

FY 2017 Conference Call

September 11, 2017

IRSA
COMMERCIAL
PROPERTIES



Hosted by:

Alejandro Elsztain, CEO

Daniel Elsztain, COO

Matías Gaivronsky, CFO

Main events - 2017

Investment Properties Valuation Method

- We decided to change the valuation method for the investment properties from historical cost to reasonable value, which was reflected in the company's financial statements as of the IIIQ of FY17.

Rental Operating Figures

- Shopping malls' sales grew by 19.1% in FY17 vs. FY16 and occupancy increased to 98.5%
- Good results coming from the office segment due to devaluation and positive outlook for A+ office market in BA.

Investments during FY17

- GLA in shopping malls increased by ~8,000 sqm due to expansions of the current portfolio.
- We acquired Phillips building in DOT complex for USD 29 million to integrate to our Polo Dot Office Park

CAPEX:

- Plan to develop ~ 20,000 sqm of malls' expansion during FY 2018 and start of construction of Alto Palermo expansion

- Works in progress in our office developments: Polo Dot 1st stage and Catalinas expected to be finished by FY19 and FY20 respectively

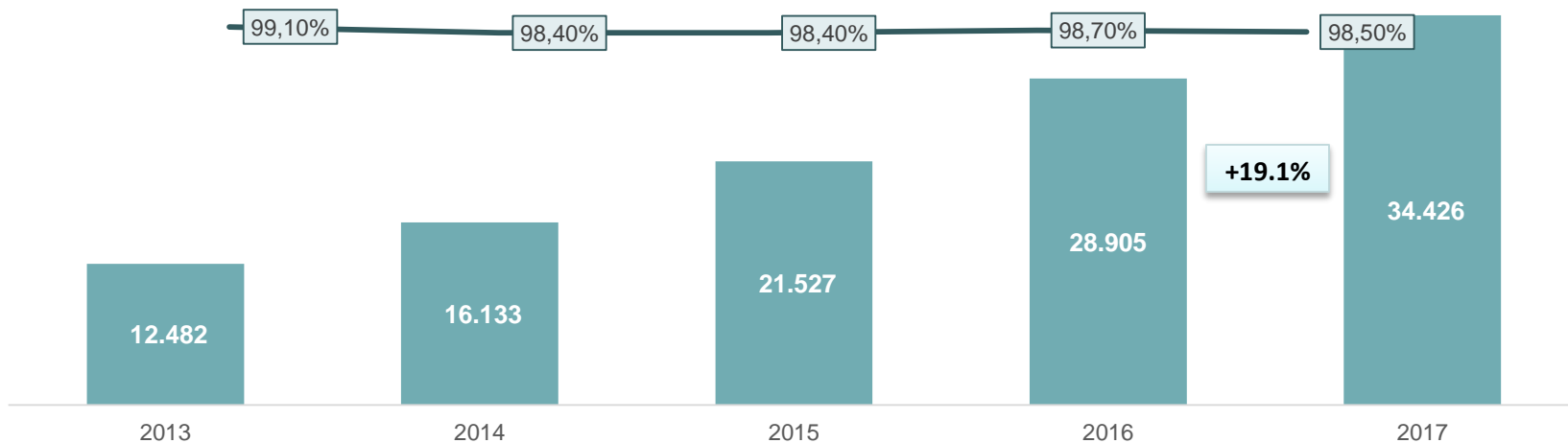
Other investments:

- During FY17, we increased stake in La Rural S.A (fair & convention center) and Avenida Inc. (e-commerce).
- Subsequent event: acquisition of convertible notes of TGLT for USD 22.2 million

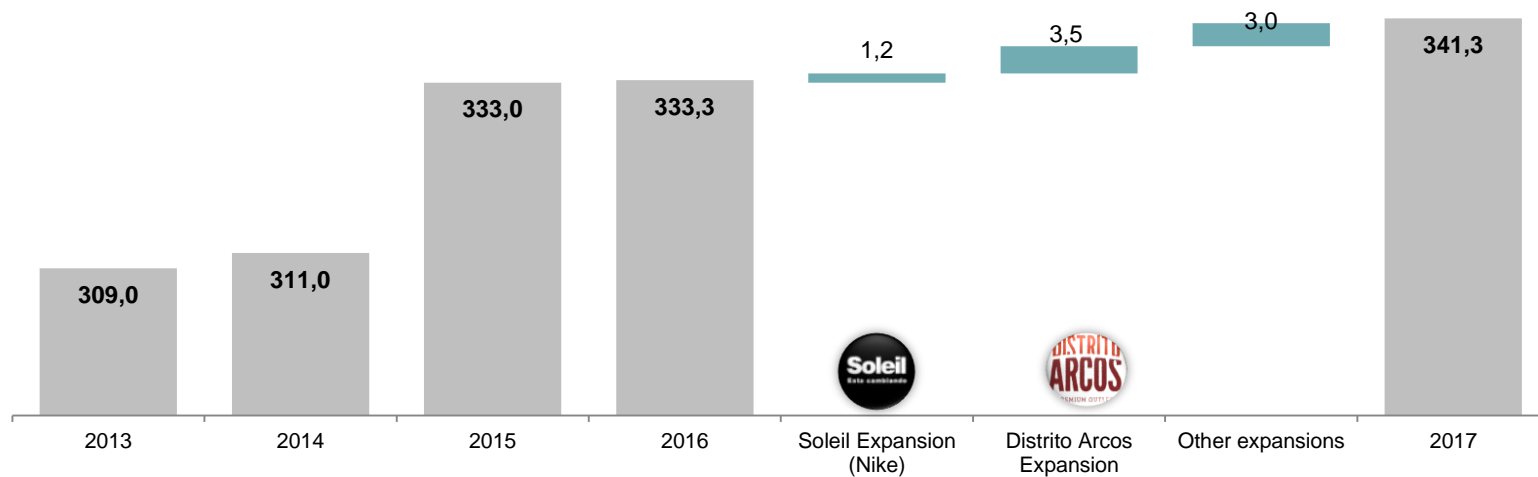
Consolidated Financial Statements:

- Adjusted EBITDA for FY17 reached ARS 2,581 million increasing by 20.5% compared to 2016. Excluding sales of investment properties, grew by 27.8%.
- Adjusted EBITDA of Malls' and Office segment reached ARS 2.207 million and ARS 303 million, increasing by 23.1% and 35.2% respectively.
- Net income for FY17 reached ARS 3,378 million compared to a gain of ARS 12,253 million in FY16 mainly explained by lower results from changes in the fair value of investment properties

Shopping Malls – Annual Tenants’ Sales & Occupancy % (ARS Million)



Shopping Centers – Portfolio Evolution (GLA – Th. sqm)



Current Malls' Expansions & New Tenants – FY 2017



New Tenant NIKE – Opened on March 10, 2017
Expansion of 1,293 sqm



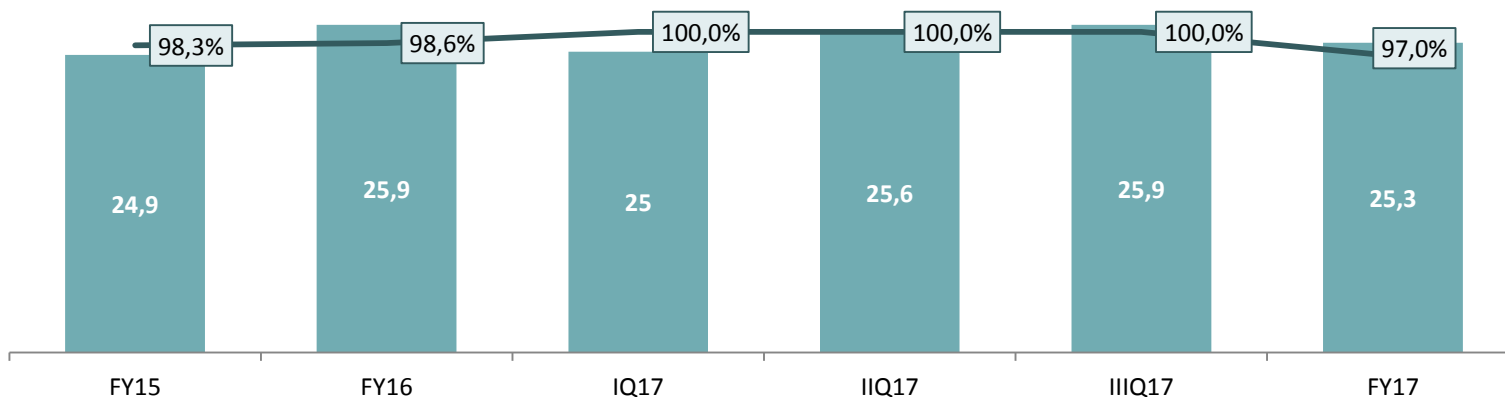
Expansion of 3,500 sqm – Opened on March 10, 2017
New Tenants: Akiabara, Adidas, Farmacity, Megatlon, Wendy's



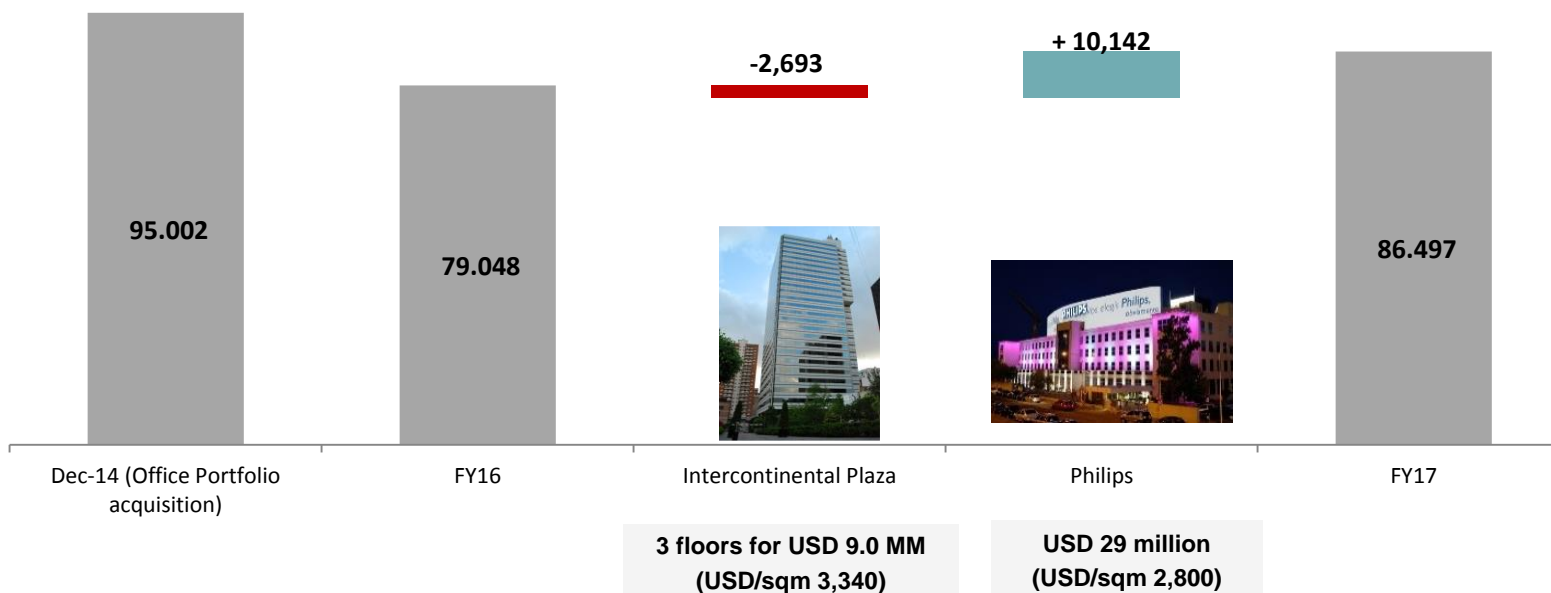
New Tenant Gourmand – Opened on December 2016
New Concept – 270 sqm of GLA



Offices – Leases USD/sqm/mth & Occupancy



Offices – Stock (sqm)



Philips Building – Recently acquired



Acquisition Date: June 5, 2017

IRCP stake: 100%

10,142 sqm of GLA

28,000 potential sqm of GLA

Price paid: USD 29 million

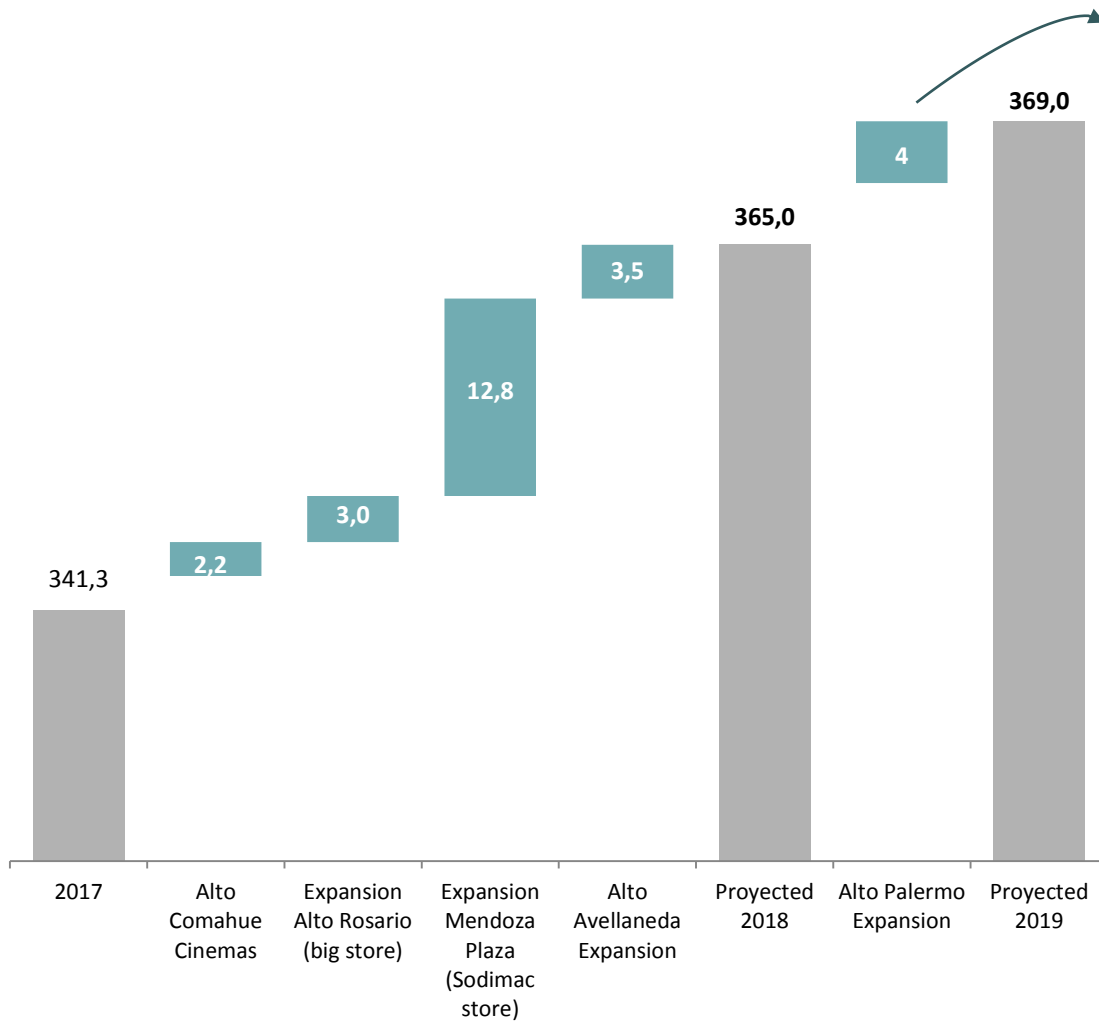
~ USD/sqm 2,850

Free rent agreement signed with Phillips until January 2018

Integrates Polo Dot “Office Park” Project in the booming northern area – Potential development ~ 98,400 sqm GLA



Current Malls' Expansion Plan for 2018/19



Highest sales/sqm mall in the region

Shopping Alto Palermo

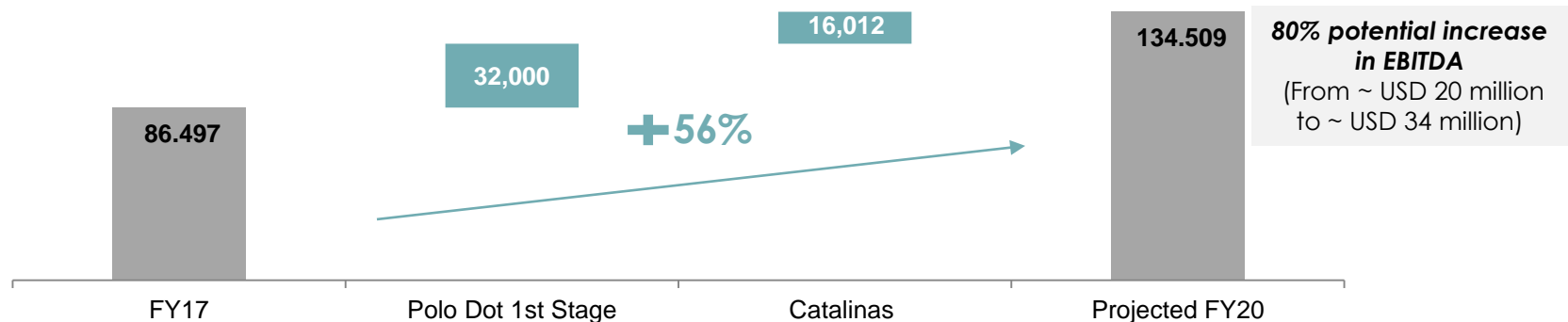


City of Buenos Aires
shopping mall

US\$28.5mm
estimated investment
FY2019
opening date

4,000
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

32,000
sqm GLA

~ ARS 1,000 mm
estimated investment

City of Buenos Aires
office

FY2020
opening date

16,000
sqm GLA

~ ARS 720 mm
estimated investment

Astor Palermo

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

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

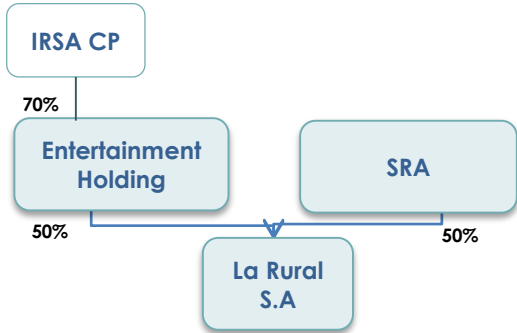
- 36 residential units (2,413 sqm)
- 32 residential parking lots
- 171 commercial parking lots

Comercialization status as of June 30, 2017

- o 21 apartments and 10 parking lots for **USD 5.8 million**



Current Structure



IQ17 - Acquisition of an additional indirect stake in La Rural S.A

La Rural S.A. has the right to use and manage the Convention Center located in Palermo, known as "Predio Ferial"

Indirect stake increased from **25% to 35%**

Acquisition Price: **ARS 53 million**



Subsequent event:

The **public auction** for the **commercial use of the "Exhibition and Convention Center of the City of BA"** was awarded to the **Joint Venture ("JV")** formed by **La Rural SA – OFC SRL – OGDEN Argentina S.A. & Enterprise Universal S.A.**

IRCP indirect stake in the JV: 54.25%



The Exhibition and Convention Center

Area: ~ **22,800 sqm**

Capacity for ~ **5000 people**



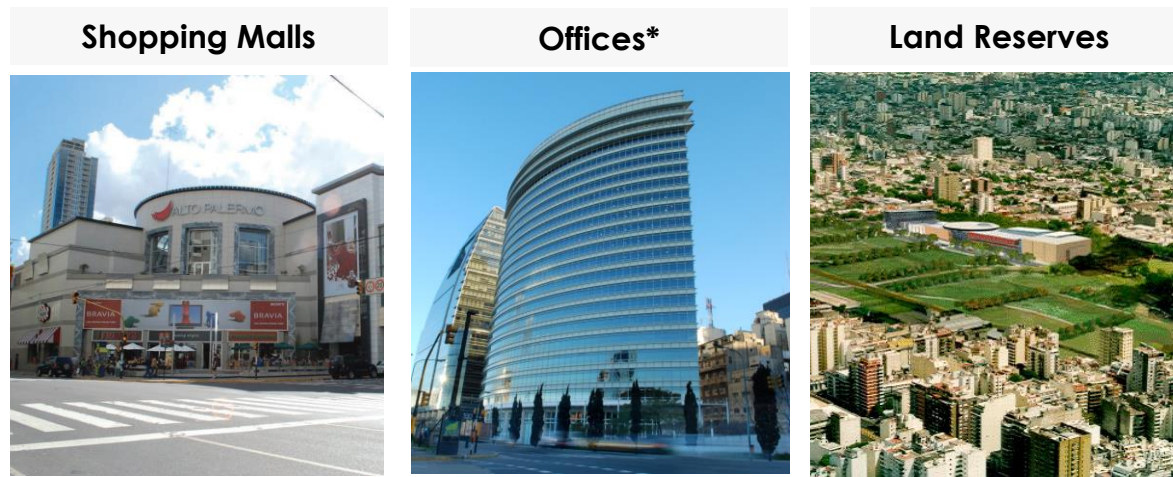
Financial Results



Change of Investment Properties' valuation method

From Historical Cost to Fair Value

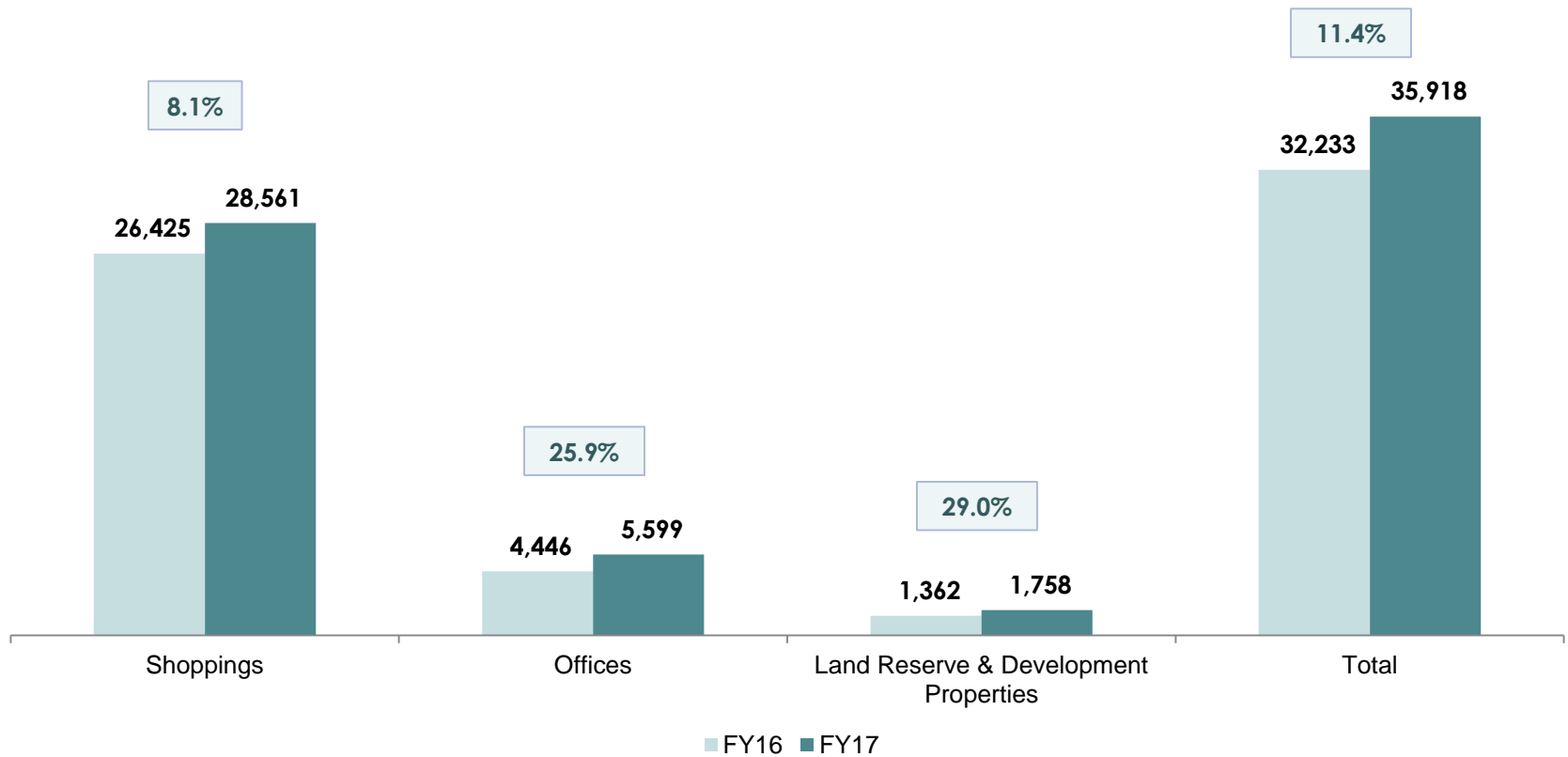
- In the third quarter of fiscal 2017, the Board of Directors decided to change the accounting policy for investment property **from the historical cost model to the fair value model**, according to IFRS rules because it **better reflects the reasonable value of our core assets** and therefore provides more relevant information to users of our financial statements.



* Includes La Rural S.A.

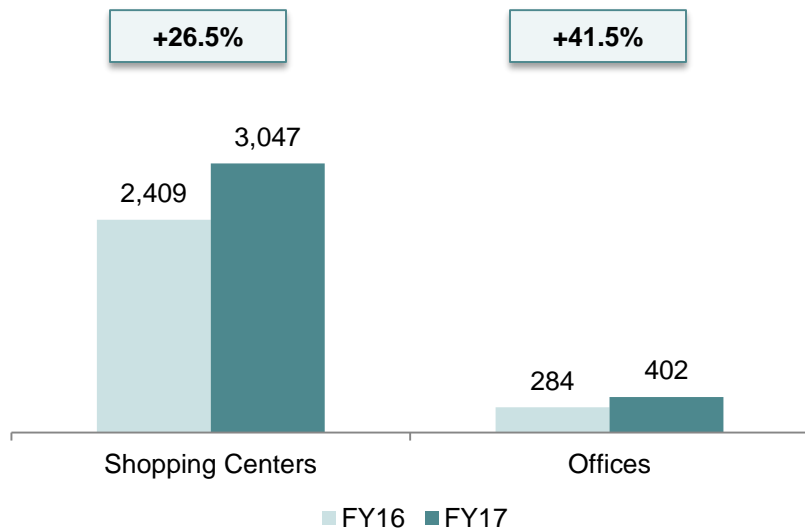
- Investment properties were valued at each reporting date by an **independent professionally appraiser**:

Investment Properties' Valuation (ARS million)



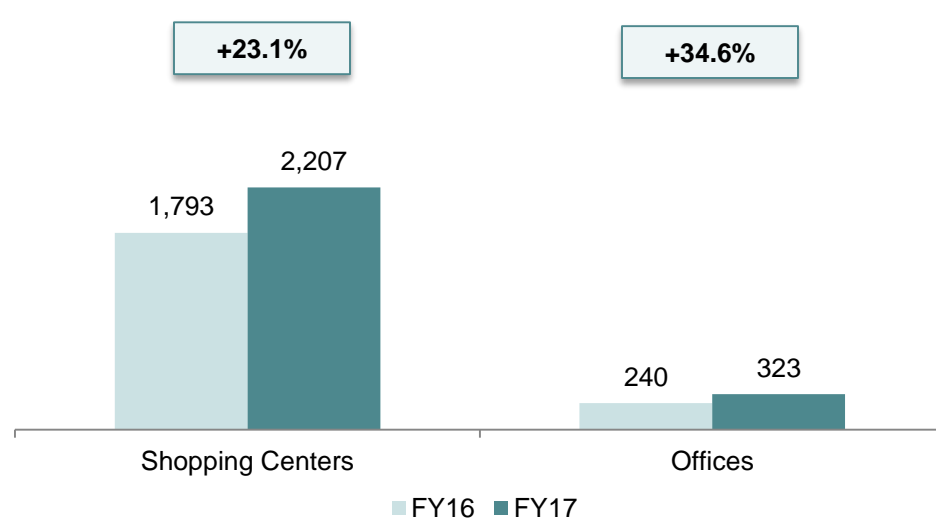
Revenues by Segment

(ARS million)



Adjusted EBITDA* by Segment

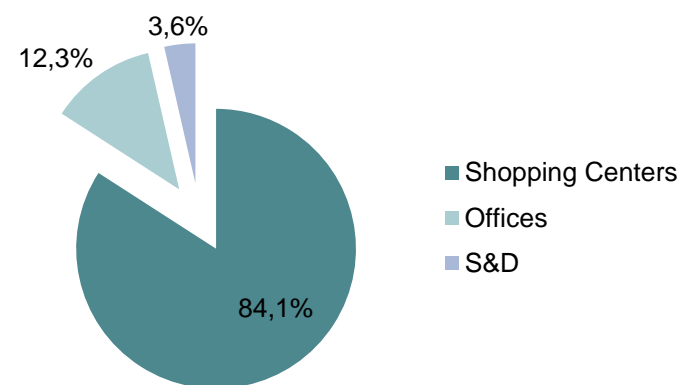
ARS million



EBITDA Margin by Segment - %

	Shoppings	Offices
12M17	72.4%	80.3%
12M16	74.4%	84.5%
var YoY	-2.0 pp	-4.2pp

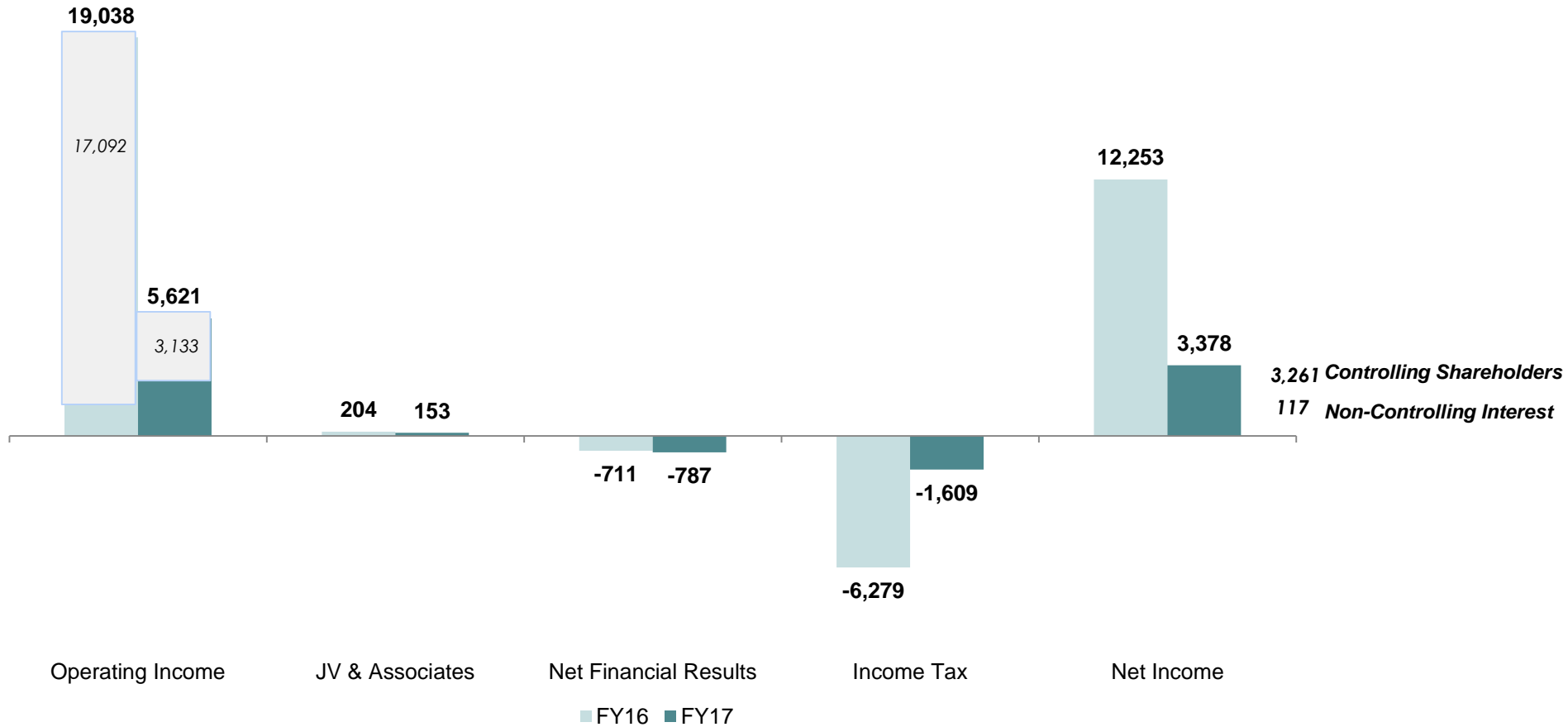
EBITDA Breakdown



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

Consolidated Financial Results 12M FY17 (in ARS million)

Change in FV of Investment Properties



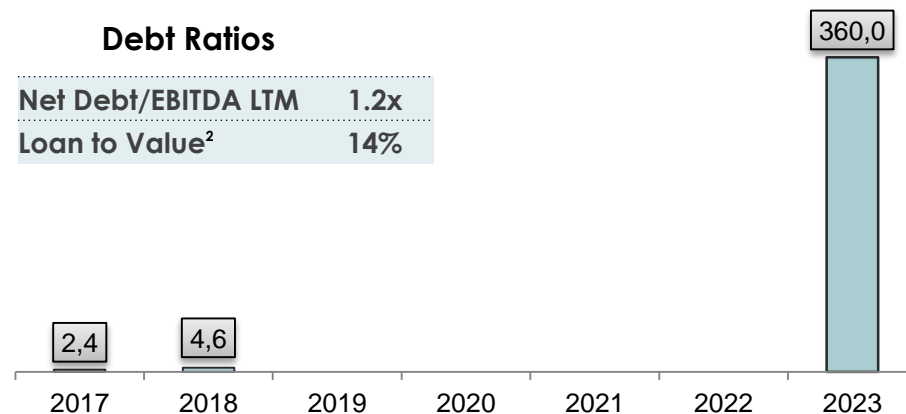
Debt Description (USD million)

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	6.9	-	< 365 days
Other Loans		0.1	-	-
Total IRSA CP's Debt		367.0		
IRSA CP's Net Debt		187.3¹		

Debt Amortization schedule (USD million)

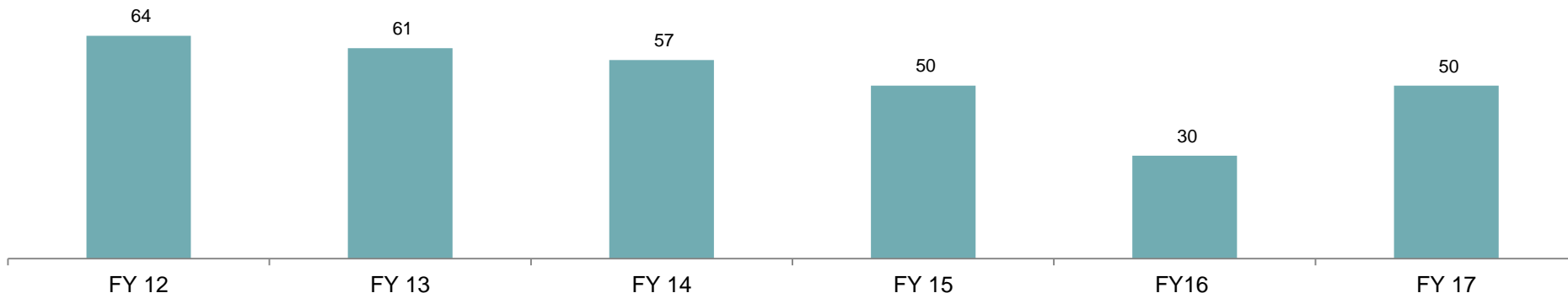
Debt Ratios

Net Debt/EBITDA LTM	1.2x
Loan to Value ²	14%



On September 5, 2017 IRCP issued a **USD 140 MM** Bond in the local market at **5% fixed interest rate** in USD due **2020**

Dividend Evolution (USD million)



Notes

1. Net Debt less cash & equivalents, short-term financial current investments
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.