

**IRSA**

PROPIEDADES  
COMERCIALES

# Earnings Release

## Third Quarter FY 2016



Alto Noa Shopping – Salta (Argentina)

**IRSA Propiedades Comerciales cordially invites you to participate in the nine  
month period of FY 2016 Conference Call Results  
Friday, May 6, 2016 at 2:00 p.m. ET**

The call will be hosted by:

**Alejandro Elsztain, CEO**

**Daniel Elsztain, COO**

**Matías Gaivironsky, CFO**

To participate please call:

**(877) 317 6776 if you are in the U.S. or**

**(412) 317 6776 for international calls or**

**0-800-666-0273 if you are in Argentina**

**PIN # 10084686**

In addition, you can Access through the following webcast:

<http://webcast.neo1.net/Cover.aspx?PlatformId=2AjfNDdBRHtObRVKD1oiDA%3D%3D>

Preferably 10 minutes before the call is due to begin.

The conference will be in English.

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**PLAYBACK**

**Available until May 13, 2016**

Please call: **(412) 317 6776 (International) or**

**(877) 317 6776 (US)**

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## Highlights of the Period

- Net income for the nine month period of FY 2016 reached ARS 640.4 million, increasing by 36% compared to the same period of FY 2015.
- The Company's EBITDA reached ARS 1,625.0 million in the nine-month period of 2016, 52% higher than in the same period of 2015, due mainly to better results from the shopping centers segment that increased its EBITDA by 35%, the acquisition of offices from our controlling company IRSA in December 2014 and higher income from sales of investment properties.
- Our shopping centers' sales grew by 36.3% in the nine-month period of 2016 (30.0% 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 the 9M16, at a gain of ARS 175.6 million.
- We issued an international bond for USD 360 million at an annual fixed interest rate of 8.75% maturing in 2023.
- As a subsequent event, we acquired from our controller IRSA, 16,012 sqm of an office to be build in "Catalinas", City of Buenos Aires.

**Buenos Aires, May 5, 2016** - IRSA Propiedades Comerciales S.A. (NASDAQ: IRCP) (BCBA: IRCP), leading real estate Company in Argentina, announces today its results for the nine months of the Fiscal Year 2016 ended March 31, 2016.

## I. Brief comment on the Group's activities during the period, including references to significant events occurred after the end of the period.

### Consolidated Income

	IIIQ 16	IIIQ 15 <sup>(1) (2)</sup>	YoY Var	9M 16	9M 15 <sup>(1) (2)</sup>	YoY Var
Revenues	913.8	675.6	35%	2,799.0	1,960.7	43%
<b>Operating income<sup>(1)</sup></b>	<b>423.4</b>	<b>304.2</b>	<b>39%</b>	<b>1,447.3</b>	<b>952.0</b>	<b>52%</b>
Depreciation and Amortization	58.1	58.8	-1%	177.7	120.4	48%
<b>EBITDA<sup>(2)</sup></b>	<b>481.5</b>	<b>363.0</b>	<b>33%</b>	<b>1,625.0</b>	<b>1,072.4</b>	<b>52%</b>
<b>Income for the period<sup>(3)</sup></b>	<b>208.1</b>	<b>110.8</b>	<b>88%</b>	<b>640.4</b>	<b>471.0</b>	<b>36%</b>

(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 transference of assets made in December 2014.

(3) Consistent with the Comprehensive Income Statement (excludes interests in joint ventures).

The Company's revenues grew by 42.8% in the nine months period of fiscal year 2016 as compared to the same period of 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 last quarter, and shopping centers, which grew 35.4%. Operating income and EBITDA, excluding expenses related to the transference of assets made in December 2014, reached ARS 1,447.3 million and ARS 1,625.0 million in the nine months period of fiscal year 2016, up 52% and 51.5%, respectively, as compared to the first nine months of fiscal year 2015.

Net Income for the period under review rose by 35.9%, explained mainly by the increase in Operating Income, offset by lower net financial results 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 net financial results, which totaled ARS 1,512 million in the first nine months of 2016, mainly reflecting the purchase of dollar currency futures for hedging purposes.

## II. Shopping Centers

During the nine-month period of fiscal year 2016, consumption at shopping centers maintained good performance levels. Our tenants' sales reached ARS 20,962.3 million in the nine months period of fiscal year 2016, 36.3% higher than in the same period of 2015 (30.0% without considering sales from Distrito Arcos and Alto Comahue Shopping). In the third quarter of 2016, there was a slight deceleration in the growth rate of sales, which rose 29% as compared to the third quarter of 2015 (25.4% in the same shopping centers). Our portfolio's leasable area totaled 334,080 square meters during the quarter under review, whereas the occupancy rate stood at optimum levels of 98.6%, reflecting the quality of our portfolio.

### Shopping Centers' Financial Indicators

(in millions of ARS)

	IIIQ 16	IIIQ 15	YoY Var	9M 16	9M 15	YoY Var
Revenues	540.2	413.8	30.5%	1,733.7	1,280.4	35.4%
Operating Income	364.6	273.3	33.4%	1,234.2	912.1	35.3%
Depreciation and Amortization	34.2	29.1	17.9%	103.3	78.4	31.8%
<b>EBITDA</b>	<b>398.8</b>	<b>302.4</b>	<b>31.9%</b>	<b>1,337.5</b>	<b>990.5</b>	<b>35.0%</b>

## Shopping Centers' Operating Indicators

(in millions of ARS, except as indicated)

	IIIQ 16	IIQ 16	IQ 16	IVQ 15	IIIQ 15
Gross Leaseable Area (sqm) <sup>(1)</sup>	334,079	333,719	334,055	333,911	333,432
Tenants' sales (3 month cumulative) <sup>(1)</sup>	6,099.5	8,275.9	6,586.9	6,125.0	4,727.3
Occupancy <sup>(1)</sup>	98.6%	99.0%	98.9%	98.7%	98.5%

(1) 16-FP Includes Distrito Arcos (opening: December 18, 2014): Total Leaseable Area (sqm) 10,746. Sales IIIQ 16 (ARS MM) 205.5; and Alto Comahue (opening March 17, 2015): Total Leaseable Area (sqm) 9,800. Sales IIIQ 16 (ARS MM) 147.4.

Revenues from this segment grew 35.4% during this nine-month period, whereas Operating Income reached ARS 1,234.2 million (+ 35.3% compared to the third quarter of 2015). The EBITDA margin, excluding income from common expenses and common promotional fund, was 77.1%, in line with the margins recorded in the same period of 2015.

### Operating data of our Shopping Centers

Shopping Center	Date of Acquisition	Gross Leaseable Area (sqm) <sup>(1)</sup>	Stores	IRSA Propiedades Comerciales S.A.'s Interest <sup>(2)</sup>	Occupancy <sup>(3)</sup>	Book Value (ARS thousand) <sup>(4)</sup>
Alto Palermo	Nov-97	18,849	142	100.0%	99.1%	79,496
Abasto Shopping <sup>(4)</sup>	Jul-94	36,813	170	100.0%	99.8%	106,931
Alto Avellaneda	Nov-97	36,117	138	100.0%	100.0%	49,033
Alcorta Shopping	Jun-97	15,432	111	100.0%	99.2%	38,956
Patio Bullrich	Oct-98	11,636	89	100.0%	99.0%	61,987
Buenos Aires Design	Nov-97	14,306	63	53.7%	96.0%	5,221
Dot Baires Shopping	May-09	49,848	158	80.0%	99.9%	396,772
Soleil	Jul-10	13,991	78	100.0%	100.0%	80,825
Distrito Arcos <sup>(5)</sup>	Dec-14	10,746	59	90.0%	96.9%	277,084
Alto Noa Shopping	Mar-95	19,094	89	100.0%	100.0%	15,126
Alto Rosario Shopping <sup>(6)</sup>	Nov-04	30,183	146	100.0%	98.3%	72,922
Mendoza Plaza Shopping	Dec-94	42,101	142	100.0%	95.1%	57,018
Córdoba Shopping	Dec-06	15,249	109	100.0%	100.0%	45,287
La Ribera Shopping <sup>(7)</sup>	Aug-11	9,915	64	50.0%	98.4%	24,932
Alto Comahue <sup>(8)</sup>	Mar-15	9,800	105	99.6%	95.6%	315,168
<b>Total</b>		<b>334,080</b>	<b>1,663</b>		<b>98.6%</b>	<b>1,626,758</b>

(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 period.

(3) Cost of acquisition plus improvements, less cumulative depreciation, plus adjustment for inflation.

(4) Excludes Museo de los Niños (3,732 square meters).

(5) Distrito Arcos: Opening on December 18, 2014.

(6) Excludes Museo de los Niños (1,261 square meters).

(7) Through our joint venture Nuevo Puerto Santa Fe S.A.

(8) Alto Comahue: Opening on March 17, 2015

### Cumulative tenants' sales as of March 31

(per Shopping Center: for the quarter and for the first six months of each fiscal year, in ARS million)

Shopping Center	IIIQ 16	IIIQ 15	YoY Var	9M 16	9M 15	YoY Var
Alto Palermo	722.3	542.9	33.0%	2,519.0	1,948.3	29.3%
Abasto Shopping	860.2	686.0	25.4%	2,964.5	2,307.0	28.5%
Alto Avellaneda	783.8	630.1	24.4%	2,781.6	2,087.3	33.3%
Alcorta Shopping	378.6	289.9	30.6%	1,372.5	1,071.2	28.1%
Patio Bullrich	217.7	178.1	22.2%	770.3	647.9	18.9%
Buenos Aires Design	105.7	80.9	30.7%	314.3	240.0	31.0%
Dot Baires Shopping	676.2	557.1	21.4%	2,368.3	1,881.7	25.9%
Soleil	230.1	197.5	16.5%	855.7	660.3	29.6%
Distrito Arcos <sup>(1)</sup>	205.5	118.8	72.9%	676.2	143.5	371.2%
Alto Noa Shopping	325.4	262.5	24.0%	1,014.7	777.5	30.5%
Alto Rosario Shopping	575.7	439.8	30.9%	1,917.7	1,390.9	37.9%
Mendoza Plaza Shopping	513.4	449.7	14.2%	1,717.5	1,380.7	24.4%
Córdoba Shopping	215.1	168.5	27.7%	723.1	542.1	33.4%
La Ribera Shopping <sup>(2)</sup>	142.4	98.8	44.1%	459.0	278.7	64.7%
Alto Comahue <sup>(3)</sup>	147.4	26.7		507.9	26.7	1804.7%
<b>Total<sup>(4)</sup></b>	<b>6,099.5</b>	<b>4,727.3</b>	<b>29.0%</b>	<b>20,962.3</b>	<b>15,383.8</b>	<b>36.3%</b>

(1) Distrito Arcos: opening on December 18, 2014.

(2) Through our joint venture Nuevo Puerto Santa Fe S.A.

(3) Alto Comahue: opening on March 17, 2015.

(4) Excluding Distrito Arcos and Alto Comahue: Total 9M 16 (ARS M) 19,778.1 YoY Var 30.0%.

### Cumulative tenants' sales as of March 31

(per Type of Business: for the quarter and for the first six months of each fiscal year, in ARS million)

Type of Business	IIIQ 16	IIIQ 15	YoY Var	9M 16	9M 15	YoY Var
Anchor Store	311.6	269.3	15.7%	1,134.4	941.3	20.5%
Clothes and Footwear	3,010.4	2,269.0	32.7%	10,815.7	7,809.9	38.5%
Entertainment	250.2	186.5	34.2%	706.8	507.0	39.4%
Home	186.4	147.4	26.4%	584.6	448.2	30.4%
Restaurant	667.0	490.5	36.0%	1,969.2	1,410.4	39.6%
Miscellaneous	784.2	594.9	31.8%	2,534.6	1,947.5	30.1%
Services	87.2	63.4	37.7%	305.0	149.2	104.4%
Electronic appliances	802.4	706.3	13.6%	2,911.9	2,170.2	34.2%
<b>Total<sup>(1)</sup></b>	<b>6,099.4</b>	<b>4,727.3</b>	<b>29.0%</b>	<b>20,962.3</b>	<b>15,383.8</b>	<b>36.3%</b>

(1) Excluding Distrito Arcos and Alto Comahue: Total IIIQ 16 (ARS MM), 5,746.6 Var 25.4%, Total 9 M 16 (ARS M), 19,778.1 YoY Var 30.0 %.

### Revenues from cumulative leases as of March 31

(Breakdown per quarter and for the first six months of each fiscal year, in ARS million)

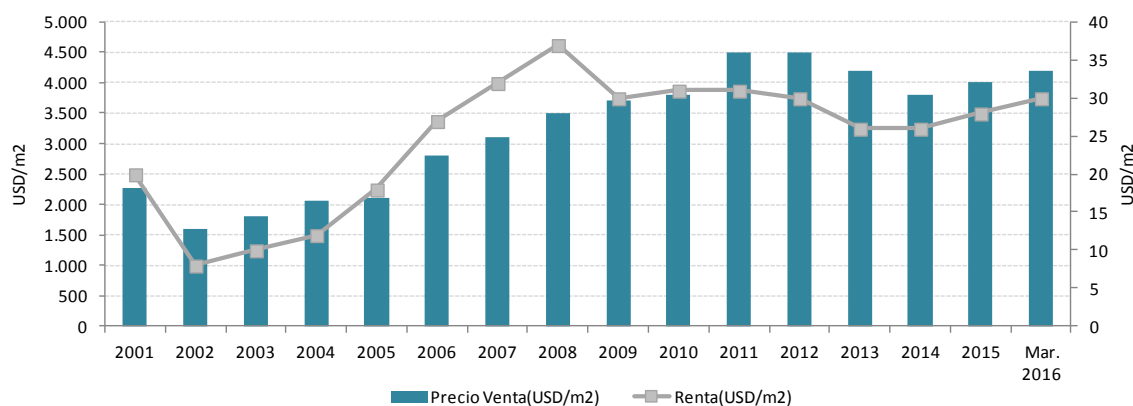
Detailed Revenues	IIIQ16	IIIQ15	YoY Var	9M 16	9M 15	YoY Var
Base Rent	346.52	240.20	44.26%	955.23	685.57	39.33%
Percentage Rent	75.14	84.89	-11.48%	437.05	345.11	26.64%
<b>Total Rent</b>	<b>421.66</b>	<b>325.09</b>	<b>29.71%</b>	<b>1,392.28</b>	<b>1,030.68</b>	<b>35.08%</b>
Admission rights	53.70	41.72	28.72%	146.86	113.29	29.64%
Fees	18.32	12.88	42.24%	52.06	33.75	54.27%
Parking	35.31	25.58	38.04%	110.56	78.48	40.89%
Management fees	9.32	6.74	38.32%	26.90	19.77	36.04%
Other	1.91	1.84	3.62%	5.05	4.46	13.29%
<b>Total Revenues from sales, leases and services</b>	<b>540.22</b>	<b>413.85</b>	<b>30.54%</b>	<b>1,733.71</b>	<b>1,280.43</b>	<b>35.40%</b>

### 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 4,200 per square meter, 5% higher than at the closing of 2015, while rental prices increased slightly as compared to the previous year, averaging USD 30 per square meter. The vacancy rate stood at 10.8% slightly below the figures recorded in 2015.

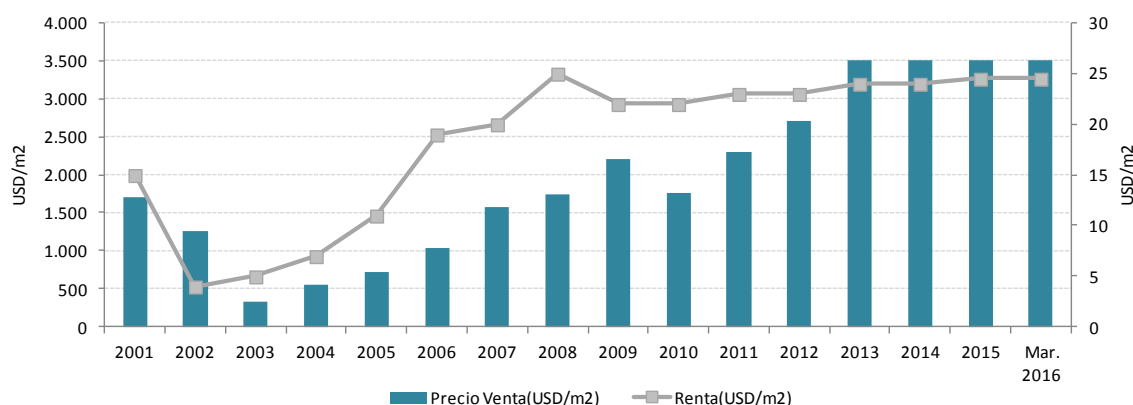
As concerns the A+ office market in the Northern Area, we have noted a significant improvement in the price of units during the last 10 years, and we believe in its potential during the next decade. Rental prices have remained at USD 24.5 per square meter, whereas vacancy continues to drop, down to 7.4% in March 2016 from 9.4% in March 2015.

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



Source: LJ Ramos

**Sale and Rental Prices of A+ Offices – Northern Area**



Source: LJ Ramos

During the first nine months of fiscal year 2016 revenues from the offices segment increased 111.4% as compared to the same period of 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 slightly, down 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 80.2% in the first nine months of fiscal year 2016 compared to the same period of 2015.

In ARS Million	IIIQ 16	IIIQ 15 <sup>(1)(2)</sup>	YoY Var	9M 16	9M 15 <sup>(1)(2)</sup>	YoY Var
Revenues	88.0	70.9	24.0%	200.4	94.8	111.4%
Operating Income <sup>(1)</sup>	49.3	38.4	28.4%	85.4	46.1	85.2%
Depreciation and Amortization	24.2	29.5	-18.1%	75.3	43.1	74.8%
EBITDA <sup>(2)</sup>	73.5	67.9	8.2%	160.7	89.2	80.2%

(1) Operating Income: excludes stamp tax and notary expenses incurred in the transference of assets in December 2014.

(2) EBITDA: Operating income plus Depreciation and Amortization, excluding stamp tax expenses incurred in the asset disposition.

	IIIQ 16	IIQ 16	IQ 16	IVQ 15	IIIQ 15
Leaseable area	79,048	79,945	79,945	95,001	95,001
Occupancy	93.1%	94.0%	96.4%	98.3%	98.9%
Rent ARS/sqm	337	332	239	226	218
Rent USD/sqm	25.9	25.6	25.3	24.8	24.8

Total leaseable area during the third quarter of 2016 was 79,048 sqm, smaller than the office stock recorded in 2015, reflecting the partial sales of the Intercontinental Plaza building. The occupancy rate of the portfolio stood at 93%, slightly lower than in the previous quarter, mainly due to the partial sale of the Intercontinental building, whose occupancy rate was higher than the portfolio's average. As compared to the same quarter of 2015, occupancy dropped 5.8 pp due to the vacancy of two floors in the Republica building in the second quarter of 2016, which we expect to occupy in the short term. Rental prices stood at USD 25.9 per square meter, slightly above the previous quarters.

Below is information on our office segment and other lease properties as of March 31, 2016.

(ARS thousand)

	Date of Acquisition	Gross Leaseable Area (sqm) <sup>(1)</sup>	Occupancy Percentage <sup>(2)</sup>	IRSA Propiedades Comerciales' Effective Interest	Book Value <sup>(3)</sup>
<b>Offices</b>					
Edificio República	04/28/08	19,885	90%	100%	676,257
Torre BankBoston (Della Paolera)	08/27/07	14,873	94%	100%	515,665
Intercontinental Plaza	11/18/97	6,569	100%	100%	196,865
Bouchard 710	06/01/05	15,014	100%	100%	498,982
Suipacha 652/64	11/22/91	11,465	77%	100%	114,476
Dot Building <sup>(6)</sup>	11/28/06	11,242	100%	80%	116,493
<b>Subtotal Offices</b>		<b>79,048</b>	<b>93%</b>	<b>N/A</b>	<b>2,118,738</b>
<b>Other Properties</b>					
Ex - Nobleza Piccardo <sup>(4)</sup>	05/31/11	109,610	75%	50%	9,962
Other Properties <sup>(5)</sup>	N/A	38,646	43%	N/A	205,916
<b>Subtotal Other Properties</b>		<b>148,256</b>	<b>66%</b>	<b>N/A</b>	<b>215,878</b>
<b>TOTAL OFFICES AND OTHER</b>		<b>227,304</b>	<b>76%</b>	<b>N/A</b>	<b>2,334,616</b>

(1) Total leaseable area for each property as of 03/31/16. Excludes common areas and parking.

(2) Calculated dividing occupied square meters by leaseable area as of 03/31/16.

(3) Cost of acquisition, plus improvements, less accumulated depreciation, plus adjustment for inflation.

(4) Through Quality Invest S.A.

(5) Includes the following properties: Ferro, Dot Adjacent Lot, Anchorena 665, Chanta IV, Lujan lot and Intercontinental Lot.

(6) Through PAMSA (Panamerican Mall S.A.)



## IV. Others

This item includes the “Sales and Developments” and “Financial Transactions” segments.

in ARS M	Sales and Developments <sup>1</sup>			Financial Transactions <sup>2</sup>		
	9M 16	9M 15	YoY Var	9M16	9M15	YoY Var
Revenues	1.9	3.7	-49.6%	0.6	0.1	534.7%
Operating income	143.3	3.4	4,117.4%	-0.4	8.6	-105.1%
Depreciation and Amortization	0.5	0.0	-	-	-	-
EBITDA	143.8	3.4	4,132.2%	-0.4	8.6	-105.1%

(1) Includes Torres Rosario Project (Condominios del Alto I).

(2) 20% interest held in Tarshop, residual business of Apsamedia and Avenida Inc

The Sales and Developments segment posted a significant rise 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 8.6 million during the first nine months of fiscal year 2015, explained by the sale of 5% of our interest in our associate Avenida Inc., recorded as “Other operating income, net”.

## V. 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 nine-month period ended March 31, 2016

*(stated in thousands of pesos)*

Item	Income by Segment	Common Expenses and Common Promotional Fund Adjustment	Joint ventures (1)	Inter-segment eliminations	Income statement
Revenues	1,936.6	878.3	-15.9	0.0	2,799.0
Costs	-345.2	-891.0	9.4	0.0	-1,226.8
<b>Gross Profit</b>	<b>1,591.4</b>	<b>-12.7</b>	<b>-6.5</b>	<b>0.0</b>	<b>1,572.2</b>
Income from sale of properties	175.6	0.0	0.0	0.0	175.6
General and administrative expenses	-162.7	0.0	0.4	0.1	-162.2
Selling expenses	-118.2	0.0	2.0	0.0	-116.2
Other operating results, net	-23.6	0.0	1.6	-0.1	-22.1
<b>Operating income</b>	<b>1,462.5</b>	<b>-12.7</b>	<b>-2.5</b>	<b>0.0</b>	<b>1,447.3</b>

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

## VI. Consolidated Financial Debt

As of March 31, 2016, IRSA Propiedades Comerciales S.A. had a net debt of USD 213.4 million. Below is a detail of IRSA Propiedades Comerciales S.A.'s debt:

Description	Issue Currency	Outstanding Amount (USD million) <sup>(1)</sup>	Rate	Maturity
Bank overdrafts	ARS	16.4	Variable	< 360 days
CP Bank Loan	ARS	4.9	23.00%	30-Sep-16
APSA 2017 Notes, Series 1 <sup>(3)</sup>	USD	60.8	7.88%	11-May-17
IRSA CP Notes, Series 1 ARS	ARS	27.7	26.5%/ Badlar + 400 bps	20-Mar-17
Other Loans		1.7		
Asset Purchase Debt <sup>(4)</sup>	USD	127.5	8.50%	20-Jul-20
IRSA CP Notes, Series 2	USD	360.0	8.75%	01-Mar-23
<b>Total IRSA CP's Debt</b>	<b>USD</b>	<b>599.0</b>		
Cash and Cash Equivalents + Investments <sup>(5)</sup>	USD	383.9		
Debt Repurchase <sup>(2)</sup>	USD	1.7		
<b>Consolidated Net Debt</b>	<b>USD</b>	<b>213.4</b>		

(1) Principal amount at an exchange rate of ARS 14.70, without considering accrued interest or eliminations of balances with subsidiaries.

(2) As of March 31, 2016, the Company holds bonds for a principal amount of US\$1.7 million.

(3) The aggregate outstanding amount was redeemed on May 4 past.

(4) The aggregate outstanding amount was redeemed on April 6 past.

(5) Includes Cash and cash equivalents, Investments in Current Financial Assets and a loan to a subsidiary of our controlling company IRSA Inversiones y Representaciones S.A.

### Tender Offer and Consent Solicitation for IRSA CP's Notes, Series 1.

On March 3, 2016, IRSA CP announced the launch of a cash tender offer for any and all of IRSA CP's outstanding 7.875% Notes due 2017, Series No. 1.

In conjunction with the Tender Offers, IRSA CP solicited from holders of the IRSA CP Notes consents to certain proposed amendments to the indenture, dated as of May 11, 2007, which would eliminate substantially all of the restrictive covenants and modify or eliminate certain events of default and certain other provisions in the IRSA CP Notes Indenture and the IRSA CP Notes.

The following table sets forth certain information on the principal payment terms of the Tender Offer and Consent Solicitation.

Existing Notes	CUSIP Numbers	ISINs	Principal Amount Outstanding	Purchase Price	Early Tender Payment	Consent Payment	Total Consideration
7.875% Notes due 2017	02151PAB3 / P0245MAC3	US02151PAB31 / USP0245MAC30	USD 120,000,000	USD 974.50	USD 30.00	N/A	USD 1,004.50

The tender offers were subject to certain conditions, including (i) the consummation of a contemporaneous offering of notes in the international capital markets by IRSA CP in order to finance the tender offers; and (ii) related repayment by IRSA CP of the US\$240.0 million unpaid balance of the purchase price owing by IRSA CP to IRSA for its purchase of office buildings and land reserves in December 2014.

On April 4, 2016, IRSA CP announced the final results of the tender offer and consent solicitation, as described in the following table:

Existing Notes	CUSIP Numbers	ISINs	Principal Amount Outstanding	Approximate Amount of Existing Notes Tendered	Approximate Percentage of Existing Notes Tendered	Approximate Percentage of Consents Received
7.875% Notes due 2017	02151PAB3 / P0245MAC3	US02151PAB31 / USP0245MAC30	USD 120,000,000	US\$59,504,000	49.59%	49.59%

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 is 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.

### **Issue of IRSA CP's 8.75% Notes due 2023, Series 2**

On March 23, 2016, IRSA CP issued Notes for an aggregate principal amount of USD 360 million under our Global Note Program. The Series 2 Notes accrue interest semi-annually, at a fixed rate of 8.75% per annum, and are repayable upon maturity, on March 23, 2013. 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.

To incur additional indebtedness, IRSA CP is required to meet the Consolidated Interest Coverage Ratio on additional indebtedness, which should be greater than 2.00. The Consolidated Interest Coverage Ratio is defined as Consolidated EBITDA divided by consolidated interest expense. Consolidated EBITDA is defined as operating income plus depreciation and amortization and other consolidated non-cash charges.

The Series 2 Notes contain financial covenants limiting IRSA CP's ability to declare or pay dividends in cash or in kind, unless the following conditions have been met at the time of payment:

- A) no Event of Default shall have occurred and be continuing;
- B) IRSA CP is able to incur at least USD 1.00 of Additional Indebtedness under the "Limitation on Incurrence of Additional Indebtedness"; and
- C) the aggregate amount of such Restricted Payment exceeds the sum of:
  - (i) 100% of cumulative EBITDA for the period (treated as one accounting period) from July 1, 2015 through the last day of the last fiscal quarter ended prior to the date of such Restricted Payment minus an amount equal to 150% of consolidated interest expense for such period; and
  - (ii) any reductions of Indebtedness of the Issuer or its Subsidiaries after the Issue Date (other than Indebtedness of Subsidiaries owed to the Issuer) by conversion or exchange to Capital Stock of the Issuer or its Subsidiaries.

### **VII. 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 (Ps.)	Stock dividends	Total per share (Ps.)
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).

## VIII. 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.

## IX. Summary Comparative Consolidated Balance Sheet

	03.31.2016	03.31.2015	03.31.2014
Non-current assets	4,743,795	5,169,271	2,183,110
Current assets	7,040,707	1,271,772	1,159,707
<b>Total</b>	<b>11,784,502</b>	<b>6,441,043</b>	<b>3,342,817</b>
Non-current Liabilities	5,562,924	3,573,682	1,387,373
Current Liabilities	4,726,262	1,830,919	785,602
<b>Subtotal</b>	<b>10,289,186</b>	<b>5,404,601</b>	<b>2,172,975</b>
Minority Interest	261,863	218,034	188,376
Shareholders' Equity	1,495,316	1,036,442	1,169,842
<b>Total</b>	<b>1,757,179</b>	<b>1,254,476</b>	<b>1,358,218</b>

## X. Summary Comparative Income Statement

	03.31.2016	03.31.2015	03.31.2014
<b>Operating income</b> .....	<b>1,447,265</b>	<b>893,399</b>	<b>710,341</b>
Results from interests in associates and joint ventures .....	-18,842	21,749	-5,086
<b>Income before financial results and income tax</b> .....	<b>1,428,423</b>	<b>915,148</b>	<b>705,255</b>
Financial income .....	527,358	79,369	99,240
Financial cost .....	-2,666,652	-390,274	-438,427
Other financial results .....	1,512,024	92,565	128,097
<b>Financial income / (loss), net</b> .....	<b>-627,270</b>	<b>-218,340</b>	<b>-211,090</b>
<b>Income / (loss) before income tax</b> .....	<b>801,153</b>	<b>696,808</b>	<b>494,165</b>
Income tax expense .....	-160,780	-225,810	-174,961
<b>Net income</b> .....	<b>640,373</b>	<b>470,998</b>	<b>319,204</b>
<b>Total comprehensive net income</b> .....	<b>640,373</b>	<b>470,998</b>	<b>319,204</b>
<b>Attributable to:</b>			
Controlling company's shareholders .....	558,720	441,364	289,446
Non-controlling interest .....	81,653	29,634	29,758

## XI. Summary Comparative Consolidated Cash Flow.

	03.31.2016	03.31.2015	03.31.2014
Net cash generated by operating activities	340,908	815,448	648,009
Net cash used in investing activities	-169,039	-517,366	-322,437
Net cash (used in) / generated by financing activities	3,774,517	-316,854	-416,280
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,946,386</b>	<b>-18,772</b>	<b>-90,708</b>

## XII. Comparative Ratios.

	03.31.2016	03.31.2015	03.31.2014
<b>Liquidity</b>			
Current Assets	$\frac{7,040,707}{4,726,262} = 1.49$	$\frac{1,271,772}{1,830,919} = 0.69$	$\frac{1,159,707}{785,602} = 1.48$
Current Liabilities			
<b>Indebtedness</b>			
Total Liabilities	$\frac{10,289,186}{1,495,316} = 6.88$	$\frac{5,404,601}{1,036,442} = 5.21$	$\frac{2,172,975}{1,169,842} = 1.86$
Shareholders' Equity			
<b>Solvency</b>			
Shareholders' Equity	$\frac{1,495,316}{10,289,186} = 0.15$	$\frac{1,036,442}{5,404,601} = 0.19$	$\frac{1,169,842}{2,172,975} = 0.54$
Total Liabilities			
<b>Capital Assets</b>			
Non-current Assets	$\frac{4,743,795}{11,784,502} = 0.40$	$\frac{5,169,271}{6,441,043} = 0.80$	$\frac{2,183,110}{3,342,817} = 0.65$
Total Assets			

## XIII. Brief Comment on Prospects for the Next Quarter.

IRSA Propiedades Comerciales S.A. continues to record sound growth in both its shopping center and Premium office businesses, maintaining a high occupancy rate in both segments. Customer flow in our shopping centers keeps increasing and tenants continue to choose us to showcase their brands.

We will remain active during the year by promoting marketing actions, events and promotions in our shopping centers, which have proved to be highly effective in terms of sales and have been eagerly endorsed by the public. Moreover, we plan to optimize even further the performance of our current shopping centers through improvements that result in taking better advantage of the leaseable square meters and creating higher functionality and appeal for the benefit of consumers, retailers and tenants alike. Along these lines, we have launched a project for expanding our Alto Palermo shopping center, which is strategically located in the heart of the city and generates the highest sales per square meter in our portfolio. The project adds approximately 4,000 square meters of gross leaseable area to the shopping center, and works are expected to start during the next fiscal year.

Offices continue to exhibit sound rental prices in USD per sqm and similar occupancy rates as those observed in the previous quarter, standing at 93%. We have recorded better results from this segment during the quarter under review, thanks to the variation in the exchange rate, and we expect to obtain sound results during the next quarter.

We have recently launched an office building project in the commercial complex adjacent to our Dot Baires shopping center. The project, known as "Polo Dot", will include, in a first stage, the development of a 11-floor, 30,000-square meter office building in a property owned by the company. Works will start during the next fiscal year, and we have had a large demand for Premium office spaces in this emerging new commercial hotspot.

We are optimistic about the opportunities that may arise in Argentina with the new administration towards the end of fiscal year 2016 and the start of the next fiscal year. We have a large reserve of lands for future shopping center and office development projects in an industry scenario with high growth potential.

We hope that during the last quarter of fiscal year 2016 and over the next fiscal year, IRSA Propiedades Comerciales will continue to consolidate as the leading commercial real estate company in Argentina, adding new properties and footage to its current portfolio, new leading brands and different formats to keep growing in Argentina, by offering the best commercial proposals to our visitors and top-quality spaces to our lessees. Given our financial position, experience in seizing market opportunities and franchise for accessing the capital markets, we remain confident in the growth and consolidation of our portfolio.

# IRSA PROPIEDADES COMERCIALES S.A.

## Consolidated Condensed Interim Balance Sheets as of March 31, 2016 and June 30, 2015

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

	Note	03.31.16	06.30.15
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Investment properties .....	10	3,940,563	4,156,025
Property, plant and equipment .....	11	109,916	109,394
Properties for sale .....	12	1,164	8,567
Intangible assets .....	13	67,127	69,015
Investments in associates and joint ventures .....	8,9	176,187	181,918
Deferred tax assets .....	24	60,156	51,631
Income tax and minimum presumed income tax credit .....		249	249
Trade and other accounts receivable .....	16	114,148	90,431
Investments in financial assets .....	17	274,285	253,546
<b>Total non-current assets .....</b>		<b>4,743,795</b>	<b>4,920,776</b>
<b>Current assets</b>			
Properties for sale .....	12	9,157	3,154
Inventories .....	14	18,323	15,347
Derivative financial instruments .....	23	19,955	-
Income tax credit .....		343,187	1,635
Trade and other accounts receivable .....	16	1,839,151	808,016
Investments in financial assets .....	17	473,028	292,320
Cash and cash equivalents .....	18	4,337,906	303,499
<b>Total current assets .....</b>		<b>7,040,707</b>	<b>1,423,971</b>
<b>TOTAL ASSETS .....</b>		<b>11,784,502</b>	<b>6,344,747</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Equity and reserves attributable to controlling company's shareholders</b>			
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 .....		558,722	283,582
<b>Total equity and reserves attributable to controlling company's shareholders .....</b>		<b>1,233,453</b>	<b>958,313</b>
Non-controlling interest .....		261,863	184,834
<b>TOTAL SHAREHOLDERS' EQUITY .....</b>		<b>1,495,316</b>	<b>1,143,147</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other accounts payable .....	19	305,972	247,812
Loans .....	22	5,139,035	3,322,488
Deferred tax liability .....	24	92,886	107,102
Provisions .....	21	25,031	9,392
<b>Total non-current liabilities .....</b>		<b>5,562,924</b>	<b>3,686,794</b>
<b>Current liabilities</b>			
Trade and other accounts payable .....	19	995,780	802,151
Income tax payable .....		115,007	123,077
Salaries and social security charges .....	20	88,773	94,693
Loans .....	22	3,519,852	471,255
Derivative financial instruments .....	23	83	-
Provisions .....	21	6,767	23,630
<b>Total current liabilities .....</b>		<b>4,726,262</b>	<b>1,514,806</b>
<b>TOTAL LIABILITIES .....</b>		<b>10,289,186</b>	<b>5,201,600</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY .....</b>		<b>11,784,502</b>	<b>6,344,747</b>

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

# IRSA PROPIEDADES COMERCIALES S.A.

## Consolidated Condensed Interim Comprehensive Income Statements For the nine- and three-month periods beginning on July 1, 2015 and 2014 and January 1, 2016 and 2015, respectively, and ended on March 31, 2016 and 2015 (amounts stated in thousands of Argentine pesos, except shares and per share data, and as otherwise indicated)

	Note	Nine months		Three months	
		03.31.16	03.31.15	03.31.16	03.31.15
Revenues from sales, leases and services.....	26	1,920,673	1,362,573	624,030	479,557
Revenues from common maintenance expenses and common advertising fund.....	26	878,319	598,166	289,734	196,068
Costs .....	27	(1,226,844)	(830,563)	(413,334)	(297,627)
<b>Gross income.....</b>		<b>1,572,148</b>	<b>1,130,176</b>	<b>500,430</b>	<b>377,998</b>
Income / (loss) from sale of investment properties .	10	175,558	3,361	19,705	-
General and administrative expenses .....	28	(162,173)	(91,129)	(52,169)	(34,959)
Selling expenses .....	28	(116,185)	(79,717)	(38,349)	(33,091)
Other operating loss, net.....	30	(22,082)	(69,292)	(6,248)	(5,795)
<b>Operating income .....</b>		<b>1,447,266</b>	<b>893,399</b>	<b>423,369</b>	<b>304,153</b>
Income from interests in associates and joint ventures .....	8,9	(18,843)	21,749	(15,063)	1,958
<b>Income before financial results and income tax</b>		<b>1,428,423</b>	<b>915,148</b>	<b>408,306</b>	<b>306,111</b>
Financial income.....	31	527,358	79,369	202,833	21,430
Financial expenses .....	31	(2,666,652)	(390,274)	(916,327)	(211,885)
Other financial income .....	31	1,512,024	92,565	571,447	59,585
Financial loss, net.....		(627,270)	(218,340)	(142,047)	(130,870)
<b>Income before income tax.....</b>		<b>801,153</b>	<b>696,808</b>	<b>266,259</b>	<b>175,241</b>
Income tax.....	24	(160,780)	(225,810)	(58,132)	(64,399)
<b>Net income .....</b>		<b>640,373</b>	<b>470,998</b>	<b>208,127</b>	<b>110,842</b>
<b>Total comprehensive income for the period .....</b>		<b>640,373</b>	<b>470,998</b>	<b>208,127</b>	<b>110,842</b>
<b>Attributable to:</b>					
Controlling company's shareholders .....		558,720	441,364	179,481	99,960
Non-controlling interest.....		81,653	29,634	28,646	10,882
<b>Net income per share attributable to controlling company's shareholders:</b>					
Basic .....		0.44	0.35	0.14	0.08
Diluted .....		0.44	0.35	0.14	0.08

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



# IRSA PROPIEDADES COMERCIALES S.A.

## Consolidated Condensed Interim Cash Flow Statements

For the nine-month periods ended March 31, 2016 and 2015

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

	Note	03.31.16	03.31.15
<b>Operating activities:</b>			
Cash provided by operating activities.....	18	1,200,468	975,871
Income tax paid .....		(533,143)	(171,849)
<b>Net cash provided by operating activities.....</b>		<b>667,325</b>	<b>804,022</b>
<b>Investment activities:</b>			
Acquisition of properties from controlling company .....		-	(89,789)
Acquisition and capital contribution of associates.....	9	(21,000)	(31,985)
Irrevocable contributions in joint ventures .....	8	-	(6,600)
Sale of interest in associates .....	9	-	19,140
Increase of investment properties .....	10	(133,964)	(201,964)
Proceeds of barter .....		-	124
Acquisition of properties, plant and equipment .....	11	(6,963)	(19,984)
Advance payments to suppliers .....		(14,247)	(14,858)
Proceeds of sale of investment properties.....		356,839	-
Acquisition of intangible assets .....	13	(605)	(439)
Increase from purchase/subscription of financial assets.....		(5,816,133)	(759,775)
Decrease from sale/redemption of financial assets .....		5,655,419	411,682
Loans granted to related parties.....		(535,613)	(40)
Interest received from financial assets .....		15,785	100,305
Collections of loans granted to related parties.....		-	76,817
<b>Net cash used in investment activities.....</b>		<b>(500,482)</b>	<b>(517,366)</b>
<b>Financing activities:</b>			
Acquisition of capital from non-controlling interest.....		-	(80)
Capital contributions of non-controlling shareholders .....		-	261
Issue of non-convertible notes .....		5,410,952	-
Repayment of notes.....		(848,240)	-
Borrowings.....		992,087	316,126
Borrowings from associates and joint ventures .....		-	9,000
Repayment of loans for purchase of companies .....		-	(105,861)
Repayment of loans .....		(1,037,311)	(238,087)
Repayment of loans from related parties.....		(1,675,668)	(3,085)
Collection of derivative financial instruments.....		1,258,806	102
Payment of derivative financial instruments .....		(27,247)	(16,054)
Repayment of financial leases .....		(2,595)	(1,868)
Dividends paid .....	25	(79,792)	(137,429)
Dividends paid to non-controlling shareholders .....		(4,502)	(3,946)
Interest paid.....		(206,948)	(135,933)
<b>Net cash generated by / (used in) financing activities .....</b>		<b>3,779,542</b>	<b>(316,854)</b>
<b>Net increase / (decrease) in cash and cash equivalents .....</b>		<b>3,946,385</b>	<b>(30,198)</b>
Cash and cash equivalents at beginning of period .....	18	303,499	116,706
Foreign exchange gain on cash and cash equivalents .....		88,022	5,713
<b>Cash and cash equivalents at period end .....</b>		<b>4,337,906</b>	<b>92,221</b>

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

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Ticker BCBA: **IRCP** / Ticker Nasdaq: **IRCP**