CRESUD

IRSA

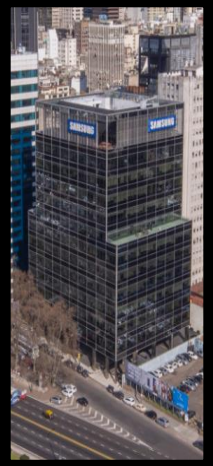
IRSA COMMERCIAL PROPERTIES

Santander

Equity Conference

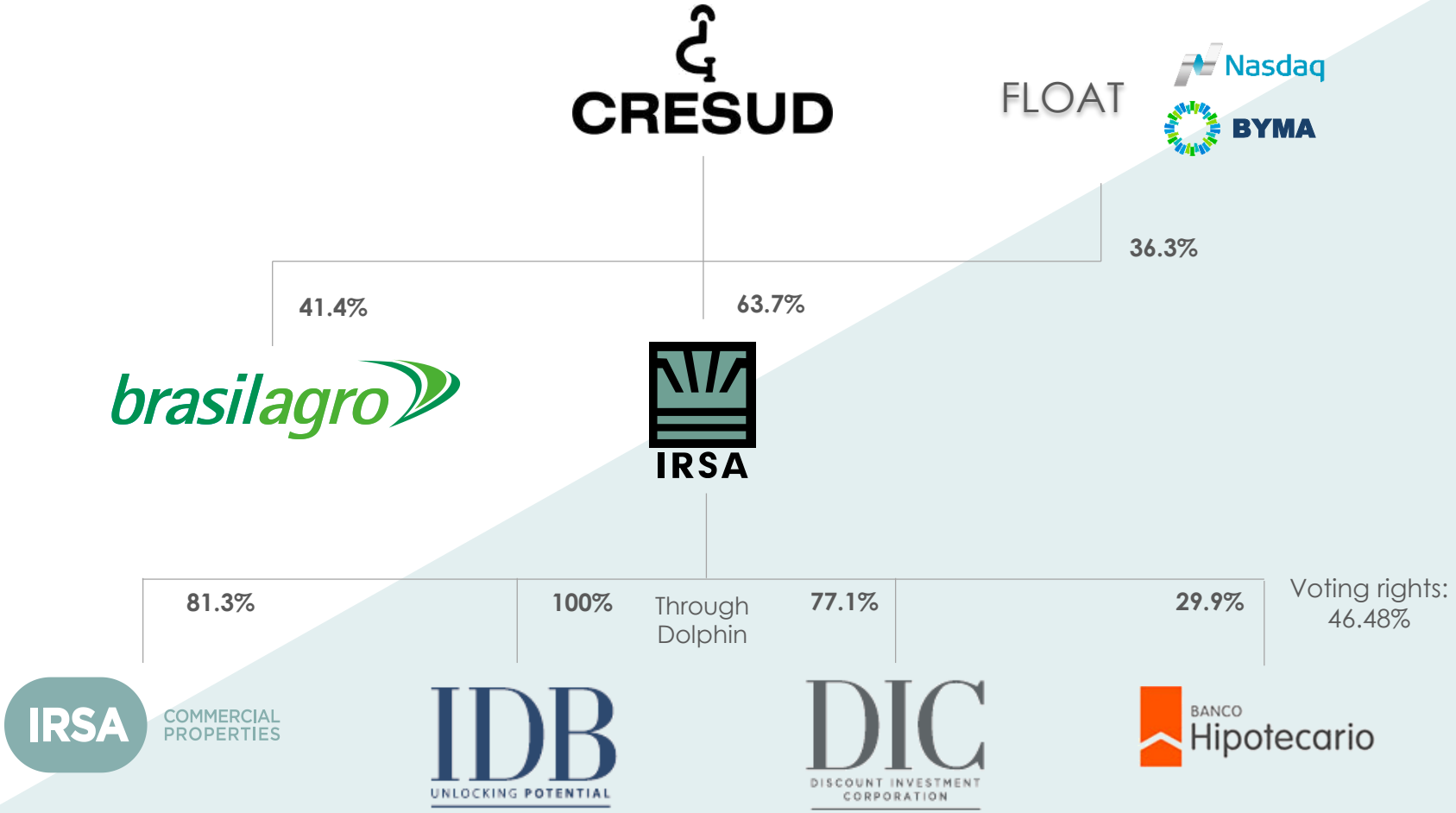
Buenos Aires

April 2019



NYSE Nasdaq BYMA Bolsas y Mercados Argentinos

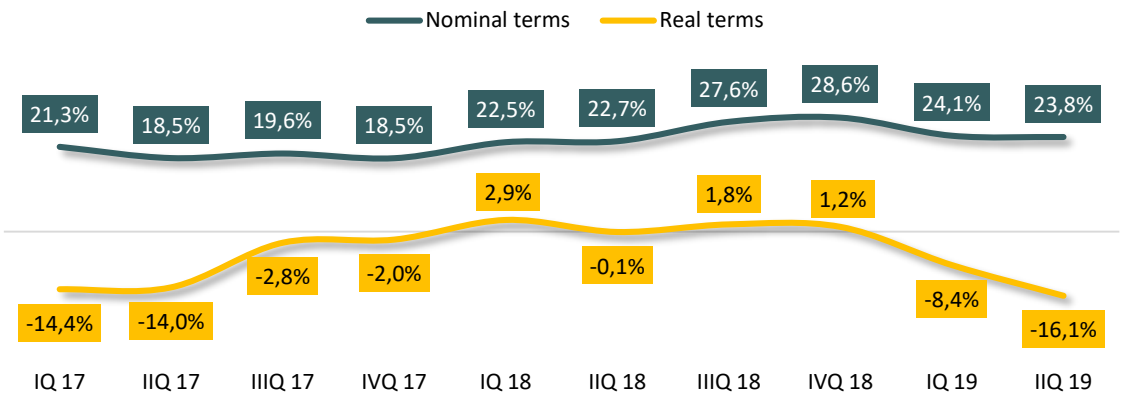
Corporate Structure



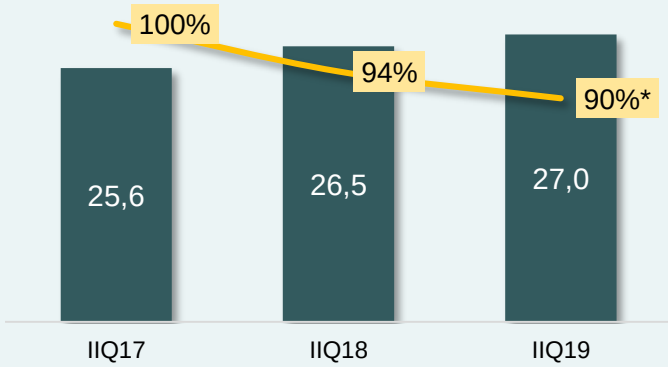
Shopping Malls & Offices
Operating Figures

Shopping Malls – Tenants' Sales

(% Var i.a.)

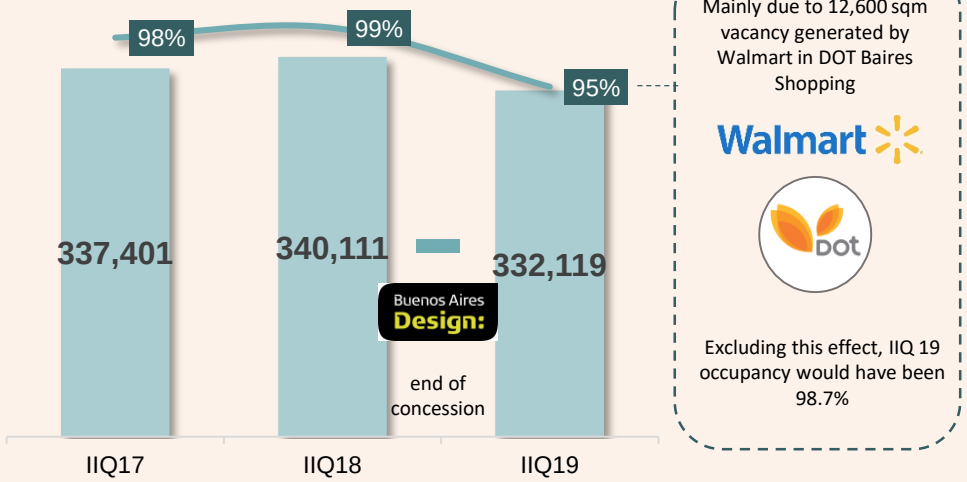


Offices – Leases USD/sqm/month & Occupancy



* Mainly explained by new vacant floors at Dot building. Considering Zetta building fully leased to open next quarter, the avge occupancy would have been ~93%.

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



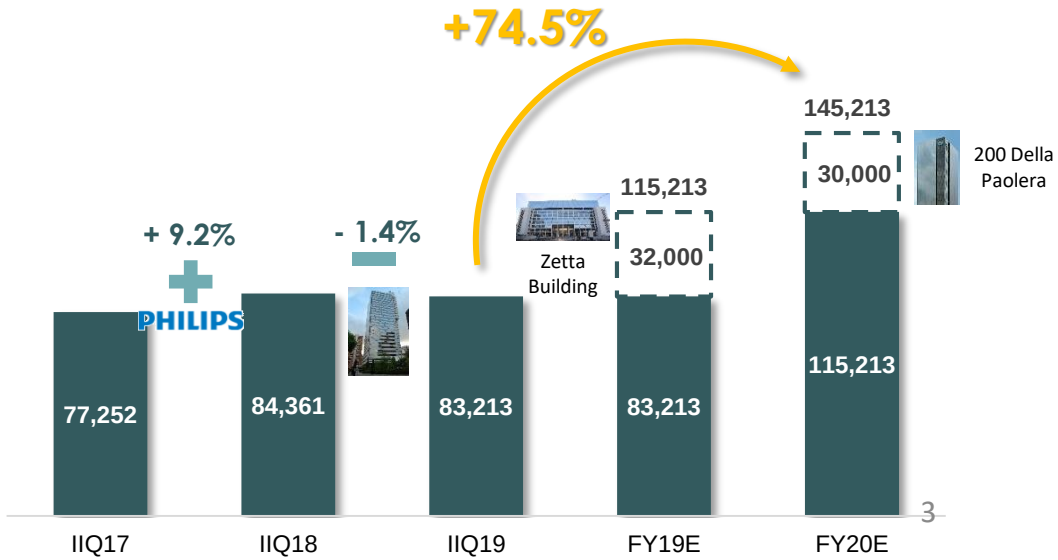
Mainly due to 12,600 sqm vacancy generated by Walmart in DOT Baires Shopping

Walmart

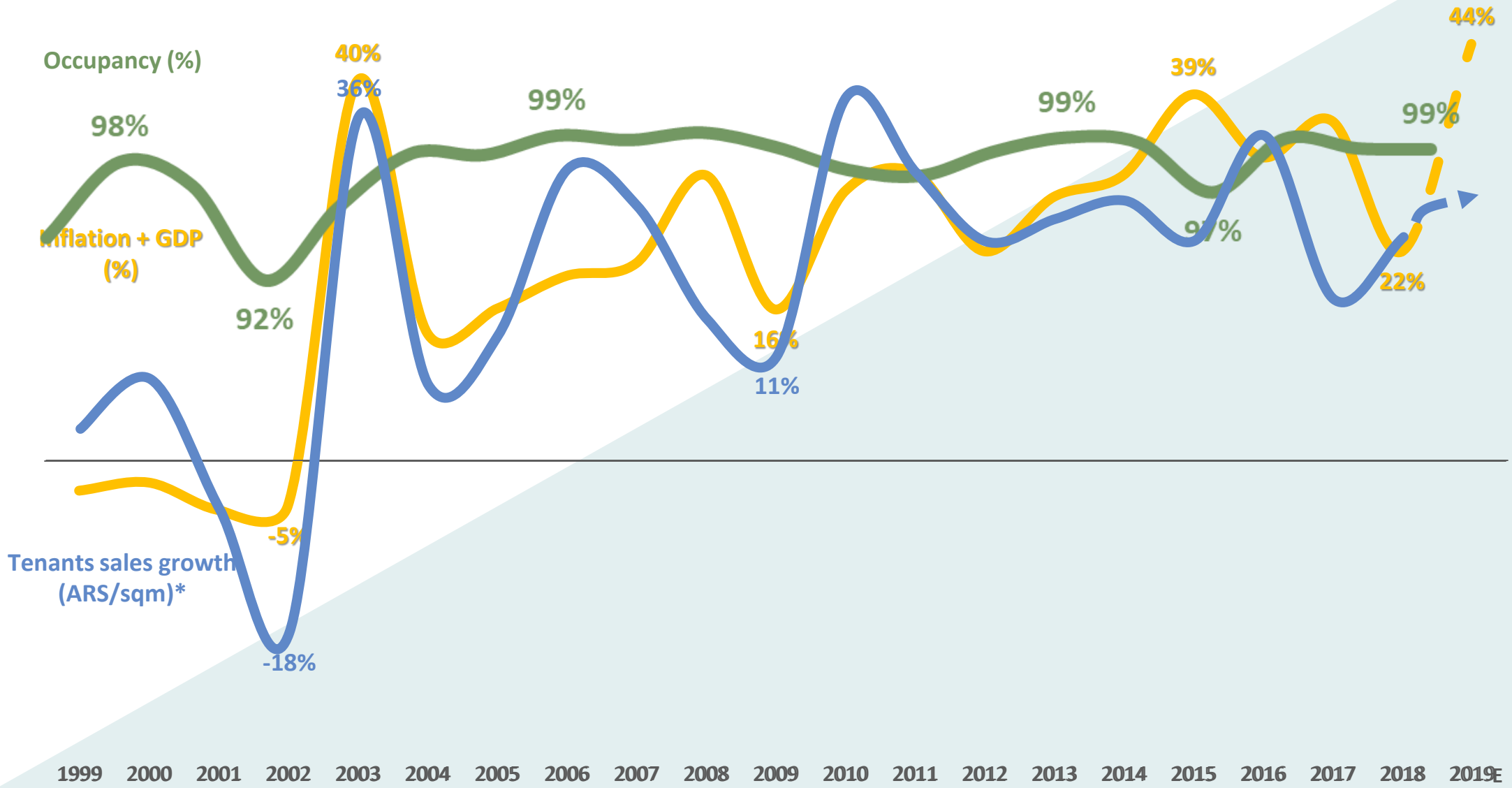
dot

Excluding this effect, IIQ 19 occupancy would have been 98.7%

Offices – Stock (sqm GLA)



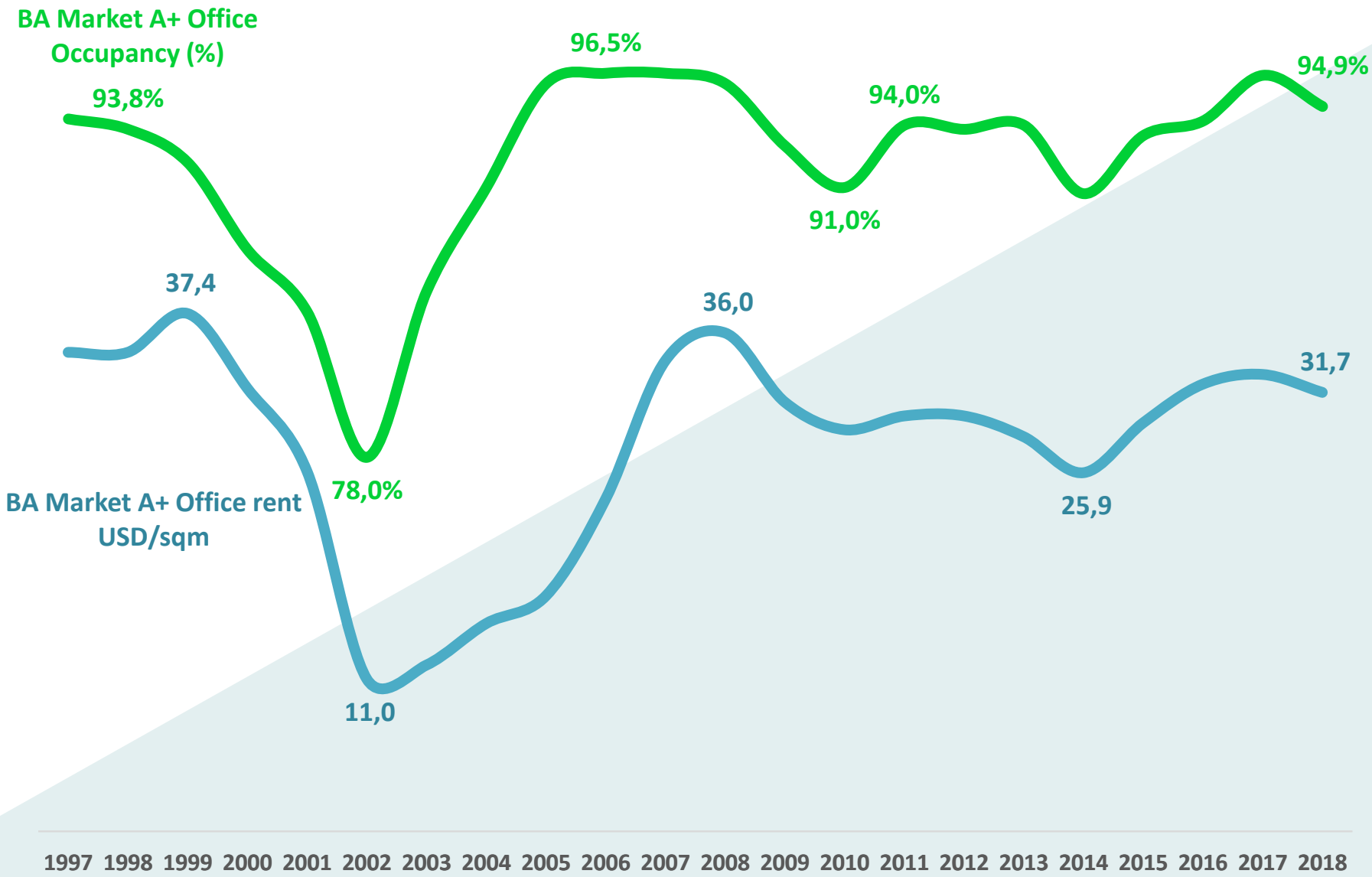
Shopping Malls historical figures evolution



* Excluding DOT Baires

Source: Indec

A+ Office sector BA City - historical evolution



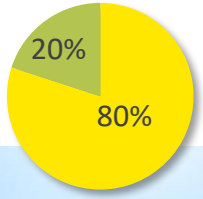
Source: Indec

Zetta building (Polo Dot 1st office building)

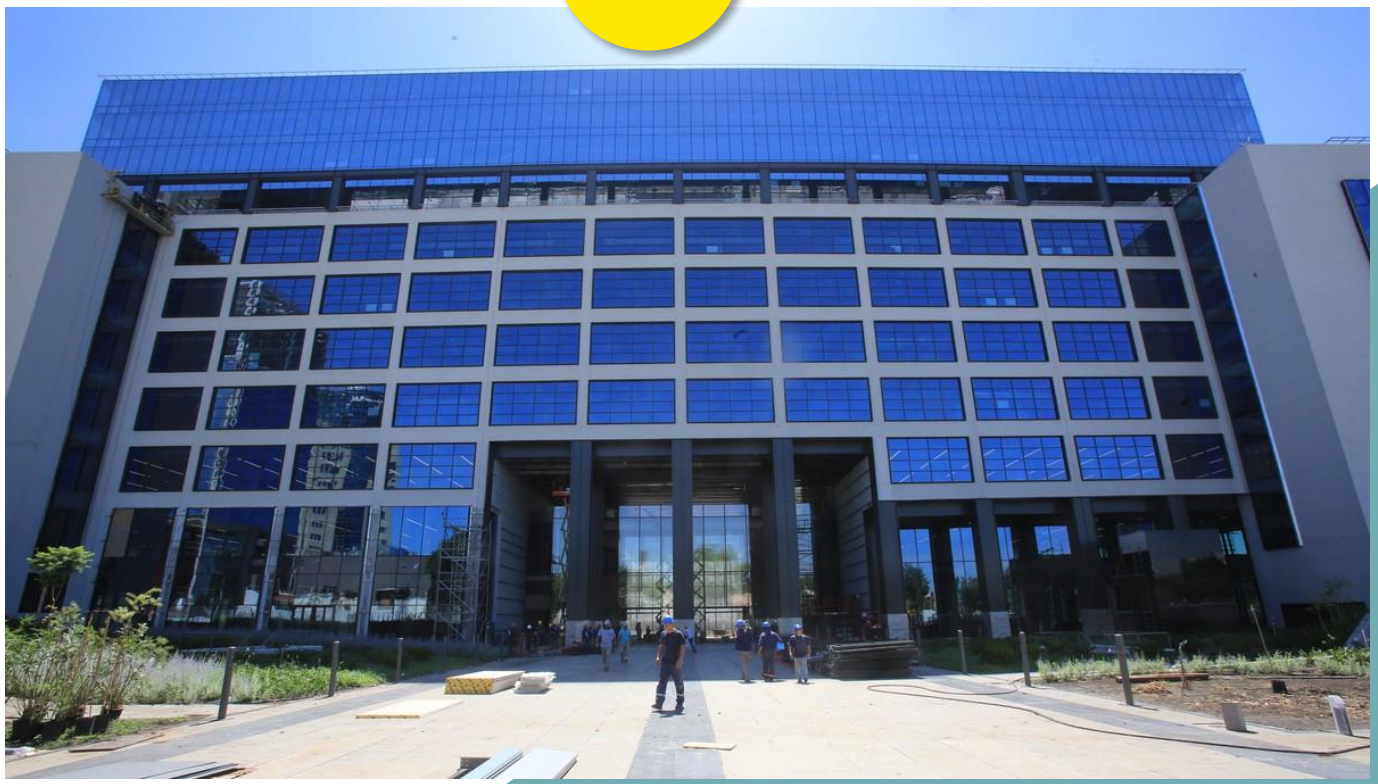
The first building of the Office Park developed in the north area of BA City

Recent delivery of units to its tenants for conditioning

falabella



mercado libre



32,000 GLA sqm

Fully Leased

ARS 1,425 mm
Est. investment

~ USD 9mm
Est. EBITDA

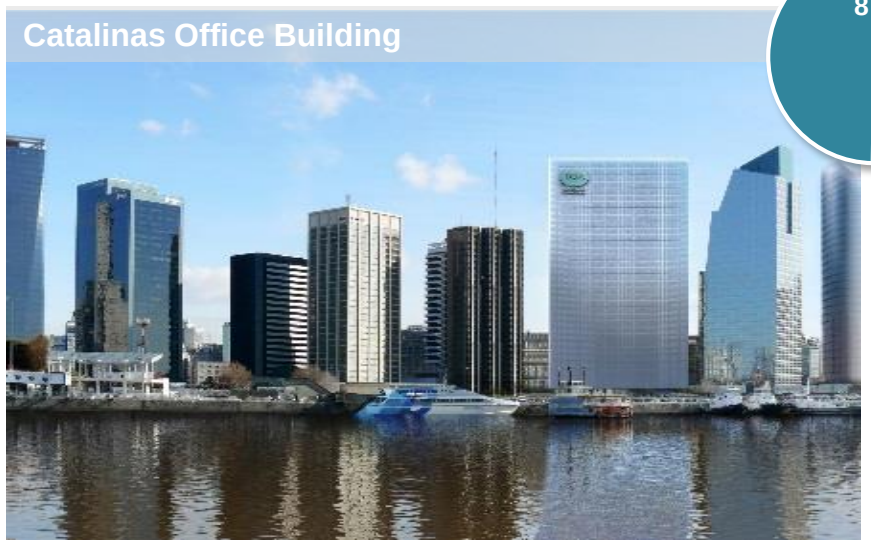
99% Work Progress

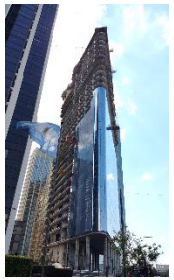
IIIQ 2019 Est. opening

Polo Dot Project

Our current projects under development

Modern office building in the City





City of Buenos Aires
office

US$100mm
estimated investment

FY2020
opening date

35,000
sqm GLA

Progress
41%

Highest sales/sqm mall in the region

City of Buenos Aires
shopping mall

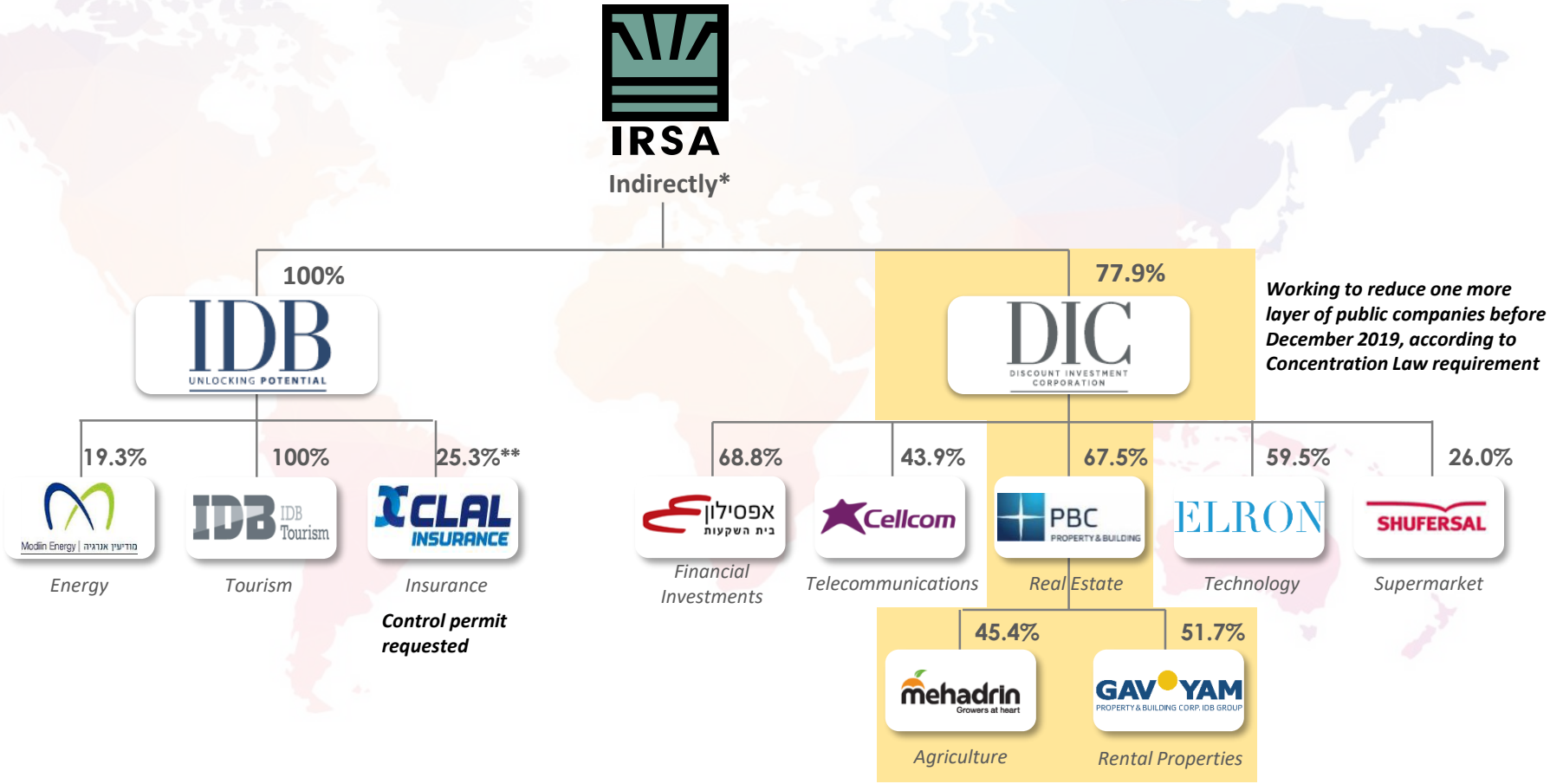
US$28.5mm
estimated investment

FY2019
opening date

3,900
sqm GLA

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%.

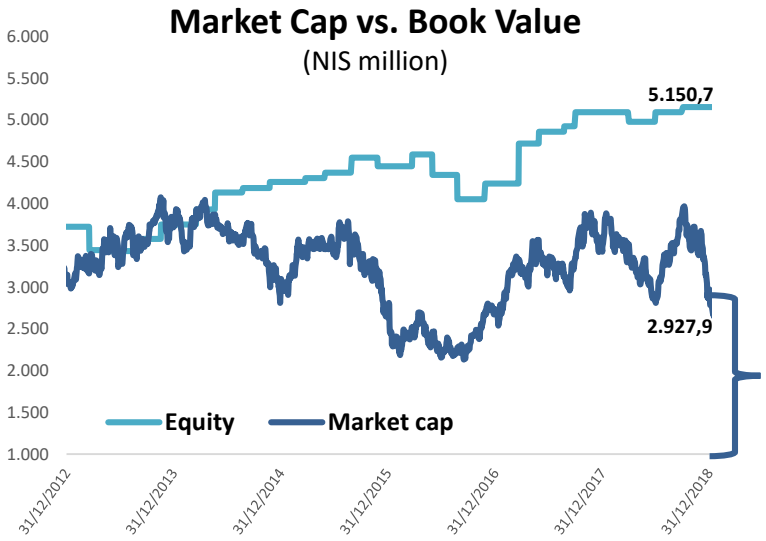
Investment in IDB & DIC – Israel
Main Events for 6M FY 2019

IDB UNLOCKING POTENTIAL

- **Sales:**
  (Through swap transactions)

CLAL INSURANCE

Aug-2018: **5% stake**
Jan-2019: **4.5% stake**
Current stake: **25.3%**
Economic rights: **54.9%**



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

57% BV

DIC DISCOUNT INVESTMENT CORPORATION

- **Sale:** SHUFERSAL
  7.5% stake
  NIS 416 mm.
  Current stake: **26.0%**

- **Acquisitions**:

PBC PROPERTY & BUILDING
3% stake
NIS 55 mm
Current stake: **67.5%**

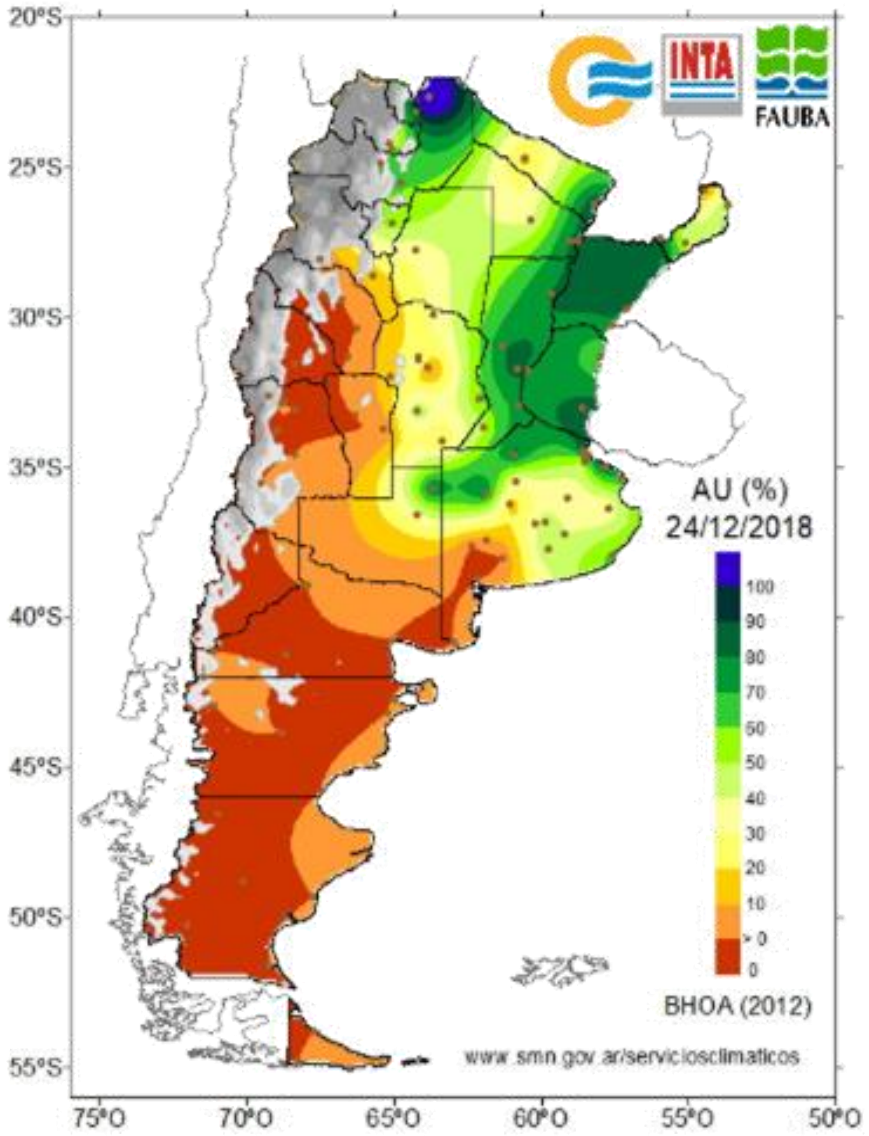
ELRON
9.2% stake
NIS 31 mm
Current stake: **59.5%**

Cellcom
0.7% stake
NIS 15 mm
(+NIS 31 mm option exercise)
Current stake: **43.9%**

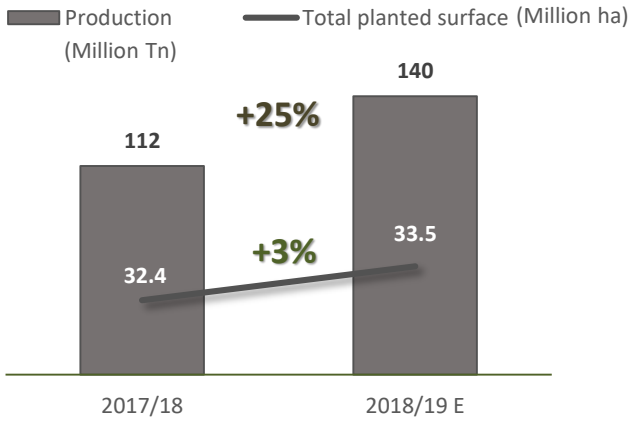
- **Shares repurchase plan**:
  Up to NIS 120 mm
  Period: 1 year (until Dec-2019)
  Remaining floating capital stock: **no less than 10.1%**
  As of Dec-2018 2.1 mm shares already repurchased (NIS 9 mm)

- **Dividend distribution (Feb-2019)**: **NIS 100 mm** (NIS 60 mm in kind – IDB Series 9 Bond – and NIS 40 mm in cash)

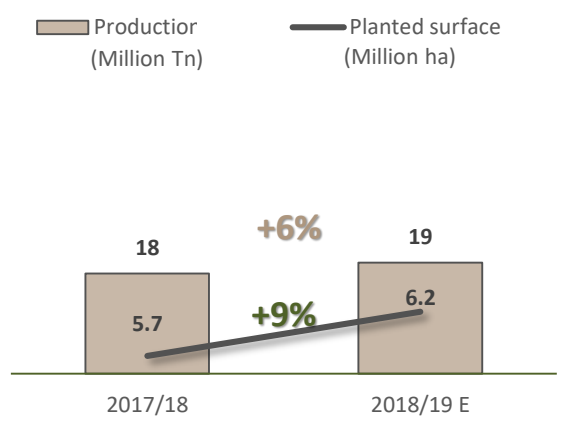
Good prospects for 2019 campaign in Argentina



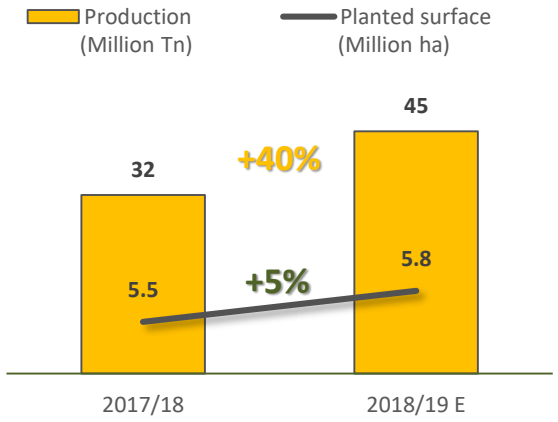
Record Planted surface in Argentina



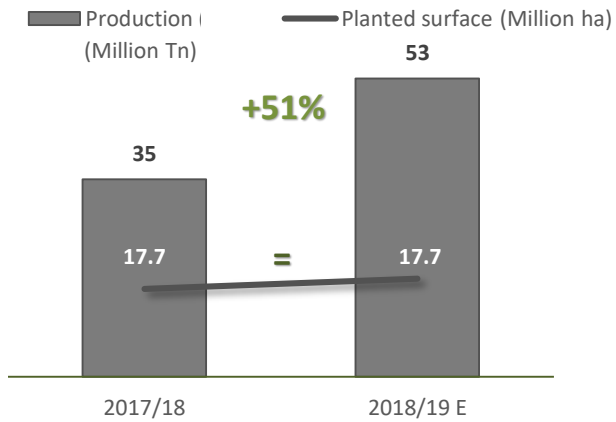
Wheat



Corn



Soybean



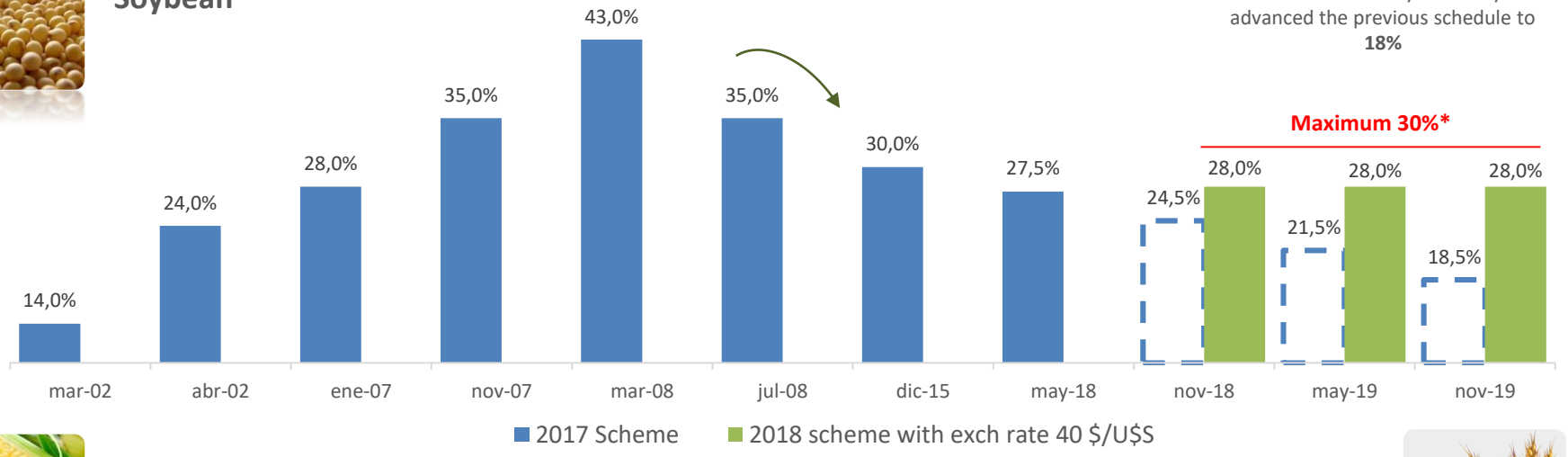
…despite recent increase in tax exports

Crop Export Taxes: Previous scheme + minimum between 12% or $ 4 per dollar until December 2020

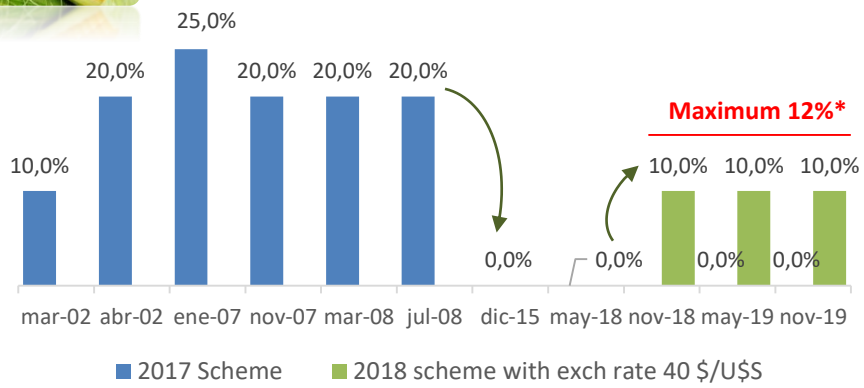
Actual export tax % depends on exch. rate (i.e. 4 $/USD / 40 $/USD = 10%)

Soybean

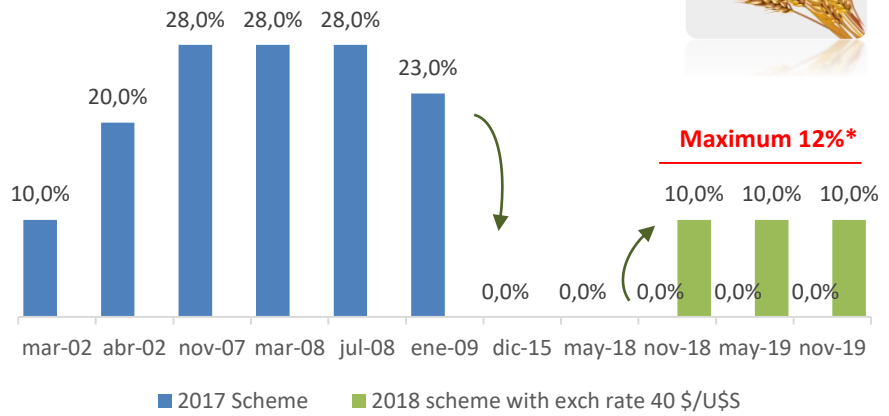
In the case of soybean they advanced the previous schedule to **18%**



Corn

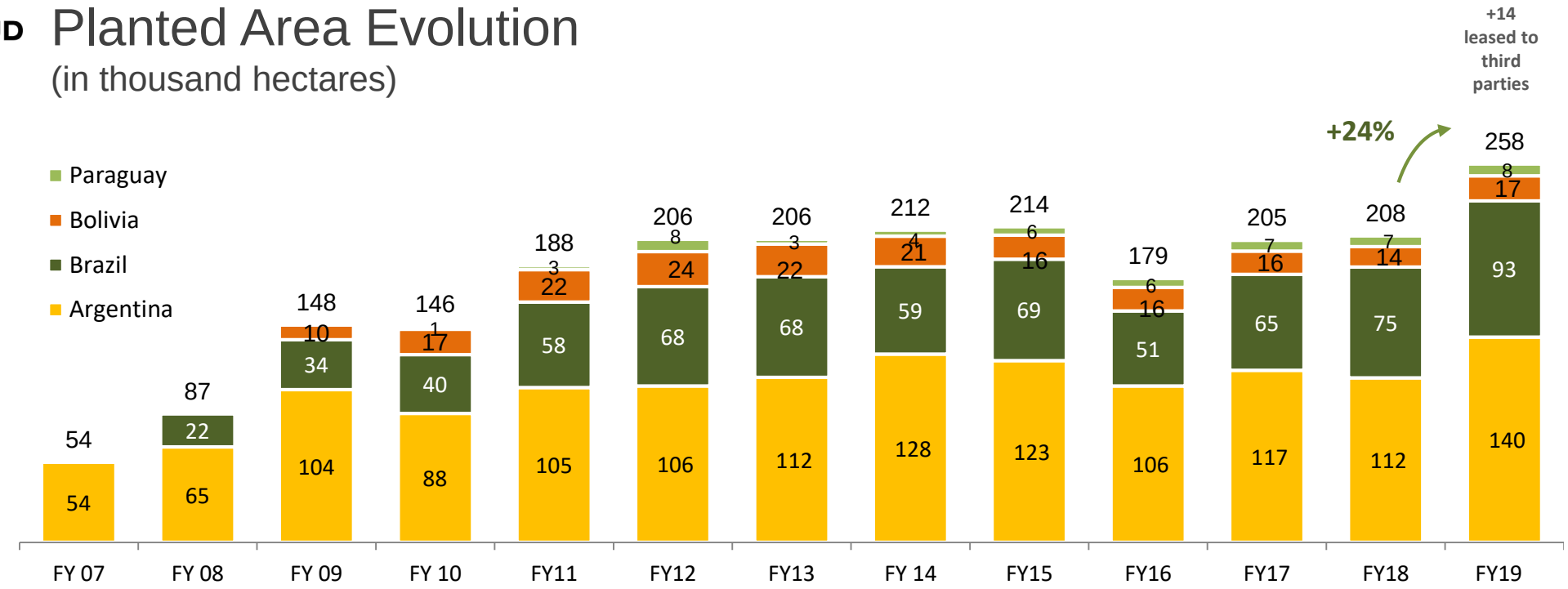


Wheat

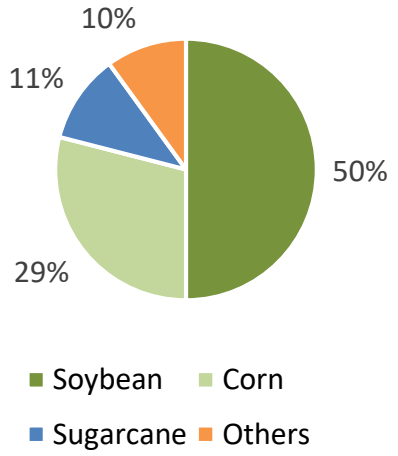


*Scenario at ~ 33 $/USD

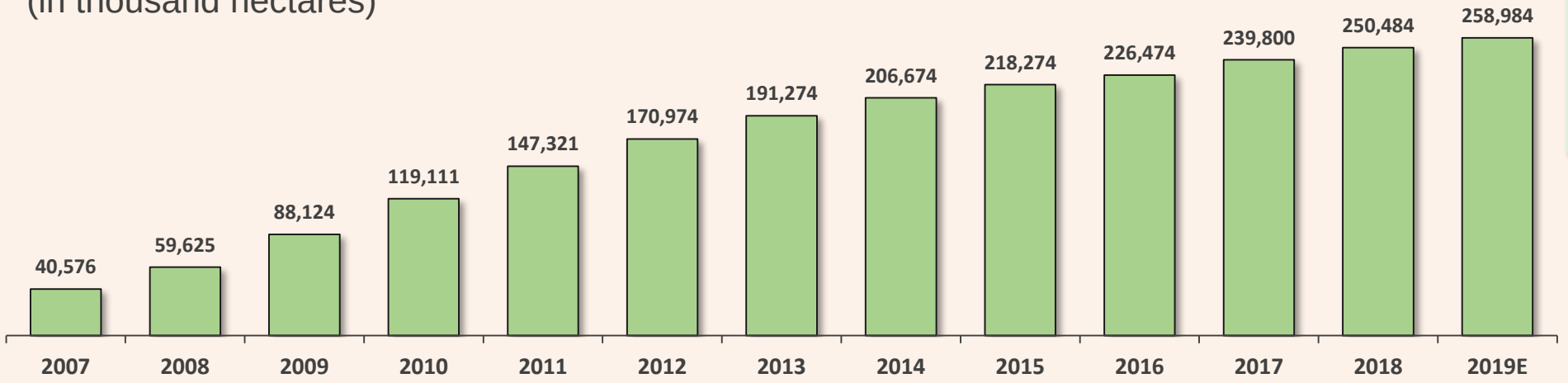
Planted Area Evolution
(in thousand hectares)



FY 2019E
Crop Breakdown



Farmland Development Evolution
(in thousand hectares)



FY 2019E
+8,500 ha
+ 2,060 ARG
+1.977 PY
+4,442 BZ

Regional Farmland Sales

IQ 2019

"Jatobá" partial sale

BRL 177.8 million

9,784 has (BRL/ha 18,172)

IRR (USD): 7.1%

Remaining has: 21,197

IIQ 2019

"Alto Taquarí" partial sale

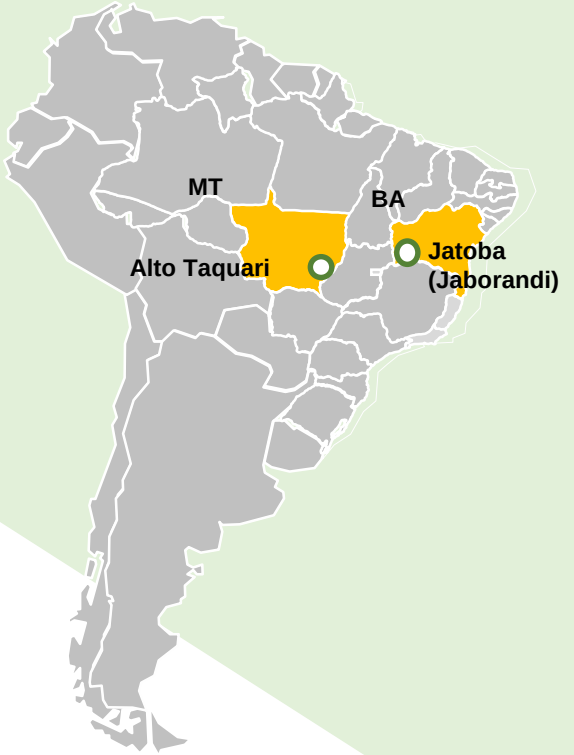
BRL 8.0 million

103 has (BRL/ha 77,670)

Profit: BRL 5.8 million

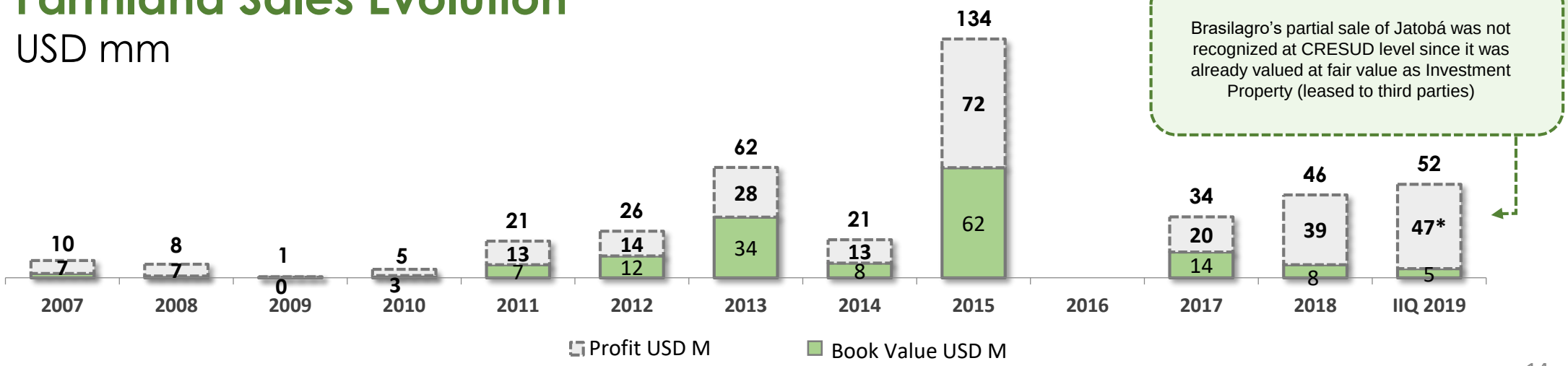
IRR (USD): 17.1%

Remaining has: 5,291 (productive 3,476 ha)



Farmland Sales Evolution

USD mm



Brasilagro's partial sale of Jatobá was not recognized at CRESUD level since it was already valued at fair value as Investment Property (leased to third parties)

*USD 47mm considers the full price transaction of Jatobá & Alto Taquari financed partial sales (Present Value USD 31 mm).

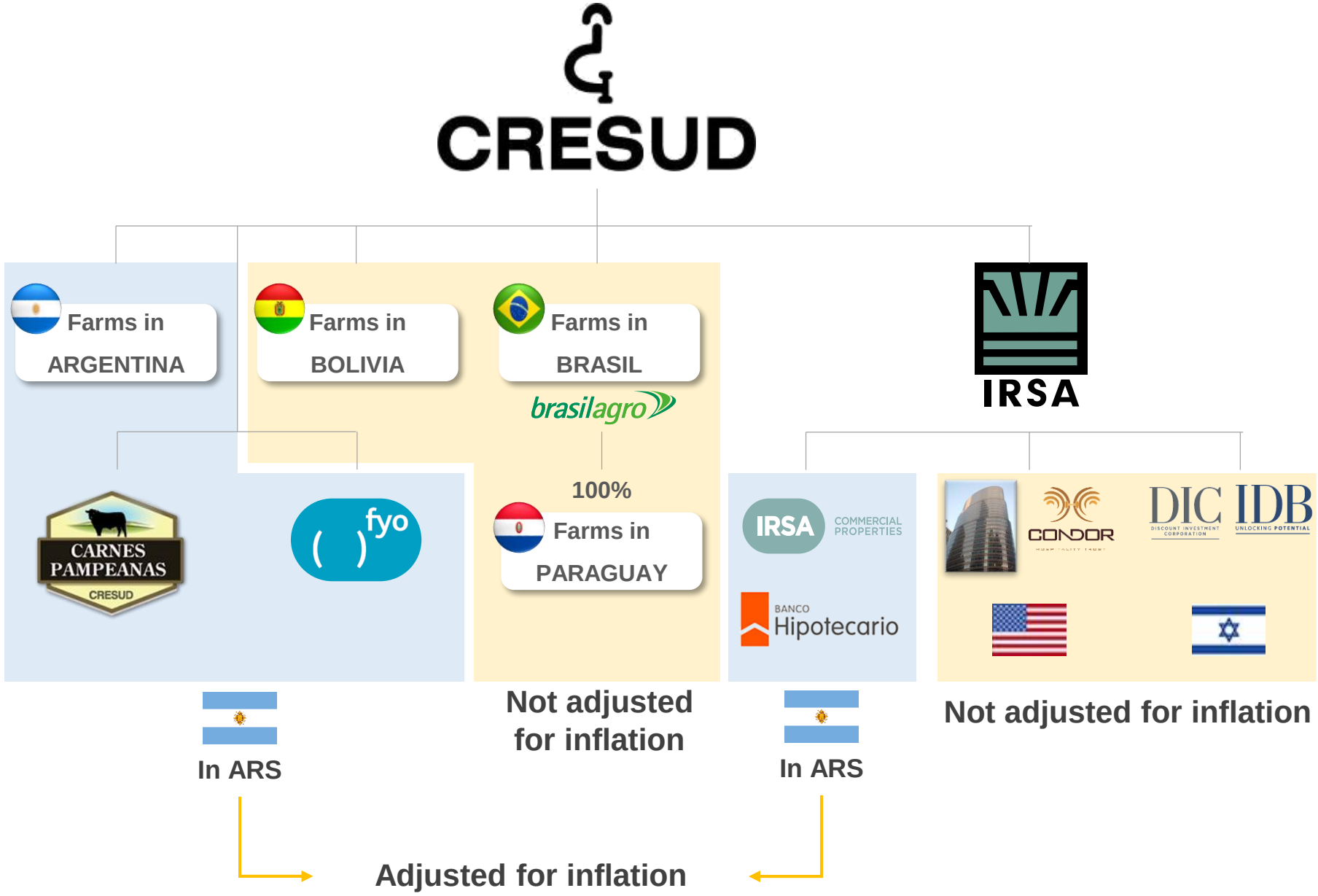
CRESUD

IRSA

IRSA COMMERCIAL PROPERTIES

Financials

Adjustment for Inflation - Impact on the group



Adjustment for Inflation - Impact on Assets

Investment Properties

Farms leased to 3rd parties

Shopping Malls
From subsidiary IRSA

Office Buildings
From subsidiary IRSA

Land Reserves
From subsidiary IRSA

Inventories (Crops)

Biological Assets

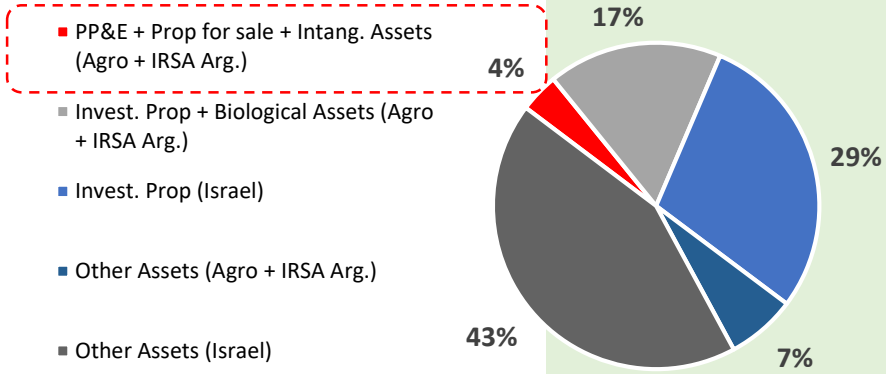
Valued at Fair value

Balance Sheet	Income Statement
No impact	Segregation of net gain/loss between: (i) real FV adjustment gain/loss, and (ii) inflation adjustment

Other Assets

- **Property, Plant & Equipment**
  Owned farms
  Hotels (from subsidiary IRSA)
- **Inventories**
  (Materials & Supplies)
- **Properties for Sale**
  (From subsidiary IRSA)
- **Intangibles**
  Long-term concessions (Agropecuaria Anta)
  Goodwill
  Software
  Rights of use (Distrito Arcos – from subsidiary IRSA)
  Right to receive units (Barter agreements – from subsidiary IRSA)

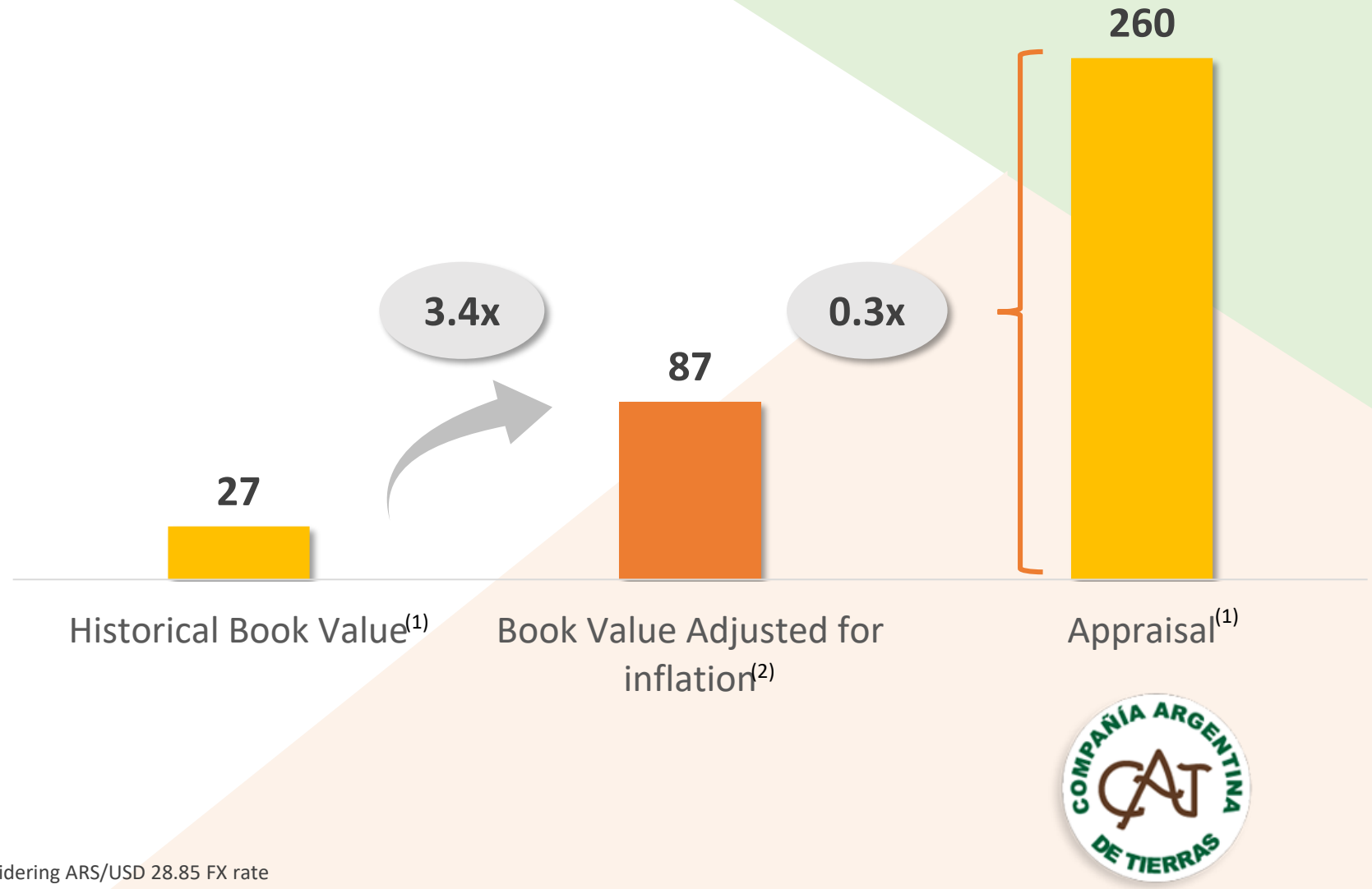
Valued at historical cost adjusted for inflation



Balance Sheet	Income Statement
Items are adjusted for inflation since incorporation or the beginning of the period, if later.	a. Annual inflation gain/loss reflected in a separate P&L item "Inflation Adjustment" b. Increased depreciation charge for the year due to PP&E inflation adjustment

Owned farms in Argentina – Current Book Value[1]

(USD million)



[1] As of June 30, 2018 considering ARS/USD 28.85 FX rate

[2] As of December 31, 2018 considering ARS/USD 37.5 Adjusted FX rate

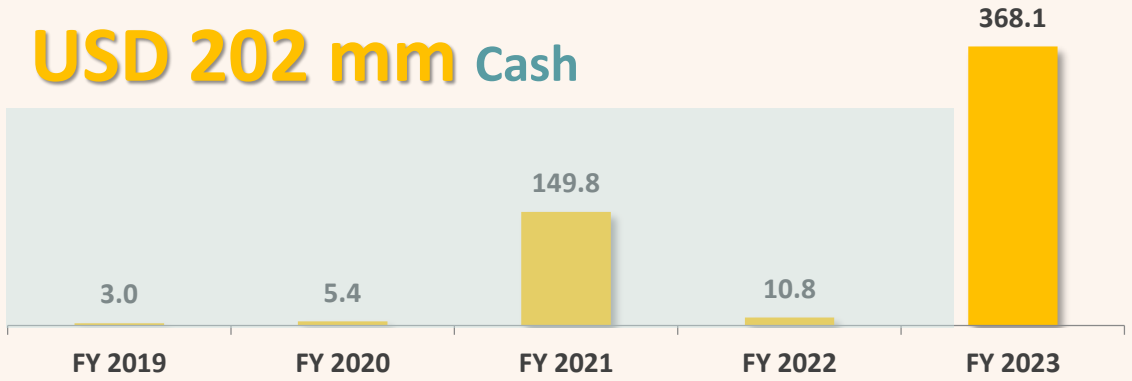
IRSA Commercial Properties' Financial Solvency

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+
LTM Adjusted EBITDA	USD 133.3 mm
LTM NOI	USD 153.2 mm
LTM Adjusted FFO	USD 82.9 mm

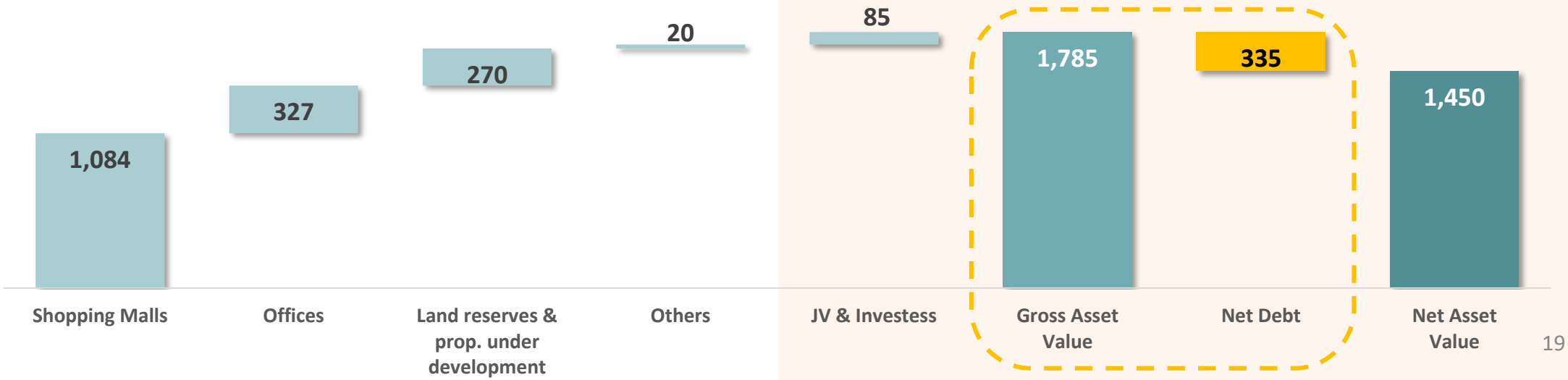
Debt Amortization Schedule

USD 202 mm Cash



Net Asset Value (USD mm)

19% LTV

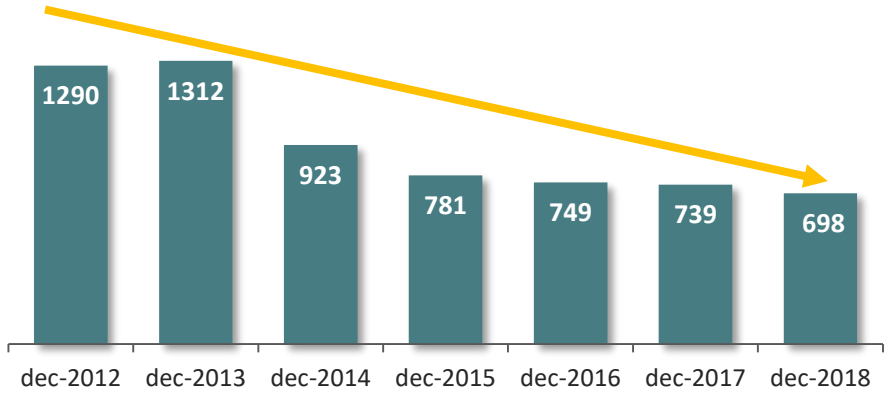


Israel Financial Figures
(USD MM)

IDB
UNLOCKING POTENTIAL

Stand alone

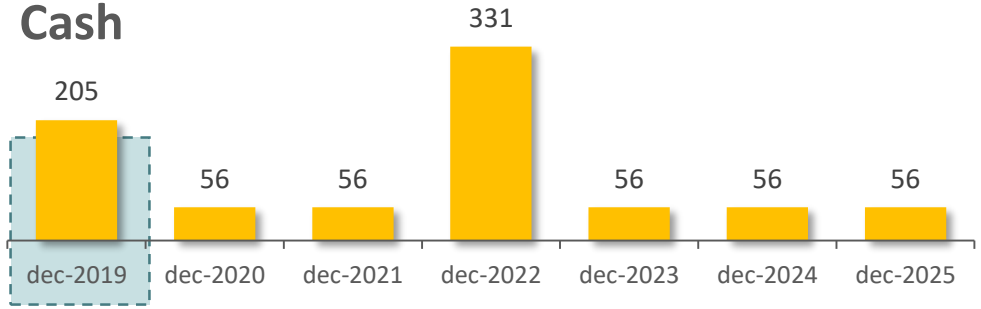
Net Debt evolution



ilBBB-
Credit Rating

Debt Amortization Schedule

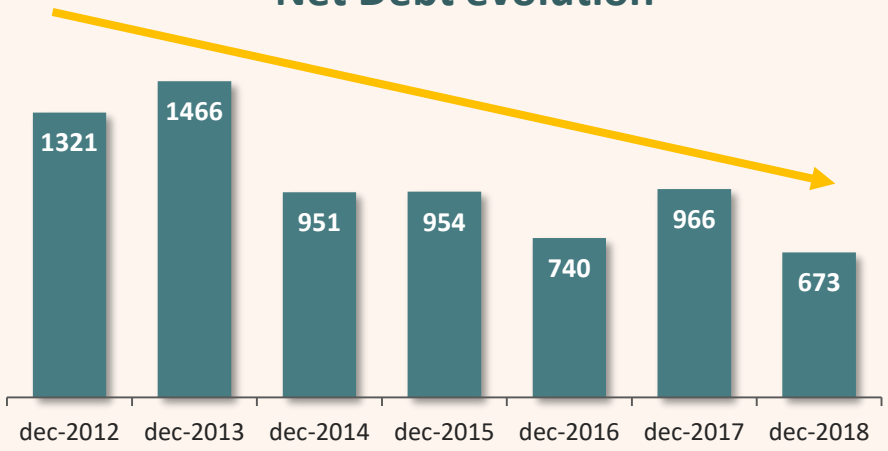
USD 187 mm
Cash



DIC
DISCOUNT INVESTMENT CORPORATION

Stand alone

Net Debt evolution



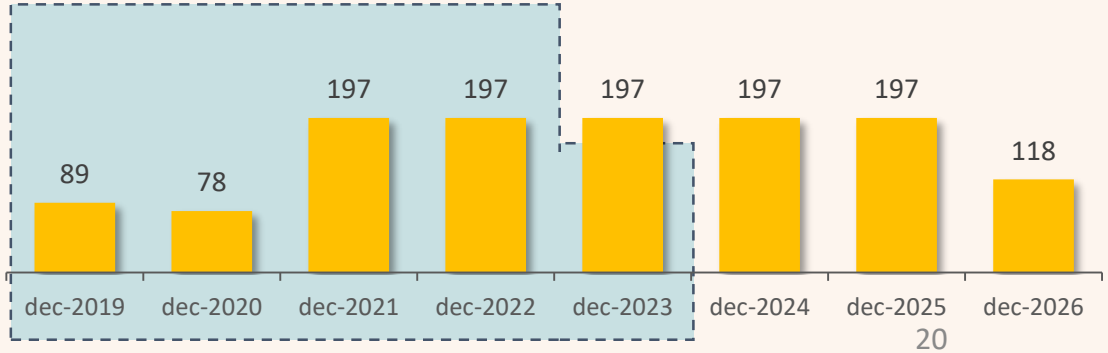
ilBBB+
Credit Rating

USD 520 mm
NAV

58%
LTV

Debt Amortization Schedule

USD 718 mm Cash



IRSA Stand Alone Debt

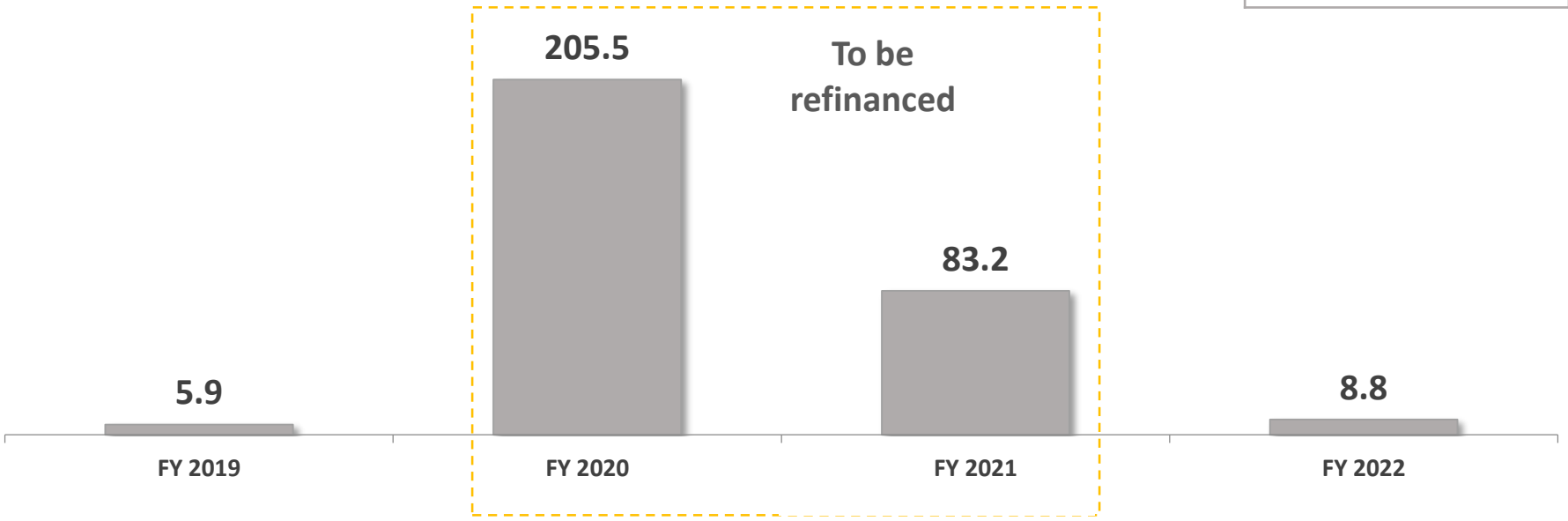
Debt Amortization Schedule

As of December 31, 2018

USD 294.2 mm

Stand Alone Net Debt

Debt Ratios	
LTV (IRCP BV)	17%
LTV (IRCP MV)	27%



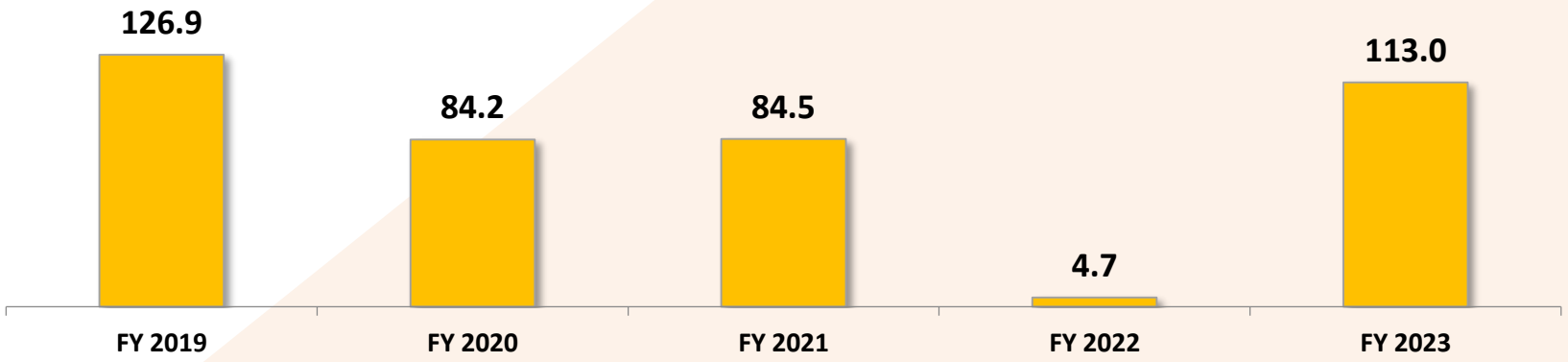
Net Debt as of December 31, 2018*

(USD million)

CRESUD Net Debt	**395.5**

In November 2018, we issued a local Bond for **USD 73.6 mm**
at a fixed annual interest rate of 9.0% due November 2020 to refinance short-term debt

Amortization Schedule



*Does not include IRCP & IDB/DIC debt

CRESUD

IRSA

IRSA COMMERCIAL PROPERTIES

Thanks!

Argentina Real Estate Market

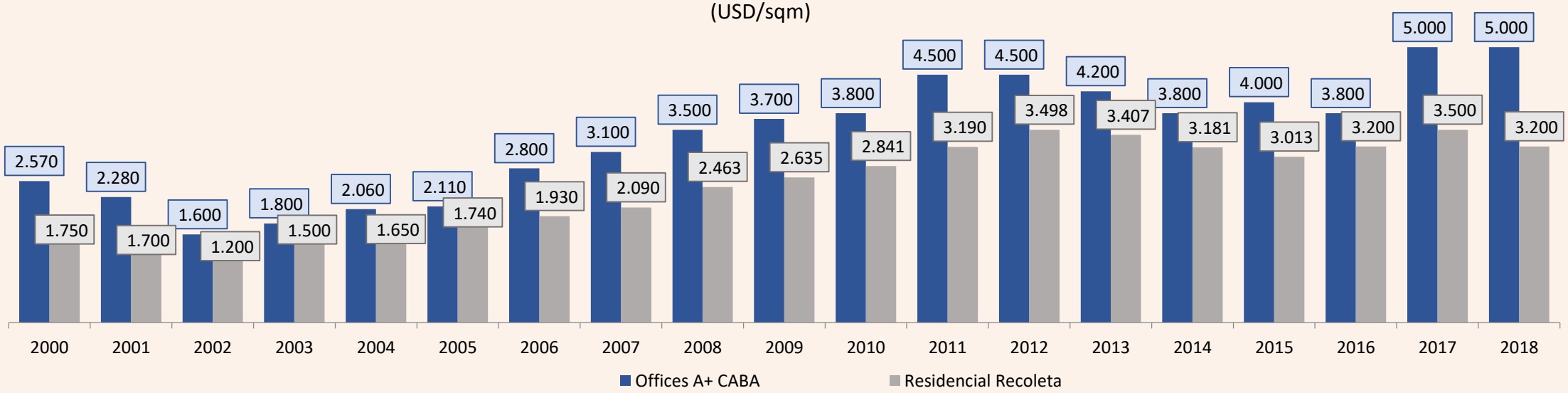
Safeguard against inflation

USD denominated

Cash operations

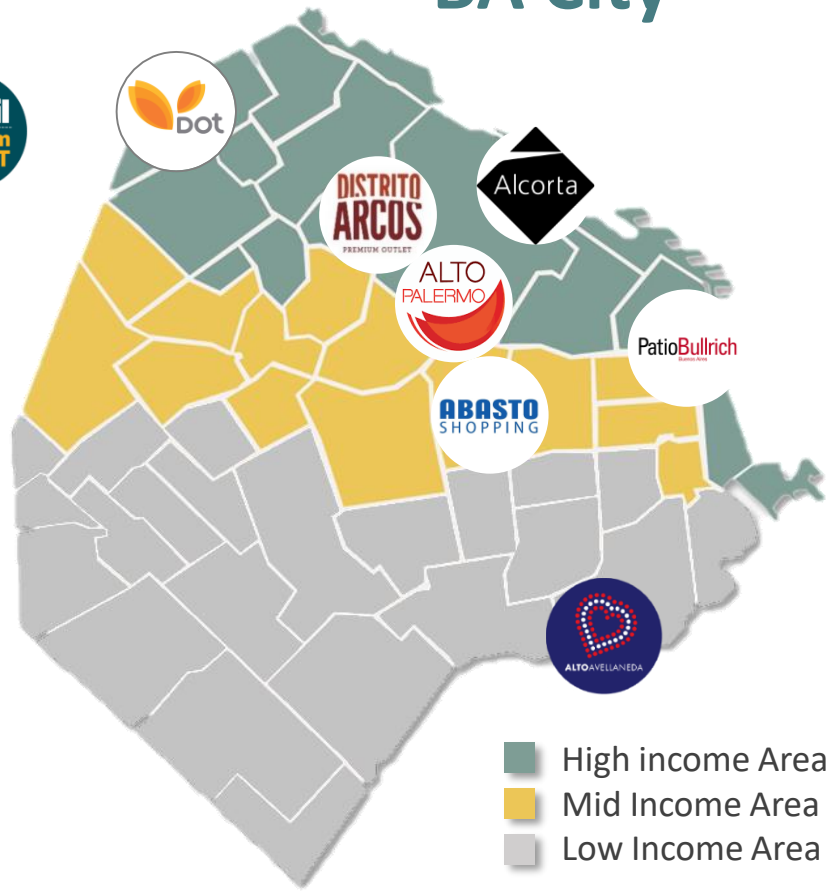
Real Estate Prices Evolution

(USD/sqm)



Premium Portfolio of Shopping Malls

BA City

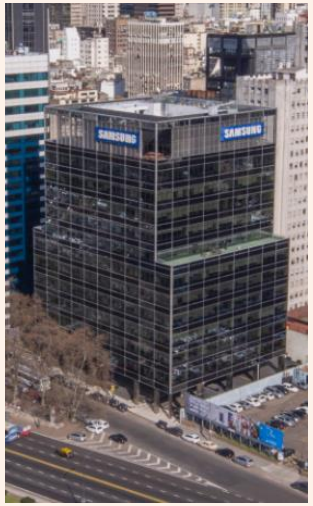


USD 115 MN LTM EBITDA

USD 1.1 BN Book Value

Argentina

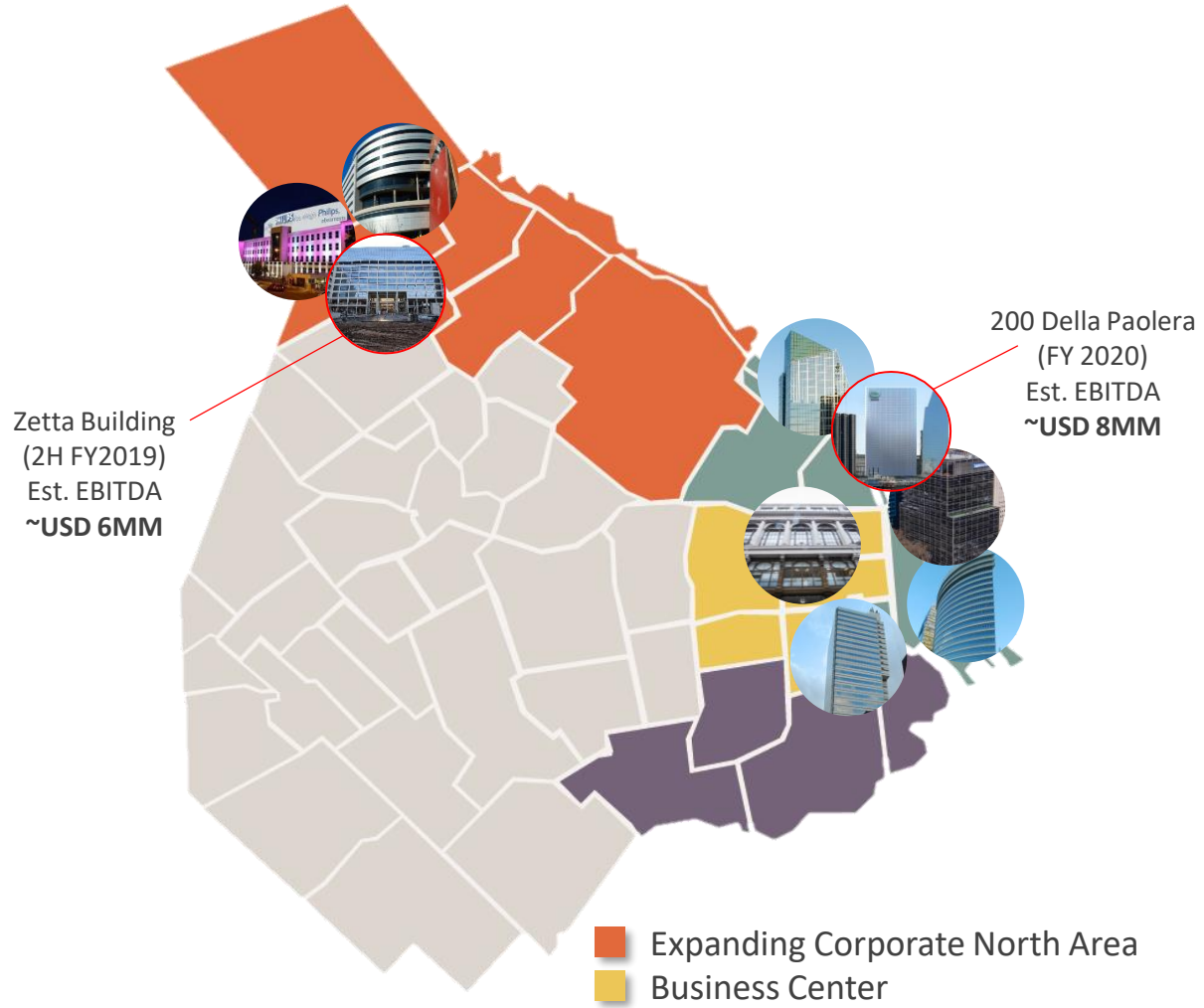
Premium Portfolio of Office Buildings



USD 18 MM LTM EBITDA

USD 0.3 BN Book Value

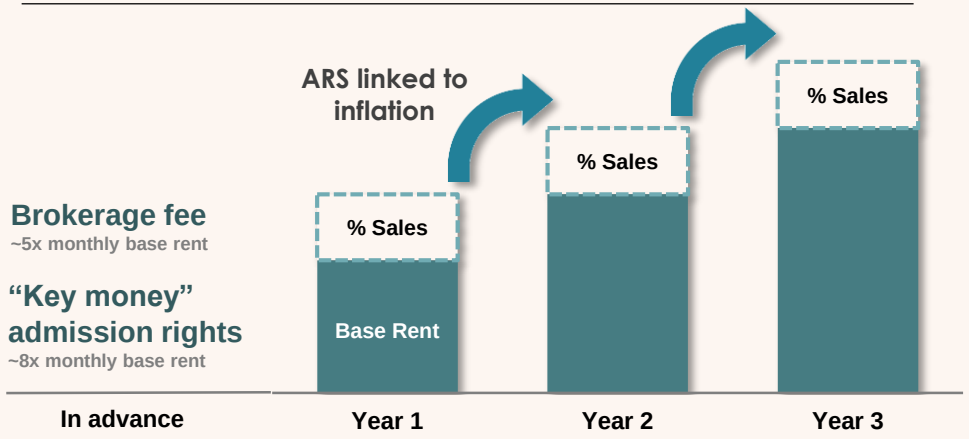
BA City



Rental properties' resilient revenue model

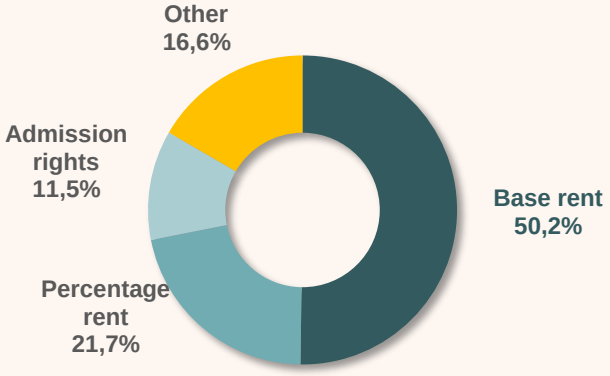
Shopping Malls

Revenue from leases



Other revenues

Rent revenue breakdown

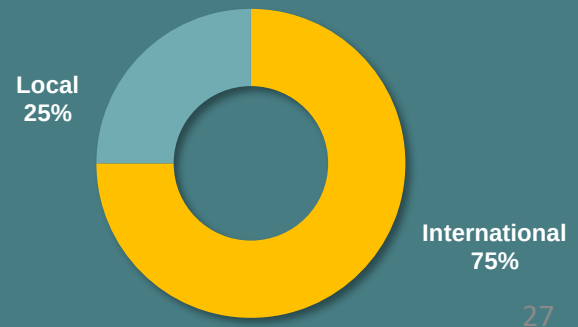


Offices

Revenue from leases

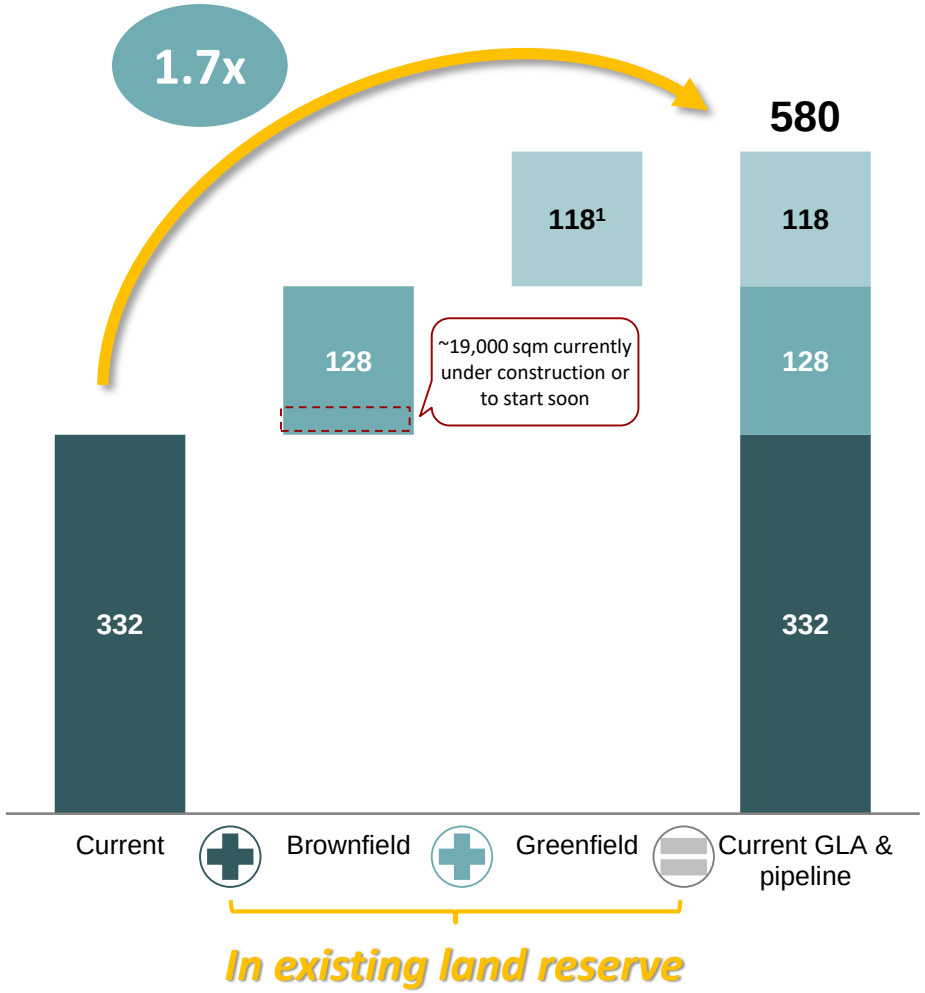
- **3-year average term** for office lease contracts
- **US Dollar based**
- Rental rates **for renewed terms are negotiated at market**

Tenants breakdown

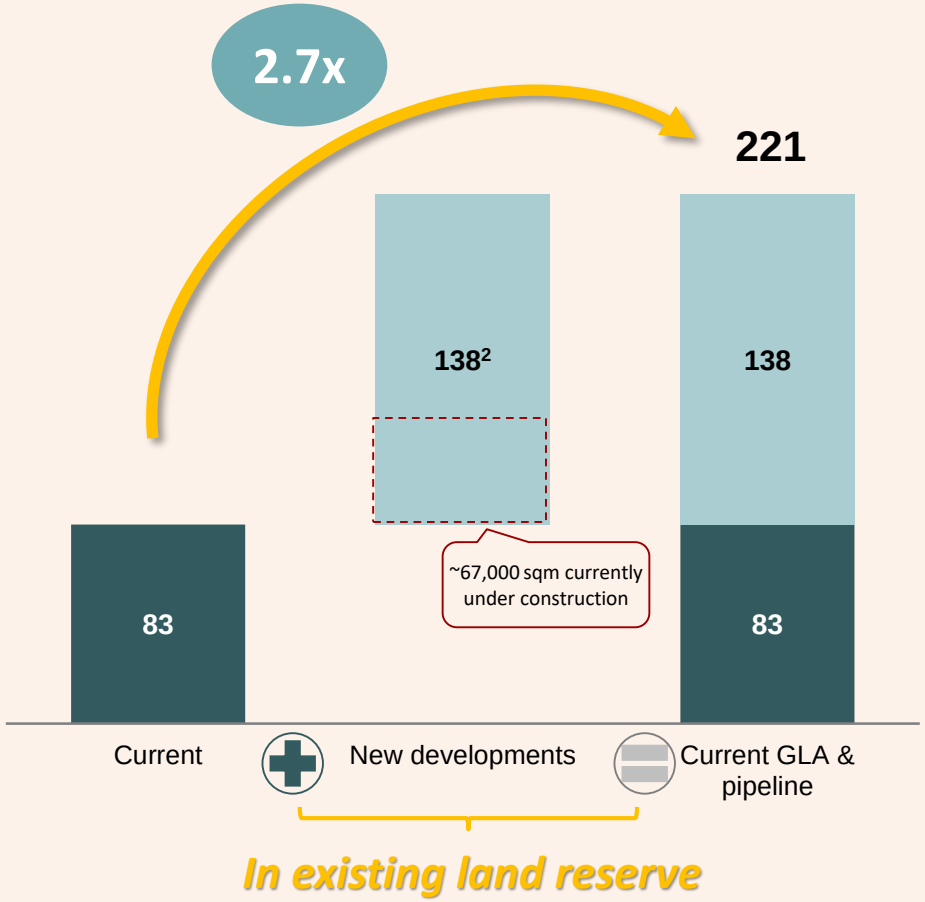


Our land reserve will allow us to significantly expand our commercial real estate portfolio

We have a robust pipeline for shopping malls…



…as well as for premium office properties



Recent Approval: La Plata Mixed-use Project

Land Plot

78,000 sqm

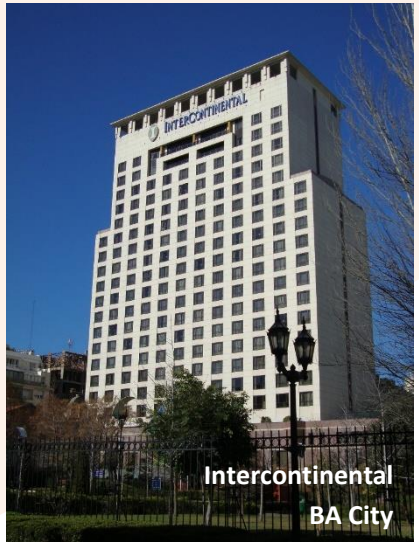
Capacity to develop

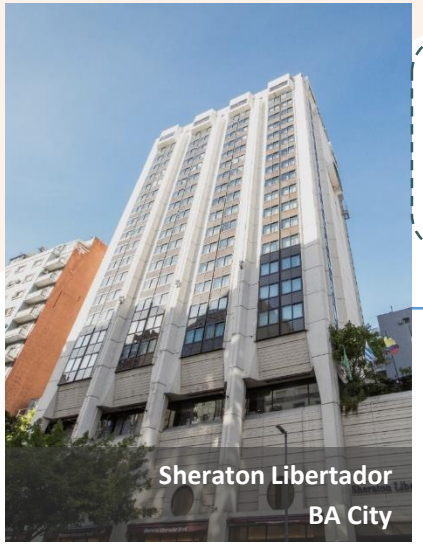
100,000 sqm

La Plata is the **5th** highly **populated** city of Argentina **with no shopping malls**

Recent Approval: Caballito Project

Argentina Business Center - Hotels

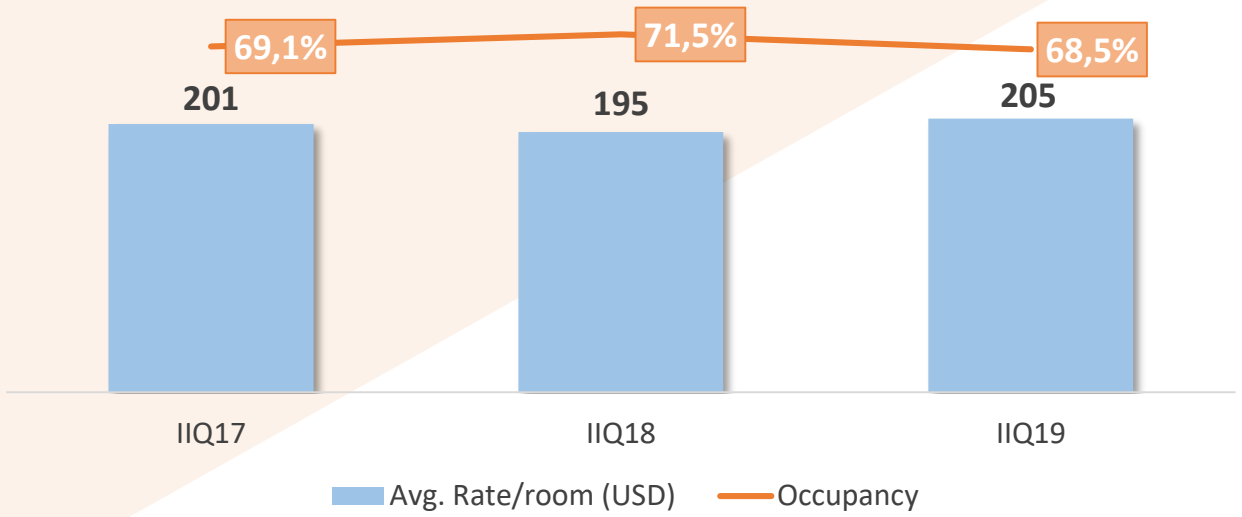




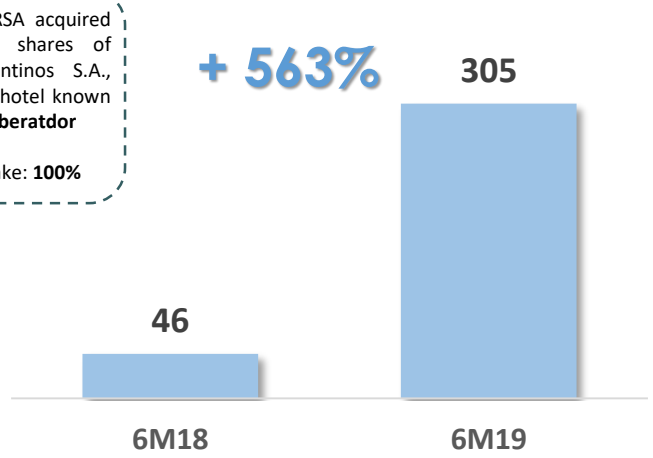
On Feb-19, IRSA acquired **20%** of the shares of Hoteles Argentinos S.A., owner of the hotel known as **Sheraton Liberatdor**

Current stake: **100%**

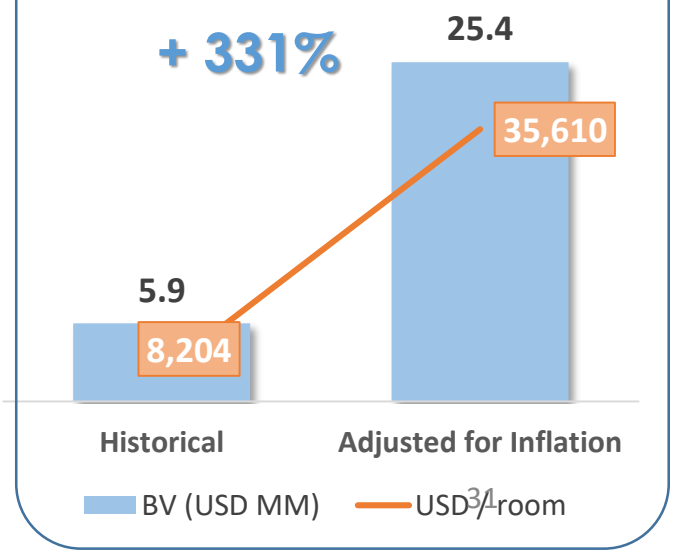
Rate & Occupancy evolution



EBITDA (ARS MM)

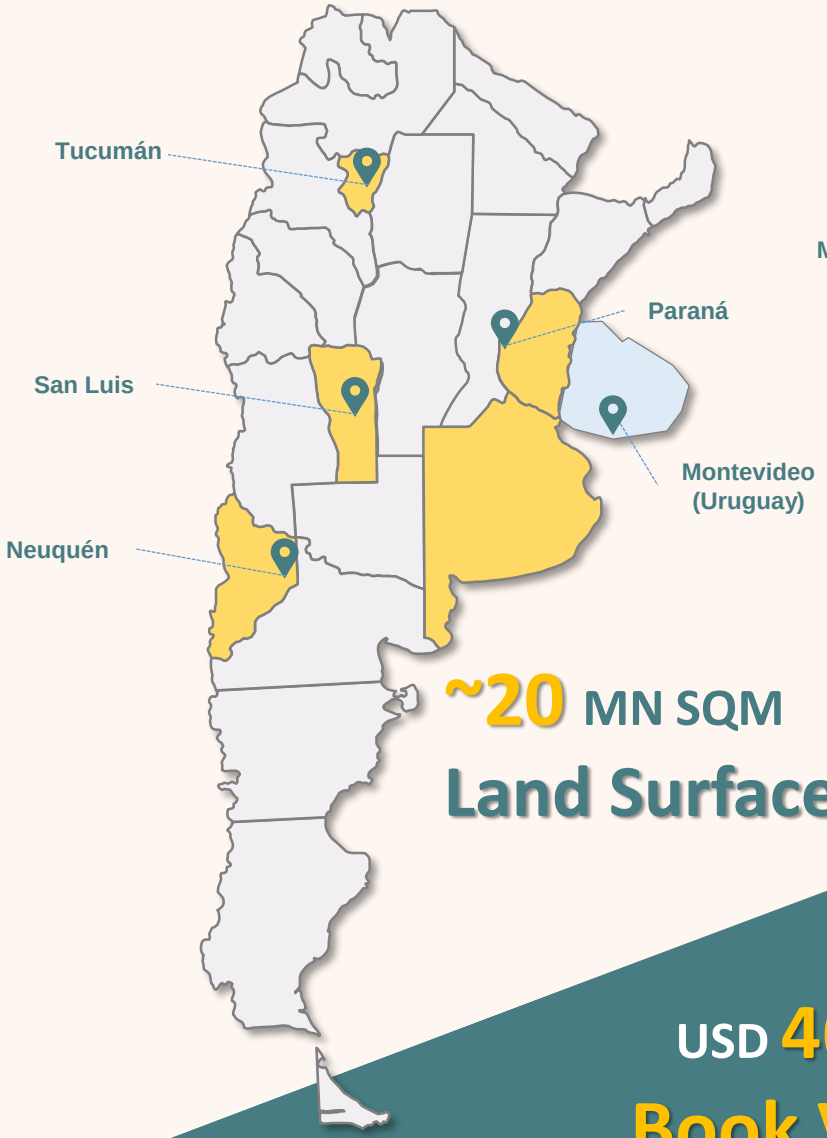


Book Value as of Jun '18

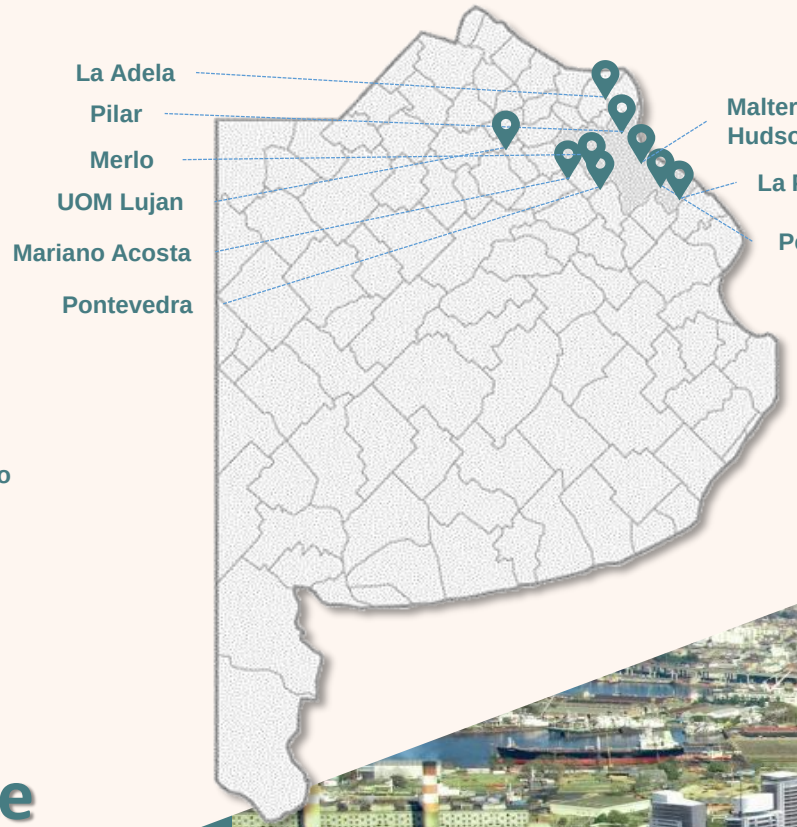


Premium mixed-use Landbank for future developments

Argentina



BA Province



BA City

~20 MN SQM

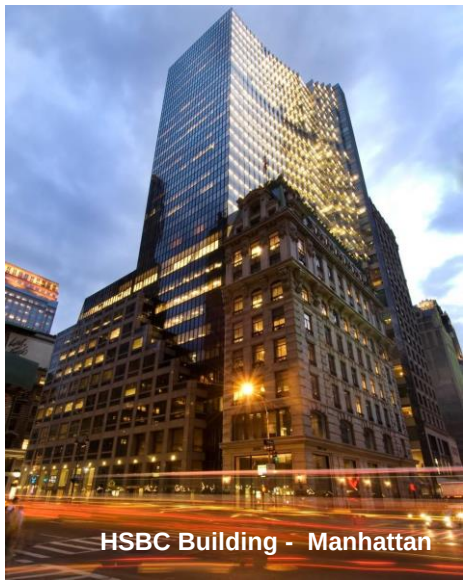
Land Surface

USD 460 MN

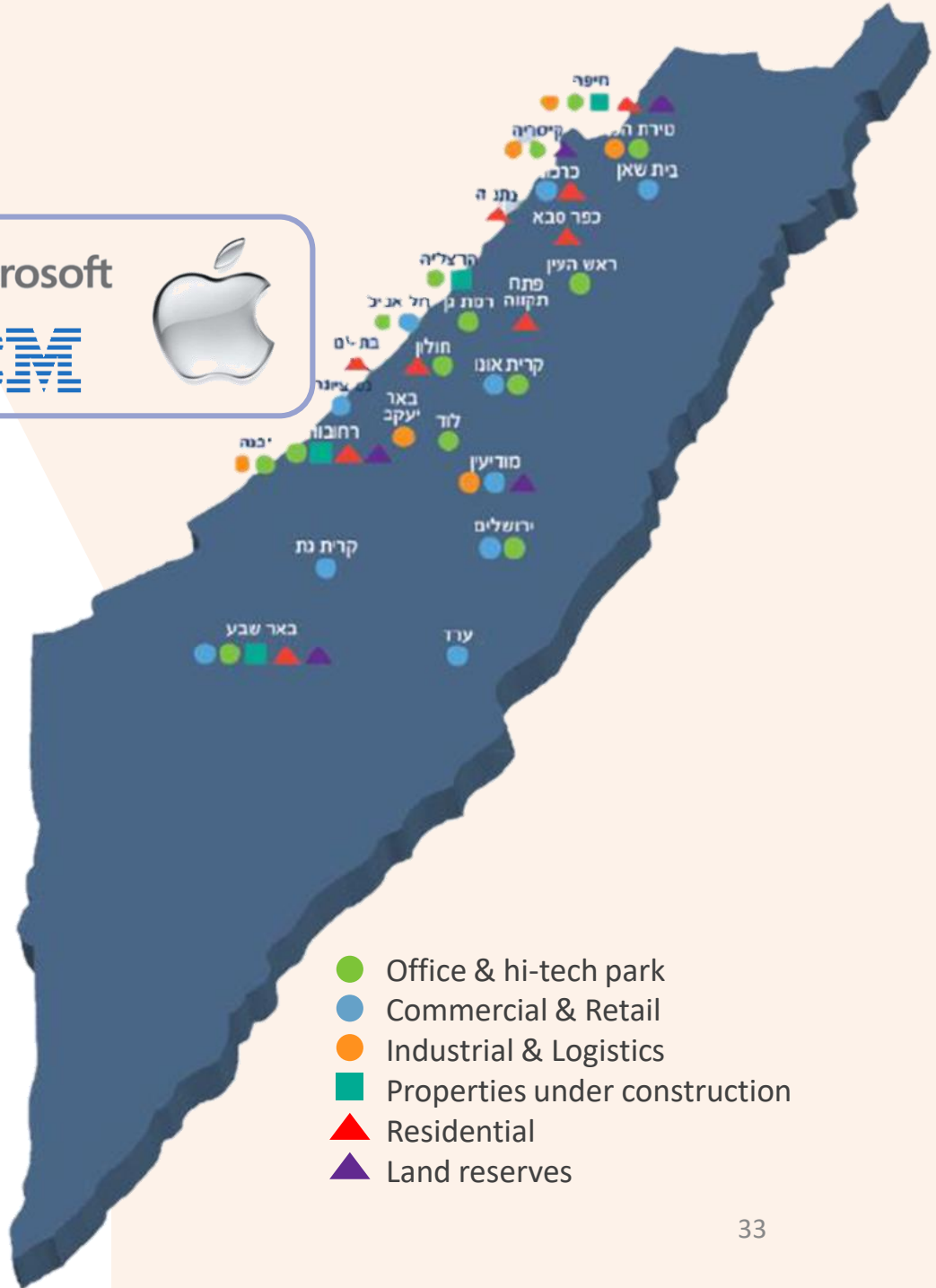
Book Value

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

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



ORACLE · NIKE · Microsoft · Google · YAHOO! · IBM



1,160,000 sqm
in Israel

670,000 sqm
Land reserve

97%
occupancy

142,000 sqm
in USA

PBC PROPERTY & BUILDING — Market Cap USD 523 MM

GAV YAM PROPERTY & BUILDING CORP. IDB GROUP — USD 1,010MM

Real Estate projects under development in Israel

8 Projects

194,000 sqm

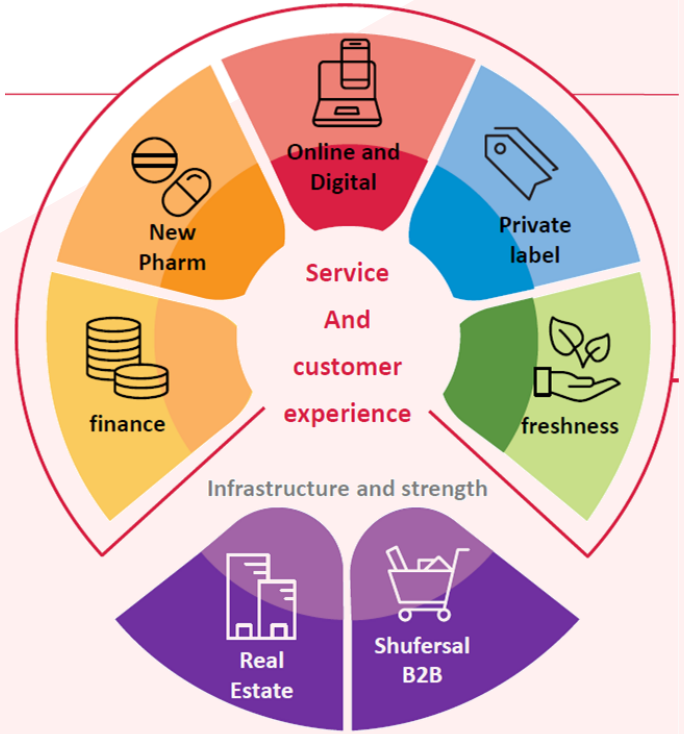
Shufersal (**26.0%** DIC stake): Israel's Leading Food Retailer

Shufersal

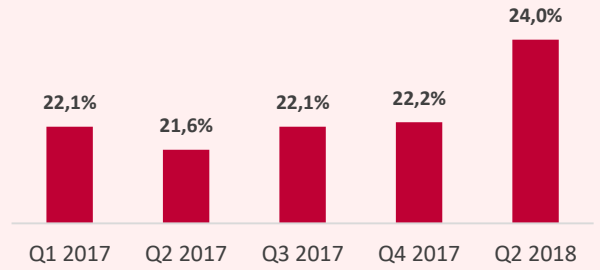
- ✓Traded on TASE – Market cap **USD 1,674 MM**
- ✓Operates **338 stores** nationwide
  - **Shufersal: 274** stores
  - **New Pharm: 64** stores
- ✓Holds a real estate portfolio of ~ **NIS 3 billion**

New Pharm recent acquisition
2nd largest pharmacy chain in Israel

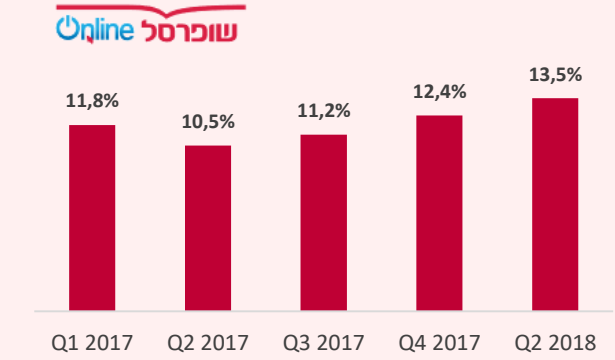
ניו-פארם
פשוט משתלם.



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:**

- ✓ Fastest growing company in TV, internet & fixed line services:
  - **ISP Service for 685k households**
  - **Over 195,000 pay TV subscribers**

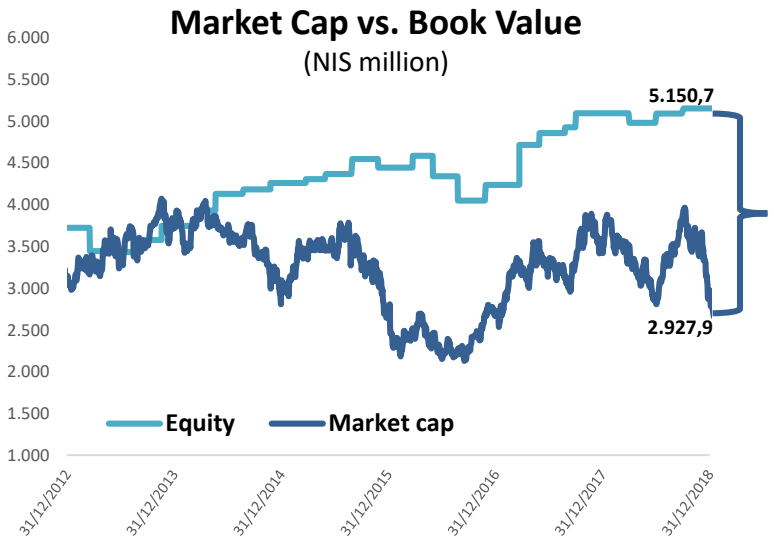
Cellcom TV Subscribers (Th.)

- ✓ Market cap **USD 603 MM**

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%



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

mehadrin

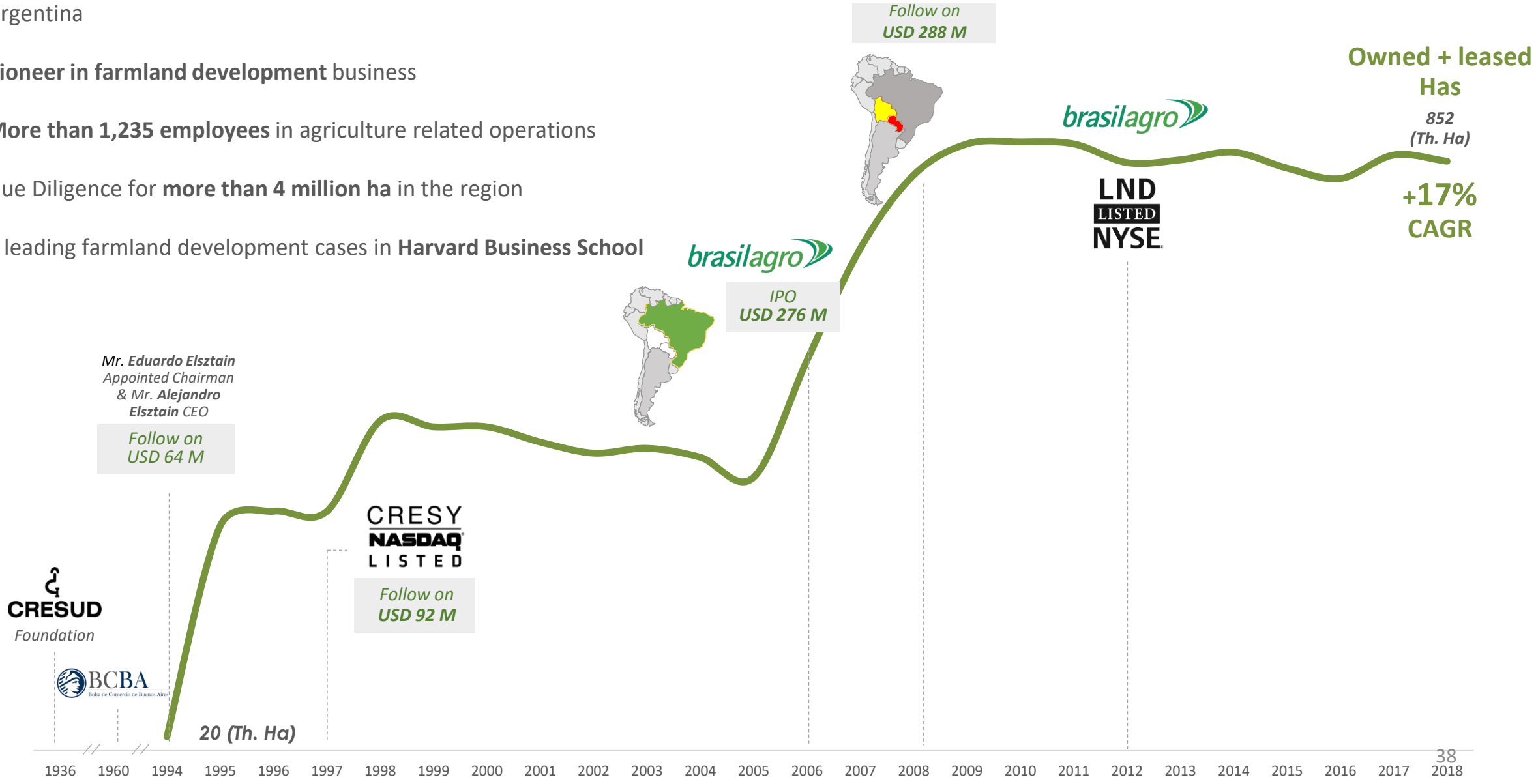
Growers at heart

(59.5% DIC stake)

- 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**

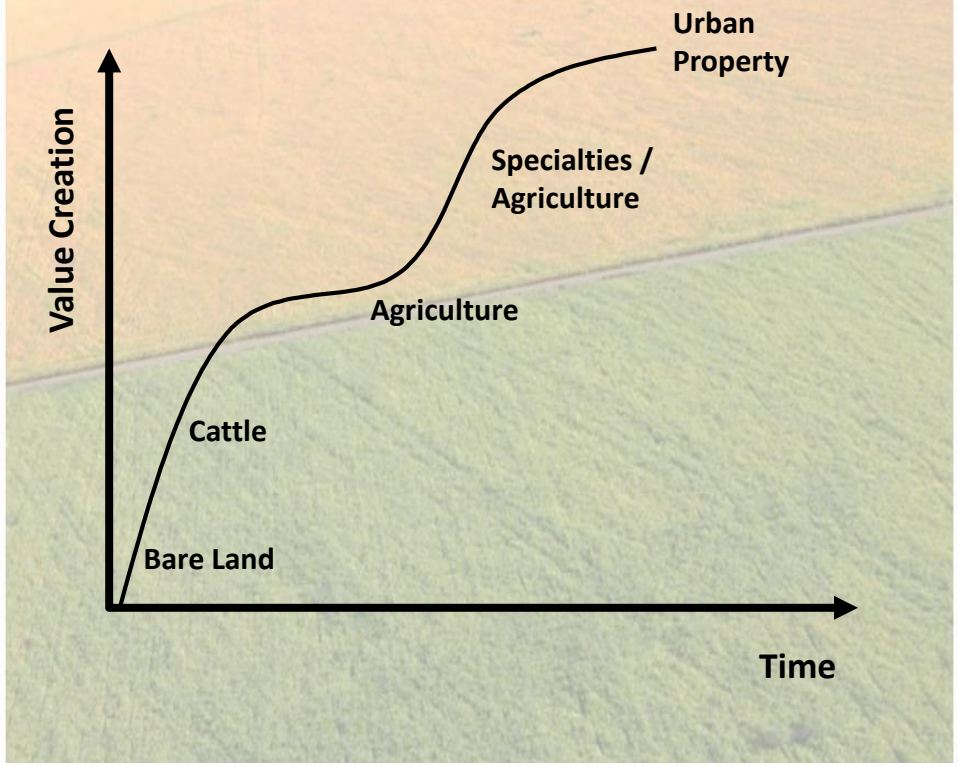
Pioneer Agribusiness Company with 82 years of history

- **1st Latam Agricultural Company to be listed** both in the US and Argentina
- **Pioneer in farmland development** business
- **More than 1,235 employees** in agriculture related operations
- Due Diligence for **more than 4 million ha** in the region
- 3 leading farmland development cases in **Harvard Business School**

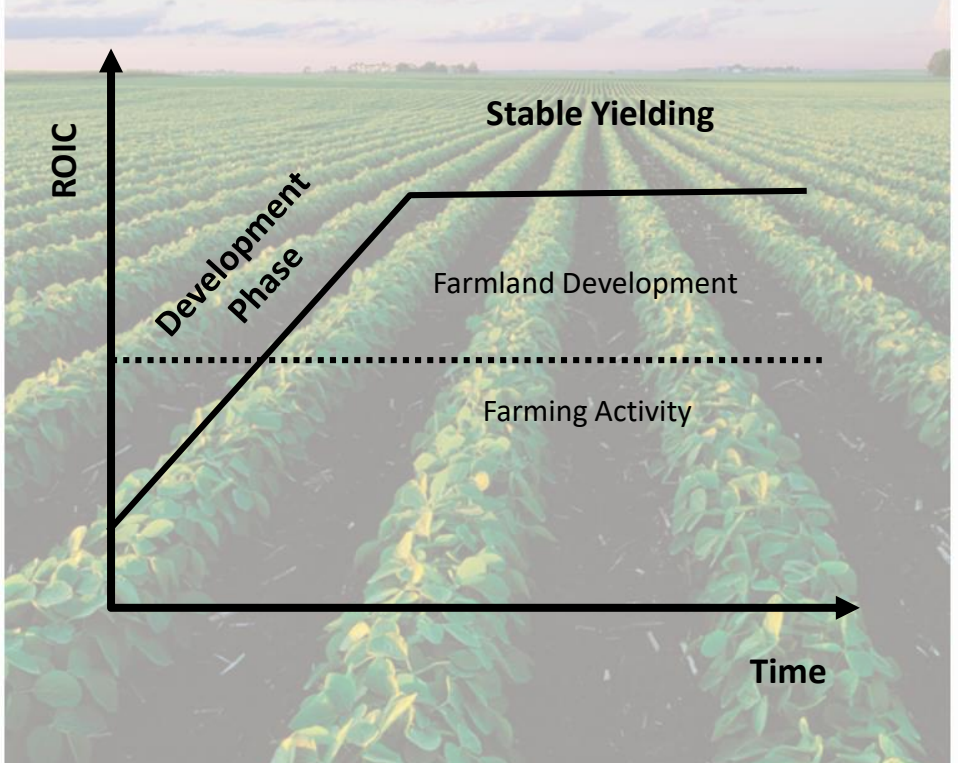


Cresud Business Strategy

FARMLAND DEVELOPMENT



FARMING ACTIVITY



Cresud Diversified Rural Portfolio – 23 farms in the region

BOLIVIA

SOYBEAN
CORN
SUGARCANE

1%
3 farms
9,875 ha

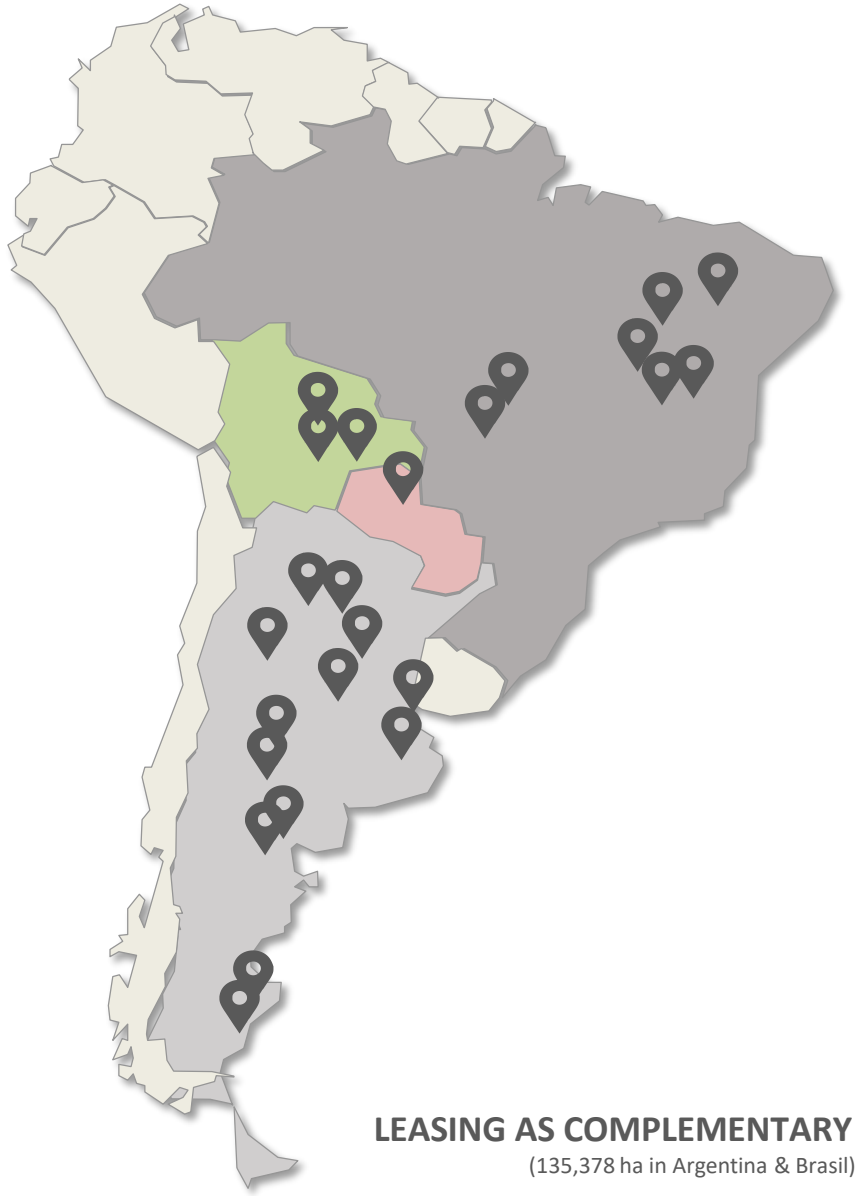
Acres del Sud

ARGENTINA

SOYBEAN
CORN
MEAT

73%
12 farms
536,189 ha (*)

(*) Includes 132.000 ha under concession in Argentina



BRAZIL

18%
7 farms
128,884 ha

brasilagro

SOYBEAN
CORN
SUGARCANE
MEAT

PARAGUAY

8%
1 farms
57,878 ha

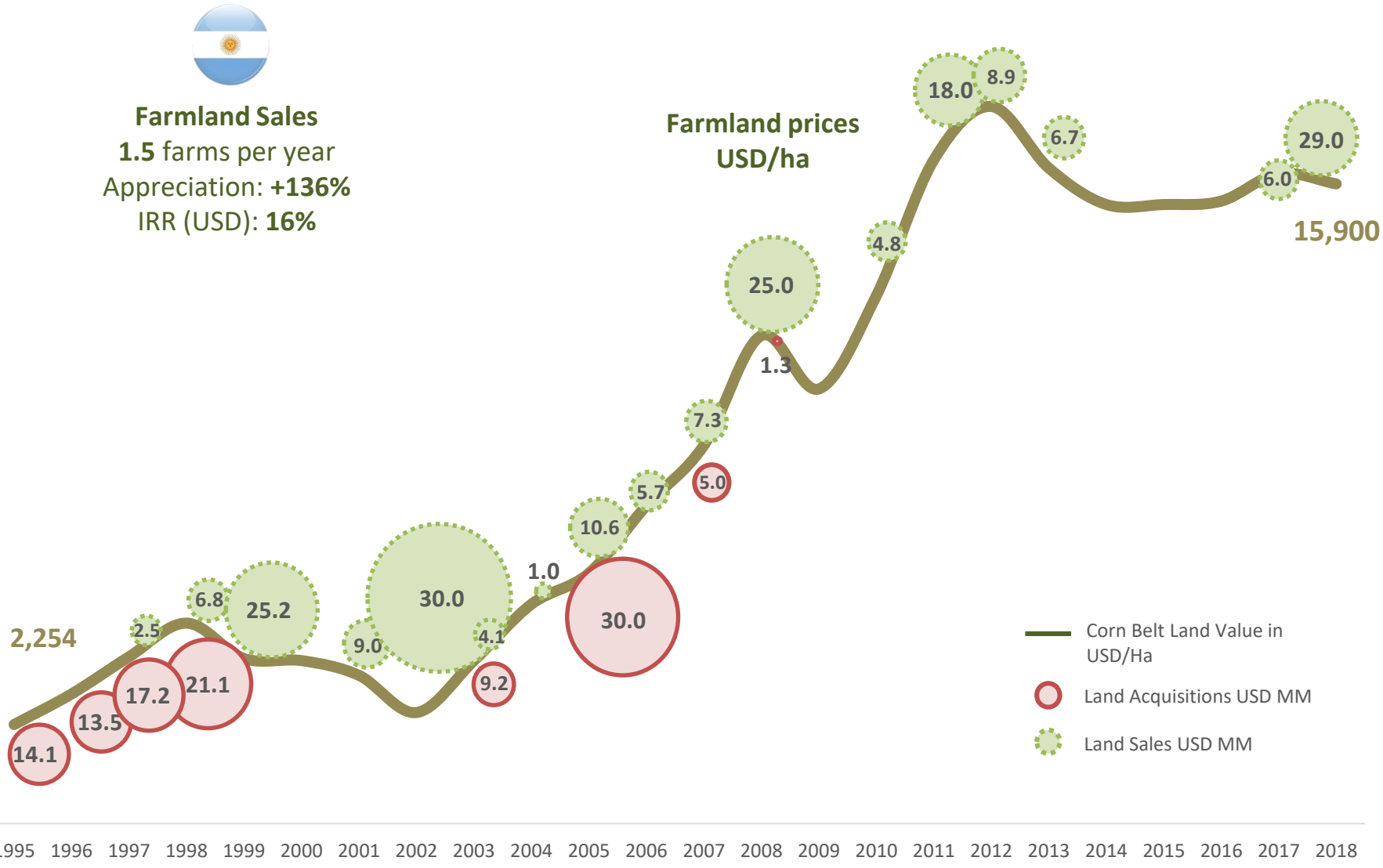
brasilagro

SOYBEAN
MEAT

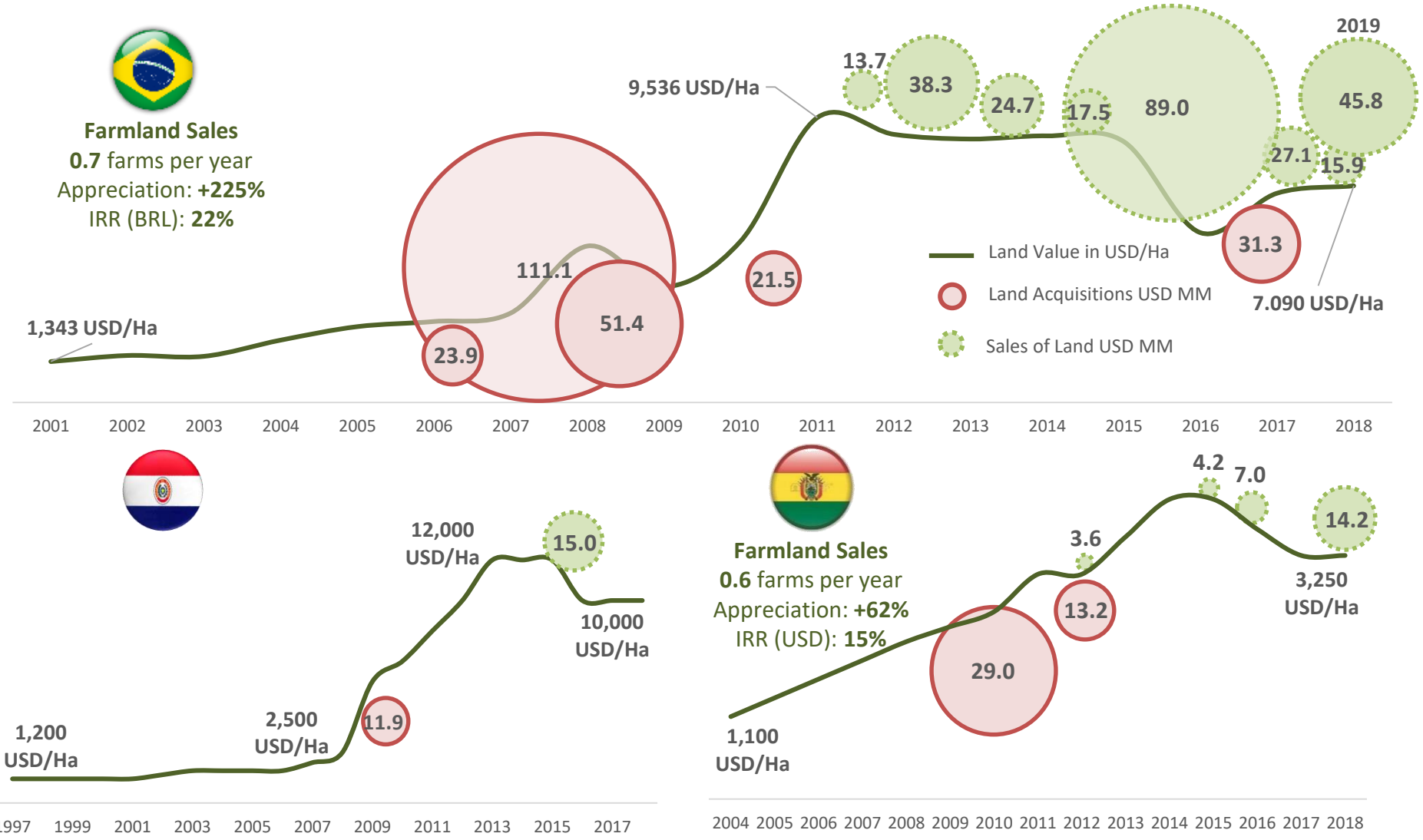
LEASING AS COMPLEMENTARY BUSINESS

(135,378 ha in Argentina & Brasil)

Farmland Real Estate Track Record



Farmland Real Estate Track Record



Farmland Development Cases