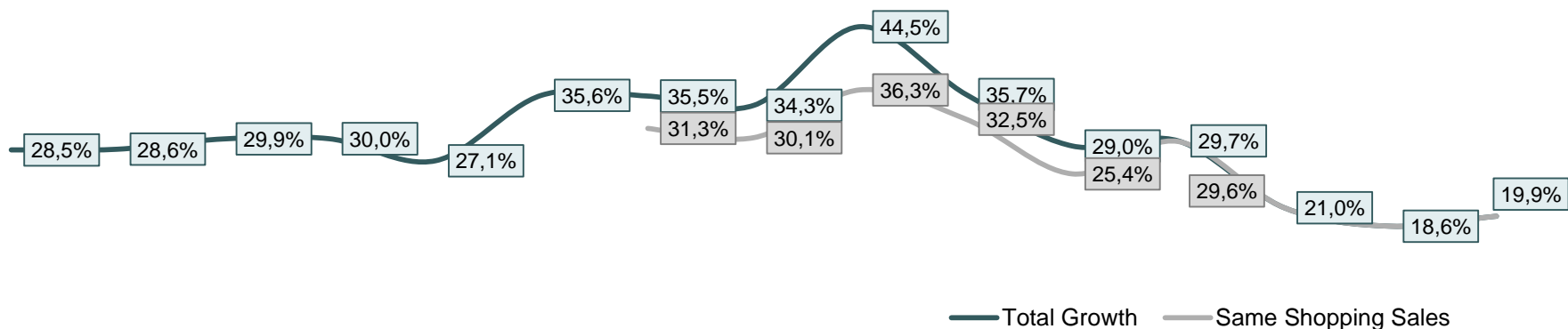
Operating Results 9M17

- Shopping Malls' Tenant Sales grew by **19.9%** in 9M17 compared to 9M16
- Good results coming from the office segment due to devaluation and positive outlook for A+ office market in BA
- Occupancy stood at very high levels: **98.0%** in shopping malls & **100.0%** in offices

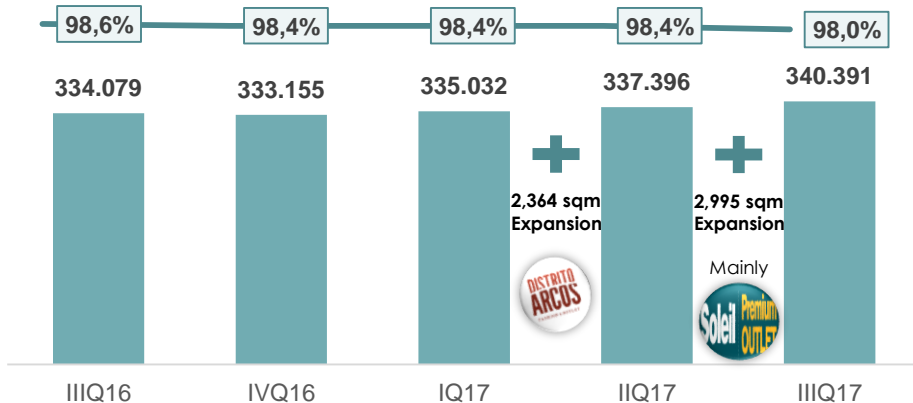
Relevant Events for the period and Subsequent Events

- Works in progress in **Polo Dot & Catalinas**. Our office GLA will increase by **62%** to **~125,000 sqm**
- Increase of **6,300 sqm of shopping malls' GLA** due to expansions
- Payment of **a cash dividend of ARS 310 million**. Dividend yield: **1.35%**

Shopping Malls – Tenants' Sales (Quarterly Growth Rate - %)



Shopping Malls – Stock & Occupancy %



Summary Main Figures (IIIQ 2017)

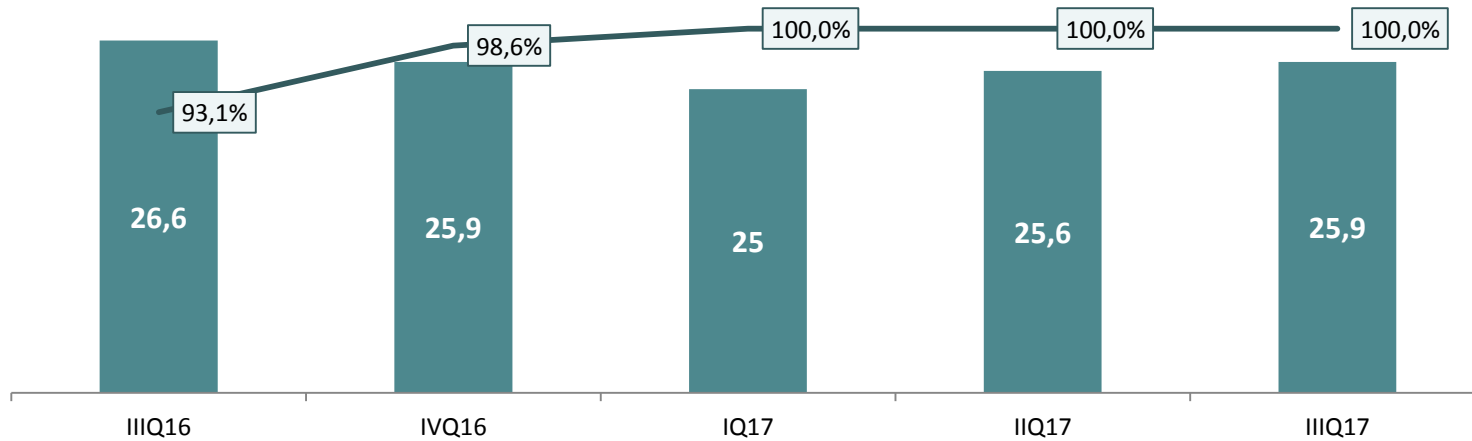
Stock (sqm) ↑

Occupancy →

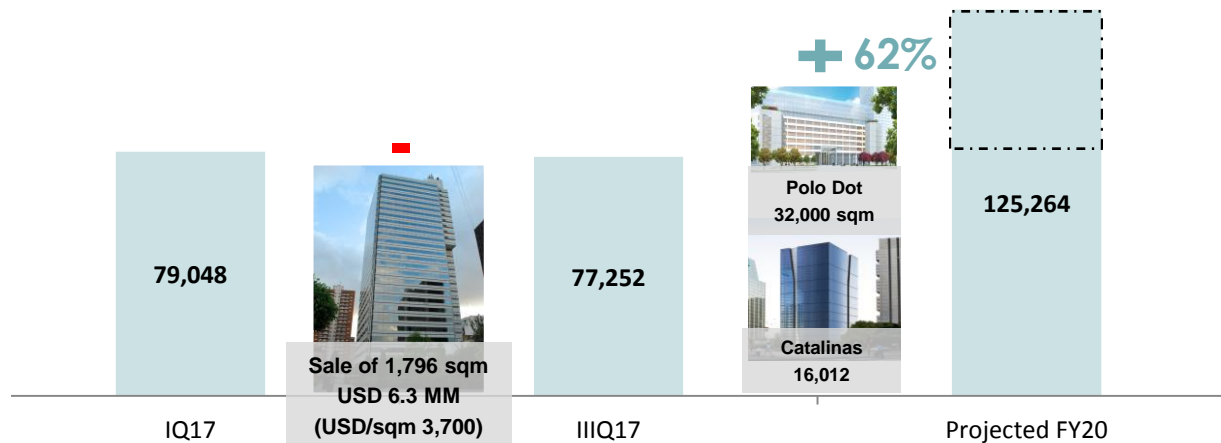
Sales (ARS) ↑

Visitors →

Offices – Leases USD/sqm/mth & Occupancy



Offices – Stock (sqm)

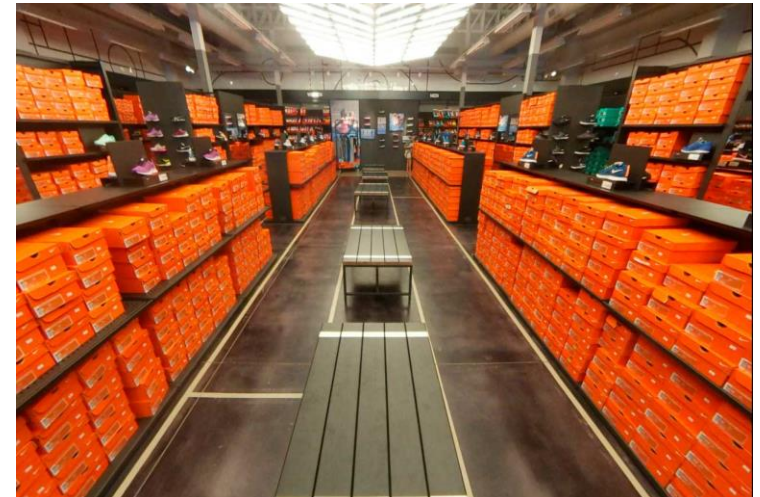


80% potential increase in EBITDA
(From USD 19.5 million to ~ USD 34 million)

Estimated **Market Share***: 12%

Soleil Premium OUTLET

New Tenant NIKE – Opened on March 10, 2017



Expansion of **1,180 sqm** of GLA

Total capex: **ARS 26,2 million**

Development period: **June-16 to Mar-17** (9 month)



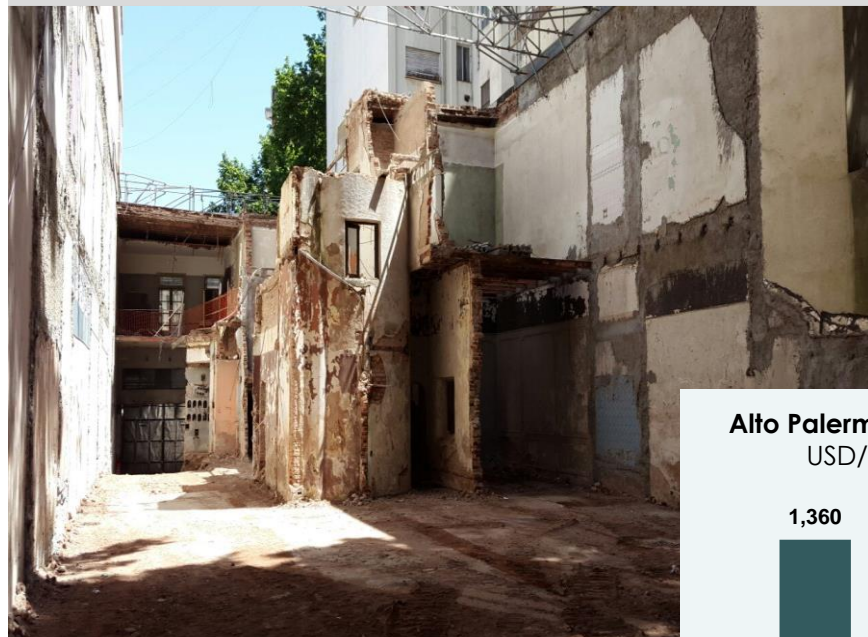
Alto Palermo Expansion Project (Palermo – BA City)

Food Court Moving to 3rd level & restyling

~ 4,000 sqm new GLA

~ USD 28.5 million investment

Construction Works (Current Picture)

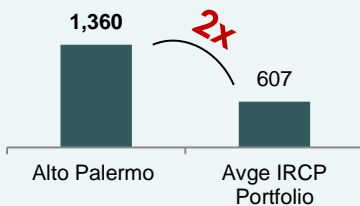


Fully developed (future picture)



Est. Opening
FY2019

Alto Palermo Tenant Sales
USD/sqm/mth



Stabilized EBITDA
~ USD 4 to 6 million

Polo Dot Office Building (North Area – BA City)

“The first Office Park in Buenos Aires”

~ 32,000 sqm GLA

~ ARS 1,000 million

Construction Works (Current Picture)



Est.
Opening

FY2019

Fully developed (future picture)



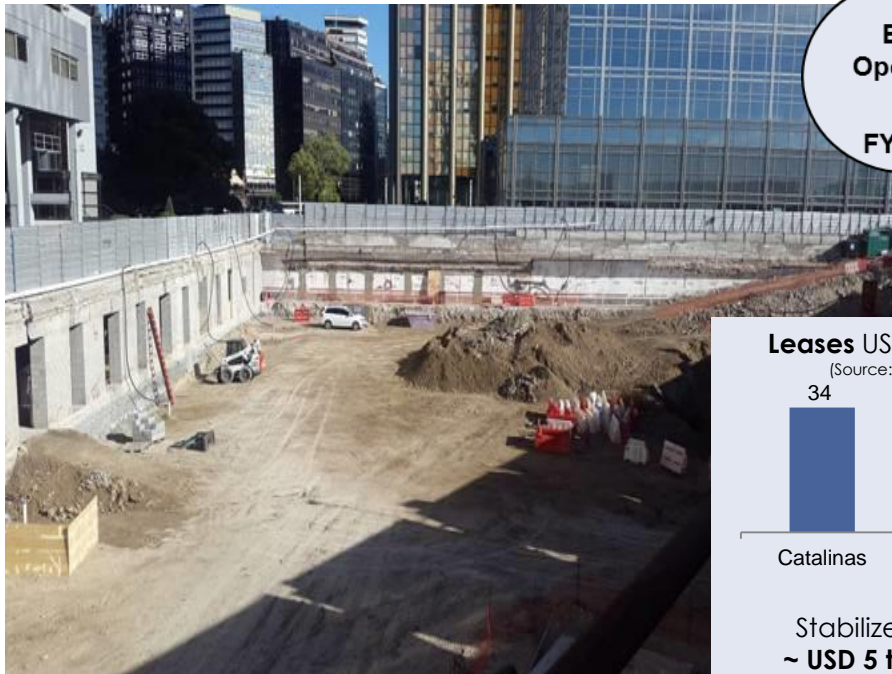
75% of the building already leased

Stabilized EBITDA: ~ USD 8 – 10 million

Catalinas Office Building (BA City)

~ 35,000 sqm GLA (16,012 sqm owned by IRSA CP)
~ USD 101 million total investment (45% made by IRSA CP)

Construction Works (Current Picture)

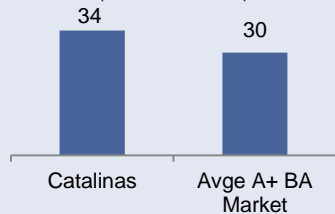


Fully developed (future picture)



Est. Opening
FY2020

Leases USD/sqm/mth
(Source: L.J Ramos)



Stabilized EBITDA
~ USD 5 to 7 million

On Dec-30, IRCP received from barter agreement with TGLT:

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

Market Value ~ USD 18,9 million
(~ 9.2x Book value)

Commercialization status (as of March 31, 2017)

- **19 apartments** reserved for **USD 5,2 million**
- **9 parking lots** reserved for **USD 0,35 million**

Astor Palermo



Astor Palermo / Palermo, Buenos Aires / 14,763 sqm



ASTOR
PALERMO



Financial Results



Change of Investment Properties' valuation method

From *Historical Cost* to *Fair Value*

- In the third quarter of fiscal 2017, the Board of Directors decided to change the accounting policy for investment property **from the historical cost model to the fair value model**, according to IFRS rules.
- The company has therefore **retroactively changed** the previously issued consolidated financial statements for the last **3 years**.
- We believe that this change is justifiable because it **better reflects the reasonable value of our core assets** and therefore provides more relevant information to users of our financial statements.
- Investment properties were valued at each reporting date by an **independent professionally appraiser**:

Assets classified as Investment Properties

- **Investment properties** are those properties owned by the Group that are **held either to earn long-term rental income or for capital appreciation and that are not occupied by the Group for its own operations**. Investment properties from **associates and joint ventures** follow the same accounting policy in the consolidated financial statements.
- Investment property also includes **properties that are being constructed or developed for future use as investment property**. The Group also classifies **land whose future use has not been determined yet** as investment property.

Shoppings Malls



Offices*



Land Reserves

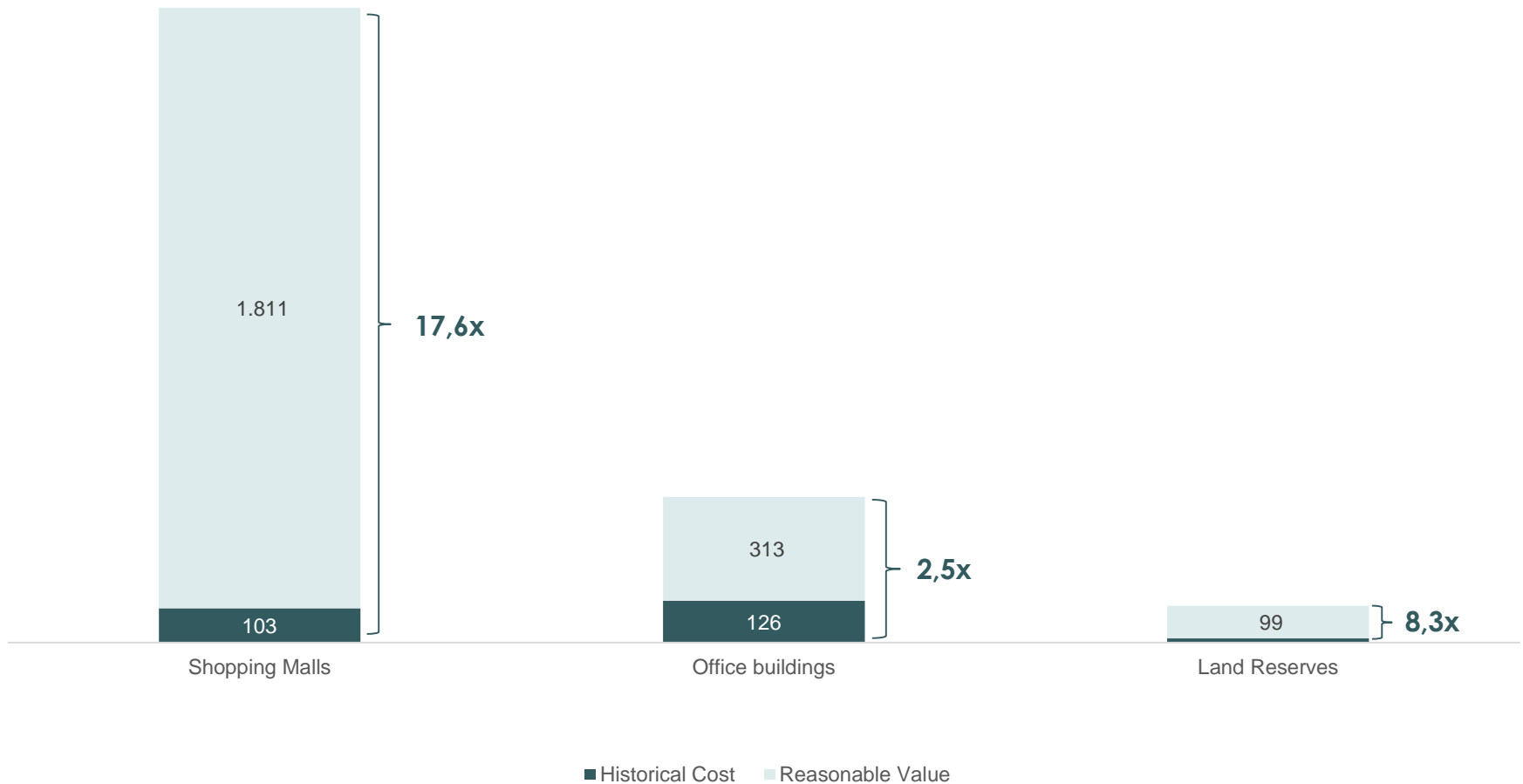


* Includes La Rural S.A.

Change of Investment Properties' valuation method From Historical Cost to Fair Value

Investment Properties' Valuation (USD million)

As of March 31, 2017 (using ARS/USD 15,39)



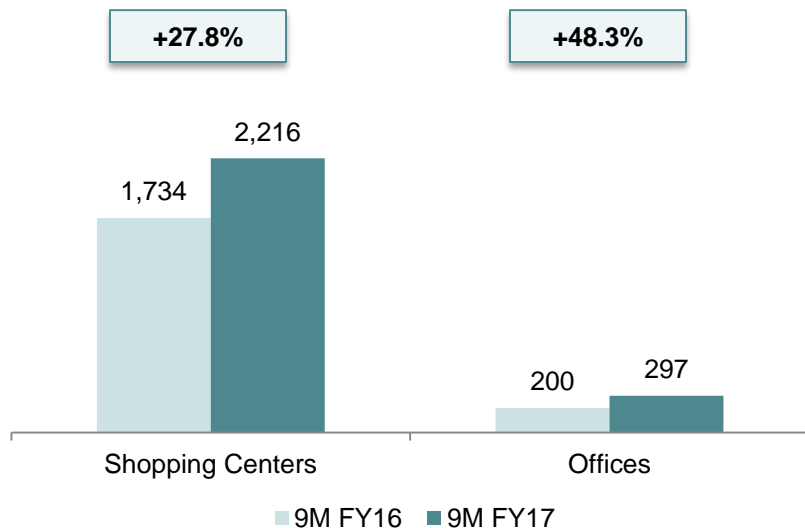
Main impacts in Equity

- The impact of fair value measurement of Investment Properties **since the change of accounting rule from Argentine GAAP to IFRS (2011)** was recognized in a **special reserve** not subject for distribution.
- **Subsequent changes (from 2012 to 2016)** in the fair value measurement of Investment Properties is recognized in **accumulated retained earnings**.
- Changes in the fair value measurement of Investment Properties of the **current fiscal year 2017** is recognized in the **P&L and accumulated retained earnings**.



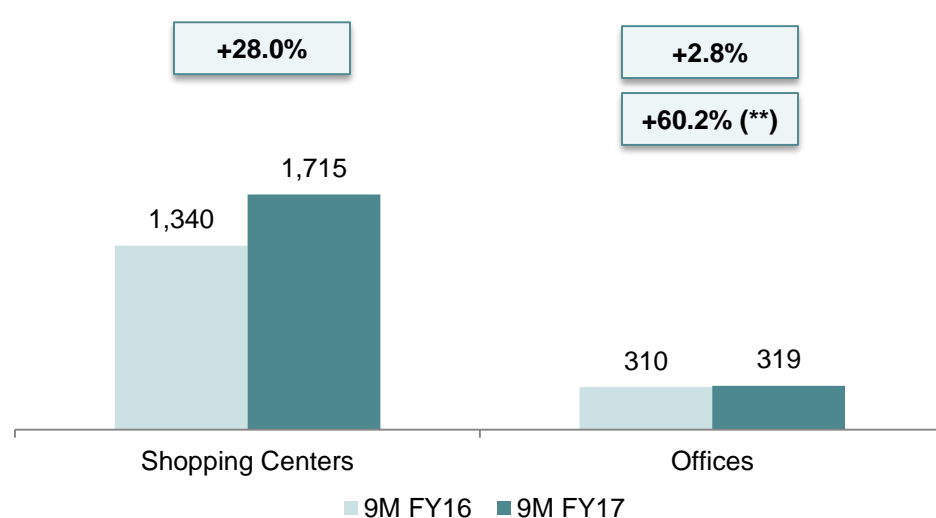
Revenues by Segment

(ARS million)



Adjusted EBITDA* by Segment

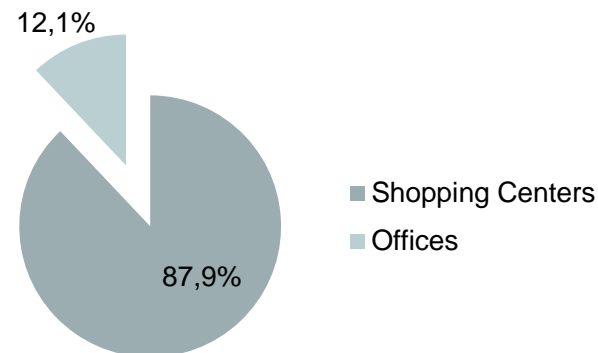
ARS million



EBITDA Margin by Segment - %

	Shoppings	Offices
9M17	77.4%	79.1% (**)
9M16	77.3%	73.2%
var YoY	+0.1 pp	+5.9pp

EBITDA Breakdown

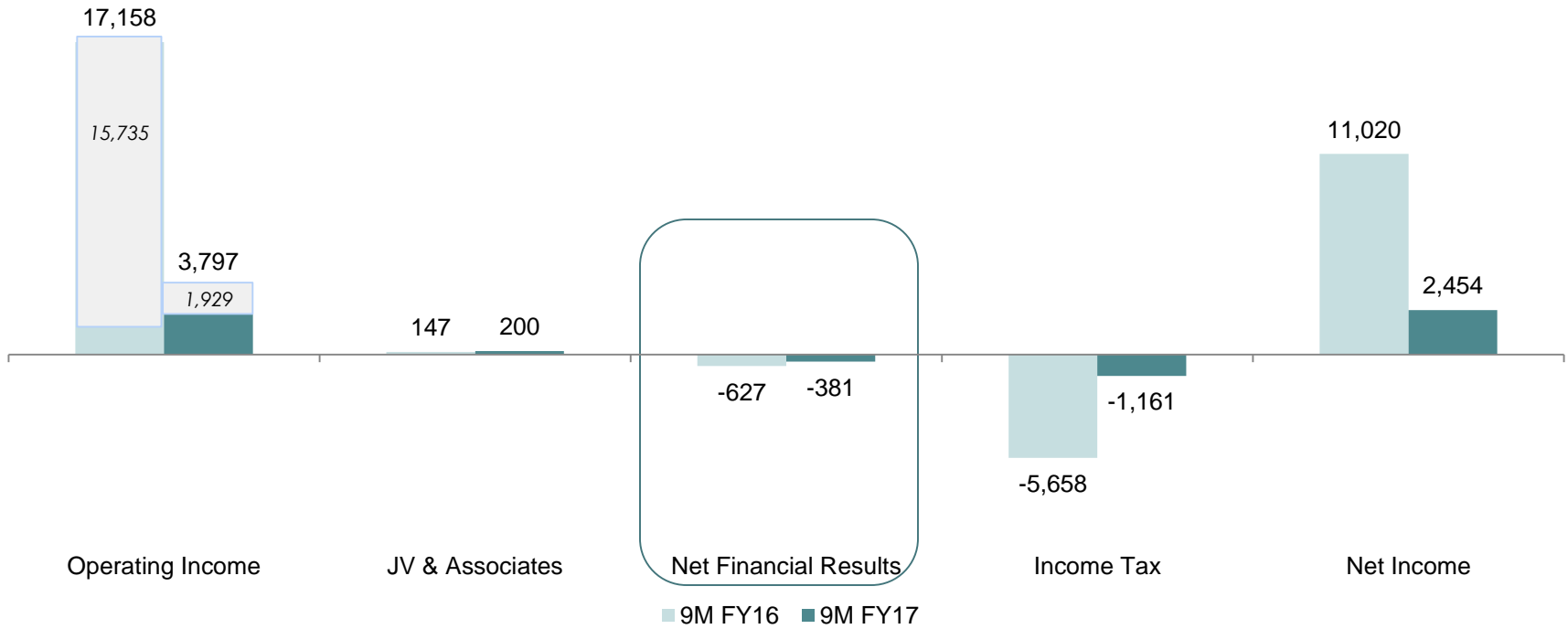


(*) Operating income + D&A excluding changes in the fair value of investment properties + realized results from the change in fair value

(**) 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 and realized results from sold properties

Consolidated Financial Results 9M FY17 (in ARS million)

Change in FV of Investment Properties



Main impacts (ARS MM)	9M16	9M17
Net Financial Costs	-359	-346
Net FX	-1,726	-115
Gain for Derivative Instruments	1,251	86

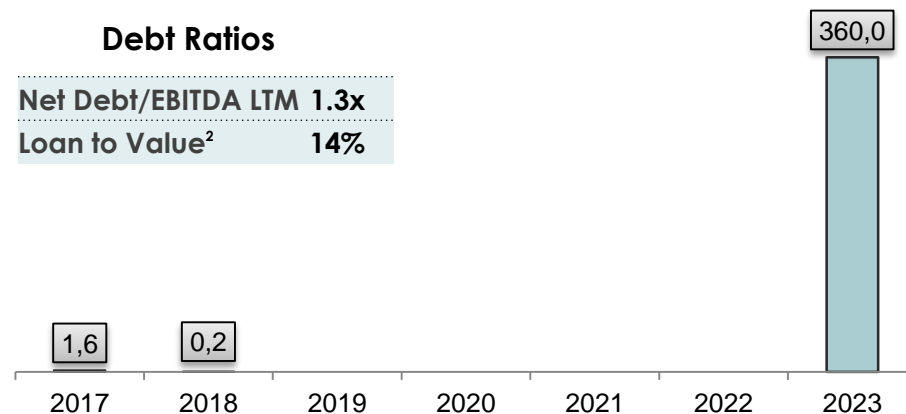
Debt Description (USD million)

Description	Issue Currency	Outstanding Amount (US\$ million)	Rate	Maturity
Series II Notes due 2023 (int.)	US\$	360.0	8.75%	mar-23
Short-term debt	ARS	1.6	Variable	< 365 days
Other Loans		0.2	-	-
Total IRSA CP's Debt		361.8		
IRSA CP's Net Debt		182.9¹		

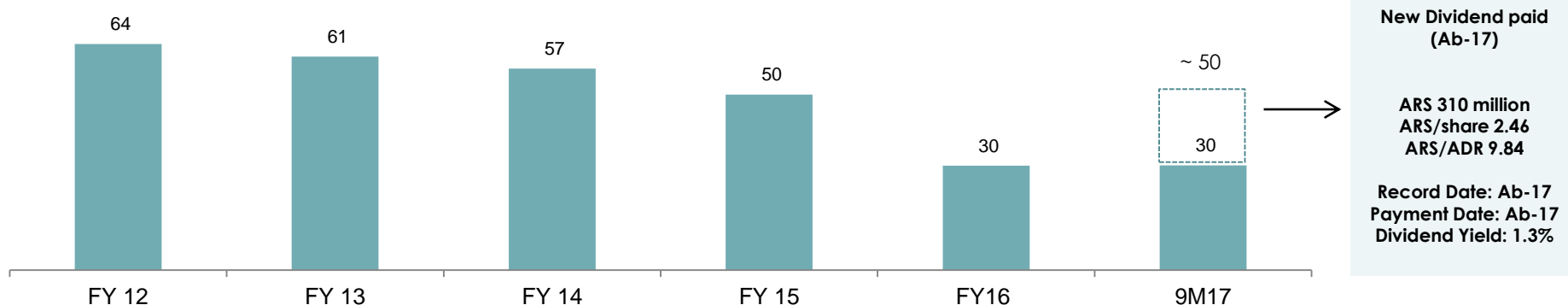
Current Debt Amortization schedule (USD million)

Debt Ratios

Net Debt/EBITDA LTM **1.3x**
Loan to Value² **14%**



Dividend Evolution (USD million)



Notes

1. Net Debt less cash & equivalents, short-term financial current investments, a loan with a subsidiary of IRSA
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 2016 ended June 30, 2016, which are available for you in our web sites.