IRSA PROPIEDADES COMERCIALES S.A.

Annual Report

for the fiscal years

started on July 1, 2016, 2015 and 2014

and ended on June 30, 2017, 2016 and 2015

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1. Corporate Profile

We are one of the largest owners, developers and operators of shopping malls, offices and other commercial properties in Argentina in terms of gross leaseable area and number of rental properties according to data published by the Argentine Chamber of Shopping Malls. Our common shares are listed on Bolsas y Mercados Argentinos S.A., or ByMA, under the ticker "IRCP", and our ADSs are listed on Nasdaq under the ticker "IRCP".

We own 16 shopping malls of which we manage 15, with an aggregate 341,289 square meters of Gross Leaseable Area as of the closing of fiscal year 2017. Moreover, the Company owns 86,497 square meters in 7 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 malls 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 mall 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, 2017, our main shareholder is IRSA with 94.61% of our capital stock.

2. Letter to Shareholders

Dear Shareholders,

We have ended a new fiscal year, and we are much satisfied with the results achieved. We added 8,000 square meters (sqm) of gross leaseable area by carrying out expansion works at our shopping malls, we made progress in the development of the commercial projects launched at the beginning of the year, we acquired attractive real estate assets for our portfolio, we sold certain office floors for very competitive prices, and we obtained very good operating and financial results that allowed us to distribute dividends to our shareholders for Ps. 770 million.

In the third quarter of this fiscal year, we decided to change the valuation model of our investment properties (mainly shopping malls, offices and land reserves) from cost model to fair value model, in accordance with the International Financial Reporting Standards (IFRS). This change was motivated by the need to adjust the valuation of investment properties to their fair value, as their amortized cost was not reflective of their current economic substance.

Adjusted EBITDA for fiscal year 2017, excluding the impact of the revaluation of our investment properties at fair value, reached Ps. 2.6 billion, 20.5% higher than in 2016, whereas profit for the year was Ps. 3.4 billion.

During this year we grew in terms of acquisitions and new commercial developments. We carried out expansion and improvement works in some of our shopping malls aimed at optimizing tenant distribution and achieving higher sales and rental prices per sqm. We added approximately 8,000 sqm of gross leaseable area (GLA) in the year, including 3,500 sqm added in the second stage of the works in Distrito Arcos, and the ensuing entry of significant tenants, a 1,250-sqm Nike store in Soleil Premium Outlet, and a 1,752 sqm expansion in Alto Rosario, among other store openings.

In operating terms, tenant sales in shopping malls grew 19.1% in the year, and occupancy reached optimum levels of 98.5%.

Looking ahead to 2018, we will start expansion works in our Alto Palermo shopping mall, which is located in a unique setting in the heart of the city and is the shopping mall with highest sales per square meter in Latin America. The project will add approximately 4,000 sqm of gross leaseable area to the shopping mall, and it 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 that the opening will take place in fiscal year 2019. Moreover, in fiscal year 2018 we plan to carry out expansion works in some of our shopping malls for approximately 21,000 sqm of GLA. We will build 2,200 sqm to add 6 cinema screens in Alto Comahue, a large store of 3,000 sqm in Alto Rosario shopping mall, and a 12,765 sqm Sodimac store in Mendoza Plaza Shopping, and we will expand Alto Avellaneda, our shopping mall located in the southern region of Buenos Aires, by 3,500 sqm.

Regarding the office segment, during this year we acquired the “Philips” office building that adjoins our DOT commercial complex for USD 29 million, with the idea of recycling it and repositioning it as a top-quality building. The building has a constructed area of 10,142 sqm and an additional construction capacity of 18,000 sqm. As we executed a 7-month loan-for-use agreement with the seller, this footage will become available for rent in January 2018.

In operating terms, our Premium office portfolio reached an average rental price of approximately USD 25 per sqm, and an occupancy rate of 96.7%.

During the next fiscal year, we will keep on developing the projects currently underway. In the first place, we will make progress in the “Polo Dot” project, located in the commercial complex adjoining our Dot Baires shopping mall, which has grown extensively since we made our first investments in the area. The total project --for which we already have the land-- will consist of 3 office buildings (possibly including a hotel in one of them) and the future expansion of the shopping mall by adding approximately 15,000 sqm of GLA. In the first stage, we are developing an 11-floor office building of approximately 32,000 sqm, on top of an existing building, in regard to which we have already executed lease agreements with renowned tenants for approximately 75% of the leasable footage even before starting the works. Construction progress was 7.4% as of the closing of this fiscal year, and we estimate that it will be inaugurated in fiscal year 2019. 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 succeed in accomplishing a top-quality project comparable to the ones built by the company in the past, characterized by attractive income levels and high occupancy.

Moreover, we will make progress in the development of 35,468 sqm of GLA in the “Catalinas” building, located in one of the most sought-after spots for developing Premium offices in Argentina, in which IRSA CP owns 16,012 sqm comprising 14 floors and 142 parking spaces. As of June 30, 2017, work progress was 3.05%; and its opening is scheduled to take place in fiscal year 2020. The building will become an iconic landmark in the city and will also have LEED Certification, validating the best environmental practices in terms of operating standards.

In addition to the projects underway, the company has a large reserve of land of approximately 375,000 sqm for future commercial and office developments in Argentina. We are optimistic about the change of cycle our country is going through, as we see a favorable scenario, clear rules and great interest from international investors. Along these lines, in an attempt to accelerate our growth process through developments and acquisitions in Argentina and provide liquidity to this pure commercial real estate vehicle in which IRSA holds a 94.61% controlling interest, after year-end we launched a process for the issuance of shares for approximately USD 200 million, which unfortunately could not be completed and had to be put off by the company due to market conditions. We are confident that the company will find various funding channels to develop its full potential of land reserves and keep growing and investing in Argentina.

As concerns our other investments, during this year we increased to 17.84% our interest in Avenida Inc., a company engaged in e-commerce which has changed its business strategy and shareholding structure during this year, following the exit of its two main investors. We believe in the potential of this business, which has gained increasing foothold in the world and will surely make its footprint in Argentina in the near future, supplementing sales at shopping malls. 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 malls. Recently, the joint venture “LA RURAL S.A. – OFC S.R.L. – OGDEN ARGENTINA S.A. – ENTRETENIMIENTO UNIVERSAL S.A.” became awardee of the public tender process for the concession of the Exhibition and Convention Center of the City of Buenos Aires for a term of 15 years, envisaging a great potential for the fair industry in Buenos Aires.

In addition, during this year we received from TGLT the agreed apartment units and parking spaces of the Astor Beruti building, located in Palermo (Buenos Aires) for a fair value of approximately USD 19 million, as consideration under a barter agreement executed with TGLT. We have already started selling these units, with great interest from the market.

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. This year, we added new players to our cooperation activities, and strengthened our bonds with the organizations we have been working with. We continue staging actions at our shopping malls on key dates (Environment Day, Child Cancer Day, or Breast Cancer Day) to arouse awareness in the population and higher visibility for the NGOs involved in these matters. We intend to continue on this path and increase the number of charities we work with.

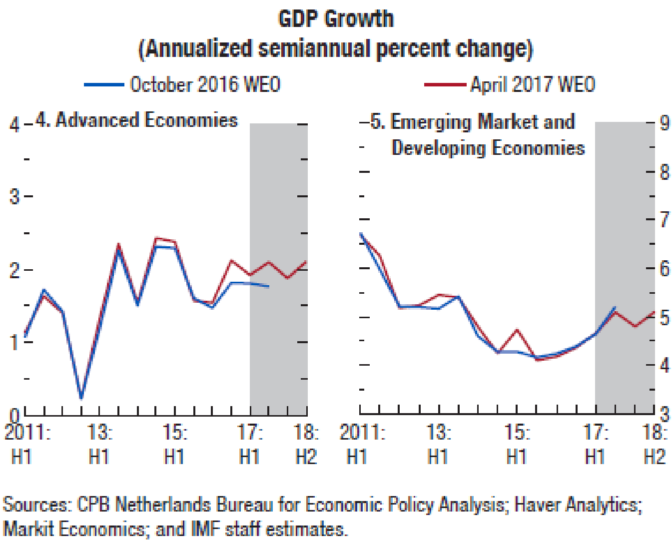
We expect that during the next period, IRSA Propiedades Comerciales will continue to consolidate as the leading commercial real estate company in Argentina, adding new properties and footage to its current portfolio and introducing new leading brands and innovative ideas so as to keep up our growth in 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 accessing the capital markets, we are highly confident in our capacity to create value to our various stakeholders.

To all of you, many thanks for your continued support and trust.

Saúl Zang
First Vice-Chairman

3. Macroeconomic Context

As reported by the International Monetary Fund ("IMF") in its "World Economic Outlook" ("WEO"), global growth is expected to reach 3.5% in 2017 and 3.6% in 2018. Growth in developed economies is expected to remain steady at about 2% in 2017, and to fall to 1.9% in 2018, mainly reflecting a less expansionary fiscal policy in the United States than expected, as growth projections were downgraded from 2.3% to 2.1% in 2017 and from 2.5% to 2.1% in 2018.



Emerging market and developing economies are expected to show a strong rebound in activity levels, with growth forecasts of 4.6% for 2017 and 4.8% for 2018, compared to 4.3% in 2016, mainly led by India and China.

IMF's World Economic Outlook Projections

(Percentage change in USD)

		Projections		
	2015	2016	2017	2018
World Output	**3.4**	**3.2**	**3.5**	**3.6**
Advanced Economies	**2.1**	**1.7**	**2.0**	**1.9**
United States	2.6	1.6	2.1	2.1
Euro area	2.0	1.8	1.9	1.7
Japan	1.1	1.0	1.3	1.6
Emerging Markets and Developing Economies	**4.3**	**4.3**	**4.6**	**4.8**
Russia	-2.8	-0.2	1.4	1.4
India	8.0	7.1	7.2	7.7
China	6.9	6.7	6.7	6.4
Brazil	-3.8	-3.6	-0.3	1.3
South Africa	1.3	0.3	1.0	2.0
Latin America and the Caribbean	0.1	-1.0	1.0	1.9

Source: WEO, July 2017

Financial market behavior

(Percentage change in USD)

	2015	2016	2017
MSCI World ACWI	-0.9	12.1	6.9
MSCI Emerging Markets	-17.4	16.2	11.2
S&P 500	2.5	15.4	2.5
DAX 30	-0.5	17.2	6.8
FTSE 100	-7.5	17.4	4.2
Nikkei 225	7.7	9.1	5.2
Bovespa	-7.6	49.1	-2.7
Merval	37.5	49.6	15.0

Source: Bloomberg, as of July 28, 2017

The MSCI World ACWI index rose 12.1% in 2016 but fell in 2017. The MSCI Emerging Markets index recovered 16.2% in 2016, and has continued its upward trend, increasing 11.2% so far in 2017.

Commodities market behavior

(Percentage change in USD)

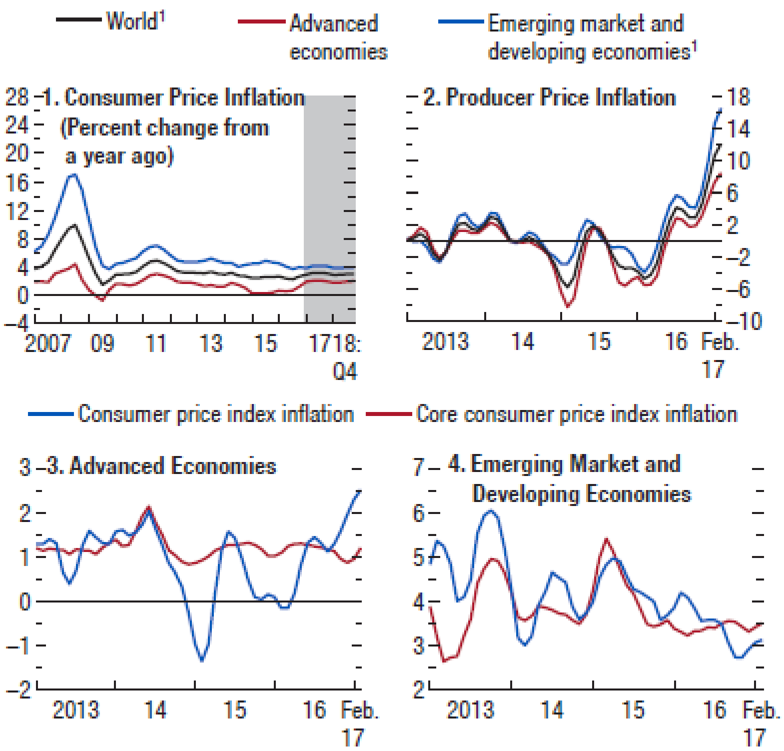
	2015	2016	2017
GSCI Industrial Metals	-18,6	20,8	0,3
GSCI Energy	-26,0	58,5	-10,9
GSCI Agriculture	-4,9	3,6	-1,1
Soybean	-9,3	12,9	-8,0
Gold	4,8	3,0	-17,3
Corn	-3,0	-5,4	3,0
Wheat	-6,5	-14,9	21,4
Oil	-23,2	59,8	-12,8

Source: Bloomberg, as of July 28, 2017

After the strong decline experienced in 2015, the commodities markets rose in 2016. Oil accounted for the largest increase in 2016, as reflected in the energy index. In 2017, most commodities declined, with the exception of wheat and corn, which rose by 21.4% and 3%, respectively, after having suffered two consecutive decreases in the past years.

The IMF's projections show that inflation in emerging market and developing economies will decrease from 4.7% in 2017 to 4.4% in 2018.

Average inflation in advanced economies is expected to increase in the next years, reflecting the rebound in the prices of raw materials. The IMF forecasts that in 2017, inflation will be 2%, compared to 0.8% in 2016.



Argentine Economy

The IMF projects that the GDP will grow 2.2% in 2017 thanks to the increase in consumption and public spending, and 2.3% in 2018 as private investments and exports continue to recover.

The INDEC reports that according to the Industrial Monthly Estimator (EMI), industrial activity rose 2.7% in May 2017, compared to the same month in 2016. Industrial activity for the first five months of 2017 dropped 1.4% compared to the same period of 2016.

Shopping mall sales at current prices for the month of May 2017 included in the survey reached Ps. 4,572 million, an increase of 12.3% compared to the same month of the previous year. For the cumulative first five months of 2017, sales amounted to Ps. 21,102 million, an increase of 13.2% compared to the same period of the previous year.

In connection with the fiscal sector, revenues recorded a year-on-year increase of 32% in the first half of 2017, whereas primary expenditure grew by 31% during the same period.

The non-financial public sector and Argentine Central Bank debt was estimated at USD 141,899 million, having increased by USD 14,422 million during the first quarter of 2017. The Argentine Central Bank's government security and bond outstanding balance increased by USD 236 million during the first quarter of 2017.

The non-financial private debt grew USD 1,377 million during the first quarter of 2017. At March 2017, such debt stood at USD 56,611 million.

The financial sector debt excluding the Argentine Central Bank decreased by USD 493 million during the first quarter of 2017, reaching a total of USD 4,453 million.

Regarding the balance of payments, in the first quarter of 2017 the current account deficit reached USD 6,871 million, with USD 3,715 million allocated to the goods and services trade balance, and

USD 3,156 million to the income account. The current account deficit was 39% higher than in the same quarter of the previous year, as it increased by USD 1,944 million, mainly explained by the deterioration of the goods and services balance and net primary income.

Total gross external debt increased by USD 16,293 million during the first quarter of 2017 and stood at USD 204,509 million at March 2017.

The stock of international Reserves rose by USD 11,535 million in the first quarter of 2017. At July, reserves stood at USD 47,995 million.

In local financial markets, the Private Badlar rate in Pesos ranged from 18% to 26% in the period from July 2016 to July 2017, averaging 20% in July 2017 against 26% in July 2016. The Argentine Central Bank continued its free floating exchange rate policy implemented in December 2015; consequently, the Peso sustained a 17% nominal depreciation in the period from July 2016 to July 2017. At July 2017, the exchange rate stood at 17.64 pesos for each dollar.

At June 2017, Argentina's country risk decreased by 88 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 430 basis points in June 2017, compared to the 289 paid by Brazil and the 185 paid by Mexico.

4. Business Strategy

As we are a company engaged in acquisition, development and management of commercial properties, including shopping malls and offices 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 strategies:

Investment Strategy

We seek to satisfy unmet demand for shopping venues in urban centers in Argentina while striving to enhance the shopping experience of our tenants' customers. In addition, we look to benefit from unsatisfied demand for premium office buildings in the City of Buenos Aires. We intend to achieve these objectives by implementing the following strategies:

- **Selectively acquire and develop shopping malls**. We seek to develop new shopping malls 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 certain locations abroad. An example is our acquisition in 2010 of the first shopping mall ever to operate in Argentina, Soleil Factory, which we converted into the first premium outlet mall in the country. In 2014, we developed the first premium outlet mall in the City of Buenos Aires, an open space mall in the Palermo neighborhood called Distrito Arcos. Our company was a pioneer in the premium outlet mall segment, which had not been exploited in the country while also diversifying its portfolio that targets different and evolving consumer styles and profiles. Both malls have been great successes in terms of sales and visitors. Our strategically located land reserves position us to develop new shopping malls in areas we believe enable our malls to target consumers with attractive demographics. Furthermore, we seek to selectively acquire shopping malls that we believe can benefit from our know-how, tenant relationships, centralized management and leasing strategies, thereby enabling us to enter new markets and generate synergies within our existing portfolio.
- **Acquire and develop premium office buildings*.*** After the economic crisis in Argentina in 2001 and 2002, investment in premium office buildings has been limited. As a result, we believe there is a significant unmet demand for such properties, mainly in the City of Buenos Aires. We look for a premium corporate tenant base and seek to purchase and develop premium office buildings in commercial districts that are strategically located in the City of Buenos Aires and other attractive locations as part of our strategy to become the leading property owner and manager of premium office buildings in Argentina.

- **Continue to improve our properties.** We consistently look for ways to improve our properties and make them more attractive for our tenants and their customers. For example, we have invested in the expansion of Alto Palermo Shopping and are re-styling the food courts at Alcorta Shopping and Patio Bullrich Shopping. In addition, we added technological improvements in our shopping malls such as automatic lights indicating parking space availability and automated parking payment in order to simplify and enhance the shopping experience of our tenants' customers. We also continually look for ways to increase our lease renewal rates by collaborating with our tenants to improve the functionality of their leased space.
- **Develop ancillary projects that complement our business.** We seek to develop real estate and other commercial projects that complement our shopping mall operations and benefit from the flow of customers in the areas where we operate, like our development of offices at Polo Dot, located in the commercial complex adjacent to our Dot Baires shopping mall, with the goal of increasing the flow of customers in our shopping mall.

Operational Strategy

Our main operational goal is to maximize the profitability of our shopping malls and commercial properties. We aspire to attain this goal by implementing the following operational strategies:

- **Strengthen and consolidate the relationship 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 malls. We carry out periodic improvement works at our shopping malls 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 to optimize and simplify their operations.
- **Seek an optimal mix of tenants and attractive lease conditions.** We endeavor to maintain high occupancy rates at our shopping malls by leasing to a diversified mix of credit-worthy tenants with renowned brands and solid reputations, which enable us to achieve stable and attractive rental income per square meter. We follow a similar strategy for tenant mix in our office properties, where the credit-worthiness of our corporate clients is critical to maintaining solid and stable cash-flows.
- **Improve brand awareness and consumer/tenant loyalty.** We strive to improve brand recognition and consumers' and tenants' loyalty in our shopping malls with expansive marketing campaigns, including advertising campaigns, promotional events and different marketing initiatives aimed at highlighting our premium shopping experience tailored to the preferences of end-consumers of our shopping malls. We also seek to improve tenant and consumer loyalty by adding value to our properties through high-quality entertainment and food court offerings aimed at increasing shoppers' visit frequency and duration.
- **Improve operating margins.** We seek to benefit from our economies of scale in order to profit from cost savings and improve our operating margins.

5. Fiscal Year Summary

Operating performance

At the end of fiscal year 2017, our tenants' sales in the shopping malls reached Ps. 34,426 million, posting an increase of 19.4% compared to the previous fiscal year.

Sales in the shopping malls located in the City of Buenos Aires and Greater Buenos Aires recorded year-on-year increases of 19.3%, up from Ps. 20,137 million to Ps. 24,027 million during fiscal year 2017, whereas shopping malls in the interior of Argentina increased about 19.5% in comparison with the previous fiscal year, from Ps. 8,705 million to Ps. 10,399 million during fiscal year 2017.

TENANT SALES

(at historical values as of June 30)

During this year, our shopping malls 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 malls, have contributed to the continued uprising trend in our tenants' sales.

Relative Efficiency

The GLA of the shopping malls owned by the Company in the whole country, which shows the area available for lease of retail stores, reached 341,289 leaseable sqm.

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

During this fiscal year our shopping malls received approximately 105.8 million visitors.

Occupancy in our shopping malls stood at 98.5%. Sales per square meter were around Ps. 100,869.

Revenues from the Shopping Malls segment

Upon analyzing the composition of revenues from the shopping malls segment between 2017, 2016 and 2015 we note that proportions remain stable: revenues from leases ("VMA") represent approximately 56% of the segment's revenues and contingent lease, which is the lease contingent upon our tenants' sales, represents around 20% of the segment.

Breakdown of revenues as of June 30, 2017, 2016 and 2015

(thousands of Ps.)

	2017	2016	2015
Base rent	1,777,939	1,389,898	946,512
Percentage rent	637,323	599,033	469,183
Total rent	2,415,262	1,988,932	1,415,695
Non-traditional advertising	60,663	59,874	44,952
Revenues from admission rights	262,489	207,531	156,639
Fees	47,697	37,593	28,146
Parking	192,750	153,213	105,383
Commissions	122,389	105,013	79,889
Other	48,588	5,977	4,023
Total	3,149,838	2,558,133	1,834,728

Description of Business

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

- **"Offices and Others"** 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.

- **"Financial Operations and Others**" 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 Malls Segment

As of June 30, 2017, we owned a majority interest in, and operated, a portfolio of 16 shopping malls 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 malls operated by us comprise a total of 341,289 square meters of GLA (excluding certain spaces occupied by hypermarkets which are not our tenants). Total tenant sales in our shopping malls, as reported by retailers, were Ps. 34,425.6 million for fiscal year 2017 and Ps. 28,904.9 million for fiscal year 2016, which implies an increase of 19.1%. Tenant sales at our shopping malls 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 malls as of June 30, 2017:

	Date of acquisition	Location	Gross Leaseable Area sqm (1)	Stores	Occupancy (2)	IRSA CP's Interest (3)
Alto Palermo	Dec-97	City of Buenos Aires	18,945	143	99.3%	100%
Abasto Shopping(4)	Nov-99	City of Buenos Aires	36,795	171	96.8%	100%
Alto Avellaneda	Dec-97	Province of Buenos Aires	36,063	136	99.3%	100%
Alcorta Shopping	Jun-97	City of Buenos Aires	15,613	113	98.1%	100%
Patio Bullrich	Oct-98	City of Buenos Aires	11,760	91	97.6%	100%
Buenos Aires Design	Nov-97	City of Buenos Aires	13,697	62	97.2%	53.68%
Dot Baires Shopping	May-09	City of Buenos Aires	49,499	158	99.9%	80%
Soleil	Jul-10	Province of Buenos Aires	15,227	79	100.0%	100%
Distrito Arcos (5)	Dec-14	City of Buenos Aires	14,692	67	100.0%	90.00%
Alto Noa Shopping	Mar-95	Salta	19,059	90	99.4%	100%
Alto Rosario Shopping(5)	Nov-04	Santa Fe	31,808	150	99.6%	100%
Mendoza Plaza Shopping	Dec-94	Mendoza	42,867	142	97.1%	100%
Córdoba Shopping	Dec-06	Córdoba	15,445	108	98.1%	100%
La Ribera Shopping	Aug-11	Santa Fe	10,054	68	97.6%	50%
Alto Comahue (6)	Mar-15	Neuquén	9,766	104	96.4%	99.92%
Patio Olmos(7)	Sep-15	Córdoba				
Total			**341,289**	**1,681**	**98.5%**	

Notes:
(1) Corresponds to gross leasable area in each property. Excludes common areas and parking spaces.
(2) Calculated dividing occupied square meters by leasable area as of the last day of the fiscal year.
(3) Company's effective interest in each of its business units.
4) Excludes Museo de los Niños (3,732 square meters in Abasto and 1,261 square meters in Alto Rosario).
(5) Opening December 18, 2014.
(6) Opening March 17, 2015.
(7) IRSA CP owns the historic building of the Patio Olmos shopping mall in the Province of Córdoba, operated by a third party.

Accumulated Rental Income as of June 30, 2017, 2016 and 2015

(*In thousands of Ps.*)

	2017	2016	2015
Abasto	541,873	412,560	319,863
Alto Palermo	506,555	427,785	323,164
Alto Avellaneda	343,616	284,712	212,310
Alcorta Shopping	238,058	199,300	152,573
Patio Bullrich	145,714	125,428	104,764
Alto Noa	88,419	76,847	52,815
Buenos Aires Design	57,841	49,368	37,890
Mendoza Plaza	148,202	126,739	96,722
Alto Rosario	247,031	192,481	148,141
Córdoba Shopping –Villa Cabrera	87,751	72,747	58,010
Dot Baires Shopping	341,748	286,202	210,926
Soleil Premium Outlet	115,393	86,194	59,366
La Ribera Shopping	28,293	22,797	15,195
Distrito Arcos (1)	167,590	114,663	24,191
Alto Comahue (2)	91,754	80,312	16,470
Patio Olmos (4)			
Total (3)	**3,149,838**	**2,558,133**	**1,834,726**

(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 mall in the province of Cordoba, operated by a third party.

Tenant Retail Sales (1)

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

	2017	2016	2015
Alto Palermo	4,169	3,499	2,662.1
Abasto Shopping	4,604	4,043	3,150.2
Alto Avellaneda	4,344	3,781	2,913.3
Alcorta Shopping	2,207	1,900	1,474.7
Patio Bullrich	1,236	1,061	888.5
Buenos Aires Design	537	414	326.0
Dot Baires Shopping	3,748	3,254	2,570.6
Soleil	1,726	1,282	938.4
Distrito Arcos (2)	1,455	962	339.9
Alto Noa Shopping	1,587	1,369	1,068.6
Alto Rosario Shopping	3,175	2,628	1,951.8
Mendoza Plaza Shopping	2,734	2,369	1,906.7
Córdoba Shopping	1,178	991	756.0
La Ribera Shopping	771	634	398.1
Alto Comahue (3)	954	717	182.1
Patio Olmos (4)			
Total sales	**34,426**	**28,905**	**21,527.0**

(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 mall, although in certain cases we own less than 100% of such shopping malls. 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 mall in the province of Cordoba, operated by a third party.

Accumulated Sales per type of Business

(*In millions of Ps.*)

	2017	2016	2015
Anchor Store	1,875	1,590	1,299
Clothes and footwear	18,463	15,201	11,125
Entertainment	1,178	1,025	741
Home and decoration	957	784	617
Home Appliances	4,064	3,861	2,994
Restaurants	3,671	2,722	1,938
Miscellaneous	3,963	3,368	2,589
Services	255	351	223
Total	**34,426**	**28,905**	**21,527**

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:

	2017	2016	2015
Abasto	96.8%	99.8%	100.0%
Alto Palermo	99.3%	99.5%	99.7%
Alto Avellaneda	99.3%	100.0%	99.9%
Alcorta Shopping	98.1%	89.1%	100.0%
Patio Bullrich	97.6%	99.1%	100.0%
Alto Noa	99.4%	100.0%	100.0%
Buenos Aires Design	97.2%	95.7%	94.6%
Mendoza Plaza	97.1%	95.2%	96.1%
Alto Rosario	99.6%	100.0%	97.9%
Córdoba Shopping Villa Cabrera	98.1%	99.2%	99.8%
Dot Baires Shopping	99.9%	100.0%	99.7%
Soleil Premium Outlet	100.0%	100.0%	99.4%
La Ribera Shopping	97.6%	99.3%	99.3%
Distrito Arcos	100.0%	97.0%	97.3%
Alto Comahue	96.4%	96.6%	94.2%
Patio Olmos (1)			
Total Percentage	**98.5%**	**98.4%**	**98.7%**

(1) IRSA CP owns the historic building of the Patio Olmos shopping mall 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, 2017, 2016 and 2015:(1)

	2017	2016	2015
Alto Palermo	26,739	20,664	15,108
Abasto	14,727	10,456	8,227
Alto Avellaneda	9,528	7,390	5,443
Alcorta Shopping	15,248	11,759	9,106
Patio Bullrich	12,391	10,057	8,453
Buenos Aires Design	4,223	3,264	2,543
Dot Baires Shopping	6,904	5,265	4,002
Soleil Premium Outlet	7,578	5,726	4,243
Distrito Arcos (2)	11,407	6,994	1,891
Alto Noa	4,639	3,815	2,657
Alto Rosario	7,766	6,303	4,847
Mendoza Plaza	3,457	2,831	2,181
Córdoba Shopping Villa Cabrera	5,682	4,367	3,552
La Ribera Shopping	2,814	2,109	1,340
Alto Comahue (3)	9,395	4,832	1,236
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.
(4) IRSA CP owns the historic building of the Patio Olmos shopping mall in the province of Cordoba, operated by a third party.

Lease Expirations (1) (2)

The following table sets forth the schedule of estimated lease expirations for our shopping malls for leases in effect as of June 30, 2017, assuming that none of the tenants will exercise renewal options or terminate their leases earlier:

Agreements' Expiration	Number of Agreements (1)	Square meters to expire	Percentage to expire	Amount (Ps.) (3)	Percentage of Agreements
Vacant stores	59	13,142	3.9%		
2017	360	66,577	19.5%	308,613,566	22.2%
2018	460	89,732	26.3%	423,644,277	30.5%
2019	516	114,262	33.5%	410,043,421	29.5%
2020 and subsequent years	286	57,579	16.9%	248,712,291	17.9%
Total	**1,622**	**328,149**	**100.0%**	**1,391,013,556**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Five largest tenants in the portfolio

The five largest tenants in our portfolio (in terms of sales) account for approximately 14.6% of our gross leaseable area as of June 30, 2017 and approximately 9.2% of the annual base rent for the fiscal year then ended.

Detailed information about each of our shopping malls

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

Abasto, City of Buenos Aires

Abasto is a 171-store shopping mall 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 sqm shopping mall (including parking and common areas) with approximately 36,795 square meters of gross leaseable area (40,469.9 square meters if we consider Museo de los Niños). Abasto is the fourth largest shopping mall 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 mall 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, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 4,604 million, representing sales per square meter for about Ps.125,124.8, 13.9% higher than sales recorded in fiscal year 2016. Total rental income increased from Ps. 299.3 million for fiscal year ended June 30, 2016 to Ps. 363.6 million for fiscal year ended June 30, 2017, which represents annual income per gross leaseable square meter of Ps. 7,397 in fiscal year 2016 and Ps. 9,881 in fiscal year 2017.

As of June 30, 2017, Abasto Shopping's occupancy rate was 96.8%.

Abasto's five largest tenants

Abasto's five largest tenants (in terms of sales in this shopping mall) account for approximately 41.0% of its gross leaseable area as of June 30, 2017 and approximately 10.2% 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	Entertainment	8,021	21.8
Neverland Park	Entertainment	3,538	9.6
Zara	Clothes and footwear	1,790	4.9
Fravega	Home appliances	885	2.4
Stock Center	Clothes and footwear	861	2.3
Total		**15,095**	**41.0**

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	16,316	44.3
Entertainment	11,559	31.4
Restaurant	3,008	8.2
Home Appliances	2,731	7.4
Miscellaneous	2,212	6.0
Home and decoration	583	1.6
Services	386	1.1
Total	**36,795**	**100**

(1) Includes vacant stores as of June 30, 2017.

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.)*

	2017	2016	2015
Base rent	276,326	215,228	166,440
Percentage rent	87,248	84,116	69,186
Total rent	**363,574**	**299,344**	**235,626**
Non-traditional advertising	11,144	9,329	7,372
Revenues from admission rights	49,426	38,561	30,024
Fees	6,989	5,532	4,277
Parking	48,591	40,117	30,822
Commissions	22,509	19,086	11,245
Other	39,640	591	497
Total	**541,873**	**412,560**	**319,863**

Lease expiration for Abasto [(1)(2)]

The following table includes a schedule of lease expirations for Abasto during the periods indicated for existing leases as of June 30, 2017, 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.) [(3)]	Percentage of Agreements
Vacant stores	1	171	0.5%	0.0	0.0%
2017	51	7,430	20.2%	53,136,190	24.5%
2018	40	4,526	12.3%	49,044,998	22.6%
2019	41	18,340	49.8%	63,661,979	29.4%
2020 and subsequent years	38	6,328	17.2%	50,754,946	23.4%
Total	**171**	**36,795**	**100%**	**216,598,113**	**100%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Alto Palermo, City of Buenos Aires

Alto Palermo is a 143-store shopping mall 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 18,945.0 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 568-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, 2017, the public visiting the shopping mall generated nominal retail sales totaling approximately Ps. 4,169.4 million, 19.2% above a turnover in the same period of fiscal year 2016. Sales per square meter reached Ps. 220,081. Total rental income increased from Ps. 307.9 million for fiscal year ended June 30, 2016 to Ps. 369.2 million for fiscal year ended June 30, 2017, which represents annual revenues per gross leaseable square meter of Ps. 19,490.7 in fiscal year 2017 and Ps. 16,235.2 in fiscal year 2016.

As of June 30, 2017, Alto Palermo's occupancy rate was 99.3%.

Alto Palermo's expansion project will add approximately 4,000 square meters to this shopping mall, which has the highest rental income per square meter, and it consists of moving the food court to a third level. This transformation will be possible thanks to the purchase of an adjoining plot of land closed in 2015. The demolition stage ended in the second quarter of fiscal year 2017.

Alto Palermo's five largest tenants

Alto Palermo's five largest tenants (in terms of sales) account for approximately 31.7% of its gross leaseable area at June 30, 2017 and approximately 8.6% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Nike	Clothes and footwear	1,462	7.7
Zara	Clothes and footwear	1,384	7.3
Wendy's	Restaurant	1,309	6.9
Megatlon	Services	1,141	6.0
Just for Sport	Clothes and footwear	724	3.8
Total		**6,020**	**31.7**

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	11,656	61.5
Restaurant	2,891	15.3
Services	1,584	8.4
Miscellaneous	2,012	10.6
Home appliances	557	2.9
Home and decoration	245	1.3
Entertainment	0	0.0
Total	**18,945**	**100.0**

(1) Includes vacant stores as of June 30, 2017.

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.*)

	2017	2016	2015
Base rent	305,696	240,540	176,989
Percentage rent	63,553	67,376	56,549
Total rent	**369,249**	**307,916**	**233,538**
Non-traditional advertising	13,085	13,970	12,446
Revenues from admission rights	59,534	48,471	35,096
Fees	6,475	5,142	3,976
Parking	37,085	29,983	22,051
Commissions	20,407	21,902	15,630
Other	720	401	427
Total	**506,555**	**427,785**	**323,164**

Lease expirations for Alto Palermo (1)(2)

The following table shows a schedule of lease expirations for Alto Palermo during the periods indicated for existing leases as of June 30, 2017, 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.)(3)	Percentage of Agreements
Vacant stores	4	364	1.9%	0	0.0%
2017	37	4,628	24.4%	56,571,207	23.9%
2018	51	7,532	39.8%	84,723,435	35.8%
2019	30	2,679	14.1%	50,414,454	21.3%
2020 and subsequent years	21	3,741	19.7%	45,046,507	19.0%
Total	**143**	**18,945**	**100.0%**	**236,755,604**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Alto Avellaneda, Greater Buenos Aires area

Alto Avellaneda is a 136-store suburban shopping mall 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 mall 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 36,063.1 square meters of GLA. The shopping mall 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 mall has a 2,400-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 25 and 40.

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 mall. See "Recent Events" for more information.

During the fiscal year ended June 30, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 4,344.2 million, which represents a year-on-year growth of 14.9%. Sales per square meter were Ps. 120,461.1. Total rental income increased from Ps. 235.2 million for fiscal year ended June 30, 2016 to Ps. 287.7 million for fiscal year ended June 30, 2017, which represents annual income per gross leaseable square meter of Ps. 6,553 in fiscal year 2016 and Ps. 7,976.7 in fiscal year 2017.

As of June 30, 2017, Alto Avellaneda's occupancy rate was 99.3%.

Alto Avellaneda's five largest tenants

Alto Avellaneda's five largest tenants (in terms of sales in this shopping mall) account for approximately 53.8% of its gross leaseable area as of June 30, 2017 and approximately 15.7% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Falabella	Department Store	11,629	32.2
Bingo	Entertainment	2,470	6.8
Atlas	Entertainment	2,434	6.8
Zara	Clothes and footwear	1,585	4.4
Sacoa	Entertainment	1,289	3.6
Total		**19,407**	**53.8**

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	12,290	34.1
Department store	11,629	32.2
Entertainment	6,193	17.2
Miscellaneous	1,686	4.7
Home appliances	1,717	4.8
Restaurant	1,704	4.7
Services	529	1.5
Home and decoration	315	0.9
Total	**36,063**	**100**

(1) Includes vacant stores as of June 30, 2017.

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.*)

	2017	2016	2015
Base rent	219,715	166,830	119,957
Percentage rent	67,951	68,336	56,034
Total rent	**287,666**	**235,166**	**175,991**
Non-traditional advertising	5,047	4,762	3,796
Revenues from admission rights	30,086	24,920	19,587
Fees	5,977	4,746	3,670
Parking	0	0	0
Commissions	14,365	14,755	8,904
Other	475	363	362
Total	**343,616**	**284,712**	**212,310**

Lease expirations for Alto Avellaneda (1) (2)

The following table sets forth a schedule of lease expirations for Alto Avellaneda during the periods indicated for existing leases as of June 30, 2017, 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.)(3)	Percentage of Agreements
Vacant stores	3	80	0.2%	0	0.0%
2017	27	5,707	15.8%	38,320,494	21.6%
2018	50	18,798	52.1%	58,878,849	33.1%
2019	43	6,552	18.2%	58,805,783	33.1%
2020 and subsequent years	13	4,926	13.7%	21,713,977	12.2%
Total	**136**	**36,063**	**100.0%**	**177,719,103**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Buenos Aires Design, City of Buenos Aires

Buenos Aires Design is a shopping mall with 62 stores specialized in decoration and home appliances 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 13,697 square meters of GLA. The shopping mall has 9 restaurants anchored by the Hard Rock Café and a terrace that covers approximately 3,700 square meters. The shopping mall 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, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 536.6 million, which represents approximately Ps. 39,176.4 per square meter. Total rental income increased from Ps. 31.6 million for fiscal year ended June 30, 2016 to Ps. 36.2 million for fiscal year ended June 30, 2017, which represents annual income per gross leaseable square meter of Ps. 2,282.5 in fiscal year 2016 and Ps. 2,644.5 in fiscal year 2017.

As of June 30, 2017, Buenos Aires Design's occupancy rate was 97.2%.

Buenos Aires Design's five largest tenants

Buenos Aires Design's five largest tenants (in terms of sales in this shopping mall) accounted for approximately 41% of its gross leaseable area as of June 30, 2017 and approximately 15.6% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Auditorio	Miscellaneous	2,041	15.2
Hard Rock Café	Restaurant	1,216	9.1
Morph	Home and decoration	1,032	7.7
Primafila	Restaurant	668	5.0
Michael Thonet	Home and decoration	541	4.0
Total		**5,498**	**41.0**

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 and decoration	7,983	58.3
Restaurant	3,439	25.1
Miscellaneous	2,091	15.3
Home appliances	184	1.3
Services	0	0.0
Clothes and footwear	0	0.0
Entertainment	0	0.0
Department store	0	0.0
Total	**13,697**	**100**

(1) Includes vacant stores as of June 30, 2017.

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.*)

	2017	2016	2015
Base rent	33,459	29,465	22,603
Percentage rent	2,763	2,164	1,616
Total rent	**36,222**	**31,629**	**24,219**
Non-traditional advertising	1,684	1,543	970
Revenues from admission rights	3,862	3,585	2,720
Fees	3,591	2,808	2,172
Parking	10,562	7,944	6,184
Commissions	1,799	1,778	1,600
Other	121	81	25
Total	**57,841**	**49,368**	**37,890**

Lease expirations for Buenos Aires Design (1) (2)

The following table shows a schedule of lease expirations for Buenos Aires Design during the periods indicated for existing leases as of June 30, 2017, 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.)(3)	Percentage of Agreements
Vacant stores	2	531	4.0%	0.0	0%
2017	18	3,585	26.0%	6,391,097	21.4%
2018	10	1,067	7.8%	6,660,621	22.3%
2019	30	8,349	61.0%	15,785,919	52.8%
2020 and subsequent years	1	165	1.2%	1,054,284	3.5%
Total	**61**	**13,697**	**100.0%**	**29,891,921**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Alcorta Shopping, City of Buenos Aires

Alcorta Shopping is a 113-store shopping mall 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 15,612.8 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 mall's parking lot. The shopping mall 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 30 and 45.

Over the past years, Alcorta Shopping has become a symbol of fashion and vanguard style in Argentina. It is the place of choice of emerging designers for promoting and selling their new brands. A significant fact about Alcorta Shopping is that 69% of its visitors are frequent or habitual customers.

During the fiscal year ended June 30, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 2,207 million, which represents fiscal year sales for approximately Ps. 141,358.6 per square meter and a year-on-year growth of 16.2%. Total rental income increased from approximately Ps. 149.9 million for fiscal year ended June 30, 2016 to Ps. 174.7 million for fiscal year ended June 30, 2017, which represents annual income per gross leaseable square meter of Ps. 9,446.3 in fiscal year 2016 and Ps. 11,187.9 in fiscal year 2017.

As of June 30, 2017, Alcorta Shopping's occupancy rate was 98.1%.

Alcorta Shopping's five largest tenants

Alcorta Shopping's five largest tenants (in terms of sales in this shopping mall) account for approximately 27.8% of its gross leaseable area as of June 30, 2017 and approximately 9.8% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Megatlon	Services	1,465	9.4
Zara	Clothes and footwear	1,100	7.0
Atlas	Entertainment	966	6.2
Rapsodia	Clothes and footwear	413	2.6
Nike	Clothes and footwear	401	2.6
Total		**4,345**	**27.8**

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	9,229	59.1
Entertainment	966	6.2
Services	2,188	14.0
Restaurant	1,370	8.8
Miscellaneous	1,097	7.0
Home and decoration	434	2.8
Home appliances	329	2.1
Total	**15,613**	**100.0**

(1) Includes vacant stores as of June 30, 2017.

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.*)

	2017	2016	2015
Base rent	139,966	105,511	77,541
Percentage rent	34,708	44,465	36,534
Total rent	**174,674**	**149,976**	**114,075**
Non-traditional advertising	6,214	5,341	**4,097**
Revenues from admission rights	25,994	20,042	15,893
Fees	2,111	1,676	1,296
Parking	17,713	14,709	8,795
Commissions	11,155	7,259	8,257
Other	197	297	160
Total	**238,058**	**199,300**	**152,573**

Lease expirations for Alcorta Shopping (1) (2)

The following table shows a schedule of lease expirations for Alcorta Shopping during the periods indicated for existing leases as of June 30, 2017, assuming that none of the tenants will exercise renewal options or terminate their leases early:

Agreements' Expiration	Number of Agreements	Square Meters to Expire	Percentage to Expire	Amount (Ps.)(3)	Percentage of Agreements
Vacant stores	2	1,127	7.2%	0	0.0%
2017	32	2,834	18.2%	22,315,596	18.8%
2018	31	5,026	32.1%	43,522,968	36.6%
2019	31	3,896	25.0%	33,097,441	27.9%
2020 and subsequent years	17	2,730	17.5%	19,866,254	16.7%
Total	**113**	**15,613**	**100.0%**	**118,802,259**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Patio Bullrich, City of Buenos Aires

Patio Bullrich is a 91-store shopping mall which opened in 1988 and the first shopping mall 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 mall 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 mall 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 11,759.6 square meters of GLA and common areas covering 12,472 square meters. The shopping mall has a four-screen multiplex cinema with 1,381 seats and a food court of 13 restaurants. The shopping mall 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 malls in Argentina in terms of sales per square meter. Its targeted clientele consists of high-income individuals over 40 years old.

During the fiscal year ended June 30, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 1,236.5 million, which represents annual sales for approximately Ps. 105,148.2 per square meter and a year-on-year increase of 16.5%. Total rental income increased from Ps. 85.3 million for fiscal year ended June 30, 2016 to Ps. 97.6 million for fiscal year ended June 30, 2017, which represents monthly revenues per gross leaseable square meter of Ps. 7,236.9 in fiscal year 2016 and Ps. 8,300.8 in fiscal year 2017.

As of June 30, 2017, Patio Bullrich's occupancy rate was 97.6%.

Patio Bullrich's five largest tenants

Patio Bullrich's five largest tenants (in terms of sales in the shopping mall) accounted for approximately 32.5% of its gross leaseable area as of June 30, 2017 and approximately 10.6% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Atlas	Entertainment	1,297	11.0
Zara	Clothes and footwear	786	6.7
Rouge Internacional	Miscellaneous	600	5.1
Etiqueta Negra	Clothes and footwear	576	4.9
LIFE CENTER	Services	565	4.8
Total		**3,824**	**32.5**

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	5,058	43.0
Miscellaneous	2,608	22.2
Entertainment	2,069	17.6
Restaurant	936	8.0
Services	686	5.8
Home and decoration	403	3.4
Total	**11,760**	**100.0**

(1) Includes vacant stores as of June 30, 2017.

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.*)

	2017	2016	2015
Base rent	80,620	69,520	57,375
Percentage rent	16,994	15,750	13,351
Total rent	**97,614**	**85,270**	**70,726**
Non-traditional advertising	2,670	2,033	1,734
Revenues from admission rights	15,490	14,489	12,753
Fees	5,107	4,056	3,136
Parking	17,897	14,480	11,537
Commissions	6,618	4,897	4,761
Other	318	203	117
Total	**145,714**	**125,428**	**104,764**

Lease expirations for Patio Bullrich (1)(2)

The following table shows a schedule of lease expirations for Patio Bullrich during the periods indicated for existing leases as of June 30, 2017, 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.)(3)	Percentage of Agreements
Vacant stores	4	650	6%	0.0	0%
2017	25	2,729	23%	20,957,149	28%
2018	22	3,658	31.1%	25,584,726	34.6%
2019	27	2,828	24.0%	19,909,087	26.9%
2020 and subsequent years	13	1,895	16.1%	7,721,376	10.5%
Total	**91**	**11,760**	**100.0%**	**74,172,338**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Alto Noa, City of Salta

Alto Noa is a 90-store shopping mall 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 mall has a total constructed area of approximately 30,876 square meters (including parking) which consists of 19,058.9 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 mall occupies one floor and has a free parking lot for 523 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, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 1,586.8 million, which represents fiscal period sales for approximately Ps. 84,815.2 per square meter and a year-on-year increase of 15.9%. Total rental income increased from Ps. 68 million in fiscal year ended June 30, 2016 to Ps. 77.9 million in fiscal year ended June 30, 2017, which represents annual income per gross leaseable square meter of Ps. 3,572.4 in fiscal year 2016 and Ps. 4,085.7 in fiscal year 2017.

As of June 30, 2017, Alto Noa's occupancy rate was 99.4%.

Five largest tenants of Alto Noa

Alto Noa's five largest tenants (in terms of sales in this shopping mall) accounted for approximately 58.1% of its gross leaseable area as of June 30, 2017 and approximately 14.8% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Hoyts General Cinema	Entertainment	3,808	20.0
Carrefour	Miscellaneous	3,081	16.2
Neverland Park	Entertainment	1,842	9.7
YPF	Miscellaneous	1,812	9.5
Boulevard Casino	Entertainment	520	2.7
Total		**11,063**	**58.1**

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	6,265	32.9
Miscellaneous	5,704	29.9
Clothes and footwear	4,138	21.7
Home appliances	1,214	6.4
Restaurant	1,154	6.1
Services	379	2.0
Home and decoration	206	1.1
Total	**19,059**	**100.0**

(1) Includes vacant stores as of June 30, 2017.

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.*)

	2017	2016	2015
Base rent	47,457	38,836	26,263
Percentage rent	30,413	29,182	21,021
Total rent	**77,870**	**68,018**	**47,284**
Non-traditional advertising	952	1,123	473
Revenues from admission rights	4,888	3,862	2,707
Fees	633	503	389
Parking	0	0	0
Commissions	3,603	3,092	1,742
Other	473	249	220
Total	**88,419**	**76,847**	**52,815**

Lease expirations for Alto Noa (1)(2)

The following table shows a schedule of lease expirations for Alto Noa during the periods indicated for existing leases as of June 30, 2017, 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.)[3]	Percentage of Agreements (%)
Vacant stores	1	115	1%	0	0%
2017	23	3,513	18%	8,554,790	21.6%
2018	20	6,700	35.2%	11,221,502	28.4%
2019	28	2,649	13.9%	11,591,646	29.3%
2020 and subsequent years	18	6,082	31.9%	8,198,021	20.7%
Total	**90**	**19,059**	**100.0%**	**39,565,959**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Mendoza Plaza, City of Mendoza

Mendoza Plaza is a 142-store shopping mall 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 42,867.1 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 mall has two levels and has a free parking lot for 1,718 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, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 2,734 million, which represents a year-on-year growth of 15.4%. Sales per square meter were approximately Ps. 63,778.5. Total rental income increased from Ps. 109 million in fiscal year ended June 30, 2016 to Ps. 125.4 million in fiscal year ended June 30, 2017, which represents annual income per gross leaseable square meter of Ps. 2,593.7 in fiscal year 2016 and Ps. 2,924.2 in fiscal year 2017.

As of June 30, 2017, Mendoza Plaza's occupancy rate was 97.2%.

Five largest tenants of Mendoza Plaza

Mendoza Plaza's five largest tenants (in terms of sales in this shopping mall) accounted for approximately 52.6% of its gross leaseable area as of June 30, 2017 and approximately 18.3% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Falabella	Department store	8,563	20.0
Super Plaza Vea	Miscellaneous	4,419	10.3
Neverland Park	Entertainment	3,693	8.6
Village Cinemas	Entertainment	3,659	8.6
Dragon Bowling	Entertainment	2,122	5.0
Total		**22,456**	**52.5**

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	12,249	28.6
Miscellaneous	7,863	18.3
Department store	8,563	20.0
Clothes and footwear	8,166	19.0
Home appliances	2,890	6.7
Restaurant	1,644	3.8
Services	1,085	2.5
Home and decoration	407	0.9
Total	**42,867**	**100**

(1) Includes vacant stores as of June 30, 2017.

Revenues from Mendoza Plaza

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

(*In thousands of Ps.*)

	2017	2016	2015
Base rent	82,567	65,426	46,634
Percentage rent	42,784	43,619	38,013
Total rent	**125,351**	**109,045**	**84,647**
Non-traditional advertising	2,354	2,620	1,507
Revenues from admission rights	7,671	6,287	4,071
Fees	3,414	2,663	2,005
Parking	0	0	0
Commissions	6,053	5,082	3,614
Other	3,359	1,042	878
Total	**148,202**	**126,739**	**96,722**

Lease expirations for Mendoza Plaza (1)(2)

The following table shows a schedule of lease expirations for Mendoza Plaza during the periods indicated for existing leases as of June 30, 2017, 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.)(3)	Percentage of Agreements
Vacant stores	10	2,926	6.8%	0.0	0%
2017	27	13,078	30.5%	15,652,861	23.1%
2018	25	8,339	19.5%	14,356,096	21.2%
2019	46	15,108	35.2%	22,809,638	33.7%
2020 and subsequent years	34	3,416	8.0%	14,886,526	22.0%
Total	**142**	**42,867**	**100.0%**	**67,705,120**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Alto Rosario, City of Rosario

Alto Rosario is a 150-store shopping mall 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 31,807.9 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 mall occupies one floor and has a free parking lot for 1,716 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, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 3,175.4 million, which represents a year-on-year increase of 20.8%. Sales per square meter were approximately Ps. 00,830.5. Total rental income increased from Ps. 163.8 million in fiscal year ended June 30, 2016 to Ps. 209.3 million in fiscal year ended June 30, 2017, which represents annual income per gross leaseable square meter of Ps. 5,451 in fiscal year 2016 and Ps. 6,580.1 in fiscal year 2017.

As of June 30, 2017, Alto Rosario's occupancy rate was 99.6%.

Five largest tenants of Alto Rosario

Alto Rosario's five largest tenants (in terms of sales in this shopping mall) accounted for approximately 36.7% of its gross leaseable area as of June 30, 2017 and approximately 9.3% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Showcase Cinema	Entertainment	8,984	28.3
Sacoa	Entertainment	780	2.5
Sport 78	Clothes and footwear	672	2.1
Rock & Feller	Restaurant	616	1.9
Interio	Home and decoration	602	1.9
Total		**11,654**	**36.7**

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	14,511	45.6
Entertainment	9,774	30.7
Miscellaneous	2,069	6.5
Restaurant	2,107	6.6
Home and decoration	1,750	5.5
Home appliances	1,539	4.8
Services	58	0.2
Total	**31,808**	**100.0**

(1) Includes vacant stores as of June 30, 2017.

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.*)

	2017	2016	2015
Base rent	139,033	101,180	72,703
Percentage rent	70,267	62,657	53,567
Total rent	**209,300**	**163,837**	**126,270**
Non-traditional advertising	**2,777**	3,146	2,379
Revenues from admission rights	20,216	14,960	9,230
Fees	2,506	1,990	1,539
Parking	0	0	0
Commissions	11,676	7,835	8,270
Other	556	713	453
Total	**247,031**	**192,481**	**148,141**

Lease expirations for Alto Rosario (1)(2)

The following table shows a schedule of lease expirations for Alto Rosario during the periods indicated for existing leases as of June 30, 2017, 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.)(3)	Percentage of Agreements
Vacant stores	7	3,060	10%	0.0	0%
2017	24	3,072	10%	16,441,803	14.9%
2018	52	6,581	20.7%	37,847,653	34.4%
2019	29	3,646	11.5%	23,339,680	21.2%
2020 and subsequent years	38	15,449	48.6%	32,457,651	29.5%
Total	**150**	**31,808**	**100.0%**	**110,086,787**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Córdoba Shopping. Villa Cabrera. City of Córdoba

Córdoba Shopping Villa Cabrera is a shopping mall covering 35,000 square meters of surface area, with 15,444.9 square meters being gross leaseable area. Córdoba Shopping has 108 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, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 1,177.7 million, which represents a year-on-year growth of 18.8%. Sales per square meter were approximately Ps. 76,252. Total rental income increased from Ps. 62 million in fiscal year ended June 30, 2016 to Ps. 74.1 million in fiscal year ended June 30, 2017, which represents annual income per gross leaseable square meter of Ps. 3,976.4 in fiscal year 2016 and Ps. 4,797.1 in fiscal year 2017.

As of June 30, 2017, Córdoba Shopping's occupancy rate was 98.1%.

Five largest tenants of Córdoba Shopping – Villa Cabrera

Córdoba Shopping's five largest tenants (in terms of sales in this shopping mall) accounted for approximately 45.2% of its gross leaseable area as of June 30, 2017 and approximately 7.5% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Showcase Cinema	Entertainment	5,443	35.2
Garbarino	Home appliances	497	3.2
Neverland Park	Entertainment	400	2.6
Nike	Clothes and footwear	380	2.5
New Sport	Clothes and footwear	263	1.7
Total		**6,982**	**45.2**

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	6,530	42.3
Entertainment	5,844	37.8
Miscellaneous	700	4.5
Restaurant	1,054	6.8
Home appliances	535	3.5
Services	555	3.6
Home and decoration	226	1.5
Total	**15,445**	**100.0**

(1) Includes vacant stores as of June 30, 2017.

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.*)

	2017	2016	2015
Base rent	41,202	33,365	26,250
Percentage rent	32,889	28,594	23,039
Total rent	**74,091**	**61,959**	**49,289**
Non-traditional advertising	1,694	2,445	1,725
Revenues from admission rights	4,799	3,590	3,260
Fees	2,830	2,173	1,580
Parking	0	0	0
Commissions	3,947	2,253	1,958
Other	390	327	198
Total	**87,751**	**72,747**	**58,010**

Lease expirations for Córdoba Shopping Villa Cabrera [(1)(2)]

The following table shows a schedule of lease expirations for Córdoba Shopping during the periods indicated for existing leases as of June 30, 2017, 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.) [(3)]	Percentage of Agreements
Vacant stores	5	314	2.0%	0.0	0%
2017	26	2,666	17.3%	7,612,955	21.3%
2018	29	7,921	51.3%	9,275,255	26.0%
2019	29	2,208	14.3%	11,231,247	31.5%
2020 and subsequent years	19	2,336	15.1%	7,549,907	21.2%
Total	**108**	**15,445**	**100.0%**	**35,669,363**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Dot Baires Shopping, City of Buenos Aires

Dot Baires Shopping is a shopping mall that opened in May 2009. It has 4 floors and 3 underground levels, a covered surface area of 173,000 square meters, of which 49,499.1 sqm constitute Gross Leaseable Area, comprising 158 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, City of Buenos Aires, and is the largest shopping mall in the City in terms of square meters. As of June 30, 2017, our equity interest in Panamerican Mall S.A. was 80%.

During the fiscal year ended June 30, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 3,747.7 million, which represents a year-on-year increase of 15.2% and annual sales for approximately Ps. 75,712.6 per square meter. Total rental income increased from Ps. 209.3 million in the fiscal year ended June 30, 2016 to Ps. 246 million in the fiscal year ended June 30, 2017, which represents annual income per gross leaseable square meter of Ps. 4,216.7 in fiscal year 2016 and Ps. 4,969.8 in fiscal year 2017.

As of June 30, 2017, Dot Baires Shopping's occupancy rate was 99.9%.

Five largest tenants of Dot Baires Shopping

Dot Baires Shopping's five largest tenants (in terms of sales of this shopping mall) accounted for approximately 60.1% of its gross leaseable area as of June 30, 2017 and approximately 20% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Wal-Mart	Miscellaneous	12,600	25.5
Falabella	Department store	8,087	16.3
Hoyts General Cinema	Entertainment	6,476	13.1
Sport Club	Services	1,381	2.8
Zara	Clothes and footwear	1,179	2.4
Total		**29,723**	**60.1**

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	15,275	30.9
Clothes and footwear	13,194	26.7
Department store	8,087	16.3
Entertainment	7,135	14.4
Services	1,999	4.0
Restaurant	1,768	3.6
Home appliances	1,487	3.0
Home and decoration	554	1.1
Total	**49,499**	**100**

(1) Includes vacant stores as of June 30, 2017.

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.)*

	2017	2016	2015
Base rent	177,353	141,762	96,838
Percentage rent	68,647	67,556	59,544
Total rent	**246,000**	**209,318**	**156,382**
Non-traditional advertising	8,265	7,647	6,364
Revenues from admission rights	24,606	17,973	14,060
Fees	4,221	3,352	2,592
Parking	46,509	37,127	25,994
Commissions	11,001	10,048	5,088
Other	1,146	737	446
Total	**341,748**	**286,202**	**210,926**

Lease expirations for Dot Baires Shopping (1)(2)

The following table shows a schedule of lease expirations for Dot Baires Shopping during the periods indicated for existing leases as of June 30, 2017, 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.)(3)	Percentage of Agreements
Vacant stores	5	179	0.4%	0	0%
2017	46	13,996	28.3%	50,953,584	34.9%
2018	37	6,536	13.2%	33,158,055	22.7%
2019	53	27,184	54.9%	49,623,807	34.0%
2020 and subsequent years	17	1,604	3.2%	12,265,793	8.4%
Total	**158**	**49,499**	**100.0%**	**146,001,239**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 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 mall'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 mall and a strong advertising campaign, it was renamed Soleil Premium Outlet. At present, it has a surface area of 48,313 square meters, 15,227.4 square meters of which are GLA. It comprises 79 stores and 2,600 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.

In 2016, an investment over Ps. 26.2 million was made and a 1,180 sqm new Nike Factory Store was built. Nike Factory Store is an anchor sports store that sells clothing from past seasons, as the rest of the stores in the shopping mall. At present, the food court is being renovated.

During the fiscal year ended June 30, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 1,725.8 million, which represents annual average sales for approximately Ps. 113,335.5 per square meter and a year-on-year turnover growth of 34.6%. Total rental income increased from Ps. 73.5 million for the fiscal year ended June 30, 2016 to Ps. 98.6 million for the fiscal year ended June 30, 2017, representing annual income per gross leaseable square meter of Ps. 5,253.9 in fiscal year 2016 and Ps. 6,475.7 in fiscal year 2017.

As of June 30, 2017, 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 mall) accounted for approximately 40.2% of its gross leaseable area as of June 30, 2017 and approximately 11.2% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Cinemark	Entertainment	3,263	21.5
Nike	Clothes and footwear	1,180	7.8
Stock Center	Clothes and footwear	701	4.6
Adidas	Clothes and footwear	480	3.2
GARBARINO	Home appliances	472	3.1
Total		**6,096**	**40.2**

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	9,534	62.6
Entertainment	3,320	21.8
Home appliances	808	5.3
Restaurant	753	4.9
Miscellaneous	374	2.5
Services	291	1.9
Home and decoration	147	1.0
Total	**15,227**	**100.0**

(1) Includes vacant stores as of June 30, 2017.

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.*)

	2017	2016	2015
Base rent	62,112	44,597	33,422
Percentage rent	36,496	28,911	20,700
Total rent	**98,608**	**73,508**	**54,122**
Non-traditional advertising	1,059	1,579	669
Revenues from admission rights	8,002	5,335	4,057
Fees	1,305	1,076	801
Parking	0	0	0
Commissions	6,142	4,502	1,898
Other	277	194	148
Total	**115,393**	**86,194**	**61,695**

Lease expirations for Soleil Premium Outlet (1)(2)

The following table shows a schedule of lease expirations for Soleil Premium Outlet during the periods indicated for existing leases as of June 30, 2017, 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.)(3)	Percentage of Agreements
Vacant stores	1	57	0%	0.0	0%
2017	22	3,289	21.9%	11,465,842	23%
2018	17	2,663	17.5%	12,209,741	24.5%
2019	23	6,115	40.2%	14,460,255	29.1%
2020 and subsequent years	16	3,103	20.4%	11,640,811	23.4%
Total	**79**	**15,227**	**100.0%**	**49,776,649**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 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 mall, which has a surface area of 43,219 square meters, comprising 68 retail stores and seven 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 10,054.3 square meters.

The shopping mall 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, 2017, the public visiting the shopping mall generated nominal retail sales that totaled approximately Ps. 711.1 million, which represents a year-on-year increase of 21.6% and sales per square were approximately Ps. 76,693.4. Total rental income increased from Ps. 20 million in fiscal year ended June 30, 2016 to Ps. 25.1 million in fiscal year ended June 30, 2017, representing annual income per gross leaseable square meter of Ps. 2,029.5 in fiscal year 2016 and 2,494.6 in fiscal year 2017.

As of June 30, 2017, La Ribera Shopping's occupancy rate was 97.6%.

Five largest tenants of La Ribera Shopping

La Ribera's five largest tenants (in terms of sales of this shopping mall) accounted for approximately 48.7% of its gross leaseable area as of June 30, 2017 and approximately 25.2% 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, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Cinemark	Entertainment	2,474	25.1
Playland Park	Entertainment	756	7.7
Musimundo	Home appliances	691	7.0
Mc Donald's	Restaurant	471	4.8
Johnny B Good	Restaurant	396	4.0
Total		**4,788**	**48.6**

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	32.1
Clothes and footwear	3,426	34.1
Restaurant	1,673	16.6
Miscellaneous	886	8.8
Home appliances	755	7.5
Home and decoration	56	0.6
Services	28	0.1
Total	**10,054**	**100.0**

(1) Includes vacant stores as of June 30, 2017.

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.*)

	2017	2016	2015
Base rent	11,441	9,036	5,014
Percentage rent	13,641	10,956	7,563
Total rent	**25,082**	**19,992**	**12,577**
Non-traditional advertising	690	913	845
Revenues from admission rights	556	342	201
Fees	495	372	273
Parking	0	0	0
Commissions	1,413	1,105	1,282
Other	57	73	17
Total	**28,293**	**22,797**	**15,195**

Lease expirations for La Ribera Shopping (1)(2)

The following table shows a schedule of lease expirations for La Ribera during the periods indicated for existing leases as of June 30, 2017, 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.)[(3)]	Percentage of Agreements
Vacant stores	3	364	3.6%	0.0	0%
2017	2	48	0.5%	240,000	1.4%
2018	14	1,356	13.5%	3,226,560	18.7%
2019	29	5,691	56.6%	7,880,431	45.8%
2020 and subsequent years	20	2,596	25.8%	5,882,953	34.1%
Total	**68**	**10,055**	**100.0%**	**17,229,944**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 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 14,692 square meters of GLA and it consists of 67 stores, 420 parking spaces y 35 selling stands.

In this fiscal year, the second stage of the project was inaugurated, and 6 new stores were opened, including a fitness center, a fast food restaurant and various clothing stores. Three new accesses were added and an amphitheater with several entertainment and commercial proposals was also built.

As of June 30, 2017, Distrito Arcos' occupancy rate was 100%.

Five largest tenants of Distrito Arcos

Distrito Arcos' five largest tenants (in terms of sales of this shopping mall) accounted for approximately 19.1% of its gross leaseable area as of June 30, 2017, and 11.3% of its annual base rent.

The following table describes Distrito Arcos' five largest tenants as of June 30, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
Fundacion fola-fototeca Latam	Miscellaneous	1,048	7.2
Adidas	Clothes and footwear	573	3.9
Etiqueta negra	Clothes and footwear	401	2.8
Akiabara	Clothes and footwear	378	2.6
Wendy's	Restaurant	376	2.6
Total		**2,776**	**19.1**

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	12,126	82.5
Services	89	0.6
Restaurant	888	6.0
Miscellaneous	1,589	10.8
Total	**14,692**	**100.0**

(1) Includes vacant stores as of June 30, 2017.

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.)

	2017	2016	2015
Base rent	98,120	68,431	11,753
Percentage rent	45,449	29,982	8,379
Total rent	**143,569**	**98,414**	**20,132**
Non-traditional advertising	1,986	2,052	492
Revenues from admission rights	5,253	3,219	2,413
Fees	947	752	220
Parking	14,393	8,853	0
Commissions	964	1,011	885
Other	478	362	49
Total	**167,590**	**114,663**	**24,191**

Lease expirations for Distrito Arcos (1)(2)

The following table shows a schedule of lease expirations for Distrito Arcos during the periods indicated for existing leases as of June 30, 2017, 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.) (3)	Percentage of Agreements
Vacant stores	6	2,949	20.1%	0.0	0%
2017	0	0	0%	0.0	0%
2018	41	7,230	49.2%	29,325,088	61.6%
2019	14	3,038	20.7%	12,594,500	26.4%
2020 and subsequent years	6	1,475	10.0%	5,733,393	12.0%
Total	**67**	**14,692**	**100.0%**	**47,652,981**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Alto Comahue, City of Neuquén

Alto Comahue is our shopping mall 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 9,766 square meters of GLA, approximately 1,066 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 1,000 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 mall generated nominal retail sales that totaled approximately Ps. 953.9 million, which represent sales per square meter of approximately Ps. 97,676. Total rental income was approximately Ps. 86.4 million, which represents total revenues for the period per gross leaseable area of Ps. 8,846.5.

As of June 30, 2017, Alto Comahue's occupancy rate was 96.4%.

Five largest tenants of Alto Comahue

Alto Comahue's five largest tenants (in terms of sales of this shopping mall) accounted for approximately 17.3% of its gross leaseable area as of June 30, 2017, and 13% of its annual base rent.

The following table describes Alto Comahue's five largest tenants as of June 30, 2017:

Tenant	Type of Business	Gross Leaseable Area (sqm)	Gross Leaseable Area (%)
JB Good	Restaurant	513	5.2
Dexter Shop	Clothes and footwear	421	4.3
Musimundo	Home appliances	288	2.9
Garbarino	Home appliances	242	2.5
Cinemark	Entertainment	225	2.3
Total		**1,689**	**17.3**

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	5,520	56.5
Miscellaneous	981	10.0
Restaurant	1,167	12.0
Home appliances	969	9.9
Services	391	4.0
Home and decoration	361	3.7
Entertainment	377	3.9
Total	**9,766**	**100.0**

(1) Includes vacant stores as of June 30, 2017.

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.)

	2017	2016	2015
Base rent	62,874	60,170	6,730
Percentage rent	23,521	15,371	4,087
Total rent	**86,395**	**75,541**	**10,817**
Non-traditional advertising	1,043	1,370	81
Revenues from admission rights	2,106	1,897	567
Fees	1,097	752	220
Parking	0	0	0
Commissions	732	408	4,759
Other	381	344	26
Total	**91,754**	**80,312**	**16,470**

Lease expirations for Alto Comahue (1)(2)

The following table shows a schedule of lease expirations for Alto Comahue during the periods indicated for existing leases as of June 30, 2017, 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.)(3)	Percentage of Agreements
Vacant stores	5	254	2.6%	0.0	0%
2017	0	0.0	0%	0.0	0%
2018	21	1,800	18.4%	4,608,729	19.7%
2019	63	5,979	61.2%	14,837,554	63.4%
2020 and subsequent years	15	1,733	17.8%	3,939,892	16.9%
Total	**104**	**9,766**	**100.0%**	**23,386,175**	**100.0%**

(1) Includes vacant stores as of June 30, 2017. 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, 2017 of agreements to expire.

Competition

We are the largest owner and operator of shopping malls, offices and other commercial properties in Argentina in terms of gross leaseable area and number of rental properties. Given that most of our shopping malls are located in highly populated areas, there are competing shopping malls within, or in close proximity to, our targeted areas, as well as stores located on avenues or streets. The number of shopping malls in a particular area could have a material effect on our ability to lease space in our shopping malls 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 malls. 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 malls in Argentina.

Company	Shopping Mall	Location	Gross leaseable area	Stores	National GLA Percentage (1)	Market share Percentage(1)
IRSA Propiedades Comerciales S.A.						
	Abasto (3)	City of Buenos Aires	18,945	143	2.98	2.35
	Alto Comahue	Neuquén	36,795	171	0.79	1.43
	Alto Palermo Shopping	City of Buenos Aires	36,063	136	1.54	1.96
	Buenos Aires Design (5)	City of Buenos Aires	15,613	113	1.09	0.81
	Dot Baires Shopping(4)	City of Buenos Aires	11,760	91	4.01	2.17
	Paseo Alcorta (2)	City of Buenos Aires	13,697	62	1.26	1.55
	Patio Bullrich	City of Buenos Aires	49,499	158	0.95	1.25
	Córdoba Shopping (2)	Córdoba	15,227	79	1.25	1.48
	Alto Avellaneda (2)	Greater Buenos Aires, Province of Buenos Aires	14,692	67	2.92	1.87
	Mendoza Plaza Shopping (2)	Mendoza	19,059	90	3.46	1.95
	Alto Rosario (2)	Rosario	31,808	150	2.57	2.06
	Alto Noa (2)	Salta	42,867	142	1.54	1.23
	La Ribera Shopping (5)	Santa Fe	15,445	108	0.80	0.91
	Distrito Arcos	City of Buenos Aires	10,054	68	1.18	0.92
	Soleil Premium Outlet (2)	Greater Buenos Aires, Province of Buenos Aires	9,766	104	1.23	1.08
	Subtotal		341,289	1,681	27.56	21.34
Cencosud S.A.			277,203	1,237	22.44	18.19
Other Operators			617,594	4,378	50.00	60.47
Total			1,236,086	7,296	100.00	100.00

Source: Argentine Chamber of Shopping Malls.

(1) Corresponding to gross leaseable area in respect of total gross leaseable area. Market share is calculated dividing number of stores by total stores. Totals may not sum due to rounding.
(2) Includes supermarkets.
(3) Includes Museo de los Niños.
(4) Our interest in PAMSA is 80%:
(5) Our effective interest in ERSA is 53.684%, a company that operates the concession of the property.

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 malls' 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 Others 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, Della Paolera 265, Intercontinental Plaza, Suipacha 652 and the land reserve "Intercontinental II" with potential for development of 19,600 square meters. In June 2017, the Philips building, adjoining the DOT Baires shopping mall was purchased, adding 10,142 class B 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 years:

	FY 17	FY 16	FY 15
Leaseable area (sqm)	87,497	79,048	95,001
Occupancy of total portfolio(1)	96.7%	98.6%	98.3%
Rent in Ps./sqm(1)	411.0	386.0	226.00
Rent in USD/sqm(1)	24.70	25.90	24.90

(1) Excludes Philips building, which is subject to a loan-for-use agreement executed with the seller, effective until January 2018.

The following table shows information about our rental office and other properties segment as of June 30, 2017:

	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)		
						2017	2016	2015
Offices								
Edificio República	12/22/2014	19,885	95.2%	100%	9,114	112,758	75,122	33,449
Torre Bankboston	12/22/2014	14,873	100.0%	100%	6,408	79,498	51,690	23,378
Intercontinental Plaza	12/22/2014	3,876	100.0%	100%	1,415	18,810	29,078	29,628
Bouchard 710	12/22/2014	15,014	100.0%	100%	7,594	85,465	67,250	26,936
Suipacha 652/64	12/22/2014	11,465	86.3%	100%	2,470	30,007	22,507	8,384
Dot Building	11/28/2006	11,242	100.0%	80%	4,345	50,172	31,229	27,416
Philips(7)	06/05/2017	10,142		100%				
Subtotal Offices		**86,497**	**96.7%**	**N/A**	**31,346**	**376,712**	**276,876**	**149,191**
Other Properties								
Nobleza Piccardo(6)	05/31/2011	109,610	94.0%	50%	1,775	13,217	2,172	7,960
Other Properties(5)	N/A	12,941	N/A	N/A	1,229,643	11,838	5,089	2,981
Subtotal Other Properties		**122,551**	**N/A**	**N/A**	**1,231,418**	**25,055**	**7,261**	**10,941**
Total Offices and Others		**209,048**	**N/A**	**N/A**	**1,262,764**	**401,767**	**284,137**	**160,132**

Notes:
(1) Corresponds to the total leaseable surface area of each property as of June 30, 2017. Excludes common areas and parking spaces.
(2) Calculated by dividing occupied square meters by leaseable area as of June 30, 2017.
(3) The lease agreements in effect as of June 30, 2017 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.
(7) Not included in the calculation of occupancy, rent or revenues as it is subject to a loan-for-use agreement executed with the seller, effective until January 2018.

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 offices 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, 2017, 2016 and 2015:

	Occupancy Rate [(1)]		
	2017	2016	2015
Offices			
Edificio República	95.2%	100.0%	93.6%
Torre Bankboston	100.0%	100.0%	100.0%
Intercontinental Plaza	100.0%	100.0%	100.0%
Bouchard 710	100.0%	100.0%	100.0%
Suipacha 652/64	86.3%	90.7%	96.7%
DOT Building	100.0%	100.0%	100.0%
Total Offices	96.7%	98.6%	98.3%

(1) Leased square meters pursuant to lease agreements in effect as of June 30, 2017, 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, 2017, 2016 y 2015.

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

	Average annual income per square meter[(1)]		
	2017[(1)]	2016[(1)]	2015[(1)]
Offices			
Intercontinental Plaza	4,853	4,291	2,484
Bouchard 710	5,692	4,539	3,219
Suipacha 652/64	2,617	1,961	1,399
Torre Bankboston	5,345	3,778	2,819
Edificio República	5,671	3,615	3,115
Dot Building	4,463	2,778	2,439

(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 year.

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, 2017:

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	1	8,681,505	403	388	3
Bouchard 710	3	4	19,197,834	475	471	1
Della Paolera 265	3	5	49,861,824	423	452	1
Edificio República	4	5	37,819,319	439	433	1
DOT Building	1	5	36,963,345	356	316	-
Suipacha 664	3	6	22,087,186	234	234	-
Total Offices	**15**	**26**	**174,611,013**	**376**	**372**	**6**

(1) Includes new and renewed lease agreements executed in FY 2017.
(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, 2017, assuming that none of the tenants will exercise their renewal options or terminate their leases earlier (most tenants have lease renewal clauses).

Lease Expiration Fiscal Year	Number of Lease Agreements subject to Expiration	Square Meters subject to Expiration (sqm)	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 (%)
2017	20	19,129	27%	25,784,413	7%
2018	27	18,640	26%	136,732,530	39%
2019	22	18,938	26%	120,916,668	35%
2020+	18	15,090	21%	66,259,369	19%
Total	**87**	**71,797**	**100%**	**349,692,980**	**100%**

Includes Offices whose lease agreement had not been renewed as of June 30, 2017.
It does not include square meters used by IRSA CP.
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 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 others.

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 others.

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 17.2% interest in the building which has footage averaging 22,535 square meters of gross leaseable area; meaning we own 3,876 square meters of gross leasable area in this building. The principal tenants currently include CRESUD Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agrícola ("CRESUD") and IRSA, among others.

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. In March 2017 it received the LEED certification by the US Green Building Council. Tenants are Sibille S.C. (KPMG) and Microsoft de Argentina S.A., Samsung Electronics Argentina S.A., Energy Consulting Services S.A. and Booking.com S.A., among others. 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 others. The average footage of the building is 11,465 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., Carrier, Boston Scientific Argentina S.A., Astrazeneca S.A. and Covidien S.A., among others.

Philips Building

The historic Philips Building adjoins our Dot Baires shopping mall, and faces Avenida General Paz, in the City of Buenos Aires. It has 4 office floors, a total GLA of approximately 10,000 sqm, and a remaining construction capacity (FOT) of 18,000 sqm. IRSA CP is owner of 100% of the building, it has possession of it since June 2017 and it will have tenancy rights over it as of January 20, 2018.

Competition

Virtually all of our offices properties and other commercial properties other than shopping malls are located in developed urban areas. There is a great number of office buildings, shopping malls, 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 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, Pegasus, 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, 2017 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, 2017, 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, 2017, the works in parcel H have been completed and all the units subject to the barter have been received, with 11 parking spaces available for sale.

Intangibles - Units to be received under barter agreements

Beruti Plot – City of Buenos Aires

On October 13, 2010, the Group, through its subsidiary IRSA CP, and TGLT S.A. ("TGLT") entered into a barter 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. On December 30, 2016, IRSA CP took possession of 36 apartments, 32 residential parking spaces and 171 commercial parking spaces, and started the sale process. As of June 30, 2017, 15 apartments and 22 residential parking spaces remain available for sale.

CONIL – Avellaneda, Province of Buenos Aires

These plots of the Company face Alto Avellaneda shopping mall, 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 1,389 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 from Birafriends S.A. for USD 3 million on May 31, 2008. 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 May 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. 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.

At present we are working in a draft project for the development of a thematic Shopping Mall named "*Hipercentro para el Hogar*" to be constructed in the existing main warehouse. The project will involve 50,000 sqm, divided into 30,000 sqm for the Shopping Mall and 20,000 sqm for parking.

At the same time, we are working jointly with an urban development firm in a comprehensive master plan to design the remaining areas of the facility. At present, the facility has a construction capacity of over

500,000 sqm that may be used for different commercial purposes as well as to build residential properties.

Concerning the legal framework for the development and operation of the Shopping Mall and the remaining segments, an addendum to the Agreement already executed is being negotiated with the Municipality of San Martín aimed at ensuring certain rights in favor of Quality Invest that will be essential for the consummation of the development.

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 Mall 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 preliminary agreement was set at USD 7.5 million.

Córdoba Shopping Mall Project

The Company owns a few plots adjacent to Córdoba Shopping Mall 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, shopping space, 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 mall, the hypermarket currently in operation 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 mall 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 Baires Shopping, where the first stage of the Polo Dot project is being developed.

Philips Adjoining Plots 1 and 2 – City of Buenos Aires (IRSA CP)

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 to be developed in these parcels will conclude the consolidation of this area.

Intercontinental Plaza II Plot - City of Buenos Aires (IRSA CP)

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		
	Greenfields		*Expansions*
	Polo Dot (First Stage)	Catalinas(*)	Alto Palermo
Start of works	FY 2017	FY 2017	FY 2017
Estimated opening	FY 2019	FY 2020	FY 2019
Total GLA (sqm)	32,000	35,468	4,000
% held by IRSA Propiedades Comerciales	80%	45%	100%
Investment amount at 100% (in millions)	Ps. 1,000	Ps. 1,600	USD 28.5
Work progress (%)	7.4%	3.0%	0%

Alto Palermo Expansion

The expansion project of Alto Palermo shopping mall adds approximately 4,000 square meters of GLA to the shopping mall with the highest sales per square meter in our portfolio and consists in moving the food court to a third level using the area of an adjacent building acquired in 2015. Demolition works ended in the second quarter of fiscal year 2017.

First Stage of Polo Dot

The project called “Polo Dot”, located in the commercial complex adjacent to our shopping mall 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 mall by approximately 15,000 square meters of GLA. At a first stage, we will develop an 11-floor office building with an area of approximately 32,000 square meters on an existing building, in respect of which we have already executed lease agreements for approximately 75% of the footage, before starting the works. The construction stage started in the second quarter of FY 2017, and we expect that the building will become operational within 18 to 24 months. The second stage of the project will include two office/hotel buildings that will add 38,400 square meters of GLA to the complex. We have seen a significant demand for Premium office spaces in this new commercial hub and we are confident that we will be able to open these buildings with attractive rent levels and high occupancy.

Catalinas building

The building to be constructed will have 35,000 sqm of GLA consisting of 30 office floors and 316 parking spaces, and will be located in the “Catalinas” area in the City of Buenos Aires, one of the most sought-after spots for Premium office development in Argentina. The company owns 16,000 square meters consisting of 14 floors and 142 parking spaces in the building project. Construction works started during the second quarter of FY 2017, and are expected to be completed in about 3 years.

Other Assets

La Rural (exhibition and convention center)

La Rural S.A. is 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. IRSA CP indirectly holds a 35% interest in it.

In July 2017, IRSA Propiedades Comerciales acquired from FEG Entretenimientos S.A. a 25% shareholding in Entertainment Holding S.A. (“EHSA”), a company where it already owned 50%. It also acquired a 1.25% interest in Entretenimiento Universal S.A. (“ENUSA”) from Mr. Marcelo Figoli. The transaction amount for the acquisition was set at Ps. 66.5 million.

In addition, the Company sold 5% of the shares of EHSA to Mr. Diego Finkelstein, where he already owned a 25% equity interest. The sale amount was fixed in the sum of Ps. 13.45 million.

As a result, the Company now holds 70% of the voting stock of EHSA and Mr. Diego Finkelstein holds the remaining 30%.

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

OASA holds 50% of the voting stock of La Rural S.A. (“LRSA”), a company that holds the right to commercially operate the emblematic “Predio Ferial de Palermo” in the Autonomous City of Buenos Aires, where the Sociedad Rural Argentina (“SRA”) holds the remaining 50%.

In addition, OASA manages LRSA pursuant to agreements entered into with SRA that include the right to appoint the Chairman—with casting vote on certain matters—and the general manager.

Furthermore, ENUSA is mainly engaged in organizing entertainment in the trade fair space.

TGLT (real estate)

TGLT is a real estate company listed on the BYMA which is mainly engaged in residential development projects in Argentina and Uruguay. IRSA CP holds a 9.5% interest in TGLT.

Avenida Inc. (e-commerce)

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

On January 20, 2017, Avenida issued shares of stock under the scope of a new investment round for USD 3.8 million, in which the Company made a USD 460,000 contribution and capitalized a loan held with Avenida for USD 229,515, and new investors participated. Therefore, the Company increased its stake in Avenida’s stock capital to 17.84%. In addition, Avenida has set apart 385,103 shares to be allocated to an equity plan.

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

In this context, Avenida has changed its management team and its business model and strategy. IRSA CP holds a 17.84% interest in Avenida.

Tarjeta Shopping (consumer finance)

Tarjeta Shopping S.A. is a consumer finance company. IRSA CP holds a 20% interest in Tarjeta Shopping.

6. Subsequent Events

Purchase of TGLT’s Convertible Subordinated Notes

On August 1, 2017, IRSA Propiedades Comerciales exercised its preemptive subscription and accretion rights and purchased 22,225,000 Subordinated Notes Convertible into Newly Issued Shares of TGLT for an aggregate amount of USD 22,225,000 (USD 1 par value) due 2027.

If all the holders exercised their conversion rights, their interest in TGLT would increase to 13.80% of its stock capital, up from 9.48%.

Suspension of Public Offering of New Shares

On July 20, 2017, IRSA Propiedades Comerciales announced that it had resolved not to proceed with the global public offering of new shares of IRSA CP and the sale of shares offered by IRSA Inversiones y

Representaciones Sociedad Anónima ("IRSA") due to adverse market conditions. Therefore, the offering described in the preliminary offering memorandum dated July 7, 2017, was suspended.

Concession agreement for the Exhibition and Convention Center of the City of Buenos Aires

On August 4, 2017, a 15-year concession agreement for the Exhibition and Convention Center of the City of Buenos Aires was executed by the joint venture "LA RURAL S.A. - OFC S.R.L. - OGDEN ARGENTINA S.A. – ENTRETENIMIENTO UNIVERSAL S.A. UNION TRANSITORIA", which had become awardee of the public tender called for such concession on July 24, 2017.

The members of the joint venture hold the following interests: (a) La Rural S.A., five percent (5%); (b) OFC SRL, twenty percent (20%); (c) Ogden Argentina SA, fifty-five percent (55%); and (d) Entretenimiento Universal SA, twenty percent (20%).

The shareholders of La Rural S.A. are Sociedad Rural Argentina, who is holder of a 50% interest, and Ogden Argentina SA, who holds the remaining 50%.

Ogden Argentina SA and Entretenimiento Universal SA are controlled companies of Entertainment Holding S.A., whose shareholders are IRSA CP, who holds a 70% interest, and Diego Finkelstein, who holds the remaining 30%.

Consequently, IRSA CP indirectly holds a 54.25% interest in the joint venture.

The Exhibition and Convention Center has a surface area of approximately 22,800 sqm and may accommodate approximately 5,000 attendees. It has a main exhibit hall and an ancillary hall, offices and meetings rooms, arranged in three underground levels that were designed to blend into the landscape extending from the School of Law of the University of Buenos Aires to Parque Thays.

IRSA Propiedades Comerciales - Issue of Class III and IV Notes

On September 5, 2017, Class III and IV Notes were tendered under the USD 500 Million Program approved by the Shareholders' Meeting. Settlement will take place on September 12, 2017. Class III was declared vacant. Below are the results of the tender of Class IV Notes:

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

7. Legal Framework

Insurance

At the Company, we carry all-risk insurance for our shopping malls and other buildings covering property damage caused by fire, terrorist acts, 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 mall lease agreements. Since our shopping mall leases generally differ from ordinary commercial leases, we have created provisions which govern the relationship with our shopping mall tenants.

Leases

Argentine law imposes certain restrictions on property owners, including:

- a prohibition to include price indexation clauses based on inflation increases in lease agreements; and
- a two-year minimum lease term is established 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 malls 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 28%. 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 mall, 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 malls. 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. 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, irrespective of the intended use of the property (save in case of residential use, where the maximum term is twenty years). Generally, terms in our lease agreements go from 3 to 10 years.

Early Termination Rights

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

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 Procedural Code enables the lessor to pursue collection of outstanding rental payments through an “executory proceeding” upon lessee’s payment default. 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 Procedural 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 fines from Ps. 100

to Ps. 5,000,000, the seizure of merchandise, closing down of establishments for a term of up to 30 days, suspension of up to 5 years in the State suppliers register, the forfeiture of concession rights, privileges, tax regimes or special credits to which the sanctioned party was entitled. These penalties may be imposed separately or jointly.

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 million, in such case the respective concentration should be submitted for authorization to the CNDC. The request for authorization may be filed, either prior to the transaction or within a week after its completion.

When a request for authorization is filed, the CNDC may (i) authorize the transaction, (ii) subordinate the authorization of 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 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 million or Ps. 60 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 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 enforcement authority, 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" 6258 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 consumer loans in the open market 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.

8. Financial Summary

Our consolidated net debt as of June 30, 2017 amounted to USD 187.3 million.

The following table presents certain information about our indebtedness as of June 30, 2017 with a breakdown of its main components:

Description	Currency	Amount (USD MM) (1)	Interest Rate	Maturity
Bank overdrafts	Ps.	2.4	Floating	< 360 d
Short-term Bank Loan	Ps.	4.5	21.20%	May-18
IRSA CP NCN Class II	USD	360.0	8.75%	Mar-23
Other loans	Ps.	0.1	-	-
IRSA CP's Total Debt		**367.0**		
Cash & Cash Equivalents + Investments (2)		**179.7**		
Repurchase of Debt		**-**		
Consolidated Net Debt		**187.3**		

(1) Principal amount at an exchange rate of Ps. 16.63/USD, without considering accrued interest or eliminations of balances with subsidiaries.

(2) Includes Cash and cash equivalents + Investments in Current Financial Assets.

Notes

IRSA CP's Class II 8.75% Notes due 2023

On March 3, 2016, we launched a cash tender offer for any and all of our outstanding 7.875% Notes due 2017, Class I. On March 23, 2016, we issued new Notes for an aggregate principal amount of USD 360 million under our Global Note Program. Class II Notes accrue interest at a fixed rate of 8.75% per annum, payable semi-annually, and are repayable upon maturity, on March 23, 2023. Their issue price was 98.722% of the principal amount. The proceeds of the issue were used to: (a) repurchase our Class I Notes for an outstanding principal amount of USD 120.0 million; and (b) repay the balance of USD 240.0 million owed to IRSA as a result of the purchase of IRSA's office buildings and land reserves closed in December 2014, plus interest accrued thereon.

Our Class II 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.

In order to borrow additional debt, our consolidated interest coverage over additional indebtedness must be higher than 2:00. The Consolidated Interest Coverage Ratio is defined as Consolidated EBITDA divided by consolidated net interest. EBITDA is defined as operating income (loss) plus depreciation and amortization and other consolidated non-monetary charges.

Class II Notes are subject to certain financial commitments that limit our capacity to declare or pay dividends in cash or in kind, unless the following conditions are met at the time of payment:

- an Event of Default does not occur or persist,
- we may incur at least USD 1.00 worth of Additional Indebtedness pursuant to the “Restriction on Additional Borrowing”; and
- the amount of such Restricted Payment does not exceed the sum of:
  - 100% of the accumulated EBITDA for the period (considered as one single accounting period) from July 1, 2015 to the last day of the last fiscal quarter ended before the date of such Restricted Payment, less an amount equal to 150% of consolidated net interest for such period; and
  - any debt reduction by the Issuer or its Subsidiaries after the Issue Date through a swap or exchange of shares of the Issuer or its Subsidiaries.

On March 28, 2016 and April 8, 2016, we purchased USD 59.2 million and USD 0.4 million, respectively, in aggregate principal amount of our 7.875% Notes due 2017, Class I, and also on those dates we instructed the Trustee of Class I Notes to repay USD 59.5 million in aggregate principal amount of such Notes. After those repayments, the aggregate principal amount of outstanding 7.875% Notes due 2017, Class I, issued by us amounted to USD 60.5 million. On April 4, 2016, our Board of Directors approved the repayment of the outstanding balance of USD 60.5 million of our Class I Notes. Payment of such Notes was made on May 4, 2016.

On April 6, 2016, we repaid the outstanding balance of an intercompany loan owed to IRSA for USD 240 million, plus accrued interest, related to the purchase of office buildings and land reserves in December 2014.

Agreements not included in the Balance Sheet:

As of June 30, 2017, we had no agreement that was 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.	**06/30/2017**	**06/30/2016**	**Variation**	**Difference (%)**
Consolidated EBITDA [1]	5,649,406	19,061,290	(13,411,884)	(70.36)%
EBITDA per share	0.04483	0.15126	(0.10643)	(70.36)%
EBITDA per share – fully diluted	0.04483	0.15126	(0.10643)	(70.36)%
Shopping Malls EBITDA	4,275,411	17,924,993	(13,649,582)	(76.15)%
Offices and Others EBITDA [2]	1,387,471	1,106,202	281,269	24.44%
Sales and Developments EBITDA	222,129	390,167	(168,038)	(43.07)%
Financial Operations and Others EBITDA	(2,178)	(917)	(1,261)	(137.51)%
Consolidated EBITDA per Segments [2]	5,882,833	19,420,446	(13,546,163)	(69.75)%
Shares outstanding	126,014,050	126,014,050	-	-
Number of shares fully diluted	126,014,050	126,014,050	-	-
FFO [3]	3,833,037	12,275,545	(8,929,880)	(69,97)%
FFO per share	0.03042	0.09741	(0.07086)	(69,97)%
Profit for the year	**3,377,514**	**12,252,532**	**(8,875,018)**	**(72,43)%**

(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 (1) 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.

9. Summary of Consolidated Financial and Operating Information

Change of valuation model of Investment Properties

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

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

Investment properties are those properties owned by the Group that are held either to earn long-term rental income or for capital appreciation and that are not occupied by the Group for its own operations. Group properties occupied by associates or joint ventures are accounted for as investment properties in the consolidated financial statements.

Investment property also includes properties that are being constructed or developed for future use as investment property. The Group also classifies land whose future use has not been determined yet as investment property.

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

The Group’s investment properties primarily comprise the Group’s portfolio of shopping malls and offices, certain property under development and other undeveloped land.

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

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

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

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

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

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

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

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

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

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

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

Asset transfers, whether assets classified under investments properties are reclassified under other items or vice-versa, may only be carried out when there is a change of use. If an investment property starts to be occupied by the Group, it is reclassified as property, plant and equipment upon commencement of such occupation. When an investment property occupied by the Group changes its use, it is reclassified as investment property at the time occupation ceases. When an investment property changes its use, as evidenced by a development process for preparing it for sale, the property is transferred to properties held for sale. The value of the transfer is the one that the property had at the time of the transfer and subsequently is valued in accordance with the accounting policy related to the item.

The Group may sell its investment properties when it considers they are not core to its ongoing rental business activities. The carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the other comprehensive income statement in the line "Net gain from fair value adjustment of investment properties".

Investment properties are derecognized when they are disposed of or when they are permanently withdrawn from use and no future economic benefits are expected to arise from their disposals. The disposal of investment property is recognized when the significant risks and rewards have been transferred to the buyer. As for unconditional agreements, proceeds are recognized when legal title to property passes to the buyer and the buyer intends to make the respective payment therefor. In the case of conditional agreements, the disposal is accounted for where such conditions have been met. Where consideration receivable for the sale of the properties is deferred, it is discounted to present value. The difference between the discounted amount and the amount receivable is treated as interest income and recognized over the period using the effective interest method. Direct expenses related to the sale are recognized in the line "other operating income and expenses, net" in the comprehensive income statement at the time they are incurred.

<u>Valuation processes</u>

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

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

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

For all Shopping Malls, the valuation was determined using discounted cash flow ("DCF") projections based on significant unobservable assumptions.

Within these assumptions the main are:

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

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

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

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

- Past experience with similar constructions.
- Status of construction permits.

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

There were no changes in the valuation policies during this fiscal year.

Share of Profit / (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, 2017 and 2016, the share of profit / (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, 2017 and 2016, 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 consolidated comprehensive 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 these financial statements, mainly resulting from the exposure of 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 malls 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, 2017 and 2016

During fiscal year 2017, we maintained the same portfolio of operating shopping malls; therefore, there were no material effects on the comparison of the information.

For the fiscal years ended June 30, 2016 and 2015

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

As it concerns the new shopping malls 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.

Offices and Others:

For the fiscal years ended June 30, 2017 and 2016

During fiscal year 2017, the comparability of revenues and costs from the Offices and Others segment was affected by the partial sale of rental property, offset by the depreciation of the Argentine Peso vis-à-vis the Dollar. In this regard, during fiscal year 2017 we sold an area of 2,432 sqm in the Intercontinental Plaza building.

For the fiscal years ended June 30, 2016 and 2015

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

Sales and Developments

For the fiscal years ended June 30, 2017 and 2016

Operating income (loss) from this segment was mainly affected by the partial sale of floors and parking spaces in the Beruti building in fiscal year 2017, and to a lower extent, by the sale of functional units in the Intercontinental Plaza building, originally allocated to lease. On the other hand, sales of properties held for sale declined vis-à-vis fiscal year 2016 in relation to Condominios I and II projects.

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 held for sale vis-à-vis fiscal year 2015 in relation to Condominios I and II projects.

Financial Operations and Others:

For the fiscal years ended June 30, 2017 and 2016

During fiscal year 2017, there were no factors affecting the comparison of information.

For the fiscal years ended June 30, 2016 and 2015

During fiscal year 2016, there were no factors affecting the comparison of information, 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.

Results of Operations for the fiscal years ended June 30, 2017 and 2016

Revenues

	Fiscal Year 2017			
	Income Statement (2)	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
		(in millions of Ps.)		
Shopping Malls	4,396.3	(1,375.9)	26.2	3,046.6
Offices and Others	500.8	(112.3)	13.2	401.8
Sales and Developments	99.1	-	-	99.1
Financial Operations and Others	0.9	-	-	0.9
Total revenues	4,997.2	(1,488.2)	39.4	3,548.4

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.
(2) Includes Revenues from sales, leases and services (Ps. 3,509.0 million) and Revenues from expenses and collective promotion fund (Ps. 1,488.2 million).

	Fiscal Year 2016			
	Income Statement (2)	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
		(in millions of Ps.)		
Shopping Malls	3,490.5	(1,101.3)	19.9	2,409.1
Offices and Others	364.3	(82.4)	2.2	284.1
Sales and Developments	2.7	-	-	2.7
Financial Operations and Others	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, 2017.
(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).

Revenues from sales, leases and services, expenses and collective promotion fund, as per the income statement, rose by 29.5%, from Ps. 3,858.5 million during the fiscal year 2016 to Ps. 4,997.2 million during the fiscal year 2017.

In turn, revenues from expenses and collective promotion fund increased 25.7%, from Ps. 1,183.6 million (Ps. 1,101.3 million of which is attributable to the Shopping Malls segment and Ps. 82.4 million to the Offices and Others segment) during fiscal year 2016 to Ps. 1,488.2 million (Ps. 1,375.9 million of which is attributable to the Shopping Malls segment and Ps. 112.3 million to the Offices and Others segment) during fiscal year 2017.

In addition, revenues from our joint ventures increased 79.1%, from 22.0 million (Ps. 19.9 million of which is attributable to the Shopping Malls segment and Ps. 2.2 million to the Offices and Others segment) during fiscal year 2016 to Ps. 39.4 million (Ps. 26.2 million of which is attributable to the Shopping Malls segment and Ps. 13.2 million to the Offices and Others segment) during fiscal year 2017.

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 31.6%, from Ps. 2,696.9 million during fiscal year 2016 to Ps. 3,548.4 million in fiscal year 2017. This increase was mainly attributable to: (i) a Ps. 637.5 million increase in the revenues from the Shopping Malls segment (Ps. 6.3 million of which originated in the results of our joint ventures); (ii) a Ps. 117.7 million increase in the revenues from the Offices and Others segment (Ps. 11.0 million of which originated in the results of our joint ventures); and (iii) an increase of Ps. 96.4 million in revenues from the Sales and Developments segment, partially offset by (iv) a Ps. 0.1 million decrease in revenues from the Financial Operations segment.

- **Shopping Malls.** Revenues from the Shopping Malls segment increased 26.5%, from Ps. 2,409.1 million during fiscal year 2016 to Ps. 3,406.6 million during fiscal year 2017. Such increase is mainly attributable to: (i) a Ps. 408.5 million increase in revenues from fixed and variable leases as a result of a 19.4% increase in the total sales of our tenants, up from Ps. 28.8 million during fiscal year 2016 to Ps. 34.4 million during fiscal year 2017; (ii) a Ps. 55.0 million increase in the revenues from admission rights, (iii) a Ps. 39.5 million increase in the revenues from parking charges; and (iv) a Ps. 134.5 million increase in the revenues from commissions, among other items.

- **Offices and Others.** Revenues from the Offices and Others segment increased Ps. 117.7 million, from Ps. 284.1 million in fiscal year 2016 to Ps. 401.8 million in fiscal year 2017. This variation mainly results from (i) new revenues generated in Quality as a result of a new lease agreement with Cladd Industria Textil Argentina S.A.; and (ii) as office leases are invoiced in dollars, revenues rose due to increase in the exchange rate from Ps. 15.04 as of June 30, 2016 to Ps. 16.63 as of June 30, 2017.

- **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 increased Ps. 96.4 million, up from Ps. 2.7 million during fiscal year 2016 to Ps. 99.1 million during fiscal year 2017. Such increase mainly resulted from the sales of floors in Beruti building and parking spaces in Rosario building.

- **Financial Operations and Others.** Revenues from the Financial Operations and Others segment did not experience significant changes, down from Ps. 1.0 million during fiscal year 2016 to Ps. 0.9 million during fiscal year 2017.

Costs

	Fiscal Year 2017			
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Information by Segments (1)**
		(in millions of Ps.)		
Shopping Malls	(1,744.7)	1,399.6	(4.4)	(349.4)
Offices and Others	(132.5)	113.1	(8.5)	(27.9)
Sales and Developments	(22.5)	-	-	(22.5)
Financial Operations and Others	-	-	-	-
Total costs	(1,899.8)	1,512.7	(12.9)	(399.9)

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

	Fiscal Year 2016			
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Information by Segments (1)**
		(in millions of Ps.)		
Shopping Malls	(1,366.3)	1,118.9	(2.9)	(250.3)
Offices and Others	(88.1)	82.4	(6.6)	(12.3)
Sales and Developments	(5.7)	-	-	(5.7)
Financial Operations and Others	(0.1)	-	-	(0.1)
Total costs	(1,460.2)	1,201.3	(9.5)	(268.4)

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

Total consolidated costs, as per the income statement, increased 30.1%, up from Ps. 1,460.2 million during fiscal year 2016 to Ps. 1,899.8 million during fiscal year 2017. In turn, total consolidated costs as a percentage of total revenues rose by 37.8% during fiscal year 2016 to 38.0% during fiscal year 2017.

In turn, costs from expenses and collective promotion fund increased 25.9%, up from Ps. 1,201.3 million during fiscal year 2016 to Ps. 1,512.7 million during fiscal year 2017. The variation was mainly due to: a) an increase in expenses and collective promotion fund generated by Shopping Malls, which increased 25.1%, up from Ps. 1,118.9 million during fiscal year 2016 to Ps. 1,399.6 million during fiscal year 2017, mainly as a result of: (i) an increase in maintenance, security, cleaning, repairs and related expenses of Ps. 142.6 million (mostly attributable to increases in security and cleaning services and utility rates), (ii) an increase in salaries, social security charges and other personnel expenses of Ps. 109.9 million; and (iii) an increase in taxes, rates and contributions and other expenses of Ps. 36.2 million, among other items. In addition, the variation was due to: b) an increase in expenses from the Offices and Others segment, which increased Ps. 30.7 million, up from Ps. 82.4 million during fiscal year 2016 to Ps. 113.1 million during fiscal year 2017, mainly due to: (i) maintenance, cleaning, leases and expenses and other for Ps. 21.5 million; (ii) salaries and social security expenses for Ps. 6.1 million; (iii) taxes, rates and contributions for Ps. 3.5 million.

In addition, costs from our joint ventures increased 35.8%, from Ps. 9.5 million (Ps. 2.9 million of which is attributable to the Shopping Malls segment and Ps. 6.6 million to the Offices and Others segment) during fiscal year 2016 to Ps. 12.9 million (Ps. 4.4 million of which is attributable to the Shopping Malls segment and Ps. 8.5 million to the Offices and Others segment) during fiscal year 2017.

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 49.0%, from Ps. 268.4 million during fiscal year 2016 to Ps. 399.9 million during fiscal year 2017. Total costs as a percentage of total revenues pursuant to the information by segments increased from 10.0% during fiscal year 2016 to 11.3% during fiscal year 2017.

- **Shopping Malls.** The costs of our Shopping Malls segment increased 39.6%, from Ps. 250.3 million during fiscal year 2016 to Ps. 349.4 million during fiscal year 2017, mainly generated by: (i) higher costs of leases and expenses for Ps. 41.2 million; (ii) an increase in maintenance, security, cleaning, repairs and related expenses of Ps. 30.1 million (mainly due to an increase in security and cleaning expenses and utility rates); (iii) an increase in salaries, social security charges and other personnel expenses of Ps. 22.9 million; and (iv) higher fees and compensation for services for Ps. 2.8 million, among other items. The Shopping Malls segment costs, as a percentage of revenues from this segment, rose from 10.4% during fiscal year 2016 to 11.5% during fiscal year 2017.

- **Offices and Others.** The costs of the Offices and Others segment increased 126.8%, from Ps. 12.3 million during fiscal year 2016 to Ps. 27.9 million during fiscal year 2017, mainly due to (i) an increase in taxes, rates and contributions of Ps. 2.7 million; and (ii) an increase in maintenance, repair and service expenses of Ps. 2.6 million. The costs of the Offices and Others segment, as a percentage of the revenues from this segment, rose from 4.3% during fiscal year 2016 to 6.9% during fiscal year 2017.

- **Sales and Developments.** The costs of the Sales and Developments segment rose from Ps. 5.7 million in fiscal year 2016 to Ps. 22.5 million in fiscal year 2017, mainly due to (i) higher cost of sales of properties for Ps. 11.5 million; and (ii) higher maintenance, repair and service expenses for Ps. 3.7 million, among other items. The costs of the Sales and Developments segment, as a percentage of the revenues from this segment, decreased from 211.1% during 2016 to 22.7% during fiscal year 2017.

- **Financial Operations and Others**. The cost of the Financial Operations and Others segment did not experience any material changes over the year.

Gross profit

	Fiscal Year 2017			
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Information by Segments (1)**
	(in millions of Ps.)			
Shopping Malls	2,651.6	23.7	21.8	2,697.1
Offices and Others	368.3	0.9	4.7	373.9
Sales and Developments	76.6	-	-	76.6
Financial Operations and Others	0.8	-	-	0.8
Total gross profit	3,097.4	24.6	26.5	3,148.5

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

	Fiscal Year 2016			
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Information by Segments (1)**
	(in millions of Ps.)			
Shopping Malls	2,124.2	17.7	17.0	2,158.8
Offices and Others	276.2	-	(4.4)	271.9
Sales and Developments	(3.0)	-	-	(3.0)
Financial Operations and Others	0.9	-	-	0.9
Total gross profit	2,398.3	17.7	12.6	2,428.6

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

Total consolidated gross profit, as per the income statement, increased 29.1%, from Ps. 2,398.3 million during fiscal year 2016 to Ps. 3,097.4 million during fiscal year 2017. Total consolidated gross profit, as a percentage of total revenues, did not experience any significant changes, decreasing from 62.2% in fiscal year 2016 to 62.0% in fiscal year 2017.

In turn, gross profit (loss) from expenses and collective promotion fund showed a 39.0% increase, from Ps. 17.7 million (which is attributable to the Shopping Malls segment) during fiscal year 2016 to Ps. 24.6 million (Ps. 23.7 million of which is attributable to the Shopping Malls segment and Ps. 0.9 million to the Offices and Others segment) during fiscal year 2017.

In addition, gross profit (loss) from our joint ventures increased 110.3%, from Ps. 12.6 million (Ps. 17.0 million of which is attributable to the Shopping Malls segment and Ps. 4.4 million (loss) to the Offices and Others segment) during fiscal year 2016 to Ps. 26.5 million (Ps. 21.8 million of which is attributable to the Shopping Mall segment and Ps. 4.7 million to the Offices and Others segment) during fiscal year 2017.

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 expenses and collective promotion fund and the business inter-segment gross profit) increased 29.6%, from Ps. 2,428.6 million during fiscal year 2016 to Ps. 3,148.5 million during fiscal year 2017. Total gross profit as a percentage of total revenues fell from 90.1% during fiscal year 2016 to 88.7% during fiscal year 2017.

- **Shopping Malls.** Gross profit from the Shopping Malls segment increased 24.9%, from Ps. 2,158.8 million during fiscal year 2016 to Ps. 2,697.1 million for fiscal year 2017, 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 Malls segment as a percentage of revenues for the segment experienced a slight decrease from 89.6% during fiscal year 2016 to 88.5% during fiscal year 2017.

- **Offices and Others.** The gross profit from the Offices and Others segment increased 37.5% from Ps. 271.9 million during fiscal year 2016 to Ps. 373.9 million during fiscal year 2017. The gross profit from the Offices and Others segment as a percentage of revenues from this segment decreased from 95.7% during fiscal year 2016 to 93.1% during fiscal year 2017, 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 strong increase of Ps. 79.6 million, from a loss of Ps. 3.0 million during fiscal year 2016 to a profit of Ps. 76.6 million during fiscal year 2017. This increase mainly resulted from higher revenues from sales of the floors in Beruti building and parking spaces in Rosario building during fiscal year 2017. Gross profit from the Sales and Developments segment as a percentage of the revenues from this segment increased from 111.1% (loss) during fiscal year 2016 to 77.3% during fiscal year 2017, mainly as a result of higher sales during this fiscal year.

- **Financial Operations and Others.** Gross profit from the Financial Operations and Others segment did not experience significant variations during this fiscal year, decreasing from Ps. 0.9 million during fiscal year 2016 to Ps. 0.8 million during fiscal year 2017.

Changes in fair value of investment property

	Fiscal Year 2017			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
	(in millions of Ps.)			
Shopping Malls	2,057.4	-	10.7	2,068.1
Offices and Others	882.8	-	181.8	1,064.6
Sales and Developments	193.2	-	-	193.2
Total net gain from fair value adjustment of investment properties	3,133.4	-	192.5	3,325.9

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

	Fiscal Year 2016			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
	(in millions of Ps.)			
Shopping Malls	16,048.7	-	83.0	16,131.7
Offices and Others	618.6	-	248.8	867.4
Sales and Developments	425.1	-	-	425.1
Total net gain from fair value adjustment of investment property	17,092.4	-	331.8	17,424.2

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

Net gain from fair value adjustments of our portfolio of investment properties for the fiscal year ended June 30, 2017 was Ps. 3,325.9 million (Ps.2,068.1 million from our Shopping Mall segment; Ps. 1,064.6 million from the Offices and Others segment; and Ps.193.2 million from the Sales and Developments segment). The significant increase in the peso values of our properties was primarily a consequence of: (i) a slight decrease of 16 basis points in the discount rate used when applying the discounted cash flows appraisal methodology that increased the value of our investment properties, which was driven mainly by macroeconomic improvements leading to a decrease in the cost of capital; and (ii) from June 2016 to June 2017 the Argentine peso depreciated nearly 11% against the U.S. dollar (from Ps.14.99 per USD1.00 to Ps.16.58 per USD1.00) and because the value of our investment properties is denominated in U.S. dollars given that real estate market transactions in Argentina are largely carried out in such currency.

We maintained the same portfolio of shopping malls during the fiscal year ended June 30, 2017 and 216. The values of our shopping mall properties increased 8.1% during the fiscal year ended June 30, 2017, largely due to a decrease in our cost of capital and the impact of the depreciation of the peso against the dollar during the period.

The value of our office buildings increased 40.3% during the fiscal year ended June 30, 2017 largely as a result of the impact of the depreciation of the peso and higher rental rates for our properties. In addition, we recorded a gain on disposal of office properties of Ps. 65.2 million during the fiscal year ended June 30, 2017 compared to Ps.172.5 million in the comparable period in 2016, due to the sale of leasable offices and parking spaces at several buildings.

Administrative expenses

	Fiscal Year 2017			
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Information by Segments (1)**
		(in millions of Ps.)		
Shopping Malls	(259.2)	-	(2.3)	(261.5)
Offices and Others	(32.5)	-	(0.5)	(33.0)
Sales and Developments	(30.5)	-	-	(30.5)
Total administrative expenses	(322.2)	-	(2.8)	(325.0)

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

	Fiscal Year 2016			
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Information by Segments (1)**
		(in millions of Ps.)		
Shopping Malls	(178.3)	-	(0.4)	(178.6)
Offices and Others	(23.0)	-	(0.3)	(23.3)
Sales and Developments	(20.3)	-	-	(20.3)
Total administrative expenses	(221.6)	-	(0.7)	(222.2)

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

Administrative expenses, as per the income statement, increased 45.4%, from Ps. 221.6 million during fiscal year 2016 to Ps. 322.2 million during fiscal year 2017. Total administrative expenses as a percentage of total revenues increased slightly from 5.7% during fiscal year 2016 to 6.4% during fiscal year 2017.

Administrative expenses from our joint ventures increased from Ps. 0.7 million (Ps. 0.4 million of which is attributable to the Shopping Malls segment and Ps. 0.3 million to the Offices and Others segment) during fiscal year 2016 to Ps. 2.8 million (Ps. 2.3 million of which is attributable to the Shopping Malls segment and Ps. 0.5 million to the Offices and Others segment) during fiscal year 2017.

Therefore, administrative expenses (taking into account administrative expenses derived from our joint ventures, and inter-segment eliminations) rose by 46.3%, from Ps. 222.2 million during fiscal year 2016 to

Ps. 325.0 million during fiscal year 2017, mainly as a result of: (i) a Ps. 82.9 million increase in administrative expenses of our Shopping Malls segment, (ii) a Ps. 10.2 million increase in administrative expenses of our Sales and Developments segment, and (iii) a Ps. 9.7 million increase in administrative expenses of our Offices and Others segment. Administrative expenses, pursuant to the information by segments, as a percentage of total revenues, increased from 8.2% during fiscal year 2016 to 9.2% during fiscal year 2017.

- **Shopping Malls.** Administrative expenses of Shopping Malls increased 46.4%, from Ps. 178.6 million during fiscal year 2016 to Ps. 261.5 million during fiscal year 2017, mainly due to: (i) an increase of Ps. 33.0 million in salaries, social security charges and other personnel expenses; (ii) an increase of Ps. 24.7 million in fees and compensation for services; (iii) a Ps. 13.5 million increase in director's fees; (iv) an increase of Ps. 6.6 million in maintenance, repair and service expenses and employees' travel expenses. Administrative expenses of Shopping Malls as a percentage of revenues from such segment rose from 7.4% during fiscal year 2016 to 8.6% during fiscal year 2017.

- **Offices and Others.** Administrative expenses of the Offices and Others segment increased Ps. 9.7 million, from Ps. 23.3 million during fiscal year 2016 to Ps. 33.0 million during fiscal year 2017, mainly as a result of: (i) an increase of Ps. 4.5 million in salaries, social security charges and other personnel expenses; and (ii) a Ps. 4.4 million increase in fees and compensation for services. Administrative expenses of the Offices and Others segment as a percentage of revenues from this segment remained stable during fiscal years 2016 and 2017.

- **Sales and Developments.** Administrative expenses of the Sales and Developments segment experienced a rise of Ps. 10.2 million mainly as a result of increased costs generated by: (i) an increase of Ps. 4.2 million in salaries, social security charges and other personnel expenses; (ii) an increase of Ps. 2.6 million in fees and compensation for services; and (iii) an increase of Ps. 1.8 million in director's fees, among other items.

Selling expenses

	Fiscal Year 2017			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
	(in millions of Ps.)			
Shopping Malls	(186.5)	-	(1.6)	(188.1)
Offices and Others	(33.3)	-	(0.6)	(33.9)
Sales and Developments	(13.7)	-	-	(13.7)
Financial Operations and Others	(3.0)	-	-	(3.0)
Total selling expenses	(236.5)	-	(2.1)	(238.7)

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

	Fiscal Year 2016			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
	(in millions of Ps.)			
Shopping Malls	(143.5)	-	(1.8)	(145.3)
Offices and Others	(12.6)	-	(0.2)	(12.8)
Sales and Developments	(4.3)	-	-	(4.3)
Financial Operations and Others	(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, 2017.

Selling expenses, as per the income statement, increased 45.8%, from Ps. 162.2 million during fiscal year 2016 to Ps. 236.5 million during fiscal year 2017. Selling expenses as a percentage of total revenues increased from 4.2% during fiscal year 2016 to 4.7% during fiscal year 2017.

In turn, selling expenses from our joint ventures showed a slight increase, from Ps. 2.0 million during fiscal year 2016 (Ps. 1.8 million of which is attributable to the Shopping Malls segment and Ps. 0.2 million to the Offices and Others segment) to Ps. 2.1 million during fiscal year 2017 (Ps. 1.6 million of which is attributable to the Shopping Malls segment and Ps. 0.6 million to the Offices and Others segment).

Therefore, taking into account the selling expenses from our joint ventures and inter-segment eliminations, selling expenses increased 45.4%, from Ps. 164.2 million during fiscal year 2016 to Ps. 238.7 million during fiscal year 2017. This increase was mainly attributable to: (i) a Ps. 42.8 million increase in selling expenses of the Shopping Malls segment; (ii) higher selling expenses of Ps. 21.1 million from the Offices and Others segment; (iii) higher selling expenses of Ps. 9.4 million from the Sales and Developments segment, and (iv) a Ps. 1.2 million increase in selling expenses from the Financial Operations and Others 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 6.1% during fiscal year 2016 to 6.7% during fiscal year 2017.

- **Shopping Malls.** Selling expenses from the Shopping Malls segment increased 29.5%, from Ps. 145.3 million during fiscal year 2016 to Ps. 188.1 million during fiscal year 2017, mainly as a result of: (i) an increase in taxes, rates and contributions of Ps. 18.9 million, mainly generated by higher turnover taxes; (ii) a Ps. 12.7 million increase in loan losses charges; (iii) a Ps. 6.1 million increase in publicity and advertising expenses; and (iv) a Ps. 5.1 million increase in salaries, social security charges and other personnel expenses. Selling expenses as a percentage of the revenues from the Shopping Malls segment rose from 6.0% during fiscal year 2016 to 6.2% during fiscal year 2017.

- **Offices and Others.** Selling expenses from the Offices and Others segment increased Ps. 21.1 million, from Ps. 12.8 million during fiscal year 2016 to Ps. 33.9 million during fiscal year 2017, mainly as a result of (i) an increase in loan losses charges of Ps. 17.7 million; and (ii) an increase in taxes, rates and contributions of Ps. 2.8 million, mainly generated by higher turnover taxes. Selling expenses from the Offices and Others segment as a percentage of the revenues from such segment increased from 4.5% during fiscal year 2016 to 8.4% during fiscal year 2017.

- **Sales and Developments.** Selling expenses from our Sales and Developments segment increased Ps. 9.4 million, from Ps. 4.3 million during fiscal year 2016 to Ps. 13.7 million during fiscal year 2017, mainly due to an increase in overheads during fiscal year 2017, as compared to fiscal year 2016 .

- **Financial Operations and Others.** Selling expenses from the Financial Operations and Others segment increased Ps. 1.2 million, from Ps. 1.8 million during fiscal year 2016 to Ps. 3.0 million during fiscal year 2017, mainly as a result of increased loan losses related to the consumer financing residual activity.

Other operating results, net

	Fiscal Year 2017			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments [1]
	(in millions of Ps.)			
Shopping Malls	(56.3)	-	(1.4)	(57.7)
Offices and Others	9.0	-	0.5	9.5
Sales and Developments	(3.9)	-	(0.2)	(4.1)
Financial Operations and Others	-	-	-	-
Total other operating results, net	(51.2)	-	(1.1)	(52.3)

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

	Fiscal Year 2016			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments [1]
	(in millions of Ps.)			
Shopping Malls	(59.9)	-	(1.7)	(61.6)
Offices and Others	(1.0)	-	(0.4)	(1.4)
Sales and Developments	(7.6)		(0.2)	(7.8)
Financial Operations and Others	-	-	-	-
Total other operating results, net	(68.6)	-	(2.2)	(70.8)

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

The total loss from Other operating results, net, as per the income statement, declined from Ps. 68.6 million during fiscal year 2016 to Ps. 51.2 million during fiscal year 2017. Total Other operating results, net as a percentage of total revenues declined from 1.8% during fiscal year 2016 to 1.0% during fiscal year 2017.

The total loss from our joint ventures decreased Ps. 1.1 million, from Ps. 2.2 million (Ps. 1.7 million of which were allocated to the Shopping Malls segment, Ps. 0.4 million to the Offices and Others segment and Ps. 0.2 million to the Sales and Developments segment) during fiscal year 2016 to Ps. 1.1 million (Ps. 1.4 million of which were allocated to the Shopping Malls segment, Ps. 0.2 million to the Sales and Developments segment and Ps. 0.5 million (gain) to the Offices and Others segment) during fiscal year 2017.

Therefore, taking into account our interest in joint ventures and inter-segment eliminations, Other operating results, net declined from a loss of Ps. 70.8 million during fiscal year 2016 to a loss of Ps. 52.3 million during fiscal year 2017, mainly as a result of (i) a higher charge of Ps. 10.9 million in other operating results, net from the Offices and Others segment; (ii) a lower loss of Ps. 3.9 million in other operating results, net from the Shopping Malls segment; and (iii) a lower loss of Ps. 3.7 million in other operating results, net from the Sales and Developments segment. 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 2.6% during fiscal year 2016 to 1.5% during fiscal year 2017.

- **Shopping Malls.** Other operating results, net from the Shopping Malls segment decreased 6.3%, from a loss of Ps. 61.6 million during fiscal year 2016 to a loss of Ps. 57.7 million during fiscal year 2017, mainly as a result of (i) a higher charge for lawsuits and contingencies of Ps. 10.9 million; (ii) a higher charge for donations of Ps. 8.2 million, partially offset by (iii) a lower loss in Others resulting from fair value adjustment in FY 2016; (iv) a lower charge for assessment of projects of Ps. 4.6 million. Other operating results, net from this segment as a percentage of the revenues from this segment decreased from 2.6% during fiscal year 2016 to 1.9% during fiscal year 2017.

- **Offices and Others.** Other operating results, net from the Offices and Others segment changed from a loss of Ps. 1.4 million during fiscal year 2016 to a gain of Ps. 9.5 million during fiscal year 2017, mainly attributable to the revaluation of the initial payment of Entertainment Holding S.A. for Ps. 9.3 million. Other operating results, net from this segment as a percentage of the revenues from this segment increased from 0.5% during fiscal year 2016 to 2.4% during fiscal year 2017.

- **Sales and Developments.** Other operating results, net from the Sales and Developments segment changed from a loss of Ps. 7.8 million during fiscal year 2016 to a loss of Ps. 4.1 million during fiscal year 2017, attributable to: (i) a higher charge for donations of Ps. 2.7 million, partially offset by (ii) a lower loss from Others as a result of the fair value adjustment during fiscal year 2016. Other operating results, net from this segment as a percentage of the revenues from this segment decreased from 288.9% during fiscal year 2016 to 4.1% during fiscal year 2017.

Operating income

	Fiscal Year 2017			
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Information by Segments (1)**
	(in millions of Ps.)			
Shopping Malls	4,207.0	23.7	27.3	4,258.0
Offices and Others	1,194.3	0.9	185.9	1,381.1
Sales and Developments	221.7	-	(0.2)	221.5
Financial Operations and Others	(2.2)	-	-	(2.2)
Total operating income	5,620.8	24.6	212.9	5,858.4

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

	Fiscal Year 2016			
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Information by Segments (1)**
	(in millions of Ps.)			
Shopping Malls	17,791.2	17.7	96.1	17,905.0
Offices and Others	858.2	-	243.5	1,101.7
Sales and Developments	389.9	-	(0.2)	389.7
Financial Operations and Others	(0.9)	-	-	(0.9)
Total operating income	19,038.3	17.7	339.5	19,395.6

(1) As per Note 6 to our Consolidated Financial Statements as of June 30, 2017.

Total operating income, as per the income statement, decreased 70.5%, from Ps. 19,038,3 million during fiscal year 2016 to Ps. 5,620.9 million during fiscal year 2017. Total operating income as a percentage of total revenues decreased from 493.4% during fiscal year 2016 to 112.5% during fiscal year 2017.

Operating income from our joint ventures decreased 37.3%, from Ps. 339.5 million (Ps. 243.5 million of which is attributable to the Offices and Others segment, Ps. 96.1 million to the Shopping Malls segment and Ps. 0.2 million (loss) to the Sales and Developments segment) during fiscal year 2016 to Ps. 212.9 million (Ps. 185.9 million of which is attributable to the Offices and Others segment, Ps. 27.3 million to the Shopping Malls segment, and Ps. 0.2 (loss) to the Sales and Developments segment) during fiscal year 2017.

Therefore, taking into account the revenues from our joint ventures and disregarding the revenues from expenses and collective promotion fund and the business inter-segment revenues, operating income decreased 69.8%, from Ps. 19,395.6 million during fiscal year 2016 to Ps. 5,858.4 million during fiscal year 2017, mainly as a result of: (i) a decrease in operating income from the Shopping Malls segment of Ps. 13,647.0 million; (ii) a decrease in operating income from the Sales and Developments segment of Ps. 168.2 million, (iii) lower operating income from the Financial Operations and Others segment of Ps. 1.3 million; and (iv) an increase in income from the Offices and Others segment of Ps. 279.4 million. Total operating income (taking into account our joint ventures, inter-segment eliminations and eliminations for costs from expenses and collective promotion fund from the shopping malls and offices segments) as a percentage of total revenues decreased from 719.2% during fiscal year 2016 to 165.1% during fiscal year 2017.

- **Shopping Malls.** Operating income from the Shopping Malls segment decreased 76.2% during fiscal year 2017, from Ps. 17,905.0 million during fiscal year 2016 to Ps. 4,258.0 million during fiscal year 2017. Operating income from the Shopping Malls segment as a percentage of the revenues from such segment decreased from 743.2% during fiscal year 2016 to 139.8% during fiscal year 2017.

- **Offices and Others.** Operating income from the Offices and Others segment increased Ps. 279.4 million, from Ps. 1,101.7 million during fiscal year 2016 to Ps. 1,381.1 million during fiscal year 2017. Operating income from the Offices and Others segment, as a percentage of the revenues from such segment, decreased from 387.8% during fiscal year 2016 to 343.7% during fiscal year 2017.

- **Sales and Developments.** Operating income from the Sales and Developments segment decreased Ps. 168.2 million, from Ps. 389.7 million during fiscal year 2016 to Ps. 221.5 million during fiscal year 2017.

- **Financial Operations and Others.** Operating loss from the Financial Operations and Others segment increased from a loss of Ps. 0.9 million during fiscal year 2016 to a loss of Ps. 2.2 million during fiscal year 2017.

Share of profit (loss) of associates and joint ventures

The share of profit (loss) of associates and joint ventures declined by Ps. 51.6 million, from a profit of Ps. 204.3 million during fiscal year 2016 to a profit of Ps. 152.7 million during fiscal year 2017. This variation was mainly due to (i) a lower profit of Ps. 40.8 million generated by our Shopping Malls segment; (ii) a lower profit of Ps. 40.5 million generated by our Offices and Others segment, partially offset by (iii) a lower loss of Ps. 29.8 million from our Financial Operations and Others segment.

- **Shopping Malls.** The share of profit (loss) of associates and joint ventures from the Shopping Malls segment declined by 40.8 million, from a profit of Ps. 61.2 million during fiscal year 2016 to a profit of Ps. 20.3 million during fiscal year 2017, mainly generated by our interest in Nuevo Puerto Santa Fe.

- **Offices and Others.** The share of profit (loss) of associates and joint ventures from the Offices and Others segment declined by Ps. 40.5 million from a profit of Ps. 174.5 million during fiscal year 2016 to a profit of Ps. 134.0 million during fiscal year 2017, mainly generated by our interest in Entertainment Holding S.A. and Quality Invest S.A.

- **Financial Operations and Others.** The share of profit (loss) of associates and joint ventures from the Financial Operations and Others segment declined by Ps. 29.8 million from a loss of Ps. 31.4 million during fiscal year 2016 to a loss of Ps. 1.6 million during fiscal year 2017, mainly generated by a larger loss from our investment in Tarshop S.A.

Financial results, net

Financial results, net increased 10.6%, from a loss of Ps. 711.2 million during fiscal year 2016 to a loss of Ps. 786.9 million during fiscal year 2017.

Financial revenues declined by Ps. 293.1 million, from Ps. 512.6 million during fiscal year 2016 to Ps. 219.5 million during fiscal year 2017, mainly as a result of: (i) a Ps. 384.9 million decrease in foreign exchange gains due to the impact of a lower Peso depreciation during fiscal year 2017 on our US Dollar-denominated net assets compared to higher depreciation during fiscal year 2016 (the Peso/Dollar exchange rate increased 10.6% during fiscal year 2017, from Ps. 14.94 as of June 30, 2016 to Ps. 16.53 as of June 30, 2017, while during fiscal year 2016, it increased 60.3% compared to fiscal year 2015, from Ps. 9.32 as of June 30, 2015 to Ps. 14.94 as of June 30, 2016), and (ii) a net increase of Ps. 82.1 million in interest income, mainly generated by default interest payable by clients, related parties and gains(losses) from the sale of government bonds.

Financial expenses declined by 56.1%, from Ps. 2,938.5 million during fiscal year 2016 to Ps. 1,290.4 million during fiscal year 2017, mainly as a result of: (i) a Ps. 1,650.1 million decrease in foreign exchange losses due to the impact of a lower Peso depreciation during fiscal year 2017 on our US Dollar-denominated debt as compared to a lower depreciation during fiscal year 2016 (the Peso/Dollar exchange rate increased 10.6% during fiscal year 2017, from Ps. 15.04 as of June 30, 2016 to Ps. 16.63 as of June 30, 2017, while during fiscal year 2016, it increased 60.3% compared to fiscal year 2015, from Ps.9.42 as of June 30, 2015 to Ps. 15.04 as of June 30, 2016).

Income from Other financial results declined by Ps. 1,430.7 million from a Ps. 1,714.7 million gain during fiscal year 2016 to a Ps. 283.2 million gain during fiscal year 2017, mainly as a result of: (i) a Ps. 1,167.3 million decrease in revenues generated by the valuation of derivative financial instruments (mainly due to the lower number of agreements executed in fiscal year 2017 as compared to fiscal year 2016); and (ii) a reduction of Ps. 263.2 million in the gain generated by the valuation of financial assets at fair value (mainly due to the loss generated by the shares of TGLT).

Income Tax

Income tax expense decreased 74.4%, from a Ps. 6,278.9 million loss during fiscal year 2016 to a Ps. 1,609.2 million loss during fiscal year 2017, 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 2017 decreased 72.4%, from a profit of Ps. 12,252.5 million during fiscal year 2016 to a profit of Ps. 3,377.5 million during fiscal year 2017. Income attributable to our parent company's shareholders decreased 72.4%, from Ps. 11,821.3 million during fiscal year 2016 to Ps. 3,260.5 million during fiscal year 2017. Income attributable to the non-controlling interest decreased 72.9% during fiscal year 2017, from Ps. 431.3 million in fiscal year 2016 to Ps. 117.0 million during fiscal year 2017.

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

Revenues

	Fiscal Year 2016			
	Income Statement (2)	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
	(in millions of Ps.)			
Shopping Malls	3,490.5	(1,101.3)	19.9	2,409.1
Offices and Others	364.3	(82.4)	2.2	284.1
Sales and Developments	2.7	-	-	2.7
Financial Operations and Others	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			
	Income Statement (1)(2)	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
	(in millions of Ps.)			
Shopping Malls	2,570.8	(805.6)	13.1	1,778.3
Offices and Others	180.4	(28.3)	8.0	160.1
Sales and Developments	6.6	-	-	6.6
Financial Operations and Others	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).

Total revenues from sales, leases and services increased 39.9%, from Ps. 2,758.1 million during fiscal year 2015 to Ps. 3,858.5 million during fiscal year 2016. This increase in revenues during fiscal year 2016 was driven primarily by (i) the increase in sales by our shopping mall tenants which was mainly explained by an increase in consumption and in inflation rates that generated higher rent collections based on our tenant's monthly gross sales (ranging between 4% and 10% of such sales); (ii) higher rent collections as measured in Pesos from our Offices and Others segment which are set in U.S. dollars per square meter, and which are higher when the Peso depreciates against the U.S. dollar as occurred during fiscal year 2016; and (iii) the effect of the acquisition of certain office properties from IRSA in December 2016 which affected the entire fiscal year in 2016 compared to only six months of such results during fiscal year 2015.

Revenues from expenses and collective promotion fund increased 41.9%, from Ps. 833.9 million (Ps. 805.6 million of which was generated by the Shopping Malls segment and Ps. 28.3 million by the Offices and Others segment) during fiscal year 2015 to Ps. 1,183.6 million (Ps. 1,101.3 million of which was generated by the Shopping Malls segment and Ps. 82.4 million by the Offices and Others segment) during fiscal year 2016.

Revenues from our joint ventures increased 4.8%, from Ps. 21.1 million (Ps. 13.1 million of which was generated by the Shopping Malls segment and Ps. 8.0 million by the Offices and Others segment) during fiscal year 2015 to Ps. 22.0 million (Ps. 19.9 million of which was generated by the Shopping Malls segment and Ps. 2.2 million by the Offices and Others segment) during fiscal year 2016.

Based on the information by segment, revenues increased 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 revenues from the Shopping Malls segment; (ii) a Ps. 124.0 million increase in the revenues from the Offices and Others segment; and (iii) an increase of Ps. 0.9 million in revenues from the Financial Operations and Others segment; partially offset by (iv) a Ps. 3.9 million decrease in revenues from the Sales and Developments segment.

- **Shopping malls.** Revenues from the Shopping Malls segment increased 35.5%, from Ps. 1,778.3 million during fiscal year 2015 to Ps. 2,409.1 million during fiscal year 2016, mainly attributable to: (i) a Ps. 471.4 million increase in revenues from fixed and variable lease payments as a result of a 34.4% increase in our tenants' gross sales, 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 revenues from admission rights; (iii) a Ps. 41.3 million increase in revenues from parking charges; and (iv) a Ps. 36.5 million increase in revenues from commissions, among other items.

- **Offices and others.** Revenues from the Offices and Others segment increased 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 offices acquired in December 2014 from IRSA. See "—Factors Affecting Our Results of Operations." Because these acquisitions were completed in December 2014, only six months of revenues from these office properties were registered during fiscal year 2015, compared to the entire year of revenues in fiscal year 2016.

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

- **Financial operations and others.** Revenues from the Financial Operations and Others segment did not experience significant changes, increasing from Ps. 0.1 million during fiscal year 2015 to Ps. 1.0 million during fiscal year 2016.

Costs

	Fiscal Year 2016			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
		(in millions of Ps.)		
Shopping Malls	(1,366.3)	1,118.9	(2.9)	(250.3)
Offices and Others	(88.1)	82.4	(6.6)	(12.3)
Sales and Developments	(5.7)	-	-	(5.7)
Financial Operations and Others	(0.1)	-	-	(0.1)
Total costs	(1,460.2)	1,201.3	(9.5)	(268.4)

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

	Fiscal Year 2015			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
		(in millions of Ps.)		
Shopping Malls	(983.2)	819.7	(2.1)	(165.6)
Offices and Others	(29.8)	28.3	(3.8)	(5.3)
Sales and Developments	(4.9)	-	-	(4.9)
Financial Operations and Others	(0.1)	-	-	(0.1)
Total costs	(1,018.0)	848.0	(5.9)	(176.0)

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

Total costs increased 43.4%, from Ps. 1,018.0 million during fiscal year 2015 to Ps. 1,460.2 million during fiscal year 2016. Total costs as a percentage of total revenues was 36.9% during fiscal year 2015 compared to 37.8% during fiscal year 2016.

Costs from expenses and collective promotion fund increased 41.7%, from Ps. 848.0 million during fiscal year 2015 to Ps. 1,201.3 million during fiscal year 2016, mainly due to (a) an increase in the expenses and collective promotion fund generated by the Shopping Malls segment, which increased 36.5%, from Ps. 819.7 million during fiscal year 2015 to Ps. 1,118.9 million during fiscal year 2016, mainly as a result of: (i) an increase in publicity and advertising expenses of Ps. 111.7 million; (ii) an increase of Ps. 103.1 million in salaries, social security charges and other personnel expenses; and (iii) an increase of Ps. 100.8 million in maintenance, security, cleaning, repairs and related expenses; and (b) a Ps. 54.1 million increase in expenses resulting from the Offices and Others segment, from Ps. 28.3 million during fiscal year 2015 to Ps. 82.4 million during fiscal year 2016, mainly due to costs associated with our acquisition of certain office buildings from IRSA in December 2014.

Costs from our joint ventures increased 61.0%, from Ps. 5.9 million (Ps. 2.1 million of which was attributable to the Shopping Malls segment and Ps. 3.8 million to the Offices and Others segment) during fiscal year 2015 to Ps. 9.5 million (Ps. 2.9 million of which was attributable to the Shopping Malls segment and Ps. 6.6 million to the Offices and Others segment) during fiscal year 2016.

Based on the information by segment, costs increased 52.5%, from Ps. 176.0 million during fiscal year 2015 to Ps. 268.4 million during fiscal year 2016. Total costs as a percentage of total revenues pursuant to the information by segments increased from 9.0% during fiscal year 2015 to 10.0% during fiscal year 2016.

- **Shopping malls.** Costs attributable to the Shopping Malls segment increased from Ps. 165.6 million during fiscal year 2015 to Ps. 250.3 million during fiscal year 2016, mainly as a result of: (i) higher costs resulting from the deficit in the expenses and collective promotion fund of our Shopping Malls of Ps. 59.1 million; (ii) an increase of Ps. 9.7 million in maintenance, security, cleaning, repairs and related expenses (mainly due to an increase in security and cleaning expenses and utility rates); and (iii) an increase of Ps. 9.2 million in salaries, social security charges and other personnel expenses. Costs attributable to the Shopping Malls segment, as a percentage of revenues from this segment, increased from 9.3% during fiscal year 2015 to 10.4% during fiscal year 2016.

- **Offices and others.** Costs of the Offices and Others segment increased Ps. 6.9 million, from Ps. 5.3 million during fiscal year 2015 to Ps. 12.3 million during fiscal year 2016, mainly due to an increase of Ps 4.6 million in leases and expenses. The costs of the Offices and Others segment, as a percentage of revenues from this segment, increased from 3.3% during fiscal year 2015 to 4.3% during fiscal year 2016.

- **Sales and developments.** The costs of the Sales and Developments segment did not experience significant changes during fiscal year 2016, decreasing from Ps. 5.7 million to Ps. 4.9 million during fiscal year 2015. 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 others.** The costs of the Financial Operations and Others segment were generally unchanged during the fiscal year 2016 as compared to fiscal year 2015.

Gross profit

	Fiscal Year 2016			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
		(in millions of Ps.)		
Shopping Malls	2,124.2	17.7	17.0	2,158.8
Offices and Others	276.2	-	(4.4)	271.9
Sales and Developments	(3.0)	-	-	(3.0)
Financial Operations and Others	0.9	-	-	0.9
Total gross profit	2,398.3	17.7	12.6	2,428.6

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

	Fiscal Year 2015			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
		(in millions of Ps.)		
Shopping Malls	1,587.6	14.1	11.0	1,612.7
Offices and Others	150.6	-	4.2	154.8
Sales and Developments	1.7	-	-	1.7
Financial Operations and Others	0.1	-	-	0.1
Total gross profit	1,740.1	14.1	15.1	1,769.3

(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 37.8%, from Ps. 1,740.1 million during fiscal year 2015 to Ps. 2,398.3 million during fiscal year 2016. Total consolidated gross profit, as a percentage of total revenues, decreased slightly from 63.1% during fiscal year 2015 to 62.2% during fiscal year 2016.

Gross profit from expenses and collective promotion fund increased 25.6%, from Ps. 14.1 million (attributable to the Shopping Malls segment) during fiscal year 2015 to Ps. 17.7 million (attributable to the Shopping Malls segment) during fiscal year 2016.

Gross profit from joint ventures decreased 16.8%, from Ps. 15.1 million (of which Ps. 11.0 million was attributable to the Shopping Malls segment and Ps. 4.2 million to the Offices and Others segment) during fiscal year 2015 to Ps. 12.6 million (of which a gain of Ps. 17.0 million was attributable to our Shopping Malls segment and a loss of Ps. 4.4 million to the Offices and Others segment) during fiscal year 2016.

Based on the information by segment, total gross profit increased 37.3%, from Ps. 1,769.3 million during fiscal year 2015 to Ps. 2,428.6 million during fiscal year 2016. Total gross profit as a percentage of total revenues decreased from 97.0% during fiscal year 2015 to 91.0% during fiscal year 2016.

- **Shopping malls.** Gross profit from the Shopping Malls segment increased 33.9%, from Ps. 1,612.7 million during fiscal year 2015 to Ps. 2,158.8 million for fiscal year 2016, mainly as a result of an increase in total gross sales of our tenants that generated higher rental payments under our lease agreements. Gross profit from our Shopping Malls segment as a percentage of revenues for the segment experienced a slight decrease from 90.7% during fiscal year 2015 to 89.6% during fiscal year 2016.

- **Offices and others.** Gross profit from the Offices and Others segment increased 75.7%, from Ps. 154.8 million during fiscal year 2015 to Ps. 271.9 million during fiscal year 2016. Gross profit from the Offices and Others segment as a percentage of revenues from this segment decreased from 96.7% during fiscal year 2015 to 95.7% during fiscal year 2016.

- **Sales and developments.** Gross profit from the Sales and Developments segment decreased 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 decrease mainly resulted from lower revenue from sales of the units in Condominios I and II in Rosario during fiscal year 2016 compared to fiscal year 2015.

- **Financial operations and others.** Gross profit from the Financial Operations and Others segment did not experience significant changes, increasing from Ps. 0.1 million during fiscal year 2015 to Ps. 0.9 million during fiscal year 2016.

Changes in fair value of investment property

	Fiscal Year 2016			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
	(in millions of Ps.)			
Shopping Malls	16,048.7	-	83.0	16,131.7
Offices and Others	618.6	-	248.8	867.4
Sales and Developments	425.1	-	-	425.1
Financial Operations and Others	-	-	-	-
Total net gain from fair value adjustment of investment properties	17,092.4	-	331.8	17,424.2

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

	Fiscal Year 2015			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
	(in millions of Ps.)			
Shopping Malls	729.1	-	0.1	729.1
Offices and Others	1,273.8	-	41.3	1,315.1
Sales and Developments	687.6	-	-	687.6
Financial Operations and Others	-	-	-	-
Total net gain from fair value adjustment of investment properties	2,690.5	-	41.3	2,731.8

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

Net gain from fair value adjustments of our combined portfolio of investment properties for fiscal year 2016 was Ps. 17,424.2 million (Ps. 16,131.7 million for Shopping Malls; Ps. 867.4 million for Offices and Others; and Ps. 425.1 million for Sales and Developments). The significant increase in the value of our investment properties as measured in Pesos was primarily due to: (i) a 364 basis points decrease in the discount rate applied in calculating the discounted cash flows appraisal method to appraise our investment properties that resulted in increases in value, which was driven mainly by macroeconomic improvements and lower cost for Argentina to raise capital after the presidential elections held in October 2015 and the agreement with holdout bondholders reached in April 2016; and (ii) in the period from the end of fiscal year 2015 to the end of fiscal year 2016 the Peso depreciated more than 65% against the U.S. dollar (from Ps. 9.04 to USD1.00 to Ps. 14.99 to USD1.00) and the value of our investment properties is booked in U.S. dollars per accepted practice in the Argentine real estate.

We maintained the same portfolio of shopping malls during fiscal years 2016 and 2015. Overall, the appraised values of our shopping mall properties increased 157.8% during fiscal year 2016 largely due to rental value growth and the impact of the depreciation of the Peso.

The appraised value of our office buildings increased 14.3% in fiscal year 2016 as compared to fiscal year 2015, largely as a result of the impact of the depreciation of the Peso and rental value growth during the period. In addition, we realized a profit of Ps. 172.5 million on disposal of office properties in fiscal year 2016 as compared to Ps. 131.1 million in fiscal year 2015.

Administrative expenses

	Fiscal Year 2016				
	Income statement	Expenses and collective promotion fund	Interest in joint ventures	Inter-segment eliminations	Information by segments(1)
			(in millions of Ps.)		
Shopping Malls	(178.3)	-	(0.4)	-	(178.6)
Offices and Others	(23.0)	-	(0.3)	-	(23.3)
Sales and Developments	(20.3)	-	-	-	(20.3)
Financial Operations and Others	-	-	-	-	-
Total administrative expenses	(221.6)	-	(0.7)	-	(222.2)

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

	Fiscal Year 2015				
	Income statement	Expenses and collective promotion fund	Interest in joint ventures	Inter-segment eliminations	Information by segments(1)
			(in millions of Ps.)		
Shopping Malls	(136.0)	-	(0.2)	-	(136.2)
Offices and Others	(4.2)	-	(0.2)	(0.1)	(4.5)
Sales and Developments	-	-	-	-	-
Financial Operations and Others	-	-	-	-	-
Total administrative expenses	(140.1)	-	(0.4)	(0.1)	(140.6)

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

Administrative expenses increased 58.1%, from Ps. 140.1 million during fiscal year 2015 to Ps. 221.6 million during fiscal year 2016. Total administrative expenses as a percentage of total revenues increased slightly, from 5.1% during fiscal year 2015 to 5.7% during fiscal year 2016.

Administrative expenses attributable to our joint ventures increased slightly from Ps. 0.4 million (Ps. 0.2 million of which was attributable to the Shopping Malls segment and Ps. 0.2 million to the Offices and Others segment) during fiscal year 2015 to Ps. 0.7 million (Ps. 0.4 million of which was attributable to the Shopping Malls segment and Ps. 0.3 million to the Offices and Others segment) during fiscal year 2016.

Based on the information by segment, administrative expenses increased 58.0%, from Ps. 140.6 million during fiscal year 2015 to Ps. 222.2 million during fiscal year 2016, mainly as a result of: (i) a Ps. 42.5 million increase in administrative expenses of our Shopping Malls segment; (ii) a Ps. 20.3 million increase in administrative expenses of our Sales and Developments segment; and (iii) a Ps. 18.8 million increase in administrative expenses of our Offices and Others segment. Administrative expenses as a percentage of total revenues increased from 7.2% during fiscal year 2015 to 8.2% during fiscal year 2016.

- **Shopping malls.** Administrative expenses attributable to our Shopping Malls segment increased 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. 5.2 million in fees and compensation for services; (iv) an increase of Ps. 1.4 million in bank expenses; and (v) a Ps. 1.2 million increase in depreciation and amortization expenses. Administrative expenses of the Shopping Malls segment as a percentage of revenues from this segment decreased from 7.7% during fiscal year 2015 to 7.4% during fiscal year 2016.

- **Offices and others.** Administrative expenses of the Offices and Others segment increased Ps. 18.8 million, from Ps. 4.5 million during fiscal year 2015 to Ps. 23.3 million during fiscal year 2016, mainly as a result of: (i) a Ps. 10.3 million increase in directors' 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 Others segment as a percentage of revenues from this segment increased from 2.8% during fiscal year 2015 to 8.2% during fiscal year 2016.

- **Sales and developments.** Administrative expenses of the Sales and Developments segment increased Ps. 20.3 million, mainly as a result of: (i) an increase of Ps. 10.7 million in directors' fees; (ii) an increase of Ps. 5.3 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			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
	(in millions of Ps.)			
Shopping Malls	(143.5)	-	(1.8)	(145.3)
Offices and Others	(12.6)	-	(0.2)	(12.8)
Sales and Developments	(4.3)	-	-	(4.3)
Financial Operations and Others	(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			
	Income Statement	Expenses and Collective Promotion Fund	Interest in Joint Ventures	Information by Segments (1)
	(in millions of Ps.)			
Shopping Malls	(112.0)	-	(0.8)	(112.8)
Offices and Others	(5.0)	-	(0.5)	(5.5)
Sales and Developments	(0.3)	-	-	(0.3)
Financial Operations and Others	(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 increased 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 was 4.3% during fiscal year 2015 and 4.2% during fiscal year 2016.

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 was attributable to the Shopping Malls segment and Ps. 0.5 million to the Offices and Others segment) to Ps. 2.0 million during fiscal year 2016 (Ps. 1.8 million of which was attributable to the Shopping Malls segment and Ps. 0.2 million to the Offices and Others segment).

Based on the information by segment, total selling expenses increased 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 in the Shopping Malls segment; (ii) an increase of Ps. 7.3 million in selling expenses in the Offices and Others segment; (iii) a Ps. 4.0 million increase in selling expenses from the Sales and Developments segment; and (iv) an increase of Ps. 1.5 million in selling expenses in the Financial Operations and Others segment. Selling expenses as a percentage of total revenues remained steady at 6.1% in both fiscal years.

- **Shopping malls.** Selling expenses from the Shopping Malls segment increased 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 of Ps. 29.7 million in taxes, rates and contributions, mainly generated by higher turnover taxes; (ii) a Ps. 3.2 million increase in salaries, social security charges and other personnel expenses; (iii) a Ps. 2.5 million increase in publicity and advertising expenses; partially offset by (iv) a decline of Ps. 3.1 million in loan loss charges; and (v) a Ps. 1.0 million decrease in fees and compensation for services. Selling expenses as a percentage of revenues from the Shopping Malls segment decreased from 6.3% during fiscal year 2015 to 6.0% during fiscal year 2016.

- **Offices and others.** Selling expenses from the Offices and Others segment increased 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) a Ps. 2.3 million increase in taxes, rates and contributions, 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 loss charges. Selling expenses from the Offices and Others 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 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 others.** Selling expenses from the Financial Operations and Others segment increased 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 residual consumer financing operations.

Other operating results, net

	Fiscal Year 2016				
	Income statement	**Expenses and collective promotion fund**	**Interest in joint ventures**	**Inter-segment eliminations**	**Information by segments[1]**
			(in millions of Ps.)		
Shopping Malls	(59.9)	-	(1.7)	-	(61.6)
Offices and Others	(1.0)	-	(0.4)	-	(1.4)
Sales and Developments	(7.6)	-	(0.2)	-	(7.8)
Financial Operations and Others	-	-	-	-	-
Total other operating results, net	(68.6)	-	(2.2)	-	(70.8)

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

	Fiscal Year 2015				
	Income statement	**Expenses and collective promotion fund**	**Interest in joint ventures**	**Inter-segment eliminations**	**Information by segments[1]**
			(in millions of Ps.)		
Shopping Malls	(47.4)	-	(1.2)	-	(48.6)
Offices and Others	(58.3)	-	(0.1)	0.1	(58.3)
Sales and Developments	(13.8)	-	-	-	(13.8)
Financial Operations and Others	8.8	-	-	-	8.8
Total other operating results, net	(110.9)	-	(1.2)	0.1	(112.0)

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

Other operating results, net was a lower loss of Ps. 68.6 million during fiscal year 2016 from a loss of Ps. 110.9 million during fiscal year 2015. Total other operating results, net as a percentage of total revenues decreased from 4.0% during fiscal year 2015 to 1.8% during fiscal year 2016.

The total loss from our joint ventures increased Ps. 1.0 million, from Ps. 1.2 million (attributable to the Shopping Malls segment) and Ps. 0.1 million (attributable to the Offices and Others segment) during fiscal year 2015 to Ps. 2.2 million (Ps. 1.7 million of which was attributable to the Shopping Malls segment, Ps. 0.4 million to the Offices and Others segment and Ps. 0.2 million to the Sales and Developments segment) during fiscal year 2016.

Based on the information by segment, other operating results, net decreased from a loss of Ps. 112.0 million during fiscal year 2015 to a loss of Ps. 70.8 million during fiscal year 2016, mainly as a result of a lower loss from the Offices and Others segment of Ps. 57.0 million. Total other operating results, net as a percentage of revenues decreased from 5.8% during fiscal year 2015 to 2.6% during fiscal year 2016.

- **Shopping malls.** Other operating results, net from the Shopping Malls segment increased 26.7%, from a loss of Ps. 48.6 million during fiscal year 2015 to a loss of Ps. 61.6 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) higher charges for donations of Ps. 2.9 million, among other factors. Other operating results, net as a percentage of revenues from this segment decreased from 2.7% during fiscal year 2015 to 2.6% during fiscal year 2016.

- **Offices and others.** Other operating results, net from the Offices and Others segment improved 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-recurring notarial and stamp taxes related to the acquisition of certain office properties from IRSA during fiscal year 2015. Other operating results, net as a percentage of 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 during fiscal year 2016.

- **Financial operations and others.** Other operating results, net from the Financial Operations and Others segment decreased 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

	Fiscal Year 2016			
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Information by Segments (1)**
	(in millions of Ps.)			
Shopping Malls	17,791.2	17,7	96.1	17,905.0
Offices and Others	858.2	-	243.5	1,101.7
Sales and Developments	389.9	-	(0.2)	389.7
Financial Operations and Others	(0.9)	-	-	(0.9)
Total operating income	19,038.3	17.7	339.5	19,395.6

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

	Fiscal Year 2015			
	Income Statement	**Expenses and Collective Promotion Fund**	**Interest in Joint Ventures**	**Information by Segments (1)**
	(in millions of Ps.)			
Shopping Malls	2,021.4	14.1	8.8	2,044.3
Offices and Others	1,356.8	-	44.7	1,401.5
Sales and Developments	675.2	-	-	675.2
Financial Operations and Others	8.5	-	-	8.5
Total operating income	4,062.0	14.1	53.5	4,129.5

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

Total operating income increased Ps. 14,976.4 million, from Ps. 4,062.0 million during fiscal year 2015 to Ps. 19,038.3 million during fiscal year 2016. Total operating income as a percentage of total revenues increased from 147.3% during fiscal year 2015 to 493.4% during fiscal year 2016.

Operating income from our joint ventures increased 534.6%, from Ps. 53.5 million (Ps. 44.7 million was attributable to the Offices and Others segment and Ps. 8.8 million to the Shopping Malls segment) during fiscal year 2015 to Ps. 339.5 million (with a gain of Ps. 243.5 million being attributable to the Offices and Others segment, Ps. 96.1 million to the Shopping Malls segment, and a loss of Ps. 0.2 million to the Sales and Developments segment) during fiscal year 2016.

Based on the information by segment, operating income increased 369.7%, from Ps. 4,129.5 million during fiscal year 2015 to Ps. 19,395.6 million during fiscal year 2016, mainly as a result of an increase in operating income from the Shopping Malls segment of Ps. 15,860.7 million; offset by lower operating income as a result of: (i) a decrease in operating income of Ps. 299.8 million from the Offices and Others segment; (ii) a Ps. 285.5 million decrease in operating income from the Sales and Developments segment; and (iii) a decrease in operating income from the Financial Operations and Others segment of Ps. 9.4 million. Total operating income as a percentage of total revenues increased from 212.3% during fiscal year 2015 to 719.2% during fiscal year 2016.

- **Shopping malls.** Operating income from the Shopping Malls segment increased 775.8%, from Ps. 2,044.3 million during fiscal year 2015 to Ps. 17,905.0 million during fiscal year 2016. Operating income from the Shopping Malls segment as a percentage of revenues from this segment increased from 115.0% during fiscal year 2015 to 743.2% during fiscal year 2016.

- **Offices and others.** Operating income from the Offices and Others segment decreased Ps. 299.8 million, from Ps. 1,401.5 million during fiscal year 2015 to Ps. 1,101.7 million during fiscal year 2016. Operating income from the Offices and Others segment, as a percentage of the revenues from this segment, decreased from 875.4% during fiscal year 2015 to 387.8% during fiscal year 2016.

- **Sales and developments.** Operating income from the Sales and Developments segment decreased Ps. 285.5 million, from Ps. 675.2 million during fiscal year 2015 to Ps. 389.7 million during fiscal year 2016.

- **Financial operations and others.** Operating income from the Financial Operations and Others 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 of associates and joint ventures

Our share of profit of associates and joint ventures, per our income statement, increased from a gain of Ps. 50.8 million during fiscal year 2015 (of which a gain of Ps. 5.5 million was attributable to the Shopping Malls segment, a Ps. 34.5 million gain to the Offices and Others segment and a Ps. 10.7 million gain to the Financial Operations and Others segment) to a gain of Ps. 204.3 million during fiscal year 2016 (of which a gain of Ps. 61.2 million was attributable to the Shopping Malls segment, a Ps. 174.5 million gain to the Offices and Others segment and a Ps. 31.4 million loss to the Financial Operations and Others segment).

Our net share of profit from our joint ventures Nuevo Puerto Santa Fe S.A. (Shopping Malls segment) and, Quality Invest S.A. (Offices and Others segment), increased 528.0%, from a gain of Ps. 33.3 million during fiscal year 2015 to a gain of Ps. 215.3 million during fiscal year 2016, mostly due to the gains from Quality Invest.

Based on business segment reporting:

- **Shopping malls***.* The share of profit of our joint venture Nuevo Puerto Santa Fe S.A. is presented on a line-by-line consolidated basis in this segment.

- **Offices and others.** The share of profit/loss of our joint venture Quality Invest S.A. is presented on a line-by-line consolidated basis in this segment whereas the share of profit/loss generated by Entertainment Holding S.A. and Entretenimiento Universal S.A., which are accounted for under the equity method increased from a gain of Ps. 5.8 million during fiscal year 2015 to a gain of Ps. 20.4 million during fiscal year 2016.

- **Financial operations and others.** The share of profit of associates and joint ventures from the Financial Operations and Others segment decreased 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.

Financial results, net

Financial results, net increased 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 income increased 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 depreciation of the Peso during fiscal year 2016 on our U.S. dollar-denominated net assets compared to a lower depreciation during fiscal year 2015 (the Peso/U.S. dollar exchange rate increased 66.2% during fiscal year 2016, from Ps. 8.988 per USD1.00 as of June 30, 2015 to Ps. 14.94 per USD1.00 as of June 30, 2016, while during fiscal year 2015, the Peso depreciated 11.83% compared to fiscal year 2014, from Ps. 8.133 per USD1.00 as of June 30, 2014 to Ps. 8.988 per USD1.00 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 Ps. 2,334.6 million, 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 a higher depreciation of the Peso during fiscal year 2016 on the amount outstanding of our U.S. dollar-denominated debt as compared to a lower depreciation during fiscal year 2015 (the Peso/U.S. dollar exchange rate increased 65.5% during fiscal year 2016, from

Ps. 9.088 to USD1.00 as of June 30, 2015 to Ps. 15.04 to USD1.00 as of June 30, 2016, while during fiscal year 2015, it increased 11.74% compared to fiscal year 2014, from Ps. 8.133 per USD1.00 as of June 30, 2014 to Ps. 9.088 to USD1.00 as of June 30, 2015); (ii) a Ps. 283.3 million increase in interest expense, mainly attributable to higher interest on intercompany indebtedness, notes outstanding and bank overdrafts; (iii) an increase in other financial expenses of Ps. 58.4 million mainly attributable to expenses incurred 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 (iv) non-recurrent capitalized finance cost of Ps. 13.0 million in fiscal year 2015.

Other financial results, net increased Ps. 1,667.5 million, from a gain of Ps. 47.2 million during fiscal year 2015 to a gain of Ps. 1,714.7 million 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 re-valuation of Argentine sovereign bonds, mutual funds and other investments); and (ii) higher gains from future currency exchange derivatives, mainly dollar currency futures traded on the Mercado a Término de Rosario S.A., and interest rate swaps of Ps. 1,251.3 million, mainly due to the 65.5% depreciation of the Peso during the 2016 fiscal year from Ps. 9.088 to USD1.00 as of June 30, 2015 to Ps. 15.04 to USD1.00 as of June 30, 2016.

Income tax

Income tax increased 402.6% from Ps. 1,249.4 million during fiscal year 2015 to Ps. 6,278.9 million during fiscal year 2016, due to an increase in pre-tax income during fiscal year 2016. Profit before income tax includes Uruguayan-source income, which is taxed at 0%. Profit before income tax at the prevailing tax rate does not include such Uruguayan-sourced income.

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 carry forwards. For this reason, the amount recorded as income tax reflects not only the amount payable but also the recognition of the tax on the taxable income as booked. Excluding the accounting effect attributable to application of the deferred tax method, the amount of tax payable for fiscal year 2016 is Ps. 223.2 million.

Net income

As a result of the factors described above, net income increased 408.0%, from Ps. 2,411.8 million during fiscal year 2015 to Ps. 12,252.5 million during fiscal year 2016. Income attributable to our parent company's shareholders increased 418.4%, from Ps. 2,280.4 million during fiscal year 2015 to Ps. 11,821.3 million during fiscal year 2016. Income attributable to non-controlling interest increased 228.1% during fiscal year 2016, from Ps. 131.4 million to Ps. 431.3 million during fiscal year 2015.

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 investment properties;
- the development of new shopping malls;
- the improvement of existing shopping malls;
- the development of properties for sale;
- working capital needs;
- 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;
- interest payments; and
- acquisition of investments in financial assets.

We believe our working capital (calculated by subtracting current liabilities from current assets) and our cash from operating activities are adequate for our 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 selective assets.

Cash Flow Information

	Fiscal years ended June 30,		
	2017	**2016**	**2015**
Net cash flow generated by operating activities	2,876.2	1,013.4	1,257.6
Net cash flow used in investing activities	(148.3)	(1,864.6)	(414.2)
Net cash flow (used in) / generated by financing activities	(957.8)	579.7	(660.9)
Net Increase / (decrease) in cash and cash equivalents	1,770.1	(271.5)	182.4

Fiscal Year 2017

As of June 30, 2017, we had cash and cash equivalents of Ps. 1,807.5 million, an increase of Ps. 1,770.1 million compared to June 30, 2016. The increase was primarily due to cash inflows of Ps. 2,876.2 million related to net cash generated by operating activities and the sale of financial assets for Ps. 764.8 million, partially offset by cash outflows from the purchase of investment properties for Ps. 703.9 million, the payment of interest on financial borrowings for Ps. 544.3 million and principal repayment of our notes for Ps. 407.3 million.

Fiscal Year 2016

As of June 30, 2016, we had cash and cash equivalents of Ps. 33.0 million, a decrease of Ps. 271.5 million compared to June 30, 2015. The decrease was primarily due to cash outflows from the net increase in financial assets of Ps. 1,462.8 million, the principal repayment of borrowings and Notes for Ps. 5,043.9 million and Ps. 1,686.4 million, respectively, partially offset by cash inflows generated by our operating activities totaling Ps. 1,013.4 million, Ps. 1,250.8 million in cash inflows from the result of derivative instruments, and a Ps. 5,411.2 million cash inflow generated by our notes issuance.

Fiscal Year 2015

As of June 30, 2015, we had cash and cash equivalents of Ps. 303.5 million, an increase of Ps. 182.4 million compared to Ps. 116.7 million as of June 30, 2014. The increase was primarily due to cash inflows related to net cash generated from operating activities of Ps. 1,257.6 million and proceeds from sale of investment properties of Ps. 365.2 million, and Ps. 329.8 million in new borrowings, partially offset by cash outflows from a net increase in financial assets of Ps. 521.5 million, a Ps. 509.6 million repayment of borrowings, acquisition of investment properties for Ps. 248.8 million, a Ps. 105.9 million payment of seller financing, Ps. 148.5 million in dividends paid and Ps. 213.4 million in interest paid.

Operating Activities

Fiscal year 2017

Our operating activities generated net cash of Ps. 2,876.2 million for the fiscal year ended June 30, 2017, mainly due to an increase in: (i) net income for the year of Ps. 3,377.5 million; (ii) income tax expense of Ps. 1,609.2 million; and (iii) financial results, net of Ps. 1,118.7 million; partially offset by a reduction in gain from adjustment of the fair value of investment property of Ps. 3,133.4 million.

Fiscal year 2016

Our operating activities generated net cash of Ps. 1,013.4 million for the fiscal year ended June 30, 2016, mainly due to an increase in: (i) net income for the year of Ps. 12,252.5 million; (ii) income tax expense of Ps. 6,278.9 million; and (iii) financial results, net of Ps. 353.0 million; partially offset by a reduction in: (a) gain from adjustment of the fair value of investment property of Ps. 15,735.1 million; (b) share of profit of associates and joint ventures Ps. 204.3 million; and (c) 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, mainly due to an increase in: (i) net income of Ps. 2,411.8 million; (ii) income tax expense of Ps. 1,249.4 million; and (iii) financial results, net of Ps. 531.3 million; partially offset by a reduction in gain from adjustment of the fair value of investment property of Ps. 2,690.6 million.

Investment Activities

Fiscal Year 2017

Cash used by investing activities was Ps. 148.3 million for the fiscal year ended June 30, 2017 primarily due to: (i) acquisition of investment properties in the amount of Ps. 703.9 million; (ii) advances to suppliers related to the Catalinas project for Ps. 169.6 million; and (iii) the payment made as a result of the business combination in the amount of Ps. 46.1 million, partially offset by a reduction in financial assets, net of Ps. 764.8 million.

Fiscal Year 2016

Cash used in investing activities was Ps. 1,864.6 million for the fiscal year ended 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 of Ps. 73.0 million; (iii) acquisition of property, plant and equipment for Ps. 13.7 million; (iv) acquisition of investment properties for Ps. 167.7 million; and (v) Ps. 533.5 million loans granted to related parties; partially offset by Ps. 357.2 million in proceeds from the sale of investment properties.

Fiscal Year 2015

Cash used in investing activities was Ps. 414.2 million for the fiscal year ended June 30, 2015 primarily due to: (i) a Ps. 186.5 million investment in the development of properties, 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) a Ps. 32.0 million acquisition and capital contributions in associates; (iv) a Ps. 58.4 million investment in the improvements made to our shopping malls; (v) acquisition of property, plant and equipment for Ps. 26.2 million; (vi) improvements made to our offices and other rental properties of Ps. 2.0 million; and (vii) Ps. 89.8 million from the acquisition of office properties from IRSA, our controlling shareholder, for USD 240.0 million; partially offset by: (a) collection of interest on financial assets equal to Ps. 102.3 million; (b) Ps. 76.8 million in repayment of loans due from related parties; (c) Ps. 19.1 million from the sale of capital stock of Avenida Inc.; and (d) receipt of Ps. 365.2 million in proceeds from the sale of investment properties during the fiscal year.

<u>Financing Activities</u>

Fiscal Year 2017

Cash used in financing activities was Ps. 957.8 million for the fiscal year ended on June 30, 2017, primarily due to: (i) interest expense of Ps. 544.3 million; (ii) repayment of outstanding notes of Ps. 407.3 million; (iii) repayment of loans of Ps. 176.9 million; (iv) payment of dividends of Ps. 109.5 million; and (iv) payment of financial derivatives of Ps. 47.8 million, partially offset by (a) borrowings of Ps. 194.9 million; and (b) collection of financial derivatives of Ps. 131.0 million.

Fiscal Year 2016

Cash generated by financing activities was Ps. 579.7 million for the fiscal year ended June 30, 2016, primarily due to: (i) a Ps. 5,043.9 million repayment of borrowings; (ii) interest expense of Ps. 278.3 million; (iii) a Ps. 114.6 million dividend payment; (iv) payment of financial derivatives of Ps. 580.8 million; and (v) a Ps. 1,686.4 million repayment of bonds outstanding; partially offset by (a) borrowings of Ps. 1,043.6 million; (b) collection of financial derivatives of Ps. 1,831.6 million; and (c) issuance of notes in the amount of Ps. 5,411.2 million.

Fiscal Year 2015

Cash used in financing activities was Ps. 660.9 million for the fiscal year ended June 30, 2015, primarily due to: (i) a Ps. 509.6 million repayment of borrowings; (ii) interest paid of Ps. 213.4 million; (iii) a Ps. 148.5 million dividend payment; (iv) payment of financial derivatives of Ps. 16.1 million; and (v) dividends paid to non-controlling interests of Ps. 3.9 million; partially offset by borrowings of Ps. 329.8 million.

<u>Capital Expenditures (CAPEX)</u>

Fiscal Year 2017

During the fiscal year ended June 30, 2017, we incurred capital expenditures of Ps. 897.4 million, of which: (i) Ps. 703.9 million was used in the acquisition of investment properties, mainly, in the offices segment; and (ii) Ps. 23.9 million was related to the acquisition of property, plant and equipment; and (iii) Ps. 169.6 million was related to advanced payments.

Fiscal Year 2016

During the fiscal year ended June 30, 2016, we incurred capital expenditures of Ps. 188.0 million, of which: (i) Ps. 167.7 million was used in the acquisition of investment properties, mainly, in connection with improvements to our shopping malls; (ii) Ps. 13.7 million was related to the acquisition of property, plant and equipment; and (iii) Ps. 6.6 million was related to advance payments.

Fiscal Year 2015

During the fiscal year ended June 30, 2015, we incurred capital expenditures of Ps. 378.8 million, of which: (i) Ps. 248.8 million was used in the development of properties; (ii) Ps. 26.2 million was used for the acquisition of property, plant and equipment; (iii) Ps. 14.0 million was used to make advance payments; and (iv) Ps. 89.8 million was used for the acquisition of office properties from IRSA.

10. 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 six (6), nine (9) or twelve (12) 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 five 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	2016	2018	2016
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, E-Commerce Latina S.A., Banco Hipotecario S.A., and IDBD Development Corporation Ltd., among other companies. Mr. Eduardo Sergio Elsztain 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, Emprendimiento 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 Palermo Invest S.A. and Nuevas Fronteras S.A. He is also director of IRSA, Hoteles Argentinos S.A., Llao Llao Resorts S.A. and alternate director of 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 since 2015 he has been alternate director of Mariva Bursátil S.A. He has also served as a member of the board of directors of IRSA from 1993 to 2002 and he is currently alternate director of Cresud S.A.C.I.F.y A. He is a member of the Banking Lawyers Committee 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.

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 as regular director of 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 IRSA Inversiones y Representaciones S.A. and 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 provides 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 ("COSO3 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, Daniel Ricardo 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 Executive 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 Mall Regional Manager for 5 years. Since the beginning of 2013, he has served as Chief Commercial and Marketing Officer of the Company.

Audit Committee

As provided in the Capital Markets Law 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 transactions 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.

As of February 5, 2016, Isa Propiedades Comerciales' Audit Committee was 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 31, 2016. 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 statutory auditor	2005
Marcelo Héctor Fuxman	11/30/1955	Regular statutory auditor	2010
Noemí Ivonne Cohn	05/20/1959	Regular statutory auditor	2010
Sergio Leonardo Kolaczyk	11/28/1964	Alternate statutory auditor	2011
Roberto Daniel Murmis	04/07/1959	Alternate statutory auditor	2010
Alicia Graciela Rigueira	12/02/1951	Alternate statutory auditor	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 University of Buenos Aires. 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 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 31, 2016, the shareholders agreed to pay an aggregate compensation of Ps. 108,671,082 to all the members of the board of directors for the fiscal year ended June 30, 2016. At the end of this fiscal year, these amounts had been fully paid.

Supervisory Committee

The Shareholders' Meeting held on October 31, 2016, also approved by majority vote to pay an aggregate amount of Ps. 600,000 for tasks performed by the Supervisory Committee in the fiscal year ended June 30, 2016.

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, 2017, our senior management (including Directors) was paid a total of Ps. 29,807,161.

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 15% 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

As resolved by the Shareholders' Meeting dated June 26, 2017, the implementation of a new incentive plan for up 4,444,444 shares of the Company was approved. Employees, management and directors of the Company who meet certain seniority and internal category requirements are eligible participants of this plan. The main objective of the new incentive plan is to reward the efficacy and productivity of the participants and align the personnel to the Company's vision, mission and goals, creating added value to both the shareholders and the staff through this compensation benefit. In addition, the referred Shareholders' Meeting delegated to the Board the power to implement, allocate and determine the time and manner of execution of the incentive plan.

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 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.

Finally, on May 5, 2017 we entered into the ninth amendment to the Framework Agreement with IRSA and Cresud. The purpose of the new amendments was to introduce changes in certain Areas of the Company and modify the method of calculation of the sharing of operating services.

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 working progress on compliance with the Corporate Governance Code as required by the CNV rules.

Employees

As of June 30, 2017 we had 947 employees, out of whom 453 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 malls. The following table shows the number of employees as of the indicated dates:

	Fiscal year ended June 30,		
	2015	**2016**	**2017**
IRSA Propiedades Comerciales S.A.[(1)]	827	828	808
Emprendimiento Recoleta S.A.	29	30	29
Fibesa S.A.	22	20	20
Panamerican Mall S.A.	71	70	69
Arcos del Gourmet S.A.	8	6	7
Nuevo Puerto Santa Fe S.A.	16	16	14
Total	**973**	**964**	**947**

(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
2017	770,000,000	-	6.1000(*)

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

11. Stock Exchange Information on the Company

Historical data on the value of our shares in the ByMA

Our shares are listed on the ByMA and they are traded under the ticker "IRCP". They were admitted to the ByMA on March 26, 1996. The following table shows, for the periods stated, the high and low bid prices for our shares on the ByMA at close for a par value of Ps. 1.

	Ps. per share	
	High	Low
Fiscal Year		
2017 (*)	233.000	136.000
2016	14.400	9.000
2015	9.500	4.750
Fiscal Year		
2017 (*)		
4th Quarter	233.000	162.000
3rd Quarter	173.000	160.000
2nd Quarter	191.000	160.000
1st Quarter	175.000	136.000
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

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

Source: Bloomberg

Historical data on the value of our shares in the NASDAQ

Each one of the Company's ADS represents 4 common shares. The American Depositary Shares are listed on the NASDAQ where they have been traded under the ticker "IRCP" 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.

	USD per ADS	
	High	Low
Fiscal Year		
2017	57.000	36.000
2016	39.250	26.000
2015	38.000	17.950
Fiscal Year		
2017		
4th Quarter	57.000	43.500
3rd Quarter	46.010	41.460
2nd Quarter	48.000	41.875
1st Quarter	44.700	36.000
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

Source: Bloomberg

12. Prospects for the Next Fiscal Year

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

In the next fiscal year, we expect to consummate certain acquisitions of new lands or existing commercial properties, and we plan to make progress in the commercial developments already launched, including the 4,000 sqm expansion of our Alto Palermo shopping mall, the development of the 32,000 sqm office building in the commercial complex adjoining our Dot Baires shopping mall, and the “Catalinas” building in Buenos Aires, in which we own 16,012 sqm. In addition, in fiscal year 2018 we expect to carry out expansion works in some of our shopping malls for approximately 20,000 sqm of GLA. We will build 2,200 sqm to add 6 cinema screens in Alto Comahue, a large store of 3,000 sqm in Alto Rosario shopping mall, and a 9,870 sqm Sodimac store in Mendoza Plaza Shopping, and we will expand Alto Avellaneda, our shopping mall located in the southern region of Buenos Aires, by 3,822 sqm. In addition, we will continue working on optimizing the performance of our current properties through improvements that allow us to take best advantage of their GLA potential and to furnish them with increased functionality and appeal for the benefit of consumers and tenants alike.

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

We expect that in 2018 IRSA Propiedades Comerciales will continue to consolidate itself as the leading commercial real estate company in Argentina. With more than 400,000 sqm of Gross Leaseable Area distributed among the best shopping malls and offices in the country, our potential to build approximately 375,000 sqm, including expansion projects and new commercial developments, our low indebtedness level and long track record in accessing the capital markets, we believe that we are in a sound position to leverage on the various opportunities that may arise in Argentina in the future.

Saúl Zang

First Vice-Chairman

EXHIBIT I

IRSA PROPIEDADES COMERCIALES S.A.'S CORPORATE GOVERNANCE CODE

Working progress on compliance with the Corporate Governance Code

<table>
<tr><th rowspan="2"></th><th colspan="2">Compliance</th><th rowspan="2">Non-compliance(1)</th><th rowspan="2">Report(2) or Explain(3)</th></tr>
<tr><th>Total(1)</th><th>Partial(1)</th></tr>
<tr><td colspan="5"><u>PRINCIPLE I. THE RELATIONSHIP AMONGST THE ISSUER, THE CONGLOMERATE THAT IT HEADS AND/OR IS PART OF AND ITS RELATED PARTIES MUST BE TRANSPARENT</u></td></tr>
<tr><td><u>Recommendation I.1</u>: 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 statutory auditors 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.</td><td>X</td><td></td><td></td><td>The Company engages in transactions between related parties 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 a transaction between related parties 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.</td></tr>
<tr><td><u>Recommendation I.2</u>: 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 statutory auditors and/or supervisory committee members in their relationship with the Issuer or with</td><td>X</td><td></td><td></td><td>The Company has a Code of Ethics that has been signed by each one of the Company's members and applies to Directors, Statutory Auditors 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</td></tr>
</table>

the Issuer's related persons. Describe the relevant aspects of such policies and procedures.				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 every three months. Managers, Directors and Statutory Auditors 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, statutory auditors 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 statutory auditors 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	X			As regards corporate governance, the Company has been implementing

Corporate Governance Code),				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 the day-to-day management of business. Therefore, it is entitled to appoint an Executive Vice-chairman, Executive Directors and/or analogous functional levels, determine the scope of their functions, appoint managers, including the CEO and sub-managers and determine their remuneration levels. In addition, the Executive Committee instructs the CEO, jointly with the Human Resources Department to determine the remuneration payable to senior managers. The Company has implemented, in accordance with the provisions of its Human Resources policies, 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 allocation of responsibilities of senior managers is vested in the CEO jointly with the Human Resources Department.
II.1.1.6 the supervision of succession planning for senior management,	X			The CEO and the Human Resources Department are responsible for supervising succession planning at the management level. In order to identify replacement management levels and teams, the organization assesses prospective successors to those Senior Management levels through a method focused on measuring individual potential.
II.1.1.7 the enterprise social responsibility policy,		X		When it comes to Social Responsibility (CRS), the Executive Committee considers and approves proposals in this field submitted to its consideration by the Institutional Relations Department. The pillars on which the Company's CRS actions are based include education, childhood and environmental care, made possible by working jointly with small- and medium-sized organizations, establishing long-term bonds with them, adding players in the value chain and cooperating with the various players in the communities where the Company operates, whether in terms of geographic area of influence or positioning. The Company has been carrying out ongoing activities in this field for many years 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 2013 (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 The training and continued education policy applicable to the	X			The Company encourages involvement in training activities and in

members of the Board of Directors and Senior Management. Should the company have these policies in place, insert a description of their main highlights.				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.

Recommendation II.2: 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 financial management, behavior of the most relevant variables, and discussions are held on material topics by business segment. A comparative analysis of the budget against the turn of business is submitted and any measures necessary to rectify or confirm the course of business are identified.
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 of monitoring by the Board of Directors.	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 their performance, 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 Department, over all its staff, including Senior Management levels. On the other hand, at Board Meetings in which information on the conduct of business, principal ratios and budget control for the relevant quarter is analyzed, compliance with the targets set by the company is monitored.
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 General Ordinary Shareholders' 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 31, 2016.
<u>Recommendation II.4</u>: 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 Issuer. Explain further.	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. The Corporate By-laws provide that the Company's management and administration is vested in a Board of Directors composed of not less than

				six (6), nine (9) or twelve (12) members and an equal or lower number of alternates, as determined by the General Ordinary Shareholders' Meeting. Directors shall renew their positions by thirds each year and each third shall remain in office for three years. At present, the Board of Directors is composed of nine (9) directors and five (5) 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 over 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 Issuer's Nominations Committee which have not been mentioned in the preceding Item.			X	As stated in II.5.1, the item II.5.3 does not apply.
<u>Recommendation II.6</u>: Assess the advisability of Board members and/or statutory auditors 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 statutory auditors 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.
<u>Recommendation II.7</u>: 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, which include topics concerning their roles and responsibilities, comprehensive enterprise risk management, knowledge specific to the business		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, professional qualities and responsibilities of their members. The Company has in place training and

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 course of the year and their degree of compliance.				education programs in various matters that are given to its personnel and that include senior managers. In addition, participation in training activities and professional refreshment courses for the Board and Senior Management is encouraged. Notwithstanding the above, whenever it deems it necessary, the Committee can organize new refreshment and training activities on current regulations or topics related to its duties. 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 business 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		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

aspects.				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 2013) 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 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.		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 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 2013) 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	X			Internal Audit Management reports to the Compliance Management, who in turn reports directly to the Second Vice-chairman of the Company. The Audit Committee annually assesses the performance of Internal Audit and discloses its conclusions in its Annual Management Report, which is submitted by it to the Board at the time of issuance of the Company's Financial Statements. Such assessment results from meetings held between the Committee and Internal Audit, which evaluate the development and compliance with the Internal Audit' work plan, the reports resulting from the reviews, the observations made and the implementation of its recommendations.

standards that govern internal audit practitioners as issued by the Institute of Internal Auditors (IIA).				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 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 qualifications, 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 Meeting, the Audit Committee considers the proposed appointment of External Auditors that will be submitted by the Board to such 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 statements. Explain further, providing the quantity and frequency of the meetings held in the course of the year.	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 conference call with on-line presentation where investors and analysts 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 Bolsas y Mercados Argentinos (BYMA), 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 Shareholders' 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 Shareholders' 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		X		To encourage shareholder involvement, the Company does not

most relevant shareholders such as institutional investors. Specify.				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.
Recommendation V.3: 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 3 (three) years.	X			The principle of equality between shares and votes is safeguarded by the Company's by-laws. The Company's shares have a par value of 1 Peso (1$) each and are entitled to one vote per share. The Company does not have its capital stock classified by classes of shares.
Recommendation V.4: 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			In accordance with the provisions set forth in Section 90 of the Capital Markets Law No. 26,831, all publicly traded companies are subject to the provisions of the mandatory public tender offer regime, and the Company satisfies this requirement.
Recommendation V.5: Increase the percentage of outstanding shares over capital stock. Answer if: The Issuer relies on shareholder			X	The controlling company IRSA holds 94.61% of the outstanding shares of stock and a dispersion of 5.39%, lower than the 20% for the last three years. The Company may evaluate increasing its shareholder dispersion

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 3 (three) years.				in the future.
Recommendation V.6: 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 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 Annual Shareholders' Meeting is the one that annually determines how the income for the year will be allocated, defining which reserves will be established and determining whether the resulting balances will be distributed as dividends. Such dividends shall be determined in accordance with the provisions set forth in the General Companies Law and Bylaws. Distribution of dividends depends upon the company's income and whether there are liquid and realized profits. For its approval, the affirmative vote of a majority of the holders of shares carrying voting rights at the Annual Shareholders' Meeting is required. In addition, the Company takes into account its liquidity and investment projects.
V.6.2 The Issuer relies on documented processes 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: Recommendation VI: Disclose to the community matters concerning the Issuer and provide a direct means of communication with 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 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 has been working with an aim towards ongoing improvement, environmental protection and compliance with current legislation and regulations, even those that were voluntarily adopted. Moreover, the Company shall continue the actions undertaken in the previous fiscal year, and shall prepare a summary detailing the main social and environmental actions. regarding the progress made during the 2017 fiscal year. IRSA Propiedades Comerciales has three (3) properties whose environmental management systems 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			X	As stated in VII.1, the issues discussed in Items VII. 2 to VII 2.7 do

performance of key personnel and its fixed and variable remuneration taking into account the risks taken on and their management,				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 their meetings,			X	As stated in VII.1, the issues discussed in Items VII. 2 to VII 2.7 do not apply.
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 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	X			The Company has a Code of Ethics approved by the Board that applies to all the Company's directors, statutory auditors and 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

customers.				has been published in the Company's webpage. It has been 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: <u>Recommendation IX</u>: Promote the inclusion of the provisions inherent in good corporate governance practices in the 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 By-laws, including the general and specific responsibilities of the Board of Directors. Identify the provisions that will be actually included in the 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.

Saúl Zang

First Vice-Chairman