IRSA PROPIEDADES COMERCIALES

Earnings Release

Third Quarter FY 2017

IRSA Propiedades Comerciales cordially invites you to participate in the nine month period of FY 2017 Conference Call Results

Monday, May 15, 2017 at 9:00 a.m. US ET

The call will be hosted by:

Alejandro Elsztain, CEO

Daniel Elsztain. COO

Matias Gaivironsky, CFO

To participate please call:

1-844-308-3343 (toll free) ó
1-412-717-9602 (international)
Conference ID # IRSA CP

In addition, you can Access through the following webcast:

http://webcast.engage-x.com/Cover.aspx?PlatformId=%2BbFM%2FQriVqxhG5ygdel0AA%3D%3D

Preferably 10 minutes before the cal is due to begin.
The conference will be in English.

PLAYBACK

Available until May 25, 2017

Please Call:

1-877-344-7529

1-412-317-0088

Replay access code: 10105498

Para mayor información
Alejandro Elsztain – CEO
Matías Gaivironsky – CFO
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Highlights of the Period

- We have decided to change the valuation method of our investment properties which was reflected in the current financial statements

- Net gain for the nine-month period of FY 2017 reached ARS 2,454 million compared to ARS 11,020 million in the same period of FY 2016.

- The Company's EBITDA reached ARS 3,818 million in the nine-month period of 2017 compared to ARS 17,175 million in 9M16. Excluding the effect of the change in reasonable value of investment properties, the EBITDA grew by 31.2% in the compared period.

- Our shopping centers' sales grew by 19.9% in the nine-month period of 2017 and the portfolio's occupancy rate reached 98.0%.

- We maintained 100% occupancy in our portfolio of Premium Offices.

- As a consequent event, we paid a cash dividend of ARS 310 million, equivalent to ARS 2.4600 per ordinary share and ARS 9.8401 per ADR.

Buenos Aires, May 12, 2017 - 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 2017 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.

In the third quarter of fiscal 2017, the Group's Board of Directors decided to change the accounting policy for investment property from the cost model to the fair value model, as permitted under IAS 40. The Group believes that this change is justifiable because it better reflects the current value of its core assets and therefore provides more relevant information to management, users of financial statements and others.

The Group has therefore retroactively changed the previously issued consolidated financial statements as required by IAS 8.

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

When a property is partially owner-occupied, with the rest being held for rental income or capital appreciation, the Group accounts for the portions separately. The portion that is owner-occupied is accounted for as property, plant and equipment under IAS 16 "Property, Plant and Equipment" and the portion that is held for rental income or capital appreciation, or both, is treated as investment property under IAS 40 "Investment Property".

The Group's investment properties primarily comprise the Group's portfolio of Shopping Malls and offices, certain property under development and other undeveloped land.

Investment property is measured initially at cost. Cost comprises the purchase price and directly attributable expenditures, such as legal fees, certain direct taxes, commissions and in the case of properties under construction, the capitalization of financial costs.

For properties under development, capitalization of costs includes not only financial costs, but also all costs directly attributable to works in process, from commencement of construction until it is completed and property is in conditions to start operating. Capitalized costs include mainly the part attributable to third-party service costs, as well as the materials necessary for construction. Capitalization of such costs ceases when the property reaches the operating conditions indicated above.

Direct expenses related to lease contract negotiation (as well as payment to third parties for services rendered and certain specific taxes related to execution of such contracts) are capitalized as part of the book value of the relevant investment properties and amortized over the term of the lease.

Borrowing costs associated with properties under development or undergoing major refurbishment are capitalized. The finance cost capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Finance cost is capitalized as from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Finance cost is also capitalized on the purchase cost of land or property acquired specifically for redevelopment in the short term but only when activities necessary to prepare the asset for redevelopment are in progress.

After initial recognition, investment property is carried at fair value. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed, whichever is earlier.

Fair values are determined differently depending on the type of property being measured.

Generally, fair value of office buildings and land reserves is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

The fair value of the Group's portfolio of Shopping Malls is based on discounted cash flow projections. This method of valuation is commonly used in the shopping center industry in the region where the Group conducts its operations.

As required by Resolution 576/10 of the Comision Nacional de Valores, valuations are performed as of the financial position date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements. The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Changes in fair values are recognized in the income statement under the line item “Net gain from fair value adjustment on investment properties”.

Asset transfers, whether assets classified under investments properties are reclassified under other items or vice-versa, may only be carried out when there is a change of use evidenced by: a) commencement of occupation of real property by the owner, where investment property is transferred to property, plant and equipment; b) commencement of development activities for sale purposes, where investment property is transferred to property for sale; c) the end of owner occupation, where it is transferred from Property, plant and equipment to investment properties; or d) commencement of an operating lease transactions with a third party, where properties for sale is transferred to investment property. The value of the transfer is the one that the property had at the time of the transfer and subsequently is valued in accordance with the accounting policy related to the item.

The Group may sell its investment property when it considers they are not core to its ongoing rental business activities. Investment properties are derecognized when they are disposed of or when they are permanently withdrawn from use and no future economic benefits are expected to arise from their disposals. Where the Group disposes of a property at fair value in an arm’s length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the other comprehensive income statement in the line “Net gain from fair value adjustment of investment properties”.

The disposal of investment property are recognized when the significant risks and rewards have been transferred to the buyer. As for unconditional agreements, proceeds are recognized when legal title to property passes to the buyer and the buyer intends to make the respective payment therefor. In the case of conditional agreements, the disposal is accounted for where such conditions have been met. Where consideration receivable for the sale of the properties is deferred, it is discounted to present value. The difference between the discounted amount and the amount receivable is treated as interest income and recognized over the period using the effective interest method. Direct expenses related to the sale are recognized in the line "other operating income and expenses, net" in the income statement at the time they are incurred.

Valuation processes

The Group’s investment properties were valued at each reporting date by independent professionally qualified valuers who hold a recognized relevant professional qualification and have experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. The Group's finance department includes a team that review the valuations performed by the independent valuers for financial reporting purposes (the “review team”). At each financial year end, the review team department: i) verifies all major and important assumptions relevant to the valuation to the independent valuation report; ii) assesses property valuation movements when compared to the prior year valuation report; and iii) holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values, if any, are analyzed at each reporting date during the valuation discussions between the review team and the independent appraiser. The Board of Directors ultimately approves the fair value calculations for recording into the financial statements.

Valuation techniques used for the estimation of fair value of the investment property:

For all shopping centers the valuation was determined using discounted cash flow (“DCF”) projections based on significant unobservable assumptions.

Within these assumptions the main are:

- Future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease, and considering the estimations of the Gross National Income (GNI) and the estimated inflation rated given by external advisors.
- It was considered that all Shopping Centers will grow with the same elasticity in relation to the evolution of the GNI and projected Inflation.
- Cash flows from future investments, expansions, or improvements in shopping centers were not considered.
- Estimated vacancy rates taking into account current and future market conditions once the current leases expire
- The projected cash flows were discounted using the Company's weighted average cost of capital (WACC) as the discount rate for each valuation date.
- Terminal value: it was consider a perpetuity calculated from the cash flow of the last year of useful life.
- The cash flow for the concessions were projected until the due date of the concession determinate in the current agreements.

For office properties and undeveloped land the valuation was determined using market comparable. These values are adjusted for differences in key attributes such as location, size of the property and quality of the interior design. The most significant contribution to this comparable market approach is the price per square meter.

It can sometimes be difficult to reliably determine the fair value of the property under development. In order to assess whether the fair value of the property under development can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract.
- The stage of completion.
- Whether the project/property is standard (typical for the market) or non-standard.
- The level of reliability of cash inflows after completion.
- The development risk specific to the property.
- Past experience with similar constructions.
- Status of construction permits.

For properties under construction the valuation was based on cost plus the fair value of the land. These properties under development comprise works in a building office to be constructed.

Fair Value of Investment Property

In ARS million	As of 3/31/17
Shopping Malls	27,872
Offices and other lease properties	4,816
Land reserves and properties under development	1,524
Total	34,212

Consolidated Income

	IIIQ 17	IIIQ 16	YoY Var	9M 17	9M 16	YoY Var
Revenues from sales, leases and services [(1)]	814	624	30.5%	2,494	1,921	29.9%
Net (loss) / income from changes in fair value of investment property	-356	9,995	-	1,929	15,735	-87.7%
Operating income	259	10,454	-97.5%	3,797	17,159	-77.9%
Depreciation and amortization	2	-2	-	21	16	31.5%
EBITDA[(2)]	261	10,453	-97.5%	3,818	17,175	-77.8%
Adjusted EBITDA [(3)]	617	475	29.8%	1,929	1,603	20.3%
Income for the period	368	6,893	-94.7%	2,454	11,020	-77.7%

(1) Does not include Revenues from Expenses or Collective Promotion Fund.
(2) EBITDA: Operating income plus Depreciation and Amortization.
(3) Adjusted EBITDA: Operating income plus Depreciation and Amortization, less changes in fair value of investment properties, plus realized results from the change in fair value.

The Company's revenues grew by 29.9% in the first nine months of fiscal year 2017 as compared to the same period of 2016, mainly due to higher revenues from the shopping malls segment, which grew 27.8%, and the offices segment, reflecting the variation in the exchange rate that positively impacted on its dollar-denominated contracts.

Excluding the impact of the variation in the fair value of investment property, EBITDA increased 31.3% during the nine-month period of fiscal year 2017 as compared to the same period of the previous year, in line with the increase in revenues.

Net income for the period reached ARS 2,454 million, 77.7% lower than in the same period of the previous fiscal year, mainly explained by a smaller variation in the fair value of investment property during the nine-month period of fiscal year 2017, as compared to the same period of 2016.

II. Shopping Malls

During the first nine months of fiscal year 2017, our tenants' sales reached ARS 25,133 million, 19.9% higher than in the same period of 2016.

Our portfolio's leasable area increased by approximately 6,300 square meters as compared to the same quarter of the previous fiscal year, mainly due to the completion of the second expansion stage at Distrito Arcos, where significant tenants such as Megatlon, Farmacity, Akiabara, Stock Center and Mishka were added during the second quarter of 2017; and the expansion of Soleil, adding Nike as its main tenant during the third quarter.

The occupancy rate stood at very high levels, reaching 98%.

Shopping Malls' Financial Indicators

(in ARS million)

	IIIQ 17	IIIQ 16	YoY Var	9M 17	9M 16	YoY Var
Revenues from sales, leases and services	721	540	33.5%	2,216	1,734	27.8%
Net income from changes in fair value of investment property	-362	9,384	-	1,382	14,791	-90.7%
Operating income	289	9,834	-97.1%	3,080	16,119	-80.9%
Depreciation and amortization	1	-1	-327.3%	16	13	26.3%
EBITDA[(1)]	291	9,833	-97.0%	3,096	16,132	-80.8%
Adjusted EBITDA	652	457	42.8%	1,715	1,340	28.0%

(1) EBITDA: Operating income plus Depreciation and Amortization.

(2) Adjusted EBITDA: Operating income plus Depreciation and Amortization, less changes in fair value of investment properties, plus realized results from the change in fair value.

Shopping Malls' Operating Indicators

(in ARS million, except as indicated)

	IIIQ17	IIQ 17	IQ 17	IVQ 16	IIIQ 16
Gross leaseable area (sqm)	340,391	337,396	335,032	333,155	334,079
Tenants' sales (3-month cumulative)	7,331.7	9,804.0	7,997.4	7,885.8	6,113.9
Occupancy	98.0%	98.4%	98.4%	98.4%	98.6%

Revenues from this segment grew 27.8% during this nine-month period, whereas EBITDA reached ARS 1,715 million, excluding the impact of the variation in the fair value of investment property (+ 28.0% compared to the same period of 2016). The EBITDA margin, excluding income from expenses and collective promotion fund, was 77.4%, in line with the previous fiscal year.

Operating data of our Shopping Malls

Shopping Mall	Date of Acquisition	Gross Leaseable Area (sqm)[(1)]	Stores	IRSA Propiedades Comerciales S.A.'s Interest	Occupancy[(2)]
Alto Palermo	Dec-97	18,966	143	100.0%	99.5%
Abasto Shopping[(4)]	Nov-99	36,795	171	100.0%	99.4%
Alto Avellaneda	Dec-97	36,061	136	100.0%	99.3%
Alcorta Shopping	Jun-97	15,613	113	100.0%	92.1%
Patio Bullrich	Oct-98	11,760	91	100.0%	95.5%
Buenos Aires Design	Nov-97	13,402	59	53.7%	97.6%
Dot Baires Shopping	May-09	49,476	158	80.0%	99.7%
Soleil	Jul-10	15,171	79	100.0%	100.0%
Distrito Arcos	Dec-14	14,532	67	90.0%	97.7%
Alto Noa Shopping	Mar-95	19,039	90	100.0%	99.4%

Alto Rosario Shopping(5)	Nov-04	31,798	150	100.0%	99.7%
Mendoza Plaza Shopping	Dec-94	42,716	142	100.0%	93.7%
Córdoba Shopping	Dec-06	15,443	108	100.0%	99.3%
La Ribera Shopping(6)	Aug-11	9,841	66	50.0%	99.3%
Alto Comahue	Mar-15	9,780	104	99.1%	93.8%
Patio Olmos(7)					
Total		**340,391**	**1,677**		**98.0%**

(1) Corresponds to gross leasable area in each property. Excludes common areas and parking spaces.
(2) Calculated dividing occupied square meters by leasable area as of the last day of the period.
(3) Cost of acquisition plus improvements, less cumulative depreciation.
(4) Excludes Museo de los Niños (3,732 square meters).
(5) Excludes Museo de los Niños (1,261 square meters).
(6) Through our joint venture Nuevo Puerto Santa Fe S.A.
(7) IRSA CP owns the historic building of the Patio Olmos shopping mall in the province of Cordoba, operated by a third party.

Cumulative tenants' sales as of March 31

(per Shopping Mall, in ARS million)

Shopping Mall	IIIQ 17	IIIQ 16	YoY Var	9M 17	9M 16	YoY Var
Alto Palermo	833	722	15.4%	3,041	2,518	20.8%
Abasto Shopping	982	860	14.1%	3,406	2,965	14.9%
Alto Avellaneda	928	786	18.0%	3,173	2,778	14.2%
Alcorta Shopping	441	380	16.1%	1,637	1,373	19.2%
Patio Bullrich	248	218	13.7%	905	770	17.4%
Buenos Aires Design	127	99	28.1%	397	308	28.9%
Dot Baires Shopping	798	677	18.0%	2,758	2,369	16.4%
Soleil	367	259	41.4%	1,220	885	37.8%
Distrito Arcos	298	206	45.1%	1,038	676	53.5%
Alto Noa Shopping	378	308	22.6%	1,175	998	17.8%
Alto Rosario Shopping	693	577	20.1%	2,319	1,918	20.9%
Mendoza Plaza Shopping	619	514	20.3%	1,974	1,718	14.9%
Córdoba Shopping	247	215	15.0%	854	723	18.2%
La Ribera Shopping(1)	176	142	23.5%	555	459	20.9%
Alto Comahue	198	151	30.6%	684	512	33.6%
Total	**7,331**	**6,114**	**19.9%**	**25,133**	**20,969**	**19.9%**

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

Cumulative tenants' sales as of March 31

(per Type of Business, in ARS million)

Type of Business	IIIQ 17	IIIQ 16	YoY Var	9M 17	9M 16	YoY Var
Anchor Store	384	319	20.6%	1,329	1,141	16.5%
Clothes and Footwear	3,587	2,992	19.9%	13,333	10,802	23.4%
Entertainment	323	257	25.4%	868	720	20.5%
Home	228	180	26.4%	699	578	20.9%
Restaurant	915	682	34.2%	2,687	1,985	35.4%
Miscellaneous	904	783	15.4%	3,026	2,527	19.8%
Services	60	88	-32.5%	168	293	-42.8%
Electronic appliances	932	813	14.6%	3,023	2,922	3.5%
Total	**7,331**	**6,114**	**19.9%**	**25,133**	**20,969**	**19.9%**

Revenues from cumulative leases as of March 31

(Breakdown, in ARS million)

	IIIQ 17	IIIQ 16	YoY Var	9M 17	9M 16	YoY Var
Base Rent[1]	408	316	29.1%	1,194	895	33.4%
Percentage Rent	96	75	27.9%	479	437	9.6%
Total Rent	**504**	**391**	**28.9%**	**1,673**	**1,332**	**25.6%**
Admission rights	68	54	27.3%	194	147	32.1%
Fees	12	9	26.0%	34	27	27.7%
Parking	46	35	29.8%	141	111	27.4%
Commissions	37	40	-7.3%	82	74	11.3%
Revenues from non-traditional advertising	13	10	27.8%	45	40	12.2%
Others	41	2	2063.5%	48	5	844.1%
Revenues before Expenses and Collective Promotion Fund	**721**	**541**	**33.2%**	**2,216**	**1,735**	**27.8%**
Expenses and Collective Promotion Fund	297	227	30.9%	987	808	22.2%
Total[2]	**1,018**	**768**	**32.6%**	**3,203**	**2,542**	**26.0%**

(1) Includes Revenues from stands for ARS 127.4 million (9M17).

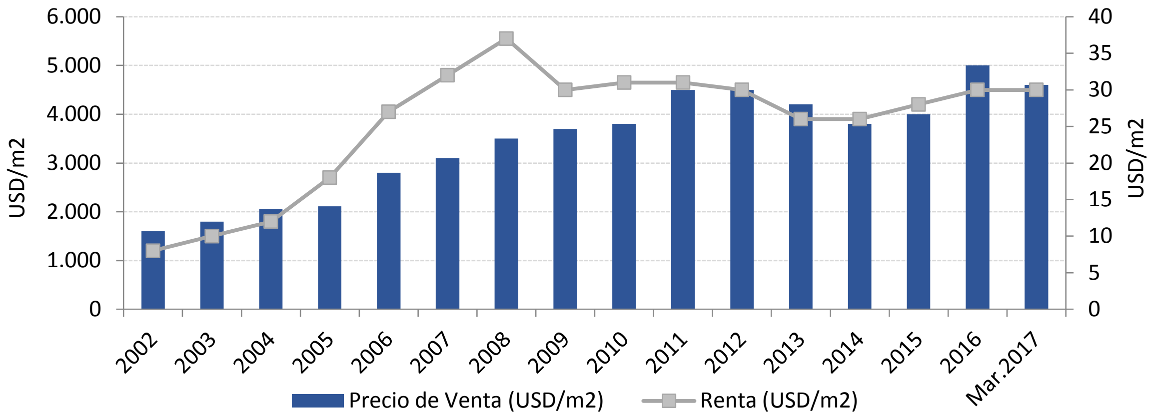
(2) Does not include Patio Olmos.

III. Offices

The A+ office market in the City of Buenos Aires remains robust. The price for Premium commercial spaces stood in the whereabouts of USD 4,600 per square meter. Rental prices remained at the same levels as compared to the previous year, averaging USD 30 per square meter for the A+ segment and the vacancy rate stood at 5.07%, slightly below the figures recorded at the closing of 2016.

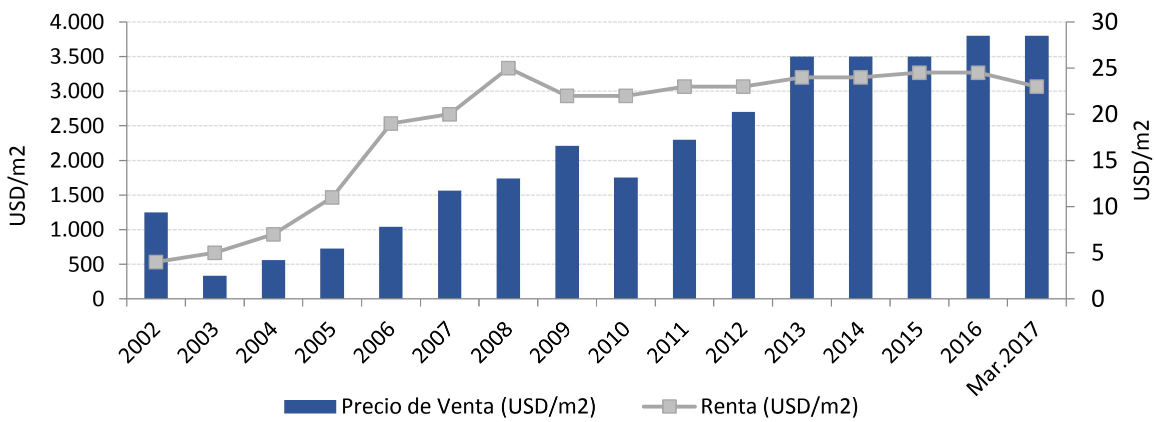
As concerns the A+ office market in the Northern Area, we have noted a significant improvement in the price of units during the last 10 years, and we believe in its potential during the next years.

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 the first nine months of fiscal year 2017, revenues from the offices segment increased 48.3% as compared to the same period of 2016, mainly explained by the depreciation of the peso vis-à-vis the dollar. EBITDA from this segment, excluding the impact of the variation in the fair value of investment property, grew 90.2% in the first nine months of fiscal year 2017 compared to the same period of 2016, principally explained by the increase in revenues and the ARS 44.0 million gain resulting from the business combination of Entertainment Holding S.A., which is indirect holder of 35% of La Rural S.A., the company that runs the exhibition center known as Predio Ferial de Palermo in the City of Buenos Aires.

	IIIQ 17	IIIQ 16	YoY Var	9M 17	9M 16	YoY Var
Revenues from sales, leases and services	99	88	12.9%	297	200	48.3%
Net income from changes in the fair value of investment property	38	638	-94.1%	728	844	-25.8%
Operating income	163	763	-78.7%	1,001	987	1.4%
Depreciation and amortization	3	-1	-640.8%	6	3	122.7%
EBITDA(1)	166	762	-78.2%	1,007	990	1.7%
Adjusted EBITDA (2)	128	134	-4.5%	319	310	2.8%

(1) EBITDA: Operating income plus Depreciation and Amortization.

(2) Adjusted EBITDA: Operating income plus Depreciation and Amortization, less changes in fair value of investment properties, plus realized results from the change in fair value.

	IIIQ 17	IIIQ 17	IQ17	IVQ16	IIIQ 16
Leaseable area	77,252	77,252	79,048	79,048	79,048
Occupancy	100.0%	100.0%	100.0%	98.6%	93.1%
Rent ARS/sqm	404	406	382	386	388
Rent USD/sqm	25.9	25.6	25.0	25.9	26.6

Gross leasable area during the third quarter of 2017 was 77,252 sqm, slightly smaller than the one recorded in the same period of the previous fiscal year, reflecting the partial sales of the Intercontinental Plaza building. For the third quarter in a row, the portfolio maintained an occupancy rate of 100%, which increased by 6.9 pp compared to the same quarter of 2016 due to the lease of two vacant floors in the República building, one floor in Torre BankBoston and two floors in the Suipacha building. Rental prices stood at USD 25.9 per square meter, slightly higher than in the two previous quarters.

Below is information on our office segment and other lease properties as of March 31, 2017.

	Date of Acquisition	Gross Leaseable Area (sqm) (1)	Occupancy Rate (2)	IRSA Propiedades Comerciales' Effective Interest
Offices				
Edificio República	12/22/2014	19,885	100.0%	100%
Torre BankBoston (Della Paolera)	12/22/2014	14,873	100.0%	100%
Intercontinental Plaza	12/22/2014	4,774	100.0%	100%
Bouchard 710	12/22/2014	15,014	100.0%	100%
Suipacha 652/64	12/22/2014	11,465	100.0%	100%
Dot Building	11/28/2006	11,242	100.0%	80%
Subtotal Offices		**77,252**	**100.0%**	**N/A**
Other Properties				
Ex - Nobleza Piccardo(4)	05/31/11	109,610	79.5%	50%
Other Properties (3)	N/A	12,941	82.5%	N/A
Subtotal Other Properties		**122,551**	**79.8%**	**N/A**
TOTAL OFFICES AND OTHERS		**199,803**	**87.6%**	**N/A**

(1) Gross leaseable area for each property as of 03/31/17. Excludes common areas and parking.

(2) Calculated dividing occupied square meters by leasable area as of 03/31/17,

(3) It includes the following properties: Ferro, Dot Adjoining Lot, Anchorena 665, Chanta IV and Intercontinental Lot.

(4) Through Quality Invest S.A.

IV. Others

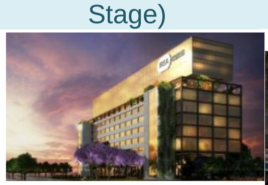
This item includes the “Sales and Developments” and “Financial Operations” segments.

in ARS Million	Sales and Developments [1]			Financial Operations [2]		
	9M 17	9M 16	Var %	9M 17	9M 16	Var %
Revenues	4	2	98.1%	1	1	-8,8%
Net income from changes in fair value of investment property	-	-	0.0%	-	-	0,0%
Operating (loss) / income	-33	130	-125.3%	-2	0	-
Depreciation and amortization	0	1	-16.4%	-	-	0,0%
EBITDA	-32	130	-124.8%	-2	0	-

(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 recorded an operating loss of ARS 33 million during the nine-month period of 2017, as compared to ARS 130 million in income for the same period of the previous fiscal year, mainly explained by the variation in the fair value of land reserves classified as investment property.

V. CAPEX

	Developments		Acquisitions + Developments
	Greenfields	*Expansions*	
	Polo Dot (First Stage)	Alto Palermo	Catalinas
			
Beginning of works	FY2017	FY2017	FY2017
Estimated opening date	FY2019	FY2019	FY2020
GLA (sqm)	32,000	4,000	16,000
% held by IRSA Propiedades Comerciales	80%	100%	100%
Estimated investment amount at 100% (USD million)	65	28.5	45
Work progress (%)	1.6%	0%	1.9%
Estimated stabilized EBITDA (USD million)	USD 8-10	USD 4-6	USD 5-7

Alto Palermo Expansion

The expansion project of Alto Palermo shopping mall will add a gross leaseable area of approximately 4,000 square meters to the shopping mall with the highest sales per square meter in our portfolio and consists in moving the food court to a third level in the shopping mall by using the area of an adjacent building acquired in 2015. The demolition stage ended in the second quarter of FY2017.

First Stage of Polo Dot

The project called “Polo Dot”, located in the commercial complex adjacent to our Dot Baires shopping mall, has experienced significant growth since our first investments in the area. The total project will consist in 3 office buildings (one of them could include a hotel) in land reserves owned by the Company and the expansion of the shopping mall by approximately 15,000 square meters of gross leaseable area. At a first stage, we will develop an 11-floor office building with an area of approximately 32,000 square meters on an existing building, in respect of which we have already executed lease agreements for approximately 75% of the footage, before starting the works. The construction stage started in the second quarter of FY2017, and we expect that the building will become operational within 18 to 24 months. The second stage of the project will include two office/hotel buildings that will add 38,400 square meters of gross leaseable area to the complex. We have seen a significant demand for Premium office spaces in this new commercial hotspot, and we are confident that we will be able to open these buildings with attractive rent levels and a high occupancy rate.

Catalinas Building

The building to be constructed will have 35,000 square meters of gross leaseable area consisting of 30 office floors and 316 parking spaces, and will be located in the “Catalinas” area in the City of Buenos Aires, one of the most sought-after spots for Premium office development in Argentina. The company owns 16,000 square meters consisting of 14 floors and 142 parking spaces in the building project. Construction works started during the second quarter of FY2017, and are expected to be completed in about 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 Income Statement per segment but not in the Income Statement.

For the nine-month period ended March 31, 2017
(stated in ARS million)

Item	Total as per segment information	Expenses and Collective Promotion Funds	Adjustment for share of profit / (loss) of joint ventures (1)	Total as per Statement of income
Revenues	2,518	1,088	-24	3,582
Costs	-202	-1,145	11	-1,336
Gross profit	**2,316**	**-57**	**-13**	**2,247**
Net income from changes in the fair value of investment property	2,113		-184	1,929
General and administrative expenses	-222	-	2	-220
Selling expenses	-171	-	1	-169
Other operating results, net	10	-	1	10
Profit from operations	**4,046**	**-57**	**-193**	**3,797**

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

VII. Consolidated Financial Debt

As of March 31, 2017, IRSA Propiedades Comerciales S.A. had a net debt of USD 178.9 million. Below is a detail of IRSA Propiedades Comerciales S.A.'s debt:

Description	Currency	Amount (US$ MM) (1)	Interest Rate	Maturity
Bank overdrafts	ARS	1.6	Floating	< 360 d
IRSA CP Non-Convertible Notes Series II	USD	360.0	8.75%	Mar-23
Other loans	ARS	0.2		
IRSA CP's Total Debt		**361.8**		
Cash & Cash Equivalents + Investments (2)		182.9		
Consolidated Net Debt		**178.9**		

(1) Principal amount at an exchange rate of ARS 15.39/USD, without considering accrued interest or eliminations of balances with subsidiaries.

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

VIII. Dividends

Pursuant to Argentine law, the distribution and payment of dividends to shareholders is only valid if they result from realized and net profits 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 common 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
9M17	460,000,000	-	0.3650

IX. Material and Subsequent Events

April 2017: Payment of cash dividend

On April 5, the Company declared a cash dividend, that was paid on April 20, 2017. The dividend amount was ARS 310,000,000, equivalent to an amount per share of ARS 2.46004314598 and an amount per ADR of ARS 9.8401725839 (Pesos per ADR).

January 2017: Subscription of Avenida Inc.'s shares

The e-commerce company Avenida Inc. ("Avenida") has changed its shareholding structure following the withdrawal of its two principal investors, who decided not to inject any further funds in light of the significant losses recorded by them in comparable operations abroad.

On January 20, 2017, Avenida issued shares of stock under the scope of a new investment round for USD 3.8 million, in which the Company made a USD 460,000 contribution and capitalized a loan held with Avenida for USD 229,515, and new investors participated. Therefore, the Company increased its stake in Avenida's stock capital to 17.3%. In addition, Avenida has set apart 385,103 shares to be allocated to an equity plan.

Moreover, the Company is the only shareholder that holds a warrant entitling it to purchase 3,976,225 additional preferred shares at a price of USD 0.10 per share, exercisable until the earlier of the expiration of an 18-month term or the date a new equity issuance is resolved upon, subject to certain conditions. In the event of such exercise, its interest in Avenida's stock capital would increase to 25%.

In this context, Avenida has changed its management team and its business model and strategy.

IRSA PROPIEDADES COMERCIALES S.A.

Consolidated Condensed Interim Balance Sheets

as of March 31, 2017, June 30, 2016 and June 30, 2015

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

	Note	03.31.17	06.30.16 (Modified)	06.30.15 (Modified)
ASSETS				
Non-current Assets				
Investment property	10	34,211,996	32,234,096	15,388,877
Property, plant and equipment	11	113,759	118,325	120,984
Properties held for sale	12	47,983	48,029	22,340
Intangible assets	13	105,924	67,139	69,015
Investments in associates and joint ventures	8,9	892,392	597,759	328,349
Deferred tax assets	20	60,966	51,759	56,956
Income tax and minimum presumed income tax credit		47	249	249
Trade and other accounts receivable	15	724,197	488,198	90,431
Investments in financial assets	14	92,403	312,425	253,546
Total non-current assets		**36,249,667**	**33,917,979**	**16,330,747**
Current assets				
Properties held for sale	12	-	-	3,154
Inventories		24,341	18,202	15,347
Restricted assets	14	56,323	-	-
Income tax credit		7,428	345,815	1,635
Trade and other accounts receivable	15	1,530,428	1,934,134	808,016
Derivative financial instruments	14	8,062	-	-
Investments in financial assets	14	1,004,664	1,772,323	292,320
Cash and cash equivalents	14	1,612,112	33,049	303,499
Total current assets		**4,243,358**	**4,103,523**	**1,423,971**
TOTAL ASSETS		**40,493,025**	**38,021,502**	**17,754,718**
SHAREHOLDERS' EQUITY				
Equity and reserves attributable to equity holders of the parent				
Stock capital		126,014	126,014	126,014
Comprehensive adjustment of stock capital		69,381	69,381	69,381
Additional paid-in capital		444,226	444,226	444,226
Statutory reserve		39,078	39,078	39,078
Reserve for future dividends		356,598	-	-
Special reserve		2,700,192	2,700,192	2,700,192
Changes in non-controlling interest		(20,298)	(19,770)	(19,770)
Retained earnings		17,837,439	16,295,496	4,757,796
Total equity and reserves attributable to equity holders of the parent		**21,552,630**	**19,654,617**	**8,116,917**
Non-controlling interest		893,579	775,600	443,500
TOTAL SHAREHOLDERS' EQUITY		**22,446,209**	**20,430,217**	**8,560,417**
LIABILITIES				
Non-current liabilities				
Trade and other accounts payable	18	347,349	326,069	247,812
Loans	19	5,466,722	5,266,576	3,322,488
Deferred tax liability	20	10,777,732	10,150,280	4,099,803
Provisions	21	18,714	26,286	9,392
Total non-current liabilities		**16,610,517**	**15,769,211**	**7,679,495**
Current liabilities				
Trade and other accounts payable	18	925,287	963,931	802,151
Income tax payable		343,593	114,624	123,077
Salaries and social security charges		103,549	107,382	94,693
Loans	19	34,538	626,492	471,255
Derivative financial instruments	14	-	2,857	-
Provisions	21	29,332	6,788	23,630
Total current liabilities		**1,436,299**	**1,822,074**	**1,514,806**
TOTAL LIABILITIES		**18,046,816**	**17,591,285**	**9,194,301**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**40,493,025**	**38,021,502**	**17,754,718**

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 started July 1, 2016 and 2015, and January 1, 2017 and 2016, and ended March 31, 2017 and 2016

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

	Note	Nine months 03.31.17	Nine months 03.31.16 (Modified)	Three months 03.31.17	Three months 03.31.16 (Modified)
Revenues from sales, leases and services	22	2,494,037	1,920,673	814,420	624,030
Revenues from expenses and common promotional fund	22	1,088,070	878,319	343,891	289,734
Costs	23	(1,335,519)	(1,062,627)	(421,073)	(355,477)
Gross profit		**2,246,588**	**1,736,365**	**737,238**	**558,287**
Net income / (loss) from changes in the fair value of investment property	10	1,929,009	15,735,114	(355,746)	9,995,114
General and administrative expenses	23	(220,090)	(164,847)	(65,339)	(53,316)
Selling expenses	23	(169,024)	(116,185)	(44,608)	(38,349)
Other operating results, net	24	10,240	(31,296)	(12,421)	(7,498)
Profit from operations		**3,796,723**	**17,159,151**	**259,124**	**10,454,238**
Share of profit / (loss) of associates and joint ventures	8,9	199,526	146,821	117,925	149,513
Profit from operations before financial results and income tax		**3,996,249**	**17,305,972**	**377,049**	**10,603,751**
Finance income	25	177,565	527,358	43,575	202,833
Finance expenses	25	(685,148)	(2,666,652)	(14,556)	(916,327)
Other financial results	25	126,164	1,512,024	76,191	571,447
Financial results, net		(381,419)	(627,270)	105,210	(142,047)
Profit before income tax		**3,614,830**	**16,678,702**	**482,259**	**10,461,704**
Income tax expense	20	(1,160,675)	(5,658,584)	(113,767)	(3,568,485)
Profit for the period		**2,454,155**	**11,020,118**	**368,492**	**6,893,219**
Total comprehensive income for the period		**2,454,155**	**11,020,118**	**368,492**	**6,893,219**
Attributable to:					
Equity holders of the parent		2,358,541	10,671,149	355,617	6,675,884
Non-controlling interest		95,614	348,969	12,875	217,335
Income per share attributable to equity holders of the parent during the period:					
Basic		19.48	87.45	2.92	54.70
Diluted		19.48	87.45	2.92	54.70

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, 2017 and 2016

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

	Note	03.31.17	03.31.16 (Modified)
Operating activities:			
Cash generated by operating activities	16	2,083,051	1,186,221
Income tax paid		(235,030)	(533,143)
Net cash generated by operating activities		**1,848,021**	**653,078**
Investment activities:			
Irrevocable contributions to joint ventures and associates	8	(1,000)	(21,000)
Increase of investment property	10	(142,869)	(133,964)
Purchases of property, plant and equipment	11	(11,601)	(6,963)
Acquisition of associates and joint ventures		(7,558)	-
Purchases of intangible assets	13	(19,786)	(605)
Proceeds from sale of investment property		90,720	356,839
Increase from purchase/subscription of financial assets		(1,554,014)	(5,816,133)
Decrease from sale/redemption of financial assets		2,387,718	5,655,419
Collections of loans granted to related parties		307,696	-
Loans granted to related parties		(281,559)	(535,613)
Interest and dividends received from financial assets		18,634	15,785
Acquisition of subsidiaries, net of cash acquired		(46,148)	-
Net cash generated by / (used in) investment activities		**740,233**	**(486,235)**
Financing activities:			
Issue of non-convertible notes		-	5,410,952
Borrowings		106,244	992,087
Repayment of loans		(175,622)	(1,037,311)
Repayment of loans from related parties		-	(1,675,668)
Repayment of financial leases		(1,412)	(2,595)
Repayment of non-convertible notes		(407,260)	(848,240)
Dividends paid		(62,817)	(79,792)
Dividends paid to non-controlling shareholders		-	(4,502)
Interest paid		(541,933)	(206,948)
Acquisition of non-controlling interest in subsidiaries		(622)	-
Payments of derivative financial instruments		(38,975)	(27,247)
Proceeds from derivative financial instruments		113,950	1,258,806
Net cash (used in) / generated by financing activities		**(1,008,447)**	**3,779,542**
Net increase in cash and cash equivalents		**1,579,807**	**3,946,385**
Cash and cash equivalents at beginning of period	14	33,049	303,499
Foreign exchange (loss) / gain on cash and cash equivalents		(744)	88,022
Cash and cash equivalents at end of period	**14**	**1,612,112**	**4,337,906**

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

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IRSA PROPIEDADES COMERCIALES

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