



# Institutional Presentation

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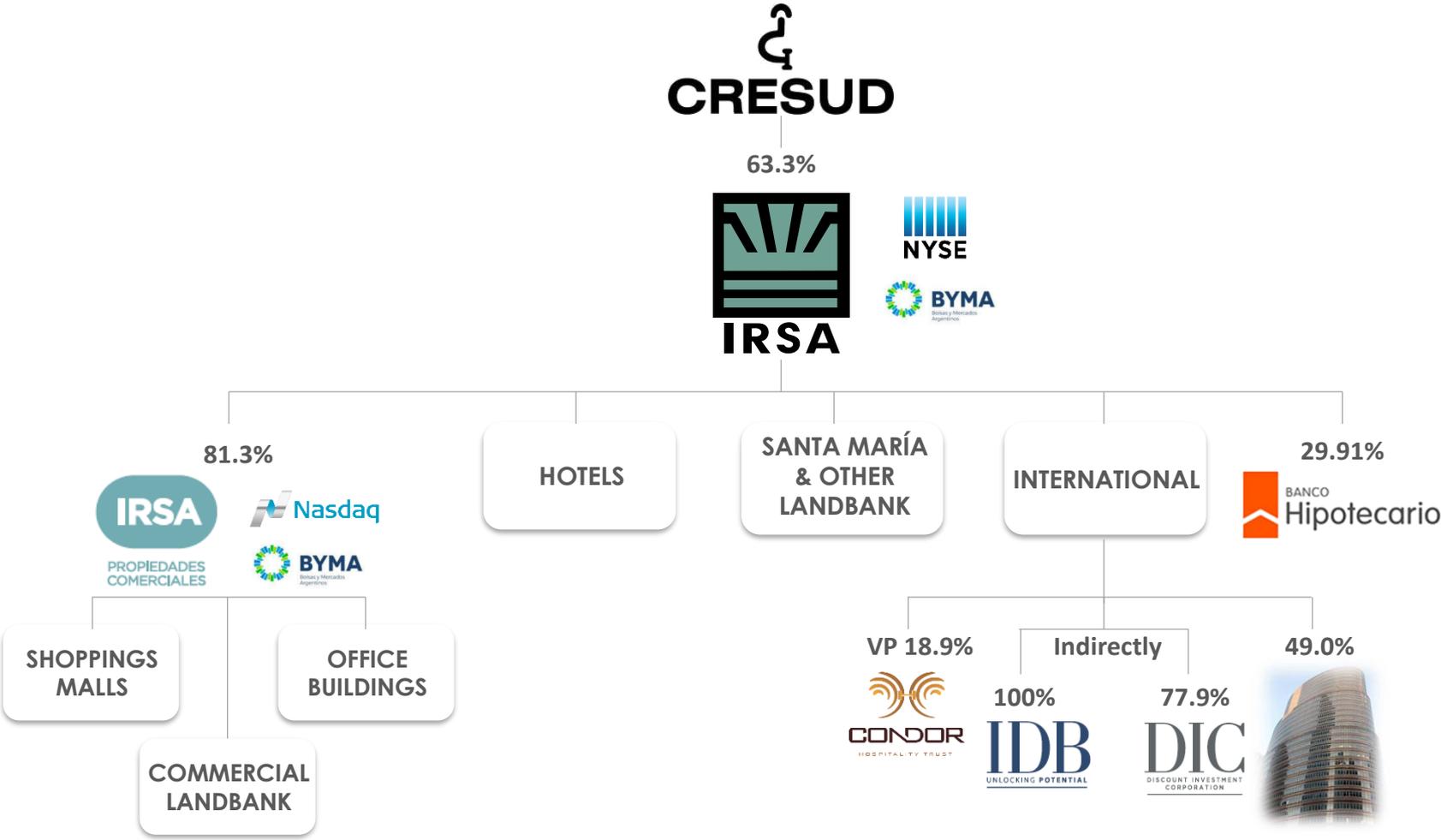
IIQ FY 2019

[www.irsa.com.ar](http://www.irsa.com.ar)

# IRSA: Leading Real Estate Company in Argentina



- Leading real estate company in Argentina with opportunistic assets abroad.
- Majority shareholder of IRSA Propiedades Comerciales, leading commercial real estate company in Argentina with ~415,000 sqm of GLA located in premium locations.

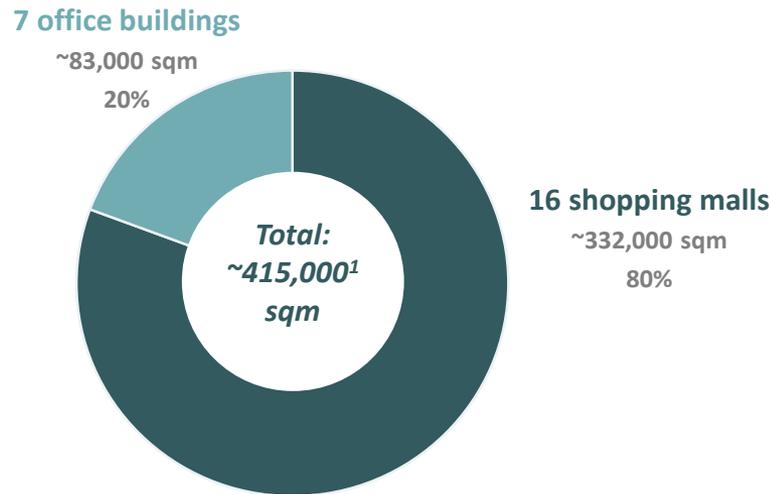


## Business description

- ✓ Largest owner and operator of **premium shopping malls** and **one of the largest owners of office buildings** in Argentina
- ✓ **~415,000** gross leasable area (“GLA”) in prime locations
- ✓ **Land reserve** to develop **~372,000<sup>1</sup>** sqm of commercial property
- ✓ Over **95% occupancy** rates in shopping malls in last 10 years
- ✓ Average lease rates of **US\$25.7 / sqm** and **90% office occupancy**



## GLA breakdown (as of September 30, 2018)



## Simplified ownership structure



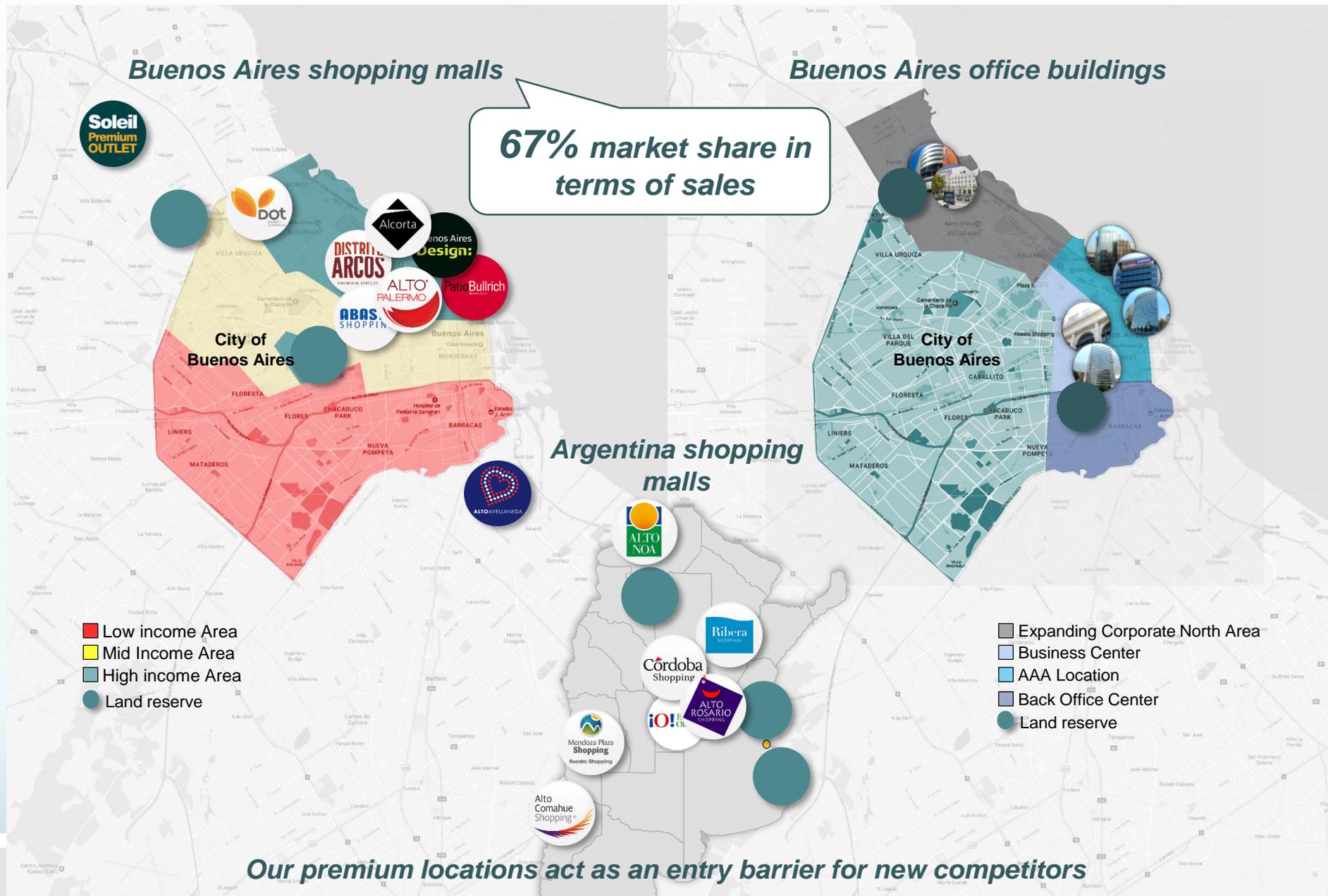
*IRSA is a leading, diversified, publicly listed company with presence in real estate and other sectors*

Our 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**



- 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**

# Resilient revenue model

*That has withstood historical inflation and currency depreciation*

## Shopping malls

## Office buildings

### Revenue from leases

### Revenues from leases

In advance

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



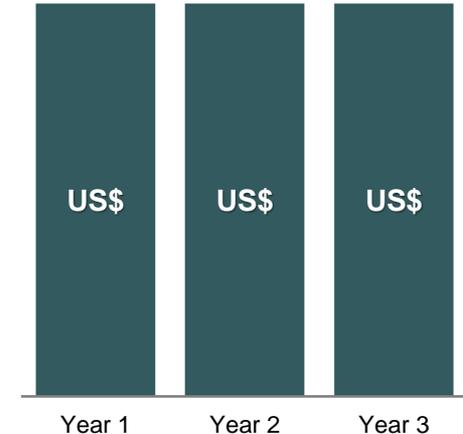
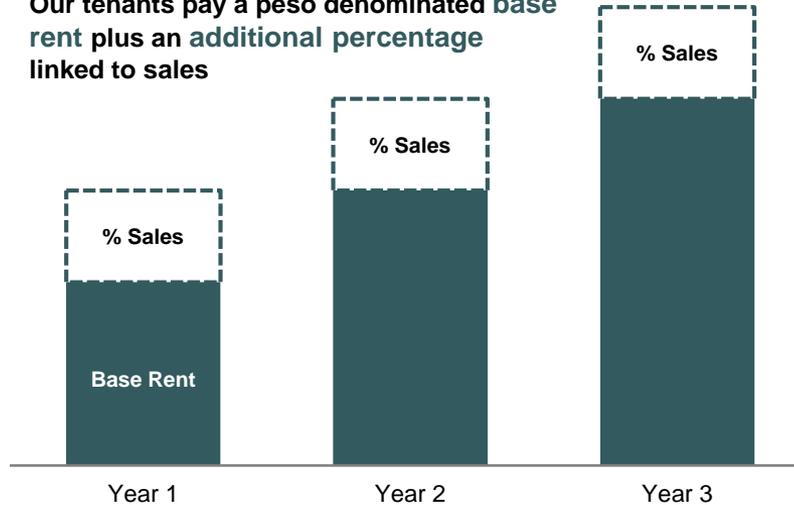
### Brokerage fee

~5x monthly base rent



### “Key money” admission rights

~8x monthly base rent



### Other revenues

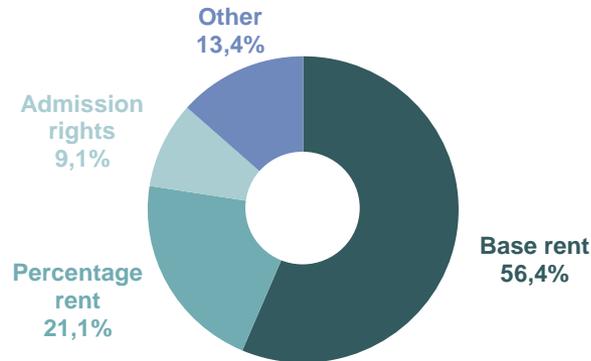
### Shopping mall rent revenue breakdown<sup>1</sup>

#### Non Traditional Advertising



#### Parking

#### Stands



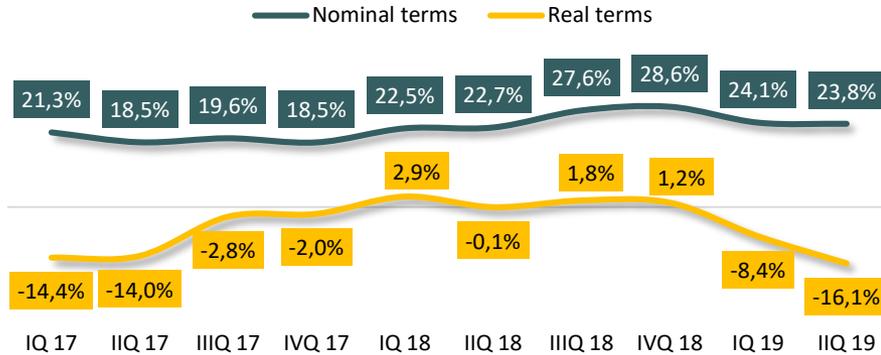
- ✓ 3-year average term for office lease contracts
- ✓ US Dollar based
- ✓ Rental rates for renewed terms are negotiated at market

<sup>1</sup> As of September 30, 2018

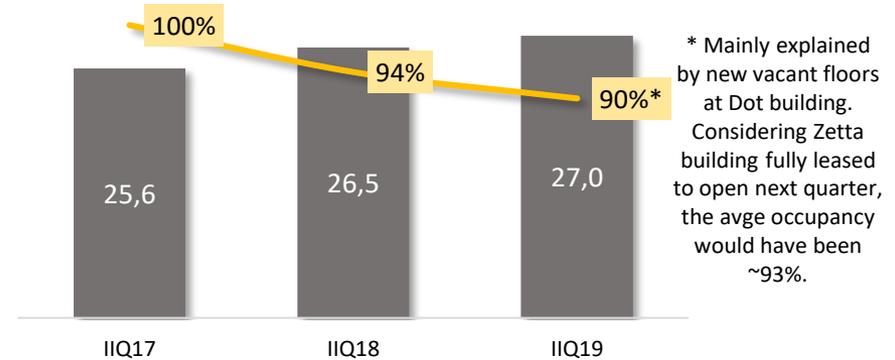
# Shopping Malls & Offices' Operating figures

## Shopping Malls – Tenants' Sales

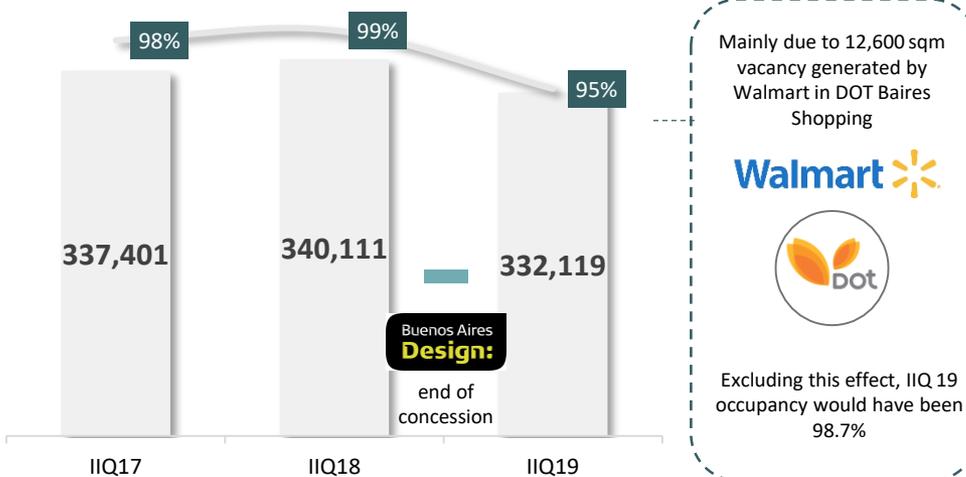
(% Var i.a.)



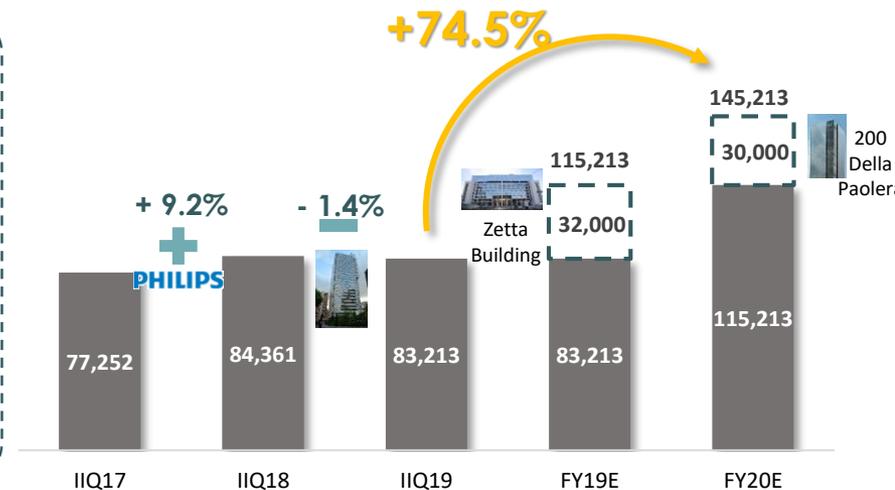
## Offices – Leases USD/sqm/month & Occupancy



## Shopping Centers – Sqm GLA (Th.) & Occupancy (%)



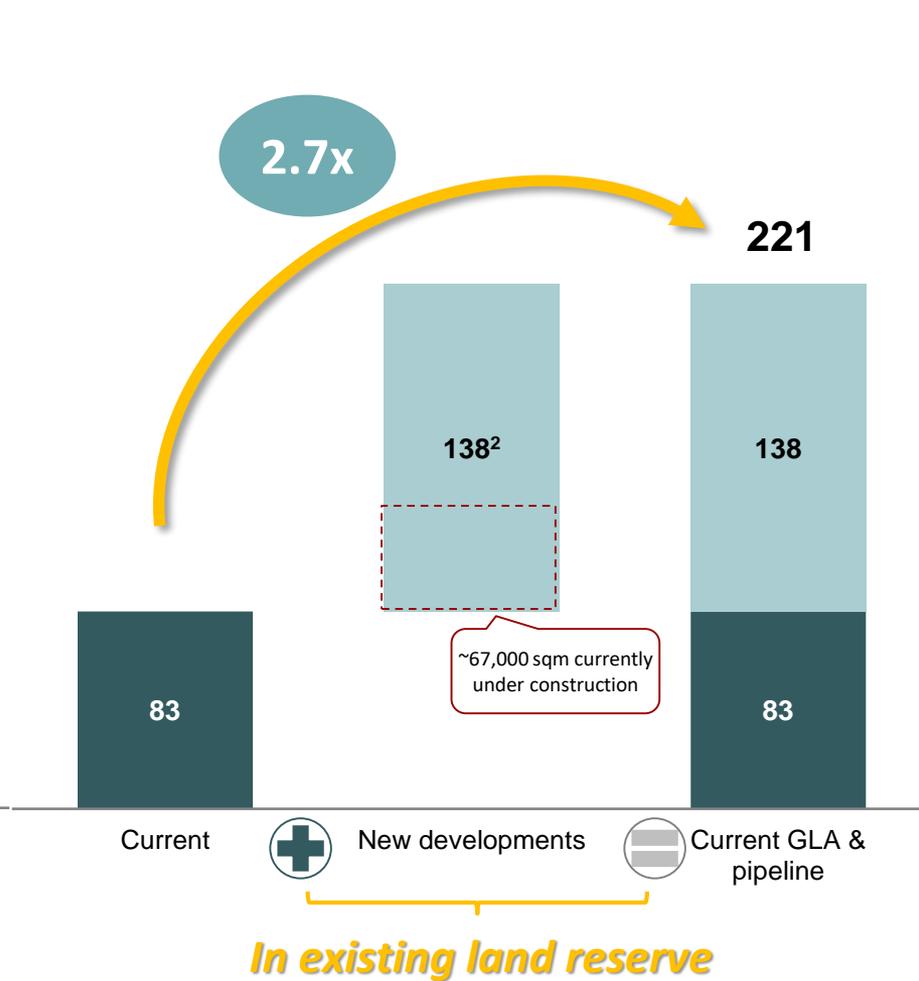
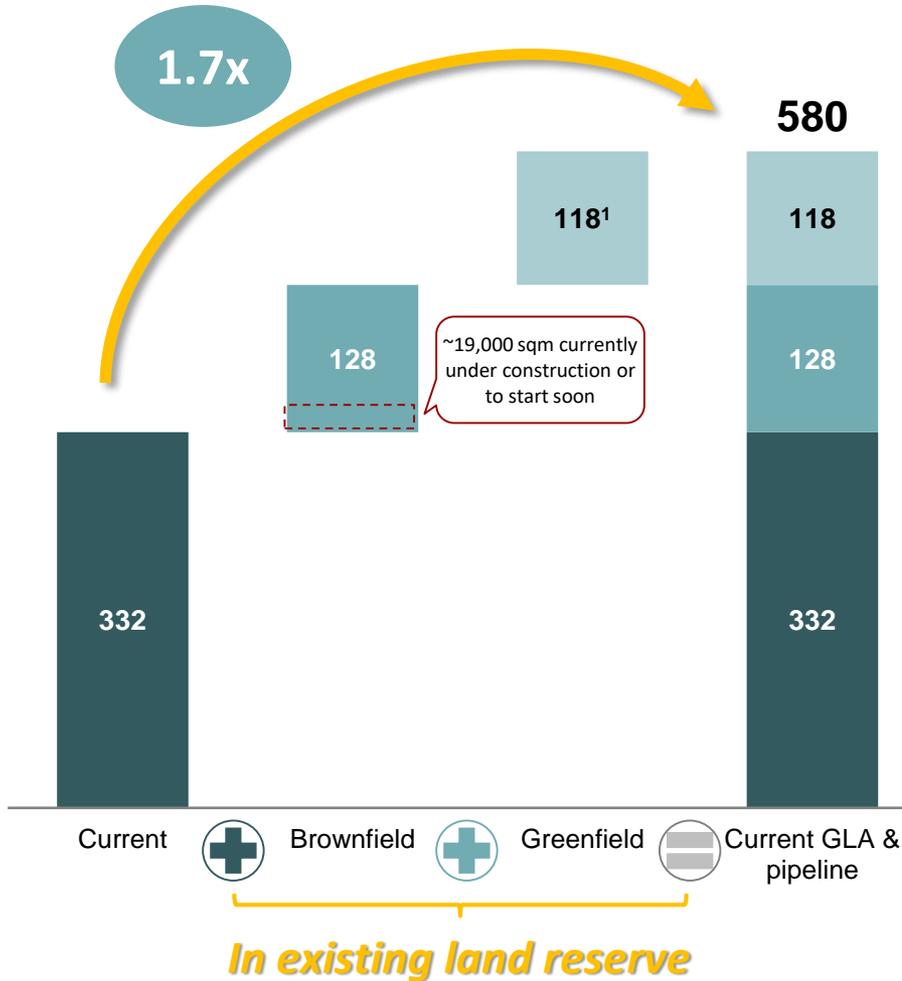
## Offices – Stock (sqm GLA)



# Our land reserve will allow us to significantly expand our commercial real estate portfolio

We have a robust pipeline for shopping malls...

...as well as for premium office properties



# “200 Della Paolera” Office building (under development in Catalinas)

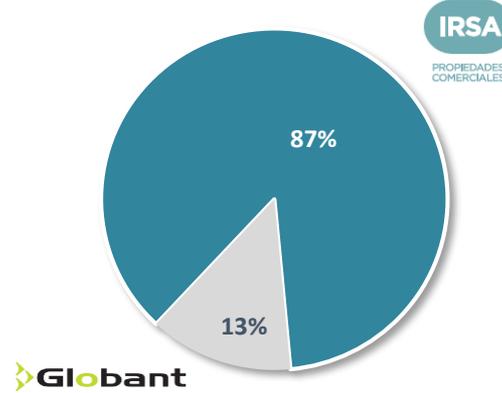
## Recent sell to IRCP

**14,213** sqm

**12** floors

**131** parking spaces

## Current Ownership



## Total Project

**35,000** GLA sqm

**FY 2020** Est. opening

**USD 10-12mm**

Est. EBITDA

**41%** Work Progress\*

\*As of January 31, 2018

**Price:**  
(including remaining development)

**USD 60.3 mm**

**Price/sqm:**

**~USD 4,200**

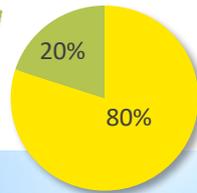


## Zetta building (Polo Dot 1<sup>st</sup> office building)

The first building of the Office Park developed in the north area of BA City

**Recent delivery of units to its tenants for conditioning**

*falabella*



mercado  
libre



**32,000** GLA sqm

**Fully** Leased

**ARS 1,425 mm**

Est. investment

**~ USD 9mm**

Est. EBITDA

**99%** Work Progress

**IIIQ 2019** Est. opening

# Polo Dot Full Project





## Alto Palermo Shopping mall – BA City Highest sales/sqm shopping mall



**3,900**  
sqm GLA

**US\$28.5mm**  
estimated investment

**FY2020**  
opening date

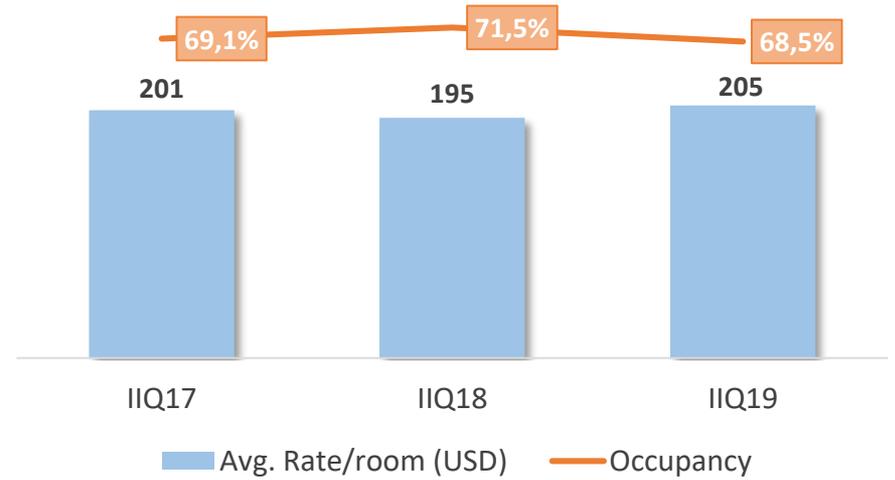
# Recent approval, after 20 years, of a Mixed-Use Project in Caballito plot of land

**Land Plot of 23,000 sqm**  
**Capacity to develop**  
Residential: ~ 76,000 sqm  
Retail: ~ 11,000 sqm





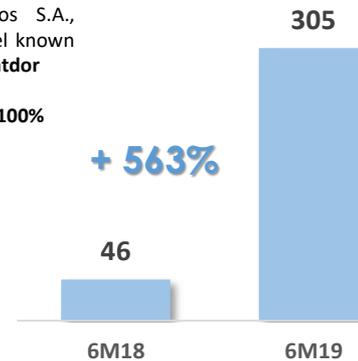
## Rate & Occupancy evolution



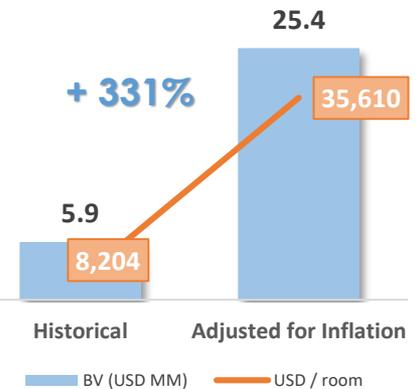
On Feb-19, IRSA acquired 20% of the shares of Hoteles Argentinos S.A., owner of the hotel known as Sheraton Libertador

Current stake: 100%

## EBITDA (ARS MM)



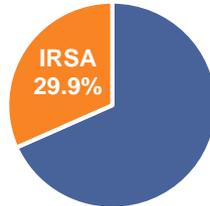
## Book Value as of Jun '18







Ownership



2019 main work fronts:

- **Liabilities:** to preserve cash and long term deposits, adjusting rates to market changes.
- **Assets:** increase of commissions, fees and preservation of the quality of the portfolio in a context of higher delinquency rates.
- **Balance Sheet equilibrium:** preserving the solvency and liquidity, with focus on the funding.

Share Price evolution



Market Value to IRSA

(USD million)



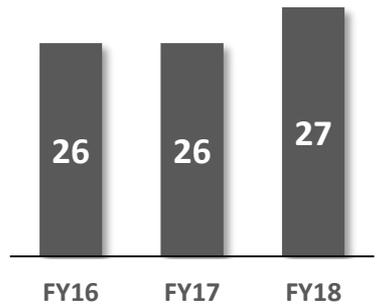
Results to IRSA

- The bank has generated a loss of ARS 79 million during 6M 19 compared to a gain of ARS 309 million during 6M 18, mainly explained by the Implementation of IFRS 9.

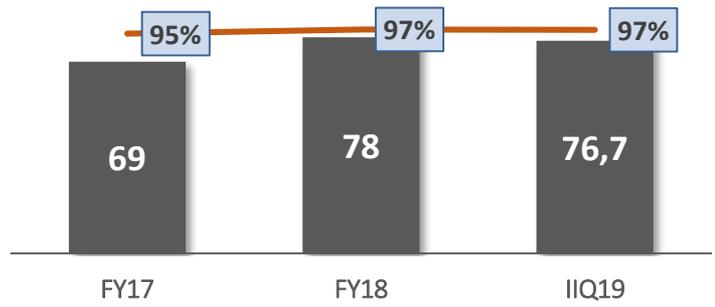
## Lipstick Building



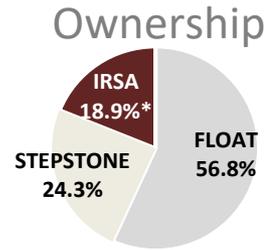
NOI (USD MM)



## Leases (USD MM) & Occupancy



## Condor Hospitality Trust

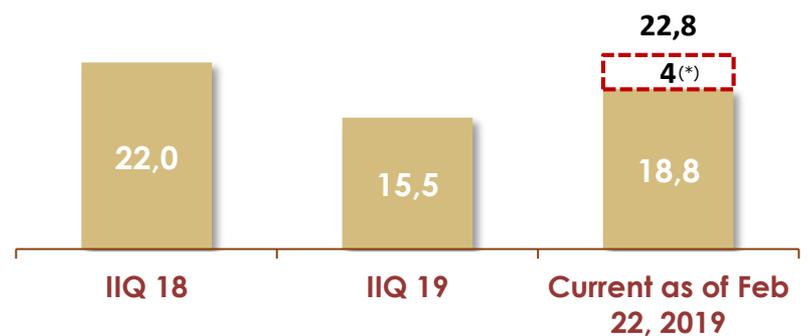


Share Price Evolution

20/2/2017    20/8/2017    20/2/2018    20/8/2018    20/2/2019

## Market Value to IRSA

(USD million)



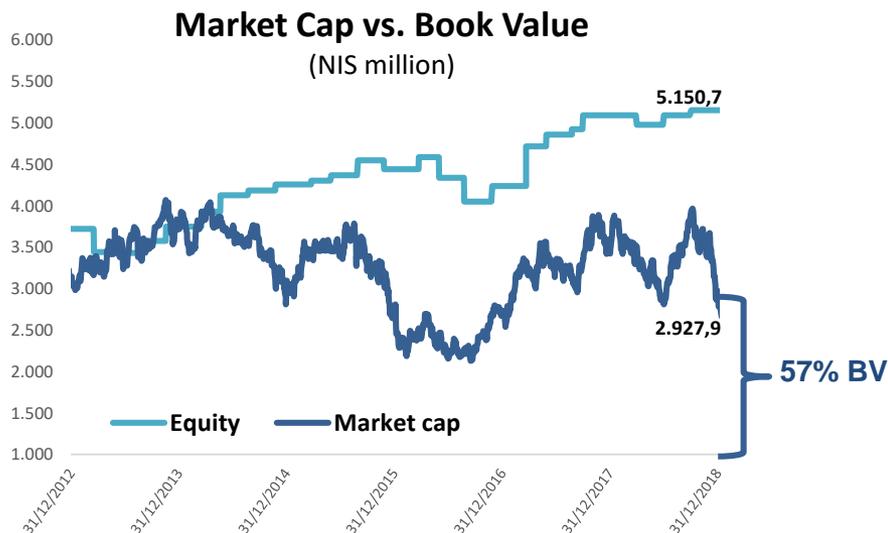
(\*) 3,3mm in preferred E Series + 0,7 mm promissory note



- **Sales:**  
(Through swap transactions)



Aug-2018: **5% stake**  
 Jan-2019: **4.5% stake**  
 Current stake: **25.3%**  
 Economic rights: **54.9%**



- **Sale:**  
**SHUFERSAL**  
7.5% stake  
NIS 416 mm.  
Current stake: **26.0%**
- **Acquisitions:**



**3% stake**  
 NIS 55 mm  
 Current stake: **67.5%**



**9.2% stake**  
 NIS 31 mm  
 Current stake: **59.5%**

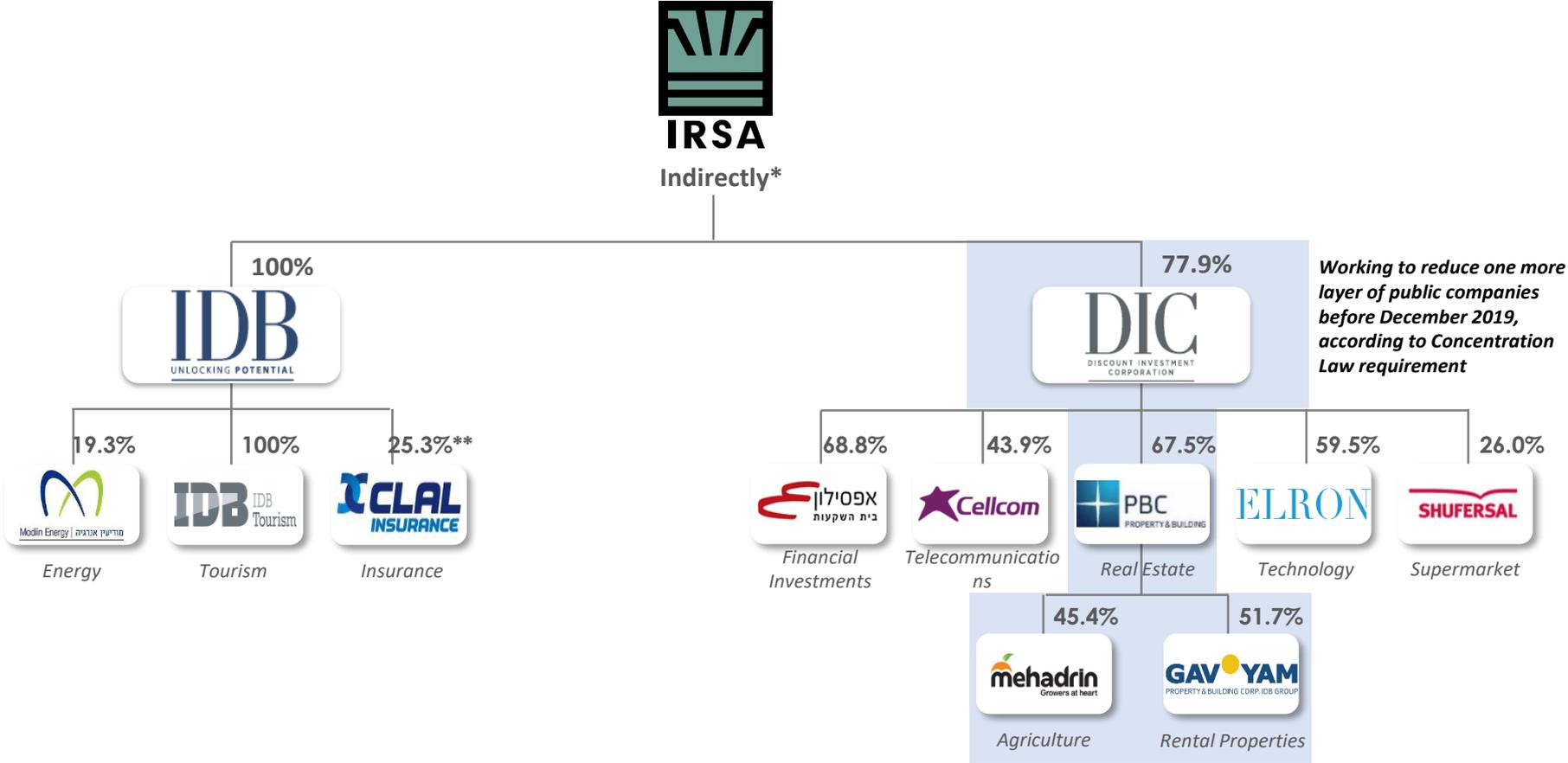


**0.7% stake**  
 NIS 15 mm  
 (+NIS 31 mm option exercise)  
 Current stake: **43.9%**

- **Shares repurchase plan:**  
 Up to NIS 120 mm  
 Period: 1 year (until Dec-2019)  
 Remaining floating capital stock: **no less than 10.1%**  
**As of Dec-2018 2.1 mm shares already repurchased (NIS 9 mm)**
- **Dividend distribution (Feb-2019):** NIS 100 mm  
 (NIS 60 mm in kind – IDB Series 9 Bond – and NIS 40 mm in cash)



## Current Corporate Structure



\* 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.

\*\* 29.6% stake sold through local swap transactions, holding economic rights for 54.9%.

# PBC & Gav Yam: Leading real estate companies in Israel



**1,160,000 sqm**  
in Israel

**97%**  
occupancy

**670,000 sqm**  
Land reserve

## Main tenants



**142,000 sqm**  
in USA

# Real Estate projects under development in Israel



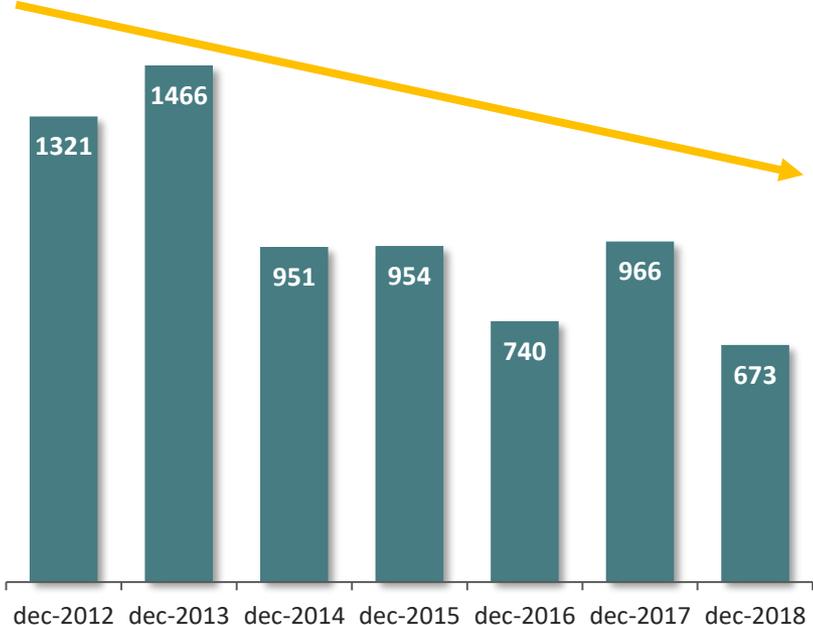
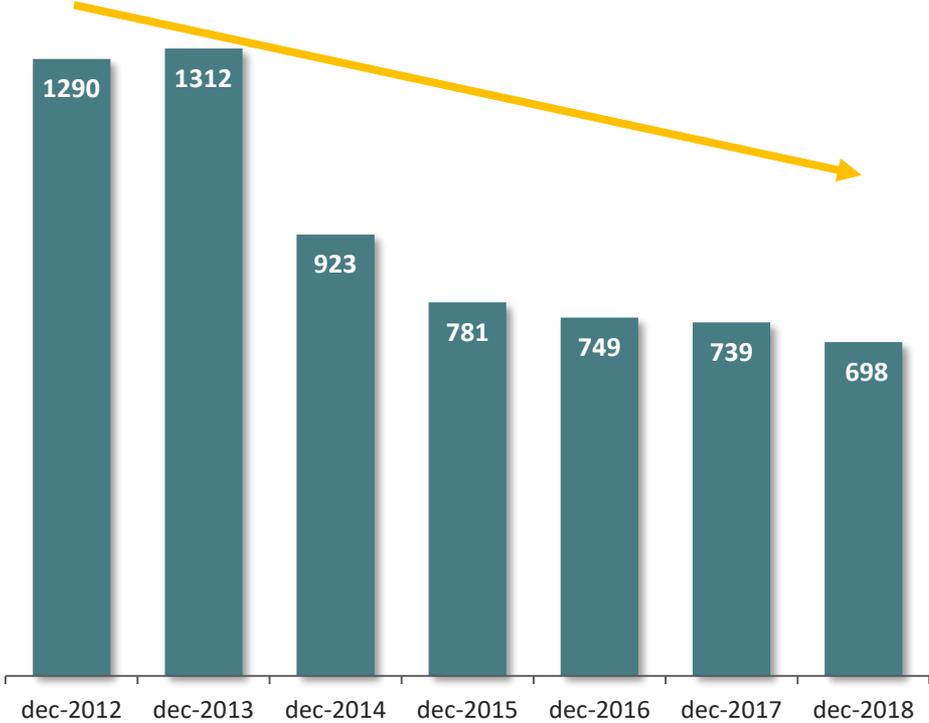
8 Projects - 194,000 sqm



# Deleverage at IDB & DIC



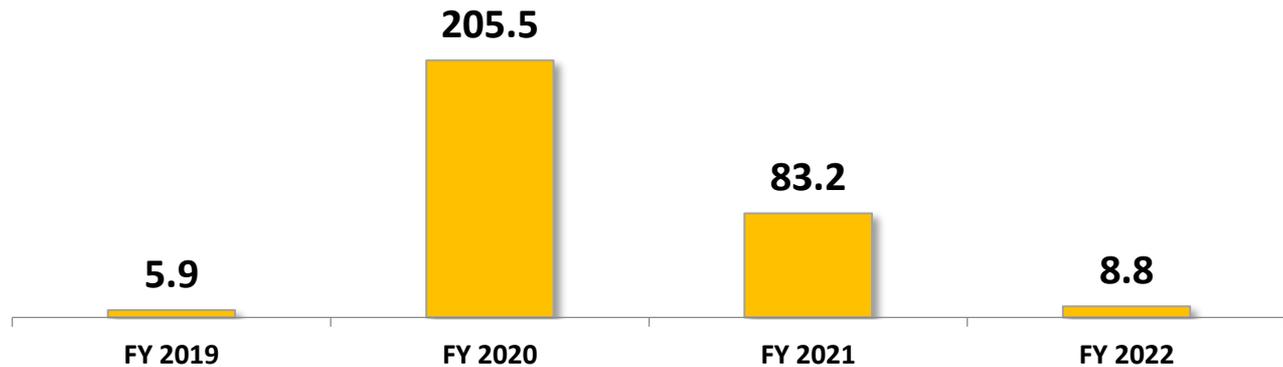
## Net Debt (USD million)





<b>IRSA Net Debt</b>	<b>294.2</b>
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## Amortization Schedule



\*Does not include IRCP & IDB/DIC debt

Thanks!

