IRSA PROPIEDADES COMERCIALES S.A.

Annual Report

for the fiscal years

started on July 1, 2015, 2014 and 2013

and ended on June 30, 2016, 2015 and 2014

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1. Corporate Profile

IRSA Propiedades Comerciales S.A. ("IRSA CP" or the "Company") is one of the leading real estate companies in Argentina, and it is mainly engaged in the ownership, lease, management, development, operation and purchase of shopping centers and office buildings.

We are owners and/or managers of 16 shopping centers in Argentina, 15 of which are operated by the Company, totaling 333,155 square meters of Gross Leaseable Area as of the closing of fiscal year 2016. Moreover, the Company owns 79,048 square meters in 6 premium office buildings and has a large reserve of land for future commercial developments. We are operators and owners of majority stakes in 14 of our shopping centers in Argentina, seven of which are located in the City of Buenos Aires (Abasto, Alcorta Shopping, Alto Palermo, Patio Bullrich, Buenos Aires Design, Dot Baires Shopping and Distrito Arcos), two in the Greater Buenos Aires area (Alto Avellaneda and Soleil), and the rest in various provinces (Alto Noa in the City of Salta, Alto Rosario in the City of Rosario, Mendoza Plaza in the City of Mendoza, Córdoba Shopping Villa Cabrera in the City of Córdoba, and Alto Comahue in the City of Neuquén). In addition, IRSA Propiedades Comerciales operates La Ribera Shopping in the City of Santa Fe through a joint venture, and owns the historic real estate that hosts the Patio Olmos shopping center in the Province of Córdoba, which is operated by a third party.

IRSA CP was organized in 1889 under the name "Sociedad Anónima Mercado de Abasto Proveedor (SAMAP)," and, until 1984, we led the main fresh produce market in the City of Buenos Aires. Our most important asset during that period was the historic Mercado de Abasto building which served as the location of the market from 1889 to 1984, when we largely ceased its operations.

Since the date the Company was acquired by IRSA Inversiones y Representaciones Sociedad Anónima ("IRSA"), in 1994, we have grown through a series of acquisitions and development projects that ended in a corporate reorganization from which our current corporate name and organization structure derive. In December 2014 we acquired from our parent IRSA a portfolio consisting of 5 office buildings and became the leading commercial real estate company in Argentina. As a result, we changed our corporate name to IRSA Propiedades Comerciales S.A. As of June 30, 2016, our main shareholder is IRSA with 94.61% of our capital stock. The Company's shares are traded on the Buenos Aires Stock Exchange ("BASE") and the NASDAQ.

During the fiscal year ended June 30, 2016, we had revenues from sales, leases and services for Ps. 2,674.9 million, generating operating income of Ps. 1,934.6 million, whereas our total assets amounted to Ps. 9,299.5 million and our shareholders' equity was Ps. 1,491.3 million.

2. Letter to Shareholders

Dear Shareholders,

We have ended our first full fiscal year since the creation of IRSA Propiedades Comerciales S.A. (NASDAQ: IRCP; BASE: IRCP) as an exclusive commercial real estate vehicle in Argentina, and we are highly satisfied with the results obtained. Our shopping center tenants' sales rose by 34.3% during the year (29.6% excluding the openings of Distrito Arcos and Alto Comahue in 2015), and occupancy reached optimum levels equal to 98.4%. In the office segment, we recorded an average rental income of USD 25.9 per square meter and a 98.6% occupancy rate, whereas we took advantage of the strong demand and sustained prices and sold several floors in the "Intercontinental Plaza" building for a price of approximately USD 3,500 per square meter, expecting to recover the square meters sold in new projects to be developed over the next fiscal periods.

With over 400,000 square meters of Gross Leaseable Area (GLA) in 16 shopping centers (including the ownership of the Patio Olmos historic building in Córdoba, which is operated by a third party) and 6 office buildings and a potential of approximately 340,000 square meters among expansion projects and new commercial developments, amidst an industry scenario that is still not mature and has a great potential, we believe that IRSA Propiedades Comerciales is in a sound position to leverage on the various opportunities that may arise in Argentina in the future.

We are optimistic about the change of cycle in Argentina, as we see a favorable environment, clear rules and great interest by international investors in Argentina. We expect the investments the country needs to recover its growth path will start to flow in 2017.

Following this vision, during this year we have made expansion and improvement works in some of our shopping centers in order to optimize the distribution of rental areas and generate higher sales and rental income per sqm. We added 3,564 sqm of GLA in a second stage of works at Distrito Arcos Premium Outlet, and in the interior of Argentina; we expanded our Alto Rosario shopping center by adding 650 sqm of GLA along with new top-class lessees. Moreover, in June we started works for adding a new Nike store in Soleil Premium Outlet featuring 920 sqm of GLA, which we expect to open during the next fiscal period.

We have launched an investment plan of approximately USD 400 million (combining the Company's contributions and funds committed by lessees and tenants) to be rolled out over the next fiscal periods. The projects include 290,000 sqm of offices, residential properties and shopping centers, and we estimate that 4,000 jobs will be created, including both construction workers and future employees in the new stores and buildings, apart from the multiplying effect these projects will have on the real estate-related industries in terms of investment, creation of job opportunities, and economic recovery.

One of the main projects launched for the next fiscal year is the expansion of our Alto Palermo shopping center, which is located in a unique setting in the heart of the city and is one of the shopping centers with highest sales per square meter in Latin America. The project will add approximately 4,000 sqm of gross leaseable area to the shopping center, and consists of moving the food court to a third level and using the area of the adjoining property, purchased last year, to make the project feasible. We expect construction works to last from 18 to 24 months.

Over the next years we also plan to develop the "Polo Dot" project in the commercial complex adjoining our Dot Baires shopping center, which has grown extensively since we made our first investments in the area. The total project (for which we already own the land) will consist of 3 office buildings (possibly including a hotel in one of them) and the future expansion of the shopping center by adding approximately

15,000 sqm of GLA. In a first stage we will develop 11 office floors, with approximately 30,000 sqm, on top of an existing building, and we have already executed a lease agreement for approximately half the leasable footage even before starting the works. Construction will commence during the next fiscal period, and we estimate that the building will become operational in 18 to 24 months. The second stage of the project consists of two office/hotel buildings that will add 38,400 sqm of GLA to the complex. We have had great demand for premium office spaces in this new commercial hub, and we trust that we will be able to materialize a quality development comparable to our previous projects, with attractive income levels and full occupancy.

In the last quarter of the fiscal year we purchased from our parent company IRSA Inversiones y Representaciones S.A. ("IRSA"), 16,012 sqm corresponding to 14 floors and 142 parking spaces in a building to be built in the "Catalinas" area in the City of Buenos Aires, one of the most sought-after spots for developing premium offices in Argentina. The building to be built will have 35,468 sqm of GLA in 30 office floors and 316 parking spaces; works are scheduled to begin by the end of this calendar year and will take approximately 3 years. The building will become an iconic landmark in the city, as it will be the only one with a 60 sqm riverfront to the Río de la Plata and will have LEED Certification, validating the best environmental practices in terms of operating standards.

As concerns our other investments, during this year we retained our 11.14% interest in Avenida Inc., a company engaged in e-commerce which has experienced significant growth over a short period of time. We believe in the potential of this business, which has gained increasing foothold in the world and will surely have its footprint in Argentina in the near future, supplementing sales at shopping centers. Moreover, we increased to 35% our indirect interest in La Rural S.A., engaged in the exhibition business and placed in a strategic location in the City of Buenos Aires, from which we believe we will capture synergies with our shopping centers in the future. Finally, during this year we retained our 9.5% investment in TGLT and our 20% interest in Tarjeta Shopping S.A., a company engaged in the consumer finance business.

As concerns financial matters, during this fiscal year we paid dividends for Ps. 283.5 million and we managed to extend our indebtedness terms by issuing a USD 360 million bond due in 2023 in the international markets, the proceeds of which were used to repay existing liabilities and the intercompany loan granted by our parent company IRSA. It was the first successful issuance of debt in Latin America for a significant amount made in 2016.

The economic results obtained during this year have been accompanied by several sustainability and social responsibility practices. We have a strong commitment with the communities where we operate, with childhood care, education and the environment as pillars of our actions. We encourage the advancement of social organizations, schools, hospitals, first-aid care facilities, meal centers and shelters, to produce a positive change together. For example, we highlight the fifth edition of the *Regalá + Ayudá* (Your Gift + Your Help) program, carried out on December 23 and 24, 2015. The Company donated Ps. 2 for each ticket issued in our shopping centers for the benefit of 15 NGOs throughout the country, for an aggregate of over Ps. 1,150,000.

We expect that during the next period, IRSA Propiedades Comerciales will continue to consolidate itself as the leading commercial real estate company in Argentina, adding new properties and footage to its current portfolio and introducing new leading brands and innovative ideas so as to keep up our growth in Argentina by offering the best commercial proposals to our visitors –who totaled over 110 million during this year- and adding more premium spaces for our tenants. Given our financial flexibility, experience in leveraging opportunities and long track record in the capital markets, we are highly confident in our capacity to create value to our various stakeholders.

To all of you, my most sincere thanks for your continued support and trust.

City of Buenos Aires, August 31, 2016

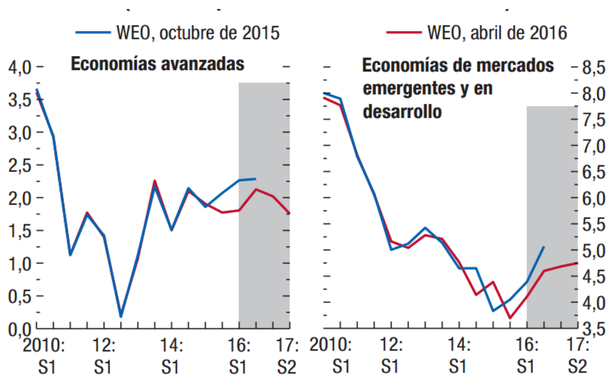
Fernando A. Elsztain
Director

3. Macroeconomic Context

International Outlook

As reported by the International Monetary Fund ("IMF") in its "World Economic Outlook" ("WEO"), global activity increased by 3.1% in 2015, slightly below the projections mainly as a result of a strong decline in activity during the last quarter in the year. World growth is expected to reach 3.2% in 2016 and 3.5% in 2017. In 2016 and 2017, growth in developed economies is expected to remain steady at about 2%, driven by the growth in the United States of 2.5%, and in the Euro area, of 1.5%.

Growth of GDP
(half-yearly percentage change, in annual terms)



Sources: Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics and estimates prepared by IMF technical staff.

As of April 2016, emerging and developing economies have recorded growth rates at 4%, also slightly below the projections. They are expected to grow 4.1% and 4.7% by the end of 2016 and 2017. Emerging economies continue facing challenges as regards the inflow of foreign capital. Countries which are more flexible in terms of foreign exchange responded better to the global flow of capital than in previous desacelerations.

IMF's World Economic Outlook forecasts

(Percentage change in USD)

			Forecasts	
	2014	2015	2016	2017
The World's GDP	**3.4**	**3.1**	**3.2**	**3.5**
Advanced Economies	**1.8**	**1.9**	**1.9**	**2.0**
United States	2.4	2.4	2.4	2.5
Euro area	0.9	1.6	1.5	1.6

Japan	0.0	0.5	0.5	-0.1
Emerging markets and Developing economies	**4.6**	**4.0**	**4.1**	**4.6**
Russia	0.7	-3.7	-1.8	0.8
India	7.2	7.3	7.5	7.5
China	7.3	6.9	6.5	6.2
Brazil	0.1	-3.8	-3.8	0.0
South Africa	1.5	1.3	0.6	1.2
Argentina	0.5	1.2	-1.0	2.8
Latin America and the Caribbean	1.3	-0.1	-0.5	1.5

Source: WEO, April 2016

Financial market behavior

(Percentage change in USD)

	2014	2015	2016
MSCI World ACWI	2.1	-4.3	0.5
MSCI Emerging Markets	-4.6	-17	5.6
S&P 500	11.4	0.7	2.9
DAX 30	-9.6	-1.7	-7.7
FTSE 100	-8.5	-10.1	-5.7
Nikkei 225	-5.8	8.0	-2.5
Bovespa	-13.4	-42.0	47.6
Merval	17.2	-1.2	17.0

Source: Bloomberg, as of July 4, 2016

The MSCI World ACWI index fell 4.3% in 2015 and showed a recovery during 2016. The MSCI Emerging Markets index fell 17% in 2015 and recovered 5.6% so far in 2016.

Commodities market behavior

(Percentage change in USD)

	2014	2015	2016
GSCI Industrial Metals	-5.9	-23.1	9.5
GSCI Energy	-45.3	-31.5	31.5
GSCI Agriculture	-8.3	-12.1	8.4
Soybean	-22.3	-14.5	33.6
Gold	-1.7	-10.4	29
Corn	-5.9	-9.6	0.3
Wheat	-2.6	-20.0	-8.5
Oil	-45.9	-30.5	31.6

Source: Bloomberg, as of July 4, 2016

During 2014 and 2015, the commodities markets suffered a strong decline. Mainly, oil exhibited a sustained negative trend until reaching a historical low in February 2016. During 2016, the commodities markets exhibited a strong recovery with a 31.6% rise in oil prices. Soybean reversed the decline it had suffered in 2014 and 2015 and rose 33.6%.

Global Aggregates: Headline Inflation

The IMF's forecasts indicate that inflation in the economies of emerging and developing markets will decrease from 4.7% in 2015 to 4.5% in 2016, due to the decline in the prices of raw materials and the effects of last year's currency depreciations evening out.

Average inflation in advanced economies will remain below the goals set by central banks, mostly as a result of the lower price of oil. As of April 2016, the general level of inflation in advanced economies averaged 0.3%, the lowest since the global financial crisis.

The Argentine Economy

The IMF reduced its growth projection for 2016 from a 0.1% increase to a 1% decline of the GDP. This correction was due to the change in policies implemented by the new government administration aimed at balancing certain macroeconomic distortions. Although growth forecasts have improved in the short term, the economic adjustment is expected to cause a slight recession in 2016.

Shopping center and supermarket sales reached a total Ps. 4,374 million in April 2016, which represents a 41.4% increase as compared to the same period last year. Accumulated sales for the first four months of the year totaled Ps. 14,586 million, representing a 29.2% increase as compared to the same period last year.

The INDEC reports that, as of April 2016, industrial activity in Argentina decreased by 6.7% as compared to the same month in 2015. Manufacturing production accumulated a 2.4% decline during the first four months of the year as compared to the same period last year.

Regarding the balance of payments, in the first quarter of 2016 the current account deficit reached USD 4,013 million, with USD 1,403 million allocated to the goods and services trade balance, and USD 2,572 million to the income account, which represents 72% of the foreign direct investment return.

During the first quarter of 2016, the financial account showed a surplus of USD 8,510 million resulting from net income from the non-financial public sector and the Argentine Central Bank ("BCRA") for USD 6,233 million, from the non-financial private sector for USD 1,701 million, and from the financial sector for USD 576 million.

The stock of international Reserves fell by USD 5,844 million in 2015. During the first half of 2016, reserves grew by USD 4,944 million. At July, reserves stood at USD 25,512 million.

Total gross external debt increased by USD 10,605 million during the first quarter of 2016 and stood at USD 163,236 million at March 2016.

The non-financial public sector and Argentine Central Bank debt was estimated at USD 92,469 million, having increased by USD 8,593 million during the first quarter of 2016. The Argentine Central Bank's government security and bond outstanding balance increased by USD 3,431 million during the first quarter of 2016. At the end of this quarter, the balance stood at 43,794 million.

The non-financial private debt grew USD 2,261 during the first quarter of 2016. At March 2016, such debt stood at USD 67,621 million.

The financial sector debt excluding the Argentine Central Bank decreased by USD 250 million during the first quarter of 2016, reaching a total of USD 3,145 million.

In connection with the fiscal sector, revenues recorded a year-on-year increase of 38.9% as of March 2016, whereas primary expenditure grew by 38.7% during the same period.

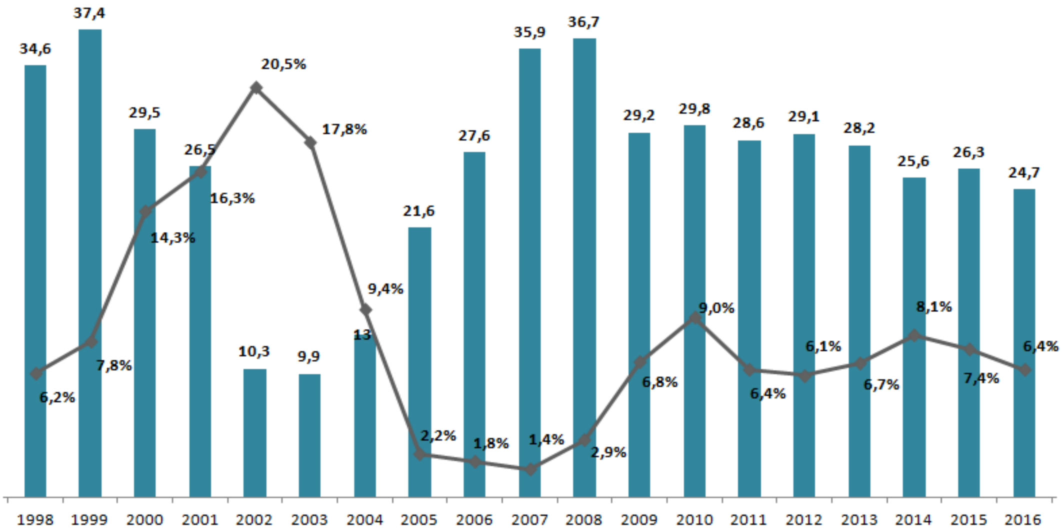
In local financial markets, the Private Badlar rate in Pesos ranged from 20% to 30% in the period from July 2015 to June 2016, averaging 28% in June 2016 against 20% in June 2015. The Argentine Central Bank discontinued its controlled floating exchange rate policy in December 2015; consequently, the Peso sustained a 63% nominal depreciation in the period from July 2015 to June 2016. At June 2016, the exchange rate stands at 14.50 pesos for each dollar.

At June 2016, Argentina's country risk decreased by 97 basis points in year-on-year terms, maintaining a high spread vis-à-vis the rest of the countries in the region. The debt premium paid by Argentina was at 518 basis points in June 2016, compared to the 352 paid by Brazil and the 213 paid by Mexico.

Our Segments

Private consumption continues to be a significant component of economic activity, although in the past months there has been a slight deceleration in its growth rate. At June 2016, the Consumer Confidence Index (CCI) had shown a 22.2% decline as compared to June 2015, as well as a 1.9% increase as compared to June 2014. Sales in shopping centers in April 2016 reached a total amount of Ps. 4,374 million, which represented a 41.4% increase compared to the same month in 2015. Accumulated sales for the first four months of the year totaled Ps. 14,586 million and reached a 29.2% percentage variation compared to the same period the previous year.

Evolution of Rent and Vacancy in the City of Buenos Aires



SOURCE: Colliers International

According to Colliers International, as of June 2016, the A+ and A office inventory remained stable since the fourth quarter of 2015 at 1,655,954 sqm. In terms of rental availability, there was a 1% decrease in the vacancy rate to 6.4% during the second quarter of 2016 compared to the same period the previous year. Thus, the vacancy rate has remained at a stable range between 6% and 8% since 2010. These values indicate that the market is healthy in terms of its operations, allowing an optimum level of supply with balanced values. According to the market segments, class A properties show a vacancy rate of 7% for the entire stock, while A+ properties buildings show a vacancy rate of 5%.

During the second quarter of 2016, net absorption was negative at 400 sqm, i.e., more meters than the ones that have been occupied have become vacant, a situation that was not seen since 2012. This behavior of demand is mainly explained by the sub-market *Zona Norte GBA*, which concentrates most of the spaces that have become vacant. On the other hand, it is verified that the area that has become vacant in A+ properties (-2,908 sqm) was mostly absorbed by class A properties (as it was 2,474 sqm).

During the second quarter of 2016, rental prices remained steady as compared to the general average prices seen over the past ten years (USD 24.8 per square meter). Compared to the previous quarter, a 2.5% increase was recorded (from USD 24.1 per square meter to USD 24.7 per square meter). This slight increase shows a 1.4% increase in rental prices for A+ properties (USD 27.2 per square meter in the second quarter against USD 26.8 per square meter in the first quarter) and a 2.4% increase in rental prices for A properties (USD 23.4 per square meter in the second quarter against USD 22.9 per square meter in the first quarter). The spread between both categories is USD 3.8 and reached USD 12 in low vacancy periods.

In turn, the sub-market Catalinas is currently the one with the best prices in the market. The average value of the properties in such area amounts to USD 27.9 per square meter. This value is expected to increase over the next few months due to the addition of new towers with prices already over USD 35 per square meter in the inventory.

At June 2016, the sub-market *Zona Norte GBA* shows average rental prices of USD 23.3, almost at the same values of June 2015. Moreover, during the same month, the vacancy rate was 8.9%, compared to 9.5% in June 2015.

4. Business Strategy

As a leading Company engaged in acquisition, development and management of commercial properties, including shopping centers and office and other rental properties in Argentina, we seek (i) to generate stable cash flows derived from operation of our rental properties and (ii) to increase the long-term value of our real estate assets. We seek to fulfill these objectives and maintain our leadership in our markets mainly by implementing the following strategy.

Investment Strategy. We intend to take advantage of the unmet demand for commercial lots in urban areas in Argentina while we aim at optimizing the purchasing experience for our customers. In addition, we intend to take advantage of the unmet demand for premium office buildings in the City of Buenos Aires. We seek to fulfill these objectives by implementing the following strategies:

- **To purchase and develop our shopping centers on a selective basis**. We seek to develop new shopping centers with different business formats in urban areas that are either densely populated or that display appealing growth prospects, including the Buenos Aires metropolitan area, some provincial cities in Argentina and possibly in other places outside Argentina. Our strategically located plots provide us with the possibility of developing new shopping centers in attractive areas which in our opinion meet these requirements. In addition, we seek to selectively acquire shopping centers which in our opinion will benefit from our know-how, relationship with tenants, centralized management and leasing strategies, thus allowing entry into new markets and fueling synergies within our property portfolio.
- **To acquire and develop Premium office buildings.** After the economic crisis in Argentina in 2001 and 2002, investment in top-quality office buildings in the City of Buenos Aires has been limited. As a result, we believe there is a significant unmet demand for such properties. We look for premium corporate tenants and seek to purchase and develop premium office buildings in commercial districts that are strategically located in the City of Buenos Aires and other towns which in our opinion offer attractive returns and have a potential for capital gains in the long term.
- **To improve our properties on a regular basis.** We regularly think of ways to improve our properties and make them more attractive both for existing and prospective tenants, from a commercial and financial perspective, in order to maintain our high occupancy rates, increase the rent in the event of renewal of lease agreements and optimize our leaseable footage and land reserves.
- **To develop ancillary synergetic projects.** We aim at developing real estate projects and other commercial developments that are ancillary to our shopping centers, hence benefiting from the flow of customers in the areas where we operate. Our development of residential properties such as “Torres de Abasto”, near the Abasto shopping center, located in the City of Buenos Aires, and “Condominios del Alto”, near the Alto Rosario shopping center, in the City of Rosario, Province of Santa Fe, which clearly illustrate this strategy.

Operational Strategy. Our main operational goal consists in maximizing the profitability from our shopping centers and commercial properties. We aspire to attain this goal by implementing the following operational strategies:

- **To strengthen and consolidate the relationships with our tenants.** It is essential to our continued success to keep a strong relationship with our tenants. We seek to maintain business relationships with over 1,000 companies and retail brands that comprise our group of tenants in our shopping centers. We carry out periodic improvement works at our shopping centers so that they remain modern and attractive and that we can offer to the customers a superior shopping experience, while maintaining, in turn, competitive occupancy costs for our tenants. In addition, we seek to offer a wide range of products and services, including advice and administrative and marketing activities. On the other hand, we focus on consolidating and strengthening relationships with tenants of our office buildings, by making efforts to ensure that they obtain the benefits derived from leasing our premium office properties.

- **To achieve an optimal mix of tenants and attractive leasing conditions.** We seek to maintain high occupancy rates at our shopping centers by leasing to a diversified group of tenants who are creditworthy and sell renowned brands, which allow us to obtain income from rentals per square meter that is both attractive and stable. In addition, we aspire to attain an optimal mix of tenants at our office properties, where the creditworthiness of our corporate customers is key to maintaining solid and stable cash flows.
- **To improve brand awareness and loyalty with consumers and tenants.** We have a valuable and renowned portfolio of brands in terms of shopping centers. We strive to improve brand recognition and consumers' and tenants' loyalty with expansive marketing campaigns, including advertising campaigns, promotional events and different marketing initiatives aimed at highlighting our offer of premium products tailored to the preferences of end consumers of our shopping centers. We also seek to enhance such loyalty by adding value to our properties, through the offering of top-quality entertainment and food court alternatives in order to increase customer visit frequency and duration, in particular from young women, families and tourists.
- **To improve operating margins.** We strive to take advantage of our scale economies in order to achieve cost reductions and improve our operating margins, which have been high during the last ten years.

5. Fiscal Year Summary

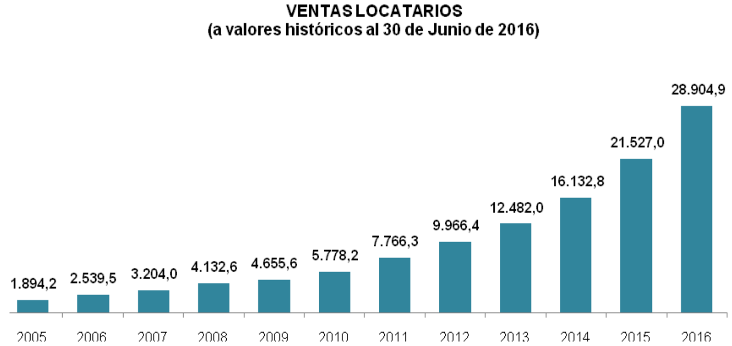
Operating performance

At the end of fiscal year 2016, our tenants' sales in the shopping centers reached Ps. 28,904.9 million, posting an increase of 34.3% compared to the previous fiscal year and 29.6% considering the same shopping centers (excluding the opening of Distrito Arcos and Alto Comahue in 2015).

Sales in the shopping centers located in the City of Buenos Aires and Greater Buenos Aires recorded year-on-year increases of 32.3%, up from Ps. 15,264 million to Ps. 20,198 million during the fiscal years ended June 30, 2015 and 2016, respectively, whereas Shopping Centers in the interior of Argentina increased about 39% in comparison with the same period of the previous fiscal year, from Ps. 6,263 million to Ps. 8,707 million during fiscal years ended June 30, 2015 and 2016, respectively.

TENANT SALES

(at historical values as of June 30, 2016)



During this year, our shopping centers continued to position themselves as market leaders. Our policy of constantly suiting to the customers' requirements, combined with the excellent quality of the Company's assets, the consumers' loyalty and choice of our shopping centers, have contributed to the continued uprising trend in our tenants' sales.

Relative Efficiency

The GLA of the shopping centers owned by the Company in the whole country, which shows the area available for lease of retail stores, reached 333,155.4 leaseable sqm.

In addition, we have strategically located plots that would allow us to develop new shopping centers.

During this fiscal year our shopping centers received approximately 111.8 million visitors.

Occupancy in our shopping centers stood at 98.4%. Sales per square meter were around Ps. 86,761.

Revenues from the Shopping Centers segment

Upon analyzing the composition of revenues from the shopping centers segment between 2016, 2015 and 2014 we note that proportions remain stable: revenues from leases ("VMA") represents approximately 57% of the segment's revenues and contingent lease, which is the lease contingent upon our tenants' sales, represents around 25% of the segment.

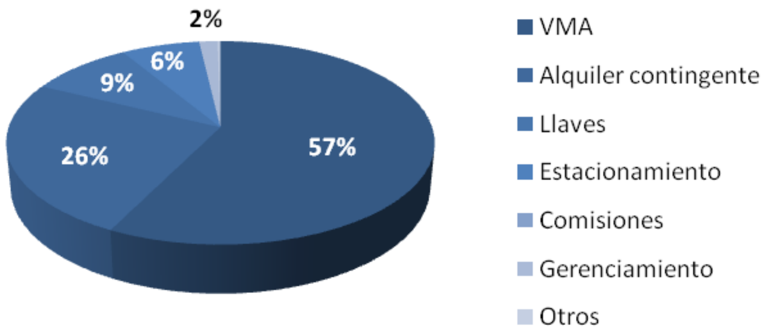
Breakdown of revenues as of June 30, 2016, 2015 and 2014

(thousands of Ps.)

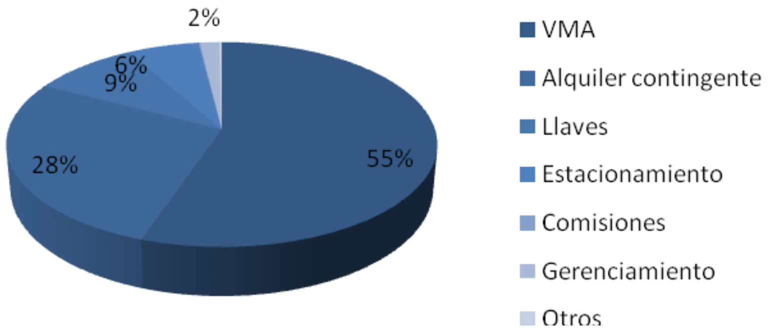
	2016	2015	2014
Base rent	1,317,824	946,512	753,761
Percentage rent	599,033	469,183	334,259
Total rent	**1,916,858**	**1,415,695**	**1,088,021**
Revenues from admission rights	207,531	156,639	126,636
Management fees	37,593	28,146	22,546
Parking	153,213	105,383	79,386
Commissions	42	2,195	606
Other	5,977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

(1) It does not include Patio Olmos, Fibesa, or revenues from Expenses and Collective Promotion Fund.

Breakdown of revenues for 2016



Breakdown of revenues for 2015



6. Description of Business

- **"Shopping Centers"** includes the results from our commercial exploitation and development of shopping centers, mainly derived from the lease and the provision of services related to the lease of retail stores and other spaces in the shopping centers. Our "Shopping Centers" segment includes highly diversified, multi-format assets focused on shopping centers targeting middle- and high-class consumers.

- **"Offices and Other"** mainly includes our operating results arising from the lease of offices and the provision of related services.

- **"Sales and Developments"** includes the results arising from our undeveloped plots of land and/or investment properties and those originated in their development and maintenance. It also includes the results arising from investment properties.

- **"Financial Operations and Other**" mainly includes the results from financing activities developed through Tarshop S.A., and the residual result of consumer financing activities from Apsamedia S.A. (currently merged with us). In addition, the e-commerce activities performed through our associate Avenida were included until the first quarter of the year ended June 30, 2015. Such investment was considered as a financial asset as from the second quarter of the year ended June 30, 2015.

Shopping Centers Segment

As of June 30, 2016, we owned a majority interest in, and operated, a portfolio of 16 shopping centers in Argentina, seven of which are located in the City of Buenos Aires (Abasto, Alcorta Shopping, Alto Palermo Shopping, Patio Bullrich, Buenos Aires Design, Dot Baires Shopping and Distrito Arcos), two are located in the greater Buenos Aires area (Alto Avellaneda and Soleil Premium Outlet), and the rest are located in different provinces of Argentina (Alto Noa in the City of Salta, Alto Rosario in the City of Rosario, Mendoza Plaza in the City of Mendoza, Córdoba Shopping Villa Cabrera and Patio Olmos (operated by a third party) in the City of Córdoba, La Ribera Shopping in Santa Fe (through a joint venture) and Alto Comahue in the City of Neuquén).

The shopping centers operated by us comprise a total of 333,155.4 square meters of GLA (excluding certain spaces occupied by hypermarkets which are not our tenants). Total tenant sales in our shopping centers, as reported by retailers, were Ps. 28,904.9 million for fiscal year 2016 and Ps. 21,527.0 million for fiscal year 2015, which implies an increase of 34.3%, including Distrito Arcos and Alto Comahue. Tenant sales at our shopping centers are relevant to our revenues and profitability because they are one of the factors that determine the amount of rent that we charge our tenants. They also affect the tenants' overall occupancy costs as a percentage of the tenant's sales.

The following table shows certain information about our shopping centers as of June 30, 2016:

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

		Argentina					
Alto Comahue [7]	Mar-15	Neuquén, Argentina	9,889.6	102	96.6%	99.1%	314,359
Patio Olmos [8]							24,989
Total			**333,155.4**	**1,642**	**98.4%**		**1,649,925**

<u>Notes:</u>

(1) Corresponds to the total leaseable surface area of each property. Excludes common areas and parking spaces.
(2) Calculated by dividing square meters leased under leases in effect by gross leaseable area as of fiscal year end.
(3) Our effective interest in each of its business units.
(4) Cost of acquisition, plus improvements, less accumulated depreciation.
Values expressed in thousands of pesos (Ps.).
(5) Excludes Museo de los Niños (3,732 sqm in Abasto and 1,261 sqm in Alto Rosario).
(6) Opening December 18, 2014.
(7) Opening March 17, 2015.
(8) IRSA CP owns the historic building of the Patio Olmos shopping center in the province of Cordoba, operated by a third party.

Accumulated Rental Income as of June 30, 2016, 2015 and 2014

(*In thousands of Ps.*)

	2016	2015	2014
Abasto	384,144	301,685	238,021
Alto Palermo	391,913	295,285	244,214
Alto Avellaneda	265,195	199,920	160,894
Alcorta Shopping	186,700	140,533	105,792
Patio Bullrich	118,498	98,359	79,374
Alto Noa	72,631	50,669	38,746
Buenos Aires Design	45,382	35,320	27,360
Mendoza Plaza	119,037	91,694	74,111
Alto Rosario	181,501	137,639	100,072
Córdoba Shopping –Villa Cabrera	68,050	54,445	39,763
Dot Baires Shopping	261,364	199,474	158,306
Soleil Premium Outlet	80,113	59,366	44,178
La Ribera Shopping	20,779	13,068	9,360
Distrito Arcos [1]	78,121	22,934	0
Alto Comahue [2]	47,787	11,690	0
Patio Olmos [4]			
Total [3]	**2,321,215**	**1,712,081**	**1,320,191**

(1) Opening December 18, 2014.
(2) Opening March 17, 2015.
(3) It does not include revenues from Fibesa or Patio Olmos.
(4) IRSA CP owns the historic building of the Patio Olmos shopping center in the province of Cordoba, operated by a third party.

Tenant Retail Sales [1][2]

The following table sets forth the total approximate tenant retail sales in millions of Pesos at the shopping centers in which we had an interest for the fiscal years stated below:

	2016	2015	2014
Abasto	4,043.1	3,150.2	2,447.0
Alto Palermo	3,499.4	2,662.1	2,111.2
Alto Avellaneda	3,781.1	2,913.3	2,333.8
Alcorta Shopping	1,899.9	1,474.7	1,120.4
Patio Bullrich	1,061.0	888.5	689.3
Alto Noa	1,369.0	1,068.6	766.1
Buenos Aires Design	414.4	326.0	272.2
Mendoza Plaza	2,368.8	1,906.7	1,514.7
Alto Rosario	2,628.1	1,951.8	1,378.3
Córdoba Shopping- Villa Cabrera	990.7	756.0	546.6
Dot Baires Shopping	3,254.3	2,570.6	2,008.3
Soleil Premium Outlet	1,282.2	938.4	664.0
La Ribera Shopping	633.5	398.1	280.8
Distrito Arcos (2)	962.3	339.9	-
Alto Comahue (3)	717.1	182.1	-
Patio Olmos (4)			
Total sales	**28,904.9**	**21,527.0**	**16,132.8**

(1) Retail sales based upon information provided to us by retailers and prior owners. The amounts shown reflect 100% of the retail sales of each shopping center, although in certain cases we own less than 100% of such shopping centers. Excludes sales from stands and spaces used for special exhibitions.
(2) Opening December 18, 2014.
(3) Opening March 17, 2015.
(4) IRSA CP owns the historic building of the Patio Olmos shopping center in the province of Cordoba, operated by a third party.

Accumulated Sales per type of Business

(*In millions of Ps.*)

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

Occupancy Rate

The following table sets forth the occupancy rate expressed as a percentage of the gross leaseable area as of the dates stated at the end of the following fiscal years:

	2016	2015	2014
Abasto	99.8%	100.0%	99.4%
Alto Palermo	99.5%	99.7%	98.9%
Alto Avellaneda	100.0%	99.9%	99.5%
Alcorta Shopping	89.1%	100.0%	99.8%
Patio Bullrich	99.1%	100.0%	99.6%
Alto Noa	100.0%	100.0%	99.7%
Buenos Aires Design	95.7%	94.6%	92.3%
Mendoza Plaza	95.2%	96.1%	95.0%
Alto Rosario	100.0%	97.9%	97.0%
Córdoba Shopping Villa Cabrera	99.2%	99.8%	99.8%
Dot Baires Shopping	100.0%	99.7%	99.7%
Soleil Premium Outlet	100.0%	99.4%	100.0%
La Ribera Shopping	99.3%	99.3%	99.6%
Distrito Arcos	97.0%	97.3%	-
Alto Comahue	96.6%	94.2%	-
Patio Olmos (1)			
Total Percentage	**98.4%**	**98.7%**	**98.4%**

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

Rental Price

The following table shows the annual average rental price per square meter for the fiscal years ended June 30, 2016, 2015 and 2014:[(1)]

	2016	2015	2014
Abasto	10,456.41	8,227.20	6,254.60
Alto Palermo	20,663.95	15,107.90	12,618.50
Alto Avellaneda	7,389.72	5,443.20	4,400.30
Alcorta Shopping	11,759.36	9,106.10	7,000.20
Patio Bullrich	10,056.93	8,452.80	6,762.30
Alto Noa	3,814.69	2,656.60	2,022.50
Buenos Aires Design	3,264.20	2,543.20	1,874.90
Mendoza Plaza	2,831.32	2,181.10	1,802.80
Alto Rosario	6,303.08	4,847.20	3,390.40
Córdoba Shopping Villa Cabrera	4,367.28	3,552.00	2,503.80
Dot Baires Shopping	5,265.11	4,001.70	3,389.30
Soleil Premium Outlet	5,726.02	4,242.50	2,908.40
La Ribera Shopping	2,109.44	1,340.30	1,129.70
Distrito Arcos (2)	6,993.79	1,891.10	-
Alto Comahue (3)	4,832.07	1,236.10	-
Patio Olmos [(4)]			

(1) Corresponds to consolidated annual accumulated rental prices according to the IFRS divided by gross leaseable square meters. Does not include revenues from Fibesa or Patio Olmos.
(2) Opening December 18, 2014.
(3) Opening March 17, 2015.

Lease Expirations [(1) (2)]

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

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

(1) Includes vacant stores as of June 30, 2016. A lease may be associated to one or more stores.
(2) Does not reflect our ownership interest in each property.
(3) The amount expresses the annual base rent as of June 30, 2016 of agreements to expire.

Five largest tenants in the portfolio

The five largest tenants in our portfolio (in terms of sales) account for approximately 15% of our gross leaseable area as of June 30, 2016 and approximately 9.1% of the annual base rent for the fiscal year then ended.

Detailed Information about each of our shopping centers

Set forth below is certain information regarding our shopping center portfolio, including identification of the five largest tenants of each shopping center and certain lease provisions agreed with such tenants.

Abasto, City of Buenos Aires

Abasto is a 170-store shopping center located in downtown Buenos Aires with direct access from the *Carlos Gardel* subway station, six blocks from the Once railway terminal and near the highway to Ezeiza International Airport. Abasto opened on November 10, 1998. The main building is a landmark building that, between 1889 and 1984 was the primary fresh produce market for the City of Buenos Aires. Our Company converted the property into a 116,646 square meter shopping center (including parking and common areas) with approximately 36,737.6 square meters of gross leaseable area (40,469.9 square meters if we consider Museo de los Niños). Abasto is the fourth largest shopping center in Argentina in terms of gross leaseable area.

Abasto has a 27-restaurant food court, a 12-screen movie theatre complex seating approximately 3,100 people, covering a surface area of 8,021 sqm, entertainment area and *Museo de los Niños* with a surface area of 3,732.8 sqm (the latter is not included within the gross leaseable area). The shopping center is distributed in five stories and includes a parking lot for 1,200 vehicles with a surface area of 40,469.9 sqm.

Abasto's target clientele consists of middle-income individuals between the ages of 25 and 45 which we believe represent a significant portion of the population in this area of the City of Buenos Aires.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 4,043.1, representing sales per square meter for about Ps.110,053.6, 28.3% higher than sales recorded in fiscal year 2015. Total rental income increased from Ps. 301.7 million for fiscal year ended June 30, 2015 to Ps. 384.1 million for fiscal year ended June 30, 2016, which represents annual income per gross leaseable square meter of Ps. 8,227.2 in fiscal year 2015 and Ps. 10,456.4 in fiscal year 2016.

As of June 30, 2016, Abasto Shopping's occupancy rate was 99.8%.

Abasto's five largest tenants

Abasto's five largest tenants (in terms of sales in this shopping center) account for approximately 32.7% of its gross leaseable area as of June 30, 2016 and approximately 8.7% of the annual base rent for the fiscal year ended on such date.

The following table describes Abasto's five largest tenants:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Hoyts General Cinema – Theaters	Cinema	8,021.0	2.4
Zara	Clothes and footwear big store	1,790.0	4.9
Fravega	Electronics/Home Appliances/Computing	885.2	21.8
Musimundo	Electronics/Home Appliances/Computing	661.4	1.8
Garbarino	Electronics/Home Appliances/Computing	656.7	1.8
Total		**12,014.3**	**32.7**

Tenant mix of Abasto [(1)]

The following table sets forth the mix of tenants by types of businesses in Abasto:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Clothes and Footwear	16,226.5	44.2
Entertainment	11,559.3	31.5
Restaurant	3,065.6	8.3
Home Appliances	2,730.7	7.4
Miscellaneous	2,271.1	6.2
Home & décor	498.7	1.4
Services	385.7	1.0
Total	**36,737.6**	**100.0**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Abasto

The following table sets forth certain information relating to the revenues from Abasto for the fiscal years indicated.

(*In thousands of Ps.)*

	2016	2015	2014
Base rent	215,228	166,440	129,715
Percentage rent	84,115	69,186	55,829
Total rent	**299,344**	**235,626**	**185,544**
Revenues from admission rights	38,561	30,024	25,043
Management fees	5,532	4,277	3,464
Parking	40,117	30,822	23,719
Commissions	0	439	0
Other	591	497	251
Total (1)	**384,144**	**301,685**	**238,021**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expiration for Abasto (1)

The following table includes the lease expiration for Abasto during the periods indicated for existing leases as of June 30, 2016, assuming that none of these tenants will exercise their renewal options or terminate their leases earlier.

Agreements Expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.) (2)	Percentage of Agreements
2016	16	2,093.9	6%	15,452,307.2	8%
2017	65	8,438.9	23%	59,457,997.0	32%
2018	35	4,163.7	11%	37,085,266.1	20%
2019 and subsequent years	54	22,041.2	60%	73,781,435.5	40%
Total	**170**	**36,737.6**	**100%**	**185,777,005.8**	**100%**

(1) Includes vacant stores as of June 30, 2016.
(2) The amount expresses the annual base rent as of June 30, 2016 of agreements to expire.

Alto Palermo, City of Buenos Aires

Alto Palermo is a 142-store shopping center that opened in 1990 in a well-known middle class and densely populated neighborhood named Palermo in the City of Buenos Aires. Alto Palermo is located at the intersection of Santa Fe and Coronel Díaz avenues, only a few minutes from downtown Buenos Aires with nearby access from the Bulnes subway station. Alto Palermo has a total constructed area of 65,029 square meters (including parking) that consists of 18,966.0 square meters of gross leaseable area. Alto

Palermo has an entertainment center and a food court with 17 restaurants. Alto Palermo is spread out over four levels and has a 654-car pay parking lot of 32,405 square meters. Alto Palermo's targeted clientele consists of middle-income individuals between the ages of 28 and 40.

During the fiscal year ended on June 30, 2016, the public visiting the shopping center generated nominal retail sales totaling approximately Ps. 3,499.4 million, 31.5% above a turnover in the same period of fiscal year 2015. Sales per square meter reached Ps. 184,508.0. Total rental income increased from Ps. 295.3 million for fiscal year ended June 30, 2015 to Ps. 391.9 million for fiscal year ended June 30, 2016, which represents annual income per gross leaseable square meter of Ps. 15,107.9 in fiscal year 2015 and Ps. 20,663.9 in fiscal year 2016.

As of June 30, 2016, Alto Palermo's occupancy rate was 99.6%.

Alto Palermo's five largest tenants

Alto Palermo's five largest tenants (in terms of sales) account for approximately 23.9% of its gross leaseable area at June 30, 2016 and approximately 10% of its annual base rent for the fiscal year ended on such date.

The following table describes Alto Palermo's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Zara	Clothes and footwear big store	1,384.0	7.3
Garbarino	Electronics/Home Appliances/Computing	185.7	1.0
Prune	Clothes and footwear	199.9	1.1
Nike	Clothes and footwear	1462.1	7.7
Wendy's	Restaurant	1,308.5	6.9
Total		**4,540.2**	**23.9**

Tenant Mix of Alto Palermo [(1)]

The following table sets forth the mix of tenants by the types of businesses in Alto Palermo:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Clothes and footwear	11,254.5	59.3
Restaurant	2,890.8	15.2
Services	1,911.0	10.1
Miscellaneous	2,108.2	11.1
Home Appliances	556.4	2.9
Home & décor	245.2	1.3
Total	**18,966.0**	**100**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Alto Palermo

The following table sets forth certain information relating to the revenues derived from Alto Palermo during the following periods:

(*In thousands of Ps.*)

	2016	2015	2014
Base rent	240,540	176,989	149,020
Percentage rent	67,376	56,549	43,648
Total rent	**307,916**	**233,538**	**192,669**
Revenues from admission rights	48,471	35,096	30,604
Management fees	5,142	3,976	3,221
Parking	29,983	22,051	17,170
Commissions	0	197	209
Other	401	427	341
Total (1)	**391,913**	**295,285**	**244,214**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Alto Palermo (1)

The following table shows a schedule of lease expirations for Alto Palermo during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise their renewal options or terminate their leases earlier:

Agreements Expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.)(2)	Percentage of Agreements
2016	16	2,747.1	14%	18,236,835.0	9%
2017	52	5,455.7	29%	68,159,497.6	34%
2018	38	6,460.2	34%	55,778,918.8	28%
2019 and subsequent years	36	4,303.1	23%	56,428,217.9	28%
Total	**142**	**18,966.0**	**100%**	**198,603,469.2**	**100%**

(1) Includes vacant stores as of June 30, 2016.

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

Alto Avellaneda, Greater Buenos Aires area

Alto Avellaneda is a 134-store suburban shopping center that opened in October 1995 and is located in the City of Avellaneda, which is on the southern border of the City of Buenos Aires. This shopping center is next to a railway terminal and is close to downtown Buenos Aires. Alto Avellaneda has a total constructed area of 108,598.8 square meters (including parking) which consists of 35,887.0 square meters of GLA. The shopping center has a multiplex cinema with six screens, the first Walmart superstore in Argentina, an entertainment center, a food court with 19 restaurants and an anchor store, Falabella, which opened on April 28, 2008. Walmart (not included in gross leaseable area) purchased the space it occupies, but it pays for its pro rata share of the common expenses of Alto Avellaneda's parking lot. The shopping center has a 2,700-car free parking lot consisting of 47,856 square meters. Alto Avellaneda Shopping's targeted clientele consists of middle-income individuals between the ages of 16 and 30.

On December 30, 2016, the Company executed a preliminary purchase agreement with surrender of possession for the acquisition of a fraction of a plot of land of about 3,822 square meters located in Avellaneda, Province of Buenos Aires, for a potential expansion of the Alto Avellaneda shopping center. See "Recent Events" for more information.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 3,781.2 million, which represents a year-on-year growth of 29.8%. Sales per square meter were Ps. 105,362.7. Total rental income increased from Ps. 199.9 million for fiscal year ended June 30, 2015 to Ps. 265.2 million for fiscal year ended June 30, 2016, which represents annual income per gross leaseable square meter of Ps. 5,443.2 in fiscal year 2015 and Ps. 7,389.7 in fiscal year 2016.

As of June 30, 2016, Alto Avellaneda's occupancy rate was 100%.

Alto Avellaneda's five largest tenants

Alto Avellaneda's five largest tenants (in terms of sales in this shopping center) account for approximately 40.6% of its gross leaseable area as of June 30, 2016 and approximately 22.1% of its annual base rent for the fiscal year ended on such date.

The following table describes Alto Avellaneda's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Falabella	Department Store	11,629.0	32.4
Zara	Clothes and footwear	1,585.0	4.4
Garbarino	Home Appliances	639.8	1.8
Fravega	Home Appliances	510.0	1.4
Compumundo	Home Appliances	190.6	0.5
Total		**14,554.4**	**40.6**

Tenant mix of Alto Avellaneda (1)

The following table sets forth the mix of tenants by the types of business in Alto Avellaneda:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Clothes and footwear	12,144.4	33.8
Department Store	11,629.0	32.4
Entertainment	6,192.7	17.3
Miscellaneous	1,709.4	4.8
Home Appliances	1,717.0	4.8
Restaurant	1,651.3	4.6
Services	528.9	1.5
Home & décor	314.4	0.9
Total	**35,887.0**	**100.0**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Alto Avellaneda

The following table sets forth certain information relating to the sales of Alto Avellaneda for the following periods:

(*In thousands of Ps.*)

	2016	2015	2014
Base rent	166,830	119,957	99,538
Percentage rent	68,335	56,034	42,987
Total rent	**235,166**	**175,991**	**142,525**
Revenues from admission rights	24,920	19,587	15,070
Management fees	4,746	3,670	2,973
Parking	0	0	0
Commissions	0	310	126
Other	363	362	200
Total	**265,195**	**199,920**	**160,894**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Alto Avellaneda [(1)]

The following table sets forth a schedule of lease expirations for Alto Avellaneda during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminate their leases earlier:

Agreements Expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.)(2)	Percentage of Agreements
2016	6	3,180.4	9%	7,416,703.0	5%
2017	40	7,045.5	20%	39,892,947.7	27%
2018	41	15,513.8	43%	43,389,574.2	29%
2019 and subsequent years	47	10,147.2	28%	59,601,380.0	40%
Total	**134**	**35,887.0**	**100%**	**150,300,604.9**	**100%**

(1) Includes vacant stores as of June 30, 2016.

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

Buenos Aires Design, City of Buenos Aires

Buenos Aires Design is a shopping center with 62 stores specialized in decoration and home appliances store which opened in 1993. The Company owns a 53.684% interest in ERSA, the company which has the concession to operate Buenos Aires Design. The other shareholder of ERSA is Hope Funds S.A., which has a 46.32% interest.

As a result of a public auction, in February 1991, the City of Buenos Aires granted to ERSA a 20-year concession to use a plot of land in the Centro Cultural Recoleta. The concession's effective date was November 19, 1993 and was set to expire on November 18, 2013. In 2010, the Buenos Aires City Government, pursuant to Decree No. 867/2010, extended the concession term for an additional five-year period, and the expiration date of the agreement would be on November 18, 2018. The concession agreement provides for ERSA to pay the City of Buenos Aires a monthly amount. It establishes that the concession may be terminated for any of the following reasons, among others: material breach of the obligations of the parties, which with regard to ERSA include: (i) breach of applicable law, (ii) change of the purpose of the area under concession; (iii) non payment of the monthly fee for two consecutive periods; (iv) destruction or abandonment of the area under concession; (v) bankruptcy or liquidation; (vi) restitution of the plot of land under concession, which shall only take place for public interest reasons.

In June 1991, we entered into an agreement with the shareholders of ERSA providing our administration of Buenos Aires Design for a monthly administration fee of 10% of the net expenditures of expenses.

Buenos Aires Design is in an exclusive neighborhood named Recoleta in the City of Buenos Aires, near Libertador Avenue and downtown Buenos Aires. Buenos Aires Design is located in one of Buenos Aires' most popular tourist attraction areas as many exclusive hotels and restaurants are located in this area due to its closeness to the National Museum of Fine Arts, the Museum of Modern Art and other popular cultural institutions.

Buenos Aires Design has a total constructed area of 26,131.5 square meters (including parking) that consists of 13,903.1 square meters of GLA. The shopping center has 9 restaurants anchored by the Hard Rock Café and a terrace that covers approximately 3,700 square meters. The shopping center is divided into two floors and has a 174-car pay parking lot. Buenos Aires Design's targeted clientele consists of upper-middle income individuals between the ages of 25 and 45.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 414.4 million, which represents approximately Ps. 29,804.3 per square meter. Total rental income increased from Ps. 35.3 million for fiscal year ended June 30, 2015 to Ps. 45.4 million for fiscal year ended June 30, 2016, which represents annual income per gross leaseable square meter of Ps. 2,543.2 in fiscal year 2015 and Ps. 3,264.2 in fiscal year 2016.

As of June 30, 2016, Buenos Aires Design's occupancy rate was 95.7%.

Buenos Aires Design's five largest tenants

Buenos Aires Design's five largest tenants (in terms of sales in this shopping center) accounted for approximately 19.6% of its gross leaseable area as of June 30, 2016 and approximately 18.7% of its annual base rent for the fiscal year ended on such date.

The following table describes Buenos Aires Design's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Hard Rock Café	Restaurant	1,215.9	8.7
Morph	Home & décor	1,032.3	7.4
Barugel Azulay	Home & décor	311.8	2.2
CW & CO	Home & décor	196.9	1.4
Solare	Home & décor	51.7	0.4
Total		**2,808.6**	**20.2**

Tenant mix of Buenos Aires Design (1)

The following table sets forth the mix of tenants by the types of businesses in Buenos Aires Design:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Home & décor	8,020.6	57.9
Restaurant	3,607.3	25.7
Miscellaneous	2,091.2	15.1
Home Appliances	184.0	1.3
Services	0.0	0.0
Total	**13,903.1**	**100.0**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Buenos Aires Design

The following table sets forth certain information relating to the revenues from Buenos Aires Design during the following periods:

(*In thousands of Ps.*)

	2016	2015	2014
Base rent	28,801	22,603	17,338
Percentage rent	2,164	1,616	1,221
Total rent	**30,964**	**24,219**	**18,559**
Revenues from admission rights	3,585	2,720	2,296

Management fees	2,808	2,172	1,647
Parking	7,944	6,184	4,819
Other	81	25	39
Total (1) (2)	**45,382**	**35,320**	**27,360**

(1) It does not reflect our interest in Emprendimiento Recoleta S.A.
(2) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Buenos Aires Design (1)

The following table shows a schedule of lease expirations for Buenos Aires Design during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminates its lease earlier:

Agreements expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.)(2)	Percentage of Agreements
2016	7	1,499.5	11%	1,109,292.8	4%
2017	23	5,310.0	38%	11,070,463.3	42%
2018	9	895.9	6%	4,902,576.8	18%
2019 and subsequent years	23	6,197.7	45%	9,448,614.4	36%
Total	**62**	**13,903.1**	**100%**	**26,530,947.4**	**100%**

(1) Includes vacant stores as of June 30, 2016.
(2) The amount expresses the annual base rent as of June 30, 2016 of agreements to expire.

Alcorta Shopping, City of Buenos Aires

Alcorta Shopping is a 112-store shopping center which opened in 1992, located in the residential area of Palermo Chico, one of the most exclusive areas in the City of Buenos Aires, and a short drive from downtown Buenos Aires. Alcorta Shopping has a total constructed area of approximately 87,553.8 square meters (including parking) that consists of 15,876.7 square meters of GLA. Alcorta Shopping has a cinema with two screens, a food court with 11 restaurants and a Carrefour hypermarket on the ground floor. Carrefour purchased the space it occupies but pays for its pro rata share of the common expenses of the shopping center's parking lot. The shopping center is spread out over three levels and has a pay parking lot (as from beginning June 2008) for approximately 1,300 cars. Alcorta Shopping's targeted clientele consists of high-income individuals between the ages of 34 and 54.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 1,899.9 million, which represents fiscal year sales for approximately Ps. 119,664.9 per square meter and a year-on-year growth of 28.8%. Total rental income increased from approximately Ps. 140.5 million for fiscal year ended June 30, 2015 to Ps. 186.7 million for fiscal year ended June 30, 2016, which represents annual income per gross leaseable square meter of Ps. 9,106.1 in fiscal year 2015 and Ps. 11,759.4 in fiscal year 2016.

As of June 30, 2016, Alcorta Shopping's occupancy rate was 89.1%.

Alcorta Shopping's five largest tenants

Alcorta Shopping's five largest tenants (in terms of sales in this shopping center) account for approximately 13.2% of its gross leaseable area as of June 30, 2016 and approximately 11.6% of its annual base rent for the fiscal year ended on such date.

The following table describes Alcorta Shopping's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Zara	Clothes and footwear	1,100.4	6.9
Nike	Clothes and footwear	400.0	2.5
Jazmin Chebar	Clothes and footwear	80.3	0.5
Fravega	Home Appliances	249.0	1.6
Rapsodia	Clothes and footwear	258.2	1.6
Total		**2,087.9**	**13.2**

Tenant mix of Alcorta Shopping [(1)]

The following table sets forth the tenant mix by types of businesses in Alcorta Shopping:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Clothes and footwear	7,899.1	49.8
Entertainment	2,568.4	16.2
Services	1,996.1	12.6
Restaurant	1,474.9	9.3
Miscellaneous	1,109.1	7.0
Home & décor	501.1	3.2
Home Appliances	328.1	2.1
Total	**15,876.8**	**100**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Alcorta Shopping

The following table sets forth certain information relating to the revenues from Alcorta Shopping during the following periods:

(*In thousands of Ps.*)

	2016	2015	2014
Base rent	105,511	77,541	57,994
Percentage rent	44,465	36,534	28,056
Total rent	**149,976**	**114,075**	**86,050**
Revenues from admission rights	20,042	15,893	12,207
Management fees	1,676	1,296	1,050
Parking	14,709	8,795	6,303
Commissions	0	314	0
Other	297	160	182
Total [(1)]	**186,700**	**140,533**	**105,792**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Alcorta Shopping [(1)]

The following table shows a schedule of lease expirations for Alcorta Shopping during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminates its lease early:

Agreements Expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.)(2)	Percentage of Agreements
2016	16	2,948.5	19%	4,248,600.0	5%
2017	34	3,006.1	19%	27,388,849.2	30%
2018	29	4,527.2	29%	35,119,346.2	38%
2019 and subsequent years	33	5,395.0	34%	25,160,137.9	27%

Total	**112**	**15,876.7**	**100%**	**91,916,933.3**	**100%**

(1) Includes vacant stores as of June 30, 2016.
(2) The amount expresses the annual base rent as of June 30, 2016 of agreements to expire.

Patio Bullrich, City of Buenos Aires

Patio Bullrich is an 88-store shopping center which opened in 1988 and the first shopping center to start operations in the City of Buenos Aires.

Patio Bullrich is in the neighborhood of Recoleta, one of the most prosperous areas of the City of Buenos Aires. This district is a residential, cultural and tourist center that includes distinguished private homes, historical sites, museums, theatres and embassies. The shopping center is located within walking distance of the most prestigious hotels of the City of Buenos Aires and the subway, bus and train systems. Additionally, the shopping center is only 10 minutes by car from the downtown area of the City of Buenos Aires.

Patio Bullrich has a total constructed area of 29,982 square meters (including parking) that consist of 11,782.7 square meters of GLA and common areas covering 12,472 square meters. The shopping center has a four-screen multiplex cinema with 1,381 seats and a food court of 13 restaurants. The shopping center is spread out over four levels and has a pay parking lot for 215 cars in an area consisting of 4,825 square meters.

Patio Bullrich is one of the most successful shopping centers in Argentina in terms of sales per square meter. Its targeted clientele consists of high-income individuals over 45 years old.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 1,061.0 million, which represents annual sales for approximately Ps. 90,046.2 per square meter and a year-on-year increase of 19.4%. Total rental income increased from Ps. 98.4 million for fiscal year ended June 30, 2015 to Ps. 118.5 million for fiscal year ended June 30, 2016, which represents monthly revenues per gross leaseable square meter of Ps. 8,452.8 in fiscal year 2015 and Ps. 10,056.9 in fiscal year 2016.

As of June 30, 2016, Patio Bullrich's occupancy rate was 99.1%.

Patio Bullrich's five largest tenants

Patio Bullrich's five largest tenants (in terms of sales in the shopping center) accounted for approximately 19.9% of its gross leaseable area as of June 30, 2016 and approximately 17.6% of its annual base rent for the fiscal year ended on such date.

The following table describes Patio Bullrich's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Zara	Clothes and footwear	786.0	6.7
Rouge Internacional	Miscellaneous	599.6	5.1
Etiqueta Negra	Clothes and footwear	576.1	4.9
Rapsodia	Clothes and footwear	279.5	2.4
Jazmin Chebar	Clothes and footwear	109.0	0.9
Total		**2,350.2**	**19.9**

Tenant mix of Patio Bullrich [(1)]

The following table sets forth the tenant mix by types of businesses in Patio Bullrich:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Clothes and footwear	5,661.8	48.1
Miscellaneous	2,557.3	21.7
Entertainment	1,327.4	11.3
Restaurant	1,253.1	10.6
Services	685.7	5.8
Home & décor	297.5	2.5
Total	**11,782.7**	**100**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Patio Bullrich

The following table sets forth certain information relating to the revenues from Patio Bullrich during the following periods:

(*In thousands of Ps.*)

	2016	2015	2014
Base rent	69,520	57,375	47,700
Percentage rent	15,750	13,351	8,674
Total rent	**85,270**	**70,726**	**56,374**
Revenues from admission rights	14,489	12,753	11,316
Management fees	4,056	3,136	2,540
Parking	14,480	11,537	9,017
Commissions	0	90	0
Other	203	117	127
Total [(1)]	**118,498**	**98,359**	**79,374**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Patio Bullrich [(1)]

The following table shows a schedule of lease expirations for Patio Bullrich during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminate their leases earlier:

Agreements Expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.)(2)	Percentage of Agreements
2016	14	1,454.0	12%	11,557,982.4	18%
2017	24	2,351.1	20%	20,393,190.0	31%
2018	21	3,581.2	30%	21,586,888.9	33%
2019 and subsequent years	29	4,396.5	37%	11,898,552.7	18%
Total	**88**	**11,782.7**	**100%**	**65,436,614.0**	**100%**

(1) Includes vacant stores as of June 30, 2016.

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

Alto Noa, City of Salta

Alto Noa is an 89-store shopping center that opened in 1994. Alto Noa is located in the City of Salta, the capital of the Province of Salta, in the northwestern region of Argentina. The province of Salta has a population of approximately 1.2 million inhabitants with approximately 0.6 million inhabitants in the City of

Salta. The shopping center has a total constructed area of approximately 30,876 square meters (including parking) which consists of 19,039.9 square meters of GLA. Alto Noa has a food court with 13 restaurants, a large entertainment center, a supermarket and a multiplex cinema with eight screens. The shopping center occupies one floor and has a free parking lot for 551 cars. Alto Noa's targeted clientele consists of middle-income individuals between the ages of 28 and 40.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 1,369.0 million, which represents fiscal period sales for approximately Ps. 71,900.2 per square meter and a year-on-year increase of 28.1%. Total rental income increased from Ps. 50.7 million in fiscal year ended June 30, 2015 to Ps. 72.6 million in fiscal year ended June 30, 2016, which represents annual income per gross leaseable square meter of Ps. 2,656.6 in fiscal year 2015 and Ps. 3,814.7 in fiscal year 2016.

As of June 30, 2016, Alto Noa's occupancy rate was 100%.

Five largest tenants of Alto Noa

Alto Noa's five largest tenants (in terms of sales in this shopping center) accounted for approximately 49.5% of its gross leaseable area as of June 30, 2016 and approximately 19.5% of its annual base rent for the fiscal year ended on such date.

The following table describes Alto Noa's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Carrefour	Miscellaneous	3,080.5	16.2
YPF	Miscellaneous	1,812.5	9.5
Hoyts General Cinema	Entertainment	3,808.4	20.0
Garbarino	Home Appliances	428.5	2.3
Fravega	Home Appliances	286.3	1.5
Total		**9,416.2**	**49.5**

Tenant mix of Alto Noa (1)

The following table sets forth the mix of tenants by types of businesses in Alto Noa:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Entertainment	6,170.0	32.4
Miscellaneous	5,692.2	29.9
Clothes and footwear	4,129.5	21.7
Home Appliances	1,309.8	6.9
Restaurant	1,154.1	6.1
Services	378.5	2.0
Home & décor	205.8	1.1
Total	**19,039.9**	**100**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Alto Noa

The following table sets forth certain information relating to the revenues from Alto Noa during the following periods:

(*In thousands of Ps.*)

	2016	2015	2014
Base rent	38,835	26,263	21,450
Percentage rent	29,182	21,021	14,635
Total rent	**68,018**	**47,284**	**36,085**
Revenues from admission rights	3,862	2,707	2,201
Management fees	503	389	315
Parking	0	0	0
Commissions	0	69	0
Other	249	220	145
Total (1)	**72,631**	**50,669**	**38,746**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Alto Noa (1)

The following table shows a schedule of lease expirations for Alto Noa during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminate their leases earlier:

Agreements Expiration	Number of Agreements	Square Meters to Expire (sqm)	Percentage to Expire (%)	Amount (Ps.)(2)	Percentage of Agreements (%)
2016	8	427.6	2%	2,442,864.0	7%
2017	31	9,312.5	49%	11,780,582.2	34%
2018	14	1,424.0	7%	5,626,427.9	16%
2019 and subsequent years	36	7,875.8	41%	14,388,647.2	42%
Total	**89**	**19,039.9**	**100%**	**34,238,521.2**	**100%**

(1) Includes vacant stores as of June 30, 2016.

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

Mendoza Plaza, City of Mendoza

Mendoza Plaza is a 139-store shopping center which opened in 1992 and is located in the City of Mendoza, the capital of the Province of Mendoza. The city of Mendoza has a population of approximately 1.0 million inhabitants, making it the fourth largest city in Argentina. Mendoza Plaza Shopping consists of 42,043.0 square meters of GLA and has a multiplex cinema covering an area of approximately 3,659 square meters with ten screens, the Chilean department store Falabella, a food court with 18 restaurants, an entertainment center and a supermarket, which is also a tenant. The shopping center has two levels and has a free parking lot for 2,600 cars. Mendoza Plaza's targeted clientele consists of middle-income individuals between the ages of 28 and 40.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 2,368.8 million, which represents a year-on-year growth of 24.2%. Sales per square meter were approximately Ps. 56,342.1. Total rental income increased from Ps. 91.7 million in fiscal year ended June 30, 2015 to Ps. 119.0 million in fiscal year ended June 30, 2016, which represents annual income per gross leaseable square meter of Ps. 2,181.1 in fiscal year 2015 and Ps. 2,831.3 in fiscal year 2016.

As of June 30, 2016, Mendoza Plaza's occupancy rate was 95.2%.

Five largest tenants of Mendoza Plaza

Mendoza Plaza's five largest tenants (in terms of sales in this shopping center) accounted for approximately 37.3% of its gross leaseable area as of June 30, 2016 and approximately 17.7% of its annual base rent for the fiscal year ended on such date.

The following table describes Mendoza Plaza's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Falabella	Department Store	8,563.0	20.4
Super Plaza Vea	Miscellaneous	4,419.1	10.5
Musimundo	Home Appliances	1,106.6	2.6
Garbarino	Home Appliances	813.9	1.9
Fravega	Home Appliances	796.2	1.9
Total		**15,698.8**	**37.3**

Tenant mix of Mendoza Plaza (1)

The following table sets forth the mix of tenants by types of businesses in Mendoza Plaza:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Entertainment	9,473.8	22.5
Miscellaneous	8,272.9	19.7
Department Store	8,563.0	20.4
Clothes and footwear	8,328.5	19.8
Home Appliances	2,890.2	6.9
Restaurant	2,998.3	7.1
Services	1,160.9	2.8
Home & décor	355.3	0.8
Total	**42,043.0**	**100.0**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Mendoza Plaza

The following table sets forth certain information relating to the revenues from Mendoza Plaza during the following periods:

	2016	2015	2014
Base rent	65,426	46,634	38,674
Percentage rent	43,619	38,013	29,079
Total rent	**109,045**	**84,647**	**67,753**
Revenues from admission rights	6,287	4,071	3,718
Management fees	2,663	2,005	1,820
Parking	0	0	0
Commissions	0	93	78
Other	1042	878	742
Total (1)	**119,037**	**91,694**	**74,111**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Mendoza Plaza (1)

The following table shows a schedule of lease expirations for Mendoza Plaza during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminate their leases earlier:

Agreements Expiration:	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.)(2)	Percentage of Agreements
2016	17	10,013.2	24%	5,533,579.6	9%
2017	48	12,810.0	30%	19,507,895.9	33%
2018	23	3,229.0	8%	9,789,977.2	16%
2019 and subsequent years	51	15,990.9	38%	24,929,717.9	42%
Total	**139**	**42,043.0**	**100%**	**59,761,170.5**	**100%**

(1) Includes vacant stores as of June 30, 2016.

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

Alto Rosario, City of Rosario

Alto Rosario is a 143-store shopping center located in the City of Rosario, Province of Santa Fe, the third largest city in Argentina in terms of population. It has a total constructed area of approximately 100,750 square meters which consists of 28,795.6 square meters of gross leaseable area (excluding Museo de los Niños). Alto Rosario has a food court with 18 restaurants, a large entertainment center, a supermarket and a Showcase cinema with 14 state-of-the-art screens. The shopping center occupies one floor and has a free parking lot for 1,736 cars. Alto Rosario's targeted clientele consists of middle-income individuals between the ages of 28 and 40.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 2,628.1 million, which represents a year-on-year increase of 34.6%. Sales per square meter were approximately Ps. 91,265.9. Total rental income increased from Ps. 137.6 million in fiscal year ended June 30, 2015 to Ps. 181.5 million in fiscal year ended June 30, 2016, which represents annual income per gross leaseable square meter of Ps. 4,847.2 in fiscal year 2015 and Ps. 6,303.1 in fiscal year 2016.

As of June 30, 2016, Alto Rosario's occupancy rate was 100%.

Five largest tenants of Alto Rosario

Alto Rosario's five largest tenants (in terms of sales in this shopping center) accounted for approximately 37.6% of its gross leaseable area as of June 30, 2016 and approximately 10% of its annual base rent for the fiscal year ended on such date.

The following table describes Alto Rosario's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Sport 78	Clothes and footwear	671.7	2.3
Musimundo	Home Appliances	498.0	1.7
Fravega	Home Appliances	386.5	1.3
Showcase Cinema	Entertainment	8,984.0	31.2
Garbarino	Home Appliances	300.0	1.0
Total		**10,840.2**	**37.6**

Tenant mix of Alto Rosario

The following table sets forth the mix of tenants by types of businesses in Alto Rosario:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Clothes and footwear	10,916.5	37.9
Entertainment	9,880.0	34.3

Miscellaneous	2,068.8	7.2
Restaurant	2,247.3	7.8
Home & décor	1,750.2	6.1
Home Appliances	1,909.0	6.6
Services	23.8	0.1
Total	**28,795.6**	**100.0**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Alto Rosario

The following table sets forth certain information relating to the revenues from Alto Rosario during the following period:

(*In thousands of Ps.*)

	2016	2015	2014
Base rent	101,180	72,703	54,686
Percentage rent	62,657	53,567	36,491
Total rent	**163,837**	**126,270**	**91,177**
Revenues from admission rights	14,960	9,230	7,307
Management fees	1,990	1,539	1,247
Parking	0	0	0
Commissions	0	147	53
Other	713	453	288
Total (1)	**181,501**	**137,639**	**100,072**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Alto Rosario (1)

The following table shows a schedule of lease expirations for Alto Rosario during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminate their leases earlier:

Agreements Expiration	Number of Agreements	Square meters to expire	Percentage to Expire	Amount (Ps.)(2)	Percentage of Agreements
2016	15	2,360.5	8%	6,522,034.1	7%
2017	45	5,627.0	20%	27,691,424.8	31%
2018	42	4,710.4	16%	24,214,998.5	28%
2019 and subsequent years	41	16,097.6	56%	29,584,279.0	34%
Total	**143**	**28,795.6**	**100%**	**88,012,736.3**	**100%**

(1) It does not include vacant stores as of June 30, 2016.

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

Córdoba Shopping, Villa Cabrera, City of Córdoba.

Córdoba Shopping Villa Cabrera is a shopping center covering 35,000 square meters of surface area, with 15,581.7 square meters being gross leaseable area. Córdoba Shopping has 110 commercial stores, a 12-screen multiplex cinema and parking lot for 1,500 vehicles, located in Villa Cabrera, City of Córdoba, Province of Córdoba.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 990.7 million, which represents a year-on-year growth of 31.0%. Sales per square meter were approximately Ps. 63,579.4. Total rental income increased from Ps.

54.4 million in fiscal year ended June 30, 2015 to Ps. 68.1 million in fiscal year ended June 30, 2016, which represents annual income per gross leaseable square meter of Ps. 3,552.0 in fiscal year 2015 and Ps. 4,367.3 in fiscal year 2016.

As of June 30, 2016, Córdoba Shopping's occupancy rate was 99.2%.

Five largest tenants of Córdoba Shopping – Villa Cabrera

Córdoba Shopping's five largest tenants (in terms of sales in this shopping center) accounted for approximately 42.2% of its gross leaseable area as of June 30, 2016 and approximately 9,2% of its annual base rent for the fiscal year ended on such date.

The following table describes Córdoba Shopping's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Showcase Cinema	Entertainment	5,442.5	34.9
Garbarino	Home Appliances	497.0	3.2
Jazmin Chebar	Clothes and footwear	116.3	0.7
Mc Donald's	Restaurant	146.0	0.9
Nike	Clothes and footwear	379.5	2.4
Total		**6,581.3**	**42.2**

Tenant mix of Córdoba Shopping Villa Cabrera (1)

The following table sets forth the mix of tenants by types of businesses in Córdoba Shopping:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Clothes and footwear	6,295.5	40.4
Entertainment	5,842.0	37.5
Miscellaneous	860.8	5.5
Restaurant	1,250.1	8.0
Home Appliances	535.1	3.4
Services	571.9	3.7
Home & décor	226.3	1.5
Total	**15,581.7**	**100.0**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Córdoba Shopping Villa Cabrera

The following table sets forth certain information relating to the revenues from Córdoba Shopping during the following periods:

(*In thousands of Ps.*)

	2016	2015	2014
Base rent	33,365	26,250	19,932
Percentage rent	28,594	23,039	15,797
Total rent	**61,959**	**49,289**	**35,729**
Revenues from admission rights	3,590	3,260	2,521
Management fees	2,173	1,580	1,310
Parking	0	0	0
Commissions	0	118	28
Other	327	198	175
Total (1)	**68,050**	**54,445**	**39,763**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Córdoba Shopping Villa Cabrera (1)

The following table shows a schedule of lease expirations for Córdoba Shopping during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminate their leases earlier:

Agreements Expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.) (2)	Percentage of Agreements
2016	9	892.0	6%	2,015,450.5	7%
2017	42	4,058.3	26%	10,847,414.8	37%
2018	28	7,846.1	50%	7,841,382.0	27%
2019 and subsequent years	31	2,785.3	18%	8,865,859.7	30%
Total	**110**	**15,581.7**	**100%**	**29,570,107.0**	**100%**

(1) Includes vacant stores as of June 30, 2016.

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

Dot Baires Shopping, City of Buenos Aires

Dot Baires Shopping is a shopping center that opened in May 2009. It has 4 floors and 3 underground levels, a covered surface area of 173,000 square meters, of which 49,640.7 sqm constitute Gross Leaseable Area, comprising 150 retail stores, a hypermarket, a 10-screen multiplex cinema and parking space for 2,200 vehicles.

Dot Baires Shopping is located at the spot where Avenida General Paz meets the Panamerican Highway in the neighborhood of Saavedra in the City of Buenos Aires, and is the largest shopping center in the City in terms of square meters. As of June 30, 2016, our equity interest in Panamerican Mall S.A. was 80%.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 3,254.3 million, which represents a year-on-year increase of 26.6% and fiscal year sales for approximately Ps. 65,558.1 per square meter. Total rental income increased from Ps. 199.5 million in fiscal year ended June 30, 2015 to Ps. 261.4 million in fiscal year ended June 30, 2016, which represents annual income per gross leaseable square meter of Ps. 4,001.7 in fiscal year 2015 and Ps. 5,265.1 in fiscal year 2016.

As of June 30, 2016, Dot Baires Shopping's occupancy rate was 100%.

Five largest tenants of Dot Baires Shopping

Dot Baires Shopping's five largest tenants (in terms of sales of this shopping center) accounted for approximately 58% of its gross leaseable area as of June 30, 2016 and approximately 19.1% of its annual base rent for the fiscal year ended on such date.

The following table describes Dot Baires Shopping's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Wall-Mart	Miscellaneous	12,600.0	25.4
Falabella	Department Store	8,086.7	16.3
Hoyts General Cinema	Entertainment	6,475.8	13.0
Zara	Clothes and footwear	1,178.9	2.4
Garbarino	Home Appliances	472.5	1.0
Total		**28,813.9**	**58.0**

Tenant mix of Dot Baires Shopping (1)

The following table sets forth the mix of tenants by types of businesses in Dot Baires Shopping:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Miscellaneous	15,043.1	30.3
Clothes and footwear	13,280.9	26.8
Department Store	8,086.7	16.3
Entertainment	7,135.0	14.4
Services	2,365.7	4.8
Restaurant	1,722.3	3.5
Home Appliances	1,487.2	3.0
Home & décor	519.7	1.0
Total	**49,640.7**	**100.0**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Dot Baires Shopping

The following table sets forth certain information relating to the revenues from Dot Baires Shopping during the following periods:

(*In thousands of Ps.)*

	2016	2015	2014
Base rent	134,620	96,838	87,754
Percentage rent	67,556	59,544	39,222
Total rent	**202,176**	**156,382**	**126,976**
Revenues from admission rights	17,973	14,060	10,541
Management fees	3,352	2,592	2,099
Parking	37,127	25,994	18,358
Other	737	446	332
Total (1)(2)	**261,364**	**199,474**	**158,306**

(1) It does not reflect our interest in Panamerican Mall S.A.
(2) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Dot Baires Shopping (1)

The following table shows a schedule of lease expirations for Dot Baires Shopping during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminate their leases earlier:

Agreements Expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.)(2)	Percentage of Agreements
2016	29	3,247.9	7%	18,720,315.4	14%
2017	37	14,227.5	29%	42,062,996.9	32%
2018	32	4,663.7	9%	25,474,577.0	19%
2019 and subsequent years	52	27,501.7	55%	46,531,832.4	35%
Total	**150**	**49,640.7**	**100%**	**132,789,721.7**	**100%**

(1) Includes vacant stores as of June 30, 2016.

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

Soleil Premium Outlet, Greater Buenos Aires

In December 2007, we entered into an agreement with INC S.A. (“INCSA”), a non-related company, for the acquisition of Soleil Premium Outlet.

On July 1, 2010, we executed the final deed for partial conveyance of title of the Going Concern and Closing Minutes with INCSA, whereby INCSA transferred to us the shopping center’s going concern, which we started to operate on the referred date. The transaction was exclusive of any debt or credit prior to the transaction with respect to INCSA’s business, as well as the real property where a hypermarket currently operates located in the premises. On April 12, 2011, the Argentine Antitrust Authority (“CNDC”) granted its consent to the transaction.

As from April 2013, as a result of a comprehensive renovation of the shopping center and a strong advertising campaign, it was renamed Soleil Premium Outlet. At present, it has a surface area of 48,313 square meters, 13,991.1 square meters of which are GLA. It comprises 78 stores and 2,335 parking spaces. Soleil Premium Outlet is located in San Isidro, Province of Buenos Aires. It opened in Argentina more than 25 years ago and it was the first Premium Outlet in the country.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 1,282.2 million, which represents annual average sales for approximately Ps. 91,644.1 per square meter and a year-on-year turnover growth of 36.6%. Total rental income increased from 59.4 million for fiscal year ended June 30, 2015 to Ps. 80.1 million for fiscal year ended June 30, 2016, representing annual income per gross leaseable square meter of Ps. 4,242.5 in fiscal year 2015 and Ps. 5,726.0 in fiscal year 2016.

As of June 30, 2016, Soleil Premium Outlet’s occupancy rate was 100%.

Five largest tenants of Soleil Premium Outlet

Soleil Premium Outlet’s five largest tenants (in terms of sales of this shopping center) accounted for approximately 16.8% of its gross leaseable area as of June 30, 2016 and approximately 18.5% of its annual base rent for the fiscal year ended on such date.

The following table describes Soleil Premium Outlet’s five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Stock Center	Clothes and footwear	700.9	5.0
Adidas	Clothes and footwear	480.0	3.4
Garbarino	Home Appliances	472.0	3.4
Dexter Shop	Clothes and footwear	366.6	2.6
Fravega	Home Appliances	336.4	2.4
Total		**2,355.9**	**16.8**

Tenant mix of Soleil Premium Outlet (1)

The following table sets forth the mix of tenants by types of businesses in Soleil Premium Outlet:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Clothes and footwear	8,353.9	59.7
Entertainment	3,263.4	23.3
Home Appliances	808.4	5.8
Restaurant	753.1	5.4
Miscellaneous	374.2	2.7
Services	290.8	2.1
Home & décor	147.3	1.1
Total	**13,991.1**	**100.0**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Soleil Premium Outlet

The following table sets forth certain information relating to the revenues from Soleil Premium Outlet during the following periods:

(*In thousands of Ps.*)

	2016	2015	2014
Base rent	44,597	33,422	25,972
Percentage rent	28,911	20,700	13,620
Total rent	**73,508**	**54,122**	**39,592**
Revenues from admission rights	5,335	4,057	3,671
Management fees	1,076	801	649
Parking	0	0	0
Commissions	0	238	112
Other	194	148	154
Total (1)	**80,113**	**59,366**	**44,178**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for Soleil Premium Outlet (1)

The following table shows a schedule of lease expirations for Soleil Premium Outlet during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminate their leases earlier:

Agreements Expiration:	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.)(2)	Percentage of Agreements
2016	6	606.3	4%	1,760,166.8	4%
2017	34	4,534.8	32%	16,212,477.8	40%
2018	14	2,495.0	18%	9,326,974.0	23%
2019 and subsequent years	24	6,354.9	45%	13,590,524.5	33%
Total	**78**	**13,991.1**	**100%**	**40,890,143.2**	**100%**

(1) Includes vacant stores as of June 30, 2016.
(2) The amount expressed the annual base rent as of June 30, 2016 of agreements to expire.

La Ribera Shopping, City of Santa Fe

We hold 50% of Nuevo Puerto Santa Fe S.A.'s ("NPSF") shares, a corporation that is tenant of a building in which it built and currently operates "La Ribera" shopping center, which has a surface area of 43,219 square meters, comprising 63 retail stores and 7 2D and 3D-screen multiplex cinema. It also comprises a 510-square meter cultural center and 24,553 square meters in outdoor areas and free parking space. Its gross leaseable area is approximately 9,850.7 square meters.

The shopping center is strategically located within the port of the City of Santa Fe in the Province of Santa Fe, the place with the largest development in terms of real estate in the City of Santa Fe, 27 kilometers away from the City of Paraná and 96 kilometers away from the City of Rafaela, its range of influence represents a potential market of over one million people.

During the fiscal year ended June 30, 2016, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 633.5 million, which represents a year-on-year increase of 59.1% and sales per square were approximately Ps. 64.315.5. Total rental income increased from Ps. 13.1 million in fiscal year ended June 30, 2015 to Ps. 20.8 million in fiscal year ended June 30, 2016, representing annual income per gross leaseable square meter of Ps. 1,340.3 in fiscal year 2015 and 2,109.4 in fiscal year 2016.

As of June 30, 2016, La Ribera Shopping's occupancy rate was 99.3%.

Five largest tenants of La Ribera Shopping

La Ribera's five largest tenants (in terms of sales of this shopping center) accounted for approximately 41.1% of its gross leaseable area as of June 30, 2016 and approximately 30.4% of its annual base rent for the fiscal year ended on such date.

The following table describes La Ribera's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Cinemark	Entertainment	2,474.0	25.1
Musimundo	Home Appliances	804.0	8.2
Mostaza y Pan	Restaurant	78.1	0.8
Mc Donald's	Restaurant	471.6	4.8
Red Sport	Clothes and footwear	222.0	2.3
Total		**4,049.7**	**41.1**

Tenant mix of La Ribera Shopping (1)

The following table sets forth the mix of tenants by types of businesses in La Ribera:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Entertainment	3,230.0	32.8
Clothes and footwear	2,949.5	29.9
Restaurant	1,866.0	18.9
Miscellaneous	885.9	9.0
Home Appliances	804.0	8.2
Home & décor	86.0	0.9
Total	**9,850.7**	**100.0**

(1) Includes vacant stores as of June 30, 2016.

Revenues from La Ribera Shopping

The following table sets forth certain information relating to the revenues from La Ribera during the following periods:

(*In thousands of Ps.*)

	2016	2015	2014
Base rent	9,036	5,014	3,988
Percentage rent	10,956	7,563	5,000
Total rent	**19,992**	**12,577**	**8,988**
Revenues from admission rights	342	201	141

Management fees	372	273	211
Parking	0	0	0
Commissions	0	0	0
Other	73	17	20
Total (1) (2)	**20,779**	**13,068**	**9,360**

(1) It does not reflect our interest in the company Nuevo Puerto Santa Fe.
(2) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

Lease expirations for La Ribera Shopping (1)

The following table shows a schedule of lease expirations for La Ribera during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise renewal options or terminate their leases earlier:

Agreements Expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.)(2)	Percentage of Agreements
2016	4	1,021.1	10%	1,277,654.6	9%
2017	11	1,226.0	12%	1,767,609.7	13%
2018	13	1,208.1	12%	2,656,534.8	19%
2019 and subsequent years	35	6,395.5	65%	8,070,501.0	59%
Total	**63**	**9,850.7**	**100%**	**13,772,300.2**	**100%**

(1) Includes vacant stores as of June 30, 2016.
(2) The amount expressed the annual base rent as of June 30, 2016 of agreements to expire.

Distrito Arcos, City of Buenos Aires

We opened Distrito Arcos on December 18, 2014. Distrito Arcos is a premium outlet located in the neighborhood of Palermo, City of Buenos Aires. It has 11,170.1 square meters of GLA and it consists of 60 stores, 115 parking spaces y 35 selling stands.

During a second stage, we plan to build a fitness center, a home appliances store and a great cultural offer with 66 stores, covering approximately 2,000 square meters of additional GLA. During this fiscal year, visitors to the shopping center generated nominal retail sales that totaled approximately Ps. 962.3 million, which represent sales per square meter of approximately Ps. 86,151.6. Total rental income was approximately Ps. 78.1 million for the period ended June 30, 2016, which represents total revenues for the period per gross leaseable area of Ps. 6,993.8.

As of June 30, 2016 Distrito Arcos' occupancy rate was 97.0%.

Five largest tenants of Distrito Arcos

Distrito Arcos' five largest tenants (in terms of sales of this shopping center) accounted for approximately 14.8% of its gross leaseable area as of June 30, 2016, and 21.2% of its annual base rent.

The following table describes Distrito Arcos' five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Prune	Clothes and footwear	316.9	2.8
Kosiuko	Clothes and footwear	344.6	3.1
Lacoste	Clothes and footwear	352.4	3.2
Adidas	Clothes and footwear	275.2	2.5
Rapsodia	Clothes and footwear	312.5	2.8
Total		**1,601.6**	**14.3**

Tenant mix of Distrito Arcos (1)

The following table sets forth the mix of tenants by types of businesses in Distrito Arcos:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Clothes and footwear	8,764.3	78.5
Services	89.0	0.8

Restaurant	727.8	6.5
Miscellaneous	1,589.0	14.2
Total	**11,170.1**	**100.0**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Distrito Arcos

The following table sets forth certain information relating to the revenues from Distrito Arcos during the following periods:

(in thousands of Ps.)

	2016	2015
Base Rent	34,943	11,753
Percentage rent	29,982	8,379
Total rent	**64,926**	**20,132**
Revenues from admission rights	3,219	2,413
Management fees	752	220
Parking	8,853	0
Commissions	10	120
Other	362	49
Total (1) (2)	**78,121**	**22,934**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

(2) Opening December 18, 2014 (revenues are consolidated for six months).

Lease expirations for Distrito Arcos (1)

The following table shows a schedule of lease expirations for Distrito Arcos during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise their renewal options or terminate their leases earlier:

Agreements Expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.) (2)	Percentage of Agreements
2016	1	199.2	2%	0.0	0%
2017	1	378.0	3%	600,000.0	2%
2018	41	7,230.4	65%	21,171,509.6	67%
2019 and subsequent years	17	3,362.5	30%	9,940,416.5	31%
Total	**60**	**11,170.1**	**100%**	**31,711,926.1**	**100%**

(1) Includes vacant stores as of June 30, 2016.

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

Alto Comahue, City of Neuquén

Alto Comahue is our shopping center number 15, which we inaugurated on March 17, 2015, and is located in the City of Neuquén, in the Patagonian region of Argentina. It has a total footage of 35,000 square meters and 9,889.6 square meters of GLA, approximately 333 roof-covered and open-air parking spaces and a large entertainment and leisure area. Alto Comahue offers 102 retail stores that house the most prestigious brands in Argentina, and will have a 6-screen multiplex cinema and a theme restaurant. It is a three-story building consisting of a basement where the parking lot and service area are located; the ground floor consisting of 5,100 square meters for retail stores, and the first floor consisting of 720 square meters for restaurants with unique views of the city and 2,700 square meters of retail stores.

The development is a part of a mixed-use complex that further includes a supermarket that is currently in operation and 2 additional parcels of land. One of these parcels is assigned to development of a hotel and the other, which extends over 18,000 sqm -owned by the company-, to a future housing development. During this fiscal year, visitors to the shopping center generated nominal retail sales that totaled approximately Ps. 717.1 million, which represent sales per square meter of approximately Ps. 72,511.2. Total rental income was approximately Ps. 47.8 million, which represents total revenues for the period per gross leaseable area of Ps. 4,832.1.

As of June 30, 2016, Alto Comahue's occupancy rate was 96.6%.

Five largest tenants of Alto Comahue

Alto Comahue's five largest tenants (in terms of sales of this shopping center) accounted for approximately 11.8% of its gross leaseable area as of June 30, 2016, and 1.4% of its annual base rent.

The following table describes Alto Comahue's five largest tenants as of June 30, 2016:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Compumundo	Home Appliances	127.5	1.3
Mc Donald's	Restaurant	155.5	1.6
Fravega	Home Appliances	217.1	2.2
Dexter Shop	Clothes and footwear	420.6	4.3
Garbarino	Home Appliances	241.7	2.4
Total		**1,162.4**	**11.8**

Tenant mix of Alto Comahue (1)

The following table sets forth the mix of tenants by types of businesses in Alto Comahue:

Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Clothes and footwear	5,382.6	54.4
Miscellaneous	1,294.6	13.1
Restaurant	1,101.0	11.1
Home Appliances	969.1	9.8
Services	514.6	5.2
Home & décor	251.2	2.5
Entertainment	376.5	3.8
Total	**1,162.4**	**11.8**

(1) Includes vacant stores as of June 30, 2016.

Revenues from Alto Comahue

The following table sets forth certain information relating to the revenues from Alto Comahue during the following periods:

(in thousands of Ps.)

	2016	2015
Base rent	29,392	6,730
Percentage rent	15,370	4,087
Total rent	**44,762**	**10,817**
Revenues from admission rights	1,897	567
Management fees	752	220
Parking	0	0
Commissions	33	60
Other	344	26

Total (1) (2)	**47,787**	**11,690**

(1) It does not include Fibesa or revenues from Expenses and Collective Promotion Fund.

(2) Opening March 17, 2015 (revenues are consolidated for 3 months).

Lease expirations for Alto Comahue (1)

The following table shows a schedule of lease expirations for Alto Comahue during the periods indicated for existing leases as of June 30, 2016, assuming that none of the tenants will exercise their renewal options or terminate their leases earlier:

Lease Agreements	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.) (2)	Percentage of Agreements
2016	0	0.0	0%	0.0	0%
2017	0	0.0	0%	0.0	0%
2018	31	2,794.8	24%	4,892,838.0	22%
2019 and subsequent years	72	7,468.1	65%	16,906,414.4	78%
Total	**117**	**11,439.9**	**100%**	**21,799,252.4**	**100%**

(1) Includes vacant stores as of June 30, 2016.

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

Competition

Given that most of our shopping centers are located in highly populated areas, there are competing shopping centers within, or in close proximity to, our targeted areas. The number of shopping centers in a particular area could have a material effect on our ability to lease space in our shopping centers and on the amount of rent that we are able to charge. We believe that due to the limited availability of large plots of land and zoning restrictions in the City of Buenos Aires, it is difficult for other companies to compete with us in areas through the development of new shopping centers. Our principal competitor is Cencosud S.A. which owns and operates Unicenter Shopping and the Jumbo hypermarket chain, among others.

The following table shows certain information concerning the most significant owners and operators of shopping centers in Argentina.

Company	Shopping Center	Location (1)	Gross leaseable Area	Stores	% of gross leaseable area at national level (2)	Store percentage (2)
IRSA Propiedades Comerciales						
	Dot Baires Shopping	CABA	49,641	150	2.14%	2.38%
	Mendoza Plaza Shopping	Mendoza	42,043	139	1.81%	2.21%
	Abasto de Buenos Aires	CABA	40,470	170	1.74%	2.70%
	Alto Avellaneda	GBA	35,887	134	1.54%	2.13%
	Alto Rosario	Rosario	30,056	143	1.29%	2.27%
	Alto Palermo Shopping	CABA	18,966	142	0.82%	2.26%
	Alto Noa	Salta	19,040	89	0.82%	1.41%
	Alcorta Shopping	CABA	15,877	112	0.68%	1.78%
	Córdoba Shopping	Córdoba	15,582	110	0.67%	1.75%
	Soleil Premium Outlet	GBA	13,991	78	0.60%	1.24%
	Buenos Aires Design	CABA	14,306	62	0.62%	0.99%
	Distrito Arcos	CABA	10,794	59	0.46%	0.94%
	Patio Bullrich	CABA	11,783	88	0.51%	1.40%
	La Ribera Shopping	Santa Fe	9,851	63	0.42%	1.00%
	Alto Comahue	Neuquén	9,890	102	0.43%	1.62%

Subtotal	**338,175**	**1,641**	**14.55%**	**26.08%**
Cencosud S.A..				
Subtotal	**650,256**	**1,456**	**28.01%**	**20.60%**
Other Operators				
Subtotal	**1,334,846**	**3,836**	**57.44%**	**53.31%**
Total	**2,323,278**	**6,933**	**100%**	**100%**

(1) "GBA" means Greater Buenos Aires, the Buenos Aires metropolitan area, and "CABA" means the Autonomous City of Buenos Aires.
(2) Percentage over total shopping centers in Argentina that are members of the Argentine Chamber of Shopping Centers *(Cámara Argentina de Shopping Centers, CASC)*

Source: Argentine Chamber of Shopping Centers.

Seasonality:

Our business is directly related with seasonality, affecting the level of our tenants' sales. During summer holidays (January and February) our tenants' sales reach their minimum level, whereas during winter holidays (July) and in December (Christmas) they reach their maximum level. Clothing stores generally change their collections in spring and autumn, positively affecting our shopping centers' sales. Sales at discount prices at the end of each season are also one of the main sources of impact on our business.

Offices and Other Segment

We are engaged in the acquisition, development and management of office buildings and other rental properties in Argentina. In December 2014, we acquired 83,789 square meters of the Premium office portfolio from our parent IRSA, including Edificio República, Bouchard 710, Dellapaolera 265, Intercontinental Plaza, Suipacha 652 and the land reserve "Intercontinental II" with potential for development of 19,600 square meters. As a result, we consolidated a vehicle mainly aimed at developing and operating commercial rental properties in Argentina.

The following table shows information about the leaseable area and occupancy for the latest three fiscal periods:

	FY 16	FY 15	FY 14
Leaseable area (square meters)	79,048	95,001	11,242
Occupancy of total portfolio	98.6%	98.3%	100.0%
Rent in ARS/square meter	386.0	226.00	112.5
Rent in USD/square meter	25.90	24.90	18.69

The following table shows information about our rental office and other properties segment as of June 30, 2016:

	Date of Acquisition	Gross Leaseable Area (sqm) (1)	Occupancy(2)	IRSA CP's Actual Interest	Monthly Income (in thousands of Ps.) (3)	Annual Accumulated Rental Income for the fiscal years Ps./000(4)			Book Value (in thousands of Ps.)
						2016	2015	2014	
Offices									
Edificio República	12/22/2014	19,885	100.0%	100%	7,637	75,122	33,449	-	670,724
Torre Bankboston	12/22/2014	14,873	100.0%	100%	5,576	51,690	23,378	-	512,075
Intercontinental Plaza	12/22/2014	6,569	100.0%	100%	2,036	29,078	29,628	-	122,426
Bouchard 710	12/22/2014	15,014	100.0%	100%	7,020	67,250	26,936	-	494,850
Suipacha 652/64	12/22/2014	11,465	90.7%	100%	2,085	22,507	8,384	-	111,736
Dot Building	11/28/2006	11,242	100.0%	80%	3,521	31,229	27,416	18,985	115,791
Subtotal Offices		**79,048**	**98.6%**	**N/A**	**27,398**	**276,876**	**149,191**	**18,985**	**2,027,602**

Other Properties									
Nobleza Piccardo (6)	05/31/2011	109,610	74.8%	50%	185	2,172	7,960	8,238	8,966
Other Properties (5)	N/A	38,646	N/A	N/A	1,714	5,089	2,981	346	53,586
Subtotal Other Properties		**148,256**	**N/A**	**N/A**	**1,898**	**7,261**	**10,941**	**8,584**	**62,552**
Total Offices and Other		**227,304**	**N/A**	**N/A**	**29,297**	**284,137**	**160,132**	**27,569**	**2,090,154**

Notes:

(1) Corresponds to the total leaseable surface area of each property as of June 30, 2016. Excludes common areas and parking spaces.

(2) Calculated by dividing occupied square meters by leaseable area as of June 30, 2016.

(3) The lease agreements in effect as of June 30, 2016 were computed for each property.

(4) Corresponds to total consolidated lease agreements.

(5) Includes the following properties: Ferro, Dot Adjoining Plot, Anchorena 665, Anchorena 545 (Chanta IV) and Intercontinental plot of land

(6) Through Quality Invest S.A.

Management of Office Buildings

We generally act as manager of the office buildings in which we hold an interest. In most cases, we are owners of the entire building or a significant number of units. Management is usually conducted pursuant to the terms and conditions of a co-owners' agreement, and decisions are adopted by simple majority of owners (based on the area owned by each of them). As managers, we are in charge of the security, maintenance and cleaning services, which are generally outsourced. The cost of these services is paid by the tenants, except in the case of units that have not been leased. We market our leaseable area through authorized brokers or by means of our direct efforts.

Leases

We usually lease our office and other properties under lease agreements for average terms of three years, except for a few agreements which are entered into for five-year terms. Agreements are renewable for two or three years, at the tenant's option. They are generally denominated in U.S. dollars and pursuant to the Argentine laws, they are not subject to adjustment for inflation. Rental price for renewal periods are negotiated at market value.

The following table shows the occupancy rate of our offices for the fiscal years ended June 30, 2016 and 2015:

	Occupancy Rate(1)	
	2016	**2015**
Offices		
Edificio República	100.0%	93.6%
Torre Bankboston	100.0%	100.0%
Intercontinental Plaza	100.0%	100.0%
Bouchard 710	100.0%	100.0%
Suipacha 652/64	90.7%	96.7%
DOT Building	100.0%	100.0%
Total Offices	98.6%	98.3%

(1) Leased square meters pursuant to lease agreements in effect as of June 30, 2016 and 2015 over gross leaseable area of offices for the same periods.

The following table shows average annual income per square meter for our offices during the fiscal years ended June 30, 2016, 2015 y 2014.

Average annual income per square meter as of June 30 (1) *(Ps./sqm)*

	Average annual income per square meter(1)		
	2016(1)	2015(1)	2014(1)
Offices			
Edificio República	3,615	3,115	3,075
Torre Bankboston	3,778	2,819	2,467
Intercontinental Plaza	4,291	2,484	2,402
Bouchard 710	4,539	3,219	2,844
Suipacha 652/64	1,961	1,399	1,512
DOT Building	2,778	2,439	2,410

(1) Calculated by dividing annual rental income by the gross leaseable area of offices based on our interest in each building as of June 30 for each fiscal period.

Lease expiration

We usually lease our office and other properties under lease agreements for average terms of three years, except for a few agreements which are entered into for five-year terms. Agreements are renewable for two or three years, at the tenant's option. They are generally denominated in U.S. dollars and pursuant to the Argentine laws, they are not subject to adjustment for inflation. Rental price for renewal periods are negotiated at market value.

The following table shows certain information on leases agreements as of June 30, 2016:

Building	Number of lease agreements (1)(5)	Annual rental price (2)	Rental price per new and renewed sqm (3)	Rental price per previous sqm (3)	Number of lease agreements not renewed	Lease agreements not renewed Annual rental price (4)
Intercontinental	1	2,504,208	232	232	-	-
Bouchard 710	3	12,876,430	339	332	-	-
Della Paolera 265	3	11,232,929	375	284	1	32,089,160
Edificio República	4	18,461,402	400	477	-	-
DOT Building	1	3,728,987	374	327	2	5,729,101
Suipacha 664	3	6,478,965	151	145	3	14,179,968
Total Offices	**15**	**55,282,921**	**311**	**290**	**6**	**51,998,229**

(1) Includes new and renewed lease agreements executed in FY 2016.

(2) Lease agreements in U.S. dollars converted to Pesos at the exchange rate prevailing in the first effective month of the agreement, multiplied by 12 months.

(3) Monthly value.

(4) Lease agreements in U.S. dollars converted to Pesos at the exchange rate prevailing in the last effective month of the agreement, multiplied by 12 months.

(5) It does not include lease agreements over parking spaces, antennas or terrace area.

The following table contains a schedule of estimated lease expirations for our offices in connection with the lease agreements in effect as of June 30, 2016, assuming that none of the tenants will exercise their renewal option or declare the early termination of their lease agreements (most tenants have lease renewal clauses).

Lease Expiration Fiscal Year	Number of Lease Agreements subject to Expiration	Square Meters subject to Expiration (m2)	Percentage of Total Square Meters subject to Expiration (%)	Annual Revenues for Leases under Agreements about to Expire (Ps,)	Percentage of total Revenues subject to Expiration (%)
2016	21	29,832	32%	30,282,290	10%
2017	20	23,455	25%	74,398,611	23%
2018	33	22,420	24%	139,449,143	44%
2019+	23	16,745	20%	74,186,723	23%
Total	**97**	**92,452**	**100%**	**318,316,766**	**100%**

Includes Offices whose lease agreement had not been renewed as of June 30, 2016

It does not include vacant leaseable square meters.

It does not include square meters or revenues from parking spaces.

A description of rental office properties is provided below:

Edificio República, City of Buenos Aires

This property was designed by the renowned Architect César Pelli (who also designed the World Financial Center in New York and the Petronas Towers in Kuala Lumpur). It is a unique premium office building in downtown Buenos Aires and has approximately 19,885 gross leaseable square meters and 178 parking spaces. The main tenants include Apache Energía, Estudio Beccar Varela, BASF Argentina S.A., ENAP Sipetrol Argentina S.A., Facebook Argentina S.R.L. and BACS Banco de Crédito y Securitización S.A., among other.

Torre BankBoston, City of Buenos Aires

The BankBoston Tower is a modern office building located at Carlos Maria Della Paolera 265 in the City of Buenos Aires. It was designed by the renowned Architect Cesar Pelli and has 27 floors and 60 parking spaces over 31,670 square meters of gross leaseable area. We have a 47% ownership interest in the building. At present, our main tenants include Exxon Mobile and Kimberly Clark de Argentina, among other.

Intercontinental Plaza, City of Buenos Aires

Intercontinental Plaza is a modern 24-story building located next to the Intercontinental Hotel in the historic neighborhood of Monserrat in downtown City of Buenos Aires. We own a 29% interest in the building which has footage averaging 22,535 square meters of gross leaseable area with 321 parking spaces. The principal tenants currently include Cognizant Tech Solutions de Arg SRL., CRESUD Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agrícola (“CRESUD”), IRSA and Industrias Pugliese S.A., among other.

Bouchard 710, City of Buenos Aires

Bouchard 710 is an office building located in the Retiro district. The building is a 12-story tower, with an average area per floor of 1,251 square meters, with 165 units for car parking. Tenants are Sibille S.C. (KPMG) and Microsoft de Argentina S.A., Samsung Electronics Argentina S.A., Energy Consulting Services S.A., Chubb Argentina de Seguros S.A. and Booking.com S.A., among other. Its surface area averages 15,014 square meters of gross leaseable area.

Suipacha 652/64, City of Buenos Aires

Suipacha 652/64 is a 7-story office building located in the office district of the City of Buenos Aires. We own the entire building and 62 parking spaces. The building has unusually large floors, most measuring 1,580 square meters. The building’s principal tenants include Monitor de Medios Publicitarios S.A., Organización de Servicios Director Empresarios (OSDE) and Tarshop S.A., among other. The average footage of the building is 11,453 square meters of gross leaseable area.

Dot Building, City of Buenos Aires

Panamerican Mall S.A., our subsidiary, developed an office building of 11,242 square meters of gross leaseable area next to Dot Baires Shopping. This building was inaugurated in July 2010, which meant our arrival at the growing corridor of the Northern Area with respect to offices for rent. The building's principal tenants include General Electric International Inc., Mallinckrodt Medical Arg. Limited, Carrier y Boston Scientific Argentina S.A, Astrazeneca S.A., Covidien S.A., among other.

Competition

Virtually all of our offices properties and other rental properties other than shopping centers are located in developed urban areas. There is a great number of office buildings, shopping centers, retail stores and residential houses in the zones where our properties are located. It is a highly fragmented market and the abundant number of comparable properties in the vicinities may have an adverse impact on the ability to lease or sell office space and other properties and may have an adverse impact on the sale and rental price of properties.

In the future, both domestic and foreign companies are likely to participate in the real estate development market in Argentina, hence competing with us when it comes to business opportunities. In addition, in the future we may participate in the development of a market for foreign real property, and we are likely to find well-established competitors.

In the premium office segment, the Company competes with other relevant market players, such as RAGHSA, Consultatio, Grupo Madero Este, Grupo Werthein, Grupo Farallón and YAR Construcciones.

Sales and Developments Segment:

This segment includes properties available for sale, units to be received under barter agreements in force and land reserves of our portfolio. As of June 30, 2016 we own plots and properties strategically located in the City of Buenos Aires, Greater Buenos Aires and in the provinces of Argentina with potential to develop new projects.

Detailed information on each of our properties:

Residential Properties

Condominios del Alto I – City of Rosario, Province of Santa Fe

As of June 30, 2016, the project has been completed and nothing is available for sale.

Condominios del Alto II –City of Rosario, Province of Santa Fe

As of June 30, 2016, the works in parcel H have been completed and all the units subject to the barter have been received, with 13 parking spaces available for sale.

Intangibles - Units to be received under barter agreements

Beruti Plot – City of Buenos Aires

On October 13, 2010, IRSA CP and TGLT S.A. ("TGLT") entered into an exchange agreement in connection with a plot of land located at Beruti 3351/59 in the City of Buenos Aires for cash and 2,170 own square meters in future residential apartments to be constructed by TGLT in the plot. In addition, TGLT will deliver to the Company 32 residential parking spaces and 171 commercial parking spaces.

CONIL – Avellaneda, Province of Buenos Aires

These plots of the Company face Alto Avellaneda shopping center, totaling 2,398 sqm distributed in two opposite corners and according to urban planning standards, around 6,000 sqm may be built. Its intended use, either through an own development or sale to a third party, is residential with the possibility of a retail space as well. In November 2014, a Barter Deed was executed to carry out a residential development, in consideration of which the Company will receive 1,365 sqm of retail stores located on the ground floors of blocks 99 and 95 at Güemes 836 and Güemes 902, respectively. Consideration for block 95 will be delivered in January 2018 and consideration for block 99 will be delivered in September 2018. The barter was valued at USD 0.7 million.

Mixed Uses:

Ex UOM – Luján, Province of Buenos Aires

This 116-hectare plot of land is located in the 62 Km of the West Highway, in the intersection with Route 5 and was originally purchased by CRESUD. In May 2012, the Company acquired the property through a purchase and sale agreement entered into between related parties, thus becoming the current owner. Our intention is to carry out a mixed-use project, taking advantage of the environment consolidation and the strategic location of the plot. At present, dealings are being carried out so as to change the zoning parameters, thus enabling the consummation of the project.

Ex Nobleza Piccardo Plant – San Martín, Province of Buenos Aires

On March 31, 2011, Quality Invest S.A. and Nobleza Piccardo S.A.I.C. y F. (Nobleza) executed the title deed for the purchase of a plot of land extending over 160,000 square meters located in the District of San Martín, Province of Buenos Aires, currently intended for industrial purposes and suitable in terms of characteristics and scales for mixed-use developments. The price for the property was USD 33 million, 30% of which was paid at such time. A first-priority mortgage was created for the balance of the price on the property, in favor of Nobleza. The balance plus interest at a nominal annual rate of 7.5% on the outstanding balance were paid in full –principal plus interest- in March 2013, by advancing payments.

Simultaneously with execution of the title deed the parties entered into a lease agreement whereby Nobleza leased the whole property for a term of up to 36 months from May 2011 (Note 5 to the financial statements). This lease agreement contained a clause providing for partial return of the property from month 8 (eight) to month 14 (fourteen) after the date of execution thereof. Prior to expiration, an extension was executed for 2 (two) to 6 (six) months due to expire in December 2012, and Quality Invest S.A. obtained usufructuary rights to more than half the plot of land. The return of the remaining area set forth in the Agreement and due to occur in May 2014 was once again extended until December 31, 2014. On March 2, 2015 a Certificate was executed by Nobleza and Quality Invest S.A. for Full Return of the Property, and the contract relationship between the parties came to an end.

On May 16, 2012 the Municipality of San Martin granted a pre-feasibility permit for commercial use, entertainment, events, offices, etc., which would enable performance of a mixed-use development thereon.

Pursuant to an Ordinance enacted on December 30, 2014, a process was initiated to obtain a rezoning permit for the plot of land to be used mainly for Commercial Purposes, which considerably expands the uses and potential buildable square meters through new urban indicators. On January 5, 2016, a Provincial Decree was published in the Official Gazette of the Province of Buenos Aires granting its approval, and the new urban and rezoning standards thus became effective.

As approved in the Ordinance, on January 20, 2015 Quality Invest S.A. entered into a Zoning Agreement with the Municipality of San Martin which governs various issues related to applicable regulations and provides for a mandatory assignment of square meters in exchange for monetary contributions subject to fulfillment of certain administrative milestones of the rezoning process, the first of which (for Ps. 20,000,000) was paid to the Municipality ten days after the execution of the above mentioned agreement.

Moreover, on June 27, 2016, the plot subdivision plan was filed with the Municipality, thus complying with another significant milestone committed under the Zoning Agreement.

Residential:

Coto Residential Project

The Company owns approximately 23,000 sqm in air space over the top of the Coto hypermarket that is close to the Abasto Shopping Center in the heart of the City of Buenos Aires. The Company and Coto Centro Integral de Comercialización S.A. (Coto) executed and delivered a deed dated September 24, 1997 whereby the Company acquired the rights to receive parking units and the rights to build on top of the premises located in the block formed by the streets Agüero, Lavalle, Guardia Vieja and Gallo, in the Abasto neighborhood.

In June 2016, a preliminary barter agreement was signed, subject to certain conditions, for a term of one year, at the end of which the deed will be signed. The project will be a residential development and, as consideration, the Company will receive 3,621 square meters in apartments plus a monetary payment of USD 1 million. The consideration for Torre I will be delivered by June 2021, while the consideration for Torre II will be delivered by September 2022. The value of the barter was set at USD 7.5 million.

Córdoba Shopping Center Project

The Company owns a few plots adjacent to Córdoba Shopping Center with a construction capacity of approximately 17,300 square meters in the center of the City of Córdoba.

In May 2016, a preliminary barter agreement was signed for 13,500 square meters out of the total construction capacity, subject to certain conditions, for a term of one year, at the end of which the deed will be signed. It will be a mixed residential and office project and, as part of the consideration, the Company will receive 2,160 square meters in apartments, parking spaces, plus the management of permits, unifications and subdivisions in 3 plots. The consideration will be delivered by May 2021 for Torre I and by July 2023 for Torre II. The value of the barter was USD 4 million.

Neuquén Residential Plot – Neuquén, Province of Neuquén

Through Shopping Neuquén S.A., we own a plot of 13,000 sqm and a construction capacity per FOT of 18,000 sqm of residential properties in an area with significant potential. This area is located close to the recently inaugurated shopping center, the hypermarket recently opened and a hotel to be constructed in months to come.

Retail:

Caballito Plot – City of Buenos Aires

This is a property of approximately 23,791 sqm in the City of Buenos Aires, neighborhood of Caballito, one of the most densely populated of the city, which the Company purchased in November 1997. This plot would allow developing a shopping center having 30,000 sqm, including a hypermarket, a cinema complex, and several recreation and entertainment activity areas. At present, the legislature of the City of Buenos Aires has received a legislative bill to approve the zoning parameters corresponding to this property which already has the consent of the Executive Branch.

Dot Adjoining Plot – City of Buenos Aires

On May 3, 2012, the Government of the City of Buenos Aires, through the General Office of Zoning Interpretation (*Dirección General de Interpretación Urbanística*) approved, through a pre-feasibility study, the parcel subdivision of the Ex-Philips plot contingent upon the observance of the applicable building regulations in each of the resulting parcels. In addition, all the uses and parameters established under the municipal ordinance previously issued by the above mentioned authority are being observed.

On June 3, 2013, we were given notice that the Government of the City of Buenos Aires had approved the requested parcel subdivision of the ex-Philips plot. As a result, the property was divided into three parcels: 2 parcels of approximately 6,400 sqm and a parcel adjoining DOT Shopping of 15,900 sqm intended for the future expansion of the shopping center by 47,000 sqm.

Offices:

Philips Adjoining Plots 1 and 2 – City of Buenos Aires

These two parcels of 6,400 sqm with construction capacity of 19,200 sqm each, are at present a significant land reserve jointly with a plot where the extension of Dot Baires Shopping is planned. As a result of major developments, the intersection of Av. General Paz and the Panamerican Highway has experienced a significant growth in recent years. The project of theses parcels will conclude the consolidation of this area.

Intercontinental Plaza II Plot - City of Buenos Aires

In the heart of the neighborhood of Monserrat, just a few meters away from the most important avenue in the city and the financial center, is the Intercontinental Plaza complex formed by an office tower and the exclusive Hotel Intercontinental. In the current plot of 6,135 square meters a second office tower of 19,600 square meters and 25 stories could be built to supplement the tower currently located in the intersection of Moreno and Tacuarí streets.

Future Developments

	Developments		Acquisitions+Development
	Greenfields	*Expansions*	
	Polo Dot (1st Stage)	Alto Palermo / Other	Catalinas
Start of works	FY2017	FY2017	FY2017
Estimated opening	FY 2019	FY2018	FY2020
GLA (sqm)	31,635	3,884	16,012
% held by IRSA Propiedades Comerciales	80%	100%	45%
Investment amount at 100% (USD million)	54	28.5	101
Work progress (%)	0%	0%	0%

Estimated stabilized EBITDA (USD million)	USD 8-10	USD 6-8	USD 6-8

Alto Palermo Expansion

The expansion project of Alto Palermo shopping center adds approximately 4,000 square meters of GLA to the shopping center with the highest sales per square meter in our portfolio and consists in moving the food court to a third level using the area of an adjacent building acquired in 2015. Works are estimated to take between 18 and 24 months.

First Stage of Polo Dot

The project called “Polo Dot”, located in the commercial complex adjacent to our shopping center Dot Baires, 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 center 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 30,000 square meters on an existing building, in respect of which we have already executed a lease agreement for approximately half the footage, before starting the works. Construction will begin during the next fiscal period and is estimated to last between 18 and 24 months before the building is operational. 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 our new commercial complex and we are confident that we will be able to open these buildings with attractive rent levels and full occupancy.

Catalinas building

During the last quarter of the year, we acquired from our parent IRSA Inversiones y Representaciones S.A. (“IRSA”). 16,012 square meters that correspond to 14 floors and 142 parking spaces in the building to be developed in the “Catalinas” area in the City of Buenos Aires, one of the one of the most sought-after spots for office development in Argentina. The building to be constructed will have 35,468 square meters of gross leaseable area in 30 office floors and 316 parking spaces. Construction is scheduled to begin towards the end of the current calendar year and will take about 3 years.

Other Assets

As of June 30, 2016, IRSA CP held a 9.5% interest in the stock capital of TGLT, a real estate company listed on the BASE, mainly engaged in the development of residential projects in Argentina and Uruguay. In addition, it held its 11.4% interest in the e-commerce company Avenida Inc.

Moreover, it maintained its 20% interest in Tarjeta Shopping S.A., a consumer finance company, and increased to 35% its indirect interest in La Rural S.A., a company that holds usufruct rights for the commercial operation of the emblematic “Predio Ferial de Palermo” (Palermo exhibition center) in the City of Buenos Aires.

7. Subsequent Events

Acquisition of indirect equity interest in La Rural S.A.

On July 6, 2016, IRSA Propiedades Comerciales acquired an additional 20% of Entertainment Holdings S.A. ("EHSA"), a company in which it already held a 50% equity interest.

EHSA directly and indirectly owns 100% of the shares in OGDEN Argentina S.A. ("OASA") and 95% of the shares in ENUSA.

OASA owns 50% of the shares and voting rights in La Rural S.A. ("LRSA"), a company that has the usufruct for the commercial operation of the emblematic "Predio Ferial de Palermo" (Palermo exhibition center) in the City of Buenos Aires, in which Sociedad Rural Argentina ("SRA") owns the remaining 50%. After the referred transaction, the Group is now indirect holder of 35% of La Rural S.A.

In turn, OASA is in charge of the management of LRSA through agreements executed with SRA which include the right to appoint the chairman –who has a casting vote on certain matters- and the general manager.

Moreover, ENUSA is mainly engaged in organizing certain shows in the exhibition center.

8. Legal Framework

Insurance

At the Company, we carry all-risk insurance for the shopping centers and other buildings covering property damage caused by fire, explosion, gas leak, hail, storms and wind, earthquakes, vandalism, theft and business interruption. In addition, we carry liability insurance covering any potential damage to third parties or property caused by the conduct of our business throughout Argentina. We are in compliance with all legal requirements related to mandatory insurance, including insurance required by the Occupational Risk Law (*Ley de Riesgos del Trabajo*), life insurance required under collective bargaining agreements and other insurance required by laws and executive orders. Our history of damages is limited to one single claim resulting from a fire in Alto Avellaneda Shopping in March 2006, a loss which was substantially recovered from our insurers. These insurance policies contain specifications, limits and deductibles which we believe are adequate to the risks to which we are exposed in our daily operations. We further maintain liability insurance covering our directors' and corporate officers' liability.

Regulation and Governmental Supervision

The laws and regulations governing the acquisition and transfer of real estate, as well as municipal zoning ordinances are applicable to the development and operation of our properties.

Currently, Argentine law does not specifically regulate shopping center lease agreements. Since our shopping center leases generally differ from ordinary commercial leases, we have created provisions which govern the relationship with our shopping center tenants.

Leases

Argentine law imposes certain restrictions on property owners, including:

- a prohibition to include automatic price adjustment clauses based on inflation increases in lease agreements; and
- the imposition of a two-year minimum lease term for all purposes, except in particular cases such as embassy, consulate or international organization venues, room with furniture for touristic purposes for less than three months, custody and bailment of goods, exhibition or offering of goods in fairs or in cases where there is a specific purpose stated in the lease agreement which is to be fulfilled in a shorter term.

Main terms of our lease agreements

Under the Civil and Commercial Code of Argentina, the term of a lease agreement cannot be longer than fifty years, except for those lease agreements regulated by Law No. 25,248. In general, our lease agreements have three- to ten-year terms.

The lease space at our shopping centers is traded through an exclusive agreement with our subsidiary and real estate agent FIBESA. We have a standard lease agreement, the terms and conditions of which are described below, which we use for most of our tenants. However, our largest tenants generally negotiate better conditions for their respective lease agreement. It cannot be assured that the terms of the lease agreements will be the ones set forth in the standard lease agreement.

The rent we charge to our tenants is (i) the minimum insured value or base rent amount and (ii) the percentage rate (which usually ranges between 3% and 12% of the tenant's gross revenues), whichever is higher. Also, under a rent readjustment clause included in most lease agreements, the basic rent amount is generally increased annually and cumulatively as from the 13th month of the effective term of the agreement by 18% to 27%. Although several of our lease agreements include readjustment clauses, these are not based on an official index, nor do they reflect the inflation rate. In case of a dispute, we cannot guarantee that we will be able to enforce such clauses included in our lease agreements.

In addition to rent, we charge most our tenants an admission fee that is payable upon execution of the lease agreement and in case of renewal. The admission fee is usually paid as a single lump-sum payment or in small monthly installments. Tenants who pay this right in installments are liable for paying the outstanding balance if the agreement is terminated before the due date. In case of unilateral termination and/or termination due to a breach of obligations by the tenants, our consent is required for the reimbursement of the admission fee.

In each shopping center, we are responsible for providing the connection and supply of electric power, the telephone switchboard, the air conditioning connection and the connection to the general fire detection system. Each leased unit is connected to these systems. We also provide connections to a sanitary system and a gas system for food court tenants. Each tenant is responsible for completing all other installations required within their units, and are also required to pay the direct expenses generated by these utilities within each unit. Direct expenses usually include: electricity, water, gas, telephone and air conditioning. The tenant must also pay a percentage of total costs and general taxes related to the maintenance of common areas. This percentage or "*cupe*" is determined based on different factors. The expenses of common areas include, among others, administration, security, operations, maintenance, cleaning and taxes.

We perform promotion and marketing activities to increase traffic towards our shopping centers. These activities are financed by tenants' contributions to the Collective Promotion Fund ("FPC"), which is managed by us. Each month, tenants make a contribution to the FPC which is equivalent to about 15% of their rent amount (income from leases or VMA plus percentage rent), in addition to rent and expenses. We have the power to increase the percentage that each tenant is required to contribute to the FPC, but this amount cannot exceed 25% of the original percentage indicated in the lease agreement for the FPC. We can also require tenants to make extraordinary contributions to the FPC to finance marketing campaigns and special promotions or to cover the cost of special promotion events that benefit all tenants. We can require these extraordinary contributions no more than four times a year, and each extraordinary contribution may not exceed 25% of the last monthly rent amount paid by the tenant.

Each tenant rents an empty store, with no fixtures, and is responsible for its decoration. All changes or additions to the unit should be previously approved by us. The tenant is responsible for all the costs incurred when remodeling the unit and should remove all additions made to the unit by the end of the lease term. Moreover, the tenant is responsible for obtaining adequate insurance for the unit which should include, among others, coverage for fire, glass breakage, theft, flooding, civil liability and workers' compensation.

Rent Increase

In addition, there are at present contradictory court rulings with respect to whether the rent price can or cannot be increased during the term of the lease agreement. For example, Section 10 of the Public Emergency Law prohibits the adjustment of rent under lease agreements subject to official inflation rates, such as the consumer price index or the wholesale price index. Most of our lease agreements have incremental rent increase clauses that are not based on any official index. As of the date of this document no tenant has filed any legal action against us challenging incremental rent increases, but we cannot assure that such actions will not be filed in the future and, if any such actions were successful, that they will not have an adverse effect on our company.

Limits on lease terms

Under the Argentine Civil and Commercial Code lease terms may not exceed fifty years. Generally, terms in our lease agreements go from 3 to 10 years.

Right to Termination

The Argentine Civil and Commercial Code provides that tenants may rescind lease agreements earlier after the first six months of the effective date. Such rescission is subject to penalties which range from one to one and a half months of rent. If the tenant rescinds during the first year of the lease the penalty is one and a half month's rent and if the rescission occurs after the first year of lease the penalty is one month's rent.

It should be noted that the Argentine Civil and Commercial Code became effective on August 1, 2015 and that, among other rules, it repealed the Urban Lease Law (No. 23,091), which provided for a rule similar to the one described above, but (i) established the obligation to give at least 60 days' prior notice of exercise of the unilateral right to termination by the tenant and (ii) set forth in section 29 that all the provisions of the law were a matter of public policy. There are no court rulings yet with respect to the new regulations related to: (i) unilateral right to termination by tenant; i.e. whether the parties may waive the tenant's right to terminate the agreement unilaterally; or in relation to (ii) the possibility of establishing a penalty different from the penalty described above in the event of unilateral termination by the tenant.

Other

While current Argentine government policy discourages government regulation of lease agreements, there can be no assurance that additional regulations will not be imposed in the future by the Argentine Congress, including regulations similar to those previously in place. Furthermore, most of our leases provide that the tenants pay all costs and taxes related to the property in proportion to their respective leaseable areas. In the event of a significant increase in the amount of such costs and taxes, the Argentine government may respond to political pressure to intervene by regulating this practice, thereby adversely affecting our rental income. The Argentine Civil and Commercial Procedure Code enables the lessor to pursue what is known as an "executory proceeding" upon lessees' failure to pay rent. In executory proceedings debtors have fewer defenses available to prevent foreclosure, making these proceedings substantially shorter than ordinary ones. In executory proceedings the origin of the debt is not under discussion; the trial focuses on the formalities of debt instrument itself. The aforementioned code also permits special eviction proceedings, which are carried out in the same way as ordinary proceedings. The Argentine Civil and Commercial Code requires that a notice be given to the tenant demanding payment of the amounts due in the event of breach prior to eviction, of no less than ten days for leases for residential purposes, and establishes no limitation or minimum notice for leases for other purposes. However, historically, large court dockets and numerous procedural hurdles have resulted in significant delays to eviction proceedings, which generally last from six months to two years from the date of filing of the suit to the time of actual eviction.

Development and Use of the Land

Buenos Aires Urban Planning Code. Our real estate activities are subject to several municipal zoning, building, occupation and environmental regulations. In the City of Buenos Aires, where the vast majority of our real estate properties are located, the Buenos Aires Urban Planning Code (*Código de Planeamiento Urbano de la Ciudad de Buenos Aires*) generally restricts the density and use of property and controls physical features of improvements on property, such as height, design, set-back and overhang, consistent with the city's urban landscape policy. The administrative agency in charge of the Urban Planning Code is the Secretary of Urban Planning of the City of Buenos Aires.

Buenos Aires Building Code. The Buenos Aires Building Code (*Código de Edificación de la Ciudad de Buenos Aires*) complements the Buenos Aires Urban Planning Code and regulates the structural use and development of property in the city of Buenos Aires. The Buenos Aires Building Code requires builders and developers to file applications for building permits, including the submission to the Secretary of Work and Public Services (*Secretaría de Obras y Servicios Públicos*) of architectural plans for review, to assure compliance therewith.

We believe that all of our real estate properties are in material compliance with all relevant laws, ordinances and regulations.

Sales and Ownership

Buildings Law. Buildings Law No. 19,724 (*Ley de Pre horizontalidad*) was repealed by the new Argentine Civil and Commercial Code which became effective on August 1, 2015. The new regulations provide that for purposes of execution of agreements with respect to built units or units to be built, under the horizontal property system, the owner is required to purchase insurance in favor of prospective purchasers against the risk of frustration of the operation pursuant to the agreement for any reason. A breach of this obligation prevents the owner from exercising any right against the purchaser–such as demanding payment of any outstanding installments due – unless he/she fully complies with their obligations, but does not prevent the purchaser from exercising its rights against seller.

Protection for the Disabled Law. The Protection for the Disabled Law No. 22,431, enacted on March 20, 1981, as amended, provides that in connection with the construction and renovation of buildings, obstructions to access must be eliminated in order to enable access by handicapped individuals. In the construction of public buildings, entrances, transit pathways and adequate facilities for mobility impaired individuals must be provided for.

Buildings constructed before the enforcement of the Protection for the Disabled Law must be adapted to provide accesses, transit pathways and adequate facilities for mobility-impaired individuals.

Those pre-existing buildings, which due to their architectural design may not be adapted to the use by mobility-impaired individuals, are exempted from the fulfillment of these requirements.

The Protection for the Disabled Law provides that residential buildings must ensure access by mobility impaired individuals to elevators and aisles. Architectural requirements refer to pathways, stairs, ramps and parking.

Real Estate Installment Sales Law. The Real Estate Installment Sales Law No. 14,005, as amended by Law No. 23,266 and Decree No. 2015/85, imposes a series of requirements on contracts for the sale of subdivided real estate property regarding, for example, the sale price which is paid in installments and the deed, which is not conveyed until final payment of such price. The provisions of this law require, among other things:

- The registration of the intention to sell the property in subdivided plots with the Real Estate Registry (*Registro de la Propiedad Inmueble*) corresponding to the jurisdiction of the property. Registration will only be possible with regard to unencumbered property. Mortgaged property may only be registered where creditors agree to divide the debt in accordance with the subdivided plots. However, creditors may be judicially compelled to agree to the division.

- The preliminary registration with the Real Estate Registry of the purchase instrument within 30 days of execution of the agreements.

Once the property is registered, the installment sale may not occur in a manner inconsistent with the Real Estate Installment Sales Act, unless seller registers its decision to desist from the sale in installments with the Real Estate Registry. In the event of a dispute over the title between the purchaser and third-party creditors of the seller, the installment purchaser who has duly registered the purchase instrument with the Real Estate Registry will obtain the deed to the plot. Further, the purchaser can demand conveyance of title after at least 25% of the purchase price has been paid, although the seller may demand a mortgage to secure payment of the balance of the purchase price.

After payment of 25% of the purchase price or the construction of improvements on the property equal to at least 50% of the property value, the Real Estate Installment Sales Act prohibits the rescission of the sales contract for failure by the purchaser to pay the balance of the purchase price. However, in such event the seller may take action under any mortgage on the property.

Other Regulations

Consumer Relationship. Consumer or End User Protection. The Argentine Constitution expressly establishes in Article 42 that consumers and users of goods and services have a right to protection of health, safety and economic interests in a consumer relationship. Consumer Protection Law No. 24,240, as amended, regulates several issues concerning the protection of consumers and end users in a consumer relationship, in the arrangement and execution of contracts.

The Consumer Protection Law, and the applicable sections of the Argentine Civil and Commercial Code are intended to regulate the constitutional right conferred under the Constitution on the weakest party of the consumer relationship and prevent potential abuses deriving from the stronger bargaining position of vendors of goods and services in a mass-market economy where standard form contracts are widespread.

As a result, the Consumer Protection Law and the Argentine Civil and Commercial Code deem void and unenforceable certain contractual provisions included in consumer contracts entered into with consumers or end users, including those which:

- deprive obligations of their nature or limit liability for damages;
- imply a waiver or restriction of consumer rights and an extension of seller rights; and
- impose the shifting of the burden of proof against consumers.

In addition, the Consumer Protection Law imposes penalties ranging from warnings to the forfeiture of concession rights, privileges, tax regimes or special credits to which the sanctioned party was entitled, including closing down of establishments or suspension of the affected service for a term of up to 30 days.

The Consumer Protection Law and the Argentine Civil and Commercial Code define consumers or end users as the individuals or legal entities that acquire or use goods or services free of charge or for a price for their own final use or benefit or that of their family or social group. In addition, both laws provide that those who though not being parties to a consumer relationship as a result thereof acquire or use goods or services, for consideration or for non-consideration, for their own final use or that of their family or social group are entitled to such protection rights in a manner comparable to those engaged in a consumer relationship.

In addition, the Consumer Protection Law defines the suppliers of goods and services as the individuals or legal entities, either public or private that in a professional way, even occasionally, produce, import, distribute or commercialize goods or supply services to consumers or users.

The Argentine Civil and Commercial Code defines a consumer agreement as such agreement that is entered into between a consumer or end user and an individual or legal entity that acts professionally or occasionally either with a private or public company that manufactures goods or provides services, for the purpose of acquisition, use or enjoyment of goods or services by consumers or users for private, family or social use.

It is important to point out that the protection under the laws afforded to consumers and end users encompasses the entire consumer relationship process (from the offering of the product or service) and it is not only based on a contract, including the consequences thereof.

In addition, the Consumer Protection Law establishes a joint and several liability system under which for any damages caused to consumers, if resulting from a defect or risk inherent in the thing or the provision of a service, the producer, manufacturer, importer, distributor, supplier, seller and anyone who has placed its trademark on the thing or service shall be liable.

The Consumer Protection Law excludes the services supplied by professionals that require a college degree and registration in officially recognized professional organizations or by a governmental authority. However, this law regulates the advertisements that promote the services of such professionals.

The Consumer Protection Law determines that the information contained in the offer addressed to undetermined prospective consumers, binds the offeror during the period in which the offer takes place and until its public revocation. Further, it determines that specifications included in advertisements, announcements, prospectuses, circulars or other media bind the offeror and are considered part of the contract entered into by the consumer.

Pursuant to Resolution No. 104/05 issued by the Secretariat of Technical Coordination reporting to the Argentine Ministry of Economy, Consumer Protection Law adopted Resolution No. 21/2004 issued by the Mercorsur's Common Market Group which requires that those who engage in commerce over the Internet (E-Business) shall disclose in a precise and clear manner the characteristics of the products and/or services offered and the sale terms. Failure to comply with the terms of the offer is deemed an unjustified denial to sell and gives rise to sanctions.

On September 17, 2014, a new Consumer Protection Law was enacted by the Argentine Congress –Law No. 26,993. This law, known as “System for Conflict Resolution in Consumer Relationships,” provided for the creation of new administrative and judicial procedures for this field of Law. It created a two-instance administrative system: the Preliminary Conciliation Service for Consumer Relationships (*Servicio de Conciliación Previa en las Relaciones de Consumo,* COPREC) and the Consumer Relationship Audit, and a number of courts assigned to resolution of conflicts between consumers and producers of goods and services (*Fuero Judicial Nacional de Consumo*). In order to file a claim, the amount so claimed should not exceed a fixed amount equivalent to 55 adjustable minimum living wages, which are determined by the Ministry of Labor, Employment and Social Security. The claim is required to be filed with the administrative agency. If an agreement is not reached between the parties, the claimant may file the claim in court. The administrative system known as Preliminary Conciliation Service for Consumer Relationships (COPREC) is currently in full force and effect. However, the court system (*fuero judicial nacional de consumo*) is not in force yet, therefore, any court claims should be currently filed with the existing applicable courts. A considerable volume of claims filed against us are expected to be settled pursuant to the system referred to above, without disregarding the full force and effect of different instances for administrative claims existing in the provincial sphere and the City of Buenos Aires, which remain in full force and effect, where potential claims related to this matter could also be filed.

Antitrust Law. Law No. 25,156, as amended, prevents trust practices and requires administrative authorization for transactions that according to the Antitrust Law constitute an economic concentration. According to this law, mergers, transfers of goodwill, acquisitions of property or rights over shares, capital or other convertible securities, or similar operations by which the acquirer controls or substantially influences a company, are considered as an economic concentration. Whenever an economic concentration involves a company or companies and the aggregate volume of business of the companies concerned exceeds in Argentina the amount of Ps. 200.0 million, in such case the respective concentration should be submitted for approval to the CNDC. The request for approval may be filed, either prior to the transaction or within a week after its completion.

When a request for approval is filed, the CNDC may (i) authorize the transaction, (ii) subordinate the transaction to the accomplishment of certain conditions, or (iii) reject the authorization.

The Antitrust Law provides that economic concentrations in which the transaction amount and the value of the assets absorbed, acquired, transferred or controlled in Argentina, do not exceed Ps. 20.0 million each are exempted from the administrative authorization. Notwithstanding the foregoing, when the transactions effected by the companies concerned during the prior 12-month period exceed in the aggregate Ps. 20.0 million or Ps. 60.0 million in the last 36 months, these transactions must be notified to the CNDC.

As our consolidated annual sales volume and our parent's consolidated annual sales volume exceed Ps. 200.0 million, we should give notice to the CNDC of any concentration provided for by the Antitrust Law.

Credit Card Law. Law No. 25,065, as amended by Law No. 26,010 and Law No. 26,361, governs certain aspects of the business activity known as "credit card system." Regulations impose minimum contract contents and approval thereof by the Argentine Ministry of Industry, as well as limitations on chargeable interest by users and commissions charged by the retail stores that adhere to the system. The Credit Card Law applies both to banking and non-banking cards, such as "*Tarjeta Shopping*," issued by Tarshop. Pursuant to Communication "A" 5477 issued by the Argentine Central Bank, loans granted under credit cards by non-financial entities cannot exceed 25% of the monthly interest rate published by the Argentine Central Bank for loans to individuals without security interests.

Environment. Our activities are subject to a number of national, provincial and municipal environmental provisions.

Article 41 of the Argentine Constitution, as amended in 1994, provides that all Argentine inhabitants have the right to a healthy and balanced environment fit for human development and have the duty to preserve it. Environmental damage shall bring about primarily the obligation to restore it as provided by applicable law. The authorities shall control the protection of this right, the rational use of natural resources, the preservation of the natural and cultural heritage and of biodiversity, and shall also provide for environmental information and education. The National Government shall establish minimum standards for environmental protection whereas Provincial and Municipal Governments shall fix specific standards and regulatory provisions.

On November 6, 2009, the Argentine Congress passed Law No. 25,675. Such law regulates the minimum standards for the achievement of a sustainable environment and the preservation and protection of biodiversity and fixes environmental policy goals.

Law No. 25,675 establishes the activities that will be subject to an environmental impact assessment procedure and certain requirements applicable thereto. In addition, such Law sets forth the duties and obligations that will be triggered by any damage to the environment and mainly provides for restoration of the environment to its former condition or, if that is not technically feasible, for payment of compensation in lieu thereof. Such Law also fosters environmental education and provides for certain minimum reporting obligations to be fulfilled by natural and legal entities.

In addition, the CNV Rules require the obligation to report to the CNV any events of any nature and fortuitous acts that seriously hinder or could potentially hinder performance of our activities, including any events that generate or may generate significant impacts on the environment, providing details on the consequences thereof.

The new Argentine Civil and Commercial Code has introduced as a novel feature the acknowledgement of collective rights, including the right to a healthy and balanced environment. Accordingly, the Argentine Civil and Commercial Code expressly sets forth that the law does not protect an abusive exercise of individual rights if such exercise could have an adverse impact on the environment and the rights with a collective impact in general.

9. Financial Summary

Our consolidated net debt as of June 30, 2016 amounted to USD 211.7 million.

The following table presents certain information about our indebtedness as of June 30, 2016 with a breakdown of its main components:

Type of Debt	Currency	Amount (USD MM) (1)	Rate	Maturity
Bank Overdrafts	Ps.	2.9	Variable	< 360 d
Bank Loan CP	Ps.	2.4	23.00%	Sep 16
IRCP Series I Notes	Ps.	27.1	26.5% / Badlar + 400 bps	May 17
IRSA CP Series II Notes	USD	360.0	8.75%	Mar 23
Other loans	Ps.	0.7	-	-
IRSA CP's Total Debt		**393.1**		
Cash and Cash Equivalents and Investments (2)		**181.6**		
Repurchase of Debt		**0**		
Consolidated Net Debt		**211.7**		

1) Principal face value in USD at an exchange rate of Ps. 15.04 = 1 USD, without considering interest accrued and elimination of balances with subsidiaries.

2) It includes Cash & Cash Equivalents, Investments in Current Financial Assets, and a receivable held with our parent company IRSA Inversiones y Representaciones S.A.

Issuance of Notes

IRSA CP's Series I Notes due 2017

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

IRSA CP's Series II 8.75% Notes due 2023

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

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

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

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

Agreements not included in the Balance Sheet:

We currently have no agreement that is not included in the balance sheet or significant transactions with non-consolidated entities that are not reflected in our consolidated Financial Statements. All of our interests and/or relationships with our subsidiaries or controlled entities on a joint basis are recorded in our consolidated Financial Statements.

The following are some of the Company's most important financial ratios:

In thousands of Ps.	06/30/2016	06/30/2015	Variation	Difference (%)
Consolidated EBITDA[(1)]	2,174,083	1,587,411	586,672	36.96%
EBITDA per share	0,00173	0,00126	0,00047	36.96%
EBITDA per share - Fully Diluted	0,00173	0,00126	0,00047	36.96%
Shopping Centers EBITDA	1,814,276	1,326,951	487,325	36.73%
Offices & Other EBITDA[(2)]	234,684	148,172	86,512	58.39%
Sales & Developments EBITDA	149,827	128,101	21,726	16.96%
Financial Operations and Other EBITDA	(917)	8,470	(9,387)	(110.83)%
Consolidated EBITDA per Segments [(2)]	2,197,870	1,611,694	586,176	36.37%
Shares outstanding	1,260,140,508	1,260,140,508	-	-
Number of shares fully diluted	1,260,140,508	1,260,140,508	-	-
FFO [(3)]	1,151,210	801,025	350,185	43.72%
FFO per share	0.00091	0.00071	0.00020	28.19%
Profit for the year	**911,716**	**620,615**	**291,101**	**46.91%**

(1) Operating results plus Fixed assets' depreciation and intangibles' amortization, excluding stamp tax expenses incurred in the transfer of assets. The EBITDA is not deemed to be a generally accepted accounting measurement and thus it should not be used as a measure of financial or operating performance.

(2) Idem (2) including joint ventures and the effect of Expenses and Collective Promotion Fund. See Note 6 – Reconciliation of operating income (loss) as per the information by segment to operating income (loss) as per the income statement.

(3) Funds from operations calculated as results for the fiscal year before amortization and depreciation. The FFO is not considered to be a generally accepted accounting measure and therefore, it should not be used as a measure of financial or operating performance.

10. Summary of Consolidated Financial and Operating Information

Income/ (loss) from interests in joint ventures:

As it arises from Note 2.3.(e) to the consolidated financial statements as of and for the years ended June 30, 2016 and 2015, the income / (loss) from our joint ventures Nuevo Puerto Santa Fe S.A. and Quality Invest S.A. is accounted for under the equity method in "Share of profit/(loss) of associates and joint ventures" of the Company's consolidated income statement.

However, as explained in Note 6 to the consolidated financial statements as of and for the years ended June 30, 2016 and 2015, the operating results from these joint ventures are accounted for using the proportionate consolidation method in the information by segments. Such method shows results from joint ventures in the income statement line by line. The operating results from our joint ventures are allocated to each business segment based on the nature of the operations that generate such results.

In addition, the information by segments contemplates certain operations between related parties that were eliminated from the income statement but which represent genuine revenues and/or costs of each segment. Such operations mainly include lease of spaces and management fees.

Comparison of Information:

During fiscal year ended June 30, 2016, the Argentine Peso depreciated by around 65% against the US Dollar and other currencies, with the ensuing impact on the comparison of the figures stated in the these financial statements, mainly resulting from the exposure of our revenues and costs of the “Offices and Other” segment and our net assets and liabilities denominated in foreign currency to exchange rate fluctuations.

In the last quarter of the fiscal year ended June 30, 2015, the Group modified the presentation of the income statement with regard to the information by segments, for a better alignment with the business vision and metrics used for such purposes. These changes affected the shopping centers and offices segments. The revised information excludes from the income statement the amounts of revenues from Expenses and Collective Promotion Fund, and further excludes total recovered costs, either through common maintenance expenses or other items included in financial results (for example, default interest and other items) and that are not analyzed to determine the segment's operating performance.

Shopping centers:

For the fiscal years ended June 30, 2016 and 2015

During fiscal year 2016, we maintained the same portfolio of operating shopping centers.

As it concerns the new shopping centers opened in fiscal year 2015, “Distrito Arcos” and “Alto Comahue”, the periods during which operating income (loss) was recorded were different in both years. Fiscal year 2016 includes 12 months of operations of Distrito Arcos and Alto Comahue, while fiscal year 2015 includes six months and a half, and three months and a half of operations, respectively. However, the income (loss) derived from these new developments, both in the income statement and in the information by segments, was not significant against the total figures of this segment, for the indicated years. For this reason, there were no material effects on the comparison of information.

For the fiscal years ended June 30, 2015 and 2014

During fiscal year 2015 we inaugurated two new shopping centers: “Distrito Arcos,” located in the area of Palermo, City of Buenos Aires, in December 2014 and “Alto Comahue,” located in the City of Neuquén, Argentine Patagonian region, in March 2015. Income from these new developments, both in the income statement and the information by segment was not significant against the total figures of this segment, for the indicated years. For this reason, there were no material effects on the comparison of information.

Offices and Other:

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

During fiscal year 2016, the comparability of revenues and costs from the Offices and Other segment was affected by the partial sale of rental property allocated to this segment. In this regard, during fiscal year 2016 we sold an area of 6,814 m2 in the Intercontinental Plaza building.

For the fiscal years ended June 30, 2015 and 2014

During the fiscal year 2015, the Offices and Other segment was affected by the acquisition –in December 2014- of five new buildings from our parent IRSA. This represented the addition of 83,789 square meters in offices including Edificio República, Bouchard 710, Della Paolera 265, Intercontinental Plaza and Suipacha 652 and the “Intercontinental II” land reserve. This transaction was considered as a Business Combination, and for such reason, costs related to the acquisition were recognized as net income(loss). Subsequently, during June 2015, 8,470 square meters of such area were sold, which relates to the Intercontinental Plaza building.

Sales and Developments

For the fiscal years ended June 30, 2016 and 2015

Operating income (loss) from this segment was mainly affected by the partial sale of the functional units in the Intercontinental Plaza building, originally allocated to lease, during fiscal year 2016 and, to a lesser extent, by a decline in sales of properties for sale vis-à-vis fiscal year 2015 in relation to Condominios I and II projects.

For the fiscal years ended June 30, 2015 and 2014

Operating income (loss) from this segment was mainly affected by the partial sale of the functional units in the Intercontinental Plaza building, originally allocated to lease, during fiscal year 2015 and, to a lesser extent, by a decline in sales of properties for sale during fiscal year 2015 in relation to Condominios I and II projects.

Financial Operations and Other:

For the fiscal years ended June 30, 2016 and 2015

During fiscal year 2016, there was no factor affecting information comparability, except for the effect of the change in the valuation of the investment in Avenida accounted for during the previous year. No operating income (loss) was accounted for during 2016 in relation to this investment, as compared to fiscal year 2015 when operating income (loss) was accounted for in connection with the first 3 months of the year.

For the fiscal years ended June 30, 2015 and 2014

During fiscal year 2015, the income (loss) from this segment was affected by different transactions performed by the Group in relation to the investment in Avenida, including the exercise of warrants, a dilution of a portion of our share interest in this company in view of the entry of a new investor and the sale of 5.33% of our shareholding. As a result of these transactions, we ceased to exert significant influence on Avenida and, hence, to recognize our investment as an investment in an associate accounted for under the equity method, and we started to recognize it as a financial asset recorded at fair value through profit or loss under Financial and holding results, net which are not disclosed in the information by segment.

Results of Operations for the fiscal years ended June 30, 2016 and 2015

Revenues

	Fiscal year 2016 *(in millions of Ps.)*				
Revenues *(in millions of Ps.)*	**Income Statement (2)**	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	3,490.5	(1,101.3)	19.9	-	2,409.1
Offices and Other	364.3	(82.4)	2.2	-	284.1
Sales and Developments	2.7	-	-	-	2.7
Financial Operations and Other	1.0	-	-	-	1.0
Total revenues	**3,858.5**	**(1,183.6)**	**22.0**	**-**	**2,696.9**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

(2) Includes Revenues from sales, leases and services (Ps. 2,674.9 million) and Revenues from Expenses and Collective Promotion Fund (Ps. 1,183.6 million).

	Fiscal year 2015 *(in millions of Ps.)*				
	Income Statement (1)(2)	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Inter-segment Eliminations	Information by Segments (1)
	Ps.	Ps.	Ps.	Ps.	Ps.
Shopping Centers	2,570.8	(805.6)	13.1	-	1,778.3
Offices and Other	180.4	(28.3)	8.0	-	160.1
Sales and Developments	6.6	-	-	-	6.6
Financial Operations and Other	0.1	-	-	-	0.1
Total Revenues	**2,758.1**	**(833.9)**	**21.0**	**-**	**1,945.2**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

(2) Includes Revenues from sales, leases and services (Ps. 1,924.2 million) and Revenues from Expenses and Collective Promotion Fund (Ps. 833.9 million).

Revenues from sales, leases and services, as per the income statement, rose by 39.9%, from Ps. 2,758.1 million during the fiscal year 2015 to Ps. 3,858.5 million during the fiscal year 2016.

In turn, revenues from Expenses and Collective Promotion Fund increased by 41.9%, from Ps. 833.9 million (Ps. 805.6 million of which are allocated to the Shopping Centers segment and Ps. 28.3 million to the Offices and Other segment) during fiscal year 2015 to Ps. 1,183.6 million (Ps. 1,101.3 million of which are allocated to the Shopping Centers segment and Ps. 82.4 million to the Offices and Other segment) during fiscal year 2016.

In addition, revenues from our joint ventures increased by 4.8%, from Ps. 21.0 million (Ps. 13.1 million of which are allocated to the Shopping Centers segment and Ps. 8.0 million to the Offices and Other segment) during fiscal year 2015 to Ps. 22.0 million (Ps. 19.9 million of which are allocated to the Shopping Centers segment and Ps. 2.2 million to the Offices and Other segment) during fiscal year 2016.

Therefore, pursuant to the information by segments (taking into account the revenues from our joint ventures and disregarding revenues from Expenses and Collective Promotion Fund and business inter-segment revenues), revenues increased by 38.6%, from Ps. 1,945.2 million during fiscal year 2015 to Ps. 2,696.9 million during fiscal year 2016. This increase was mainly attributable to: (i) a Ps. 630.8 million increase in the revenues from the Shopping Centers segment (Ps. 6.8 million of which originated in the results of our joint ventures); (ii) a Ps. 124.0 million increase in the revenues from the Offices and Other segment (with a Ps. 5.8 million decrease in revenues from our joint ventures), and (iii) an increase of Ps. 0.9 million in revenues from the Financial Operations and Other segment; partially offset by (iv) a Ps. 3.9 million decrease in revenues from the Sales and Developments segment.

Shopping Centers. Revenues from the Shopping Centers segment increased by 35.5%, from Ps. 1,778.3 million during fiscal year 2015 to Ps. 2,409.1 million during fiscal year 2016. Such increase is mainly attributable to: (i) a Ps. 471.3 million increase in revenues from fixed and variable leases as a result of a 34.4% increase in the total sales of our tenants, up from Ps. 21,508.7 million during fiscal year 2015 to Ps. 28,904.9 million during fiscal year 2016; (ii) a Ps. 50.9 million increase in the revenues from admission rights, (iii) a Ps. 41.3 million increase in the revenues from parking charges, and (iv) a Ps. 36.5 million increase in the revenues from commissions, among other items.

Offices and Other. Revenues from the Offices and Other segment increased by Ps. 124.0 million, from Ps. 160.1 million in fiscal year 2015 to Ps. 284.1 million in fiscal year 2016. This variation mainly results from revenues generated by the new offices.

Sales and Developments. Revenues from the Sales and Developments segment often change significantly from one period to the other due to non-recurrence of different sale transactions carried out by the Group. Revenues from the Sales and Developments segment decreased by Ps. 3.9 million, down from Ps. 6.6 million during fiscal year 2015 to Ps. 2.7 million during fiscal year 2016. Such decrease mainly resulted from a decline in the sales of units in the Condominios I and II project during fiscal year 2016.

Financial Operations and Other. Revenues from the Financial Operations and Other segment did not experience significant changes, up from Ps. 0.1 million during fiscal year 2015 to Ps. 1 million during fiscal year 2016.

Costs

	Fiscal year 2016 *(in millions of Ps.)*				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(1,484.8)	1,118.9	(4.7)	-	(370.6)
Offices and Other	(189.6)	82.4	(8.3)	-	(115.5)
Sales and Developments	(5.7)	-	-	-	(5.7)
Financial Operations and Other	(0.1)	-	-	-	(0.1)
Total costs	**(1,680.2)**	**1,201.3**	**(13.0)**	**-**	**(491.9)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal year 2015 *(in millions of Ps.)*				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(1,080.5)	819.7	(4.0)	-	(264.8)
Offices and Other	(97.6)	28.3	(5.5)	-	(74.8)
Sales and Developments	(4.9)	-	-	-	(4.9)
Financial Operations and Other	(0.1)	-	-	-	(0.1)
Total costs	**(1,183.1)**	**848.0**	**(9.4)**	**-**	**(344.5)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Total consolidated costs, as per the income statement, increased by 42.0%, up from Ps. 1,183.1 million during fiscal year 2015 to Ps. 1,680.2 million during fiscal year 2016. In turn, total consolidated costs as a percentage of total revenues rose by 42.9% during fiscal year 2015 to 43.5% during fiscal year 2016.

In turn, costs from Expenses and Collective Promotion Fund increased by 41.7%, up from Ps. 848.0 million during fiscal year 2015 to Ps. 1,201.3 million during fiscal year 2016. The variation was mainly due to: I) an increase in expenses of Expenses and Collective Promotion Fund generated by Shopping Centers, which increased by 36.5%, up from Ps. 819.7 million during fiscal year 2015 to Ps. 1,118.9 million during fiscal year 2016, as a result of: (i) an increase in publicity and advertising expenses of Ps. 111.8 million, (ii) an increase in salaries, social security charges and other personnel expenses of Ps.

103.1 million; (iii) an increase in maintenance, security, repairs and related expenses of Ps. 100.8 million (mostly attributable to an increase in security and cleaning services and utility rates), (iv) an increase in taxes, rates and contributions, and other expenses of Ps. 25.5 million and (v) an increase in other miscellaneous items for Ps. 42.0 million (incurred in covering the deficit in the Common Advertising Fund and common maintenance expenses). In addition, the variation was due to: II) an increase in expenses resulting from Common Maintenance Expenses from the Offices and Other segment, which increased by Ps. 54.1 million, up from Ps. 28.3 million during fiscal year 2015 to Ps. 82.4 million during fiscal year 2016, mainly due to the acquisition of the new buildings (maintenance, cleaning and leases expenses and common maintenance expenses and other for Ps. 36.1 million, salaries and social security expenses for Ps. 10.8 million, taxes, rates and contributions and utilities for Ps. 8.9 million).

In addition, costs from our joint ventures increased by 37.8%, from Ps. 9.4 million (Ps. 4 million of which are allocated to the Shopping Centers segment and Ps. 5.5 million to the Offices and Other segment) during fiscal year 2015 to Ps. 13 million (Ps. 4.7 million of which are allocated to the Shopping Centers segment and Ps. 8.3 million to the Offices and Other segment) during fiscal year 2016.

Therefore, pursuant to the information by segments (taking into account the costs from our joint ventures and disregarding costs from Expenses and Collective Promotion Fund and business inter-segment costs), costs increased by 42.8%, from Ps. 344.5 million during fiscal year 2015 to Ps. 491.9 million during fiscal year 2016. Total costs as a percentage of total revenues pursuant to the information by segments increased from 17.7% during fiscal year 2015 to 18.2% during fiscal year 2016.

Shopping Centers. The costs of our Shopping Centers segment experienced an increase from Ps. 264,8 million during fiscal year 2015 to Ps. 370.6 million during fiscal year 2016, mainly generated by: (i) higher costs in connection with the deficit in Expenses and Collective Promotion Fund of our Shopping Centers in the amount of Ps. 59.1 million; (ii) an increase in depreciation and amortization charges for Ps. 28.1 million; (iii) an increase in maintenance, security, cleaning, repairs and related expenses of Ps. 9.8 million (mainly due to an increase in security and cleaning expenses and utility rates); and (iv) an increase in salaries, social security charges and other personnel expenses of Ps. 9.2 million. The Shopping Centers segment costs, as a percentage of revenues from this segment, rose from 14.9% during fiscal year 2015 to 15.4% during fiscal year 2016.

Offices and Other. The costs of the Offices and Other segment increased by 54.5%, from Ps. 74.8 million during fiscal year 2015 to Ps. 115.5 million during fiscal year 2016, mainly due to (i) higher amortization expenses derived from the acquisition of new offices for Ps. 28.4 million; (ii) an increase in leases and common maintenance expenses of Ps 5.5 million; (iii) an increase in maintenance, repair and service expenses of Ps. 3.9 million and (iv) an increase in taxes, rates and contributions of Ps. 3.5 million. The costs of the Offices and Other segment, as a percentage of the revenues from this segment, fell from 46.7% during fiscal year 2015 to 40.7% during fiscal year 2016.

Sales and Developments. The costs of the Sales and Developments segment did not experience significant changes, increasing from Ps. 4.9 million during fiscal year 2015 to Ps. 5.7 million during fiscal year 2016. The costs of the Sales and Developments segment, as a percentage of the revenues from this segment, increased from 74.8% during 2015 to 213.5% during fiscal year 2016.

Financial Operations and Other. The cost of the Financial Operations and Other segment did not experience any change over the year.

Gross profit

	Fiscal Year 2016 *(in millions of Ps.)*				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	2,005.6	17.7	15.2	-	2,038.5
Offices and Other	174.8	-	(6.1)	-	168.6
Sales and Developments	(3.0)	-	-	-	(3.0)
Financial Operations and Other	0.9	-	-	-	0.9
Total gross profit	**2,178.3**	**17.7**	**9.0**	**-**	**2,205.0**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal year 2015 *(in millions of Ps.)*				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	1,490.3	14.1	9.1	-	1,513.5
Offices and Other	82.8	-	2.5	-	85.4
Sales and Developments	1.7	-	-	-	1.7
Financial Operations and Other	-	-	-	-	0.1
Total gross profit	**1,575.0**	**14.1**	**11.6**	**-**	**1,600.7**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Total consolidated gross profit, as per the income statement, increased by 38.3%, from Ps. 1,575.0 million during fiscal year 2015 to Ps. 2,178.3 million during fiscal year 2016. Total consolidated gross profit, as a percentage of total revenues, did not experience any significant change standing at 57.1% during fiscal year 2015 as compared to 56.5% during fiscal year 2016.

In turn, gross profit (loss) from common maintenance expenses and the common advertising fund showed a 25.5% increase, from Ps. 14.1 million (which are allocated to the Shopping Centers segment) during fiscal year 2015 to Ps. 17.7 million (which are allocated to the Shopping Centers segment) during fiscal year 2016.

In addition, gross profit (loss) from our joint ventures decreased by 22.0%, from Ps. 11.6 million (Ps. 9.1 million of which are allocated to the Shopping Centers segment and Ps. 2.5 million to the Offices and Other segment) during fiscal year 2015 to Ps. 9 million (including a profit of Ps. 15.2 million from our Shopping Centers segment and a loss of Ps. 6.1 million attributable to the Offices and Other segment) during fiscal year 2016.

Therefore, pursuant to the information by segments, total gross profit (taking into account the gross profit (loss) from our joint ventures and disregarding the gross profit (loss) from common maintenance expenses and the common advertising fund and the business inter-segment gross profit) increased by 37.8%, from Ps. 1,600.7 million during fiscal year 2015 to Ps. 2,205.0 million during fiscal year 2016. Total gross profit as a percentage of revenues remained steady during both fiscal years, falling from 82.3% during fiscal year 2015 to 81.8% during fiscal year 2016.

Shopping Centers. Gross profit from the Shopping Centers segment increased by 34.7%, from Ps. 1,513.5 million during fiscal year 2015 to Ps. 2,038.5 million for fiscal year 2016, mainly as a result of an increase in total sales of our tenants, giving rise to higher rental percentages under our lease agreements. The gross profit from our Shopping Centers segment as a percentage of revenues for the segment experienced a slight decrease from 85.1% during fiscal year 2015 to 84.6% during fiscal year 2016.

Offices and Other. The gross profit from the Offices and Other segment experienced a strong increase of 97.5% from Ps. 85.4 million during fiscal year 2015 to Ps. 168.6 million during fiscal year 2016. The gross profit from the Offices and Other segment as a percentage of revenues from this segment increased from 53.3% during fiscal year 2015 to 59.3% during fiscal year 2016, mainly as a result of a higher increase in this segment's costs against revenues as explained above for this year.

Sales and Developments. Gross profit from the Sales and Developments segment experienced a decline of Ps. 4.7 million, from a profit of Ps. 1.7 million during fiscal year 2015 to a loss of Ps. 3.0 million during fiscal year 2016. This decline mainly resulted from lower revenues from sales of the units in Condominios I and II in Rosario during fiscal year 2016 compared to the fiscal year 2015. Gross profit from the Sales and Developments segment as a percentage of the revenues from this segment decreased from 25.2% during fiscal year 2015 to (113.5%) during fiscal year 2016, mainly as a result of lower revenues from this segment against costs as explained above.

Financial Operations and Other. Gross profit from the Financial Operations and Other segment did not experience significant variations, increasing from Ps. 0.1 million during fiscal year 2015 to Ps. 0.9 million during fiscal year 2016.

Income from sale of investment properties

The income from sale of investment properties, derived from our Sales and Developments segment, increased from Ps. 126.7 million during fiscal year 2015 to Ps. 176.0 million during fiscal year 2016, mainly as a result of the sale of a larger number of units in the Intercontinental building.

Administrative expenses

	Fiscal year 2016 *(in millions of Ps.)*				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(178.3)	-	(0.4)	-	(178.6)
Offices and Other	(19.6)	-	(0.3)	-	(19.9)
Sales and Developments	(20.3)	-	-	-	(20.3)
Financial Operations and Other	-	-	-	-	-
Total Administrative Expenses	**(218.1)**	**-**	**(0.7)**	**-**	**(218.8)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal year 2015 *(in millions of Ps.)*				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(136.0)	-	(0.2)	-	(136.2)
Offices and Other	(2.7)	-	(0.2)	(0.1)	(3.0)
Sales and Developments	-	-	-	-	-

Financial Operations and Other	-	-	-	-	-
Total Administrative Expenses	**(138.6)**	**-**	**(0.4)**	**(0.1)**	**(139.1)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Administrative expenses, as per the income statement, increased by 57.4%, from Ps. 138.6 million during fiscal year 2015 to Ps. 218.1 million during fiscal year 2016. Total administrative expenses as a percentage of revenues increased slightly from 5.0% during fiscal year 2015 to 5.7% during fiscal year 2016.

Administrative expenses from our joint ventures did not experience significant changes, standing at Ps. 0.4 million (Ps. 0.2 million of which are allocated to the Shopping Centers segment and Ps. 0.2 million to the Offices and Other segment) during fiscal year 2015 and at Ps. 0.7 million (Ps. 0.4 million of which are allocated to the Shopping Centers segment and Ps. 0.3 million to the Offices and Other segment) during fiscal year 2016.

Therefore, administrative expenses (taking into account administrative expenses derived from our joint ventures, and inter-segment eliminations) rose by 57.3%, from Ps. 139.1 million during fiscal year 2015 to Ps. 218.8 million during fiscal year 2016, mainly as a result of: (i) a Ps. 42.5 million increase in administrative expenses of our Shopping Centers segment, (ii) a Ps. 20.3 million increase in administrative expenses of our Sales and Developments segment, and (iii) a Ps. 16.9 million increase in administrative expenses of our Offices segment. Administrative expenses, pursuant to the information by segments, as a percentage of total revenues, increased from 7.2% during fiscal year 2015 to 8.1% during fiscal year 2016.

Shopping Centers. Administrative expenses of Shopping Centers increased by 31.2%, from Ps. 136.2 million during fiscal year 2015 to Ps. 178.6 million during fiscal year 2016, mainly due to: (i) an increase of Ps. 21.3 million in salaries, social security charges and other personnel expenses; (ii) a Ps. 12.6 million increase in director's fees; (iii) an increase of Ps. 5.3 million in fees and compensation for services; (iv) an increase of Ps. 1.4 million in bank expenses; and (v) an increase in depreciation and amortization expenses of Ps. 1.2 million. Administrative expenses of Shopping Centers as a percentage of revenues from such segment fell from 7.7% during fiscal year 2015 to 7.4% during fiscal year 2016.

Offices and Other. Administrative expenses of the Offices and Other segment increased by Ps. 16.9 million, from Ps. 3.0 million during fiscal year 2015 to Ps. 19.9 million during fiscal year 2016, mainly as a result of higher costs derived from the new offices attributable to: (i) a Ps. 10.3 million increase in director's fees; (ii) a Ps. 2.5 million increase in fees and compensation for services; and (iii) an increase of Ps. 2.4 million in salaries, social security charges and other personnel expenses. Administrative expenses of the Offices and Other segment as a percentage of revenues from this segment increased from 1.8% during fiscal year 2015 to 7.0% during fiscal year 2016.

Sales and Developments. Administrative expenses of the Sales and Developments segment experienced a rise of Ps. 20.3 million mainly as a result of increased costs generated by: (i) an increase of Ps. 10.7 million in director's fees; (ii) an increase of Ps. 5.2 million in salaries, social security charges and other personnel expenses; and (iii) an increase of Ps. 2.4 million in fees and compensation for services.

Selling expenses

	Fiscal year 2016 *(in millions of Ps.)*

	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Inter-segment Eliminations	Information by Segments (1)
Shopping Centers	(143.5)	-	(1.8)	-	(145.3)
Offices and Other	(12.6)	-	(0.2)	-	(12.8)
Sales and Developments	(4.3)	-	-	-	(4.3)
Financial Operations and Other	(1.8)	-	-	-	(1.8)
Total Selling Expenses	**(162.2)**	**-**	**(2.0)**	**-**	**(164.2)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal year 2015 *(in millions of Ps.)*				
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Inter-segment Eliminations	Information by Segments (1)
Shopping Centers	(112.0)	-	(0.8)	-	(112.8)
Offices and Other	(5.0)	-	(0.5)	-	(5.5)
Sales and Developments	(0.3)	-	-	-	(0.3)
Financial Operations and Other	(0.4)	-	-	-	(0.4)
Total Selling Expenses	**(117.7)**	**-**	**(1.3)**	**-**	**(119.0)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Selling expenses, as per the income statement, increased by 37.8%, from Ps. 117.7 million during fiscal year 2015 to Ps. 162.2 million during fiscal year 2016. Selling expenses as a percentage of total revenues remained steady at 4.3% during fiscal year 2015 and at 4.2% during fiscal year 2016.

In turn, selling expenses from our joint ventures showed a slight increase, from Ps. 1.3 million during fiscal year 2015 (Ps. 0.8 million of which are allocated to the Shopping Centers segment and Ps. 0.5 million to the Offices and Other segment) to Ps. 2 million during fiscal year 2016 (Ps. 1.8 million of which are allocated to the Shopping Centers segment and Ps. 0.2 million to the Offices and Other segment).

Therefore, and taking into account the selling expenses from our joint ventures and inter-segment eliminations, selling expenses increased by 38.0%, from Ps. 119.0 million during fiscal year 2015 to Ps. 164.2 million during fiscal year 2016. This increase was mainly attributable to: (i) a Ps. 32.5 million increase in selling expenses of the Shopping Centers segment; (ii) higher selling expenses of Ps. 7.3 million from the Offices and Other segment; (iii) higher selling expenses of Ps. 1.5 million from the Financial Operations and Other segment, and (iv) a Ps. 4.0 million increase in selling expenses from the Sales and Developments segment. Selling expenses (taking into account selling expenses derived from our joint ventures and inter-segment eliminations) as a percentage of total revenues remained steady at 6.1% in both fiscal years.

Shopping Centers. Selling expenses from the Shopping Centers segment increased by 28.8%, from Ps. 112.8 million during fiscal year 2015 to Ps. 145.3 million during fiscal year 2016, mainly as a result of: (i) an increase in taxes, rates and contributions of Ps. 30.2 million, mainly generated by higher turnover taxes; (ii) a Ps. 3.2 million increase in salaries, social security charges and other personnel expenses; and (iii) a Ps. 2.6 million increase in publicity and advertising expenses, partially offset by (iv) a decline of Ps. 3.1 million in loan losses charges; and (v) a decline of Ps. 1 million in fees and compensation for services. Selling expenses as a percentage of the revenues from the Shopping Centers segment fell from 6.3% during fiscal year 2015 to 6.0 % during fiscal year 2016.

Offices and Other. Selling expenses from the Offices and Other segment increased by Ps. 7.3 million, from Ps. 5.5 million during fiscal year 2015 to Ps. 12.8 million during fiscal year 2016, mainly as a result of (i) an increase in taxes, rates and contributions of Ps. 2.3 million, mainly generated by higher turnover taxes; (ii) a Ps. 2.0 million increase in salaries, social security charges and other personnel expenses, and (iii) an increase of Ps. 1.8 million in loan losses charges. Selling expenses from the Offices and Other segment as a percentage of the revenues from such segment increased from 3.4 % during fiscal year 2015 to 4.5% during fiscal year 2016.

Sales and Developments. Selling expenses from our Sales and Developments segment increased by Ps. 4.0 million, from Ps. 0.3 million during fiscal year 2015 to Ps. 4.3 million during fiscal year 2016, mainly due to an increase in overheads during fiscal year 2016, as compared to fiscal year 2015 .

Financial Operations and Other. Selling expenses from the Financial Operations and Other segment increased by Ps. 1.5 million, from Ps. 0.4 million during fiscal year 2015 to Ps. 1.8 million during fiscal year 2016, mainly as a result of increased loan losses related to the consumer financing residual activity.

Other operating results, net

	Fiscal Year 2016 ***(in millions of Ps.)***				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(39.4)	-	(1.7)	-	(41.1)
Offices and Other	(1.0)	-	(0.4)	-	(1.4)
Sales and Developments	1.2	-	(0.2)	-	1.0
Financial Operations and Other	-	-	-	-	-
Total Other operating results, net	**(39.3)**	**-**	**(2.2)**	**-**	**(41.5)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal Year 2015 ***(in millions of Ps.)***				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(47.4)	-	(1.2)	-	(48.6)
Offices and Other	(58.3)	-	(0.1)	0.1	(58.3)
Sales and Developments	-	-	-	-	-
Financial Operations and Other	8.8	-	-	-	8.8
Total Other operating results, net	**(97.0)**	**-**	**(1.2)**	**0.1**	**(98.1)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

The total loss from Other operating results, net, as per the income statement, declined from Ps. 97.0 million during fiscal year 2015 to Ps. 39.3 million during fiscal year 2016. Total Other operating results, net as a percentage of total revenues declined from 3.5% during fiscal year 2015 to 1.0% during fiscal year 2016.

The total loss from our joint ventures increased by Ps. 1.0 million, from Ps. 1.2 million (which were allocated to the Shopping Centers segment) during fiscal year 2015 to Ps. 2.2 million (Ps. 1.7 million of which were allocated to the Shopping Centers segment, Ps. 0.4 million to the Offices and Other segment and Ps. 0.2 million to the Sales and Developments segment) during fiscal year 2016.

Therefore, taking into account our interest in joint ventures and inter-segment eliminations, Other operating results, net declined from a loss of Ps. 98.1 million during fiscal year 2015 to a loss of Ps. 41.5 million during fiscal year 2016, mainly as a result of a lower loss from the Offices and Other segment in the amount of Ps. 57.0 million. Total Other operating results, net as a percentage of revenues (taking into account other operating results derived from our joint ventures and inter-segment eliminations) declined from 5.0% during fiscal year 2015 to 1.5% during fiscal year 2016.

Shopping Centers. Other operating results, net from the Shopping Centers segment decreased by 15.3%, from a loss of Ps. 48.6 million during fiscal year 2015 to a loss of Ps. 41.1 million during fiscal year 2016, mainly as a result of (i) a lower charge for lawsuits and contingencies of Ps. 8.1 million, partially offset by (ii) an increase in donations of Ps. 2.9 million, among other things. Other operating results, net from this segment as a percentage of the revenues from this segment decreased from 2.7% during fiscal year 2015 to 1.7% during fiscal year 2016.

Offices and Other. Other operating results, net from the Offices and Other segment changed from a loss of Ps. 58.3 million during fiscal year 2015 to a loss of Ps. 1.4 million during fiscal year 2016, attributable to non-recurrent notarial and stamp tax expenses related to the acquisition of the new offices in fiscal year 2015. Other operating results, net from this segment as a percentage of the revenues from this segment decreased from 36.4% during fiscal year 2015 to 0.5% during fiscal year 2016.

Sales and Developments. Other operating results, net from the Sales and Developments segment did not experience significant changes.

Financial Operations and Other. Other operating results, net from the Financial Operations and Other segment declined by Ps. 8.8 million, mainly as a result of a non-recurring gain from the sale of a portion of our interest in Avenida during fiscal year 2015.

Operating income (loss)

	Fiscal Year 2016 *(in millions of Ps.)*				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	1.,44.4	17.7	11.3	-	1,673.4
Offices and Other	141.6	-	(7.0)	-	134.6
Sales and Developments	149.6	-	(0.2)	-	149.3
Financial Operations and Other	(0.9)	-	-	-	(0.9)
Total Operating income (loss)	**1,934.6**	**17.7**	**4.2**	**-**	**1,956.4**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal Year 2015 *(in millions of Ps.)*				
	Income Statement (1)	**Expenses and Collective Promotion Fund (1)**	**Interest in Joint Ventures (1)**	**Inter-segment Eliminations**	**Information by Segments (2)**
Shopping Centers	1,195.0	14.1	6.9	-	1,216.0
Offices and Other	16.9	-	1.7	-	18.6

Sales and Developments	128.1	-	-	-	128.1
Financial Operations and Other	8.5	-	-	-	8.5
Total Operating income (loss)	**1,348.4**	**14.1**	**8.7**	**-**	**1,371.1**

(1) Corresponds to the Company's internal information.

(2) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Total operating income (loss), as per the income statement, increased by 43.5%, from Ps. 1,348.4 million during fiscal year 2015 to Ps. 1,934.6 million during fiscal year 2016. Total operating income (loss) as a percentage of total revenues increased from 48.9% during fiscal year 2015 to 50.1% during fiscal year 2016.

Operating income (loss) from our joint ventures declined by 52.1%, from Ps. 8.7 million (Ps. 6.9 million of which are allocated to the Shopping Centers segment and Ps. 1.7 million to the Offices and Other segment) during fiscal year 2015 to Ps. 4.2 million (with a gain of Ps. 11.3 million being attributable to the Shopping Centers segment and a loss of Ps. 7.0 million and Ps. 0.2 million being attributable to the Offices and Other segment and the Sales and Developments segment, respectively) during fiscal year 2016.

Therefore, taking into account the revenues from our joint ventures and disregarding the revenues from common maintenance expenses and the common advertising fund and the business inter-segment revenues, the operating income (loss) increased by 42.7%, from Ps. 1,371.1 million during fiscal year 2015 to Ps. 1,956.4 million during fiscal year 2016, mainly as a result of: (i) an increase in operating income (loss) from the Shopping Centers segment of Ps. 457.4 million; (ii) an increase in income (loss) from the Offices and Other segment of Ps. 116.0 million, and (iii) an increase in the operating income (loss) from the Sales and Developments segment of Ps. 21.2 million; offset by (iv) lower operating income (loss) from the Financial Operations and Other segment of Ps. 9.4 million. Total operating income (loss) (taking into account our joint ventures, inter-segment eliminations and eliminations for costs from common maintenance expenses and the Common Advertising Fund from the shopping centers and offices segments) as a percentage of total revenues increased from 70.5% during fiscal year 2015 to 72.5% during fiscal year 2016.

Shopping Centers. Operating income (loss) from the Shopping Centers segment increased by 37.6% during fiscal year 2016, from Ps. 1,216.0 million during fiscal year 2015 to Ps. 1,673.4 million during fiscal year 2016. Operating income (loss) from the Shopping Centers segment as a percentage of the revenues from such segment increased from 68.4% during fiscal year 2015 to 69.5% during fiscal year 2016.

Offices and Other. Operating income (loss) from the Offices and Other segment increased by Ps. 116.0 million, from Ps. 18.6 million during fiscal year 2015 to Ps. 134.6 million during fiscal year 2016. Operating income (loss) from the Offices and Other segment, as a percentage of the revenues from such segment, increased by 11.6% during fiscal year 2015 to 47.4% during fiscal year 2016.

Sales and Developments. Operating income (loss) from the Sales and Developments segment increased by Ps. 21.2 million, from Ps. 128.1 million during fiscal year 2015 to Ps. 149.3 million during fiscal year 2016.

Financial Operations and Other. Operating income (loss) from the Financial Operations and Other segment declined from a gain of Ps. 8.5 million during fiscal year 2015 to a loss of Ps. 0.9 million during fiscal year 2016.

Share of profit (loss) of associates and joint ventures

The share of profit (loss) of associates and joint ventures declined by Ps. 31.9 million, from a profit of Ps. 14.6 million during fiscal year 2015 to a loss of Ps. 17.3 million during fiscal year 2016. This variation was mainly due to (i) a lower profit of Ps. 42.2 million generated by our Financial Operations and Other segment; partially offset by a profit of Ps. 7.5 million from our Offices and Other segment.

Offices and Other. The share of profit (loss) of associates and joint ventures increased by Ps. 17.0 million from a loss of Ps. 2.6 million during fiscal year 2015 to a profit of Ps. 14.5 million during fiscal year 2016, mainly generated by our interest in Entertainment Holding S.A.

Financial Operations and Other. The share of profit (loss) of associates and joint ventures from the Financial Operations and Other segment declined by Ps. 42.2 million from a profit of Ps. 10.7 million during fiscal year 2015 to a loss of Ps. 31.4 million during fiscal year 2016, mainly generated by: (i) a larger loss from our investment in Tarshop S.A. equal to Ps. 22.8 million and (ii) the non-recurring profit of Ps. 19.4 million from the disposal of Avenida accounted for during fiscal year 2015.

Financial results, net

Financial results, net increased by 57.5%, from a loss of Ps. 451.5 million during fiscal year 2015 to a loss of Ps. 711.2 million during fiscal year 2016.

Financial revenues increased by Ps. 407.4 million, from Ps. 105.1 million during fiscal year 2015 to Ps. 512.6 million during fiscal year 2016, mainly as a result of: (i) a Ps. 374.6 million increase in foreign exchange gains due to the impact of a higher Peso depreciation during fiscal year 2016 on our US Dollar-denominated net assets compared to lower depreciation during fiscal year 2015 (the Peso/Dollar exchange rate increased by 66.2% during fiscal year 2016, from Ps. 8.988 as of June 30, 2015 to Ps. 14.94 as of June 30, 2016, while during fiscal year 2015, it increased by 11.89% compared to fiscal year 2014, from Ps. 8.03 as of June 30, 2014 to Ps. 8.988 as of June 30, 2015), and (ii) a net increase of Ps. 32.9 million in interest income, mainly generated by default interest payable by clients and related parties, and gains(losses) from the sale of securities and fixed-term bank deposits.

Financial expenses increased by 386.6%, from Ps. 603.9 million during fiscal year 2015 to Ps. 2,938.5 million during fiscal year 2016, mainly as a result of: (i) a Ps. 1,979.9 million increase in foreign exchange losses due to the impact of higher Peso depreciation during fiscal year 2016 on our US Dollar-denominated debt as compared to lower depreciation during fiscal year 2015 (the Peso/Dollar exchange rate increased by 65.5% during fiscal year 2016, from Ps. 9.088 as of June 30, 2015 to Ps. 15.04 as of June 30, 2016, while during fiscal year 2015, it increased by 11.74% compared to fiscal year 2014, from Ps. 8.133 as of June 30, 2014 to Ps. 9.088 as of June 30, 2015); (ii) a Ps. 283.3 million increase in interest expense, mainly attributable to higher interest on intercompany indebtedness, Notes and bank overdrafts; (iii) an increase in other financial expenses of Ps. 58.4 million mainly attributable to expenses in connection with the tender offer and request for consent of IRSA CP Class I Notes and increased charges on account of tax on bank credits and debits and turnover tax; and (vi) non-recurring financial expenses of Ps. 13.0 million capitalized in fiscal year 2015.

Income from Other financial results increased by Ps. 1,667.5 million from a Ps. 47.2 million gain during fiscal year 2015 to a Ps. 1,714.7 million gain during fiscal year 2016, mainly as a result of: (i) a Ps. 416.2 million increase in revenues generated by the valuation of financial assets at fair value (derived from the valuation of Government securities and Bonds, mutual funds and other investments) and (ii) larger gains from future currency exchange derivatives and interest rate swaps of Ps. 1,251.3 million.

Income Tax

The Income tax charge increased by 1.2%, from a loss of Ps. 290.8 million during fiscal year 2015 to a loss of Ps. 294.3 million during fiscal year 2016, mainly due to a change in income before income tax at the prevailing tax rate.

In determining the income tax charge, we apply the deferred tax method, recognizing the temporary differences between the book value, the valuation of assets and liabilities for tax purposes and the application of tax loss carryforwards. For this reason, the amount shown as income tax reflects not only the amount payable but also the recognition of the tax on the taxable income as booked.

Net Income

As a result of the factors described above, the income for the year 2016 increased by 46.9%, from a profit of Ps. 620.6 million during fiscal year 2015 to a profit of Ps. 911.7 million during fiscal year 2016. Income attributable to the parent company's shareholders increased by 40.5%, from Ps. 581.3 million during fiscal year 2015 to Ps. 816.6 million during fiscal year 2016. Income attributable to the non-controlling interest increased by 141.7% during fiscal year 2016, from Ps. 39.3 million to Ps. 95.1 million during fiscal year 2015.

Results of Operations for the fiscal years ended June 30, 2015 and 2014

Revenues

	Fiscal Year 2015 (in millions of Ps.)				
Revenues	**Income Statement (2)**	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
	Ps.	Ps.	Ps.	Ps.	Ps.
Shopping Centers	2,570.8	(805.6)	13.1	-	1,778.3
Offices and Other	180.4	(28.3)	8.0	-	160.1
Sales and Developments	6.6	-	-	-	6.6
Financial Operations and Other	0.1	-	-	-	0.1
Total revenues	**2,758.1**	**(833.9)**	**21.0**	**-**	**1,945.2**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

(2) Includes Revenues from sales, leases and services (Ps. 1,924.2 million) and Revenues from Expenses and Collective Promotion Fund (Ps. 833.9 million).

	Fiscal Year 2014 (in millions of Ps.)				
	Income Statement (2)	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
	Ps.	Ps.	Ps.	Ps.	Ps.
Shopping Centers	2,033.1	(659.7)	9.3	0.4	1,383.0
Offices and Other	27.5	(8.1)	8.2	-	27.6
Sales and Developments	51.9	-	-	-	51.9
Financial Operations and Other	0.6	-	-	-	0.6

Total revenues	**2,113.0**	**(667.8)**	**17.5**	**0.4**	**1,463.1**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

(2) Includes Revenues from sales, leases and services (Ps. 1,445.2 million) and Revenues from Expenses and Collective Promotion Fund (Ps. 667.8 million).

Revenues from sales, leases and services, as per the income statement, rose by 33.1%, from Ps. 1,445.2 million during the fiscal year 2014 to Ps. 1,924.2 million during the fiscal year 2015.

In turn, revenues from Expenses and Collective Promotion Fund increased by 24.9%, from Ps. 667.8 million (Ps. 659.7 million of which are allocated to the Shopping Centers segment and Ps. 8.1 million to the Offices and Other segment) during fiscal year 2014 to Ps. 833.9 million (Ps. 805.6 million of which are allocated to the Shopping Centers segment and Ps. 28.3 million to the Offices and Other segment) during fiscal year 2015.

In addition, revenues from our joint ventures increased by 20.0%, from Ps. 17.5 million (Ps. 9.2 million of which are allocated to the Shopping Centers segment and Ps. 8.2 million to the Offices and Other segment) during fiscal year 2014 to Ps. 21.0 million (Ps. 13.1 million of which are allocated to the Shopping Centers segment and Ps. 8.0 million to the Offices and Other segment) during fiscal year 2015.

Finally, during fiscal year 2015 no inter-segment revenues were recorded, for which reason a Ps. 0.4 million decrease was recorded for this item.

Therefore, pursuant to the information by segments (taking into account the revenues from our joint ventures and disregarding revenues from Expenses and Collective Promotion Fund and business inter-segment revenues), revenues increased by 33.0%, from Ps. 1,463.1 million during fiscal year 2014 to Ps. 1,945.2 million during fiscal year 2015. This increase was mainly attributable to: (i) a Ps. 395.3 million increase in the revenues from the Shopping Centers segment (Ps. 3.8 million of which originated in the results of our joint ventures) and (ii) a Ps. 132.6 million increase in the revenues from the Offices and Other segment (Ps. 0.2 million of which originated in the results of our joint ventures), partially offset by a decrease in revenues from the Sales and Developments segment equal to Ps. 45.3 million and Ps. 0.4 million in the revenues from the Financial Operations and Other segment.

Shopping Centers. Revenues from the Shopping Centers segment increased by 28.6%, from Ps. 1,383.0 million during fiscal year 2014 to Ps. 1,778.3 million during fiscal year 2015. Such increase is mainly attributable to: (i) a Ps. 317.8 million increase in revenues from fixed and variable leases as a result of a 33.3% increase in the total sales of our tenants, up from Ps. 16,132.8 million during fiscal year 2014 to Ps. 21,508.7 million during fiscal year 2015; (ii) a Ps. 30.0 million increase in the revenues from admission rights, (iii) a Ps. 30.6 million increase in the revenues from parking charges, and (iv) a Ps. 17.0 million increase in the revenues from commissions, management fees and other.

Offices and Other. Revenues from the Offices and Other segment increased by Ps. 132.6 million, from Ps. 27.6 million in fiscal year 2014 to Ps. 160.1 million in fiscal year 2015. This variation mainly results from (i) revenues generated by the new offices acquired in December 2014 for Ps. 121.8 million and (ii) an increase in the revenues from office leases in the Dot building and other rental properties of Ps. 10.8 million.

Sales and Developments. Revenues from the Sales and Developments segment generally change significantly from one period to the other due to non-recurrence of different sale transactions carried out by the Group. Revenues from the Sales and Developments segment decreased by Ps. 45.3 million, down from Ps. 51.9 million during fiscal year 2014 to Ps. 6.6 million during fiscal year 2015. Such decrease mainly resulted from a decline in the sales of units in the Condominios I and II project during fiscal year 2015.

Financial Operations and Other. Revenues from the Financial Operations and Other segment decreased from Ps. 0.6 million during fiscal year 2014 to Ps. 0.1 million during fiscal year 2015 as a result of a decline in revenues from residual consumer financing activities carried out by the Group.

Costs

	Fiscal Year 2015 (in millions of Ps.)				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(1,080.5)	819.7	(4.0)	-	(264.8)
Offices and Other	(97.6)	28.3	(5.5)	-	(74.8)
Sales and Developments	(4.9)	-	-	-	(4.9)
Financial Operations and Other	(0.1)	-	-	-	(0.1)
Total costs	**(1,183.1)**	**848.0**	**(9.4)**	**-**	**(344.5)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal Year 2014 (in millions of Ps.)				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(931.7)	667.1	(2.7)	(0.4)	(267.7)
Offices and Other	(13.3)	8.1	(4.6)	-	(9.8)
Sales and Developments	(10.9)	-	-	-	(10.9)
Financial Operations and Other	(0.4)	-	-	-	(0.4)
Total costs	**(956.2)**	**675.2**	**(7.4)**	**(0.4)**	**(288.8)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Total consolidated costs, as per the income statement, increased by 23.7%, up from Ps. 956.2 million during fiscal year 2014 to Ps. 1,183.1 million during fiscal year 2015. In turn, total consolidated costs as a percentage of total revenues decreased by 45.3% during fiscal year 2014 to 42.9% during fiscal year 2015.

In turn, costs from Expenses and Collective Promotion Fund increased by 25.6%, up from Ps. 675.2 million during fiscal year 2014 to Ps. 848.0 million during fiscal year 2015. The variation was mainly due to: I) an increase in expenses of Expenses and Collective Promotion Fund generated by Shopping Centers, which increased by 22.9%, up from Ps. 667.1 million during fiscal year 2014 to Ps. 819.7 million during fiscal year 2015, as a result of: (i) an increase in maintenance, security, cleaning, repairs and related expenses of Ps. 59.8 million (mainly attributable to an increase in security and cleaning service fees and utility rates), (ii) an increase in publicity and advertising expenses of Ps. 27.9 million, (iii) an increase in salaries, social security charges and other personnel expenses of Ps. 30.2 million; (iv) an increase in taxes, rates and contributions, and other expenses of Ps. 20.8 million and (v) an increase in other miscellaneous items for Ps. 14.1 million (mainly generated by traveling, transportation, stationery expenses, etc.). In addition, the variation was due to: II) an increase in expenses resulting from Common Maintenance Expenses from the Offices and Other segment, which increased by Ps. 20.2 million, up from Ps. 8.1 million during fiscal year 2014 to Ps. 28.3 million during fiscal year 2015, mainly due to the acquisition of the new buildings (salaries and social security expenses for Ps. 4.3 million, taxes, rates and contributions and utilities for Ps. 7.6 million, maintenance, cleaning and leases expenses and common maintenance expenses and other for Ps. 8.2 million).

In addition, costs from our joint ventures increased by 27.6%, from Ps. 7.4 million (Ps. 2.8 million of which are allocated to the Shopping Centers segment and Ps. 4.6 million to the Offices and Other segment) during fiscal year 2014 to Ps. 9.4 million (Ps. 4.0 million of which are allocated to the Shopping Centers segment and Ps. 5.5 million to the Offices and Other segment) during fiscal year 2015.

Finally, during fiscal year 2015 no inter-segment costs were recorded, for which reason a Ps. 0.4 million decrease was recorded for this item.

Therefore, pursuant to the information by segments (taking into account the costs from our joint ventures and disregarding costs from Expenses and Collective Promotion Fund and business inter-segment costs), costs increased by 19.3%, from Ps. 288.8 million during fiscal year 2014 to Ps. 344.5 million during fiscal year 2015. Total costs as a percentage of total revenues pursuant to the information by segments decreased from 19.7% during fiscal year 2014 to 17.7% during fiscal year 2015.

Shopping Centers. The costs of our Shopping Centers segment showed a slight decline of 1.1%, from Ps. 267.7 million during fiscal year 2014 to Ps. 264,8 million during fiscal year 2015, mainly generated by: (i) lower costs for the deficit in Expenses and Collective Promotion Fund of our Shopping Centers in the amount of Ps. 35.9 million and by (ii) a decrease in depreciation and amortization charges for Ps. 3.9 million; partially offset by higher costs derived from: (iii) an increase in maintenance, security, cleaning, repairs and related expenses of Ps. 12.9 million (mainly due to an increase in security and cleaning expenses and utility rates); (iv) an increase in salaries, social security charges and other personnel expenses of Ps. 10.1 million; (v) an increase in taxes, rates and contributions and other expenses of Ps. 8.8 million (mainly due to increases in provincial taxes on land and municipal rates for utilities, among other items); and (vi) an increase in fees and compensation for services of Ps. 5.6 million. The Shopping Centers segment costs, as a percentage of revenues from this segment decreased from 19.4% during fiscal year 2014 to 14.9% during fiscal year 2015.

Offices and Other. The costs of the Offices and Other segment increased by Ps. 65.0 million, from Ps. 9.8 million during fiscal year 2014 to Ps. 74,8 million during fiscal year 2015, mainly due to higher amortization expenses derived from the acquisition of new offices for Ps. 61.9 million. The costs of the Offices and Other segment, as a percentage of the revenues from this segment, increased from 35.4% during fiscal year 2014 to 46.7% during 2015.

Sales and Developments. The costs of the Sales and Developments segment showed a Ps. 6.0 million decline, from Ps. 10.9 million during fiscal year 2014 to Ps. 4.9 million during fiscal year 2015, mainly due to a decrease in the sale of units in the Condominios I and II projects of the Rosario plots of land. The costs of the Sales and Developments segment, as a percentage of the revenues from this segment increased from 21.0% during fiscal year 2014 to 74.8% during 2015.

Financial Operations and Other. The cost of the Financial Operations and Other segment decreased from Ps. 0.4 million during fiscal year 2014 to Ps. 0.1 million during fiscal year 2015, mainly as a result of a gradual decline in residual consumer financing activities of the Group. The costs of the Financial Operations and Other segment, as a percentage of the revenues from this segment, decreased from 65.0% during fiscal year 2014 to 38.1% during 2015.

Gross profit

The following table shows our Gross Profit by business segment for the indicated periods.

	Fiscal Year 2015 (in millions of Ps.)				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	1,490.3	14.1	9.1	-	1,513.5
Offices and Other	82.8	-	2.5	-	85.4
Sales and Developments	1.7	-	-	-	1.7
Financial Operations and Other	-	-	-	-	0.1
Total gross profit	**1,575.0**	**14.1**	**11.6**	**-**	**1,600.7**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal Year 2014 (in millions of Ps.)				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminationst**	**Information by Segments (1)**
Shopping Centers	1,101.4	7.4	6.5	-	1,115.3
Offices and Other	14.2	-	3.6	-	17.8
Sales and Developments	41.0	-	-	-	41.0
Financial Operations and Other	0.2	-	-	-	0.2
Total gross profit	**1,156.8**	**7.4**	**10.1**	**-**	**1,174.3**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Total consolidated gross profit, as per the income statement, increased by 36.2%, from Ps. 1,156.8 million during fiscal year 2014 to Ps. 1,575.0 million during fiscal year 2015. Total consolidated gross profit, as a percentage of total revenues, increased from 54.7% during fiscal year 2014 to 57.1% during fiscal year 2015.

In turn, gross profit (loss) from common maintenance expenses and the common advertising fund showed a 90.2% increase, from Ps. 7.4 million (which are allocated to the Shopping Centers segment) during fiscal year 2014 to Ps. 14.1 million (which are allocated to the Shopping Centers segment) during fiscal year 2015.

In addition, gross profit (loss) from our joint ventures increased by 14.5%, from Ps. 10.1 million (Ps. 6.5 million of which are allocated to the Shopping Centers segment and Ps. 3.6 million to the Offices and Other segment) during fiscal year 2014 to Ps. 11.6 million (Ps. 9.1 million of which are allocated to the Shopping Centers segment and Ps. 2.5 million to the Offices and Other segment) during fiscal year 2015.

Therefore, pursuant to the information by segments, the gross profit (taking into account the gross profit (loss) from our joint ventures and disregarding the gross profit (loss) from common maintenance expenses and the common advertising fund and the business inter-segment gross profit) increased by

36.3%, from Ps. 1,174.3 million during fiscal year 2014 to Ps. 1,600.7 million during fiscal year 2015. The gross profit as a percentage of revenues increased from 80.3% during fiscal year 2014 to 82.3% during fiscal year 2015.

Shopping Centers. Gross profit from the Shopping Centers segment increased by 35.7%, from Ps. 1,115.3 million for fiscal year 2014 to Ps. 1,513.5 million during fiscal year 2015, mainly as a result of an increase in total sales of our tenants, giving rise to higher rental percentages under our lease agreements. The gross profit from our Shopping Centers segment as a percentage of revenues for the segment increased from 80.6% during fiscal year 2014 to 85.1% during fiscal year 2015.

Offices and Other. The gross profit from the Offices and Other segment increased by Ps. 67.6 million from Ps. 17.8 million during fiscal year 2014 to Ps. 85.4 million during fiscal year 2015. The gross profit from the Offices and Other segment as a percentage of revenues from this segment decreased from 64.6% during fiscal year 2014 to 53.3% during fiscal year 2015, mainly attributable to a higher increase in this segment's costs against revenues as explained above for this period.

Sales and Developments. Gross profit from the Sales and Developments segment experienced a 95.9% decline, from Ps. 41.0 million during fiscal year 2014 to Ps. 1.7 million during fiscal year 2015. This decline mainly resulted from lower revenues from sales of the units in Condominios I and II in Rosario during fiscal year 2015 compared to the fiscal year 2014. Gross profit from the Sales and Developments segment as a percentage of the revenues from this segment decreased from 79.0% during fiscal year 2014 to 25.2% during fiscal year 2015, mainly as a result of lower revenues from this segment against costs as explained above.

Financial Operations and Other. Gross profit from the Financial Operations and Other segment decreased by 54.7%, from Ps. 0.2 million during fiscal year 2014 to Ps. 0.1 million during fiscal year 2015. Gross profit from this segment as a percentage of revenues increased from 35.0% during fiscal year 2014 to 61.9% during fiscal year 2015. This variation is mainly due to a decrease in residual consumer financing activities of the Group.

Income from sale of investment properties

The income from sale of investment properties, derived from our Sales and Developments segment, increased from Ps. 0.3 million during fiscal year 2014 to Ps. 126.7 million during fiscal year 2015, mainly as a result of: (i) a Ps. 123.7 million income generated by the sale of units in the Intercontinental building, in June 2015 and (ii) a Ps. 2.9 million income generated by the sale under a barter agreement of the Conil property, in November 2014.

Administrative expenses

The following table shows our Administrative Expenses by business segment for the indicated periods.

	Fiscal Year 2015 (in millions of Ps.)				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(136.0)	-	(0.2)	-	(136.2)
Offices and Other	(2.7)	-	(0.2)	(0.1)	(3.0)
Sales and Developments	-	-	-	-	-
Financial Operations and Other	-	-	-	-	-

Total Administrative expenses	**(138.6)**	**-**	**(0.4)**	**(0.1)**	**(139.1)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal Year 2014 (in millions of Ps.)				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(101.4)	-	(0.1)	-	(101.5)
Offices and Other	(0.1)	-	(0.1)	(0.1)	(0.3)
Sales and Developments	-	-	-	-	-
Financial Operations and Other	(0.1)	-	-	-	(0.1)
Total Administrative expenses	**(101.4)**	**-**	**(0.3)**	**(0.1)**	**(101.8)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Administrative expenses, as per the income statement, increased by 36.6%, from Ps. 101.4 million during fiscal year 2014 to Ps. 138.6 million during fiscal year 2015. Total administrative expenses as a percentage of revenues increased from 4.8% during fiscal year 2014 to 5.0% during fiscal year 2015.

Administrative expenses from our joint ventures showed a slight increase from Ps. 0.3 million during 2014 to Ps. 0.4 million during 2015.

Therefore, administrative expenses (taking into account administrative expenses derived from our joint ventures, and inter-segment eliminations) rose by 36.6%, from Ps. 101.8 million during fiscal year 2014 to Ps. 139.1 million during fiscal year 2015, mainly as a result of a Ps. 34.6 million increase in administrative expenses of our Shopping Centers segment. Administrative expenses, pursuant to the information by segments, as a percentage of total revenues, increased from 7.0% during fiscal year 2014 to 7.2% during fiscal year 2015.

Shopping Centers. Administrative expenses of Shopping Centers increased by 34.1%, from Ps. 101.5 million during fiscal year 2014 to Ps. 136.2 million during fiscal year 2015, mainly due to: (i) an increase in directors' fees of Ps. 25.7 million; (ii) a Ps. 3.3 million increase in fees and compensation for services; (iii) an increase in depreciation and amortization expenses of Ps. 1.9 million, and (iv) a Ps. 3.8 million increase in other items such as maintenance, security, cleaning, repairs and related expenses and taxes, rates and contributions). Administrative expenses of Shopping Centers as a percentage of revenues from such segment increased from 7.3% during fiscal year 2014 to 7.7% during fiscal year 2015.

Offices and Other. Administrative expenses of the Offices and Other segment increased by Ps. 2.7 million, from Ps. 0.3 million during fiscal year 2014 to Ps. 3.0 million during fiscal year 2015, mainly as a result of higher costs derived from the new offices in the amount of Ps. 2.7 million, related to salaries, social security charges and other personnel expenses. Administrative expenses of the Offices and Other segment as a percentage of revenues from this segment increased from 0.9% during fiscal year 2014 to 1.8% during fiscal year 2015.

Selling expenses

The following table shows our Selling Expenses by business segment for the indicated periods.

	Fiscal Year 2015 (in millions of Ps.)

	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Inter-segment Eliminations	Information by Segments (1)
Shopping Centers	(112.0)	-	(0.8)	-	(112.8)
Offices and Other	(5.0)	-	(0.5)	-	(5.5)
Sales and Developments	(0.3)	-	-	-	(0.3)
Financial Operations and Other	(0.4)	-	-	-	(0.4)
Total Selling expenses	**(117.7)**	**-**	**(1.3)**	-	**(119.0)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal Year 2014 (in millions of Ps.)				
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Inter-segment Eliminations	Information by Segments (1)
Shopping Centers	(72.7)	-	(0.7)	-	(73.4)
Offices and Other	(0.4)	-	(0.4)	-	(0.8)
Sales and Developments	(3.9)	-	-	-	(3.9)
Financial Operations and Other	0.1	-	-	-	0.1
Total Selling expenses	**(76.9)**	**-**	**(1.1)**	**-**	**(78.0)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Selling expenses, as per the income statement, increased by 53.1%, from Ps. 76.9 million during fiscal year 2014 to Ps. 117.7 million during fiscal year 2015. Selling expenses as a percentage of total revenues increased from 3.6% during fiscal year 2014 to 4.3% during fiscal year 2015.

In turn, selling expenses from our joint ventures showed a slight increase, from Ps. 1.1 million during fiscal year 2014 (Ps. 0.7 million of which are allocated to the Shopping Centers segment and Ps. 0.4 million to the Offices and Other segment) to Ps. 1.3 million during fiscal year 2015 (Ps. 0.8 million of which are allocated to the Shopping Centers segment and Ps. 0.5 million to the Offices and Other segment).

Therefore, and taking into account the selling expenses from our joint ventures and inter-segment eliminations, selling expenses increased by 52.5%, from Ps. 78.0 million during fiscal year 2014 to Ps. 119.0 million during fiscal year 2015. This increase was mainly attributable to: (i) a Ps. 39.4 million increase in selling expenses of the Shopping Centers segment; (ii) higher selling expenses of Ps. 4.7 million from the Offices and Other segment and; (iii) higher selling expenses of Ps. 0.5 million from the Financial Operations and Other segment, partially offset by (iv) a Ps. 3.6 million decrease in selling expenses from the Sales and Developments segment. Selling expenses (taking into account selling expenses derived from our joint ventures and inter-segment eliminations) as a percentage of total revenues increased from 5.3% during fiscal year 2014 to 6.1% during fiscal year 2015.

Shopping Centers. Selling expenses from the Shopping Centers segment increased by 53.7%, from Ps. 73.4 million during fiscal year 2014 to Ps. 112.8 million during fiscal year 2015, mainly as a result of: (i) an increase in taxes, rates and contributions of Ps. 18.1 million, mainly generated by higher turnover taxes; (ii) a Ps. 8.1 million increase in publicity and advertising expenses, (iii) an increase of Ps. 5.1 million in loan losses charges and, (iv) an increase of Ps. 6.1 million in salaries, social security charges and other personnel expenses. Selling expenses as a percentage of the revenues from the Shopping Centers segment increased from 5.3 % during fiscal year 2014 to 6.3% during fiscal year 2015.

Offices and Other. Selling expenses from the Offices and Other segment increased by Ps. 4.7 million, from Ps. 0.8 million during fiscal year 2014 to Ps. 5.5 million during fiscal year 2015, mainly as a result of an increase in turnover tax generated by the acquisition of the new office buildings in December 2014. Selling expenses from the Offices and Other segment as a percentage of the revenues from such segment increased from 3.0 % during fiscal year 2014 to 3.4 % during fiscal year 2015.

Sales and Developments. Selling expenses from our Sales and Developments segment decreased by 93.4%, from Ps. 3.9 million during fiscal year 2014 to Ps. 0.3 million during fiscal year 2015, mainly due to a decrease in turnover tax and commissions and fees related to a decline in sales during fiscal year 2015, compared to fiscal year 2014. Selling expenses from the Sales and Developments segment as a percentage of the revenues from this segment decreased from 7.4 % during fiscal year 2014 to 3.8 % during fiscal year 2015.

Financial Operations and Other. Selling expenses from the Financial Operations and Other segment changed from a Ps. 0.1 million income during fiscal year 2014 to a loss of Ps. 0.4 million during fiscal year 2015, mainly as a result of increased loan losses related to the consumer financing residual activity.

Other operating results, net

	Fiscal Year 2015 (in millions of Ps.)				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(47.4)	-	(1.2)	-	(48.7)
Offices and Other	(58.3)	-	(0.1)	0.1	(58.3)
Sales and Developments	-	-	-	-	-
Financial Operations and Other	8.8	-	-	-	8.8
Total Other operating results, net	**(97.0)**	**-**	**(1.2)**	**0.1**	**(98.1)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal Year 2014 (in millions of Ps.)				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	(43.1)	-	(0.6)	-	(43.7)
Offices and Other	2.3	-	(2.4)	0.1	-
Sales and Developments	13.4	-	-	-	13.4
Financial Operations and Other	0.1	-	-	-	0.1
Total Other operating results, net	**(27.4)**	**-**	**(3.0)**	**0.1**	**(30.3)**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Total income (loss) from Other operating results, net, as per the income statement, increased from a loss of Ps. 27.4 million during fiscal year 2014 to a loss of Ps. 97.0 million during fiscal year 2015. Total Other operating results, net as a percentage of total revenues increased from 1.3% during fiscal year 2014 to 3.5% during fiscal year 2015.

Other operating results, net derived from our joint ventures decreased by Ps. 1.8 million, from a loss of Ps. 3.0 million (Ps. 0.6 million of which were allocated to the Shopping Centers segment and Ps. 2.4

million to the Offices and Other segment) during fiscal year 2014 to a loss of Ps. 1.2 million (which were allocated to the Shopping Centers segment) during fiscal year 2015.

Therefore, taking into account our interest in joint ventures and inter-segment eliminations, Other operating results, net increased from a loss of Ps. 30.3 million during fiscal year 2014 to a loss of Ps. 98.1 million during fiscal year 2015, mainly as a result of (i) a loss of Ps. 58.3 million from the Offices and Other segment; and (ii) a decrease in other operating results from the Sales and Developments segment of Ps. 13.4 million. Total Other operating results, net as a percentage of revenues (taking into account other operating results derived from our joint ventures and inter-segment eliminations) increased from 2.1% during fiscal year 2014 to 5.0% during fiscal year 2015.

Shopping Centers. Other operating results, net from the Shopping Centers segment increased by 11.0%, from a loss of Ps. 43.7 million during fiscal year 2014 to a loss of Ps. 48.6 million during fiscal year 2015, mainly as a result of (i) an increase in donations of Ps. 2.7 million, and (ii) an increase in project expenses of Ps. 2.8 million.

Other operating results, net from this segment as a percentage of the revenues from this segment decreased from 3.2% during fiscal year 2014 to 2.7% during fiscal year 2015.

Offices and Other. Other operating results, net from the Offices and Other segment changed from zero during fiscal year 2014 to a loss of Ps. 58.3 million during fiscal year 2015, attributable to notarial and stamp tax expenses related to the acquisition of the new offices in December 2014.

Sales and Developments. Other operating results, net from the Sales and Developments segment changed from an income of Ps. 13.4 million (attributable to the income generated by the sale of a plot of land in Neuquén, allocated to construction of a hotel) during fiscal year 2014 to zero million during fiscal year 2015.

Financial Operations and Other. Other operating results, net from the Financial Operations and Other segment increased from an income of Ps. 0.1 million during fiscal year 2014 to an income of Ps. 8.8 million during fiscal year 2015, mainly as a result of an income from the sale of a portion of our interest in Avenida Inc. during fiscal year 2015.

Operating income (loss)

	Fiscal Year 2015 (in millions of Ps.)				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**
Shopping Centers	1,195.0	14.1	6.9		1,216.0
Offices and Other	16.9	-	1.7		18.6
Sales and Developments	128.1	-	-	-	128.1
Financial Operations and Other	8.5	-	-	-	8.5
Total operating income (loss)	**1,348.4**	**14.1**	**8.7**	**-**	**1,371.1**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

	Fiscal Year 2014 (in millions of Ps.)				
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Inter-segment Eliminations**	**Information by Segments (1)**

Shopping Centers	884.1	7.4	5.1	-	896.6
Offices and Other	16.1	-	0.6	-	16.7
Sales and Developments	50.8	-	-	-	50.8
Financial Operations and Other	0.3	-	-	-	0.3
Total operating income (loss)	**951.4**	**7.4**	**5.7**	**-**	**964.5**

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2016.

Total operating income (loss), as per the income statement, increased by 41.7%, from Ps. 951.4 million during fiscal year 2014 to Ps. 1,348.4 million during fiscal year 2015. Total operating income (loss) as a percentage of total revenues increased from 45.0% during fiscal year 2014 to 48.9% during fiscal year 2015.

Operating income (loss) from our joint ventures increased by 53.2%, from Ps. 5.7 million (Ps. 5.1 million of which are allocated to the Shopping Centers segment and Ps. 0.6 million to the Offices and Other segment) during fiscal year 2014 to Ps. 8.7 million (Ps. 6.9 million of which are allocated to the Shopping Centers segment and Ps. 1.7 million to the Offices and Other segment) during fiscal year 2015.

Therefore, taking into account the revenues from our joint ventures and disregarding the revenues from common maintenance expenses and the common advertising fund and the business inter-segment revenues, the operating income (loss) increased by 42.2%, from Ps. 964.5 million during fiscal year 2014 to Ps. 1,371.1 million during fiscal year 2015, mainly as a result of: (i) an increase in operating income (loss) from the Shopping Centers segment of Ps. 319.4 million; (ii) an increase in income (loss) from the Sales and Developments segment of Ps. 77.3 million, (iii) an increase in the operating income (loss) from the Financial Operations and Other segment of Ps. 8.2 million and (iv) higher operating income (loss) from the Offices and Other segment of Ps. 1.8 million. Total operating income (loss) (taking into account our joint ventures, inter-segment eliminations and eliminations for costs from common maintenance expenses and the Common Advertising Fund from the shopping centers and offices segments) as a percentage of total revenues increased from 65.9% during fiscal year 2014 to 70.5% during fiscal year 2015.

Shopping Centers. Operating income (loss) from the Shopping Centers segment increased by 35.6% during fiscal year 2015, from Ps. 896.6 million during fiscal year 2014 to Ps. 1,216.0 million during fiscal year 2015. Operating income (loss) from the Shopping Centers segment as a percentage of the revenues from such segment increased from 64.8% during fiscal year 2014 to 68.4% during fiscal year 2015.

Offices and Other. Operating income (loss) from the Offices and Other segment increased from Ps. 16.7 million during fiscal year 2014 to Ps. 18.6 million during fiscal year 2015. Operating income (loss) from the Offices and Other segment, as a percentage of the revenues from such segment, decreased from 60.7% during fiscal year 2014 to 11.6% during fiscal year 2015.

Sales and Developments. Operating income (loss) from the Sales and Developments segment increased by Ps. 77.3 million, from Ps. 50.8 million during fiscal year 2014 to Ps. 128.1 million during fiscal year 2015. Operating income (loss) from the Sales and Developments segment, as a percentage of the revenues from such segment, increased from 97.9% during fiscal year 2014 to 1,936.2% during fiscal year 2015.

Financial Operations and Other. Operating income (loss) from the Financial Operations and Other segment increased from Ps. 0.3 million during fiscal year 2014 to Ps. 8.5 million during fiscal year 2015.

Share of profit (loss) of associates and joint ventures

The share of profit (loss) of associates and joint ventures increased by Ps. 28.1 million, from a loss of Ps. 13.5 million during fiscal year 2014 to an income of Ps. 14.6 million during fiscal year 2015. This variation was mainly due to (i) a profit of Ps. 29.2 million generated by our Financial Operations and Other segment; partially offset by a loss of Ps. 1.7 million from our Offices and Other segment.

Offices and Other. The share of loss of associates and joint ventures increased from a loss of Ps. 0.9 million during fiscal year 2014 to a loss of Ps. 2.6 million during fiscal year 2015, mainly generated by our interest in Entertainment Holding S.A.

Financial Operations and Other. The share of profit of associates and joint ventures from the Financial Operations and Other segment increased from a loss of Ps. 18.5 million during fiscal year 2014 to a profit of Ps. 10.7 million during fiscal year 2015, mainly generated by: (i) the profit from our investment in Avenida until September 2014 in the amount of Ps. 21.3 million and (ii) a lower loss from Tarshop S.A. equal to Ps. 7.9 million.

Financial results, net

Financial results, net increased by 50.2%, from a loss of Ps. 300.7 million during fiscal year 2014 to a loss of Ps. 451.5 million during fiscal year 2015.

Financial revenues decreased by 15.5%, from Ps. 124.5 million during fiscal year 2014 to Ps. 105.1 million during fiscal year 2015, mainly as a result of: (i) a Ps. 28.6 million decrease in foreign exchange gains due to the impact of a lower Peso depreciation during fiscal year 2015 on our US Dollar-denominated net assets compared to a higher depreciation during fiscal year 2014 (the Peso/Dollar exchange rate increased by 11.9% during fiscal year 2015, from Ps. 8.033 as of June 30, 2014 to Ps. 8.988 as of June 30, 2015, while during fiscal year 2014, it increased by 50.2% compared to fiscal year 2013, from Ps. 5.348 as of June 30, 2013 to Ps. 8.033 as of June 30, 2014), mainly offset by (ii) a net increase of Ps. 9.3 million in interest income, mainly generated by default interest payable by clients and related parties, and gains(losses) from the sale of securities and fixed-term bank deposits.

Financial expenses increased by 20.8%, from Ps. 499.9 million during fiscal year 2014 to Ps. 603.9 million during fiscal year 2015, mainly as a result of: (i) a Ps. 178.1 million increase in interest expense, mainly attributable to: (i) higher interest on the intercompany indebtedness due to the acquisition of offices from our parent company IRSA in December 2014, equal to Ps. 96.8 million; (ii) interest on bank overdrafts of Ps. 48.6 million; (iii) interest of Ps. 14.2 million on the debt incurred to finance the purchase of Shopping Soleil Premium Outlet; (iv) interest on our Series I Notes due 2017 equal to Ps. 16.0 million; (v) an increase in other financial expenses of Ps. 12.2 million for the tax on bank credits and debits and; (vi) a decrease in recovery for capitalized financial expenses of Ps. 9.4 million; partially offset by (vii) a Ps. 95.7 million decrease in the loss from foreign exchange as a result of the impact of a lower Peso depreciation during fiscal year 2015 on our U.S. Dollar-denominated indebtedness compared to a higher depreciation during fiscal year 2014 (the US Dollar exchange rate increased by 11.74% during fiscal year 2015, from Ps. 8.133 as of June 30, 2014 to Ps. 9.088 as of June 30, 2015, while during fiscal year 2014, it increased by 50.95% compared to fiscal year 2013, from Ps. 5.388 as of June 30, 2013 to Ps. 8.133 as of June 30, 2014) .

Other financial results decreased by Ps. 27.5 million from a Ps. 74.7 million gain during fiscal year 2014 to a Ps. 47.2 million gain during fiscal year 2015, mainly as a result of: (i) a Ps. 84.3 million decrease in revenues generated by the valuation of financial assets at fair value (derived from the valuation of Government securities and Bonds and a reduction in the shareholding of mutual funds and other investments) and (ii) lower income generated by future currency exchange derivatives and interest rate swaps of Ps. 15.5 million; partially offset by (iii) a Ps. 72.2 million income generated by the valuation at fair value of the shares in Avenida as of June 2015.

Income Tax

The Income tax charge increased by 28.3%, from a Ps. 226.7 million loss during fiscal year 2014 to a Ps. 290.8 million loss during fiscal year 2015, mainly due to a change in the income before income tax at the prevailing tax rate.

In determining the income tax charge, we apply the deferred tax method, recognizing the temporary differences between the book value, the valuation of assets and liabilities for tax purposes and the application of tax loss carryforwards. For this reason, the amount shown as income tax reflects not only the amount payable but also the recognition of the tax on the taxable income as booked.

Net Income

As a result of the factors described above, the income for the year 2015 increased by 51.2%, from a Ps. 410.5 million income during fiscal year 2014 to a Ps. 620.6 million income during fiscal year 2015. Income attributable to the parent company's shareholders increased by 54.2%, from Ps. 377.0 million during fiscal year 2014 to Ps. 581.3 million during fiscal year 2015. Income attributable to the non-controlling interest increased by 17.5% during fiscal year 2015, from Ps. 33.5 million to Ps. 39.3 million during fiscal year 2014.

Liquidity and Capital Resources

Our principal sources of liquidity have historically been:

- cash generated from operations;
- cash generated from the issuance of capital stock and notes; and
- cash from borrowings (including bank overdrafts) and financing arrangements.

Our principal cash requirements or uses (other than in connection with our operating activities) have historically been:

- the acquisition of shopping centers;
- the development of new shopping centers;
- the improvement of existing shopping centers;
- the development of properties for sale;
- working capital needs; and
- the maintenance of cash and other liquid assets to enable us to take advantage of the acquisition and development of investment opportunities as they arise.

We believe our working capital and our cash from operating activities are adequate for the Group's present and future requirements. In the event that cash generated from our operations is at any time insufficient to finance our working capital, we would seek to finance such working capital needs through debt or equity financing or through the sale of properties available for sale.

	Fiscal years ended June 30, (in millions of Ps.)		
	2016	**2015**	**2014**
Net cash flow generated by operating activities	1,013.4	1,257.6	921.5
Net cash flow used in investing activities	-1,864.6	-414.2	-517.9
Net cash flow generated by (used in) financing activities	579.7	-660.9	-516.9
Net (Decrease) increase in cash and cash equivalents	**-271.5**	**182.4**	**-113.3**

Cash Flow Information

Operating Activities

Fiscal Year 2016

Our operating activities generated net cash of Ps. 1,013.4 million for the fiscal year ended June 30, 2016. The decline compared to the year ended on June 30, 2015 was equal to 19.4% or Ps. 244.2 million, mainly due to an increase in (i) net income for the year of Ps. 911.7 million; (ii) income tax expense of Ps. 294.3 million; (iii) amortization and depreciation of Ps. 239.5 million and (iv) financial results, net of Ps. 2,413.9; partially offset by a reduction in (i) profits (losses) from derivatives in the amount of Ps. 1,248.4 million; (ii) changes to the fair value of financial assets in the amount of Ps. 466.3 million; and (iii) an increase in trade and other receivables of Ps. 606.3 million.

Fiscal Year 2015

Our operating activities generated net cash of Ps. 1,257.6 million for the fiscal year ended June 30, 2015. The increase compared to the year ended on June 30, 2014 was equal to 36.5% or Ps. 336.1 million, mainly due to an increase in operating cash inflows without considering changes in certain assets and liabilities of Ps. 1,472.5 million, mainly comprised of (i) net income of Ps. 620.6 million; (ii) income tax expense of Ps. 290.8 million; (iii) amortization and depreciation of Ps. 180.4 million and (iv) financial results, net of Ps. 531.3 million; the reduction in operating cash resulting from an increase in trade and other receivables of Ps. 289.7 million and income tax paid of Ps. 226.3 million, partially offset by an increase in trade and other payables of Ps. 251.1 million, in salaries and social security charges of Ps. 23.9 million and a decrease in properties for sale of Ps. 5.5 million.

Fiscal Year 2014

Our operating activities generated net cash of Ps. 921.5 million for the fiscal year ended June 30, 2014. The increase compared to the year ended on June 30, 2013 was equal to 40.7% or Ps. 266.8 million, mainly due to an increase in operating cash inflows without considering changes in certain assets and liabilities of Ps. 1,141.6 million, mainly comprised of (i) net income of Ps. 410.5 million; (ii) income tax expense of Ps. 226.7 million; (iii) amortization and depreciation of Ps. 121.0 million and (iv) financial results, net of Ps. 424.5 million; the reduction in operating cash resulting from an increase in trade and other receivables of Ps. 69.9 million and income tax paid of Ps. 240.4 million, partially offset by an increase in trade and other payables of Ps. 40.7 million, in salaries and social security charges of Ps. 14.6 million and a decrease in properties for sale of Ps. 51.9 million.

Investment Activities

Fiscal Year 2016

The cash used by investing activities was Ps. 1,864.6 million for the fiscal year ended on June 30, 2016 primarily due to: (i) an increase in financial assets, net of Ps. 1,462.8 million; (ii) acquisition and capital contributions in associates and joint ventures equal to Ps. 73.0 million; (iii) acquisition of property, plant and equipment equal to Ps. 13.7 million; (iv) acquisition of investment properties in the amount of Ps. 167.7 million; and (v) loans granted to related parties in the amount of Ps. 533.5 million, partially offset by the proceeds from the sale of investment properties in the amount of Ps. 357.2 million

Fiscal Year 2015

The cash used by investing activities was Ps. 414.2 million for the fiscal year ended on June 30, 2015 primarily due to: (i) development of properties of Ps. 186.5 million, Ps. 1.5 million of which was used in Distrito Arcos and Ps. 185.0 million in Alto Comahue; (ii) an increase in financial assets, net of Ps. 521.5 million; (iii) acquisition and capital contributions in associates equal to Ps. 32.0 million; (iv) improvements made to our shopping centers of Ps. 60.4 million; (v) the acquisition of furniture and fixtures, machinery and equipment and other buildings and facilities of Ps. 26.2 million; (vi) advance payments to suppliers of Ps. 14.0 million; (vii) improvements made to our offices and other rental properties of Ps. 2.0 million; and (viii) the acquisition of properties from our parent company equal to Ps. 2,636.5 million; partially offset by collection of proceeds from the sale of investment properties equal to Ps. 365.2 million, collection of interest on financial assets equal to Ps. 102.3 million, collection of loans granted to related parties equal to Ps. 76.8 million and the sale of capital stock of Avenida Inc. in the amount of Ps. 19.1 million.

Fiscal Year 2014

The cash used by investing activities was Ps. 517.9 million for the fiscal year ended on June 30, 2014 primarily due to: (i) development of properties of Ps. 179.3 million, Ps. 99.9 million of which was used in the "Arcos" project and Ps. 79.4 million in the Shopping Neuquén project and; (ii) a decrease in financial assets, net of Ps. 10.8 million; (iii) loans granted to related parties of Ps. 268.5 million; mainly by the Group to Tyrus S.A. (a subsidiary of IRSA Inversiones y Representaciones S.A.); (iv) improvements made to our shopping centers of Ps. 61.1 million; (v) advance payments to suppliers of Ps. 29.6 million; (vi) the acquisition of capital stock of Avenida Inc. and Avenida Compras S.A. of Ps. 13.0 million; (vii) the acquisition of furniture and fixtures, machinery and equipment and other buildings and facilities of Ps. 11.9 million; (viii) improvements made to our offices and other rental properties of Ps. 4.3 million; and (ix) the acquisition of land reserves of Ps. 0.1 million.

Financing Activities

Fiscal Year 2016

The cash generated by financing activities was Ps. 579.67 million for the fiscal year ended on June 30, 2016, primarily due to: (i) repayment of borrowings of Ps. 5,043 million; (ii) interest expense of Ps. 278.2 million; (iii) payment of dividends of Ps. 114.6 million; (iv) payment of financial derivatives of Ps. 581; and (v) repayment of notes of Ps. 1,686 million; partially offset by borrowings of Ps. 1,043 million; collection of financial derivatives of Ps. 1,831 million and issuance of notes in the amount of Ps. 5,411 million.

Fiscal Year 2015

The cash used in financing activities was Ps. 660.9 million for the fiscal year ended on June 30, 2015, primarily due to: (i) repayment of borrowings of Ps. 509.6 million; (ii) interest paid of Ps. 213.4

million; (iii) payment of dividends of Ps. 148.5 million; (iv) payment of financial derivatives of Ps. 16.1 million; and (v) dividends paid to non-controlling interests of Ps. 3.9 million; partly offset by borrowings of Ps. 329.8 million.

Fiscal Year 2014

The cash used in financing activities was Ps. 516.9 million for the fiscal year ended on June 30, 2014, primarily due to: (i) payment of dividends of Ps. 405.9 million; (ii) repayment of borrowings of Ps. 348.2 million; (iii) interest paid of Ps. 141.0 million; and (iv) dividends paid to non-controlling interests of Ps. 7.4 million; partly offset by borrowings of Ps. 365.4 million and recovery from derivatives of Ps. 61.7 million.

Capital Expenditures (CAPEX)

Fiscal Year 2016

During the fiscal year ended on June 30, 2016, we invested in capital expenditures for Ps. 188.0 million, out of which: (i) Ps. 167.7 million were used in the acquisition of investment properties, mainly, in connection with improvements to our shopping centers; (ii) Ps. 13.7 million are related to the acquisition of property, plant and equipment; and (iii) Ps. 6.6 million were used in advance payments for the acquisition of general investments.

Fiscal Year 2015

During the fiscal year ended on June 30, 2015, we invested in capital expenditures for Ps. 2,927.5 million, out of which: (i) Ps. 186.5 million were used in development of properties, Ps. 1.5 million of which was used in Distrito Arcos and Ps. 185.0 million in Alto Comahue; (ii) Ps. 14.0 million were used in advance payments for the acquisition of general investments; (iii) Ps. 60.4 million were related to improvements made to our shopping centers; (iv) 28.1 million are related to the acquisition of machinery, equipment, and furniture and fixtures, and other buildings and facilities; (v) Ps. 2.0 million were used in improvements made to our offices and other rental properties, and (vi) Ps. 2,636.5 million are related to the acquisition of properties from our parent company.

Fiscal Year 2014

During the fiscal year ended on June 30, 2014, we invested in capital expenditures for Ps. 285.7 million, out of which: (i) Ps. 179.3 million were used in development of properties, Ps. 99.9 million of which was used in the "Arcos" project and Ps. 79.4 million in the Shopping Neuquén project; (ii) Ps. 29.6 million were used in advance payments for the acquisition of general investments; (iii) Ps. 61.1 million were related to improvements made to our shopping centers; (iv) 11.9 million were related to the acquisition of machinery, equipment, and furniture and fixtures, and other buildings and facilities; (v) Ps. 4.3 million were used in improvements made to our offices and other rental properties and (vi) Ps. 0.1 million are related to the acquisition of land reserves.

11. Board of Directors and Senior Management

Board of Directors

The administration and management of the Company rest with our Board of Directors. Our bylaws provide that the Board of Directors will be comprised of a minimum number of eight and a maximum number of twelve directors and the same or a lower numerical composition of alternate directors. Directors are elected by an absolute majority vote at a regular shareholders' meeting for a three-fiscal-year term and may be reelected indefinitely. Alternate directors are summoned to act as directors in the case of absence, vacancy or demise until a new director is appointed.

As of the date hereof, our Board of Directors is formed by nine directors and seven alternate directors. The table below contains the information on our Directors and Alternate Directors:

Name	Date of birth	Office held	Date of appointment to the current office	Term in office expires in(1)	Office held since
Eduardo Sergio Elsztain	01/26/1960	Chairman	2015	2018	1994
Saúl Zang	12/30/1945	First Vice-chairman	2015	2018	2003
Alejandro Gustavo Elsztain	03/31/1966	Executive vice-chairman	2015	2018	2003
Daniel Ricardo Elsztain	12/22/1972	Regular director	2015	2018	2004
Fernando Adrián Elsztain	01/04/1961	Regular director	2015	2018	1998
Leonardo Fabricio Fernández	06/30/1967	Regular director	2015	2018	2007
Enrique Antonini	03/16/1950	Regular director	2015	2018	2007
Gastón Armando Lernoud	06/04/1968	Regular director	2015	2018	2010
Marcos Oscar Barylka	06/29/1945	Regular director	2015	2018	2006
David Alberto Perednik	11/15/1957	Alternate director	2015	2018	2010
Juan Manuel Quintana	02/11/1966	Alternate director	2015	2018	2003
Pablo Daniel Vergara del Carril	10/03/1965	Alternate director	2015	2018	2006
Salvador Dario Bergel	04/17/1932	Alternate director	2015	2018	2006
Mauricio Wior	10/23/1956	Alternate director	2015	2018	2006
Gabriel Adolfo Gregorio Reznik	11/18/1958	Alternate director	2015	2018	2004

(1) The Board members will remain in office until a Shareholders' meeting is convened to reelect them or to appoint new Board members.

The following is a brief biographical description of each member of our board of directors:

Eduardo Sergio Elsztain. Mr. Elsztain studied Economic Sciences at University of Buenos Aires (*Universidad de Buenos Aires)*. He has been engaged in the real estate business for more than twenty years. He is the chairman of the board of directors of IRSA, Consultores Assets Management S.A., Dolphin Netherlands, Arcos del Gourmet S.A., CRESUD, BACS Banco de Crédito & Securitización S.A., BrasilAgro Companhia Brasileira de Propiedades Agrícolas, Tarshop S.A., E-Commerce Latina S.A., and Banco Hipotecario S.A., among other companies. He is also Director at IDBD Development Corporation Ltd. He is Fernando Adrián Elsztain's cousin and Alejandro Gustavo Elsztain's and Daniel Ricardo Elsztain's brother.

Saúl Zang. Mr. Zang obtained a law degree from the University of Buenos Aires. He is a member of the International Bar Association and of the Interamerican Federation of Lawyers. He is a founding partner of Zang, Bergel & Viñes Law Firm. Mr. Zang is Chairman at Puerto Retiro S.A. and Vice-chairman of IRSA, Fibesa S.A. and CRESUD, among other companies. He is also director of Banco Hipotecario S.A., Nuevas Fronteras S.A., BrasilAgro Companhia Brasileira de Propiedades Agrícolas, IDBD Development Corporation Ltd., BACS Banco de Crédito & Securitización S.A., Tarshop S.A. and Palermo Invest S.A., among other companies.

Alejandro Gustavo Elsztain. Mr. Elsztain obtained a degree in agricultural engineering from University of Buenos Aires. He is currently Chairman at Fibesa S.A., and Second Vice-chairman of IRSA and CRESUD. In addition, he is Vice-chairman at Nuevas Fronteras S.A. and Hoteles Argentinos S.A. He is also a regular Director at BrasilAgro Companhia Brasileira de Propiedades Agrícolas, Emprendimientos Recoleta S.A. and IDBD Development Corporation Ltd., among other companies. Mr. Alejandro Gustavo Elsztain is brother of our Chairman, Eduardo Sergio Elsztain and of Daniel Ricardo Elsztain. He is also Fernando Adrián Elsztain's cousin.

Daniel Ricardo Elsztain. Mr. Elsztain obtained a degree in economic sciences at Torcuato Di Tella University and has a Master's degree in Business Administration. He is also director of Condor Hospitality Trust. He has been our commercial director since 1998. Mr. Elsztain is Mr. Eduardo Sergio Elsztain's and Mr. Alejandro Gustavo Elsztain's brother and Fernando Adrian Elsztain's cousin.

Fernando Adrián Elsztain. Mr. Elsztain studied Architecture at University of Buenos Aires. He has been engaged in the real estate business as consultant and as managing officer of a real estate agency. He is Chairman of the Board of Directors of Llao Llao Resorts S.A., Palermo Invest S.A. and Nuevas Fronteras S.A. He is also director of IRSA, Hoteles Argentinos S.A. and alternate director of Banco Hipotecario S.A. and Puerto Retiro S.A. He is the cousin of our Chairman, Eduardo Sergio Elsztain and our directors, Alejandro Gustavo Elsztain and Daniel Ricardo Elsztain.

Leonardo Fabricio Fernández. Mr. Fernández obtained a degree in law at University of Buenos Aires. He serves as an Alternate Director on the board of directors of Disco S.A. and Transportadora de Gas del Norte S.A.

Marcos Oscar Barylka. Mr. Barylka obtained a degree in business from the Gral. San Martín School. Mr. Barylka has been involved in the retail and the gastronomy industries for over 35 years, having served as partner, manager and consultant for several companies. Since 2006, Mr. Barylka serves as Secretary of the Pele Ioetz Foundation, which provides support to families suffering economic and social problems in Argentina.

Enrique Antonini. Mr. Antonini holds a degree in law from University of Buenos Aires. He is currently a member of the board of directors of Banco Mariva S.A. (since 1992) and Mariva Bursátil S.A. (since 1997). He has also served as a member of the board of directors of IRSA from 1993 to 2002 and he is currently Alternate Director. He is a member of the Banking Lawyers Committee (*Comité de Abogados Bancarios*) and the International Bar Association.

Gastón Armando Lernoud. Mr. Lernoud obtained a law degree from Universidad del Salvador in 1992. He finished his master in corporate law at Palermo University (Universidad de Palermo) in 1996. He was a senior associate at Zang, Bergel & Viñes Law Firm until June 2002, when he joined as legal counsel manager.

David Alberto Perednik. Mr. Perednik obtained a degree as a public accountant from University of Buenos Aires. He has worked for various companies such as Marifran Internacional S.A., a subsidiary of Louis Dreyfus Amateurs, where he acted as finance manager from 1986 to 1997. He also worked as a senior consultant in the administration and systems department of Deloitte & Touche from 1983 until 1986.

Juan Manuel Quintana. Mr. Quintana obtained a law degree at University of Buenos Aires. He is a partner at Zang, Bergel & Viñes Law Firm. In addition, he serves as Alternate Director of Nuevas Fronteras S.A. and Emprendimiento Recoleta S.A., among other companies.

Pablo Daniel Vergara del Carril. Mr. Vergara del Carril obtained a law degree from Argentina's Catholic University where he teaches Commercial Law and Contract Law. He also lectures on Corporate Law, the Law of Contracts and Capital Markets for post-graduate programs. He is a member of the Legal Advisory Committee of *Cámara de Sociedades Anónimas* as well as Vice President of the Antitrust Law Committee of the Buenos Aires Bar Association (*Colegio de Abogados de la Ciudad de Buenos Aires*). He is a partner at Zang, Bergel & Viñes Law Firm and a member of the board of directors of Emprendimiento Recoleta S.A., Nuevas Fronteras S.A., and Banco Hipotecario S.A.

Salvador Dario Bergel. Mr. Bergel obtained a law degree and a PhD from Universidad del Litoral. He is professor emeritus of Universidad de Buenos Aires and was a founding partner of Zang, Bergel & Viñes Law Firm. He also serves as an alternate director of CRESUD.

Mauricio Wior. Mr. Wior obtained his bachelor's degrees in Economics and Accounting, and a Master's Degree in Finance from Tel Aviv University in Israel. Mr. Wior is currently a member of the board of directors of Ertach S.A. and Banco Hipotecario S.A. He has held positions at Bellsouth where he was Vice-President for Latin America from 1995 to 2004. Mr. Wior was also CEO of Movicom Bellsouth from 1991 to 2004. In addition, he led the operations of various cellular phone companies in Uruguay, Chile, Peru, Ecuador and Venezuela. He was president of the *Asociación Latinoamericana de Celulares* (ALCACEL); American Chamber of Commerce in Argentina and the Israeli-Argentine Chamber of Commerce. He was director of *Instituto para el Desarrollo Empresarial de la Argentina* (IDEA), *Fundación de Investigaciones Económicas Latinoamericanas* (FIEL) and Tzedaka.

Gabriel Adolfo Gregorio Reznik. Mr. Reznik obtained a degree in civil engineering from University of Buenos Aires. He worked for IRSA Inversiones y Representaciones Sociedad Anónima from 1992 until May 2005 at which time he resigned. He formerly worked for an independent construction company in Argentina. He is regular Director of Emprendimiento Recoleta S.A., Puerto Retiro S.A., and member of the board of directors of Banco Hipotecario S.A., among others.

Employment Contracts with Our Directors

We have not entered into employment contracts with our directors. However, Alejandro Gustavo Elsztain, Fernando Adrián Elsztain, Eduardo Sergio Elsztain, Saúl Zang and Daniel Ricardo Elsztain are employed by us under the Labor Contract Law No. 20,744. In addition, our Director Gastón Armando Lernoud and our alternate Director David Alberto Perednik provide services to us under the Corporate Services Agreement. This law governs certain conditions of the labor relationship, including remuneration, protection of wages, hours of work, holidays, paid leave, minimum age requirements, protection of workers and suspension and termination of the contract.

Internal Control

Management uses the Integrated Framework-Internal Control issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Report") to assess the effectiveness of internal control over financial reporting.

The COSO Report sets forth that internal control is a process performed by the Board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of the entity's objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations

Based on the above, the company's internal control system involves all the levels actively involved in exercising control:

- the board of directors, by establishing the objectives, principles and values, setting the tone at the top and making the overall assessment of results;
- the management of each area is responsible for the internal control in relation to objectives and activities of the relevant area, i.e. the implementation of policies and procedures to achieve the results of the areas and, therefore, those of the entity as a whole;
- the rest of the personnel plays a role in exercising control, by generating information used in the control system or taking action to ensure control.

Executive Committee

In conformity with our by-laws, the aspects related to the organization of the decision-making process are the responsibility of an Executive Committee made up by four directors, including our chairman and vice chairman. The current members of the Executive Committee are Messrs. Eduardo Sergio Elsztain, Saúl Zang, Alejandro Gustavo Elsztain, and Fernando Adrián Elsztain.

The Executive Committee is in charge of the daily management of the activities delegated by the Board of Directors in conformity with current laws and our by-laws. Our by-laws authorize the Executive Committee to perform the following:

- designate managers and establish their duties and compensation;
- grant and revoke powers on behalf of our Company;

- hire, impose disciplinary measures and terminate personnel, as well as determine salaries and compensation;
- enter into contracts related to our Company's activity;
- manage our Company's assets;
- execute credit agreements for our Company's activities and set up encumbrances to secure our obligations; and
- engage in all the acts necessary to manage our Company's daily activities.

Senior Management

The board of directors appoints and removes the senior management. Senior management performs its duties in accordance with the instructions of our board of directors.

The following chart shows information about our current senior management:

Name	Date of birth	Position	Current position held since
Alejandro Gustavo Elsztain	03/31/1966	Chief General Officer	2002
Daniel Ricardo Elsztain	12/22/1972	Chief Operating Officer	2011
Matías Gaivironsky	02/23/1976	Chief Financial and Administrative Officer	2011
Juan José Martinucci	01/31/1972	Chief Commercial Officer	2013

The following is a description of each of our senior managers who are not directors:

Matías Gaivironsky. Matías Gaivironsky obtained a degree in business administration from the University of Buenos Aires. He has a master degree in Finance from CEMA University. Since 1997 he has served in different positions at CRESUD, IRSA and the Company, and he was appointed Chief Financial Officer in December 2011. Formerly, in 2008, he had been Chief Financial Officer of Tarshop S.A.

Juan José Martinucci. Juan José Martinucci obtained a degree in Business Sciences from Fundación de Altos Estudios, where he graduated as Specialized Technician in Strategic Communication. Later on, he attended the Management Development Program at IAE Business School. With more than 20 years at the Company, he has served in different managerial positions, from Center Manager in Alto Palermo Shopping to his latest position as Shopping Center Regional Manager for 5 years. Since the beginning of 2013, he has served as Business and Marketing Manager of the Company.

Audit Committee

As provided in the Capital Markets Law (replacing the repealed Decree 677/01) and the CNV rules, our board of directors established an Audit Committee, whose main mission is to assist the board of directors in exercising its duty of care, diligence and competence in issues relating to us, specifically as concerns the enforcement of accounting policies and disclosure of accounting and financial information. The

Committee must supervise the application of policies on the Company's information about risk management and the operation of internal control systems and the administrative-accounting system, verify compliance with the Company's rules of conduct and business ethics, monitor the sufficiency of our financial statements, our compliance with the laws, give an opinion on the proposed appointment of Independent Auditors to be engaged by the Company and ensure the independence and capacity of independent auditors, pre-approve their services and assess their performance, and that of the Company's Internal Audit department. Furthermore, it must give a well-funded opinion as concerns related party Transactionss in the cases set forth by the Laws in force and report it to the Markets in compliance with the law if there is ,or might be, an alleged conflict of interest.

The Audit Committee holds regular meetings as required for corporate purposes.

Pursuant to section 109 of the Capital Markets Law, the CNV and the US Securities and Exchange Commission (SEC) Rules, our Audit Committee is made up by three independent directors.

On February 5, 2016, Irsa Propiedades Comerciales' Audit Committee is composed of Messrs. Enrique Antonini, Leonardo Fernández and Marcos Barylka.

Supervisory Committee

Our Supervisory Committee (*"Comisión Fiscalizadora")* is responsible for reviewing and supervising our administration and affairs. In addition, it verifies compliance with our by-laws and the resolutions adopted at shareholders' meetings in accordance with the provisions of the General Companies Law. The members of the Supervisory Committee are appointed at our Annual General Ordinary shareholders' meeting for a one-fiscal-year term. The Supervisory Committee is composed of three members and three alternate members.

The following table sets forth information about the members of our Supervisory Committee who were elected at the Annual General Ordinary Shareholders' Meeting held on October 30, 2015. Positions will expire when the next annual general ordinary shareholders' meeting takes place:

Name and position	Date of birth	Office in Alto Palermo	Current office held since
José Daniel Abelovich	07/20/1956	Regular syndic	2005
Marcelo Héctor Fuxman	11/30/1955	Regular syndic	2010
Noemí Ivonne Cohn	05/20/1959	Regular syndic	2010
Sergio Leonardo Kolaczyk	11/28/1964	Alternate syndic	2011
Roberto Daniel Murmis	04/07/1959	Alternate syndic	2010
Alicia Graciela Rigueira	12/2/1951	Alternate syndic	2010

Set forth below is a brief biographical description of each member of the Supervisory Committee:

José Daniel Abelovich. Mr. Abelovich obtained a degree in accounting from University of Buenos Aires. He is a founding member and partner of Abelovich, Polano & Asociados S.R.L., an accounting firm in

Argentina, member of Nexia International. Formerly, he was manager of Harteneck, López y Cía/Coopers & Lybrand and has served as a senior advisor in Argentina for the United Nations and the World Bank. He is a member, among others, of the Supervisory Committees of CRESUD, IRSA, Hoteles Argentinos, Inversora Bolívar S.A. and Banco Hipotecario S.A.

Marcelo Héctor Fuxman. Mr. Fuxman obtained a degree in accounting from University of Buenos Aires. He is a partner of Abelovich, Polano & Asociados S.R.L., an accounting firm in Argentina, member of Nexia International. He is also member, among others, of the Supervisory Committees of CRESUD, IRSA, Inversora Bolívar S.A. and Banco Hipotecario S.A.

Noemí Ivonne Cohn. Mrs. Cohn obtained a degree in accounting from the University of Buenos Aires. She is a partner at Abelovich, Polano & Asociados S.R.L., an accounting firm in Argentina, member of Nexia International, where she works in the audit area. Mrs. Cohn worked in the audit area of Harteneck, Lopez y Cía., Coopers & Lybrand in Argentina and Los Angeles, California. Mrs. Cohn is a member, among others, of the Supervisory Committees of CRESUD and IRSA.

Sergio Leonardo Kolaczyk. Mr. Kolaczyk obtained a degree in accounting from University of Buenos Aires. He serves at Abelovich, Polano & Asociados S.R.L., an accounting firm in Argentina, member of Nexia International. He is also an alternate member of the Supervisory Committees of CRESUD and IRSA, among other companies.

Roberto Daniel Murmis. Mr. Murmis holds a degree in accounting from Buenos Aires University. He is a partner at Abelovich, Polano & Asociados S.R.L, an accounting firm Argentina, member of Nexia International. He formerly served as an advisor to the Secretariat of Public Revenue [*Secretaría de Ingresos Públicos*] of the Argentine Ministry of Economy. Furthermore, he is a member of the Supervisory Committees of CRESUD, IRSA, Futuros y Opciones S.A. and Llao Llao Resorts S.A., among other companies.

Alicia Graciela Rigueira. Mrs. Rigueira holds a degree in accounting from the Buenos Aires University. Since 1998, she has been a manager at Estudio Abelovich, Polano & Asociados S.R.L., an accounting firm in Argentina, member of Nexia International. From 1974 to 1998, Mrs. Rigueira served in different positions at Harteneck, Lopez y Cía., affiliated with Coopers & Lybrand. Mrs. Rigueira lectured at the School of Economic Sciences of the Lomas de Zamora University (*Universidad de Lomas de Zamora*).

Compensation

Board of Directors

The General Companies Law establishes that if the compensation of the members of the board of directors is not established in our bylaws, the shareholders' meeting should determine it. The maximum amount of total compensation of the members of the board of directors, including wages and compensation for technical or administrative permanent activities, cannot exceed 25% of our earnings.

That amount should be limited to 5% when there is no distribution of dividends to shareholders, and will be increased proportionally to the distribution until reaching the limit set when all profits are distributed. In applying this rule any reduction in dividend distribution from the deduction of Board and Supervisory Committee compensation shall not be taken into account.

When one or more directors perform special commissions or technical or administrative activities, and there are no earnings to distribute, or they are reduced, the shareholders meeting may approve compensation in excess of the above-mentioned limits.

The compensation of our directors for each fiscal year is determined pursuant to the General Companies Law, and taking into consideration if the directors perform technical or administrative activities and our fiscal year's results. Once the amounts are determined, they are considered by the shareholders' meeting.

At our annual ordinary shareholders meeting held on October 30, 2015, the shareholders agreed to pay an aggregate compensation of Ps. 76,440,274 to all the members of the board of directors for the fiscal year ended June 30, 2015. At the end of this fiscal year, these amounts had been fully paid.

Supervisory Committee

The shareholders' meeting held on October 30, 2015, approved by a majority vote not to pay any compensation to our Supervisory Committee.

Audit Committee

The members of the Audit Committee do not receive compensation other than fees for their services as members of the Board of Directors.

Senior Management

Our Senior Managers are paid a fixed amount that is determined on the basis of their experience, competencies and background. Senior management is also paid an annual bonus that varies depending on the performance of each individual and on the results of our operations.

For the year ended June 30, 2016, our senior management (including Directors) was paid a total of Ps. 38,538,711.

Capitalization Program for our Executive Staff

Since 2006, we have implemented a capitalization program for our executive staff consisting in contributions made by both the employees and the Company.

Such program is intended for certain employees selected by the Company that it wishes to retain by increasing employee total compensation by means of an extraordinary reward in so far as certain requirements are fulfilled.

The payment of contributions into the plan and participation therein are voluntary. Once the intended beneficiary accepts to take part in the plan, he/she may make two types of contributions: a monthly contribution based on his/her salary and an extraordinary contribution, based on his/her annual bonus. It is suggested that contributions should be of up to 2.5% of salaries and of up to 7.5% of the annual bonus. And then there is the contribution payable by the Company which shall amount to 200% of the monthly contributions and of 300% of the extraordinary contributions made by the employees.

The funds resulting from the contributions made by the participants are transferred to an independent financial vehicle, specially created and situated in Argentina in the form of a mutual fund with the approval of the CNV.

The funds resulting from the contributions made by the Company are transferred to another independent financial vehicle, separate from the one previously mentioned (for example, a trust fund). In the future, the participants shall have access to 100% of the benefits under the plan (that is, including the contributions made by the Company for the benefit of the employees into the financial vehicle specially created) in any of the following circumstances:

- ordinary retirement as prescribed by labor law,
- total or permanent disability, and
- death.

In case of resignation or termination without good cause, the participant may redeem the amounts contributed by us only if he or she has participated in the Plan for at least 5 years and if certain conditions have been fulfilled.

Long-Term Incentive Program

The Shareholders' Meetings held on October 31, 2011, October 31, 2012 and October 31, 2013 ratified the resolutions approved thereat as regards the incentive plan for the Company's executive officers, up to 1% of its shareholders' equity by allocating the same number of own treasury stock (the "Plan"), and delegated on the Board of Directors the broadest powers to fix the price, term, form, modality, opportunity and other conditions to implement such plan. In this sense and in accordance with the new Capital Markets Law, the Company has made the relevant filing with the CNV and pursuant to the comments received from such entity, it has made the relevant amendments to the Plan which, after the CNV had stated to have no further comments, were explained and approved at the Shareholders' Meeting held on November 14, 2014, where the broadest powers were also delegated to the Board of Directors to implement such plan.

The Company has developed a medium and long term incentive and retention stock program for its management team and key employees under which share-based contributions were calculated based on the annual bonus for the years 2011, 2012, 2013 and 2014.

The beneficiaries under the Plan are invited to participate by the Board of Directors and their decision to access the Plan is voluntary.

In the future, the Participants or their successors in interest will have access to 100% of the benefit (IRSA's shares contributed by the Company) in the following cases:

- if an employee resigns or is dismissed for no cause, he or she will be entitled to the benefit only if 5 years have elapsed from the moment of each contribution ;
- retirement;
- total or permanent disability;
- death.

While participants are part of the program and until the conditions mentioned above are met to receive the shares corresponding to the contributions based on the 2011 to 2013 bonus, participants will receive the economic rights corresponding to the shares assigned to them.

As regards the year 2014, the program sets forth an extraordinary reward consisting of freely available stock payable in a single opportunity on a date to be determined by the Company. The date was fixed for June 26, 2015 for payroll employees of IRSA CP, PAMSA, ERSA, ARCOS and FIBESA who received IRSA's shares.

Besides, the Company has decided to grant a bonus to all the personnel with more than two years of seniority and who do not participate in the program described above, which bonus consists of a number of shares equivalent to their compensation for June 2014.

The shares allocated to the Plan by the Company are shares purchased in 2009, which the Shareholders' Meeting held on October 2011 has specifically decided to allocate to this program.

Corporate Services Agreement entered into with IRSA Inversiones y Representaciones Sociedad Anónima and CRESUD S.A.C.I.F. y A.

In view of the fact that our Company, IRSA and Cresud have operating areas with certain similarities, the Board of Directors deemed it appropriate in due course to implement alternative initiatives aimed at reducing certain fixed costs in activities in order to reduce their impact on operating results, thereby taking advantage of and optimizing the individual efficiencies of each company in the different areas of operations management.

In this sense, on June 30, 2004, a Framework Agreement for the Exchange of Corporate Services (the "Framework Agreement") was executed between the Company, IRSA and Cresud, which was subsequently amended on August 23, 2007, August 14, 2008, November 27, 2009, March 12, 2010, July 11, 2011, October 15, 2012, November 12, 2013, February 24, 2014 and February 18, 2015.

This Framework Agreement currently provides for corporate services in the following areas: Human Resources; Finance; Institutional Relations; Administration and Control; Insurance; Security, Contracts, Technical, Infrastructure and Services; Purchases; Architecture and Design, Development and Works; Real Estate, Hotels, Directors to be distributed, Real Estate Directors to be distributed, General Management to be distributed, Directors' Security, Audit Committee, Real Estate Business Management, Real Estate Business HR, Fraud Prevention, Internal Audit, Agricultural Investment Management.

The services exchange consists in the provision of services for valuable consideration in relation to any of the above mentioned areas, carried out by one or more of the parties to the agreement on behalf of the other party or parties to the same agreement, invoiced and payable primarily through offsetting based on the provision of services in any such areas, and secondarily in cash, in case of a difference in value of the services provided.

Under this agreement, the companies hired an external consulting company to review and evaluate on a six-month basis the criteria used in the settlement of corporate services, as well as the bases of distribution and supporting documentation used in the process, to be reflected in a report prepared for each six-month period.

On March 12, 2010, the parties entered into an addendum to the Framework Agreement in order to simplify the issues arising from the consolidation of the financial statements as a result of Cresud's increased interest in IRSA. Accordingly, certain employment agreements with corporate employees of IRSA and the Company were transferred to Cresud.

Later, continuing with the same spirit intended to make the most efficient distribution of corporate resources amongst the various areas, on February 24, 2014 a new addendum to the Framework Agreement was executed. Pursuant to such addendum the parties agreed to transfer to IRSA and the Company the employment agreements with corporate employees working in the real estate business. Labor costs of the employees shall continue to be allocated pursuant to the Framework Agreement, as amended. In the future, and in furtherance of continuing to make the most efficient distribution of corporate resources, the Framework Agreement may be extended to include other areas shared among IRSA, Cresud and the Company.

It should be noted that the procedure under analysis allows our Company, IRSA and Cresud to maintain total independence and confidentiality in our strategic and commercial decisions, and the allocation of costs and income is performed based on operating efficiency and equity principles, without pursuing individual economic benefits for each company. The implementation of this project does not impair the identification of the economic transactions or services involved, or the effectiveness of internal control systems or internal and external audit work of each company, or the disclosure of the transactions subject to the Framework Agreement in accordance with Technical Resolution No. 21 of the FACPCE. Mr. Alejandro Gustavo Elsztain has been appointed to the position of General Coordinator, whereas Cedric Bridger has been charged with the operation and implementation of the agreement on behalf of IRSA, Daniel E. Mellicovsky shall represent Cresud, and Marcos Oscar Barylka shall represent the Company. All these individuals are members of the Audit Committees of their respective companies.

In addition, on November 12, 2015, we entered into the eighth amendment to the framework corporate services agreement with IRSA and Cresud. The new amendments were intended to provide for a more efficient distribution of corporate resources among the parties and, in addition, to continue reducing certain fixed costs derived from the parties' activities, so as to diminish impact thereof on operating results.

Code of Ethics

The Code of Ethics is effective as from July 31, 2005 with the aim of providing a wide range of guidelines as concerns accepted individual and corporate behavior. It is applicable to directors, managers and employees of IRSA CP and its controlled companies. The Code of Ethics that governs our business, in compliance with the laws of the countries where we operate, may be found on our website www.irsacp.com.ar.

A committee of ethics composed of managers and board members is responsible for providing solutions to issues related to the Code of Ethics and is in charge of taking disciplinary measures in case of breach of the code.

Corporate Governance

At the Company we firmly believe that we can best protect our shareholders by adopting and developing the best corporate governance practices to help us consolidate even further our positioning as a market leader in terms of transparency.

It is to that end that we permanently strive to incorporate all the international market trends into our practices and to abide by local and foreign legislation in corporate governance matters.

In this respect, please refer to Exhibit I to this Annual Report where we have included the corporate governance report required by the Corporate Governance Code contemplated in the CNV Rules.

Employees

As of June 30, 2016 we had 964 employees, out of which 461 employees are subject to collective bargaining agreements. We believe that we are in good relationships with our employees. Our Company subcontracts third parties through tender processes for construction of its development projects and for the provision of security, maintenance and cleaning services at its shopping centers. The following table shows the number of employees as of the indicated dates:

	Fiscal year ended June 30,		
	2014	**2015**	**2016**
IRSA Propiedades Comerciales S.A.(1)	730	827	828
Emprendimiento Recoleta S.A.	28	29	30
Fibesa S.A.	24	22	20
Panamerican Mall S.A.	73	71	70
Arcos del Gourmet S.A.	1	8	6
Nuevo Puerto Santa Fé S.A.	16	16	16
Total	**872**	**973**	**964**

(1) In January 2014 we assigned administrative employees to Cresud under the Joint Administrative Services Agreement. For further information, see "**Related Party Transactions, note 36 to the Consolidated Financial Statements**." In June 2015 the employees assigned to Cresud under the Joint Administrative Services Agreement were transferred to the Company. For further information, see "**Related Party Transactions, note 36 to the Consolidated Financial Statements**". In April and May 2015, the employees assigned to IRSA related to operation of buildings and the Real Estate division were transferred to the Company.

Dividends and Dividend Policy

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 the 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. The amounts stated in Pesos correspond to nominal Pesos on their respective dates of payment. See "Exchange Rates":

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

12. Stock Exchange Information on the Company

Historical data on the value of our shares in the MVBA

Our shares are listed on the MVBA and they are traded under the "IRCP" symbol. They were admitted to the MVBA on March 26, 1996. The following table shows, for the periods stated, the high and low bid prices for our shares in the MVBA at close for a par value of Ps. 0.10.

	Ps. per share	
	High	**Low**
Fiscal Year		
2016	14.400	9.000
2015	9.500	4.750
2014	5.500	3.150
Fiscal Year		
2016		
4th Quarter	14.400	12.700
3rd Quarter	12.800	10.000
2nd Quarter	13.500	10.900
1st Quarter	12.000	9.000
2015		
4th Quarter	9.500	8.700
3rd Quarter	8.900	6.000
2nd Quarter	7.700	5.800
1st Quarter	8.000	4.750
2014		
4th Quarter	5.300	4.120
3rd Quarter	5.400	4.100
2nd Quarter	5.500	4.800
1st Quarter	4.100	3.150

Source: Bloomberg

Historical data on the value of our shares in the NASDAQ

Each one of the Company's ADS represents 40 common shares. The American Depositary Shares are listed on the NASDAQ where they have been traded under the "IRCP" symbol since November 15, 2000. The ADS were issued by Bank of New York, Inc., which acts as their depositary. The following table shows, for the periods stated, the high and low bid prices for our ADS at the NASDAQ.

	US Dollars per **ADS**	
	High	**Low**
Fiscal Year		
2016	39.250	26.000
2015	38.000	17.950

2014	23.400	15.300
Fiscal Year		
2016		
4th Quarter	39.250	36.510
3rd Quarter	37.000	31.750
2nd Quarter	39.000	28.760
1st Quarter	34.550	26.000
2015		
4th Quarter	35.000	29.000
3rd Quarter	38.000	22.600
2nd Quarter	23.000	17.950
1st Quarter	23.000	19.750
2014		
4th Quarter	22.520	17.400
3rd Quarter	23.300	15.300
2nd Quarter	23.400	18.850
1st Quarter	19.270	15.780
Source: Bloomberg		

13. Prospects for the Coming Fiscal Year

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

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

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

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

EXHIBIT

IRSA Propiedades Comerciales S.A.'s Corporate Governance Code

Working progress on compliance with the Corporate Governance Code

	Compliance		Non-compliance(1)	Report(2) or Explain(3)
	Total(1)	Partial(1)		
PRINCIPLE I. THE RELATIONSHIP AMONGST THE ISSUER, THE CONGLOMERATE THAT IT HEADS AND/OR IS PART OF AND ITS RELATED PARTIES MUST BE TRANSPARENT				
Recommendation I.1: Guarantee that the Board discloses the policies that apply to the relationship amongst the Issuer and the conglomerate that it heads and/or is part of and its related parties Answer if: The Issuer has internal procedures or policies to authorize transactions with related parties in accordance with Section 72 of Law No. 26,831, transactions with shareholders and Board members, senior management, and syndics and/or members of the supervisory committee within the purview of the conglomerate that it heads and/or is a part of. Explain the main guidelines of the standard or internal policy.	X			The Company engages in intercompany transactions in accordance with Section 72 of Law No. 26,831 and International Accounting Standards, reporting them in its annual and quarterly Financial Statements as required by accounting standards. Pursuant to section 72, before an intercompany transaction is conducted for a material amount, which is understood to be an amount equal to or higher than 1% of the Company's equity, the Board of Directors, prior to its approval, shall request a pronouncement from the Audit Committee stating whether the operating conditions can reasonably be considered to be in line with normal and regular market conditions.
Recommendation I.2: Make sure that the company has mechanisms to prevent conflicts of interest. Answer if: The Issuer has, irrespective of currently applicable rules and regulations, clear and specific policies and procedures to identify, handle and resolve any conflicts of interest arising amongst the members of the Board of Directors, senior management and syndics and/or supervisory committee members in their relationship with the Issuer or with the Issuer's related persons. Describe the relevant aspects of such policies and procedures.	X			The Company has a Code of Ethics that has been signed by each one of the Company's members and applies to Directors, Syndics and employees. The Company also has an Ethics Committee which is responsible for resolving any issues related to that code. The Code of Ethics lays down ethical principles and guidelines about accepted individual and/or corporate behavior. Amongst other matters, this code includes guidelines concerning conflicts of interest. The Code prescribes that Directors, managers and employees must act with honesty and integrity and must prevent their behaviors from causing conflicts of interest with the Company and if these were to arise, the Ethics Committee shall be provided in due time and manner with any information that could be inconsistent with the provisions contained in the Code of Ethics. The Company has a Map of Related Parties that identifies the companies with which the

				Issuer is in a controlling and/or significant influence situation. This Map is updated quarterly. Managers, Directors and Syndics sign a form every year concerning Intercompany transactions.
Recommendation I.3: Prevent the undue use of inside information. Answer if: The Issuer relies, without prejudice to currently applicable rules and regulations, on accessible policies and mechanisms to prevent the undue use of inside information by the Board of Directors, senior management, syndics and/or supervisory committee members, controlling shareholders or shareholders wielding significant influence, participating professionals and the rest of the persons listed in Sections 7 and 33 of Executive Order 677/2001. Describe the relevant aspects of such policies and procedures.	X			As indicated in I.2, the Company has a Code of Ethics that lays down the guidelines and mechanisms to prevent the undue use of inside information. This Code mandates that certain information is in a confidential nature and that it can only be used for its intended purposes for the Company's benefit and must not be shared with persons outside the Company or with employees who do not need such confidential information to discharge their duties. The Code sets forth also that unintended disclosures of confidential information must be avoided. The Code of Ethics also contains guidelines concerning compliance with the rules that govern relevant information. As a general principle, the Code prohibits directors, managers and employees from using inside or confidential information directly or through third parties to trade securities in the market. It also provides for a fixed period –before and after the publication of financial statements- during which employees, directors and syndics are prohibited from trading Company securities. The transmission of alerts about the commencement of the period of non-availability to conduct transactions works also as a reminder. Such temporary restrictions may be equally imposed whenever the Board sees it fit. There are also information security procedures for safeguarding the Company's data.
PRINCIPLE II. LAY THE GROUNDWORK FOR THE ISSUER TO RELY ON ROBUST MANAGEMENT AND SUPERVISION				
The corporate governance framework must: Recommendation II. 1: Ensure that the Board of Directors manages and supervises the Issuer and provides it with strategic direction.				
II.1.1 Report if the Board of Directors approves:				
II.1.1.1 the Business Plan or the Company's strategic plan, as well as its annual management goals and budgets.	X			An essential portion of the duties and responsibilities discharged by the Executive Committee consists in generating a strategic plan for the Company and the forecasts covered by the annual budget submitted to the Board. It is through the Executive Committee that objectives and strategies are

				submitted and developed, which includes establishing the annual guidelines defined for the main company departments. As part of the strategic plan defined by the Executive Committee, the Company's Board of Directors approves the main specific tasks aimed at fulfilling such plan.
II.1.1.2 the investment policy (in financial assets and in capital expenditures), and its financing policy.		X		As part of the defined business strategy and within the context of the current fiscal year, the Board of Directors approves investments and medium- and long-term financing plans (corporate bonds –Negotiable Obligations-, syndicated loans, etc). In addition, the Company has a Financial Risk Committee that analyzes and suggests financial instruments, counterparties and investment limits.
II.1.1.3 the corporate governance policy (Compliance with the Corporate Governance Code),	X			As regards corporate governance, the Company has been implementing what has been laid down by the rules and regulations currently applicable to these matters issued by the Argentine Securities Commission (CNV) and the Securities and Exchange Commission (SEC) and self-regulated markets where its shares are listed, in addition to what is suggested by the best practices in connection with ethics and Board behavior. To this end, the Board has implemented a Code of Ethics that provides for the different channels available for placement of reports in the event of potential irregularities, which offer direct accesses, managed by the Ethics Committee and the Audit Committee, the latter in compliance with foreign legislation (SOX). There is also the Corporate Governance Code Report, approved every year by the Board of Directors, together with the Annual Report and the Rules of the Audit Committee registered with the Superintendence of Corporations (IGJ).
II.1.1.4 the policy to select, assess and remunerate senior management,		X		The Board of Directors delegates to the Executive Committee, in compliance with the Company's By-laws and Section 269 of the General Companies Law, the day-to-day management of business. Therefore, it is entitled to appoint an Executive Vice-chairman, Executive Directors and/or analogous functional levels, appoint managers, including the CEO and submanagers, and determine their remuneration levels. By delegation of the powers vested in the Executive Committee, the CEO, jointly with the Human Resources Department, define the remuneration

				payable to Senior managers. The Company has implemented a method for annually assessing performance and achievement of previously established targets that is shared by and common to the entire organization, including its senior management, which is implemented in coordination with the Human Resources Department.
II.1.1.5 the policy to assign responsibilities to senior management,		X		The Board of Directors, acting through the Executive Committee, the CEO and the Human Resources Department are in charge of defining the scope of duties of the senior management team.
II.1.1.6 the supervision of succession planning for senior management,	X			Pursuant to powers delegated by the Executive Committee, it is the CEO and the Human Resources Department that are responsible for supervising succession planning at the management level. Senior management replacements are identified through an internal evaluation that applies a method focused on measuring individual potential.
II.1.1.7 the enterprise social responsibility policy,		X		When it comes to Enterprise Social Responsibility, the Executive Committee considers and approves proposals in this field submitted to its consideration by the Institutional Relations Department. The Company has been active in these matters for some years already by: • Integrating and educating children and youths in the communities surrounding its agribusiness ventures through financial and academic support to the educational institutions that act in these territories. • Providing a number of NGOs with spaces (plus the logistical and financial support) in the Company's buildings and shopping centers for these organizations to deploy activities such as dissemination, fund-raising and affiliation, to name but a few, etc. • Permanently creating and financing different entities whose purpose is to rescue and integrate children and youths that are either homeless or in

				social risk situations. • Supporting scientific, cultural and artistic projects through the mechanisms prescribed by the *Patronage* Law. • Constantly cooperating with communities neighboring with our shopping centers and rental buildings. • Caring for the environment through strict policies issued by the Board.
II.1.1.8 comprehensive risk management, internal control, and fraud prevention policies,		X		The Company will evaluate in the future the need for formalizing policies concerning comprehensive risk management and fraud prevention. This notwithstanding, the functions consisting in risk management, internal control and fraud prevention at the Company are discharged by each department in line with their areas of responsibility. The Company assesses the efficacy of internal control focused on the issuance of financial statements using to that end the methodology of the COSO Report (Committee of Sponsoring Organization of the Treadway Commission). Should there be complaints or hints of potential frauds, they are reported to the Ethics Committee through the communication channels in place and they can be placed anonymously. The information received by the Ethics Committee is treated as confidential and action measures are taken to clarify and settle the situations reported.
II.1.1.9 he training and continued education policy applicable to the members of the Board of Directors and senior management. Should the company have these policies in place, insert a description of their main highlights.	X			The Company encourages involvement in training activities and in professional refreshment courses for the Board and management levels. It is Company policy to have its Board of Directors and management line trained and updated in regulatory matters in the framework of the experience and professional qualities of Board members and the responsibilities that they have. It is also deemed important for an adequate conduct of business that the Board and Senior Management should be trained in matters that favor better business conduct promoting and fostering participation in congresses and in national and international events that address issues associated to the activities deployed by the directors and senior managers.

II.1.2 If deemed relevant, please insert other policies applied by the Board that have not been mentioned and detail significant aspects.				There are no other policies that are considered relevant in their implementation other than as previously discussed.
II.1.3 The Issuer has in place a policy to ensure the availability of relevant information for its Board of Directors to make decisions and a channel for direct consultation with its management lines that is symmetrical for all its members (executive, external and independent) on an equal footing and sufficiently in advance so as to enable appropriate analysis. Explain further.	X			The Company has formal tools in its Corporate By-laws that allow and ensure that the basic details required for making decisions are supplied. Notwithstanding the by-laws provisions, which serve as ultimate ratio for accessing to information, board members have access to the information generated by the Company for adopting decisions, and are also able to communicate directly with the Company's senior managers to clear all doubts and answer inquiries regarding the matters to be discussed at Board meetings.
II.1.4 The matters submitted to consideration by the Board of Directors are accompanied by an analysis of the risks associated to the decisions that may be adopted, taking into account the level of enterprise risk defined as acceptable by the Issuer. Explain further.	X			The Board analyzes the risks associated to decision-making after the submissions made and the information provided by the Executive Committee and the CEO about each issue, taking into account the level of enterprise risk defined as acceptable for each business and according to each market situation.
<u>Recommendation II.2</u>: Make sure that the Issuer exerts effective controls over management. Answer if: The Board of Directors verifies:				
II.2.1 that the annual budget and Business Plan are complied with,	X			The CEO and the Real Estate General Manager prepare quarterly reports on the Company's business which are submitted to the Board of Directors, containing details about economic and financial management, behavior of the most relevant variables, as well as a comparative analysis of the budget against the turn of business and an identification of any measures necessary to rectify or confirm the course of business.
II.2.2 senior management performance and their attainment of the goals set for them (the level of earnings as forecast versus actually attained, financial ratings, financial reporting quality, market share, etc.). Describe the highlights of the Issuer's Management Control policy detailing the techniques employed and the frequency	X			The Executive Committee assesses the performance of its senior managers as well as the attainment of objectives based on the information provided by the CEO and the Human Resources Department taking into account the attainment of objectives, the level of earnings obtained and the Company's targets for each term in office. Moreover, as stated in II.1.1.4, the Company applies an annual assessment procedure in coordination with the Human Resources

of monitoring by the Board of Directors.				Department, over all its staff, including senior management levels. Board Meetings analyze information on the conduct of business, principal ratios and budget control, thus making it possible to monitor whether the targets set by the Company have been achieved.
Recommendation II.3: Disclose the process to evaluate Board of Directors performance and its impact. Answer if:				
II.3.1 Each member of the Board of Directors abides by the Bank's By-laws and, when applicable, by the rules that govern the operation of the Board of Directors. Detail the main guidelines of the internal rules. Indicate the degree of compliance with the Bank's By-laws and its internal rules.	X			The Board of Directors abides by the rules and regulations that apply to the Issuer and by the By-laws. Therefore, it is unnecessary and redundant, in the Board's opinion, to issue Rules to govern their operation.
II.3.2 The Board of Directors presents the outcome of its management actions taking into account the targets fixed at the beginning of the period in a manner such that shareholders are able to evaluate the degree of compliance with such objectives, which contain both financial and non-financial aspects. In addition, the Board of Directors presents a diagnosis about the degree of compliance with the policies mentioned in Recommendation II, paragraphs II.1.1. and II.1.2. Detail the highlights of the evaluation made by the Annual General Meeting about the degree of compliance by the Board of Directors with the goals established and the policies mentioned in Recommendation II, Sections II.1.1 y II.1.2, with an indication of the date of the AGM where such evaluation was presented.	X			Through its Annual Report and Management Discussion & Analysis, the Board presents the outcome of its actions and maintains permanent communication with the Company's investors through its Web site and in the interaction taking place at shareholders' meetings, keeping shareholders abreast on the results of the Company's operations and the degree of objective attainment. The Board is evaluated by each Ordinary Shareholders' General Meeting in accordance with the rules and regulations in force as contained in the General Companies Law and in the Company's By-laws. The last Shareholders' Meeting at which the matter was discussed was held on October 30, 2015.
Recommendation II.4: The number of external and independent directors must be a significant proportion of the Issuer's Board of Directors membership. Answer if:				
II.4.1 The proportion of executive members, external and independent (with the latter as defined by the rules of this Commission) of the Board of Directors is in keeping with the capital structure of the	X			In its Board of Directors, the Company has a number of independent directors that is higher than the one required by current regulations and higher than 20% since 2005.

Issuer. Explain further.				The Corporate By-laws provide that the Company's management and administration is vested in a Board of Directors composed of not less than eight (8) and not more than twelve (12) members and an equal or lower number of alternates, as determined by the General Ordinary Shareholders' Meeting. Directors' term of office is for three years and they may be reelected indefinitely. At present, the Board of Directors is composed of nine (9) directors and six (6) alternate directors. Three (3) of the directors qualify as independent and are members of the Audit Committee; therefore, all the members of this committee are independent, in compliance with the requirement imposed by the SEC on issuers that are listed in the USA.
II.4.2 In the current year, the shareholders agreed at a General Shareholders' Meeting on a policy aimed at maintaining a proportion of at least 20% of independent members over the total number of Board members. Describe the highlights of this policy and of any shareholder agreement that explains the manner in which the members of the Board of Directors are appointed and their terms in office. Indicate if questions have been raised about the independence of Board members and if there have been abstentions caused by conflicts of interest.		X		The shareholders have not agreed on any policy seeking to maintain a proportion of at least 20% of independent members on the total Board. As regards the criteria of independence concerning the members of the Board, they are consistent with the provisions contained in the applicable laws. As set forth in item II.4.1, the number of independent directors in office is higher than the one required by law; therefore, for the time being, the Board does not see the need for laying down any such policies.
<u>Recommendation II.5</u>: Commit to the implementation of standards and procedures inherent in the selection and nomination of Board and senior management members at the Issuer. Answer if:				
II.5.1 The Issuer has a Nominations Committee			X	The Company does not have a Nominations Committee. Until now, the Company has not deemed the implementation of a Nominations Committee to be necessary because such functions are discharged by the Executive Committee. According to the provisions under the General Companies Law, the Annual General Meeting is responsible for approving the appointment and removal of Board members.

II.5.1.1 made up by at least three Board members, a majority of whom are independent,			X	As stated in II.5.1., Items II.5.1.1 through II.5.1.5 do not apply.
II.5.1.2 chaired by an independent Board member,			X	As stated in II.5.1., Items II.5.1.1 through II.5.1.5 do not apply.
II.5.1.3 that has members who evidence sufficient skills and expertise in human capital policies,			X	As stated in II.5.1., Items II.5.1.1 through II.5.1.5 do not apply.
II.5.1.4 that meets at least twice a year,			X	As stated in II.5.1., Items II.5.1.1 through II.5.1.5 do not apply.
II.5.1.5 whose decisions are not necessarily binding on the Annual General Meeting but rather in a consultative nature when it comes to the selection of Board members.			X	As stated in II.5.1., Items II.5.1.1 through II.5.1.5 do not apply.
II.5.2 Should the Issuer have a Nominations Committee, it:			X	As stated in II.5.1., Item II.5.2 does not apply.
II.5.2.1. verifies that its internal rules are reviewed and evaluated once a year and submits change proposals to the Board to obtain Board approval,			X	As stated in II.5.1., Items II.5.2.1 through II.5.2.7 do not apply.
II.5.2.2 proposes that criteria be developed (qualifications, experience, professional reputation and ethics, other) to select new Board members and senior managers.			X	As stated in II.5.1., Items II.5.2.1 through II.5.2.7 do not apply.
II.5.2.3 identifies candidates to Board membership to be proposed by the Nominations Committee to the Annual General Meeting,			X	As stated in II.5.1., Items II.5.2.1 through II.5.2.7 do not apply.
II.5.2.4 suggests the Board members who shall be a part of the different Board committees based on their backgrounds.			X	As stated in II.5.1., Items II.5.2.1 through II.5.2.7 do not apply.
II.5.2.5 recommends that the Chairman of the Board should not be the same as the Issuer's CEO,			X	As stated in II.5.1., Items II.5.2.1 through II.5.2.7 do not apply.
II.5.2.6 ensures that the *curricula vitae* of the Issuer's Board and Senior Management members are available in the Issuer's web-page and that the duration of Board members' terms in office is equally disclosed in the web page,			X	As stated in II.5.1., Items II.5.2.1 through II.5.2.7 do not apply.
II.5.2.7 corroborates that there are succession plans in place for Board and Senior Management members.			X	As stated in II.5.1., Items II.5.2.1 through II.5.2.7 do not apply.
II.5.3 If relevant, please add policies implemented at the initiative of the			X	As stated in II.5.1, the item II.5.3 does not

Issuer's Nominations Committee which have not been mentioned in the preceding Item.				apply.
Recommendation II.6: Assess the advisability of Board members and/or syndics and/or supervisory committee members discharging functions at several Issuers. Answer if: The Issuer imposes a limit on the ability of the members of the Board of Directors and/or syndics and/or supervisory committee to discharge functions at other entities that do not belong to the conglomerate that the Company heads or of which it is a part. Specify any such limit and detail if there has been a breach of said limit in the course of the year.			X	The Company does not have a limiting rule in place. The Company considers their engagement sufficient in so far as it is adequate to the Company's needs.
Recommendation II.7: Make sure that Board and Senior management members at the Issuer are trained and develop their skills. Answer if:				
II.7.1. The Issuer has Continued Training Programs in connection with the Issuer's needs for the members of the Board of Directors and senior management, that include topics concerning their roles and responsibilities, comprehensive enterprise risk management, knowledge specific to the business and its regulations, corporate governance dynamics and enterprise social responsibility. In the case of the Audit Committee members, international accounting standards, auditing standards and internal controls and specific regulations in the capital markets. Describe the programs implemented in the year and their degree of compliance.		X		It is Company policy that the Board of Directors, the Executive Committee, the Audit Committee and its management line should be trained and maintained updated in regulatory matters in the framework of the experience and professional qualities of their members and the responsibilities that they have. In the exercise of the functions entrusted to it by the By-laws, the Executive Committee, together with the CEO and the Human Resources Department, outline the responsibilities and powers of senior managers. The Company does have in place training and education programs in various matters that are given by Company personnel and that include senior managers. The Company fosters participation in training activities and professional refreshment courses for the Board and Senior Management. Notwithstanding the above, whenever it deems it necessary, the Audit Committee can organize new refreshment and training activities on current regulations or topics related to its duties. In the case of the Audit Committee, training is specially oriented towards updates in accounting standards and specific regulations concerning the capital markets and there is a budget for that purpose. The Company deems it important to better conduct business that the Board and senior Managers should be trained in matters that

				favor better business conduct promoting and fostering participation in congresses and in national and international events that address issues associated to the activities deployed by the directors and senior managers.
II.7.2. The Issuer incentivizes Board and Senior Management members by means other than discussed in II.7.1 to maintain permanent training supplementing their education level in a manner such as to add value to the Issuer. Indicate how the Issuer does this.	X			The Company incentivizes the involvement of Board members in specific areas through invitations to events with contents akin to their roles, orientation activities and updates in regulatory matters.
PRINCIPLE III. ENDORSE AN EFFECTIVE POLICY FOR IDENTIFYING, MEASURING, MANAGING AND DISCLOSING ENTERPRISE RISK.				
In the framework for corporate governance: Recommendation III: The Board of Directors must rely on a policy for comprehensive enterprise risk management and monitor its adequate implementation.				
III.1 Answer if: The Issuer has in place comprehensive enterprise risk management policies (mandating compliance with strategic, operational, financial, reporting, legal and regulatory objectives, among others). Describe their most relevant aspects.		X		The Board of the Company undertakes actions to identify, evaluate and mitigate the Company's exposure to strategic, financial, operational and corporate governance risks. The Board of Directors, with the involvement of the Executive Committee, permanently evaluates the Company's business activities, which includes the risks, the opportunities offered by market conditions at each time and the attainment of the business's operating and strategic objectives. As part of its habitual practice of managing risks, the Board permanently monitors, through the Financial Risk Committee, the inherent investments and risks. In addition, the Company has an internal control system to prevent and identify risks, using the comprehensive internal control framework issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO Report) to assess the effectiveness of internal controls over accounting information. In addition, the Company is discussing the potential issuance of a comprehensive risk management policy that provides a concept framework.
III.2 There is a Risk Management Committee as part of the Board of Directors or of the CEO. Report on the existence of manuals of procedures and detail the main risk factors that are		X		The Issuer conducts permanent activities to identify risks inherent in its activity and any necessary mitigation actions. These actions are conducted by the Executive Committee

specific to the Issuer or its business and the implemented mitigation actions. In the absence of a Risk Management Committee, please describe the supervisory role played by the Audit Committee when it comes to managing risks. In addition, specify the degree of interaction between the Board of Directors or of its committees with the Issuer's CEO in terms of comprehensive enterprise risk management.				within the Board As stated in III.1. The Executive Committee or the CEO permanently assess risks at the time of making decisions, availing themselves of sufficient and necessary information provided by the Company's different areas or derived from the actions of internal committees that undertake risk assessments concerning each specific matter. There is a Financial Risk Committee consisting of directors and various managers of the Company that reviews financial risk management and approval of different investment vehicles. The CEO reports periodically to the Board of Directors on management, risks assessed and submits the matters to be considered and then approved by the Board to the Board for its consideration. He also holds meetings with the Audit Committee or is a member of some internal committee, which contributes to adequately identifying and handling entrepreneurial risks.
III.3 There is an independent function within the office of the Issuer's CEO that implements the comprehensive risk management policies (function discharged by the Risk Management Officer or equivalent position). Specify.			X	There is no independent function within the Issuer's CEO. The Company will analyze the possibility of creating them in the future.
III.4 The comprehensive risk management policies are permanently updated in line with the generally accepted recommendations and methodologies in the matter. Identify them (Enterprise Risk Management, according to the conceptual framework in use at COSO —Committee of Sponsoring Organizations of the Treadway Commission—, ISO 31000, IRAM 17551 standard, Sarbanes-Oxley Act, Section 404, other).		X		The Company has been implementing the policies stated in Item III.1. In addition, the Company has an internal control system designed to prevent and identify accounting risks using the internal control comprehensive framework issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO Report) to assess the effectiveness of internal controls over accounting information.
III.5 The Board of Directors communicates the outcomes of its supervisory tasks concerning risk management performed together with the CEO in the financial statements and in the annual report. Specify the main sections dealing with these matters.	X			Through its Annual Report, the Board discusses the Company's annual actions highlighting the achievements attained in each one of the segments in which it was involved and the results obtained. The Annual Report also mentions the challenges faced by the Company in the course of the

				year to attain its objectives. As from the moment when the Company adopted the International Financial Reporting Standards (IFRS), the Company's financial statements have been including a note on "Financial Risk Management". This note describes the main risks arising from financial instruments and the risks to which the Company is exposed and which may complicate the Company's strategy, its performance and the results of its operations. In the note, "other non-financial risks" to which the Company is exposed are also mentioned.
PRINCIPLE IV. SAFEGUARD THE INTEGRITY OF FINANCIAL REPORTING RESORTING TO INDEPENDENT AUDITS				
The corporate governance framework must: Recommendation IV: Guarantee independence and transparency in the functions entrusted to the Audit Committee and to the External Auditor.				
Answer if: IV.1. Upon electing the members of the Audit Committee, the Board of Directors takes into account that most of its members must be independent and so evaluates the advisability of it being chaired by an independent member.	X			As mentioned in Item II.4.2, all the members of the Company's Audit Committee qualify as independent directors as of to date; therefore, the independence criterion required by law is met. The Audit Committee is composed of three (3) directors, and the Chairman is appointed by the Committee members rather than by the Board.
IV.2 There is an internal audit function that reports to the Audit Committee or to the Chairman of the Board of Directors in charge of evaluating the internal control system. Please indicate if the Audit Committee or the Board of Directors conduct an annual assessment of the area's performance and the degree of independence of its professional involvement, which means that the professionals discharging such function are independent from the remaining operational areas and that they meet the requirements of independence vis-à-vis the controlling shareholders or the related entities that wield significant influence on the Issuer. Specify, also, whether the internal audit function conducts its work in accordance with the international standards that govern internal audit practitioners as issued by	X			In the discharge of its functions, the Audit Committee engages in an annual assessment of Internal Audit performance that is reported to the Compliance Manager, who in turn reports directly to the Company's Executive Vicechairman. The assessment made by the Committee forms part of its Annual Management Report, which is submitted to the Board at the time of issuance of the Company's Annual Financial Statements. The professionals in charge of the Internal Audit function are independent vis-à-vis the Company's remaining operating areas. The Internal Audit area performs its tasks abiding, in general, by the guidelines laid down by international standards for the conduct of Internal Audits issued by the

the Institute of Internal Auditors (IIA).				Institute of Internal Auditors (IIA). The Company's Internal Auditor has an international certification issued by the IIA.
IV.3 The members of the Audit Committee undertake an annual assessment of the independence and performance exhibited by the External Auditors designated by the Shareholders' Meeting. Describe all relevant aspects in the procedures followed in making such evaluation.	X			In preparation for the Annual General Meetings, the Audit Committee considers the proposed appointment of External Auditors that will be submitted by the Board to the Annual General Meeting. The assessment conducted by the Audit Committee takes into account the professional skills of External Auditors, their expertise and independence conditions. The Audit Committee holds quarterly meetings with external auditors regarding presentation of their work on the Company's Financial Statements. In addition and previous to the submission of the annual Financial Statements, the Audit Committee's Annual Report will include the committee's opinion concerning the performance of External Auditors.
IV.4 The Issuer relies on a policy concerning the rotation of the Supervisory Committee members and/or the External Auditor. When it comes to External Auditors, the policy addresses whether the rotation spans the audit firm or just the individuals.	X			The members of the Supervisory Committee are chosen by the Annual General Meeting for a one-year term to discharge their functions. The External Auditor is also chosen annually by the Shareholders' Meeting. General Resolution No. 663 issued by the CNV eliminated the audit firm rotation requirement, thus aligning CNV regulations to professional standards (Technical Resolution No. 34) and international standards, which do not require external audit firm rotation. As regards the rotation for the audit partner, General Resolution No. 663 established a term of 7 (seven) years, with a waiting period of 2 (two) years.
PRINCIPLE V. RESPECT SHAREHOLDERS' RIGHTS				
The corporate governance framework must: Recommendation V.1: Make sure that shareholders have access to the Issuer's information.				
Answer if: V.1.1 The Board of Directors fosters periodical informational meetings with shareholders, which coincide with the submission of interim financial	X			Without prejudice to the information that is released to the market as material information, in each presentation of the interim and annual financial statements the Company issues a "press release" for the investment market and subsequently holds a

statements. Explain further, providing the quantity and frequency of the meetings held in the course of the year.				conference call with on-line presentation where investors are able to contact the Company's officers directly and ask questions in real-time.
V.1.2 The Issuer relies on "information for investors" mechanisms and on an area that specializes in addressing investors' concerns. In addition, the Issuer has a web-site accessible to shareholders and other investors serving as an access channel for them to contact each other. Detail.	X			The Issuer has mechanisms to inform investors in real time and an Investors Relations Department exclusively devoted to dealing with investors' requirements and enquiries and provides information to shareholders and other investors. In addition to the publications in the Financial Information Highway (*Autopista de Información Financiera*) and the filings with the different enforcement agencies, the Company communicates all its relevant events through an e-mail distribution system that reaches a significant number of current and/or potential investors and analysts. It also has a website (www. irsacp.com.ar) through which the shareholders and other investors may contact this department and obtain information about the Company and receive an answer about all types of enquiries concerning the Company.
Recommendation V.2: Promote shareholders' active involvement.				
Answer if: V.2.1 The Board of Directors has measures in place to foster the participation of all shareholders at the AGMs. Explain further, distinguishing the measures required by statutory provisions from those voluntarily offered by the Issuer to its shareholders.	X			In addition to the information published in the Financial Information Highway and to the information released to the market through the advertisement department of the Buenos Aires Stock Exchange, the Board engages in a thorough follow-up of potential attendants previous to the shareholders' meetings in order to ensure the highest number of attendants possible. This follow-up also spans ADR holders through institutional contact with Bank of New York Mellon (BONY) and its correspondent bank in the Argentine Republic, who are furnished with a translated version of the agenda and other information as requested.
V.2.2 The Annual General Meeting has a set of rules for its operation to make sure that the information will be available to the shareholders sufficiently in advance for decision-making purposes. Describe the salient points of this set of rules.		X		The Annual General Meeting does not have rules governing its operation. However, these shareholders' meetings are called and held in accordance with the provisions under the General Companies Law and all applicable rules and regulations that are issued by the control authority as these establish the terms for informing shareholders and furnishing them with the documentation submitted to the Shareholders' Meetings. The Company has been zealously working, consistently with market standards, on

				providing the shareholders with sufficient information for decision making purposes.
V.2.3 The Issuer has mechanisms in place for minority shareholders to propose matters for consideration by the Annual General Meeting in line with the provisions in currently applicable rules and regulations. Provide further information on the results.	X			Neither the by-laws, nor the operating procedures prevent receiving such proposals. As of the date hereof, there have not been proposals of specific issues.
V.2.4 The Issuer relies on policies to stimulate the involvement of the most relevant shareholders such as institutional investors. Specify.		X		To encourage shareholder involvement, the Company does not make any distinctions based on relevance: all shareholders are afforded identical treatment. Through the Bank that has custody over the ADRs, the Company fosters the participation of ADR holders –many of whom are institutional investors- in Annual General Meetings.
V.2.5 At the Shareholders' Meetings in which the nominations to the Board of Directors are debated, (i) the position of each one of the candidates is made known as to whether or not to adopt a Corporate Governance Code; and (ii) the foundations for such position are also made known previous to the vote.			X	With the Company having adopted this Corporate Governance Code Report, the position concerning the acceptance of each Board member is impliedly embodied.
<u>Recommendation V.3</u>: Guarantee the principle of equality between shares and votes. Answer if: The Issuer relies on a policy that promotes the principle of equality between shares and votes. State the changes in the structure of the outstanding shares by class in the past three years.	X			The principle of equality between shares and votes is safeguarded by the Company's by-laws. The Company does not have its capital stock classified by classes of shares.
<u>Recommendation V.4</u>: Establish mechanisms to safeguard all the shareholders in the event of takeovers. Answer if: The Issuer adheres to the mandatory public tender offer regime. If not, explain further if there are other alternative mechanisms set forth in the by-laws, as would be the case of tag-along or other rights.	X			Upon the issuance of Decree 677/2011, the Company resolved not to adhere to the mandatory public tender offer regime. However, after the passage of the new Capital Markets Law No. 26,831, all publicly traded companies are subject to the provisions of the mandatory public tender offer regime, as set forth in sections 87 et seq. The Company's by-laws do not impose any restriction on the transfer of its shares.
<u>Recommendation V.5</u>: Increase the percentage of outstanding shares over capital stock.			X	The controlling company IRSA holds 94.61% of the outstanding shares of stock and a 5.39% dispersion, lower than 20% in the past

Answer if: The Issuer relies on shareholder dispersion for at least 20 per cent for its ordinary shares. If not, the Issuer relies on a policy to increase shareholder dispersion through the market. Indicate the percentage of shareholder dispersion as a percentage of the Issuer's capital stock and the changes in such percentage over the last three years.				three years. The Company may consider increasing its stock dispersion in the future.
<u>Recommendation V.6</u>: Make sure that there is a transparent dividend policy. Answer if:				
V.6.1 The Issuer relies on a dividend distribution policy set forth in the Bank's By-laws and approved by the Shareholders' Meeting setting out the conditions for distributing dividends in cash or in shares. If such policy exists, state the criteria, frequency and conditions that must be satisfied for the payment of dividends.		X		The Company's Annual Shareholders' Meeting annually resolves upon the allocation of income for the fiscal year, establishes the reserves to be set up and decides whether any balances will be distributed as dividends or not, which dividends must be determined in accordance with the provisions of the General Companies Law and the By-laws. The distribution of dividends will depend on the results of the company and the existence of liquid and realized profits. For their approval, the affirmative vote of a majority of the shares entitled to vote at the meeting is required. In addition, the Company discusses liquidity and investment projects.
V.6.2 The Issuer relies on documented process to prepare the proposal to allocate the Issuer's retained earnings in order to raise reserves –be them statutory, voluntary and contemplated by the by-laws-, transfer earnings to future fiscal years and/or pay dividends. Explain these processes further and identify the minutes of the Annual General Meeting that approves the distribution (in cash or in shares) or not of dividends, if this is not contemplated in the By-laws.	X			Once the Company's legal, financial, and business requirements are assessed, General Management prepares a proposal to appropriate results and submits them to the Board. Afterwards, the Board submits its proposal to the respective Annual General Meeting.
PRINCIPLE VI. MAINTAIN DIRECT AND RESPONSIBLE BONDS WITH THE COMMUNITY				
The corporate governance framework must: <u>Recommendation VI</u>: Disclose to the community matters concerning the Issuer and provide a direct means of communication to the company. Answer if:				

VI.1 The Issuer has a website accessible to the public and updated that should supply not only relevant company information (the Bank's By-laws, the conglomerate, the composition of the Board of Directors, financial statements, annual reports, to name but a few) but also receive the concerns of users in general.	X			The Company has a website (www. irsacp.com.ar) for the public in general to access to the Company's institutional information, its corporate responsibility practices and an investor section containing all the financial information that is relevant to current and/or potential shareholders. In addition, it is a channel for contacting the following areas: Investor Relations, Institutional Relations, Commercial Areas and Human Resources. In addition, this web-site allows the community to communicate with the Ethics Committee to deal with users' concerns and a channel to receive various types of reports.
VI.2 The Issuer releases a Social and Environmental Responsibility Statement on an annual basis, verified by an independent External Auditor. If this statement is released, state its scope or its legal or geographical coverage and where it is available. Specify the rules or initiatives adopted to implement the enterprise social responsibility policy (Global Reporting Initiative and/or the UN's Global Pact, ISO 26.000, SA8000, UN's Millennium Development Goals, SGE 21-Foretica, AA 1000, Ecuador Principles, to name but a few).		X		The Company is working on new indicators for gathering data regarding investments made through the area responsible for CSR (Corporate Social Responsibility) matters. This year, the Company will publish a summary describing the main CSR actions and the progress made during fiscal year 2015/2016. The Company has been working with an aim towards ongoing improvement, environmental protection and compliance with current legislation and regulations, even those that were voluntarily adopted. Irsa Propiedades Comerciales already has 3 (three) establishments with environmental management systems that were certified under the ISO 14001 standard.
PRINCIPLE VII. REMUNERATE EQUITABLY AND RESPONSIBLY				
The corporate governance framework must: Recommendation VII: Establish clear policies to remunerate the Issuer's Board and Senior Management members, giving special consideration to any limits imposed by contracts or the by-laws based on the existence of earnings or not.				
Answer if: VII.1. The Issuer relies on a Remunerations Committee:			X	As of the date of this report, the Company did not have a Remunerations Committee, which is furthermore not required by currently applicable rules and regulations. Directors' remuneration is determined in conformity with the provisions under the General Companies Law taking into account whether directors discharge technical and administrative duties or not and based on the Company's earnings for the fiscal year. On an annual basis, the Audit Committee considers and renders an opinion on the

				proposal of directors' fees that the Board will submit to the Annual General Meeting for its approval.
VII.1.1 made up by at least three Board members, a majority of whom are independent,			X	As stated in VII.1 Items VII.1.1 through VII.1.5 do not apply.
VII.1.2 chaired by an independent Board member,			X	As stated in VII.1 Items VII.1.1 through VII.1.5 do not apply.
VII.1.3 that has members who evidence sufficient skills and expertise in human capital policies,			X	As stated in VII.1 Items VII.1.1 through VII.1.5 do not apply.
VII.1.4 that meets at least twice a year,			X	As stated in VII.1 Items VII.1.1 through VII.1.5 do not apply.
VII.1.5 whose decisions are not necessarily binding on the Annual General Meeting or on the Surveillance Committee but rather in a consultative nature when it comes to the remuneration of Board members.			X	As stated in VII.1 Items VII.1.1 through VII.1.5 do not apply.
VII.2 Should the Issuer have a Remunerations Committee, it:			X	As stated in VII.1, the issues discussed in Items VII. 2 to VII 2.7 do not apply.
VII.2.1 makes sure that there is a clear relationship between the performance of key personnel and its fixed and variable remuneration taking into account the risks taken on and their management,			X	As stated in VII.1, the issues discussed in Items VII. 2 to VII 2.7 do not apply.
VII.2.2 supervises that the variable portion of the remuneration of Board members and Senior Management members is linked to the Issuer's medium- and/or long-term performance,			X	As stated in VII.1, the issues discussed in Items VII. 2 to VII 2.7 do not apply.
VII.2.3 reviews the Issuer's position vis-à-vis competitors concerning its policies and practices applicable to the remunerations and benefits it pays and recommends whether to modify them or not,			X	As stated in VII.1, the issues discussed in Items VII. 2 to VII 2.7 do not apply.
VII.2.4 defines and communicates the policy applicable to key personnel retention, promotion, dismissal and suspension,			X	As stated in VII.1, the issues discussed in Items VII. 2 to VII 2.7 do not apply.
VII.2.5 informs the guidelines that determine the retirement plans of the Issuer's Board and Senior Management members,			X	As stated in VII.1, the issues discussed in Items VII. 2 to VII 2.7 do not apply.
VII.2.6 is regularly accountable to the Board and the Annual General Shareholders' Meeting on the actions undertaken and the issues analyzed at			X	As stated in VII.1, the issues discussed in Items VII. 2 to VII 2.7 do not apply

their meetings,				
VII.2.7 ensures that the Chairman of the Remunerations Committee attends the Annual General Meeting that approves remunerations to the Board for him to explain the Issuer's policy concerning the remuneration of the Board and the Senior Management members.			X	As stated in VII.1, the issues discussed in Items VII. 2 to VII 2.7 do not apply
VII.3 If relevant, please add policies implemented at the initiative of the Issuer's Remunerations Committee which have not been mentioned in the preceding Item.			X	Not applicable
VII.4 In the absence of a Remunerations Committee, explain how the functions described in VII. 2 are discharged within the Board itself.	X			In accordance with what has been discussed in Item VII.1, the Company does not have a Remunerations Committee. Based on the proposal of the fees to be paid to the Board members to be approved by the Annual General Meeting, the Audit Committee assesses and renders an opinion on the reasonableness of the total sum of fees against the earnings for the year, evaluating also the responsibilities inherent in the position, the dedication demanded for discharging duties, the professional experience and dedication in addition to consistency with the approvals conferred in previous fiscal years. As concerns the remuneration payable to senior managers and as mentioned in II.1.1.4, the Executive Committee delegates to the CEO and to the Human Resources Department the establishment of the remuneration payable to senior managers. In establishing these fees, what is taken into account is the responsibility, the performance and external competitiveness by entrusting specialized consultants with market surveys. In addition to determining a fixed amount, the portion of variable remuneration payable to senior managers is in line with the Company's objectives for the short, medium and long terms. The Company also has long-term retention plans that are communicated to key personnel.
PRINCIPLE VIII. FOSTER ENTERPRISE ETHICS				
The corporate governance framework must: <u>Recommendation VIII</u>: Guarantee ethical behaviors at the Issuer.				
Answer if: VIII.1 The Issuer relies on a Code of	X			The Company has a Code of Ethics approved by the Board that applies to all the Company's directors, syndics and

Enterprise Conduct. Indicate the main guidelines and whether it is available to the public. This Code is signed by, at least, the members of the Board of Directors and of senior management. Indicate if the Issuer promotes extending the enforcement of this code to suppliers and customers.				employees and it establishes that they must act with honesty, integrity and responsibility when they interact with each other, with clients, investors, suppliers, government officials and the press and with other institutions and individuals. The Code of Ethics is available to the public at large and it has been published in the Company's web-page and is signed by the members of the Board of Directors and by the Company's employees.
VIII.2 The Issuer relies on mechanisms to receive reports about illegal or unethical behaviors submitted personally or by electronic means ensuring that the information relayed is treated in the outmost confidentiality and abides by the highest standards of information recording and preservation. Indicate if the service to receive and assess reports is rendered by the Issuer's personnel or by external independent professionals to afford whistleblowers increased protection.	X			The Company has provided for mechanisms to receive reports of illegal or anti-ethical behaviors through several communication channels which are described in the Code of Ethics. The channels made available comprise an e-mail address and a telephone number for the Ethics Committee, the e-mail addresses and the telephone numbers of the members of the Ethics Committee and a regular mail address for the Ethics Committee. In addition, for reports or concerns about accounting matters, accounting internal control or audit matters, the Audit Committee has an incoming box for reports that it manages directly. The reports can be placed anonymously and their treatment as confidential is guaranteed. The information conveyed is treated with high confidentiality and integrity standards and it is equally subject to stringent information recording and preservation standards. The service to receive and evaluate complaints is internal and it is the responsibility of the Ethics Committee and the Audit Committee as applicable.
VIII.3 The Issuer relies on policies, processes and systems to handle and find a resolution for the reports mentioned in Section VIII.2. Describe their most relevant aspects and indicate the degree of involvement of the Audit Committee in said resolutions, in particular in those reports associated to internal controls for financial reporting and on the behaviors of Board and senior management members.	X			To handle complaints and to find a solution to them, the Company has established a procedure whose main aspects are described below: • Receipt: complaints are received and analyzed by the Ethics Committee. • Registration: each complaint is registered. • Analysis and resolution: each complaint is analyzed and a resolution is found in its respect. • Communication: all the reports received by the Ethics Committee are communicated to the Audit Committee (they are reported on a quarterly basis). As for complaints placed with the Audit Committee, it will be the Audit Committee that first determines how to analyze them and which solution to give to them.

PRINCIPLE IX: FURTHER THE SCOPE OF THE CODE				
The corporate governance framework must: Recommendation IX: Promote the inclusion of the provisions inherent in good corporate governance practices in the Bank's by-laws. Answer if: The Board of Directors evaluates whether the provisions of the Corporate Governance Code must be reflected, in whole or in part, in the Bank's By-laws, including the general and specific responsibilities of the Board of Directors. Identify the provisions that will be actually included in the Bank's By-laws as from the coming into force of the Code until to date.	X			The Company's By-laws satisfy the requirements imposed by the General Companies Law and applicable rules and regulations in line with the Public Offering Regime, and its own Code of Ethics. The Company's By-laws include provisions analogous to, and coincidental with, the above-mentioned provisions in the field of composition of governance bodies, particularly the Board of Directors –functions, rotation and responsibilities-, the Supervisory Committee and the Executive and Audit Committees. Concerning conflicts of interest, it is the General Companies Law that applies directly, together with the rules and regulations that govern the capital markets. The By-laws do not contain any provision that impedes heeding recommendations that it does not specifically prescribe. It is for this reason that the Board understands that nothing warrants amending the by-laws for the time being. Therefore, the Company considers that it has in place an adequate regulatory framework concerning Corporate Governance; however, the Board may in the future consider the timing and advisability of including other provisions aimed at optimizing good corporate governance practices.-

(1) Check with an "X" if applicable.
(2) In the event of total compliance, report how the Issuer abides by the principles and heeds the recommendations of the Corporate Governance Code.
(3) In the event of Partial compliance or of Non-compliance, please state the reasons and describe the actions that the Issuer's Board is planning to implement in order to incorporate the recommendations not yet heeded in the coming fiscal year/s, if any.

Fernando A. Elsztain
Director