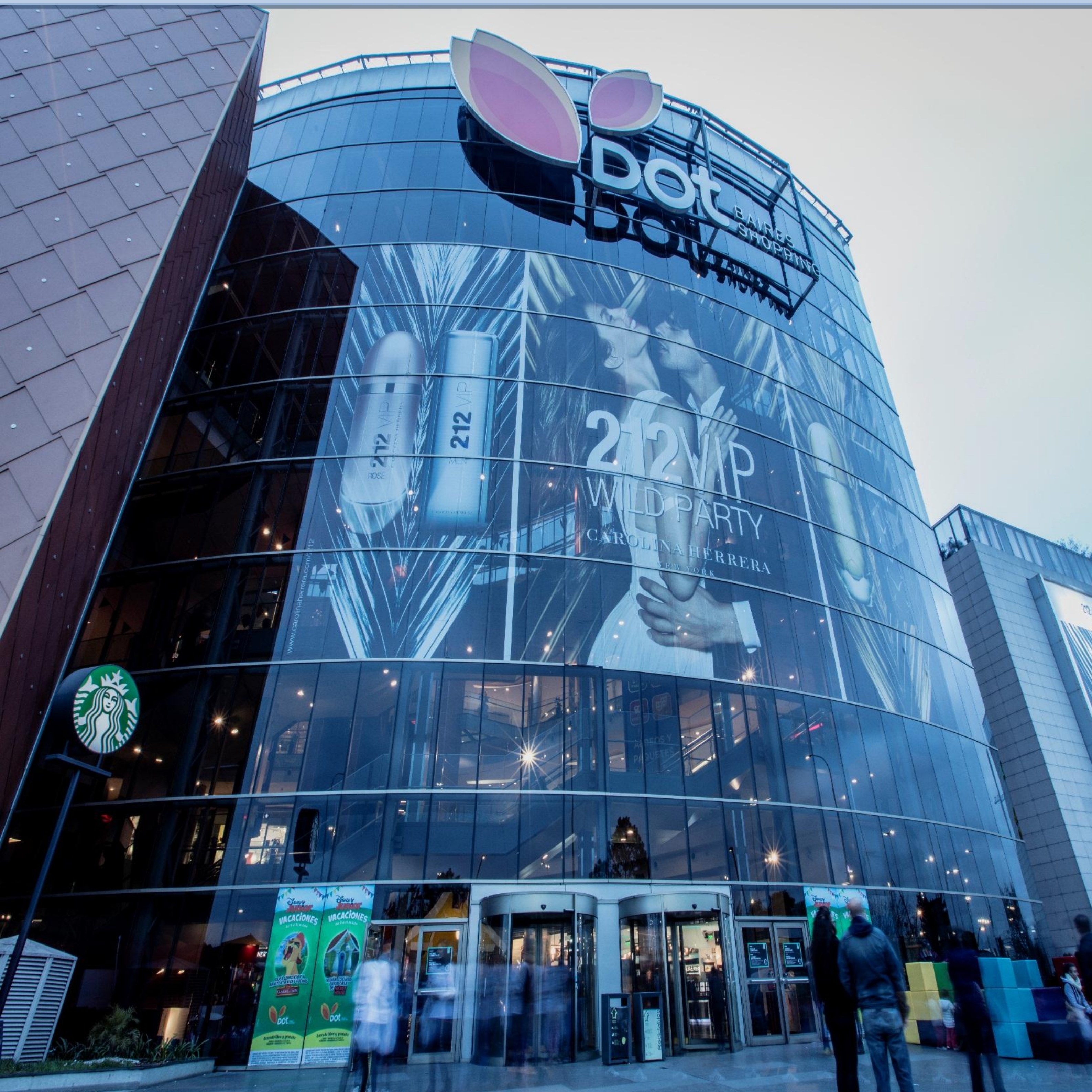
IRSA PROPIEDADES COMERCIALES

Earnings Release

IIQ FY 2018



IRSA Propiedades Comerciales cordially invites you to participate in the Second Quarter of FY 2018 Results' Conference Call

February 9, 2017, at 10:00 a.m. Buenos Aires time (08:00 a.m. US EST)

The call will be hosted by:
Alejandro Elsztain, CEO
Daniel Elsztain, COO
Matías Gaivironsky, CFO

To participate, please call:
1-844-308-3343 (toll free) or
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=ltoopVrxsb2plHDwIwshOg%3D%3D

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

PLAYBACK

Available until February 19, 2018

Please call:

1-877-344-7529

1-412-317-0088

1-855-669-9658

Replay access code: 10116488

For more information
Alejandro Elsztain – CEO
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IIQ 2018 Main Highlights

- Net income for 6M18 reached ARS 11,582.8 million compared to ARS 2,085.7 million in 6M17 mainly explained by higher results from changes in the fair value of investment properties due the impact of the Argentine tax reform and the effects of the exchange rate on them.

- The Company's Adjusted EBITDA for 6M18 reached ARS 1,559.1 million, 19.2% higher than the same period of 2017. Adjusted EBITDA of Malls' and Office segment reached ARS 1,381.4 million and ARS 191.9 million, respectively.

- Our shopping centers' sales grew by 22.6% in 6M18 vs. 6M17 and occupancy increased to 99.1%.

- In October, our parent Company IRSA has sold 10,24 mm shares of the company for ~ USD 138.2 million increasing the float from 5,4% to 13.5%.

- During November 2017 the Company has distributed to its Shareholders a cash dividend for a total amount of ARS 680 million (ARS/share 5.3962 and ARS/ADR 21.5848).

Buenos Aires, February 8, 2018 - IRSA Propiedades Comerciales S.A. (NASDAQ: IRCP) (BCBA: IRCP), the leading commercial real estate company in Argentina, announces today its results for the six months of the Fiscal Year 2018 ended December 31, 2017.

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

Argentine Tax reform: Main impacts

On December 27, 2017, the Argentine Congress approved the Tax Reform, through Law No. 27,430, which was enacted on December 29, 2017, and has introduced many changes to the income tax treatment applicable to financial income. The key components of the Tax Reform are as follows:

Income tax: Corporate income tax gradually would be reduced to 30% for fiscal periods commencing after January 1st, 2018 through December 31, 2019, and to 25% for fiscal periods commencing after January 1st, 2020, inclusive.

Dividends: Tax on dividends distributed by Argentine companies would be as follows: (i) dividends originated from profits obtained before fiscal year ending June 30, 2018 will not be subject to withholding tax; (ii) dividends derived from profits generated during fiscal years ending June 30, 2019 and 2020 paid to Argentine Individuals and/or foreign residents, will be subject to a 7% withholding tax; and (iii) dividends originated from profits obtained during fiscal year ending June 30, 2021 onward will be subject to withholding tax at a rate of 13%.

Presumptions of dividends: Certain facts will be presumed to constitute dividend payments, such as: i) withdrawals from shareholders, ii) shareholders private use of property of the company, iii) transactions with shareholders at values different from market values, iv) personal expenses from shareholders or shareholder remuneration without substance.

Revaluation of assets: The regulation establishes that, at the option of the companies, tax revaluation of assets is permitted for assets located in Argentina and affected to the generation of taxable profits. The special tax on the amount of the revaluation depends on the asset, being (i) 8% for real estate not classified as inventories, (ii) 15% for real estate classified as inventories, (iii) 5% for shares, quotas and equity interests owned by individuals and (iv) 10% for the rest of the assets. As of the date of these financial statements, the Group has not exercised the option. The gain generated by the revaluation is exempted according to article 291 of Law No. 27,430 and, the additional tax generated by the revaluation is not deductible.

In addition, the Argentine tax reform contemplates other amendments regarding the following matters: social security contributions, tax administrative procedures law, criminal tax law, tax on liquid fuels, and excise taxes, among others. At the date of presentation of these financial statements, many aspects are pending regulation by the National Executive Power.

Consolidated Results

(in ARS million)

	IIQ 18	IIQ 17	YoY Var	6M 18	6M 17	YoY Var
Revenues from sales, leases and services	1,068.6	911.2	17.3%	2,055.7	1,679.6	22.4%
Net gain from fair value adjustment on investment properties	7,544.9	1,299.8	480.5%	9,868.3	2,284.8	331.9%
Net gain realized from fair value adjustment on investment properties	-	39.8	-100.0%	-	39.8	-100.0%
Profit from operations	8,338.8	1,997.7	317.4%	11,407.9	3,537.6	222.5%
Depreciation and amortization	9.4	8.9	5.8%	19.5	15.5	25.5%
Consolidated EBITDA(1)	**8,374,8**	**2,005.7**	**317.6%**	**11,409,5**	**3,391.8**	**236.4%**
Consolidated Adjusted EBITDA(1	**803.3**	**746.6**	**7.6%**	**1,559.1**	**1,308.2**	**19.2%**
Consolidated NOI(2)	**903.7**	**810.5**	**11.5%**	**1,743.1**	**1,440.3**	**21.0%**
Profit for the period	**9,648.1**	**1,306.0**	**638.7%**	**11,582.8**	**2,085.7**	**455.4%**

(1) See Point XIV: EBITDA Reconciliation
(2) See Point XV: NOI Reconciliation

Profit for the period under review reached ARS 11,582.8 million, 455.4% higher than in the first semester of 2017, mainly explained by a higher net gain from fair value adjustment on investment properties due to the positive impact of tax reform driven by the Government, mainly in the value of shopping centers valued through the discounted cash flow method, and the changes in the exchange rate of our assets denominated in U.S. dollars.

II. Shopping malls

During the first six months of fiscal year 2018, our tenants' sales reached ARS 21,800.8 million, 22.6% higher than in the same period of 2017. Our portfolio's leasable area totaled 340,111 square meters during the quarter under review, whereas the occupancy rate rose slightly to 99.1%, reflecting the quality of our portfolio.

Shopping Malls' Financial Indicators

(in ARS million)

	IIQ 18	IIQ 17	YoY Var	6M 18	6M 17	YoY Var
Revenues from sales, leases and services	959.9	812.0	18.2%	1,809.5	1,495.3	21.0%
Net gain from fair value adjustment on investment properties	6,997.4	812.1	761.7%	9,041.4	1,697.8	432.5%
Profit from operations	7,724.7	1,413.2	446.6%	10,410.4	2,807.5	270.8%
Depreciation and amortization	5.7	7.9	-28.5%	12.4	13.1	-5.3%
EBITDA(1)	**7,730.4**	**1,421.2**	**443.9%**	**10,422.8**	**2,820.6**	**269.5%**
Adjusted EBITDA(1)	**733.0**	**609.1**	**20.3%**	**1,381.4**	**1,122.8**	**23.0%**
NOI(2)	**819.2**	**697.5**	**17.4%**	**1,542.2**	**1,268.5**	**21.6%**

(1) See Point XIV: EBITDA Reconciliation
(2) See Point XV: NOI Reconciliation

Shopping Malls' Operating Indicators

(in ARS million, except as indicated)

	IIQ 18	IQ 18	IVQ 17	IIIQ 17	IIQ 17
Gross leasable area (sqm)	340,111	339,080	341,289	340,391	337,396
Tenants' sales (3 month cumulative)	12,031.0	9,777.7	9,306.4	7,331.7	9,804.0
Occupancy	99.1%	98.8%	98.6%	98.0%	98.4%

Revenues from this segment grew 21.0% during this three-month period, whereas adjusted EBITDA, which excludes the impact of changes in the fair value of investment properties, reached ARS 1,381.4 million (+23.0% compared to the same period of 2017). The Adjusted EBITDA margin was 76.3%.

Operating data of our Shopping malls

Shopping mall	Date of Acquisition / Development	Gross Leasable Area (sqm)(1)	Stores	IRSA Propiedades Comerciales S.A.'s Interest	Occupancy(2)
Alto Palermo	Dec-97	18,633	138	100.0%	98.7%
Abasto Shopping(3)	Nov-99	36,795	171	100.0%	100.0%
Alto Avellaneda	Dec-97	36,039	134	100.0%	99.9%
Alcorta Shopping	Jun-97	15,721	114	100.0%	99.4%
Patio Bullrich	Oct-98	11,503	92	100.0%	99.4%
Buenos Aires Design	Nov-97	13,735	61	53.7%	100.0%
Dot Baires Shopping	May-09	49,407	156	80.0%	99.9%
Soleil	Jul-10	15,214	79	100.0%	100.0%
Distrito Arcos	Dec-14	14,325	69	90.0%	100.0%
Alto Noa Shopping	Mar-95	19,059	90	100.0%	99.4%
Alto Rosario Shopping(4)	Nov-04	31,507	149	100.0%	99.7%
Mendoza Plaza Shopping	Dec-94	42,867	141	100.0%	96.7%
Córdoba Shopping	Dec-06	15,317	106	100.0%	98.6%
La Ribera Shopping(5)	Aug-11	10,530	68	50.0%	96.1%
Alto Comahue	Mar-15	9,459	100	99.1%	97.1%
Patio Olmos(6)	Sep-07				
Total		**340,111**	**1,668**		**99.1%**

(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 fiscal period.
(3) Excludes Museo de los Niños (3,732 square meters).
(4) Excludes Museo de los Niños (1,261 square meters).
(5) Through our joint venture Nuevo Puerto Santa Fe S.A.
(6) IRSA CP owns the historic building of the Patio Olmos shopping mall in the Province of Córdoba, operated by a third party.

Cumulative tenants' sales as of December 31

(per Shopping Mall, in ARS million)

Shopping mall	IIQ 18	IIQ 17	YoY Var	6M 18	6M 17	YoY Var
Alto Palermo	1,446.9	1,234.6	17.2%	2,576.7	2,208.0	16.7%
Abasto Shopping	1,573.7	1,322.7	19.0%	2,891.1	2,424.0	19.3%
Alto Avellaneda	1,521.4	1,236.5	23.0%	2,726.8	2,245.0	21.5%
Alcorta Shopping	813.3	682.3	19.2%	1,417.9	1,181.4	20.0%
Patio Bullrich	447.3	376.6	18.8%	782.9	657.1	19.1%
Buenos Aires Design	172.4	139.3	23.8%	342.7	269.7	27.1%
Dot Baires Shopping	1,366.9	1,116.4	22.4%	2,386.1	1,959.2	21.8%
Soleil	610.5	453.1	34.7%	1,141.7	853.2	33.8%
Distrito Arcos	527.5	420.0	25.6%	967.1	739.5	30.8%
Alto Noa Shopping	522.9	424.7	23.1%	968.1	797.0	21.5%
Alto Rosario Shopping	1,089.4	885.2	23.1%	2,008.6	1,626.0	23.5%
Mendoza Plaza Shopping	894.2	706.9	26.5%	1,690.7	1,354.6	24.8%
Córdoba Shopping	415.0	337.6	22.9%	736.3	607.2	21.3%
La Ribera Shopping(1)	274.1	198.4	38.2%	520.1	379.2	37.2%
Alto Comahue	355.5	269.7	31.8%	644.0	486.2	32.5%
Total	**12,031.0**	**9,804.0**	**22.7%**	**21,800.8**	**17,787.3**	**22.6%**

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

Cumulative tenants' sales as of December 31

(per Type of Business, in ARS million)

Type of Business	IIQ 18	IIQ 17	YoY Var	6M 18	6M 17	YoY Var
Anchor Store	696.9	527.7	32.1%	1,237.5	945.2	30.9%
Clothes and Footwear	6,701.5	5,586.8	19.4%	11,687.2	9,732.0	20.1%
Entertainment	236.0	201.5	17.1%	651.7	545.5	19.5%
Home	311.7	252.1	23.6%	590.4	471.5	25.2%
Restaurant	1,126.7	871.4	29.3%	2,329.8	1,771.8	31.5%
Miscellaneous	1,465.5	1,208.5	21.3%	2,572.0	2,122.0	21.2%
Services	110.5	53.4	106.9%	213.0	108.2	96.9%
Electronic appliances	1,382.2	1,102.6	25.4%	2,519.2	2,091.1	20.5%
Total	**12,031.0**	**9,804.0**	**22.7%**	**21,800.8**	**17,787.3**	**22.6%**

Revenues from cumulative leases as of December 31

(Breakdown in ARS million)

	IIQ 18	IIQ 17	YoY Var	6M 18	6M 17	YoY Var
Base rent [(1)]	503.6	411.0	22.5%	973.9	785.8	23.9%
Percentage rent	247.6	232.4	6.5%	418.5	382.7	9.4%
Total rent	**751.2**	**643.4**	**16.8%**	**1,392.4**	**1,168.5**	**19.2%**
Revenues from non-traditional advertising	27.5	16.2	69.7%	44.3	32.3	37.2%
Admission rights	77.2	63.7	21.1%	150.5	125.6	19.8%
Fees	14.6	11.9	23.2%	28.3	22.6	25.1%
Parking	59.0	48.9	20.5%	119.0	95.0	25.3%
Commissions	27.3	23.7	15.2%	69.3	45.0	54.0%
Others	3.1	4.1	-24.2%	5.8	6.3	-8.7%
Revenues from sales, leases and services	**959.9**	**812.0**	**18.2%**	**1,809.5**	**1,495.3**	**21.0%**

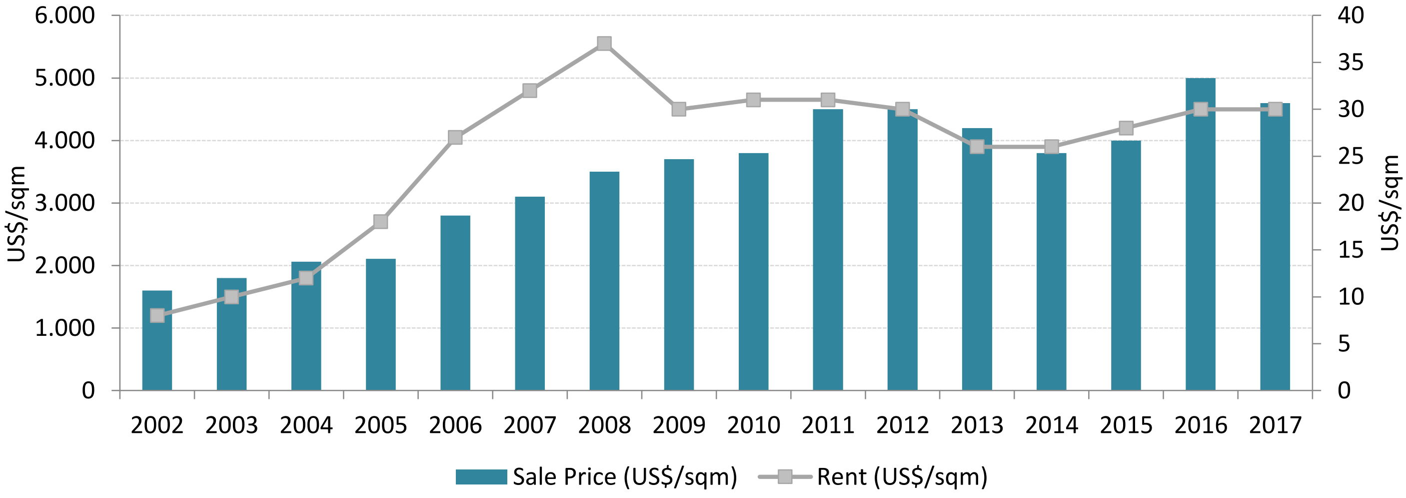
(1) As of 12/31/2017 includes revenues from stands of ARS 101.6 million.

III. Offices

The A+ office market in the City of Buenos Aires remains robust. The price of Premium commercial spaces stood at USD 4,600 per square meter. Rental prices remained at the same levels as in the previous year, averaging USD 30 per square meter for the A+ segment, and vacancy continues to fall, reaching 3.30% as of December 2017.

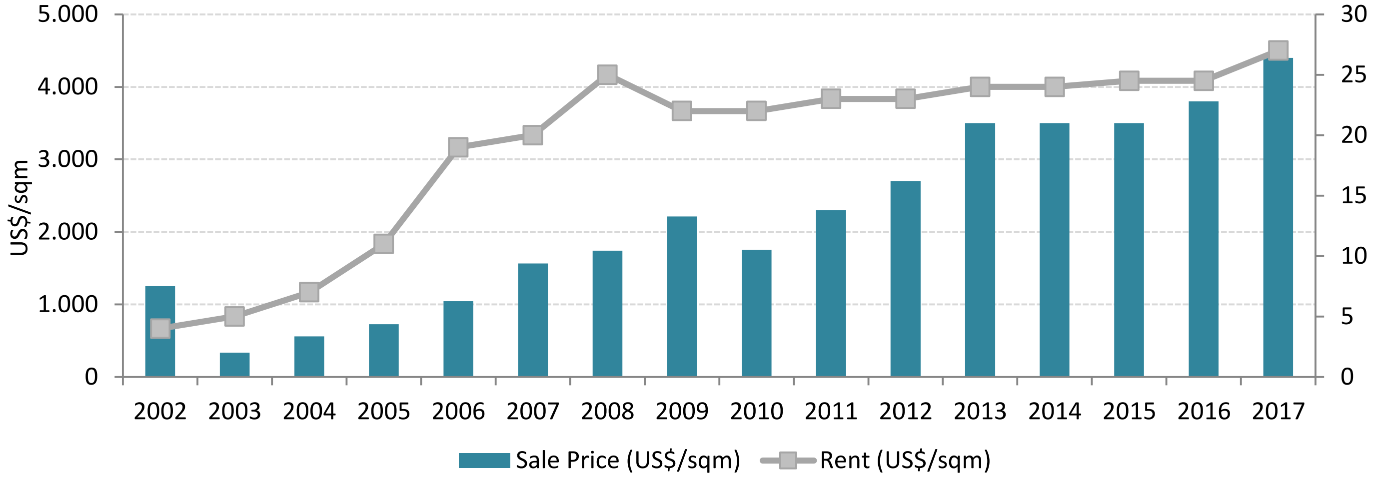
As concerns the A+ office market in the Northern Area, we have noted a significant improvement in the price of units during the last 10 years, and we believe in its potential during the next years. Rental prices have remained at USD 27 per square meter.

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 the first six months of fiscal year 2018, revenues from the offices segment increased 15,2% as compared to the same period of 2017, whereas Adjusted EBITDA from this segment reached ARS 191.9 million, 3.6% lower than in the previous year, mainly due to the realized gain registered in IIQ 17 for the additional purchase of 20% of Entertainment Holdings S.A. whose share, passing to be a controlled company, was revalued at fair value. If we isolate the aforementioned effect of the purchase of Entertainment Holdings, Adjusted EBITDA grew by 23.7% in the first half of 2018. The Adjusted EBITDA margin from the offices segment reached 84.4%.

in ARS Million	IIQ 18	IIQ 17	YoY Var	6M 18	6M 17	YoY Var
Revenues from sales, leases and services	113.0	106.0	6.6%	227.3	197.4	15.2%
Net gain from fair value adjustment on investment properties	539.5	438.1	23.1%	811.0	529.4	53.2%
Profit from operations	629.3	562.6	11.9%	999.2	724.6	37.9%
Depreciation and amortization	2.0	2.8	-26.3%	3.8	3.9	-2.9%
EBITDA(1)	**643.7**	**588.1**	**9.5%**	**1.028**	**761.8**	**34.9%**
Adjusted EBITDA (1)	**91.9**	**127.3**	**-27.8%**	**191.9**	**199.1**	**-3.6%**
NOI(2)	**97.8**	**97.3**	**0.6%**	**199.7**	**169.5**	**17.8%**

(1) See Point XIV: EBITDA Reconciliation
(2) See Point XV: NOI Reconciliation

	IIQ 18	IQ 18	IVQ 17	IIIQ 17	IIQ 17
Leasable area	84,362	84,362	84,362	77,252	77,252
Occupancy	93.6%	96.7%	96.7%	97.8%	100.0%
Rent ARS/sqm	497	456	428	402	406
Rent USD/sqm	26.5	26.3	25.8	25.8	25.6

Gross leasable area during the second quarter of 2018 was 84,362 sqm, as well as the last quarter. Portfolio average occupancy diminished at 93.6%, due to the release of two floors in the Bankboston tower that we expect to be able to occupy during this fiscal period. The average rental price rose to USD 26.5 per sqm.

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

	Date of Acquisition	Gross Leasable Area (sqm) (1)	Occupancy Rate (2)	IRSA Propiedades Comerciales' Effective Interest
Offices				
Edificio República	12/22/2014	19,885	94%	100%
Torre BankBoston (Della Paolera)	12/22/2014	14,873	86%	100%
Intercontinental Plaza	12/22/2014	3,876	100%	100%
Bouchard 710	12/22/2014	15,014	100%	100%
Suipacha 652/64	12/22/2014	11,465	86%	100%
Dot Building	11/28/2006	11,242	100%	80%
Philipss Building(5)	06/05/2017	8,007	24%	100%
Subtotal Offices		**84,362**	**93.6%**	**N/A**
Other Properties				
Ex - Nobleza Piccardo(4)	05/31/11	109,610	89%	50%
Other Properties (3)	N/A	12,941	78%	N/A
Subtotal Other Properties		**122,551**	**87%**	**N/A**
TOTAL OFFICES AND OTHERS		**206,913**	**90%**	**N/A**

(1) Gross leasable area for each property as of 12/31/17. Excludes common areas and parking.
(2) Calculated dividing occupied square meters by leasable area as of 12/31/17.
(3) It includes the following properties: Ferro, Dot Adjoining Lot, Anchorena 665, Chanta IV and Intercontinental Lot.
(4) Through Quality Invest S.A.
(5) As of 12/31/17, 24% of the sqm of the Philips Building had been taken over, which were included in the calculation of the average occupation of IIT 17.

IV. Others

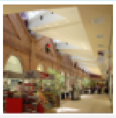
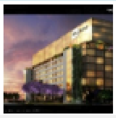
This item includes the "Sales and Developments" and "Financial Operations" segments.
(in ARS million)

	Sales and Developments			Financial Operations (2)		
in ARS Million	6M 18	6M 17	YoY Var	6M 18	6M 17	YoY Var
Revenues	40.1	1.1	3580.6%	0.4	0.4	-5.4%
Net gain from fair value adjustment on investment properties	140.7	96.5	45.8%	-	-	-
Profit from operations	146.3	66.6	119.5%	-0.1	-2.1	-93.5%
Depreciation and amortization	0.4	0.3	39.4%	-	-	-
EBITDA(1)	**146.7**	**67.0**	**119.1%**	**-203.5**	**-226.6**	**-10.2%**
Adjusted EBITDA(1)	**6.0**	**10.3**	**-41.4%**	**-0.1**	**-2.1**	**-93.5%**
NOI(3)	**24.5**	**37.8**	**-35.3%**	**-0.1**	**-2.0**	**-93.4%**

(1) See Point XIV: EBITDA Reconciliation
(2) 20% interest held in Tarshop, residual business of Apsamedia and Avenida Inc.
(3) See Point XV: NOI Reconciliation

Revenues from the Sales and Development segment during the first semester of 2018 increased significantly with respect to the same period of the previous year due to the sale of 27 department units and 12 parking spaces of the Astor Beruti residential tower in consideration for the exchange made by TGLT. Adjusted EBITDA from the Sales and Developments segment reached ARS 6.0 million during the first semester of fiscal year 2018, compared to ARS 10.3 million during the first semester of fiscal year 2017, given that during this period was recognized de realized result for the sale of three floors of the Intercontinental Plaza building while no sales of investment properties were made during the first six months of 2018.

V. CAPEX 2018

	Developments						
	Shopping malls: Expansions					*Offices: New*	
	Alto Comahue (Cinemas)	Alto Avellaneda	Alto Palermo	Alto Rosario (ingreso Zara + amp. ABL)	Mendoza Plaza (Sodimac & Falabella)	Polo Dot (1st stage)	Catalinas
							
Start of works	FY2017	FY2017	FY2017	FY2018	FY2018	FY2017	FY2017
Estimated opening date	FY2019	FY2018	FY2019	FY2019	FY2019/20	FY2019	FY2020
GLA (sqm)	2,200	3,000	3,900	2,400	12,800	32,000	16,000
% held by IRSA Propiedades Comerciales	100%	100%	100%	100%	100%	80%	45%
Investment amount (million)	~ARS 180	ARS 33	USD 28.5	USD 2.1	USD 13.7	~ARS 1,000	~ARS 720
Work progress (%)	49%	100%	0%	0%	0%	44%	8.6%
Estimated stabilized EBITDA (USD milllion)	N/A	USD 0,7	USD 6-8	USD 0,4	USD 1,3	USD 8-10	USD 6-8

Alto Palermo Expansion

The expansion project of Alto Palermo shopping mall will add a gross leasable area of approximately 4,000 square meters to the shopping mall with the highest sales per square meter in our portfolio and it consists in moving the food court to a third level by using the area of an adjacent building acquired in 2015. Demolition was completed in Fiscal Year 2017, and the expansion works are estimated to start during this fiscal year 2018.

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 leasable 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 almost all the footage. As of December 31, 2017, degree of progress was 44%. The second stage of the project will include two office/hotel buildings that will add 38,400 square meters of gross leasable 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 high occupancy.

Catalinas Building

The building to be constructed will have 35,000 square meters of gross leasable 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 opened during FY2020. As of December 31, 2017, work progress was 8.6%.

Other Projects

We will build 2,200 sqm to add 6 cinema screens in Alto Comahue, a large store of 2,400 sqm in Alto Rosario shopping mall, and a 12,800 sqm mainly in a Sodimac store in Mendoza Plaza Shopping, and we will expand by 3,000 sqm Alto Avellaneda, our shopping mall located in the southern region of Buenos Aires. In addition, we will continue working on 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.

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 six-months period ended December 31, 2017
(stated in ARS million)

Item	Income by Segment	Expenses and Collective Promotion Fund Adjustment	Joint ventures (1)	Income statement
Revenues	2,077	856	-22	2,911
Costs	-196	-870	8	-1,059
Gross profit	**1,881**	**-14**	**-14**	**1,853**
Net gain from fair value adjustment on investment properties	9,993	-	-125	9,868
General and administrative expenses	-171	-	1	-170
Selling expenses	-131	-	2	-129
Other operating results, net	-16	-	2	-14
Profit from operations	**11,556**	**-14**	**-134**	**11,408**

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

VII. Consolidated Financial Debt

As of December 31, 2017, IRSA Propiedades Comerciales S.A. had a net debt of USD 190.6 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	1.3	Floating	< 360 d
CAPEX Citi 5600 loan	ARS	0.1	Fixed	Jan-18
ICBC Bank loan	ARS	4.1	Fixed	May-18
IRCP NCN Class IV	USD	140.0	5.0%	Sep-20
IRSA CP NCN Class II	USD	360.0	8.75%	Mar-23
IRSA CP's Total Debt		**505.4**		
Cash & Cash Equivalents + Investments (2)		314.8		
Consolidated Net Debt		**190.6**		

(1) Principal amount at an exchange rate of ARS 18.65, without considering accrued interest or eliminations of balances with subsidiaries. Includes joint ventures.
(2) Includes Cash and cash equivalents + Investments in Current Financial Assets and our holding in TGLT's convertible Notes.

September 2017: Issue of Class III and IV Notes

On September 5, 2017, Class IV Notes were issued for a principal amount of US$ 140.0 million due 36 months after their issue date, subscribed and payable in US dollars, and accruing interest at a fixed rate of 5.0% per annum, payable every three months. Principal is repayable in one bullet payment upon maturity, on September 14, 2020.

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 common share for the fiscal years mentioned. The amounts stated in Pesos correspond to nominal Pesos on their respective dates of payment. See “Exchange Rates”.

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
2017	770,000,000	-	6.1000(*)
2018	680,000,000	-	5,3962

(*) In FY17 the par value of IRCP’s shares changed from Ps. 0.10 to Ps. 1 per share.

IX. Material Events

October 2017: Sale of shareholding interest held by IRSA Inversiones y Representaciones S.A.

On October 26, 2017, IRSA Inversiones y Representaciones Sociedad Anónima (“IRSA”) sold 2,560,000 ADS (each ADS represents 4 common shares) of the Company in the over-the-counter market, for an aggregate amount of USD 138,240,000, accounting for 8.13% of its stock capital. In this way, IRSA's participation in IRSA Propiedades Comerciales was reduced from 94.6% to 86.5% of its Stock Capital.

October 2017: General Ordinary and Extraordinary Shareholders’ Meeting

On October 31, 2017, our General Ordinary and Extraordinary Shareholders’ Meeting was held. The following matters, inter alia, were resolved by majority of votes:

- Distribution of ARS 680 million as cash dividends in addition to the ARS 310 million approved as interim dividends.
- Designation of board members and the appointment of Isela Constantini as new independent director.
- Compensations to the Board of Directors for the fiscal year ended June 30, 2017
- Delegation in the Board of Directors of the faculty to renew terms and conditions of the notes of the Global Programme of Notes for up to USD 500 million that may be extended to USD 100 million.

November 2017: Payment of cash dividend

At the Board meeting held on November 1, 2017, it was resolved to make available to the shareholders, as from November 14, 2017, a cash dividend of ARS 680,000,000 (Argentine legal tender) equivalent to 539.622367506% of the Stock Capital, i.e., an amount per share (ARS 1 par value) of $5.39622367506 and an amount per ADR (Argentine Pesos per ADR) of $21.5848947002 to be charged against the fiscal year ended June 30, 2017, which was paid to all the shareholders recorded as such as of November 13, 2017, according to the register kept by Caja de Valores S.A.

X. Summary Comparative Consolidated Balance Sheet
(in ARS million)

	12.31.2017	12.31.2016
Non-current assets	48,467	36,440
Current assets	7,435	4,279
Total assets	**55,902**	**40,719**
Capital and reserves attributable to controlling company's shareholders	32,707	21,198
Non-controlling interest	1,212	881
Total shareholders' equity	**33,919**	**22,078**
Non-current liabilities	20,264	16,922
Current liabilities	1,719	1,719
Total liabilities	**21,983**	**18,641**
Total liabilities and shareholders' equity	**55,902**	**40,719**

XI. Summary Comparative Consolidated Income Statement
(in ARS million)

	12.31.2017	12.31.2016
Profit from operations	**11,408**	**3,538**
Share of income of associates and joint ventures	196	82
Profit before financial results and income tax	**11,604**	**3,619**
Financial income	171	134
Financial expenses	-1,384	-671
Other financial results	707	50
Financial results, net	**-506**	**-487**
Income before income tax	**11,098**	**3,133**
Income tax	485	-1,047
Profit for the period	**11,583**	**2,086**
Total comprehensive income for the period	**11,583**	**2,086**
Attributable to:		
Controlling company's shareholders	**11,242**	**2,003**
Non-controlling interest	**341**	**83**

XII. Summary Comparative Consolidated Cash Flow
(in ARS million)

	12.31.2017	12.31.2016
Net cash generated by operating activities	1,519	1,006
Net cash (used in) / generated by investing activities	-1,530	544
Net cash generated by/ (used in) financing activities	1,477	-279
Net increase in cash and cash equivalents	**1,466**	**1,271**
Cash and cash equivalents at beginning of year	1,808	33
Foreign exchange gain on cash and result by measurement at fair value of cash equivalent	53	-
Cash and cash equivalents at period end	3,327	1,304

XIII. Comparative Ratios

(in ARS million)

	12.31.2017		12.31.2016	
Liquidity				
CURRENT ASSETS	7.435	4,32	4.279	2,49
CURRENT LIABILITIES	1.719		1.719	
Indebtedness				
TOTAL LIABILITIES	21.983	0,65	18.641	0,88
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO CONTROLLING COMPANY	33.919		21.198	
Solvency				
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO CONTROLLING COMPANY	33.919	1,54	21.198	1,14
TOTAL LIABILITIES	21.983		18.641	
Capital Assets				
NON-CURRENT ASSETS	48.467	0,87	36.440	0,89
TOTAL ASSETS	55.902		40.719	

XIV. EBITDA Reconciliation

In this summary report we present EBITDA and Adjusted EBITDA. We define EBITDA as profit for the period excluding: (i) interest income, (ii) interest expense, (iii) income tax expense, and (iv) depreciation and amortization. We define Adjusted EBITDA as EBITDA minus (i) total financial results, net other than interest expense, net (mainly foreign exchange differences, net gains/losses from derivative financial instruments; gains/losses of financial assets and liabilities at fair value through profit or loss; and other financial results, net) and minus (ii) share of profit of associates and joint ventures and minus (iii) unrealized results due to the revaluation of the fair value of investment properties.

EBITDA and Adjusted EBITDA are non-IFRS financial measures that do not have standardized meanings prescribed by IFRS. We present EBITDA and adjusted EBITDA because we believe they provide investors supplemental measures of our financial performance that may facilitate period-to-period comparisons on a consistent basis. Our management also uses EBITDA and Adjusted EBITDA from time to time, among other measures, for internal planning and performance measurement purposes. EBITDA and Adjusted EBITDA should not be construed as an alternative to profit from operations, as an indicator of operating performance or as an alternative to cash flow provided by operating activities, in each case, as determined in accordance with IFRS. EBITDA and Adjusted EBITDA, as calculated by us, may not be comparable to similarly titled measures reported by other companies. The table below presents a reconciliation of profit for the relevant period to EBITDA and Adjusted EBITDA for the periods indicated:

For the six-month period ended December 31 (in ARS million)		
	2017	2016
Total profit for the period	11,583	2,086
Interest income	-67	-96
Interest expense	367	339
Capitalized financial costs	-8	-
Income tax expense	-485	1,047
Depreciation and amortization	20	16
EBITDA (unaudited)	**11,409**	**3,392**
Unrealized results due to the revaluation of the fair value of our investment properties	-9,868	-2,245
Share of profit of associates and joint ventures	-196	-82
Dividends earned	-13	-9
Foreign exchange differences, net	885	275
Gain/loss from derivative financial instruments	-109	-47
Fair value gains of financial assets and liabilities at fair value through profit or loss	-598	-3
Other financial costs	48	27
Adjusted EBITDA (unaudited)	**1,559**	**1,308**
Adjusted EBITDA Margin (unaudited)[(1)]	**75.84%**	**77.89%**

(1) Adjusted EBITDA margin is calculated as Adjusted EBITDA, divided by income from sales, rents and services.

XV. NOI Reconciliation

In addition, we present in this summary report Net Operating Income or "NOI" which we define as gross profit from operations minus (i) selling expenses plus (ii) net realized gain on changes in fair value of investment properties and plus (iii) depreciation and amortization.

NOI is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS. We present NOI because we believe it provides investors a supplemental measure of our financial performance that may facilitate period-to-period comparisons on a consistent basis. Our management also uses NOI from time to time, among other measures, for internal planning and performance measurement purposes. NOI should not be construed as an alternative to profit from operations, as an indicator of operating performance or as an alternative to cash flow provided by operating activities, in each case, as determined in accordance with IFRS. NOI, as calculated by us, may not be comparable to similarly titled measures reported by other companies. The table below presents a reconciliation of profit from operations to NOI for the periods indicated:

For the six-month period ended December 31 (in ARS million)		
	2017	2016
Gross profit	1,853	1,509
Selling expenses	-129	-124
Net realized gain on changes in fair value of investment property	-	40
Depreciation and amortization	20	16
NOI (unaudited)	**1,743**	**1,440**

XVI. FFO Reconciliation

We also present in this summary report Adjusted Funds From Operations attributable to the controlling interest (or "Adjusted FFO"), which we define as Total profit for the year or period plus (i) depreciation and amortization minus (ii) net gain from fair value adjustments of investment properties minus (iii) total financial results, net excluding Financial interest net (foreign exchange differences net, gain/loss from derivative financial instruments, fair value gains of financial assets and liabilities at fair value through profit or loss, Other financial results net), plus (iv) deferred income tax and minus (v) non-controlling interest.

Adjusted FFO is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS. Adjusted FFO is not equivalent to our profit for the period as determined under IFRS. Our definition of Adjusted FFO is not consistent and does not comply with the standards established by the White Paper on funds from operations (FFO) approved by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), as revised in February 2004, or the "White Paper."

We present Adjusted FFO because we believe it provides investors a supplemental measure of our financial performance that may facilitate period-to-period comparisons on a consistent basis. Our management also uses Adjusted FFO from time to time, among other measures, for internal planning and performance measurement purposes. Adjusted FFO should not be construed as an alternative to profit from operations, as an indicator of operating performance or as an alternative to cash flow provided by operating activities, in each case, as determined in accordance with IFRS. Adjusted FFO, as calculated by us, may not be comparable to similarly titled measures reported by other companies. The table below presents a reconciliation of profit from operations to Adjusted FFO for the periods indicated:

For the six-month period ended December 31 (in ARS million)		
	2017	2016
Total profit for the year	11,583	2,086
Net gain from fair value adjustments of investment properties	-9,868	-2,285
Depreciation and amortization	20	16
Foreign exchange differences, net	885	275
Derivative financial instruments	-109	-47
Fair value gains of financial assets and liabilities at fair value through profit or loss	-598	-3
Dividends earned	-13	-9
Other financial costs	48	27
Deferred income tax	683	785
Non-controlling interest	-341	-83
Adjusted FFO (unaudited)	**924**	**762**

XVII. Brief comment on prospects for the next fiscal quarter

Prospects for fiscal year 2018 are positive, in light of the rebound in economic activity and consumption, which decelerated in 2017 as compared to 2016. We hope to continue growing in terms of sales, visitors to our shopping malls and tenants in our office spaces, as well as maintaining optimum occupancy levels.

During the second semester of the fiscal year 2018, we expect to consummate certain acquisitions of new lands or existing commercial properties, and we plan to make progress in the commercial developments already launched, including the 4,000 sqm expansion of our Alto Palermo shopping mall, the development of the 32,000 sqm office building in the commercial complex adjoining our Dot Baires shopping mall, and the "Catalinas" building in Buenos Aires, in which we own 16,012 sqm. In addition, in fiscal year 2018 and 2019 we expect to finish the expansion works in some of our shopping malls for approximately 21,000 of GLA. We will build 2,200 sqm to add 6 cinema screens in Alto Comahue, a large store of 2,400 sqm in Alto Rosario shopping mall, and a 12,800 sqm mainly in a Sodimac store in Mendoza Plaza Shopping, and we will expand by 3,000 sqm Alto Avellaneda, our shopping mall located in the southern region of Buenos Aires. In addition, we will continue working on 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 malls 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 2018 IRSA Propiedades Comerciales will continue to consolidate itself as the leading commercial real estate company in Argentina. With more than 400,000 sqm of Gross Leasable Area distributed among the best shopping malls and offices in the country, our potential to build approximately 375,000 sqm, including expansion projects and new commercial developments, 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.

Consolidated Condensed Interim Balance Sheets
as of December 31 and June 30, 2017

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

	Note	12.31.17	06.30.17
ASSETS			
Non-current Assets			
Investment properties	8	46,178,538	35,916,882
Property, plant and equipment	9	117,988	120,536
Properties for sale	10	61,568	61,600
Intangible assets	11	132,040	111,560
Investments in associates and joint ventures	7	986,610	791,626
Deferred tax assets	18	47,790	59,455
Income tax and minimum presumed income tax credit		51	29
Trade and other accounts receivable	13	849,836	777,818
Investments in financial assets	12	92,398	66,717
Total non-current assets		**48,466,819**	**37,906,223**
Current assets			
Inventories		26,981	22,722
Restricted assets	12	-	49,525
Income tax and minimum presumed income tax credit		4,738	1,933
Trade and other accounts receivable	13	1,512,916	1,453,312
Investments in financial assets	12	2,543,230	1,180,249
Derivative financial instruments	12	20,198	-
Cash and cash equivalents	12	3,327,288	1,807,544
Total current assets		**7,435,351**	**4,515,285**
TOTAL ASSETS		**55,902,170**	**42,421,508**
SHAREHOLDERS' EQUITY			
Attributable to controlling company's shareholders (as per applicable statement)		32,707,135	22,145,079
Non-controlling interest		1,211,943	871,169
TOTAL SHAREHOLDERS' EQUITY		**33,919,078**	**23,016,248**
LIABILITIES			
Non-current liabilities			
Trade and other accounts payable	15	425,445	406,598
Loans	16	9,252,448	5,918,119
Deferred tax liability	18	10,568,754	11,263,341
Provisions	17	16,955	16,509
Total non-current liabilities		**20,263,602**	**17,604,567**
Current liabilities			
Trade and other accounts payable	15	1,100,603	1,104,982
Income tax payable		188,609	268,957
Salaries and social security charges payable		107,953	147,095
Loans	16	269,164	249,868
Derivative financial instruments	12	27,777	4,950
Provisions	17	25,384	24,841
Total current liabilities		**1,719,490**	**1,800,693**
TOTAL LIABILITIES		**21,983,092**	**19,405,260**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**55,902,170**	**42,421,508**

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

Consolidated Condensed Interim Income Statements
for the six- and three-month periods ended December 31, 2017 and 2016

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

		Six months		Three months	
	Note	12.31.17	12.31.16 (adjusted)	12.31.17	12.31.16 (adjusted)
Revenues from sales, leases and services	19	2,055,668	1,679,617	1,068,616	911,194
Revenues from expenses and collective promotion fund	19	855,798	744,179	445,865	404,123
Costs	20	(1,058,767)	(914,446)	(548,843)	(488,329)
Gross profit		**1,852,699**	**1,509,350**	**965,638**	**826,988**
Net gain from fair value adjustment on investment properties	8	9,868,269	2,284,755	7,544,875	1,299,786
General and administrative expenses	20	(169,975)	(154,751)	(87,543)	(90,582)
Selling expenses	20	(129,109)	(124,416)	(71,318)	(65,209)
Other operating results, net	21	(14,021)	22,661	(12,850)	26,681
Profit from operations		**11,407,863**	**3,537,599**	**8,338,802**	**1,997,664**
Income from interests in associates and joint ventures	7	195,886	81,601	153,293	58,219
Income before financial results and income tax		**11,603,749**	**3,619,200**	**8,492,095**	**2,055,883**
Financial income	22	171,113	133,990	99,498	62,381
Financial expenses	22	(1,383,813)	(670,592)	(896,706)	(379,906)
Other financial income/(loss)	22	707,177	49,973	508,470	133,468
Financial loss, net		(505,523)	(486,629)	(288,738)	(184,057)
Profit before income tax		**11,098,226**	**3,132,571**	**8,203,357**	**1,871,826**
Income tax	18	484,604	(1,046,908)	1,444,737	(565,782)
Profit for the period		**11,582,830**	**2,085,663**	**9,648,094**	**1,306,044**
Total comprehensive income for the period		**11,582,830**	**2,085,663**	**9,648,094**	**1,306,044**
Attributable to:					
Controlling company's shareholders		11,242,056	2,002,924	9,360,914	1,250,834
Non-controlling interest		340,774	82,739	287,180	55,210
Net income per share attributable to controlling company's shareholders:					
Basic		89.21	15.89	74.28	9.93
Diluted		89.21	15.89	74.28	9.93

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

Consolidated Condensed Interim Cash Flow Statements
for the six-month periods ended December 31, 2017 and 2016

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

	Note	12.31.17	12.31.16 (adjusted)
Operating activities:			
Cash generated by operating activities	14	1,800,866	1,163,761
Income tax paid		(281,495)	(158,147)
Net cash generated by operating activities		**1,519,371**	**1,005,614**
Investing activities:			
Capital contributions in joint ventures	7	(11,700)	(1,000)
Acquisition of investment properties	8	(388,229)	(78,928)
Collection from disposal of investment properties		-	90,720
Acquisition of property, plant and equipment		(6,351)	(10,213)
Advance payments to suppliers		(62,263)	-
Acquisition of intangible assets	11	(29,803)	(12,928)
Acquisition of investments in financial assets		(3,983,154)	(1,216,376)
Collection of realization of asset investments		2,907,472	1,766,117
Loans granted, net		(10,769)	-
Loans granted to related parties		-	(244,722)
Collection of loans granted to related parties		-	283,556
Interest and dividends collected on financial assets		42,110	14,300
Payment for business combination net of cash acquired		-	(46,145)
Dividends collected		12,678	-
Net cash (used in) / generated by investing activities		**(1,530,009)**	**544,381**
Financing activities:			
Issue of non-convertible notes		2,365,003	-
Repayment of borrowings		(1,141)	(39,883)
Payment of financial leases		(1,386)	(883)
Dividends paid		(680,000)	(25,305)
Payment of derivative financial instruments		(13,946)	(26,664)
Collection of derivative financial instruments		125,428	64,512
Interest paid		(309,965)	(272,218)
Dividends paid to non-controlling shareholders		-	(33,036)
Short-term loans, net		(7,098)	54,262
Net cash generated by / (used in) financing activities		**1,476,895**	**(279,215)**
Net increase in cash and cash equivalents		**1,466,257**	**1,270,780**
Cash and cash equivalents at beginning of period	12	1,807,544	33,049
Foreign exchange gain on cash and net gain from fair value adjustment of cash equivalents		53,487	414
Cash and cash equivalents at period end	12	**3,327,288**	**1,304,243**

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

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IRSA PROPIEDADES COMERCIALES

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