



Institutional Presentation

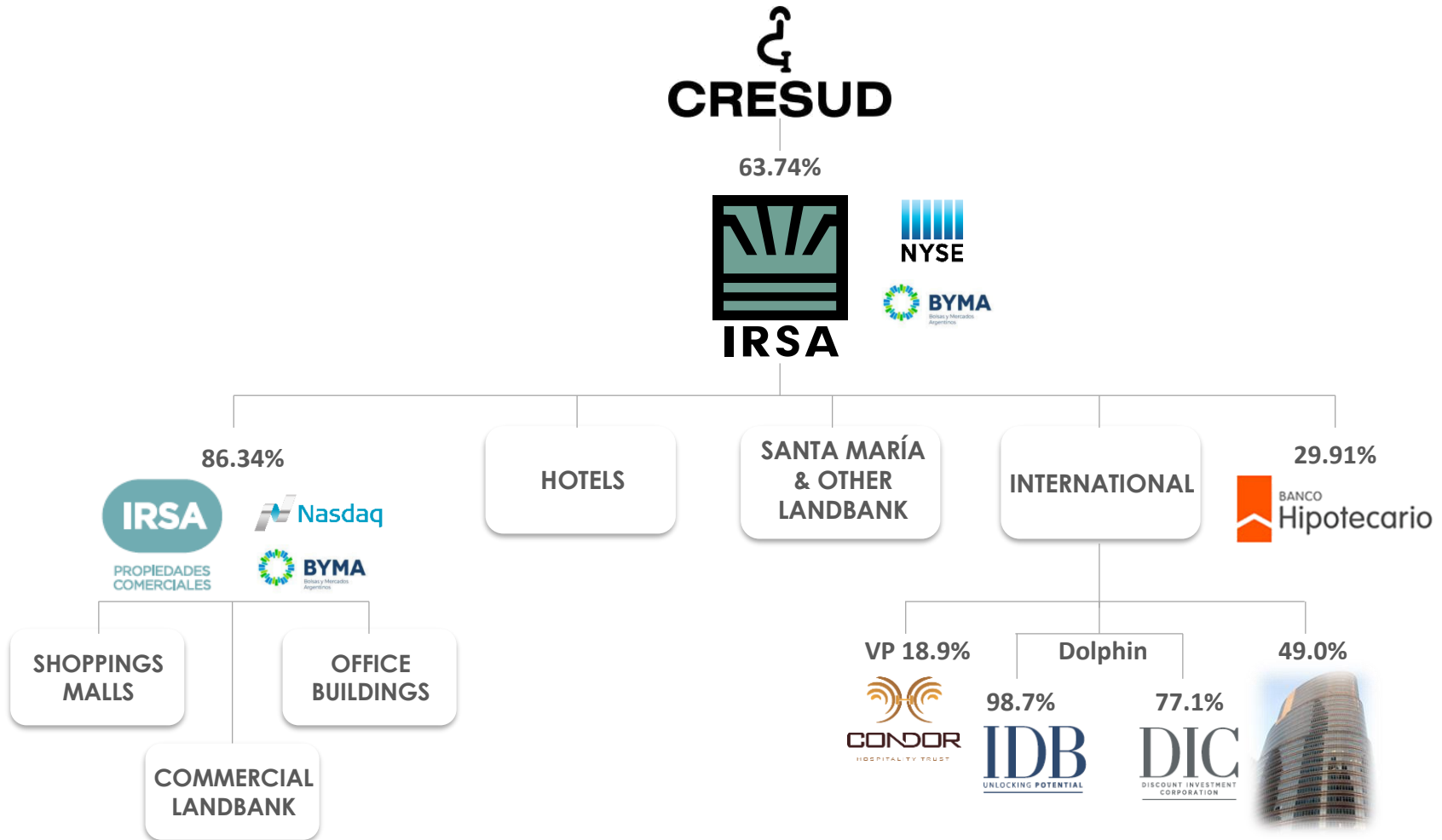
IQ FY 2019

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 ~429,000 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
- ✓ **~429,000** gross leasable area ("GLA") in prime locations
- ✓ **Land reserve** to develop **~372,000¹** sqm of commercial property
- ✓ Over **98% occupancy** rates in shopping malls in last 10 years
- ✓ Average lease rates of **US\$25.7 / sqm** and **93.2% office occupancy**

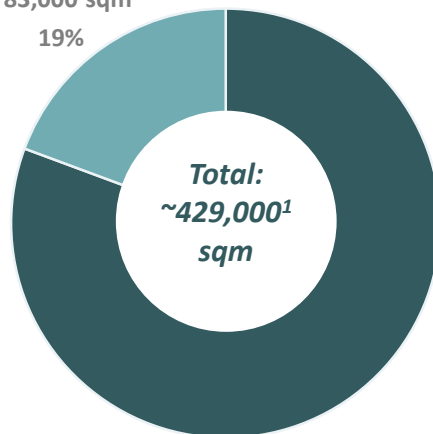


GLA breakdown (as of September 30, 2018)

7 office buildings

~83,000 sqm

19%



16 shopping malls

~346,000 sqm

81%

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

IRSA

COMMERCIAL
PROPERTIES

Shopping malls

Revenue from leases

In advance



Brokerage fee

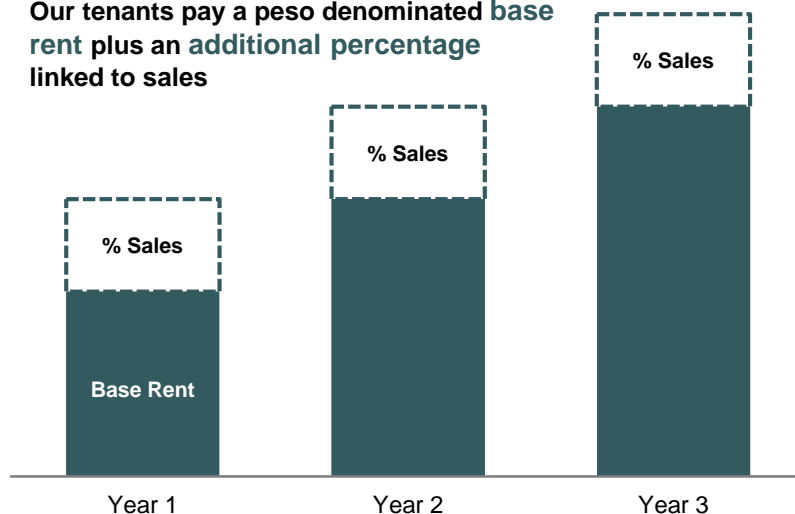
~5x monthly base rent



“Key money” admission rights

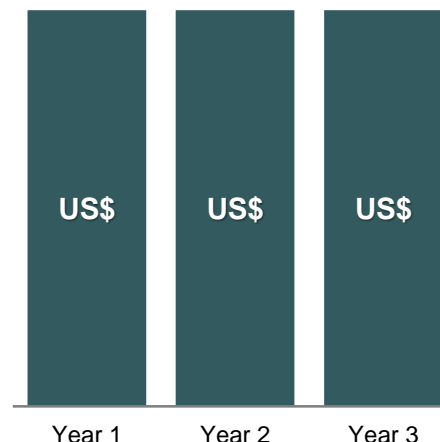
~8x monthly base rent

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



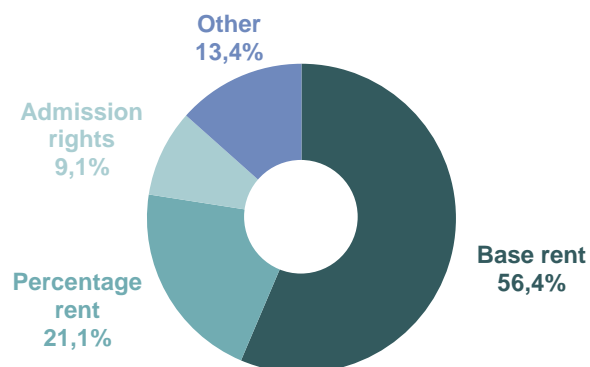
Parking



Stands



Shopping mall rent revenue breakdown¹



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

✓ **US Dollar based**

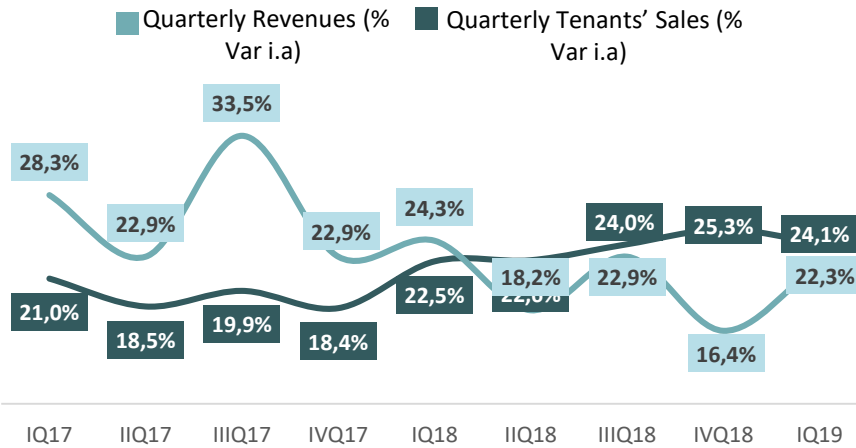
✓ **Rental rates for renewed terms are negotiated at market**

¹ As of September 30, 2018

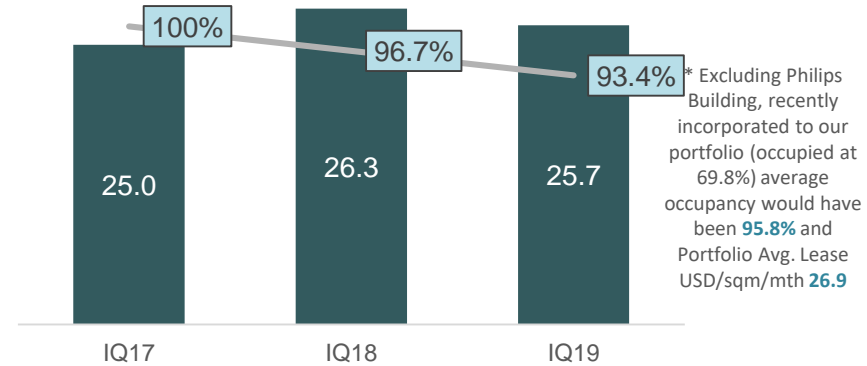
Shopping Malls & Offices: Operating Figures

Shopping Malls – Quarterly Revenues & Tenants' Sales

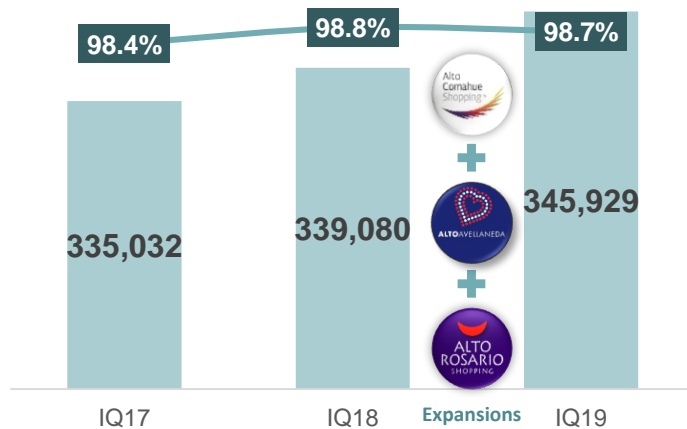
(% Var i.a)



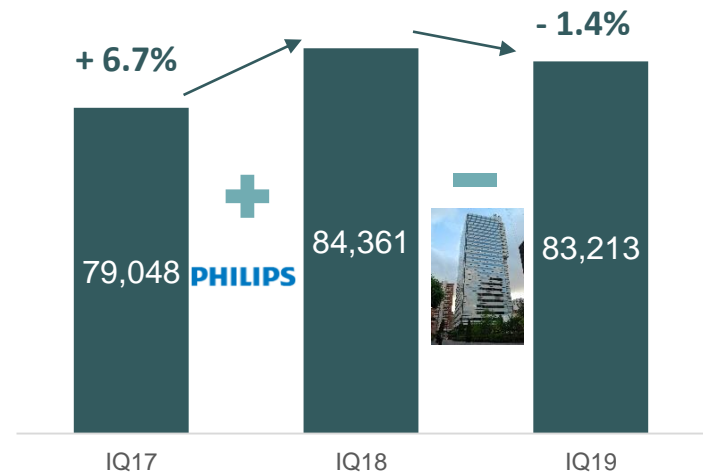
Offices – Leases USD/sqm/mth & Occupancy



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



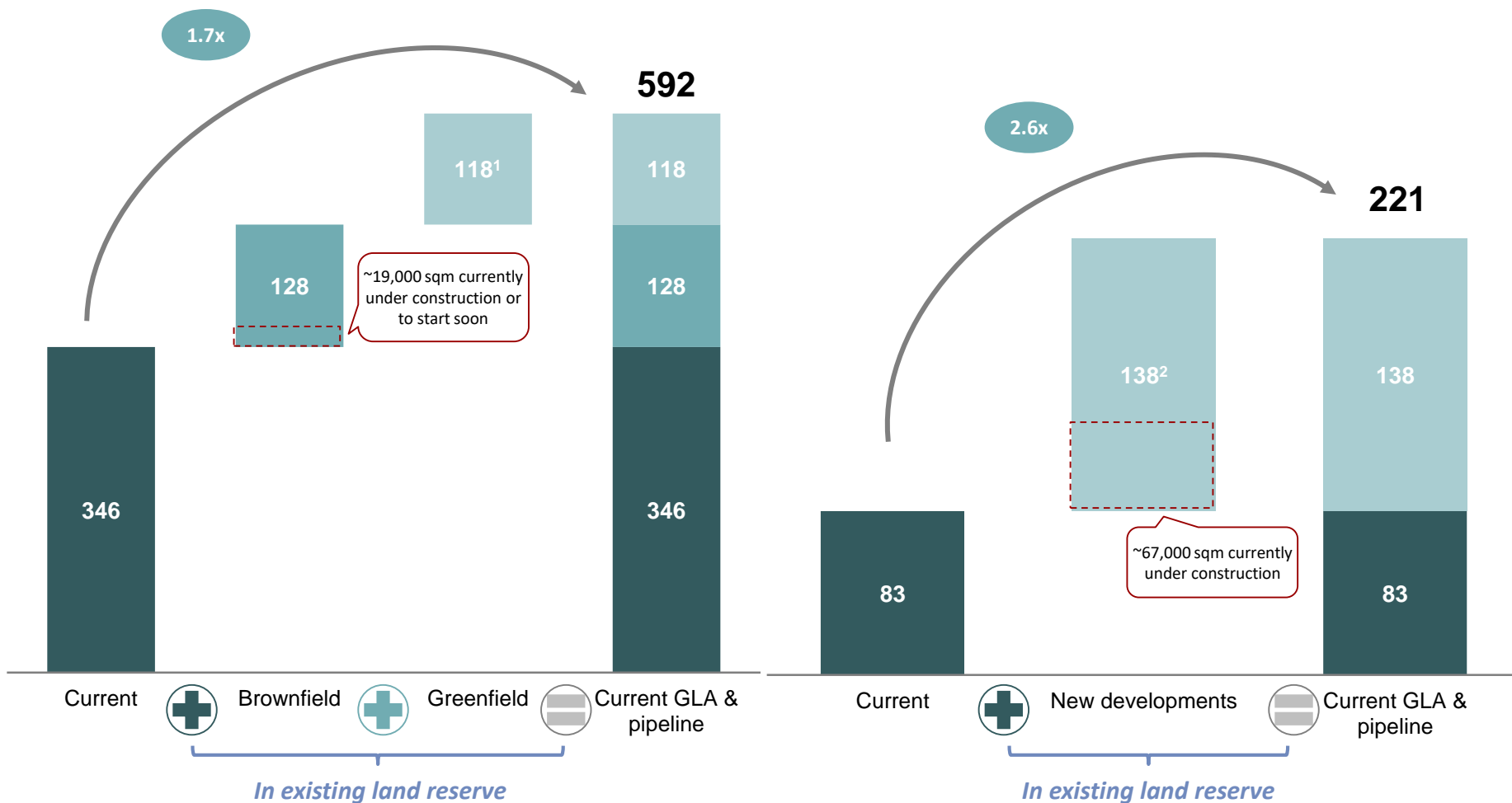
Offices – Stock (sqm GLA)



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



IRCP acquired 14,213 sqm of Catalinas building from controller IRSA



Work Progress 22%*

Est. opening FY2020

Price (including remaining development): **USD 60.3 million**

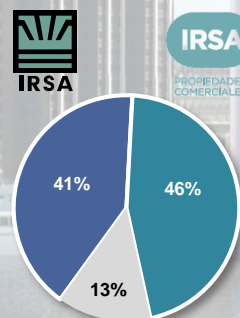
Price/sqm: ~**USD 4,200**

14,213 sqm under development

12 Office floors (1st to 12)

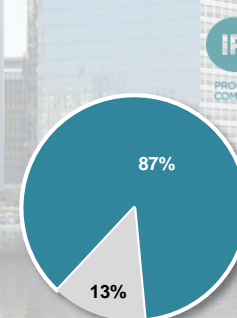
Including 131 parking lots

Previous Ownership



Globant

Current Ownership



Globant

*As of September 30, 2018

Highest sales/sqm mall in the region

Shopping Alto Palermo



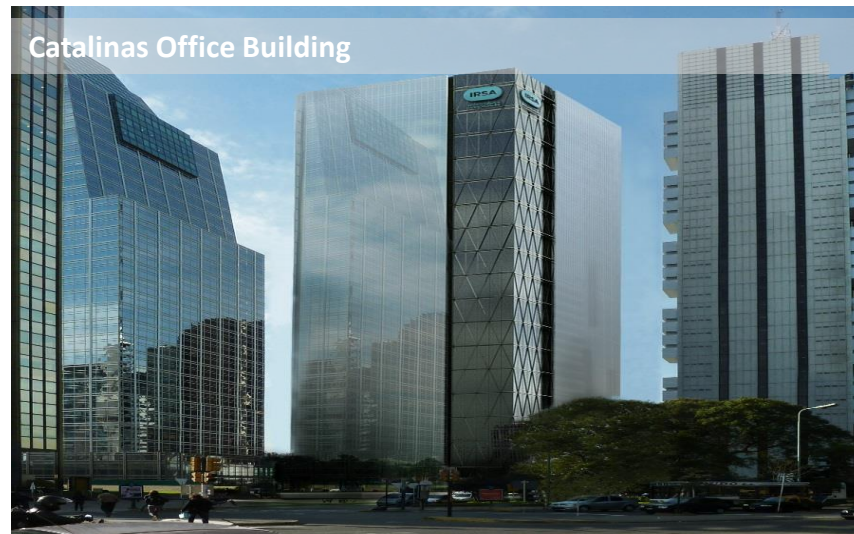
**City of
Buenos
Aires**
shopping mall

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

35,000
sqm GLA
Progress
24%

FY2020
opening date



Zetta Building
(Polo Dot 1st stage)

32,000
sqm GLA
FY2019
opening date
80%
owned by IRCP
US\$65mm
Est. investment

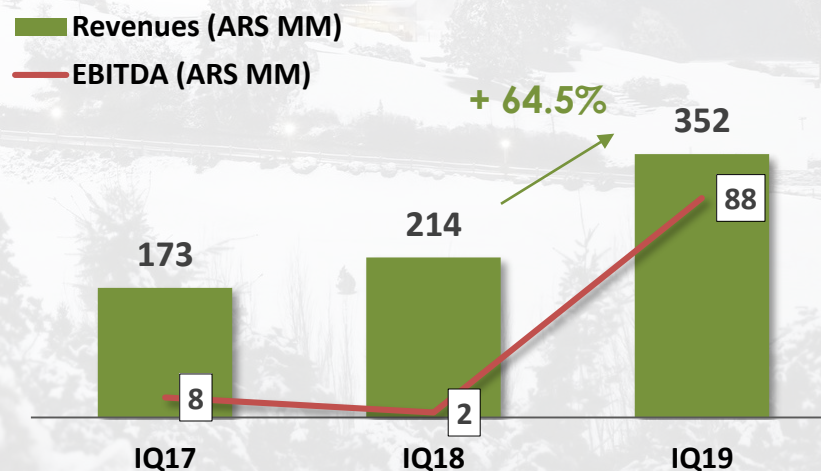
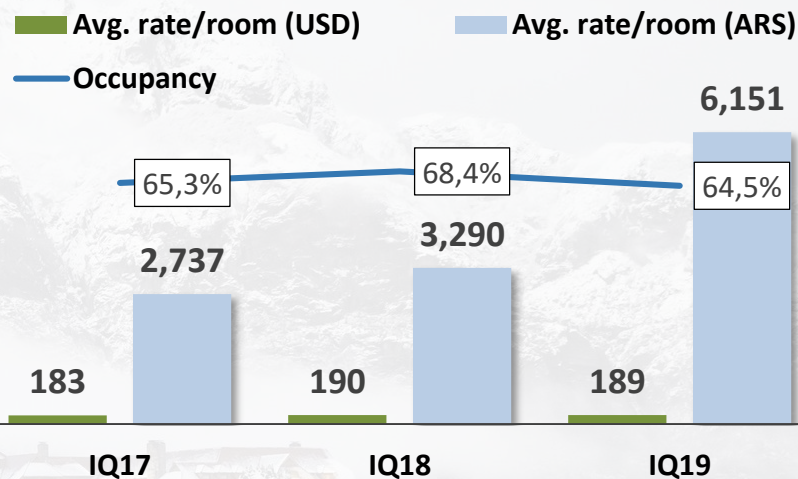
Recent approval, after 20 years, of a Mixed-Use Project in Caballito plot of land

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





Price & Occupancy evolution

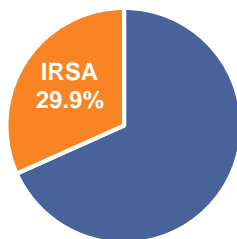




Main events – IQ19



Ownership



Results to IRSA

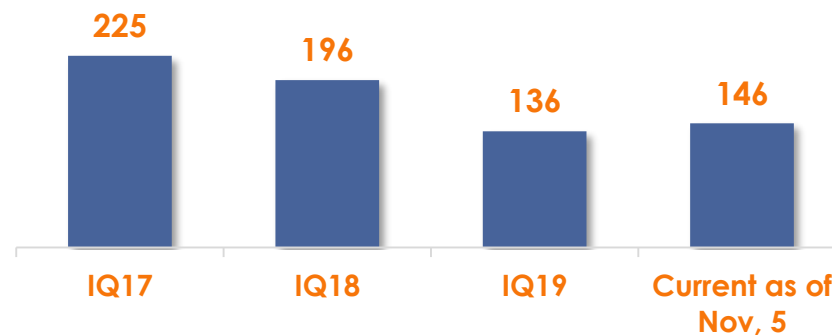
- The bank has generated a gain of **ARS 160 million** during IQ19 compared to a gain of ARS 371 million during IQ18 mainly explained by the Implementation of IFRS 9 and the effect of depreciation.

Share Price evolution



Market Value to IRSA

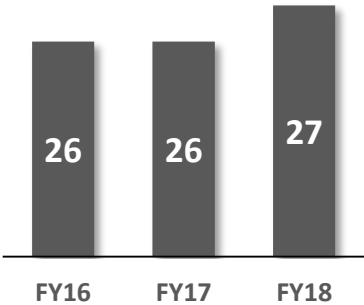
(USD million)



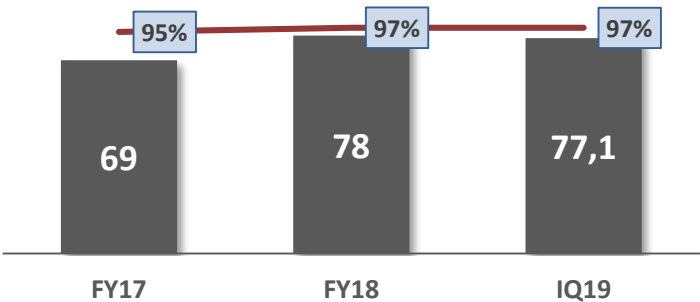
Lipstick Building



NOI (USD MM)



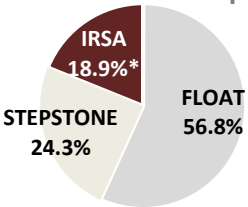
Leases (USD MM) & Occupancy



Condor Hospitality Trust



Ownership

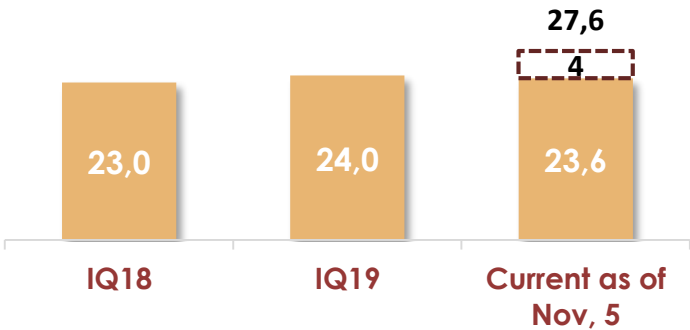


Share Price evolution

5/11/2016 5/5/2017 5/11/2017 5/5/2018 5/11/2018

Market Value to IRSA

(USD million)



Main achievements

✓ Risk reduction by strengthening financial solvency

- Improved liquidity and cash flows
IDB & DIC maturities covered until 2020 & 2021 respectively
Sale of 16.65% of Shufersal for **NIS 853.7 MM**
- Decrease in leverage
IDB LTV 80% - **DIC** LTV 56%
- Increase in credit rating
IDB from ilCCC to ilBBB
DIC from ilBBB- to ilBBB+ stable

✓ Strengthening business positioning through innovation, new developments, market leadership and long-term planning

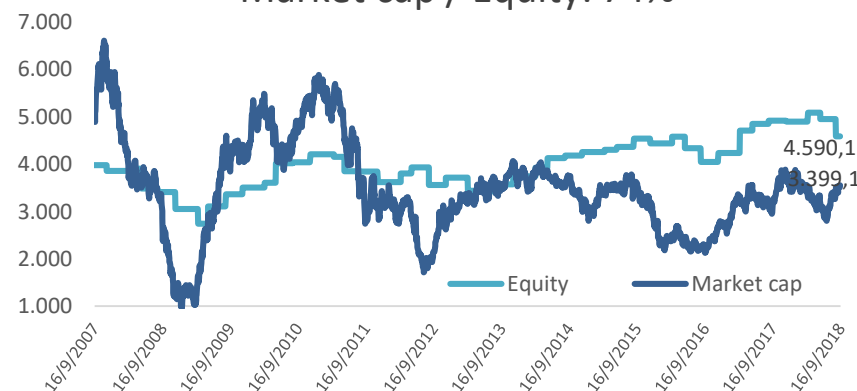


Main challenges

✓ Clal Insurance



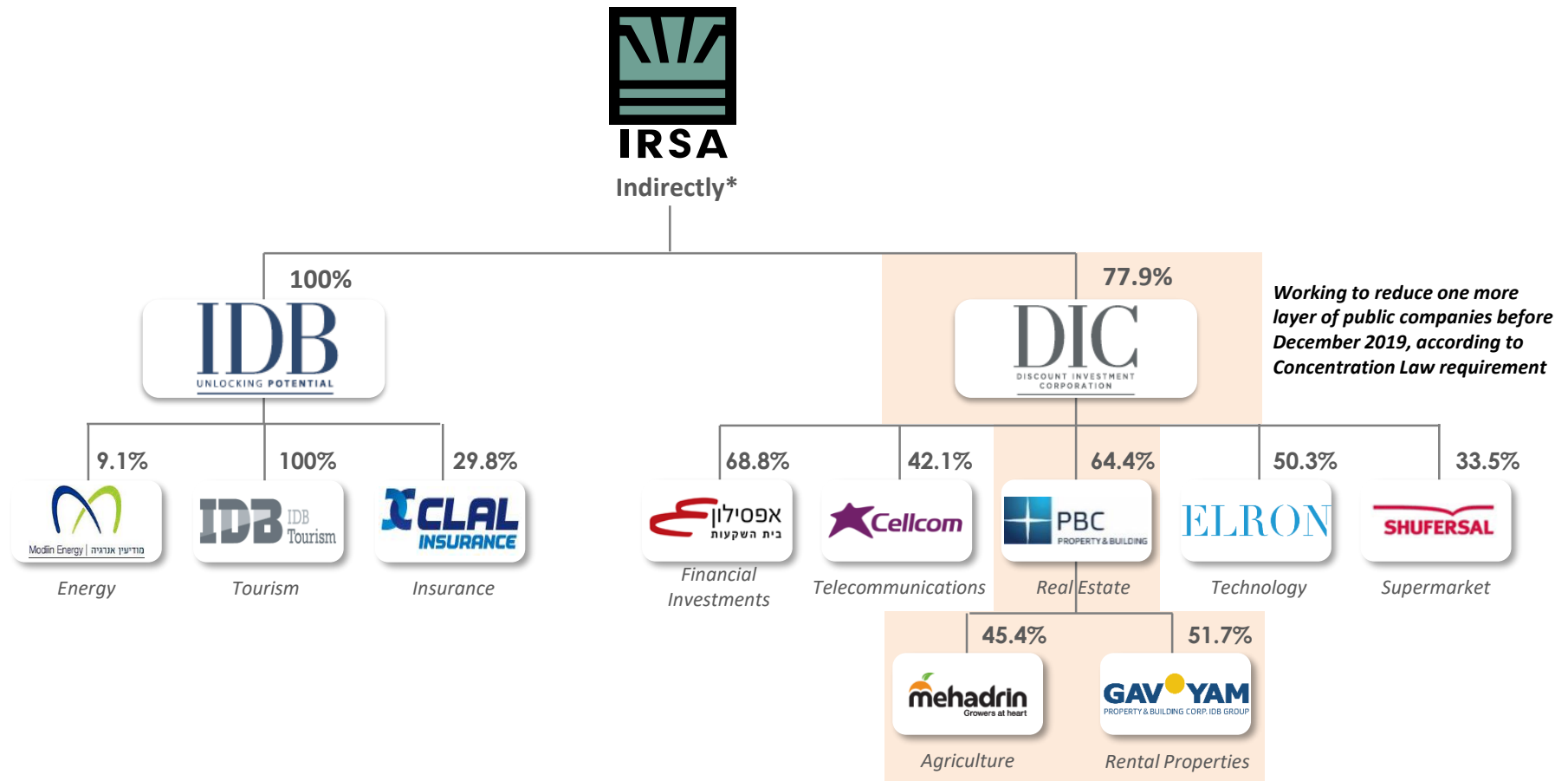
- During IQ19: Sale of additional 5% of Clal shares through a new swap transactions with similar conditions than the previous ones. Stake reduced to 29.8%.
- A new commissioner was appointed
- Market cap / Equity: 74%



✓ 2nd stage of Concentration Law

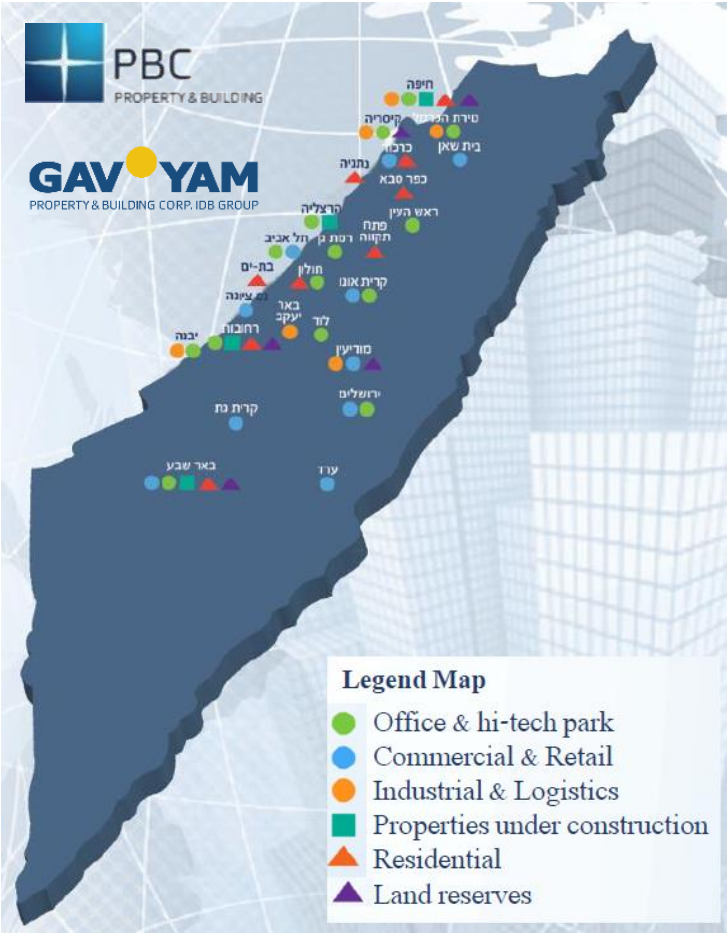
- Reduction of 1 layer before the end of 2019

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.

PBC & Gav Yam: Leading real estate companies in Israel



1,160,000 sqm
in Israel

97%
occupancy

670,000 sqm
Land reserve

Main tenants



HSBC building (Manhattan)



Tivoli (Las Vegas)

142,000 sqm
in USA

Real Estate projects under development in Israel



8 Projects - 194,000 sqm



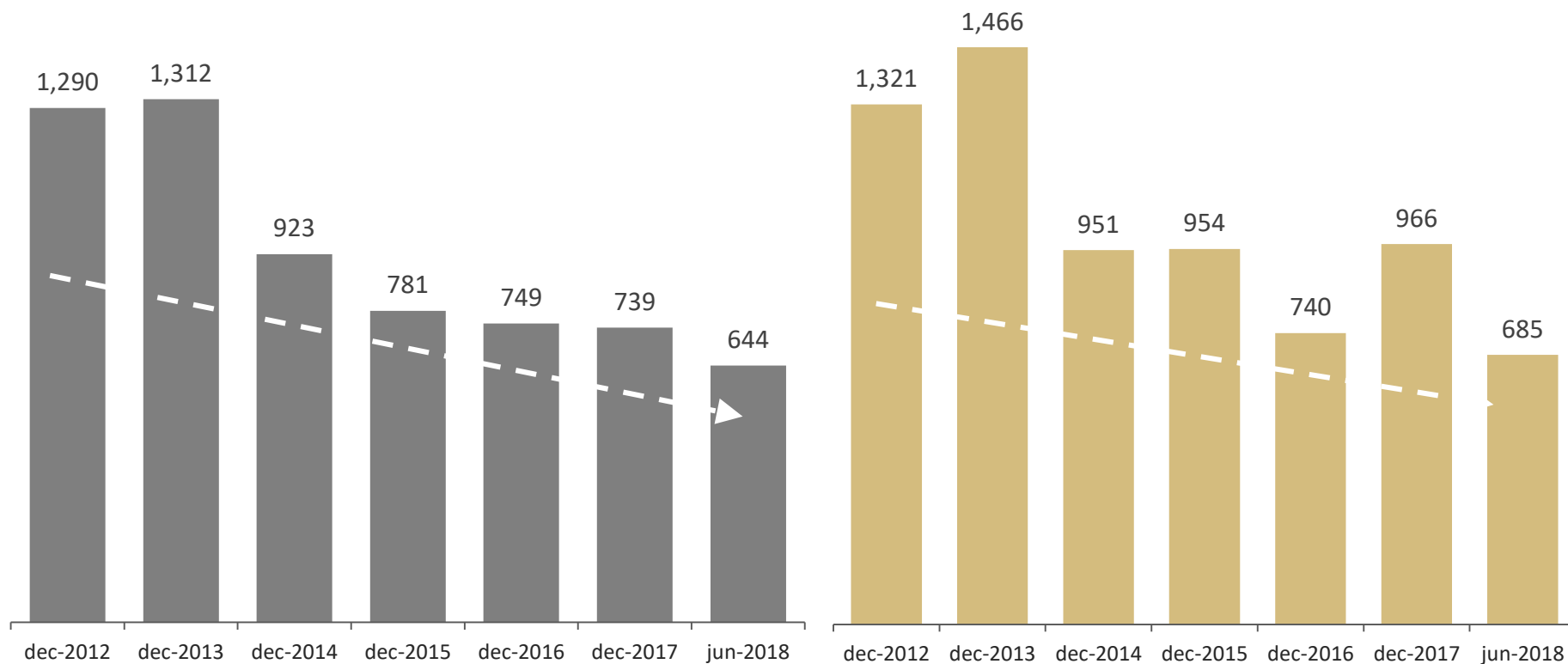
Deleverage at IDB & DIC



Net Debt (USD million)



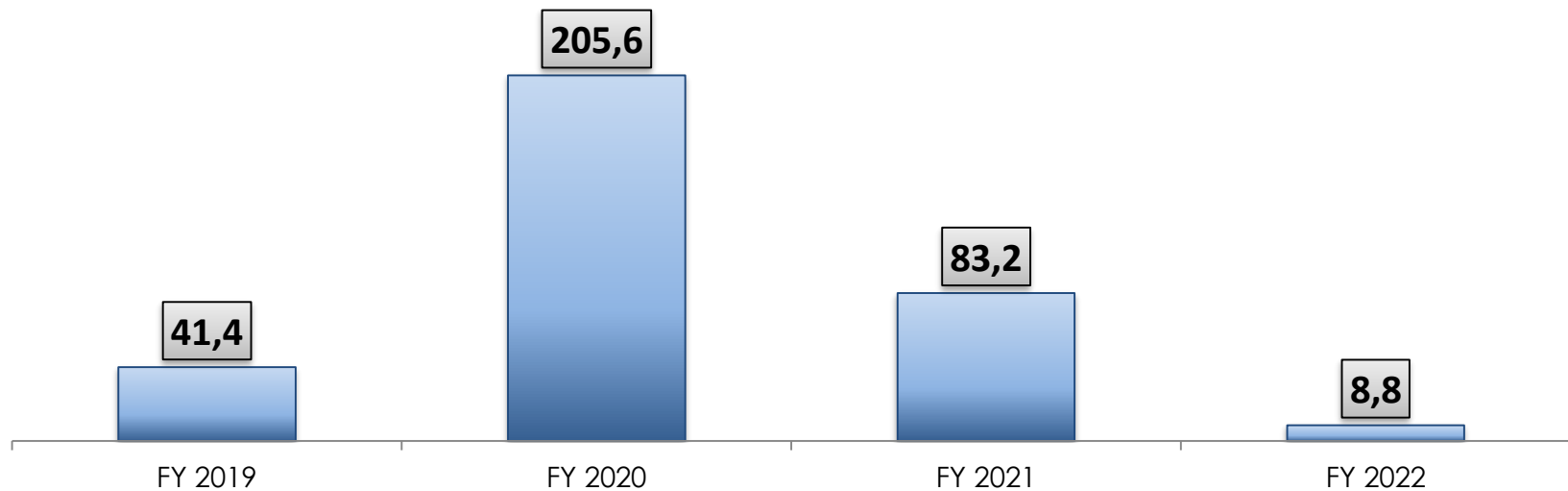
Available cash	Sep 3, 2018
Operating companies	798
IDB	278
DIC	675
Consolidated cash	1,751



IRSA Net Debt
(USD MM)

337.3

Debt Amortization Schedule (IRSA- USD million)



Thanks!

