



Institutional Presentation

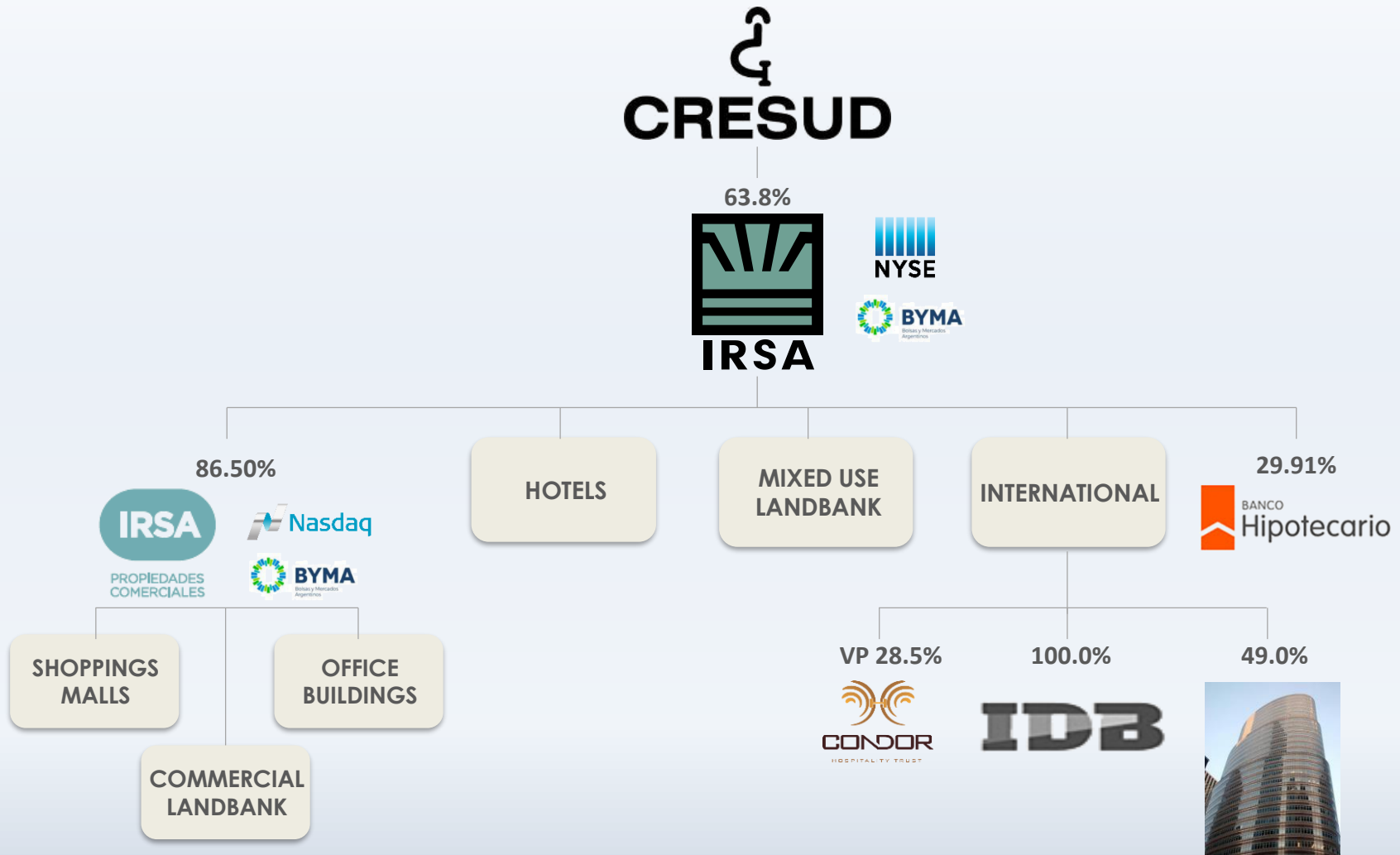
IIQ FY 2018

www.cresud.com.ar

IRSA: Leading Real Estate Company in Argentina



- Largest Real Estate Company in Argentina with opportunistic investments abroad



Business description

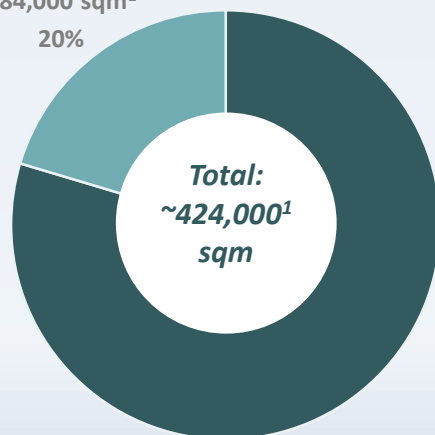
- ✓ Largest owner and operator of **premium shopping malls** and **one of the largest owners of office buildings** in Argentina
- ✓ **~424,000¹** gross leasable area (“GLA”) in prime locations
- ✓ **Land reserve** to develop **~375,000²** sqm of commercial property
- ✓ Over **98% occupancy** rates in shopping malls in last 10 years
- ✓ Average lease rates of **US\$26.5 / sqm** and **94% office occupancy**



GLA breakdown (as of December 31, 2017)

7 office buildings

~84,000 sqm¹
20%



16 shopping malls

~340,000 sqm
80%

Simplified ownership structure



IRSA is a leading, diversified, publicly listed company with presence in real estate and other sectors

¹ Includes acquisition of 8,000 sqm of Philips building completed on June 5, 2017

² Considers land reserve as of December 31, 2017 of ~251,000 sqm from shopping malls and ~124,000 sqm from offices

IRCP prime portfolio of assets is located in Argentina's wealthiest neighborhoods and principal business districts

Buenos Aires shopping malls

Buenos Aires office buildings

67% market share in terms of sales

City of Buenos Aires

City of Buenos Aires

Argentina shopping malls

- Low income Area
- Mid Income Area
- High income Area
- Land reserve

- Expanding Corporate North Area
- Business Center
- AAA Location
- Back Office Center
- Land reserve

Our premium locations act as an entry barrier for new competitors

We have unique advantages that differentiate us from our competitors both nationally and regionally

1 Bargaining power and ability to charge top-level rents and brokerage fee



Key money paid in advance



Brokerage fee paid in advance

2 Real sales tracking of all tenants



Full control of mall operations



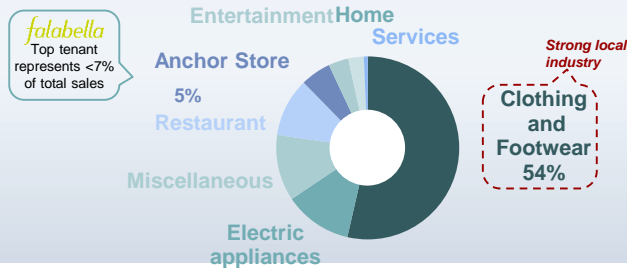
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3 Strong local tenants and longstanding strategic relationships that mitigate risks

- ✓ Long term history of collaboration working with Top 10 tenants
- ✓ Strong local apparel industry and low tenant concentration



4 Valuable data gathering through cutting edge technology and strong customer relationships

~110mm
annual shopping mall visitors

~2.6x Argentina's population



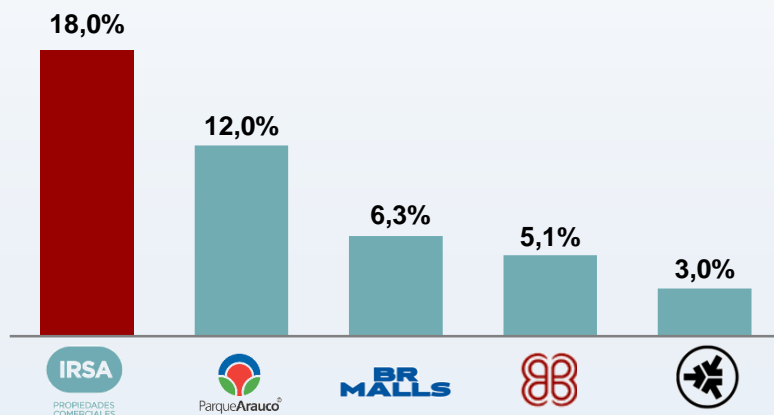
We are the top mall operator in Latin America, supported by strong operating and financial metrics

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PROPERTIES

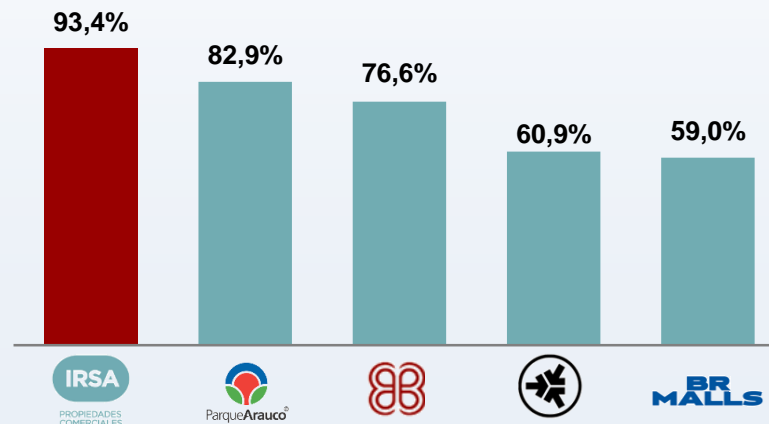
Highest market share¹

■ Total GLA as % of country GLA



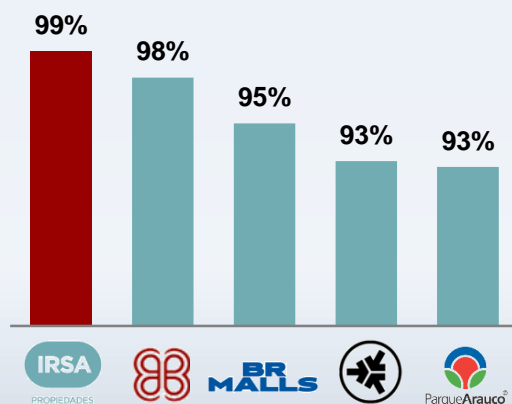
Highest ownership interest in malls

■ Ownership stake in malls (%)



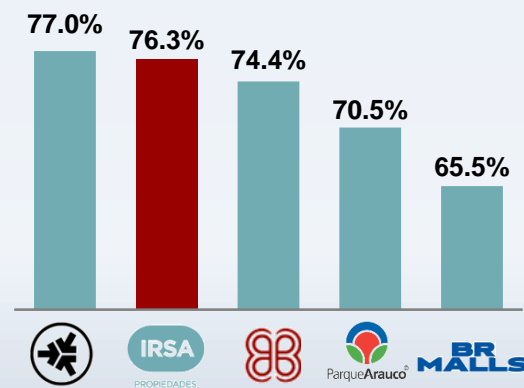
Highest occupancy

■ Occupancy (%)



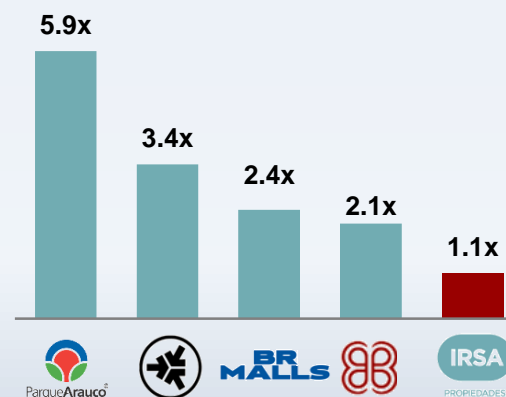
One of the highest EBITDA margins

■ 6M18 EBITDA Margin



Lowest leverage ratio

■ Net debt / LTM EBITDA



Source: Company filings, as of December 31, 2017

¹ Multiplan, BR Malls and Iguatemi as of September 30, 2017. Parque Arauco market share corresponds to Chile, as of 2015

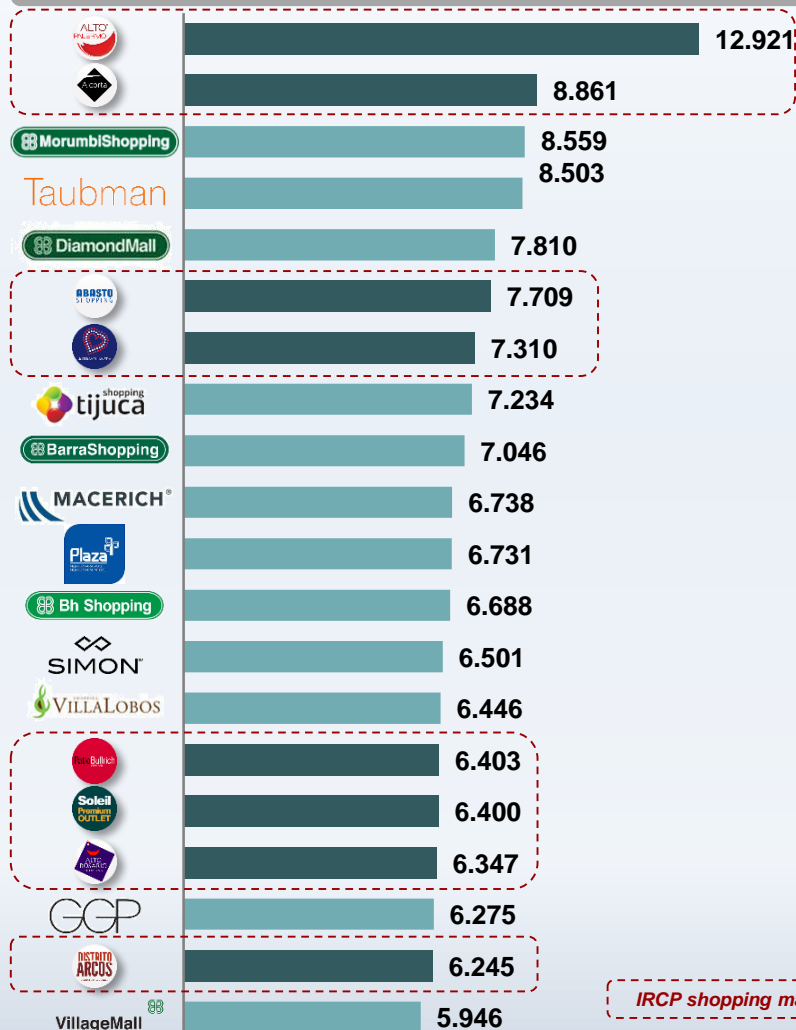
We are the top mall operator in Latin America, supported by strong operating and financial metrics (cont'd)

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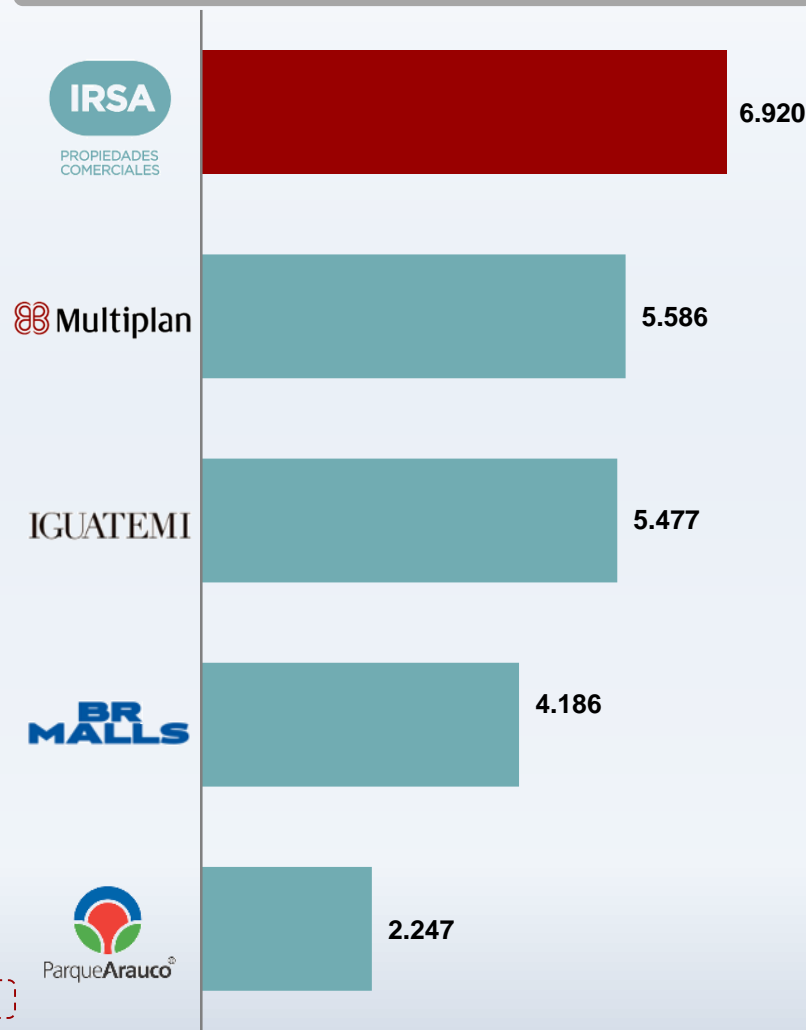
Highest sales per sqm

Properties (US\$/sqm)



IRCP shopping malls

Company average LTM (US\$/sqm)



Source: Morgan Stanley equity research report, February 2017

Source: Company filings as of December 31, 2017

Resilient revenue model

That has withstood historical inflation and currency depreciation

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Shopping malls

Revenue from leases

In advance



Brokerage fee

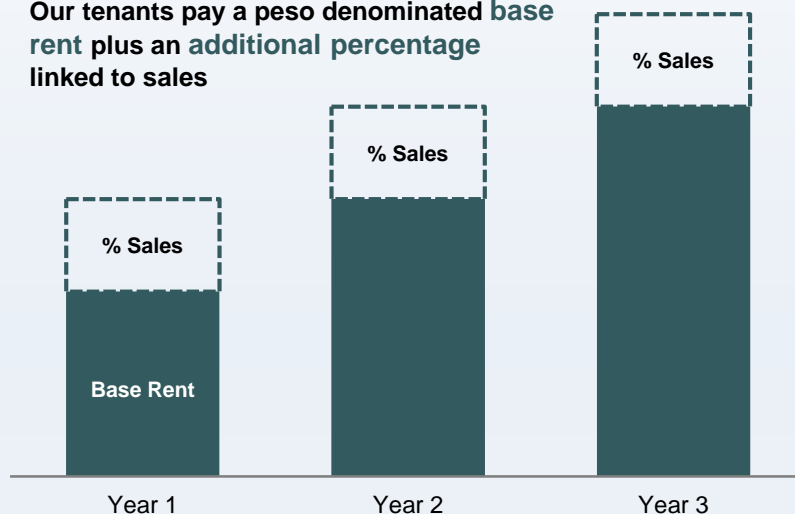
~5x monthly base rent



“Key money” admission rights

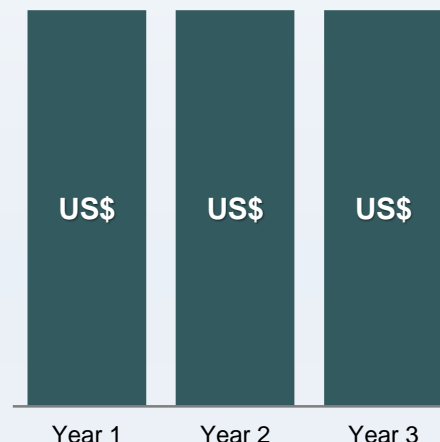
~8x monthly base rent

Our tenants pay a peso denominated **base rent** plus an **additional percentage linked to sales**



Office buildings

Revenues from leases



Other revenues

Non Traditional Advertising



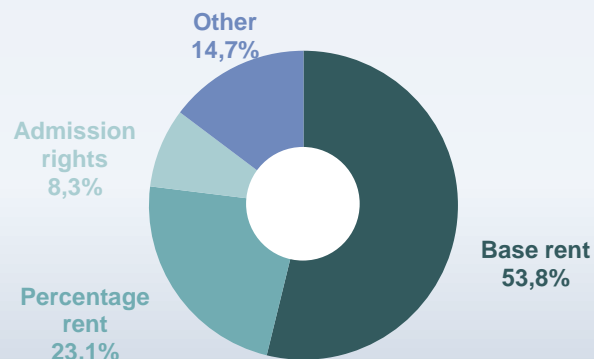
Parking



Stands



Shopping mall rent revenue breakdown¹



✓ **3-year average term** for office lease contracts

✓ **US Dollar based**

✓ **Rental rates for renewed terms are negotiated at market**

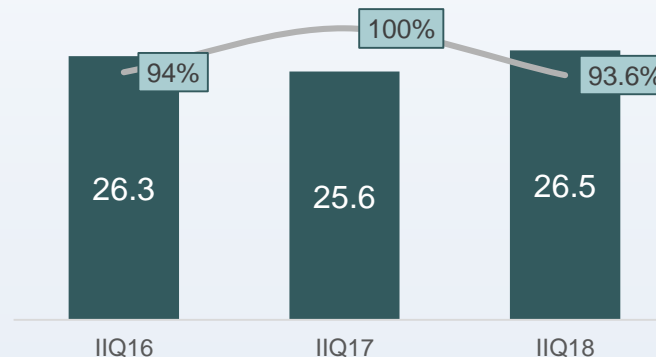
¹ As of September 30, 2017

Shopping Malls & Offices: Strong Operating Figures

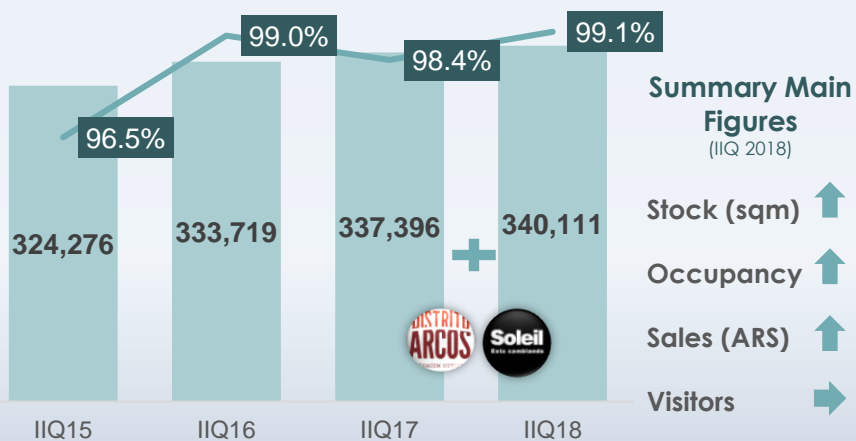
**Shopping Malls – Quarterly Tenants' Sales
(% Var i.a)**



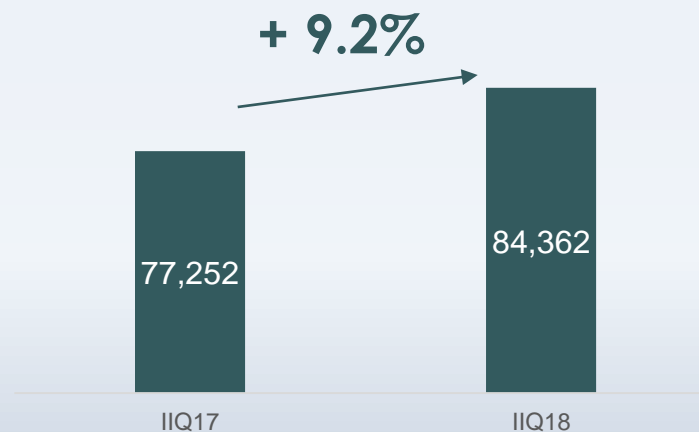
**Offices – Leases USD/sqm/mth
& Occupancy**



**Shopping Malls – Sqm of GLA (Th.)
& Occupancy %**



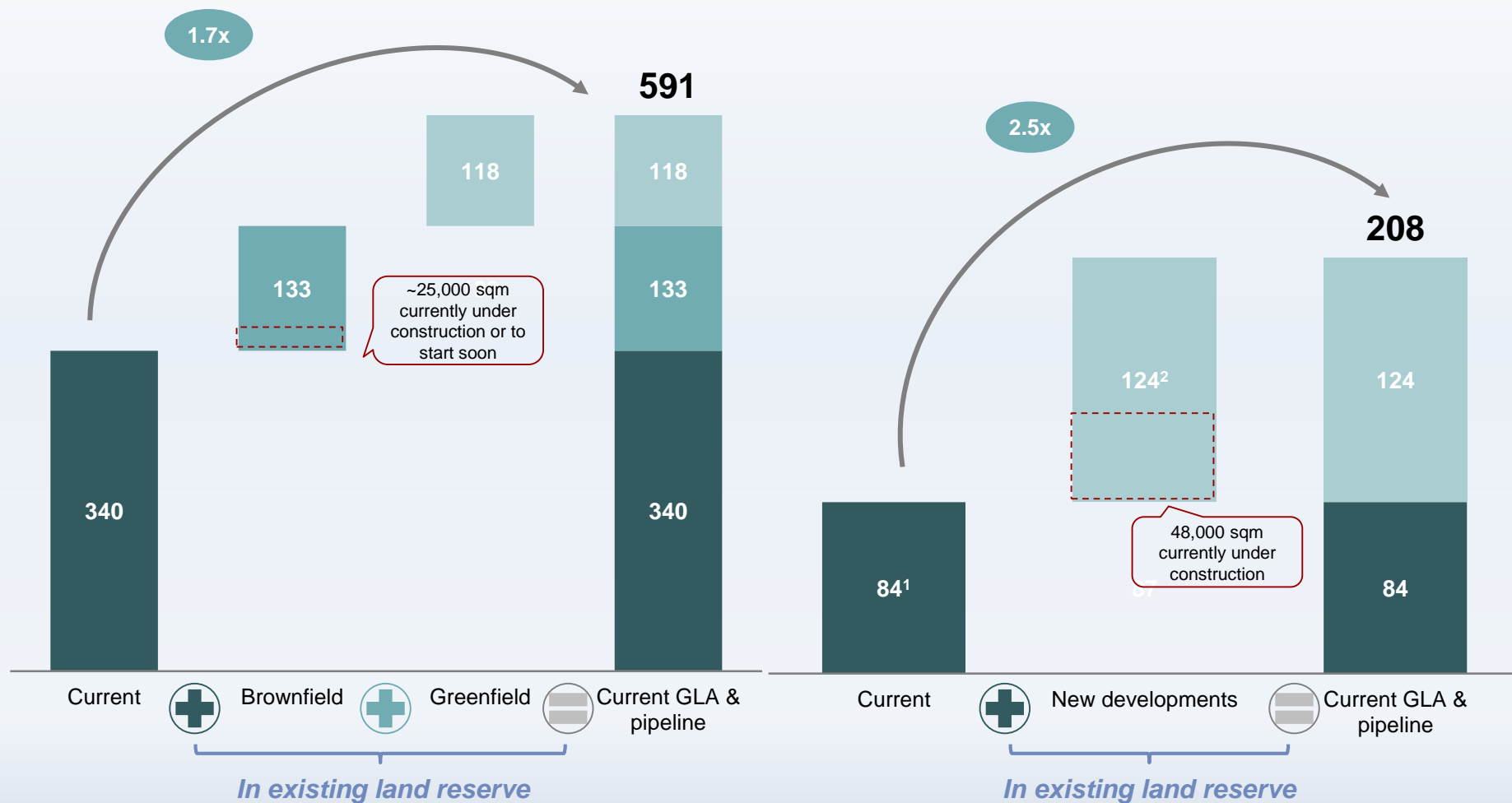
Offices – Stock (sqm GLA)



Our land reserve will allow us to significantly expand our property portfolio

We have a robust pipeline for shopping malls...

...as well as for premium office properties



¹ Includes acquisition of 8,000 sqm of Philips building on June 5, 2017

² Considers 106,400 sqm from offices as of December 2017 in addition to 18,000 sqm of additional potential GLA from recent Philips acquisition

The shopping of the South of BA



Alto Avellaneda Shopping Mall

Buenos Aires
Shopping mall

ARS 33 mm
estimated investment

FY2018
opening date

3,000
sqm GLA

Progress
100%

Movie Theatres in the region of Patagonia



Alto Comahue Shopping Mall

City of Neuquén
Shopping mall

~ ARS 180 mm
estimated investment

FY2019
opening date

2,200
sqm GLA

Progress
49%

Sodimac New Store & Falabella

City of Mendoza
Shopping mall

USD 13.7 mm
estimated investment

FY2019/20
opening date

12,800
sqm GLA

Mendoza Plaza Shopping Mall



New Store + GLA expansion

City of Rosario
Shopping mall

USD 2.1 mm
estimated investment

FY2019
opening date

2,400
sqm GLA

Alto Rosario



1st Zara Store in the Interior of the country



Our current projects under development

Highest sales/sqm mall in the region

Shopping Alto Palermo



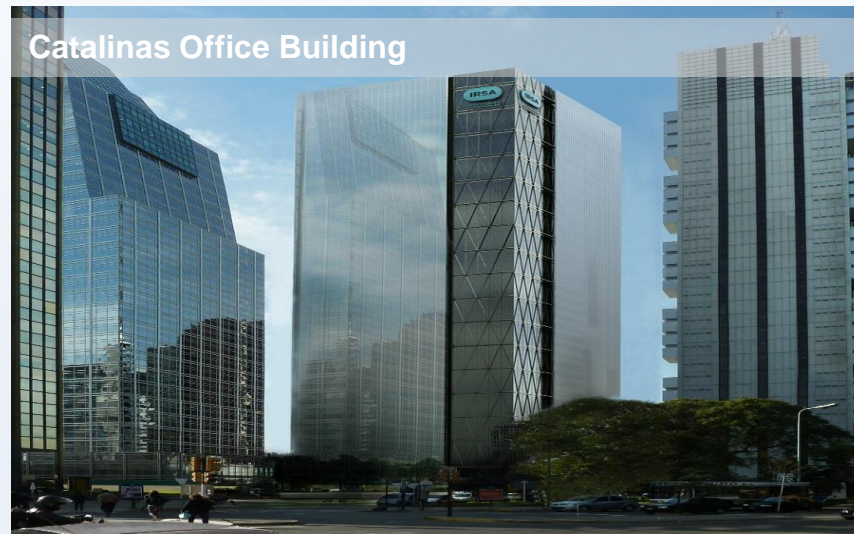
**City of
Buenos
Aires**
shopping mall

US\$28.5mm
estimated investment
FY2019
opening date

3,900
sqm GLA

Modern office building in the City

Catalinas Office Building



**City of
Buenos
Aires**
office

US\$45mm
estimated investment
FY2020
opening date

16,000
sqm GLA
Progress
8.6%

Our current projects under development



Top quality office project in the booming northern area

98,000 sqm¹
Total GLA



Polo Dot Phase 1



Progress
44%

32,000
sqm GLA

FY2019
opening date

80%
owned by IRCP

US\$65mm
estimated investment

Philips Building – Recently acquired



8,000
sqm GLA

28,000
potential sqm
GLA

Buenos Aires office

¹ Includes 32,000 sqm from Dot Phase 1; 38,000 sqm from Dot Phase 2; 8,000 current and 20,000 additional potential sqm from recently acquired Philips building

Attractive Development Pipeline

Shopping San Martín ~ 35,000 sqm



Polo Dot: U Building + Mall Expansion



Shopping Tucumán ~ 10,000 sqm



Shopping Paraná ~ 5,000 sqm



Polo Dot: Two Office Towers



Shopping Caballito ~ 68,000 sqm



Intercontinental Plaza II ~ 20,000 sqm



**Current malls
Expansions**

133,000 sqm GLA



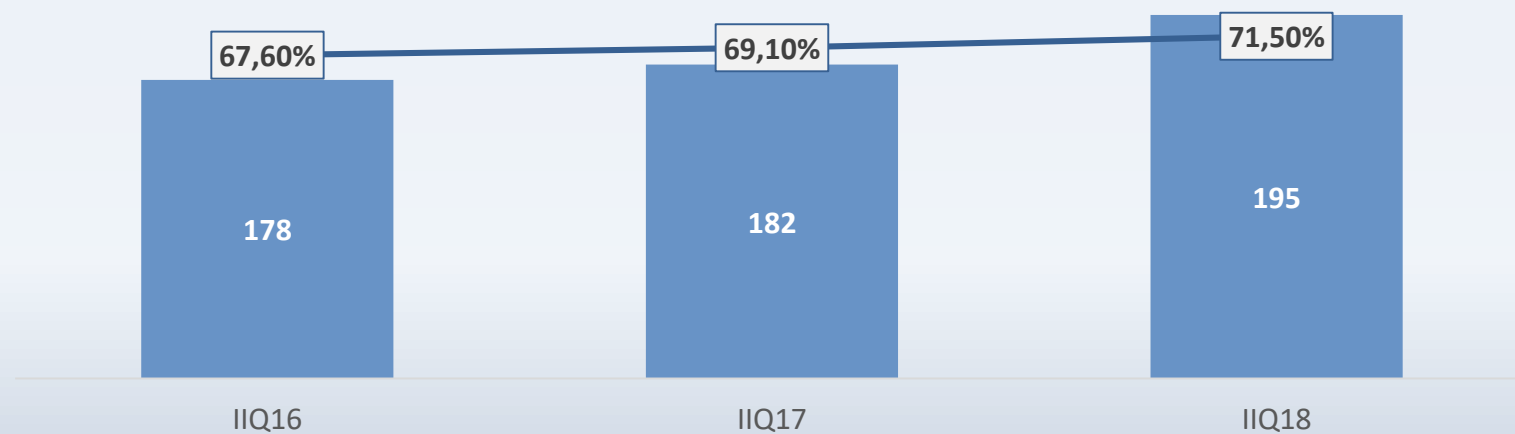
Five Stars Hotels in Argentina

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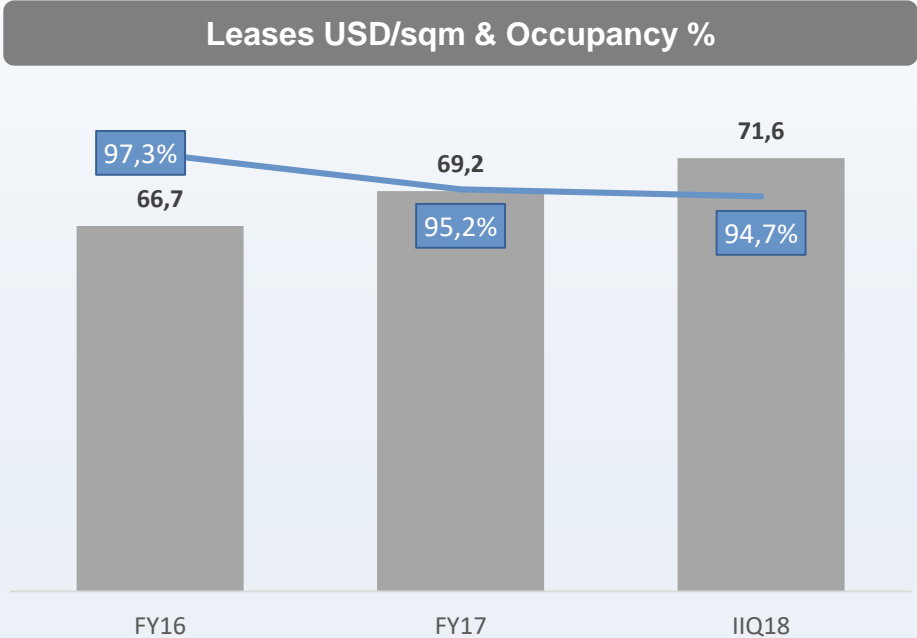
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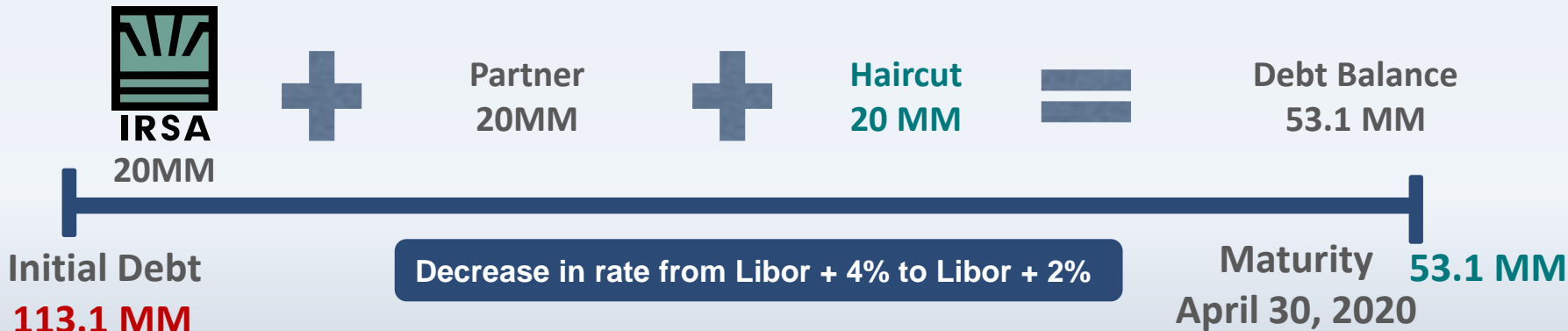
Avge Price / room & Occupancy
(USD)





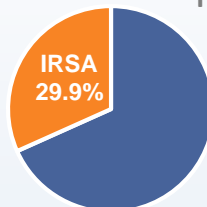


Debt Refinance (Sep-17)





Ownership



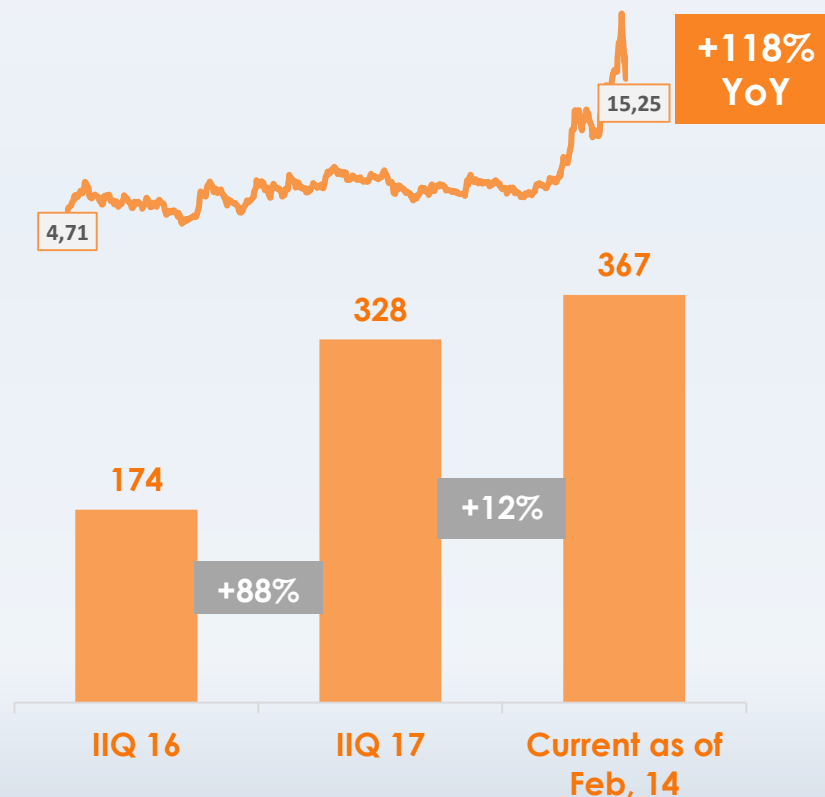
Results to IRSA – 6M 2018

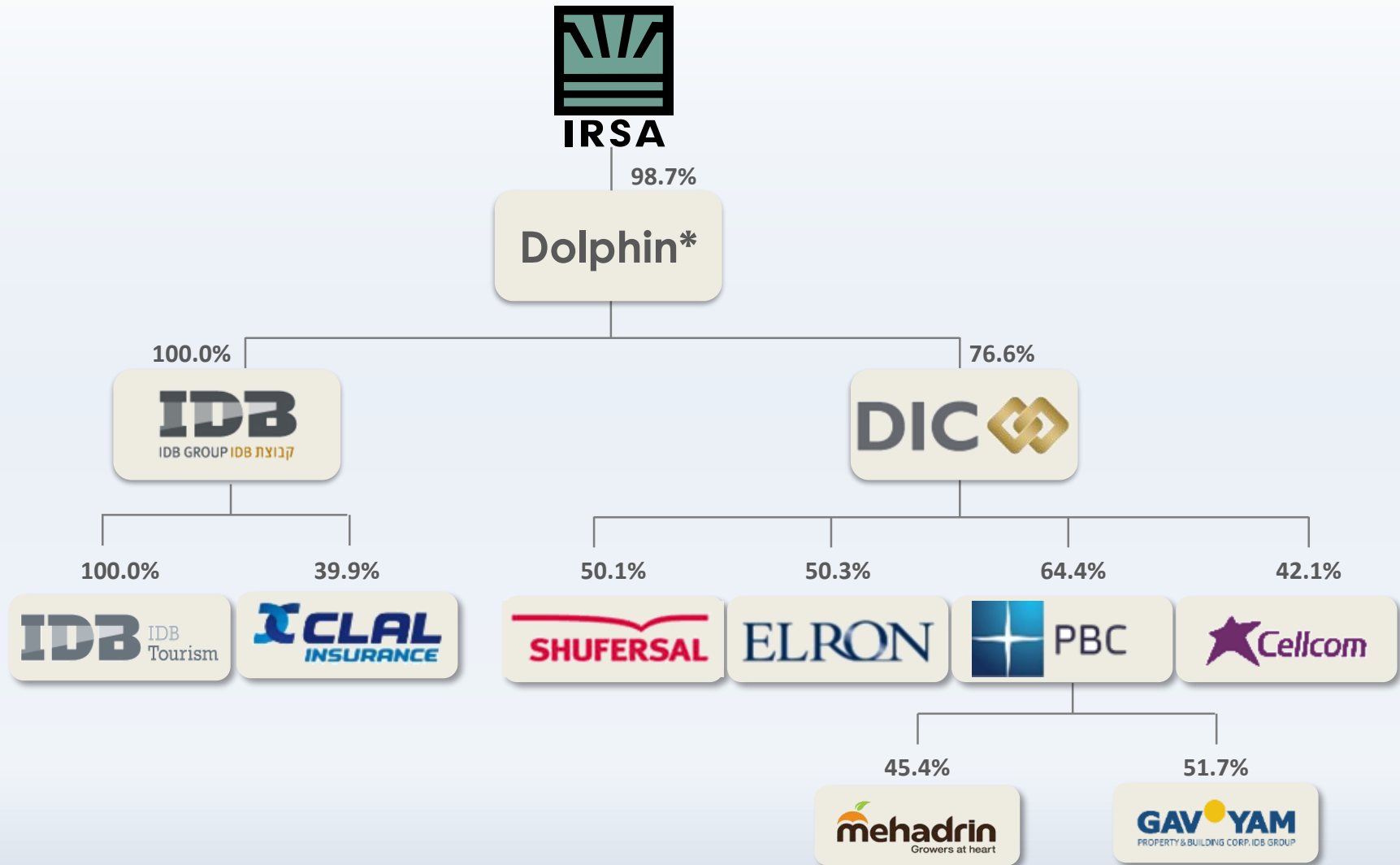
- The bank has generated a gain of **ARS 410 million** during 6M18 compared to a gain of ARS 38 million during 6M17 mainly explained by the **increase in present value of its financial assets**.

Prospects for 2018

- Continue developing sustainable solutions for housing deficit in Argentina
- Increase share in the financial consumer market
- Boost the corporate products business
- Increase customers' base and expand distribution capacity
- Maintain a balanced structure between assets and liabilities managing the different terms and currency exposure.

Market Value to IRSA (USD million)





* There is a non recourse intercompany loan between Dolphin (borrower) and IDB (lender) due to the transference of DIC shares. This loan is guaranteed with DIC shares sold.



IDB Development Corporation Ltd.

Main events – IIQ18

Acquisition of IFISA' stake in IDBD

- On December 2017, Dolphin acquired the entire 31.7% stake of IFISA in IDBD at NIS/share 1.894. Consequently Dolphin paid US\$33.7 millions in excess of the total debt cancelation.

Concentration Law: Transference of DIC Shares

- On November 2017, Dolphin acquired the entire stake of IDBD in DIC. The price was set at NIS 17.20 per share and financed through a loan with guarantee on DIC shares.
- This transaction was done in order to meet the Concentration Law in Israel which do not allow to have more than 3 layers of public companies (Eg: IDBD-DIC-PBC-Gav-Yam)

Debt

- On Nov-17 IDBD issued notes in the local capital markets to expand its series 14 for NIS 357mm at 5.3% fixed rate due 2022.
- On Dec-17, DIC issued notes in the local capital markets for NIS 762 million at 4.8% fixed rate due 2026.

Clal Insurance

- No longer exclusivity offer from Huabang Financial Holdings Limited to acquire IDBD entire stake in Clal at BV (~ NIS 4.8 billion).
- January 18: Sale of additional 5% of Clal shares through a new swap transaction with similar conditions than the previous two.

Israir – El Al transaction

- The signing of a transaction for the sale of Israir was objected by the Anti-Trust Authority.
- The company is evaluating the course of action.

Eurocom Communications Limited

- Offer made on February 5th, 2018 to acquire the control of Eurocom by DIC or related parties subject to several approvals which expired on February 15th.



Leading Israeli Real Estate Company

IRSA indirect stake: **48.7%**

Market Cap NIS 2,110 million

- Occupancy – 98%
- Ispro sale process – in progress
- Net Debt, Consolidated – NIS 7,591 million
- Recent note issuance for NIS 496 million at 3.95% fixed due 2029

PBC Share Price USD/share

**+31%
YoY**



Israeli Leader - High-Tech Parks

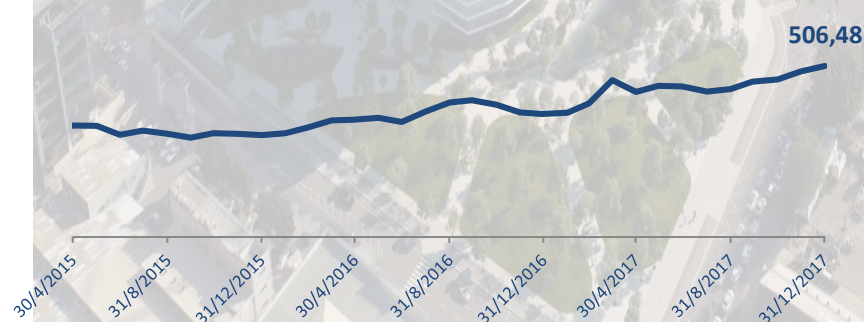
IRSA indirect stake: **25.2%**

Market Cap NIS 3,652 million

- Occupancy - 99%
- Developing – Tozeret Haaretz (ToHa), Cyber park Beer Sheva
- Shares Issuance – NIS 201 million
- Net Debt, Consolidated – NIS 2,615 million
- Credit rating upgrade: 'il AA-' > 'il AA'

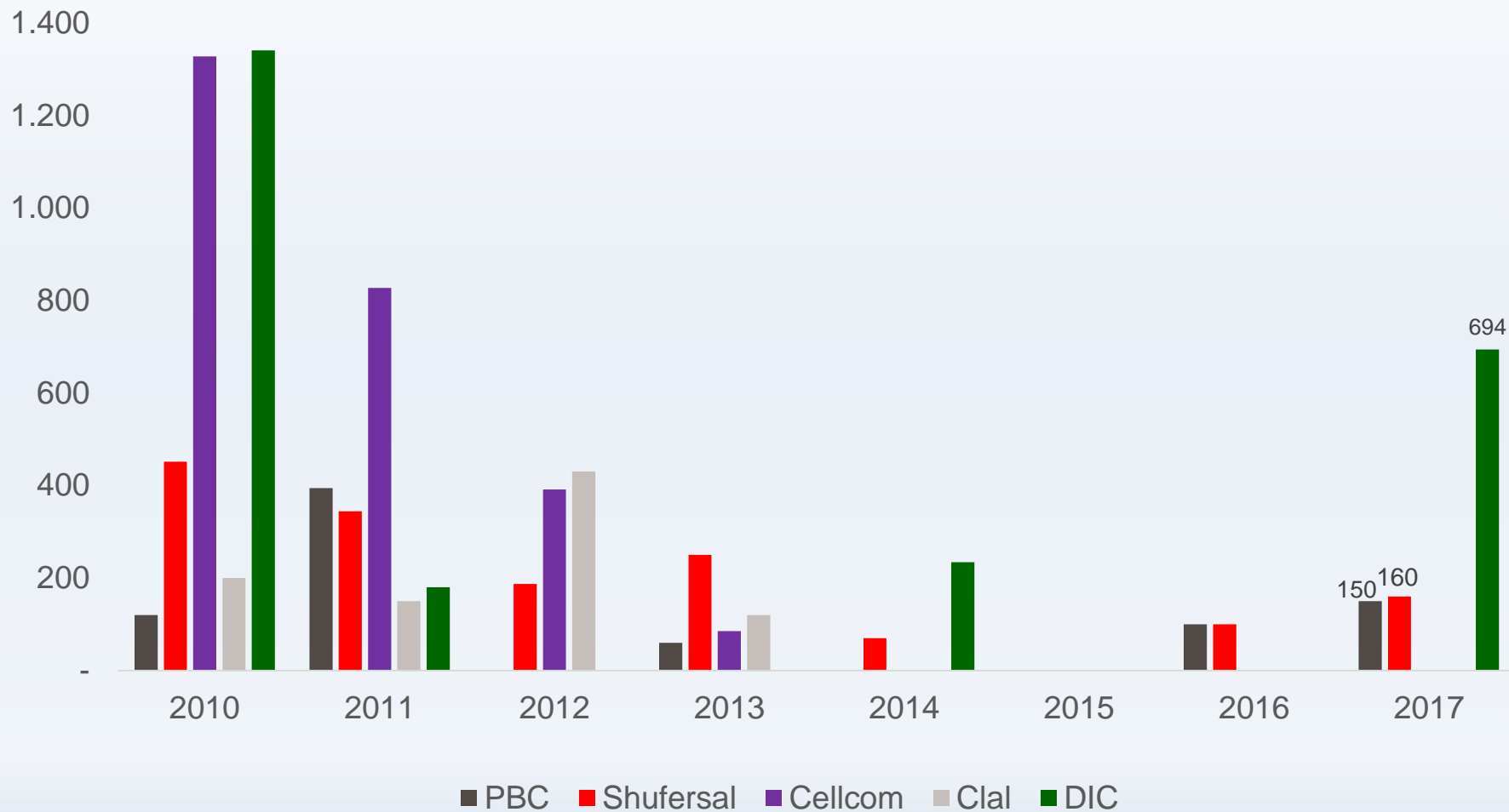
Gav-Yam Share Price USD/share

**+39%
YoY**





Israel Business Center: Dividends' Payment

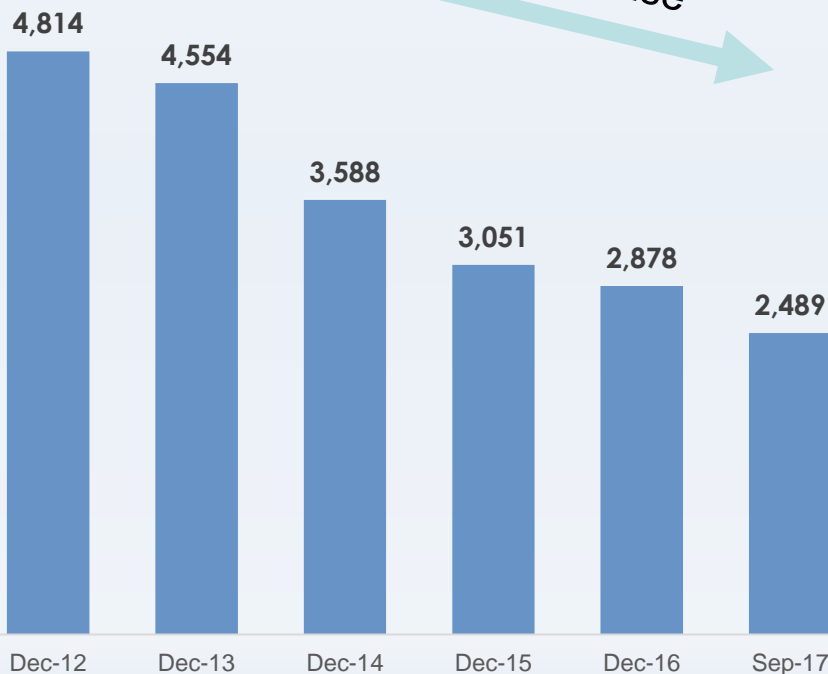


IDBD & DIC Net debt decrease (NIS million)



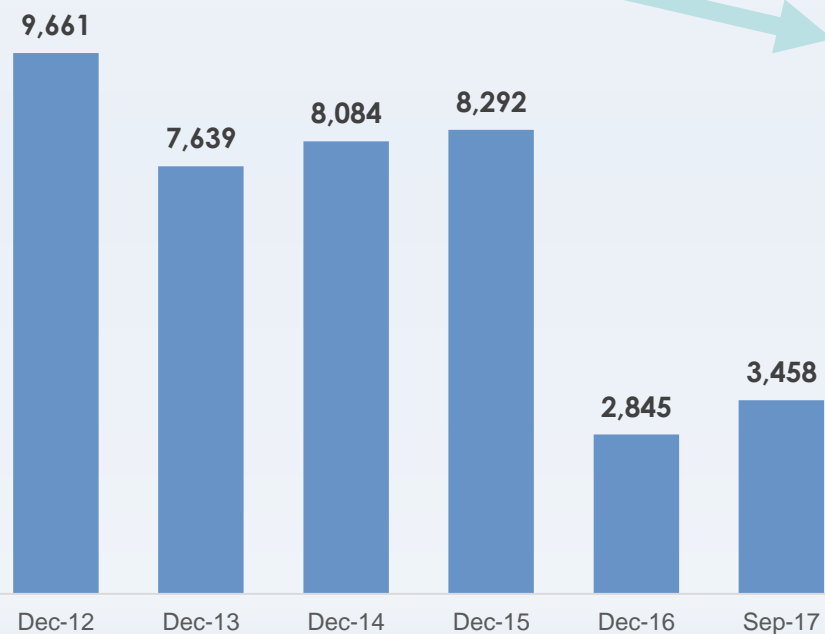
IDBD

NIS 2.3 billion decrease



DIC*

NIS 6.2 billion decrease



**Includes Adama non recourse loan*

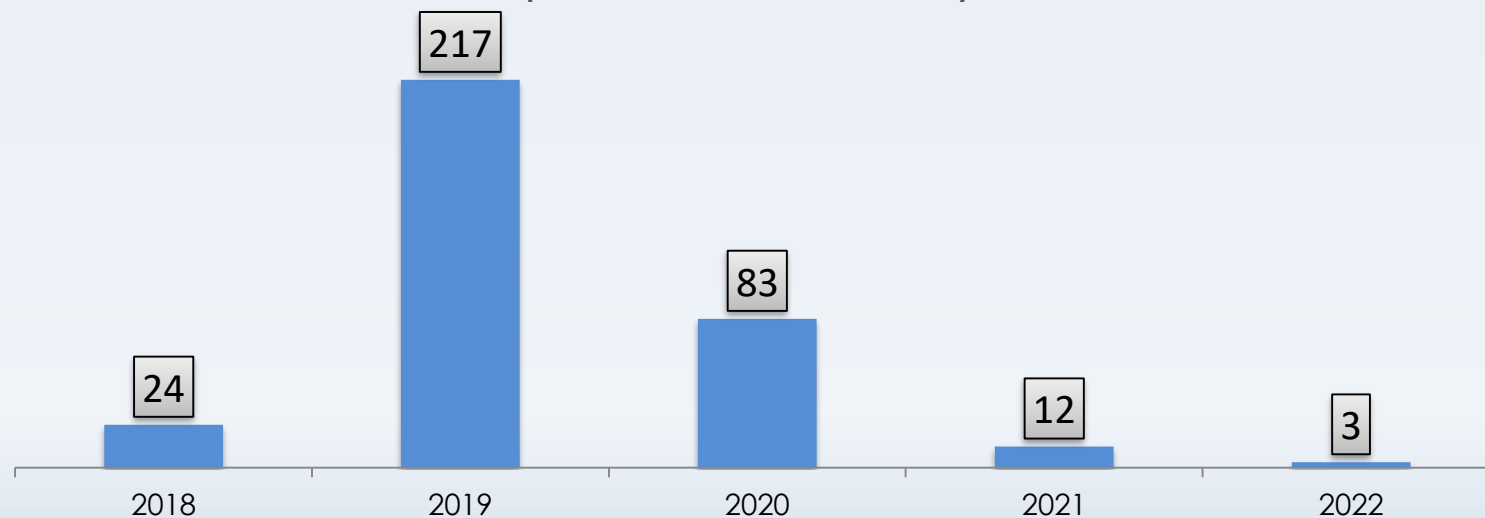
IRSA stand alone Debt as of December 31, 2017



In USD million

| | |
|------------------------|-------|
| IRSA Total Debt | 338.9 |
| Cash & ST Investments | 4.0 |
| IRSA Net Debt | 334.9 |

Debt Amortization Schedule (IRSA- USD million)



Thanks!

