



PROPIEDADES
COMERCIALES

Earnings Release

Fiscal Year 2016



Dot Baires Shopping – CABA (Argentina)

**IRSA Propiedades Comerciales cordially invites you to participate in the Fiscal Year
2016 Conference Call Results**

Thursday, September 1, 2016, at 9:00 a.m. US EST time

The call will be hosted by:

Alejandro Elsztain, CEO

Daniel Elsztain, COO

Matías Gaivironsky, CFO

To participate, please call:

1-877-317-6776 (toll free) or

1-412-317-6776 (international)

Conference ID # IRSA CP

In addition, you can access through the following webcast:

<http://webcast.neo1.net/Cover.aspx?PlatformId=fSI%2F1Nx9r5GdnxBsI19Clq%3D%3D>

Preferably 10 minutes before the call is due to begin.

The conference will be in English.

PLAYBACK

Available until September 13, 2016

Please call:

1-877-344-7529

1-412-317-0088

Replay access code: 10091004

FOR IMMEDIATE RELEASE

For further information

Alejandro Elsztain – CEO

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Shareholders Letter

Dear Shareholders:

We have completed the first full year since the creation of IRSA Commercial Properties S.A. (NASDAQ: IRCP; BCBA: IRCP) as the exclusive vehicle for commercial real estate in Argentina and we are very pleased with the results obtained. Tenant' sales in shopping malls grew by 34.3% in the year, 29.6% excluding Distrito Arcos and Alto Comahue opened in 2015 and occupancy reached optimal levels of 98.4%. In the office segment, we achieved an average rent of USD/sqm 25.9 and 98.6% occupancy while we took advantage of the strong demand and strong prices selling different floors of the "Intercontinental Plaza" building at a price of approximately USD/sqm 3,500 m2 expecting to recover the surface sold in new project to be developed during the next fiscal periods.

With more than 400,000 sqm of gross leasable (ABL) in 16 shopping malls (including the ownership of the historic building of Patio Olmos in Cordoba, operated by a third party) and 6 office buildings and a potential of approximately 340,000 sqm between expansion projects and new developments in a context of an industry that has not reached maturity and has great potential, we believe that IRSA commercial real estate has a solid position to capitalize on the various opportunities that may arise in the future in our country.

We are optimistic about the change of cycle in Argentina because we see a favorable context, clear rules and strong interest from international investors in the country. We hope that in 2017 investment return to the country in order to recover its growth path.

Following this vision, this year, we have made expansions and improvements in some of our shopping malls in order to optimize the tenant mix, and achieve higher sales and income per m2. We added 3,564 sqm of GLA in a second stage of development in District Arcos Premium Outlet and in the interior of the country, we have expanded our mall Alto Rosario in 650 sqm of GLA adding outstanding tenants. We also launched in the month of June a construction work to include a Nike store in Soleil Premium Outlet of approximately 920 sqm of GLA that we expect to open during the next fiscal year.

We launched for the coming fiscal periods an investment plan of approximately USD 400 million (considering both what the company and tenants will provide). The projects includes 290,000 sqm between offices, residential apartments and shopping malls and it is estimated that will generate about 4,000 jobs among those working in construction and futures employees of the new buildings without considering the multiplier effect on related industries with real estate projects in terms of investment, generating jobs and reviving the economy.

One of the major projects launched for next year is the expansion of our shopping Alto Palermo, which has a unique location in the heart of the city and is one of top selling malls per sqm in Latin America. The project adds adds approximately 4,000 sqm of gross leasable area to the mall that sells the most per m2 of our portfolio and consists in moving the food court to a third level using the surface of the adjoining building acquired in 2015. We estimate a development period of 18 to 24 months.

Another project that we hope to develop over the next years is called "Polo Dot" located in the commercial complex adjoining to our shopping Dot Baires that has experienced tremendous growth since our first investments in the area. The total project will consist of three office buildings (some of them could include a hotel) in land reserves owned by the company and expansion of the mall in approximately 15,000 sqm of GLA. In a 1st stage, we will develop an office building of 11 floors of approximately 30,000 sqm on an existing building, of which we have already signed leases for more than half of the surface prior to the start of the development. Construction will begin during the next fiscal period and will take between 18 and 24 months of development. The second phase of the project consists of two office / hotel that will add 38,400 sqm of GLA to the complex. We have received a significant demand for premium office space in this new commercial pole and we are confident that we can open these buildings with attractive levels of income and full occupancy.

In the last quarter of the year, we acquired from our parent IRSA Inversiones y Representaciones SA ("IRSA") 16,012 sqm corresponding to 14 floors and 142 parking spaces in the building to be constructed in the area of "Catalinas" of the City of Buenos Aires, one of the most premium office developments in Argentina. The building to be constructed will consist of 35,468 sqm of GLA in 30 floors and 316 parking lots, anticipating the start of construction works by the end of the current calendar year and construction period of approximately 3 years. This building will become an emblematic icon of the city and will be the only one with

60 sqm wide in front of the “Rio de la Plata”, while it will have LEED certification, which validates the best environmental practices to transform operating standards in the building.

In relation to other investments of the company, this year we maintained our stake of 11.4% in Avenida Inc., a company engaged in the business of e-commerce that has experienced tremendous growth in the last years. We believe in the potential of this business, very installed in the world and that it will likely have higher presence in the near future in our country complementing sales in shopping malls. We have also increased our indirect stake to 35% in La Rural S.A. dedicated to the exhibition business in an area strategically located in the city of Buenos Aires, which we believe we can capture future synergies with our shopping malls. Finally, we maintained this year our investment of 9.5% in TGLT and 20% in Tarjeta Shopping S.A., a company dedicated to consumer financing.

In financial matters, we have paid dividends during this fiscal year for a total amount of ARS 283.5 million while we have managed to extend the terms of our structural debt through the issuance of a new international bond for \$ 360 million due 2023, which was intended to cancel existing liabilities and the intercompany loan with our controller IRSA. This was the first successful Latin American debt issuance in 2016 by a significant amount.

The economic results we have achieved this year came together with various practices of sustainability and social responsibility. It is our priority the commitment with the communities where we operate and we serve as pillars taking care of children, education and the environment. We promote the growth of social organizations, schools, hospitals, first aid rooms, dining rooms and homes together to generate positive change. As an example, we highlight the fifth edition of “Regalá + ayudá”, which was held on 23 and 24 December 2015. The Company donated ARS 2 for each ticket issued in our shopping malls benefiting 15 NGOs from across the country , exceeding a total of ARS 1,150,000.

We hope that during the next period, IRSA Commercial Properties continues to consolidate as the leading commercial real estate company in Argentina, adding new properties and surface to its current portfolio, new brands leaders in the industry and different formats for further growth in our country offering the best business proposals to our visitors, which exceeded 110 million this year and the most premium spaces to our tenants. Given the financial flexibility, the experience to capitalize opportunities and the track record to access the capital markets, we have great confidence in the ability of this company to create value for its various stakeholders.

To all of you, thank you very much for your constant support and confidence.

Fernando A. Elsztain
Director Titular

FY 2016 Main Highlights

- Net gain for FY 2016 reached ARS 911.7 million, increasing by 47% compared to FY 2015.
- The Company's EBITDA reached ARS 2,174.1 million in FY2016, 37% higher than in 2015, due mainly to better results from the shopping centers segment, the acquisition of offices in December 2014 and higher income from sales of investment properties.
- Our shopping centers' sales grew by 34.3% in FY2016 (29.6% considering the same shopping centers) and the portfolio's occupancy rate stood at 98.6%.
- We sold 6.814 sqm of office floors in Intercontinental Plaza building in FY16, at a gain of ARS 175.6 million.
- We extended this year the maturity of our debt to 2023 issuing an international bond for USD 360 million at an annual fixed interest rate of 8.75%.
- We launched 3 investments projects that will start during next fiscal year: Alto Palermo expansion and the developments of "Polo Dot" and "Catalinas" Office buildings

Buenos Aires, August 31, 2016 - IRSA Propiedades Comerciales S.A. (NASDAQ: IRCP) (BCBA: IRCP), the leading commercial real estate company in Argentina, announces its results for the fiscal year ended on June 30, 2016.

I. Brief comment on IRCP activities during the period, including references to significant events occurred after the end of the period.

Consolidated Income

(In ARS million)

	IVQ 16	IVQ 15	YoY Var	FY 16	FY 15	YoY Var
Revenues	754.2	561.3	34.3%	2,674.9	1,924.2	39.0%
Operating income⁽¹⁾	457.3	455.0	0.5%	1,934.6	1,348.4	43.5%
Depreciation and Amortization	61.8	60.0	3.0%	239.5	180.4	32.7%
EBITDA⁽²⁾	519.2	573.6	-9.5%	2,174.1	1,587.4	37.0%
Income for the Period	271.3	149.6	81.3%	911.7	620.6	46.9%

(1) Operating income: excludes stamp tax and notary expenses incurred in the disposition of assets made in December 2014.

(2) EBITDA: Operating income plus Depreciation and Amortization, excluding stamp tax expenses incurred in the disposition of assets made in December 2014.

The Company's revenues grew by 39.0% in the fiscal year 2016 as compared to 2015, mainly due to the addition of the office portfolio acquired in December 2014 from our controlling company IRSA Inversiones y Representaciones S.A. and higher income from the office segment, reflecting the variation in the exchange rate occurred during the period, and shopping centers, which grew 35.5%. EBITDA, excluding expenses related to the asset disposition made in December 2014, reached ARS 2,174.1 million during fiscal year 2016, up 37.0%, as compared to fiscal year 2015.

Net Income for the period under review rose by 46.9%, explained mainly by the increase in Operating Income, offset by lower financial income, net arising from the depreciation of the peso vis-à-vis the dollar in December 2015, which generated exchange rate differences due to the Company's dollar-denominated indebtedness, curbed by "Other Financial Income, net", which totaled ARS 1,715 million in fiscal year 2016, mainly reflecting the purchase of dollar currency futures for hedging purposes.

II. Shopping Centers

During fiscal year 2016, consumption at shopping centers maintained good performance levels. Our tenants' sales reached ARS 28,904.9 million during fiscal year 2016, 34.3% higher than in fiscal year 2015 (29.6% without considering sales from Distrito Arcos and Alto Comahue Shopping). In the second semester of 2016, there was a slight deceleration in the growth rate of sales, due to the slowdown in consumption. Our portfolio's leasable area totaled 333,155 square meters during the quarter under review, whereas the occupancy rate stood at optimum levels of 98.4%, reflecting the quality of our portfolio.

	IVQ 16	IVQ 15	YoY Var	FY 16	FY 15	YoY Var
Revenues	675.4	497.9	35.6%	2,409.08	1,778.3	35.5%
Operating Income	439.2	303.9	44.5%	1,673.44	1,216.0	37.6%
Depreciation and Amortization	37.5	32.6	15.2%	140.84	111.0	26.9%
EBITDA	476.7	336.5	41.7%	1,814.28	1,327.0	36.7%

	FY 16	FY 15	FY 14
Total Leaseable Area (sqm)	333,155	333,911	311,232
Occupancy	98.4%	98.7%	98.4%

Revenues from this segment grew 35.5% during this fiscal year, whereas Operating Income reached ARS 1,673.4 million (+ 37.6% compared to fiscal year 2015). The EBITDA margin, excluding income from common maintenance expenses and common advertising fund, was 75.3%, in line with the margins recorded in the previous fiscal year.

Operating data of our Shopping Centers

	Date of Acquisition	Location	Gross Leaseable Area sqm (1)	Stores	Occupancy rate (2)	IRSA CP's Interest (3)	Book Value (4)
Abasto ⁽⁵⁾	Jul-94	City of Buenos Aires, Argentina	36,737.6	170	99.8%	100.0%	104,660
Alto Palermo	Nov-97	City of Buenos Aires, Argentina	18,966.0	142	99.6%	100.0%	75,755
Alto Avellaneda	Nov-97	Province of Buenos Aires, Argentina	35,887.0	134	100.0%	100.0%	51,954
Alcorta Shopping	Jun-97	City of Buenos Aires, Argentina	15,876.7	112	89.1%	100.0%	51,586
Patio Bullrich	Oct-98	City of Buenos Aires, Argentina	11,782.7	88	99.1%	100.0%	61,011
Alto Noa	Mar-95	Salta, Argentina	19,039.9	89	100.0%	100.0%	15,696
Buenos Aires Design	Nov-97	Ciudad de Buenos Aires, Argentina	13,903.1	62	95.7%	53.7%	4,237
Mendoza Plaza	Dec-94	Mendoza, Argentina	42,043.0	139	95.2%	100.0%	52,832
Alto Rosario ⁽⁵⁾	Nov-04	Santa Fe, Argentina	28,795.5	143	100.0%	100.0%	77,459
Córdoba Shopping – Villa Cabrera	Dec-06	Córdoba, Argentina	15,581.7	110	99.2%	100.0%	40,352
Dot Baires Shopping	May-09	City of Buenos Aires, Argentina	49,640.7	150	100.0%	80.0%	391,065
Soleil Premium Outlet	Jul-10	Province of Buenos Aires, Argentina	13,991.1	78	100.0%	100.0%	80,386
La Ribera Shopping	Aug-11	Santa Fe, Argentina	9,850.6	63	99.3%	50.0%	24,476
Distrito Arcos ⁽⁶⁾	Dec-14	City of Buenos Aires, Argentina	11,170.1	60	97.0%	90.0%	279,107
Alto Comahue ⁽⁷⁾	Mar-15	Neuquén, Argentina	9,889.6	102	96.6%	99.1%	314,359
Patio Olmos ⁽⁸⁾							24,989
Total			333,155.4	1,642	98.4%		1,649,925

Notes:

- (1) Corresponds to total leasable area in each property. Excludes common areas and parking spaces.
(2) Calculated dividing occupied square meters by leasable area on the last day of the fiscal year.

- (3) Company's effective interest in each of its business units.
(4) Cost of acquisition plus improvements, less cumulative depreciation. Amounts are stated in thousands of pesos (ARS).
(4) Excludes Museo de los Niños (3,732 square meters in Abasto and 1,261 square meters in Alto Rosario).
(5) Opening December 18, 2014.
(7) Opening March 17, 2015.
(8) IRSA CP owns the historic building of the Patio Olmos shopping center in the Province of Córdoba, operated by a third party.

Cumulative tenants' sales as of June 30 of fiscal years 2016, 2015 and 2014

(in ARS million)

	2016	2015	2014
Abasto	4,043.1	3,150.2	2,447.0
Alto Palermo	3,499.4	2,662.1	2,111.2
Alto Avellaneda	3,781.1	2,913.3	2,333.8
Alcorta Shopping	1,899.9	1,474.7	1,120.4
Patio Bullrich	1061.0	888.5	689.3
Alto Noa	1,369.0	1,068.6	766.1
Buenos Aires Design	414.4	326.0	272.2
Mendoza Plaza	2,368.8	1,906.7	1,514.7
Alto Rosario	2,628.1	1,951.8	1,378.3
Córdoba Shopping	990.7	756.0	546.6
Dot Baires Shopping	3,254.3	2,570.6	2,008.3
Soleil Premium Outlet	1,282.2	938.4	664.0
La Ribera Shopping	633.5	398.1	280.8
Distrito Arcos ⁽²⁾	962.3	339.9	-
Alto Comahue ⁽³⁾	717.1	182.1	-
Patio Olmos ⁽⁴⁾			
Total sales	28,904.9	21,527.0	16,132.8

(1) Retail sales based upon information provided to us by retailers and prior owners. The amounts shown reflect 100% of the retail sales of each shopping center, although in certain cases we own less than 100% of such shopping centers. Excludes sales from stands and spaces used for special exhibitions.

(2) Opening December 18, 2014.

(3) Opening March 17, 2015.

(4) IRSA CP owns the historic building of the Patio Olmos shopping center in the province of Cordoba, operated by a third party.

Cumulative tenants' sales per type of business for fiscal years 2016, 2015 and 2014

(in ARS million)

	2016	2015	2014
Anchor Store	1,590.5	1,299.3	1,098.4
Clothes and Footwear	15,201.4	11,124.8	7,940.1
Entertainment	1,025.7	740.6	546.5
Home and décor	783.9	617.1	486.4
Electronic appliances	3,861.5	2,994.2	2,526.5
Restaurants	2,722.2	1,938.4	1,476.8
Miscellaneous	3,368.2	2,589.4	1,922.3
Services	351.5	223.1	135.7
Total	28,904.9	21,527.0	16,132.8

Detailed revenues as of June 30, 2016, 2015 and 2014

(in ARS thousand)

	2016	2015	2014
Base Rent	1,317,824	946,512	753,761
Percentage Rent	599,033	469,183	334,259
Total Rent	1,916,858	1,415,695	1,088,021
Revenues from admission rights	207,531	156,639	126,636
Management fees	37,593	28,146	22,546
Parking	153,213	105,383	79,386
Commissions	42	2,195	606
Other	5,977	4,023	2,996
Total (1)	2,321,215	1,712,081	1,320,191

(1) Excludes Patio Olmos, Fibesa and revenues from Common Maintenance Expenses and Common Advertising Fund.

Lease Expirations

The following table sets forth the schedule of estimated lease expirations for our shopping centers for leases in effect as of June 30, 2016, assuming that none of the tenants exercise renewal options or terminate their leases earlier:

Expiration	Number of Agreements (1)	Square meters to expire	Percentage to expire	Amount (\$ (3)	Percentage of Agreements
2016	171	33,155.2	10%	96,293,785.4	8%
2017	487	83,781.3	25%	356,833,346.8	30%
2018	403	69,906.2	21%	308,857,789.9	26%
2019 and subsequent years	581	146,312.7	44%	409,126,531.0	35%
Total (2)	1,642	333,155.4	100%	1,171,111,453.1	100%

(1) Includes vacant stores as of June 30, 2016. A lease may be associated to one or more stores.

(2) Does not reflect our ownership interest in each property.

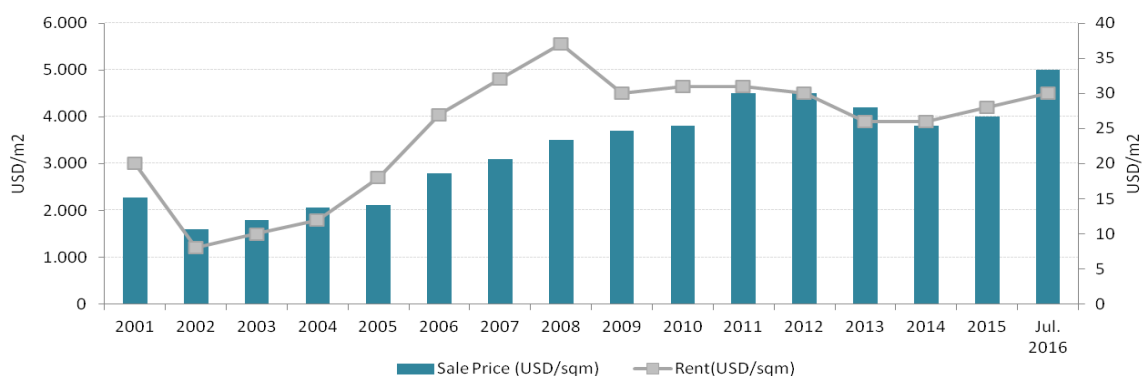
(3) The amount expresses the annual base rent as of June 30, 2016 of agreements to expire.

III. Offices

The A+ office market in the City of Buenos Aires remains robust. Demand for Premium commercial spaces continues its upward trend, with sale prices in the whereabouts of USD 5,000 per square meter, 25% higher than at the closing of 2015, while rental prices increased slightly as compared to the previous year, averaging USD 30 per square meter in the A+ segment. The vacancy rate stood at 6.9%, significantly below the figures recorded at the closing of fiscal year 2015.

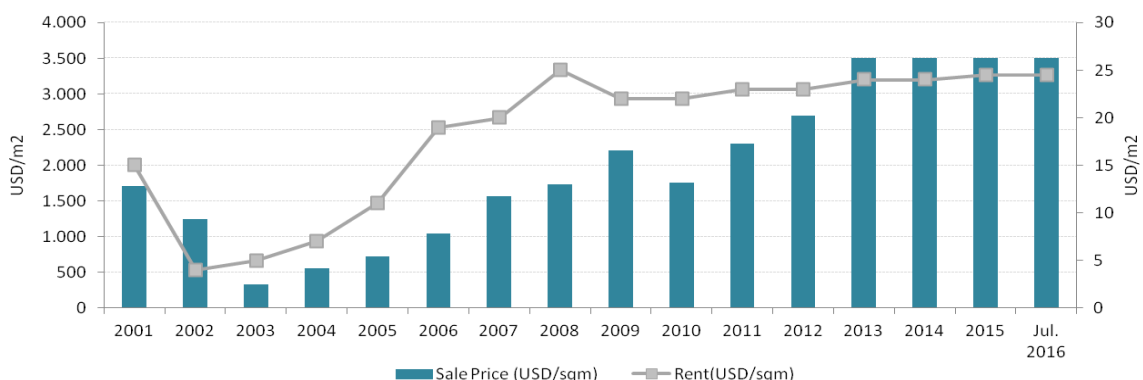
As concerns the A+ office market in the Northern Area, we have noted a significant improvement in the price of units during the last 10 years, and we believe in its potential during the next decade. Rental prices have remained at USD 24.5 per square meter.

Sale and Rental Prices of A+ Offices – City of Buenos Aires



Source: LJ Ramos

Sale and Rental Prices of A+ Offices – Northern Area



Source: LJ Ramos

During fiscal year 2016, revenues from the offices segment increased 77.5% as compared to 2015. This is explained by the acquisition of 5 office buildings from our controlling company IRSA Inversiones y Representaciones S.A. in December 2014 (IIQ 2015) and the depreciation of the peso vis-à-vis the dollar. To date, following certain opportunistic sales our portfolio has decreased to 79,048 square meters, although we expect to recover footage with the projects that the company currently has in place. EBITDA from this segment, excluding expenses related to the asset disposition made in December 2014, grew 58.4% during fiscal year 2016 compared to fiscal year 2015.

In ARS Million	IVQ 16	IVQ 15	YoY Var	FY 16	FY 15	YoY Var
Revenues	83.7	65.3	28.2%	284.1	160.1	77.4%
Operating Income	49.1	31.1	58.1%	134.6	18.6	624.4%
Depreciation and Amortization	24.8	27.9	-11.1%	100.1	71.0	41.1%
EBITDA ⁽¹⁾	73.9	59.0	25.4%	234.7	148.2	58.4%

- (1) EBITDA: Operating income plus Depreciation and Amortization, excluding stamp tax expenses incurred in the asset disposition made in December 2014.

	FY 16	FY 15	FY 14
Leaseable area (sqm)	79,048	95,001	11,242
Total portfolio occupancy	98.6%	98.3%	100.0%
Rent ARS/sqm	386.0	226.00	112.5
Rent USD/sqm	25.90	24.90	18.69

Total leaseable area as of June 30, 2016 was 79,048 sqm, smaller than the office stock recorded in 2015, reflecting the partial sales of the Intercontinental Plaza building. The portfolio's occupancy rate stood at 98.6%, slightly higher than in the previous fiscal year. As compared to the previous quarter of 2016, occupancy rose by 5.6 pp, as we managed to occupy the two floors in the República building that were vacant as of that date. Rental prices stood at USD 25.9 per square meter, 4% higher than in the previous fiscal year.

Below is information on our office segment and other lease properties as of June 30, 2016.

	Date of Acquisition	Gross Leaseable Area (sqm) ⁽¹⁾	Occupancy Percentage ⁽²⁾	IRSA Propiedades Comerciales' Effective Interest	Book Value ⁽³⁾ (in thousands)
Offices					
Edificio República	12/22/2014	19,885	100.0%	100%	670,724
Torre BankBoston	12/22/2014	14,873	100.0%	100%	512,075
Intercontinental Plaza	12/22/2014	6,569	100.0%	100%	122,426
Bouchard 710	12/22/2014	15,014	100.0%	100%	494,850
Suipacha 652/64	12/22/2014	11,465	90.7%	100%	111,736
Dot Building	11/28/2006	11,242	100.0%	80%	115,791
Subtotal Offices		79,048	98.6%	N/A	2,027,602
Other Properties					
Ex - Nobleza Piccardo ⁽⁵⁾	05/31/2011	109,610	74.8%	50%	8,966
Other Properties ⁽⁴⁾	N/A	38,646	N/A	N/A	62,552
Subtotal Other Properties		148,256	N/A	N/A	8,966
TOTAL OFFICES AND OTHER		227,304	N/A	N/A	2,090,154

(1) Total leaseable area for each property as of 06/30/16. Excludes common areas and parking.

(2) Calculated dividing occupied square meters by leaseable area as of 06/30/16.

(3) Agreements in effect as of 06/30/16 in each property were computed.

(4) Includes the following properties: Ferro, Dot Adjacent Lot, Anchorena 665, Anchorena 545 (Chanta IV) and Intercontinental Lot.

(5) Through Quality Invest S.A.

IV. Other

This item includes the "Sales and Developments" and "Financial Transactions" segments.

In ARS Million	Sales and Developments			Financial Transactions ⁽¹⁾		
	FY 16	FY 15	YoY Var	FY 16	FY 15	YoY Var
Revenues	2,7	6,6	-59,5%	1,0	0,1	589,1%
Operating Income	149,3	128,1	16,6%	-0,9	8,5	-110,8%
Depreciation and Amortization	0,5	-	-	-	-	-
EBITDA	149,8	128,1	17,0%	-0,9	8,5	-110,8%

(1) 20% interest held in Tarshop, residual business of Apsamedia and Avenida Inc.

The Sales and Developments segment posted a significant increase in Operating Income and EBITDA, mainly due to two partial sales in the Intercontinental Plaza building, one of 5,963 square meters for ARS 324 million during the first quarter, and the other of 851 square meters for ARS 41.5 million during the third quarter.

The Financial Transactions segment recorded marginal results during the period under analysis, compared to income of ARS 8.5 million during fiscal year 2015, explained by the sale of 5% of our interest in our associate Avenida Inc., recorded as "Other operating income, net".

V. CAPEX 2017

	Developments		Acquisitions + Developments
	<u>Greenfields</u>	<u>Expansions</u>	
	Polo Dot (1° stage)	Alto Palermo	Catalinas
			
Start of Construction	PF2017	PF2017	PF2017
Estimated Opening	PF 2019	PF2018	PF 2020
GLA (sqm)	31,635	3,884	16,012
% of IRSA Propiedades Comerciales	80%	100%	45%
Investment amount - 100% (USD millon)	54	28,5	101
Development progress (%)	0%	0%	0%
EBITDA estimated normalised(USD millions)	USD 8-10	USD 6-8	USD 6-8

Alto Palermo Expansion

The expansion project of Alto Palermo mall adds approximately 4,000 sqm of gross leasable area to the mall that sells the most per m2 of our portfolio and consists in moving the food court to a third level using the surface of the adjoining building acquired in 2015. We estimate a development period of 18 to 24 months.

1st Stage Polo Dot

The project called "Polo Dot" is located in the commercial complex adjoining to our shopping Dot Baires that has experienced tremendous growth since our first investments in the area. The total project will consist of three office buildings (some of them could include a hotel) in land reserves owned by the company and expansion of the mall in approximately 15,000 sqm of GLA. In a 1st stage, we will develop an office building of 11 floors of approximately 30,000 m2 on an existing building, of which we have already signed leases for more than half of the surface prior to the start of the development. Construction will begin during the next fiscal period and will take between 18 and 24 months of development. The second phase of the project consists of two office / hotel that will add 38,400 sqm of GLA to the complex. We have received a significant demand for premium office space in this new commercial pole and we are confident that we can open these buildings with attractive levels of income and full occupancy.

Catalinas Building

In the fourth quarter, we acquired from our parent IRSA Inversiones y Representaciones SA ("IRSA") 16,012 sqm corresponding to 14 floors and 142 parking spaces in the building to be constructed in the area of "Catalinas" of the City of Buenos Aires, one of the most premium office developments in Argentina. The building to be constructed will consist of 35,468 sqm of GLA in 30 floors and 316 parking lots, anticipating the start of construction works by the end of the current calendar year and construction period of approximately 3 years.

VI. Reconciliation with Consolidated Income Statement

Below is an explanation of the reconciliation of the Company's total income by segment with its consolidated Income Statement. The difference lies in the presence of joint ventures included in the Segment Income Statement but not in the Income Statement.

For the fiscal year ended June 30, 2016
(stated in millions of pesos)

Item	Income by Segment	Common Maintenance Expenses and Common Advertising Fund Adjustment	Joint Ventures ⁽¹⁾	Inter-segment eliminations	Income statement
Revenues	2,696,911	1,183,627	-22,038	-	3,858,500
Costs	-491,888	-1,201,305	13,001	-	-1,680,192
Gross profit	2,205,023	-17,678	-9,037	-	2,178,308
Income from sale of properties	175,963	-	-	-	175,963
General and administrative expenses	-218,809	-	667	-	-218,142
Selling expenses	-164,201	-	1,980	-	-162,221
Other Operating results, net	-41,548	-	2,229	-	-39,319
Results from interests in associates and joint ventures	-16,968	-	-366	-	-17,334
Operating income	1,939,460	-17,678	-4,527	-	1,917,255

(1) Includes operating results from La Ribera Shopping and San Martín Plot (50%).

VII. Consolidated Financial Debt

Our consolidated net debt as of June 30, 2016 amounted to US\$ 211.7 million.

The following table presents certain information about our indebtedness as of June 30, 2016:

Description	Currency	Amount (US\$ million) ⁽¹⁾	Rate	Maturity
Bank overdrafts	ARS	2.9	Variable	< 360 d
CP Bank Loan	ARS	2.4	23.00%	Sep-16
IRSACP Notes Series I	ARS	27.1	26.5% / Badlar + 400 bps	May-17
IRSA CP Notes Series II	USD	360.0	8.75%	Mar-23
Other Loans	ARS	0.7	-	-
Total IRSA CP's Debt		393.1		
Cash and Cash Equivalents + Investments⁽²⁾		181.6		
Debt Repurchase		0		
Consolidated Net Debt		211.7		

(1) Principal amount expressed in US\$ at an exchange rate of \$/US\$ 15.04, without considering accrued interest or eliminations of balances with subsidiaries.

(2) Includes Cash and Cash Equivalents + Investments in Current Financial Assets + a loan with our controlling company IRSA Inversiones y Representaciones S.A.

Issuance of Notes

IRSA CP's Series I Notes due 2017

On September 18, 2015, we issued Series I Notes under our Global Note Program for a total principal amount of Ps. 407,260,000. The Notes fall due 18 months after their issue date and accrue interest at a mixed rate of 26.5% per annum during the first three months, and for the remaining term, at the Badlar Private Rate plus 400 basis points. Interest is payable on a quarterly basis.

IRSA CP's Series II 8.75% Notes due 2023

On March 3, 2016, IRSA CP announced the launch of a cash tender offer for any and all of its outstanding 7.875% Notes due 2017, Series 1.

On March 23, 2016, IRSA CP issued Notes for an aggregate principal amount of USD 360 million under our Global Note Program. The Series II Notes accrue interest semi-annually, at a fixed rate of 8.75% per annum, and are repayable upon maturity, on March 23, 2023. Their issue price was 98.722% of the principal amount.

IRSA CP's Notes due 2023 are subject to certain Covenants, Events of Default and Limitations, such as the Limitation on Incurrence of Additional Indebtedness, Limitation on Restricted Payments, Limitation on Transactions with Affiliates, and Limitation on Merger, Consolidation and Sale of All or Substantially All Assets.

On March 28, 2016 and April 8, 2016, IRSA CP purchased USD 59,152,000 and USD 352,000, respectively, in aggregate principal amount of the 7.875% Notes due 2017, Series 1, and also on those dates it instructed the Trustee to repay USD 59,504,000 in aggregate principal amount of such Notes. After those repayments, the aggregate principal amount of outstanding 7.875% Notes due 2017, Series 1, issued by IRSA CP amounted to USD 60,496,000. On April 4, 2016, the Board of Directors of IRSA CP approved the repayment of the outstanding balance of USD 60,496,000 of IRSA CP's Notes, Series 1. Payment of such Notes was made on May 4, 2016.

VIII. Dividends

Pursuant to Argentine law, the distribution and payment of dividends to shareholders is only valid if they result from realized and net earnings of the Company pursuant to annual financial statements approved by the shareholders. The approval, amount and payment of dividends are subject to the approval by our shareholders at our annual ordinary shareholders' meeting. The approval of dividends requires the affirmative vote of a majority of the shares entitled to vote at the meeting.

Pursuant to Argentine law and our by-laws, net and realized profits for each fiscal year are allocated as follows:

- 5% of such net profits is allocated to our legal reserve, until such reserve amounts to 20% of our capital stock;
- a certain amount determined at a shareholders' meeting is allocated to the compensation of our directors and the members of our Supervisory Committee; and
- additional amounts are allocated to the payment of dividends, optional reserve, or to set up reserves for any other purpose as determined by our shareholders.

The following table illustrates the ratio between the amounts paid as dividends and the total amount paid as dividends on each fully paid-in share for the fiscal years mentioned.

Year	Cash dividends (ARS)	Stock dividends	Total per share (ARS)
2005	14,686,488	-	0.0188
2006	29,000,000	-	0.0372
2007	47,000,000	-	0.0601
2008	55,721,393	-	0.0712
2009	60,237,864	-	0.0770
2010	56,000,000	-	0.0716
2011	243,824,500	-	0.1936
2012	294,054,600	-	0.2334
2013	306,500,000	-	0.2432
2014	407,522,074	-	0.3234
2015	437,193,000	-	0.3469
2016*	283,580,353	-	0.2250

* Pursuant to declaration dated November 3, 2015 and outstanding payment as from November 17, 2015 (See subsequent events).

XIX. Relevant and Subsequent Events

January 2016:

Payment of Outstanding Dividends to ADR Holders

On January 12, and 13, 2016, the Company made available to its ADR holders cumulative dividends declared in June 2014, November 2014, March 2015, and November 2015 that were outstanding payment, as detailed below:

Dividend Declaration	Record Date	Distribution Date	Distributable Amount *(ARS)	USD/ADR*
06/18/2014	06/27/2014	01/12/2016	2,782,371.63	0.595171
11/06/2014	11/20/2014	01/13/2016	1,467,903.91	0.343942
03/30/2015	04/14/2015	01/12/2016	3,123,657.91	0.740244
11/03/2015	11/16/2015	01/13/2016	2,976,289.53	0.703246

*Amount before taxes.

April 2016: Repayment of Intercompany Loan

On April 6, 2016, the Company repaid the intercompany loan balance owed to its controlling company IRSA Inversiones y Representaciones S.A. for USD 240 million, plus accrued interest, incurred as a result of the purchase of the office portfolio in December 2014.

April 2016: Purchase of offices and parking spaces to be built in the “Catalinas” site

On April 7, 2016, the Company purchased from its controlling company IRSA Inversiones y Representaciones S.A. (“IRSA”) 16,012 square meters, consisting of 14 floors (from 13 to 16 and from 21 to 30) intended for long-term lease, and 142 parking spaces of the building to be built in the “Catalinas” area, in the City of Buenos Aires. The building will have a gross leaseable area of 35,468 square meters distributed over 30 office floors and 316 parking spaces in 4 underground levels. Surrender of possession is expected to take place in December 2019, and the deed of conveyance is planned to be executed in December 2020.

The transaction price was set considering two components: a “Fixed” portion, relating to the incidence of the land over the square meters purchased by the company, for an amount of ARS 455.7 million (approximately USD 1,600 + VAT per square meter), which was paid on the date hereof, and a “Determinable” portion, as to which IRSA will pass through to the company only the actual cost of the works per square meter.

This purchase will allow IRSA Propiedades Comerciales to continue growing in the Argentine commercial real estate segment, adding more Premium square meters to one of the best office buildings to be built in the City of Buenos Aires.

July 2016: Acquisition of indirectly stake in Rural S.A.

In July 2016, IRCP acquired an additional 20% stake of Entertainment Holdings S.A (“EHSA”), company from which already had 50%.

EHSA holds, directly and indirectly, a 100% stake of OGDEN Argentina S.A. (“OASA”) and a 95% stake of ENUSA.

OASA holds a 50% of the capital stock and voting rights of La Rural S.A. (“LRSA”), which has the right to commercially exploit an emblematic fairgrounds in the City of Buenos Aires, called “Predio Ferial de

Palermo”, while Sociedad Rural Argentina (“SRA”) holds the remaining 50% stake. After this transaction IRCP owns indirectly a 35% of La Rural S.A.

Additionally, OASA has the management of LRSA given the agreements with SRA that include the right to nominate the president-with nullifying vote in certain issues- and the general manager.

ENUSA is mainly dedicated to organize certain shows in the fairgrounds.

X. Brief comment on prospects for the next year

In 2016 our shopping centers and office properties segment experienced another year of sustained growth. Consumption continued to grow at a steady pace, favorably impacting on all our retail activities, although there was a slight deceleration in the growth rate during the last months of the year. In this sense, 2017 presents huge challenges for maintaining our tenants' sales growth rates.

During the next fiscal year we will start developing several projects that we have already launched, including the 4,000 square meter expansion of our Alto Palermo shopping center, which is located in a unique setting in the heart of the city and is one of the shopping centers with highest sales per square meter in our portfolio, and the development of a 30,000 square meter office building in the commercial complex adjoining our Dot Baires shopping center, with construction works expected to last 2 years. Finally, our controlling company IRSA Inversiones y Representaciones S.A. ("IRSA") will start to develop the "Catalinas" building in Buenos Aires, in which we own 16,012 square meters corresponding to 14 office floors and 142 parking spaces, expected to be built in approximately 3 years. In addition, we will continue working in optimizing the performance of our current properties through improvements that allow us to take best advantage of their GLA potential and to furnish them with increased functionality and appeal for the benefit of consumers and tenants alike.

We will continue to promote marketing actions, events and targeted promotions at our shopping centers to attract consumers, through the joint endeavors of the Company, the retailers and the credit card issuer banks, as these actions have proved to be highly effective and are welcomed by the public.

We expect that in 2017 IRSA Propiedades Comerciales will continue to consolidate itself as the leading commercial real estate company in Argentina. With more than 400,000 square meters of Gross Leaseable Area distributed among the best shopping centers and offices in the country, our low indebtedness level and long track record in accessing the capital markets, we believe that we are in a sound position to leverage on the various opportunities that may arise in Argentina in the future.

IRSA PROPIEDADES COMERCIALES S.A.

Consolidated Balance Sheets as of June 30, 2016 and 2015

(amounts stated in thousands of Argentine pesos, except shares and per share data,
and as otherwise indicated)

	Note	06.30.16	06.30.15
ASSETS			
Non-current Assets			
Investment properties	10	3,908,178	4,156,025
Property, plant and equipment	11	116,111	109,394
Properties for sale	12	14,189	8,567
Intangible assets	13	67,139	69,015
Investments in associates and joint ventures	8,9	229,695	181,918
Deferred tax assets	26	59,781	51,631
Income tax and minimum presumed income tax credit		249	249
Trade and other accounts receivable	16	488,198	90,431
Investments in financial assets	17	312,425	253,546
Total non-current assets		5,195,965	4,920,776
Current assets			
Properties for sale	12	-	3,154
Inventories	14	18,202	15,347
Income tax credit		345,815	1,635
Trade and other accounts receivable	16	1,934,134	808,016
Investments in financial assets	17	1,772,323	292,320
Cash and cash equivalents	19	33,049	303,499
Total current assets		4,103,523	1,423,971
TOTAL ASSETS		9,299,488	6,344,747
SHAREHOLDERS' EQUITY			
Equity and reserves attributable to controlling company's shareholders			
Stock capital		126,014	126,014
Comprehensive adjustment of stock capital		69,381	69,381
Additional paid-in capital		444,226	444,226
Statutory reserve		39,078	39,078
Special reserve		15,802	15,802
Changes in non-controlling interest		(19,770)	(19,770)
Retained earnings		816,600	283,582
Total equity and reserves attributable to controlling company's shareholders		1,491,331	958,313
Non-controlling interest		180,784	184,834
TOTAL SHAREHOLDERS' EQUITY		1,672,115	1,143,147
LIABILITIES			
Non-current liabilities			
Trade and other accounts payable	20	326,069	247,812
Loans	23	5,266,576	3,322,488
Deferred tax liability	26	186,368	107,102
Provisions	22	26,286	9,392
Total non-current liabilities		5,805,299	3,686,794
Current liabilities			
Trade and other accounts payable	20	963,931	802,151
Income tax payable		114,624	123,077
Salaries and social security charges	21	107,382	94,693
Loans	23	626,492	471,255
Derivative financial instruments	18	2,857	-
Provisions	22	6,788	23,630
Total current liabilities		1,822,074	1,514,806
TOTAL LIABILITIES		7,627,373	5,201,600
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,299,488	6,344,747

The accompanying notes are an integral part of the consolidated financial statements.

IRSA PROPIEDADES COMERCIALES S.A.

Consolidated Comprehensive Income Statements

For the fiscal years ended June 30, 2016, 2015 and 2014

(amounts stated in thousands of Argentine pesos, except shares and per share data, and as otherwise indicated)

	Note	06.30.16	06.30.15	06.30.14
Revenues from sales, leases and services	29	2,674,873	1,924,176	1,445,190
Revenues from common maintenance expenses and common advertising fund.....	29	1,183,627	833,905	667,824
Costs	30	(1,680,192)	(1,183,068)	(956,238)
Gross income.....		2,178,308	1,575,013	1,156,776
Income from sale of investment properties.....	10	175,963	126,686	308
General and administrative expenses	31	(218,142)	(138,599)	(101,445)
Selling expenses	31	(162,221)	(117,683)	(76,854)
Other operating loss, net.....	33	(39,319)	(97,042)	(27,387)
Operating income		1,934,589	1,348,375	951,398
Income from interests in associates and joint ventures	8.9	(17,334)	14,585	(13,535)
Income before financial results and income tax		1,917,255	1,362,960	937,863
Financial income.....	34	512,555	105,138	124,495
Financial expenses	34	(2,938,476)	(603,883)	(499,901)
Other financial income	34	1,714,702	47,215	74,730
Financial loss, net.....	34	(711,219)	(451,530)	(300,676)
Income before income tax.....		1,206,036	911,430	637,187
Income tax.....	26	(294,336)	(290,815)	(226,700)
Net income		911,700	620,615	410,487
Total comprehensive income for the period		911,700	620,615	410,487
Attributable to:				
Controlling company's shareholders		816,598	581,269	377,003
Non-controlling interest.....		95,102	39,346	33,484
Net income per share attributable to controlling company's shareholders (Note 35):				
Basic		0.65	0.46	0.30
Diluted		0.65	0.46	0.30

The accompanying notes are an integral part of the consolidated financial statements.

IRSA PROPIEDADES COMERCIALES S.A.

Consolidated Cash Flow Statements

For the fiscal years ended June 30, 2016, 2015 and 2014

(amounts stated in thousands of Argentine pesos, except shares and per share data, and as otherwise indicated)

	Note	06.30.16	06.30.15	06.30.14
Operating activities:				
Cash provided by operating activities.....	19	1,589,228	1,483,867	1,161,870
Income tax paid		(575,855)	(226,290)	(240,406)
Net cash provided by operating activities.....		1,013,373	1,257,577	921,464
Investment activities:				
Acquisition and capital contribution in associates.....	9	(71,000)	(31,985)	(13,040)
Sale of interest in associates		-	19,140	-
Acquisition of investment properties from controlling company.....		-	(89,789)	-
Capital contributions in joint ventures.....	8	(2,000)	(6,600)	(1,222)
Acquisition of investment properties.....	10	(167,666)	(248,846)	(244,824)
Proceeds of sale of investment properties.....		357,244	365,189	493
Proceeds of barter.....		-	124	-
Acquisition of properties, plant and equipment.....	11	(13,747)	(26,152)	(11,278)
Advance payments to suppliers		(6,596)	(13,995)	(29,647)
Acquisition of intangible assets	13	(1,583)	(467)	(2,165)
Increase of financial assets.....		(9,916,383)	(1,554,810)	(1,285,519)
Decrease of financial assets		8,453,545	1,033,306	1,296,369
Loans granted to related parties.....		(533,525)	(38,507)	(268,459)
Collections of loans granted to related parties.....		-	76,817	29,110
Interest received from financial assets		37,156	102,344	12,330
Net cash used in investment activities.....		(1,864,555)	(414,231)	(517,852)
Financing activities:				
Issue of non-convertible notes		5,411,199	-	-
Repayment of notes.....		(1,686,393)	-	-
Acquisition of non-controlling interest.....		-	(80)	-
Borrowings.....		1,043,553	329,763	365,367
Borrowings from related parties		-	9,000	50
Capital contributions of non-controlling shareholders		-	121	-
Repayment of loans		(1,328,439)	(509,605)	(348,215)
Repayment of loans from related parties.....		(3,715,480)	-	-
Repayment of financial leases		(2,678)	(2,430)	(1,871)
Collection of derivative financial instruments.....		1,831,621	102	61,732
Payment of derivative financial instruments		(580,828)	(16,054)	(37,959)
Repayment of loans for financed purchases		-	(105,861)	(1,640)
Dividends paid	28	(37,019)	(148,515)	(405,940)
Interest paid.....		(278,279)	(213,438)	(140,987)
Dividends paid to non-controlling shareholders		(77,587)	(3,946)	(7,443)
Net cash generated by / (used in) financing activities.....		579,670	(660,943)	(516,906)
Net (decrease) / increase in cash and cash equivalents		(271,512)	182,403	(113,294)
Cash and cash equivalents at beginning of period	19	303,499	116,706	223,385
Foreign exchange gain on cash and cash equivalents		1,062	4,390	6,615
Cash and cash equivalents at period end	19	33,049	303,499	116,706

The accompanying notes are an integral part of these consolidated financial statements.