



Institutional Presentation

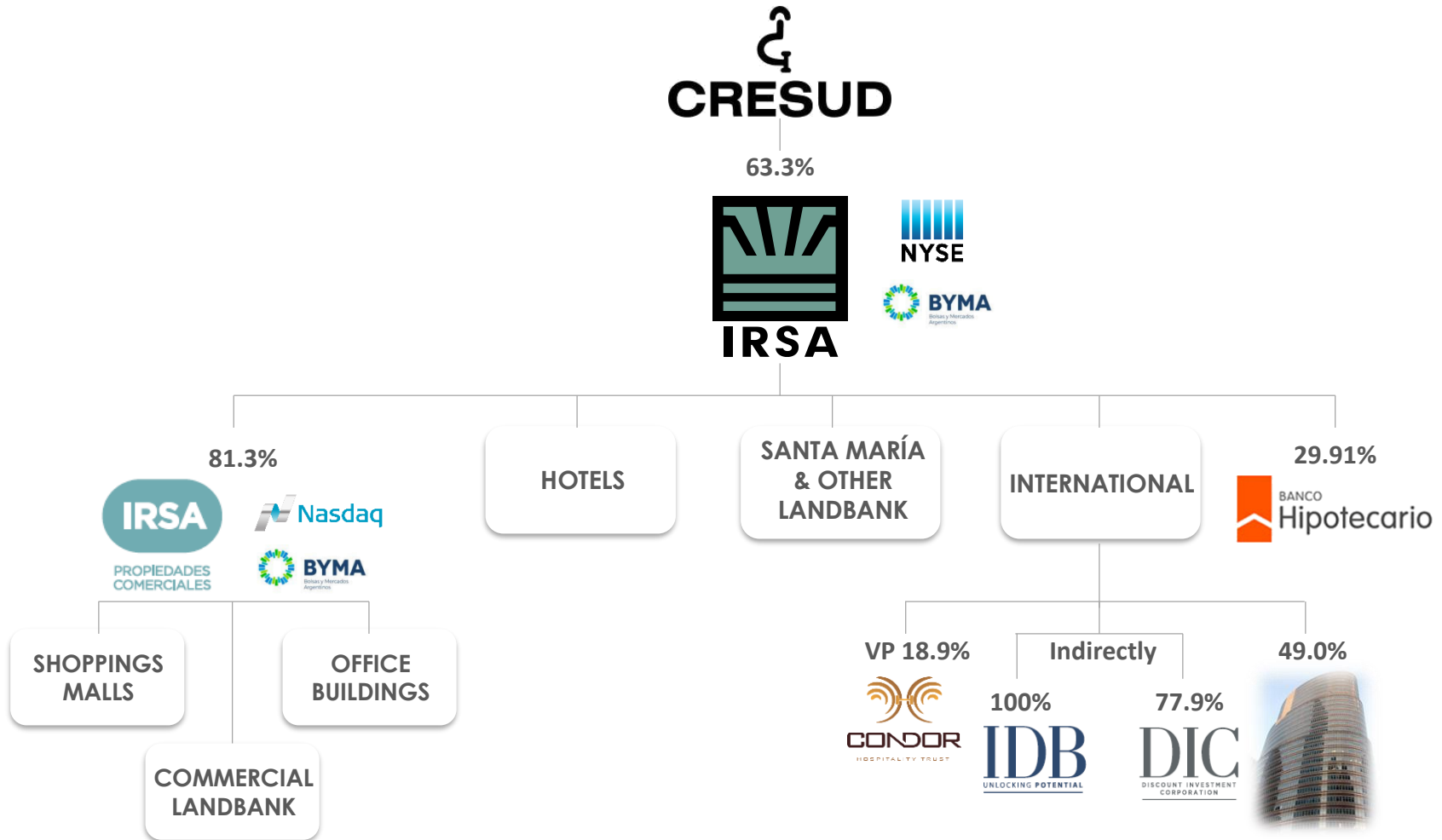
IIQ FY 2019

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

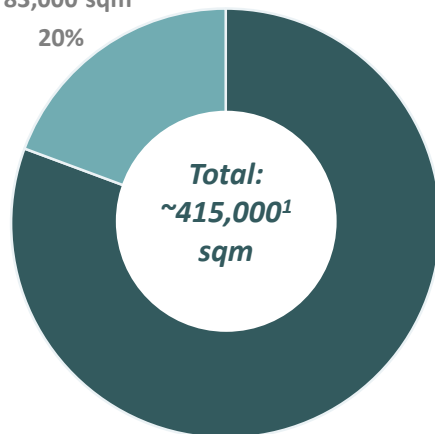
- ✓ Largest owner and operator of **premium shopping malls** and **one of the largest owners of office buildings** in Argentina
- ✓ **~415,000** gross leasable area ("GLA") in prime locations
- ✓ **Land reserve** to develop **~372,000¹** sqm of commercial property
- ✓ Over **95% occupancy** rates in 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)

7 office buildings

~83,000 sqm
20%



16 shopping malls

~332,000 sqm
80%

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

IRSA

COMMERCIAL PROPERTIES

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

Resilient revenue model

That has withstood historical inflation and currency depreciation

Shopping malls

Revenue from leases

In advance



Brokerage fee

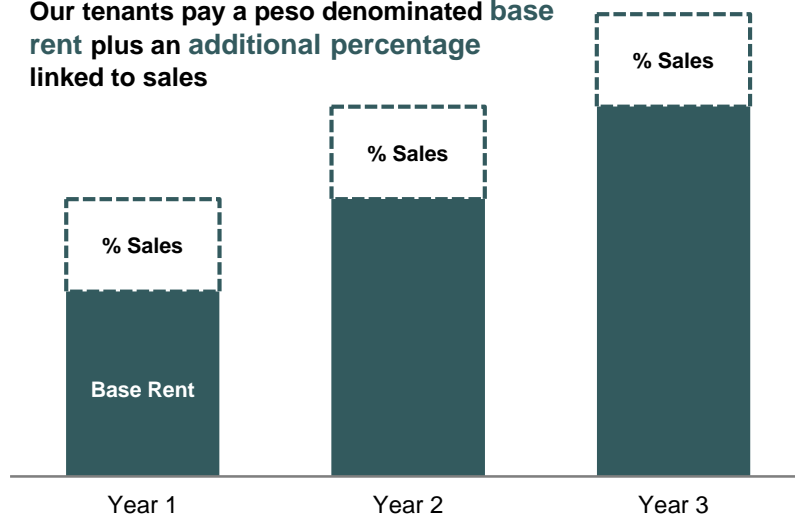
~5x monthly base rent



“Key money” admission rights

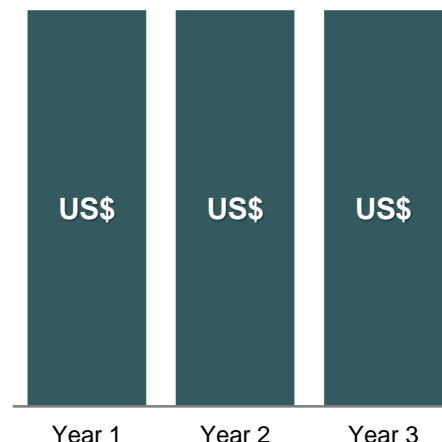
~8x monthly base rent

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



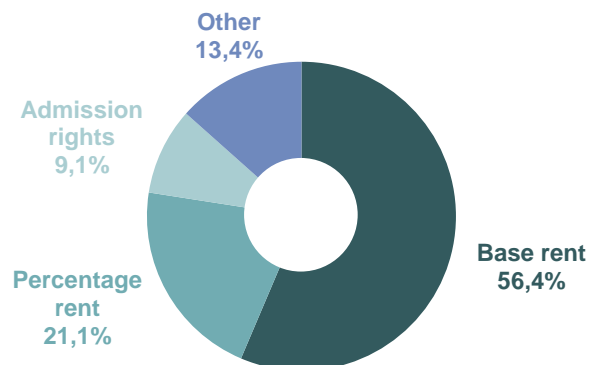
Parking



Stands



Shopping mall rent revenue breakdown¹



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

✓ **US Dollar based**

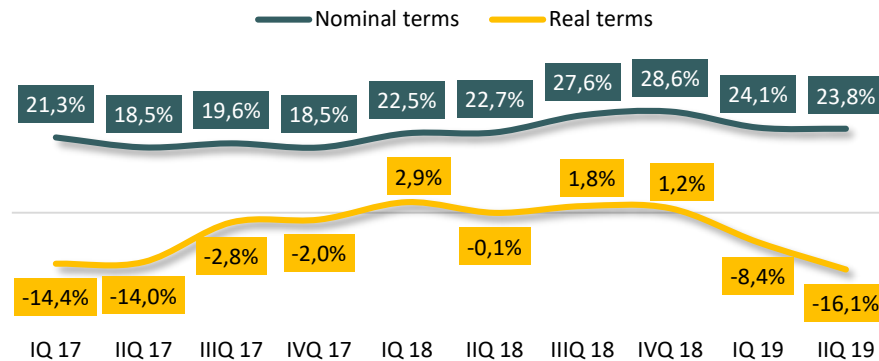
✓ **Rental rates for renewed terms are negotiated at market**

¹ As of September 30, 2018

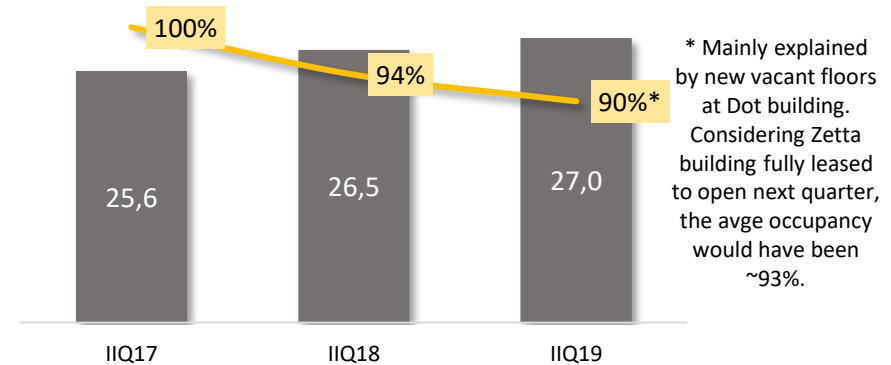
Shopping Malls & Offices' Operating figures

Shopping Malls – Tenants' Sales

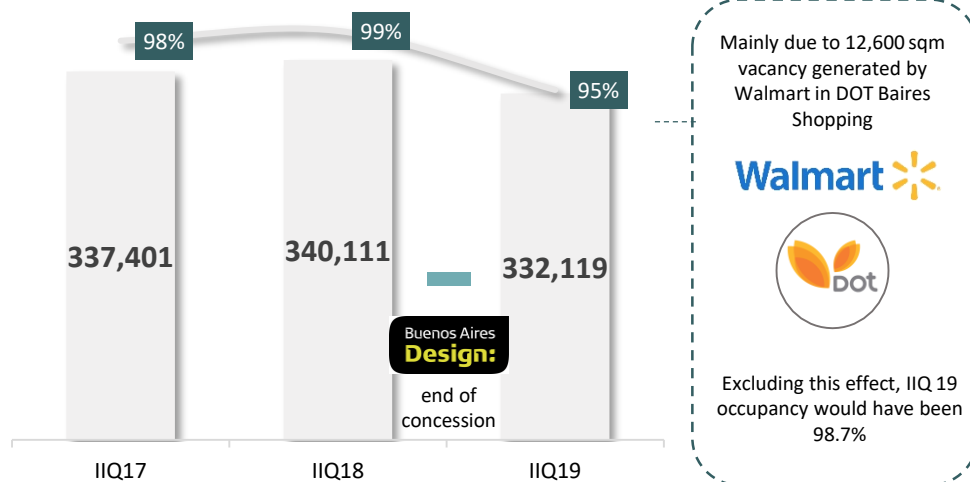
(% Var i.a.)



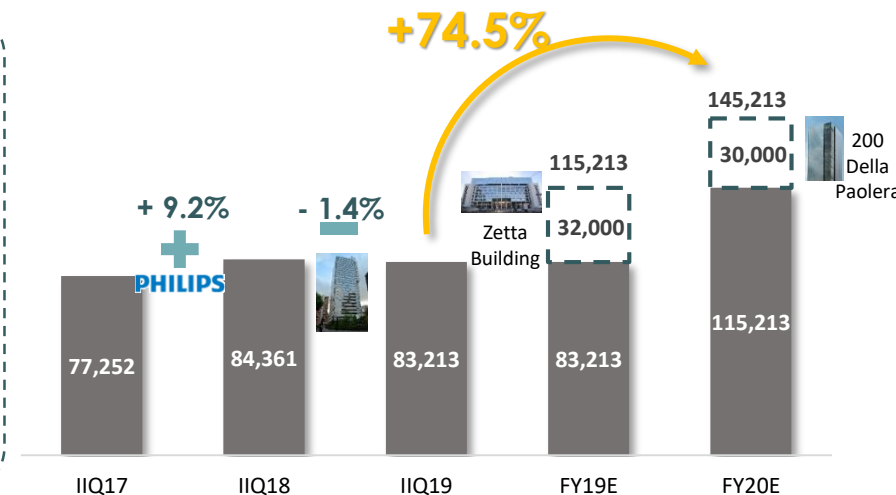
Offices – Leases USD/sqm/month & Occupancy



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



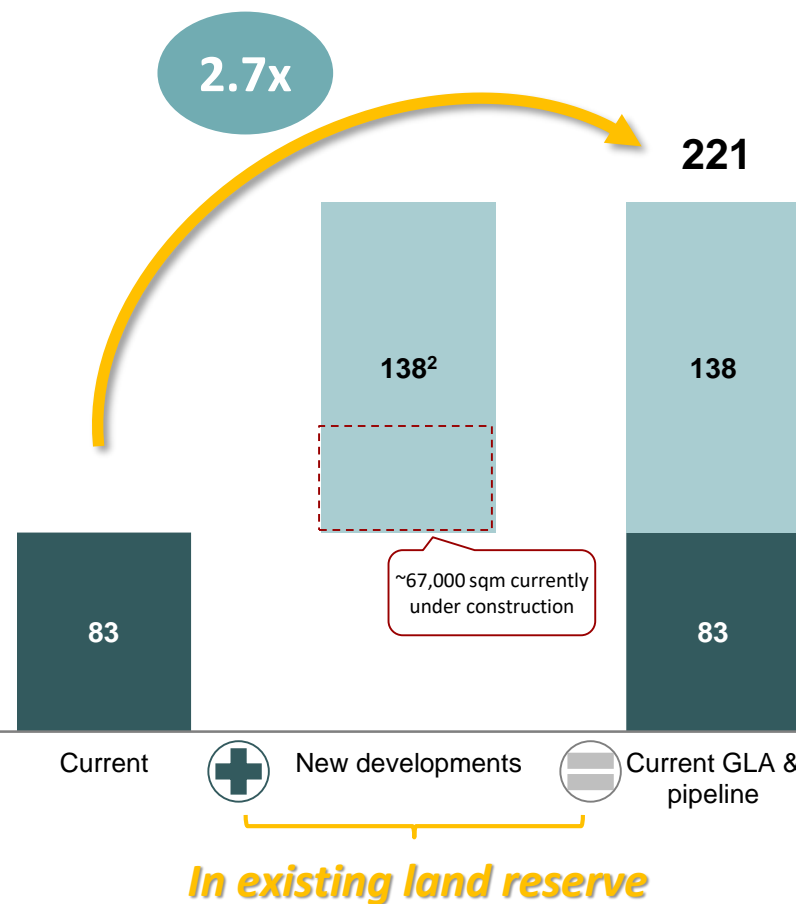
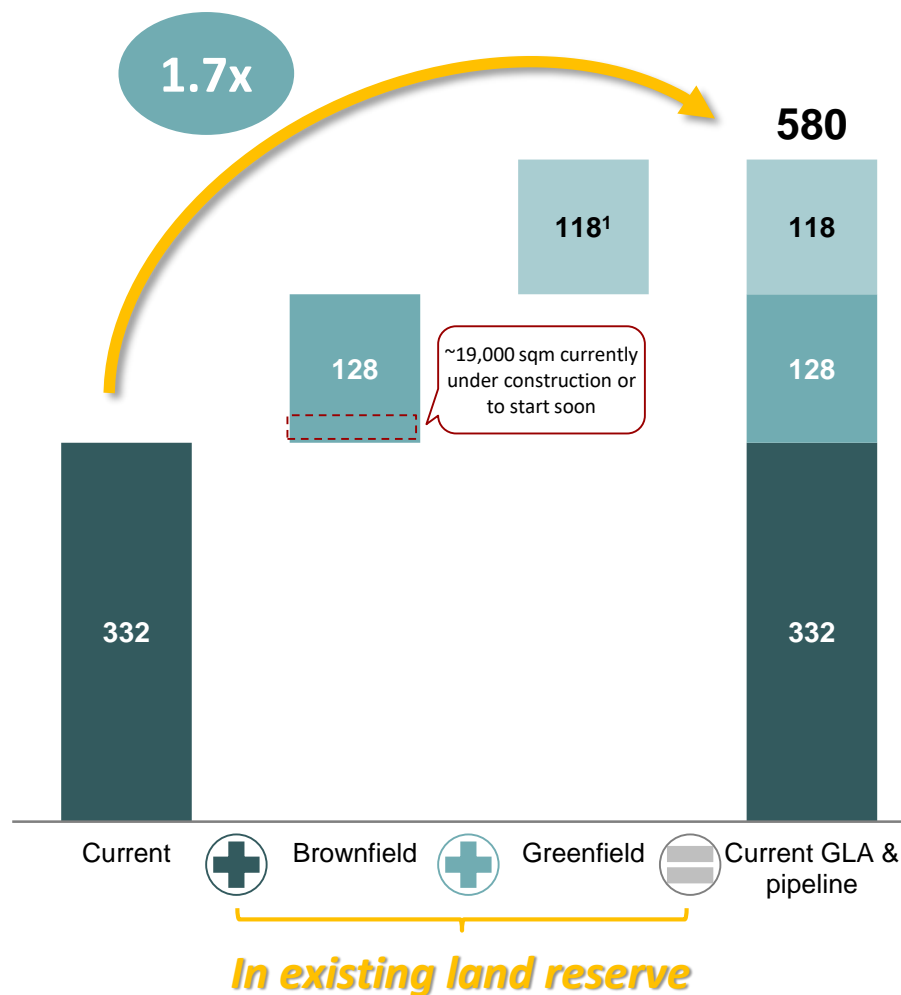
Offices – Stock (sqm GLA)



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)

IRSA

COMMERCIAL
PROPERTIES

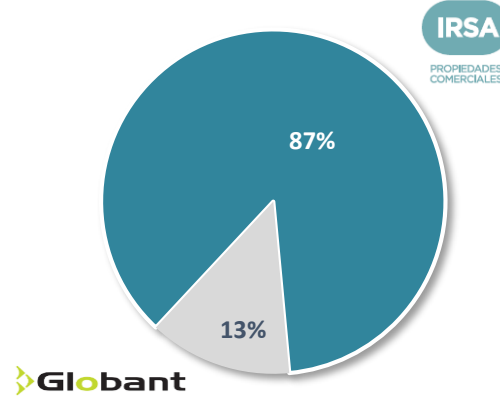
Recent sell to IRCP

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*

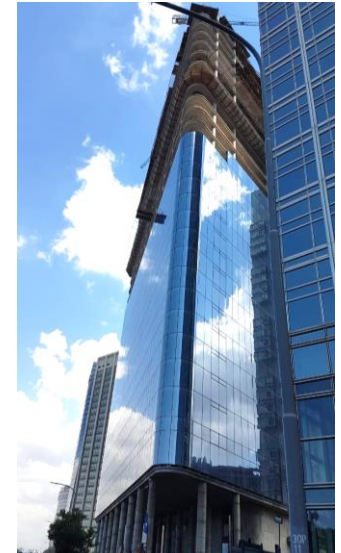
*As of January 31, 2018

Price:
(including remaining development)

USD 60.3 mm

Price/sqm:

~USD 4,200

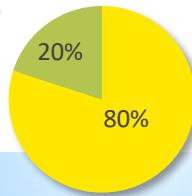


Zetta building (Polo Dot 1st office building)

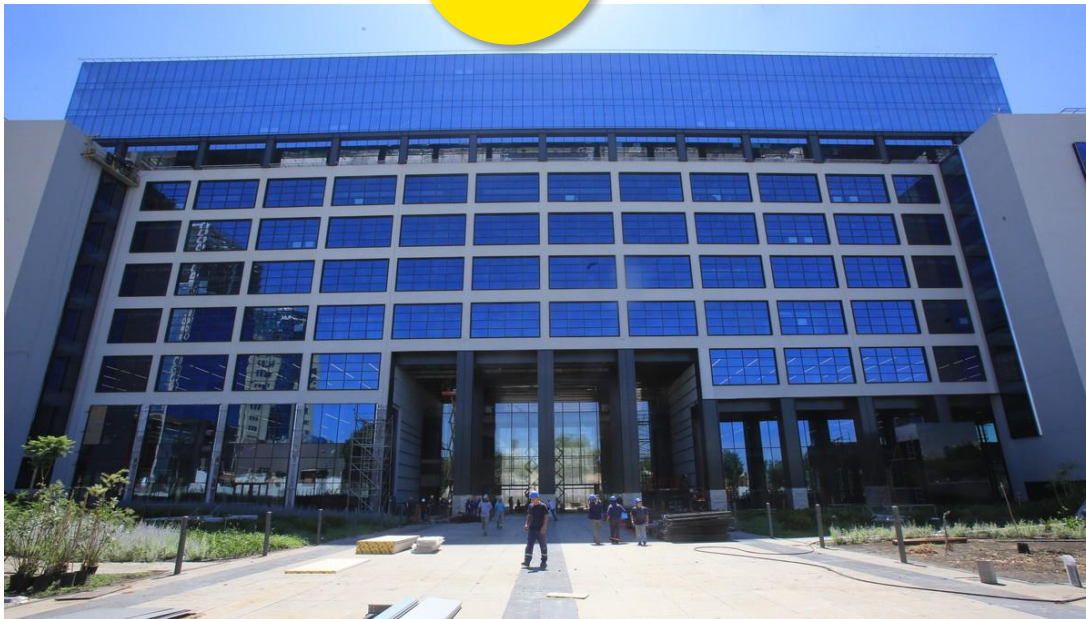
The first building of the Office Park developed in the north area of BA City

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



Projects under development: Alto Palermo Expansion



Alto Palermo Shopping mall – BA City

Highest sales/sqm shopping mall



3,900
sqm GLA

US\$28.5mm
estimated investment

FY2020
opening date

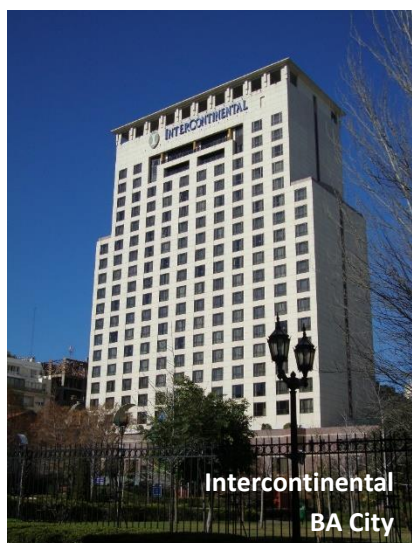
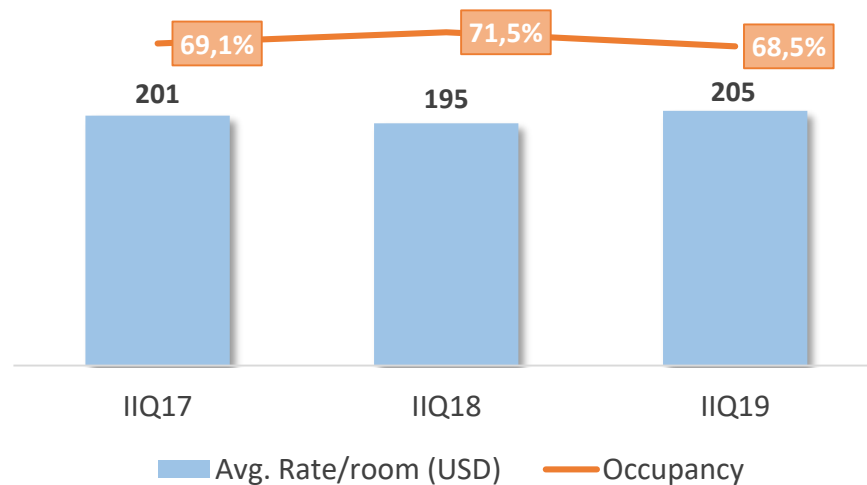
Recent approval, after 20 years, of a Mixed-Use Project in Caballito plot of land

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





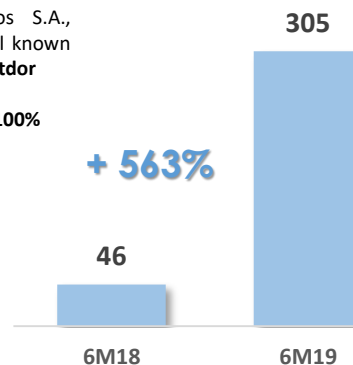
Rate & Occupancy evolution



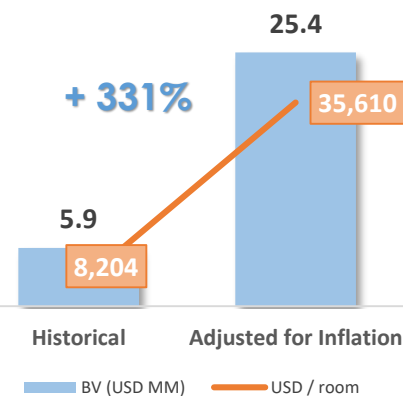
On Feb-19, IRSA acquired 20% of the shares of Hoteles Argentinos S.A., owner of the hotel known as Sheraton Libertador

Current stake: 100%

EBITDA (ARS MM)



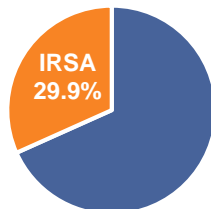
Book Value as of Jun '18







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.

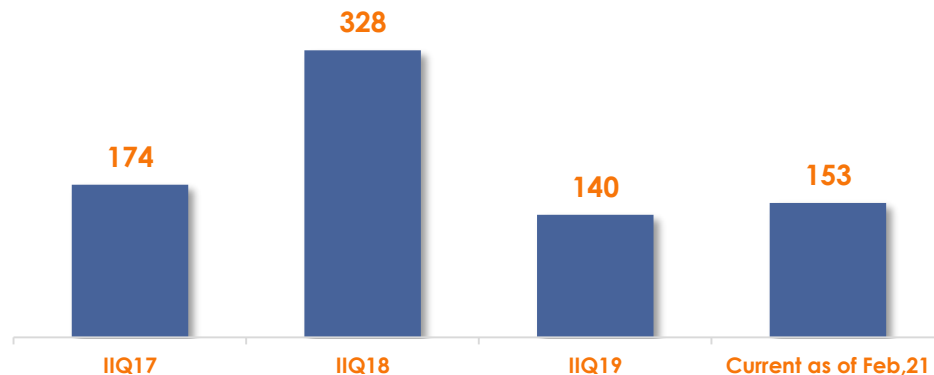
Results to IRSA

- 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.

Share Price evolution



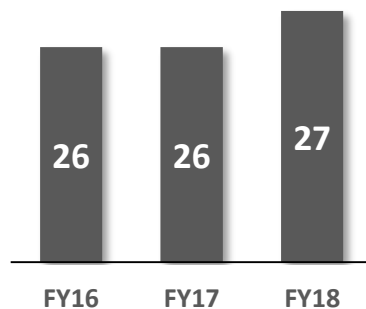
Market Value to IRSA
(USD million)



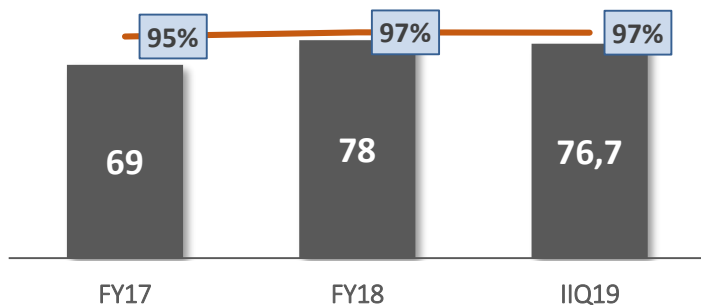
Lipstick Building



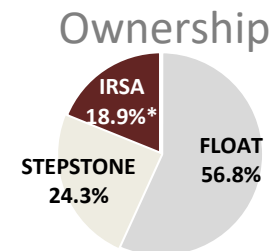
NOI (USD MM)



Leases (USD MM) & Occupancy



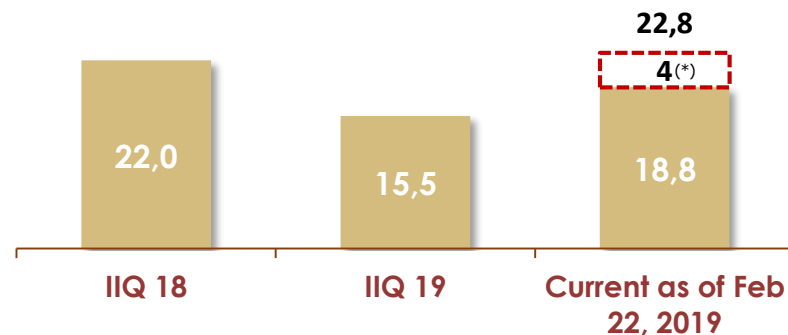
Condor Hospitality Trust



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%**

Market Cap vs. Book Value
(NIS million)



▪ Sale:



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%**



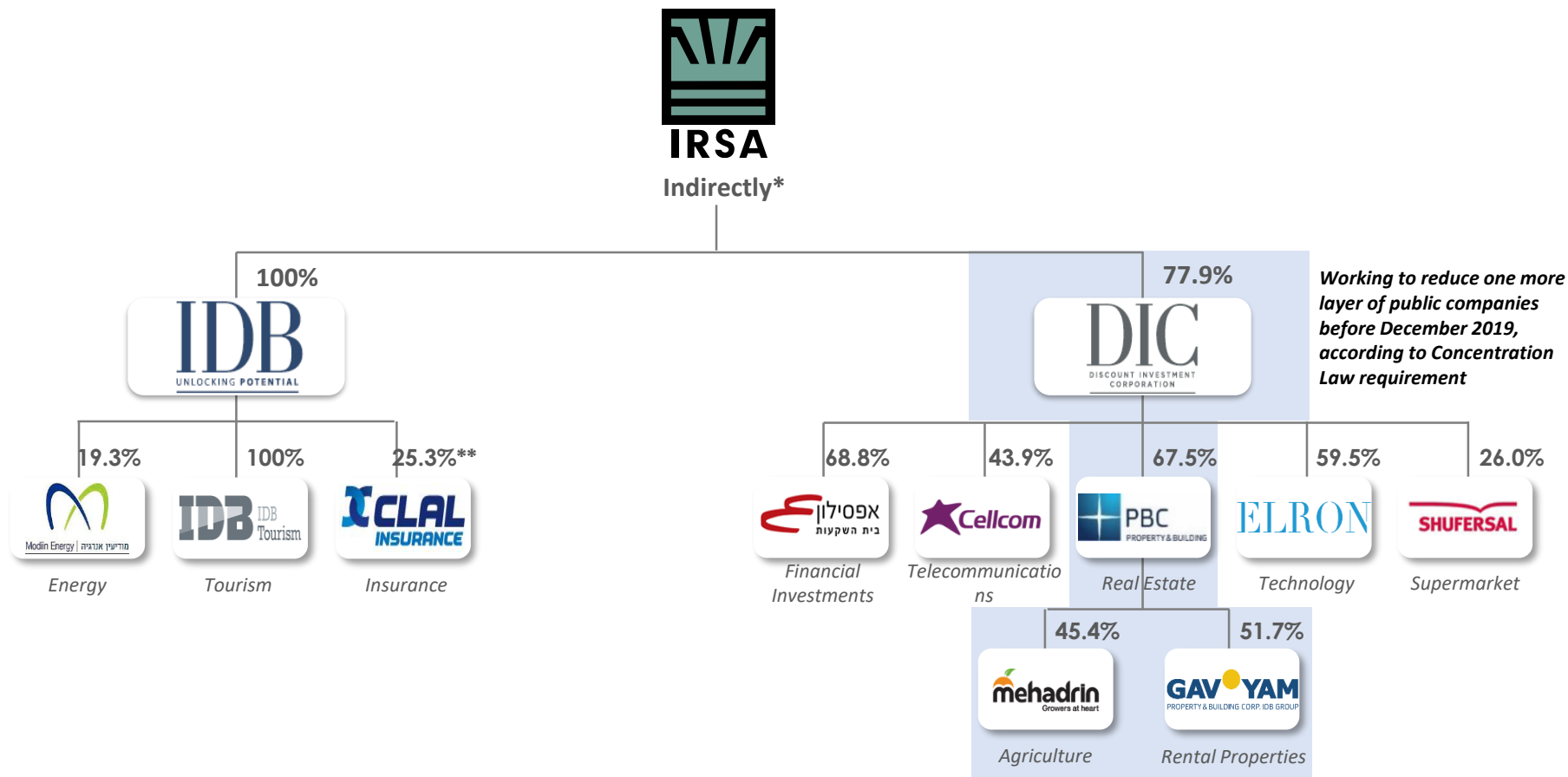
0.7% stake
NIS 15 mm
(+NIS 31 mm option exercise)
Current stake: **43.9%**

▪ 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)

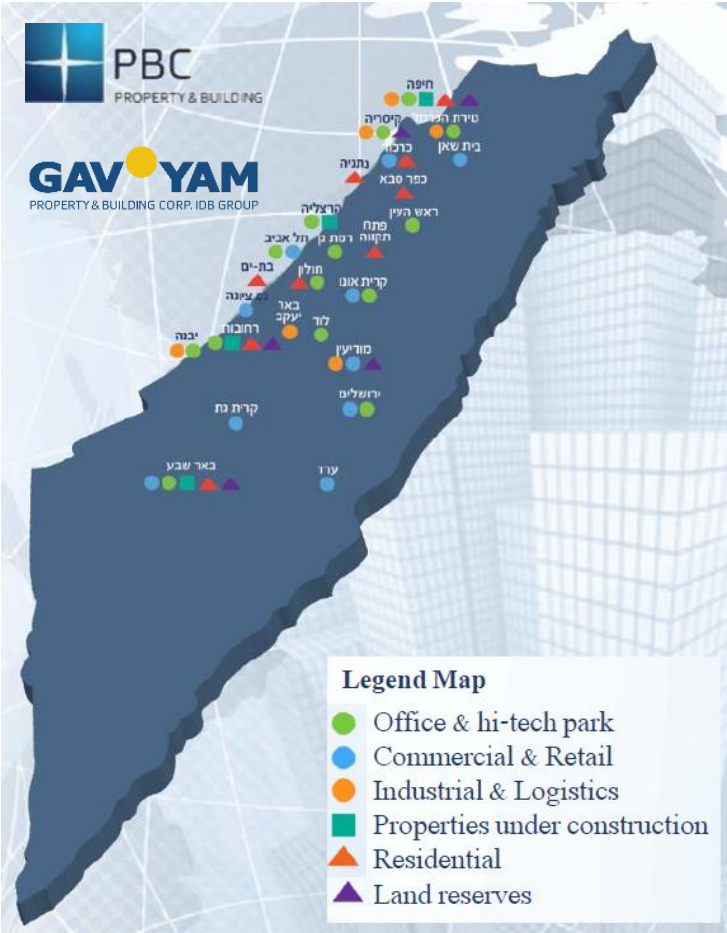
Current Corporate Structure



* 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

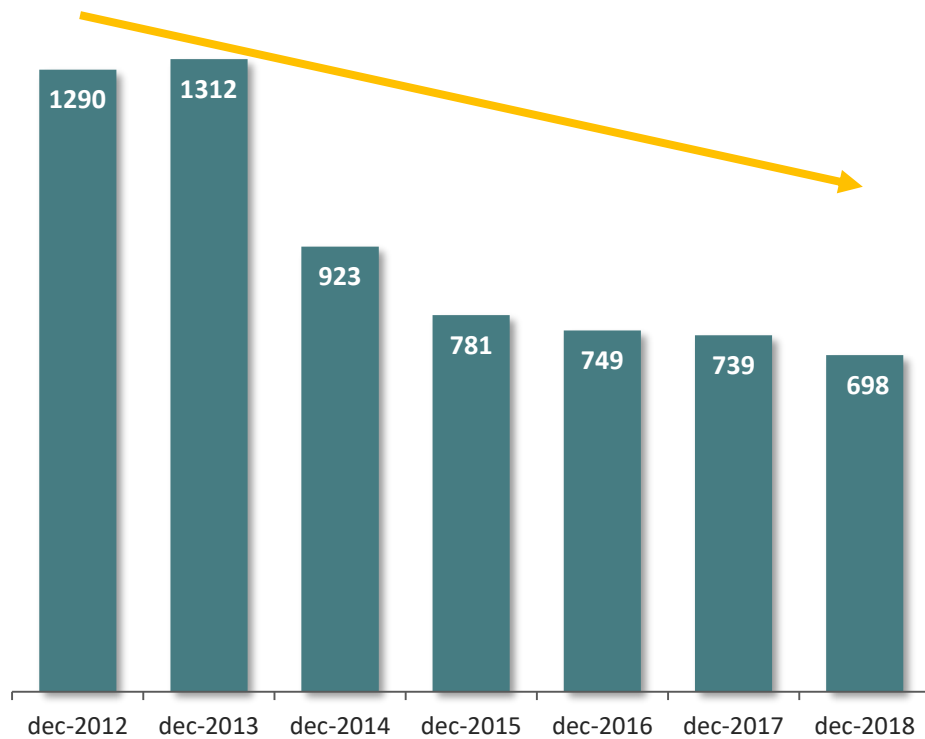


8 Projects - 194,000 sqm

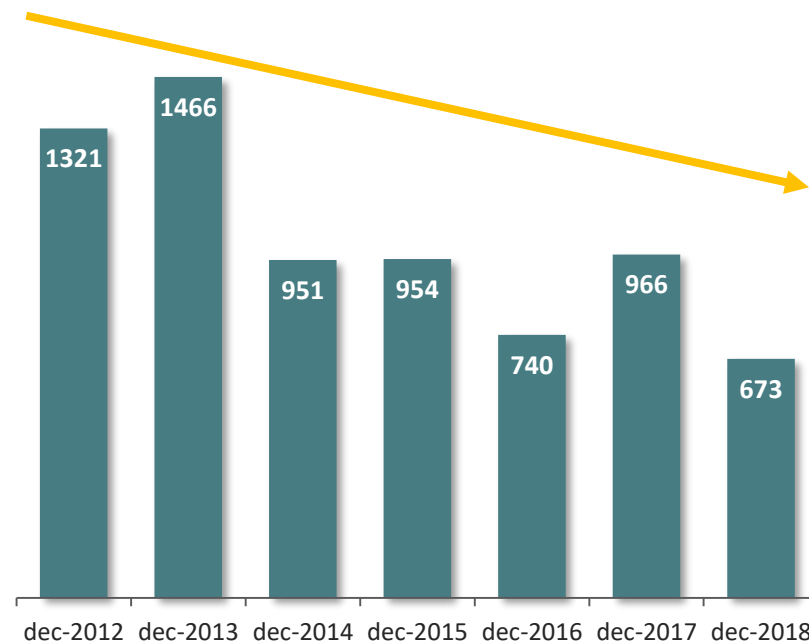


Net Debt (USD million)

IDB
UNLOCKING POTENTIAL
Stand alone



DIC
DISCOUNT INVESTMENT
CORPORATION
Stand alone



IRSA Net Debt as of December 31, 2018*

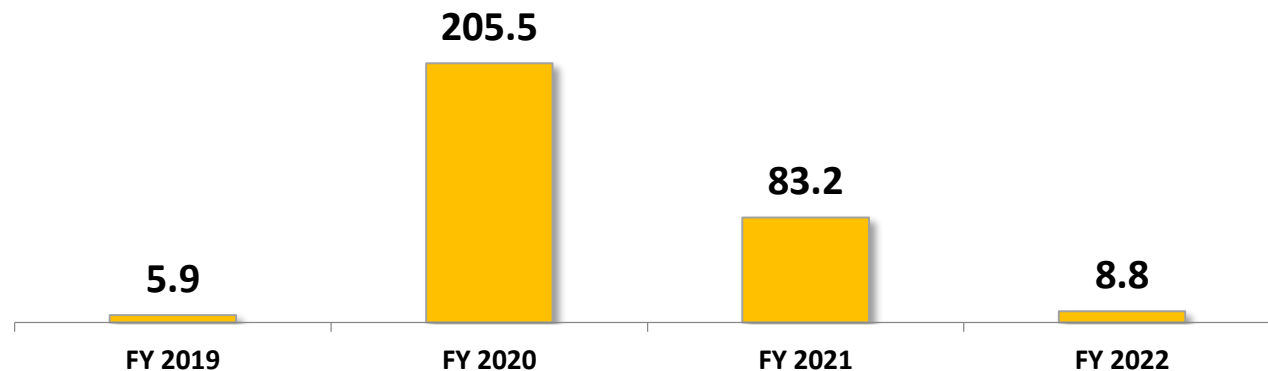
USD million



IRSA Net Debt

294.2

Amortization Schedule



Thanks!

