



Institutional Presentation

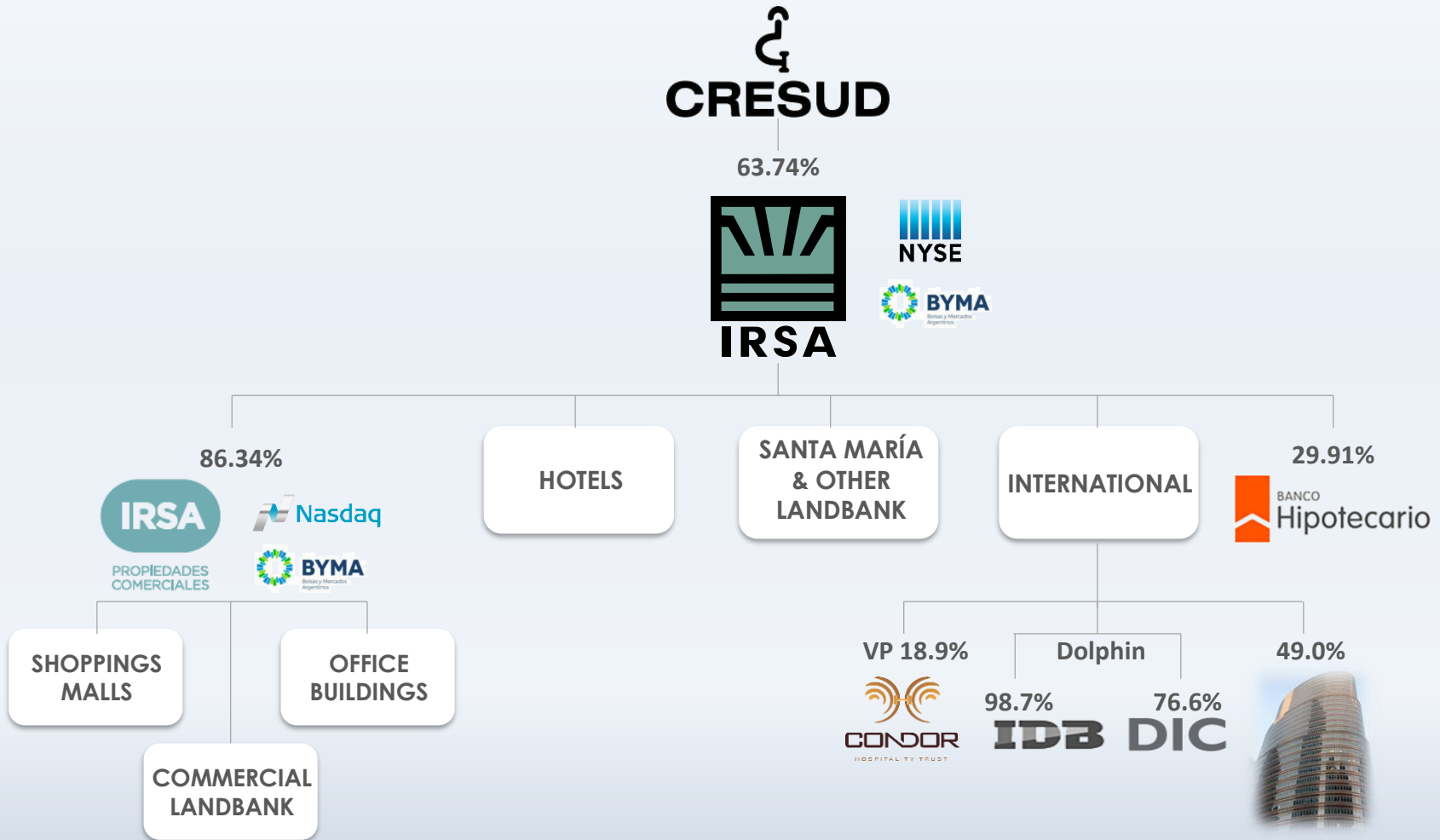
FY 2018

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 ~427,000 sqm of GLA located in premium locations.



Business description

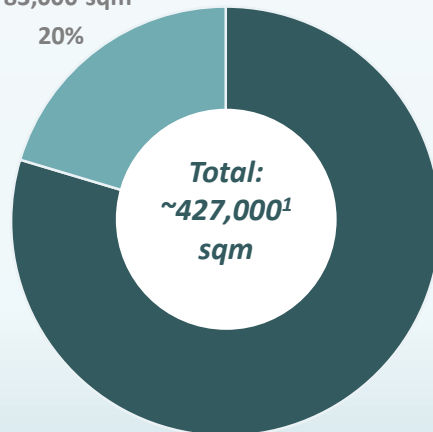
- ✓ Largest owner and operator of **premium shopping malls** and **one of the largest owners of office buildings** in Argentina
- ✓ **~427,000** gross leasable area ("GLA") in prime locations
- ✓ **Land reserve** to develop **~372,000¹** sqm of commercial property
- ✓ Over **98% occupancy** rates in shopping malls in last 10 years
- ✓ Average lease rates of **US\$26.1 / sqm** and **92% office occupancy**



GLA breakdown (as of June 30, 2018)

7 office buildings

~83,000 sqm
20%



16 shopping malls

~344,000 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

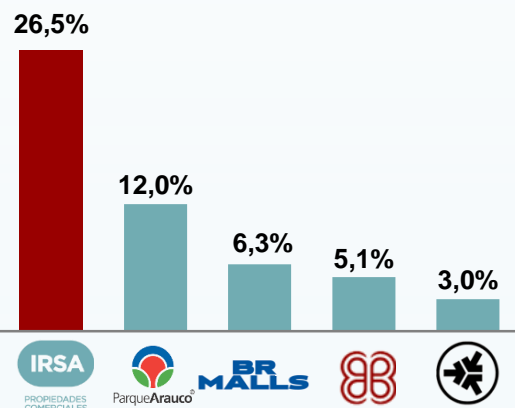
We are the top mall operator in Latin America, supported by strong operating and financial metrics

IRSA

COMMERCIAL
PROPERTIES

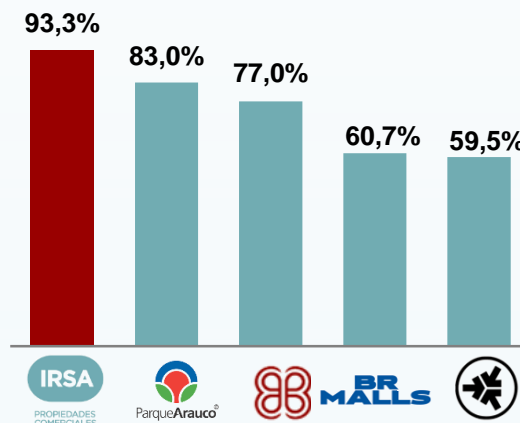
Highest market share¹

■ Total GLA as % of country GLA



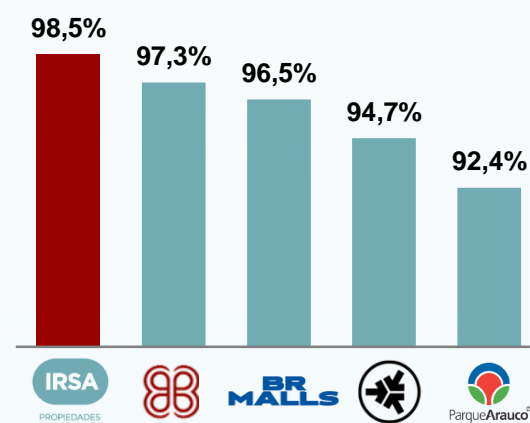
Highest ownership interest in malls

■ Ownership stake in malls (%)



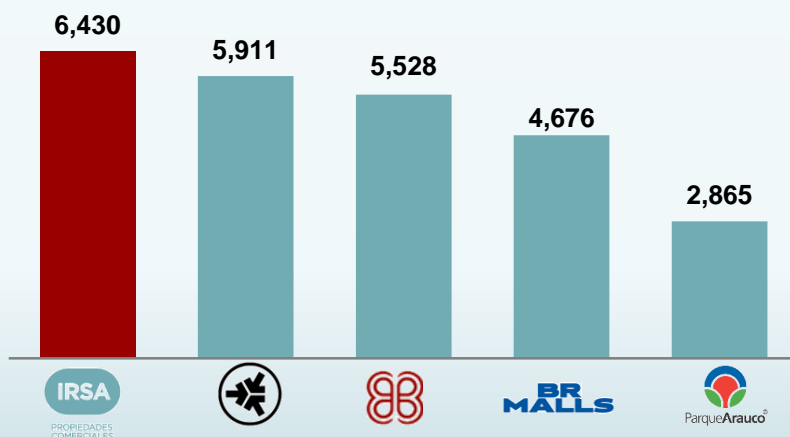
Highest occupancy

■ Occupancy (%)



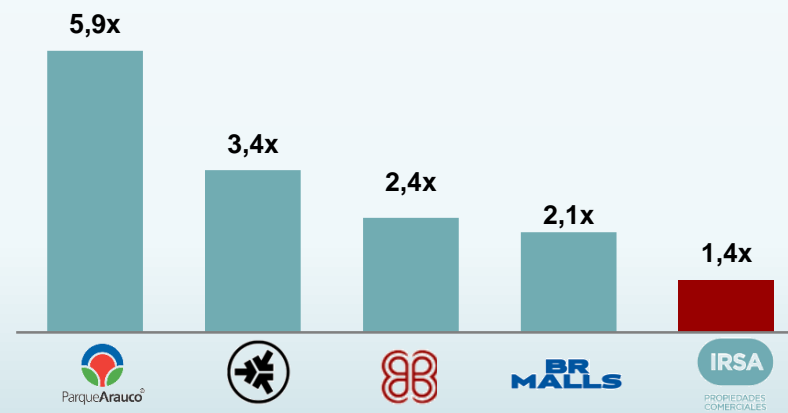
Highest sales per sqm

■ Company average LTM (US\$/sqm)



Lowest leverage ratio

■ Net debt / LTM EBITDA



Source: Company filings, as of March 31, 2018

¹ Multiplan, BR Malls and Iguatemi as of March 31, 2018. Parque Arauco market share corresponds to Chile, as of 2015

Resilient revenue model

That has withstood historical inflation and currency depreciation

IRSA

COMMERCIAL
PROPERTIES

Shopping malls

Revenue from leases

In advance



Brokerage fee

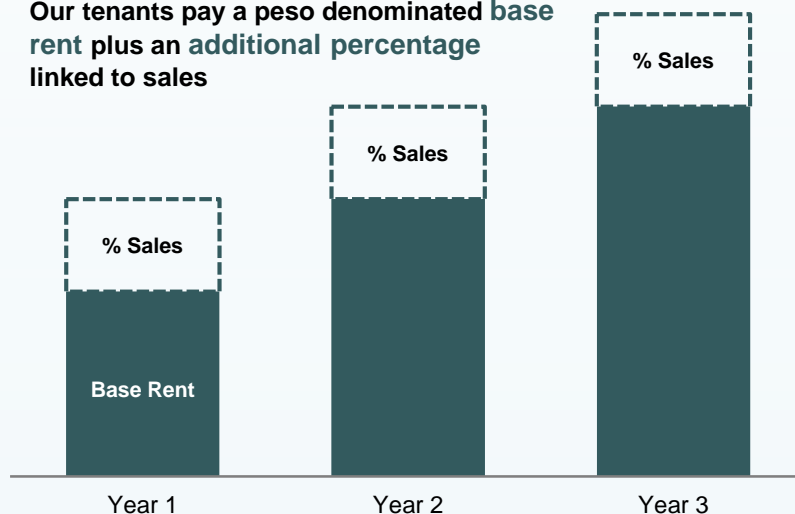
~5x monthly base rent



“Key money” admission rights

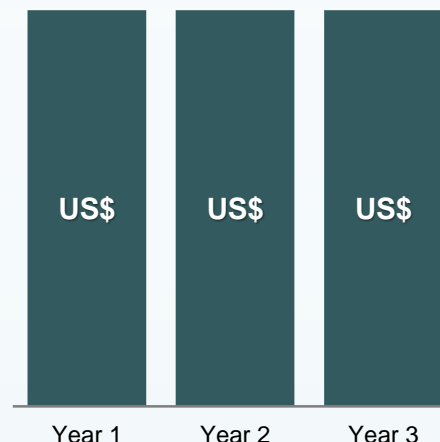
~8x monthly base rent

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



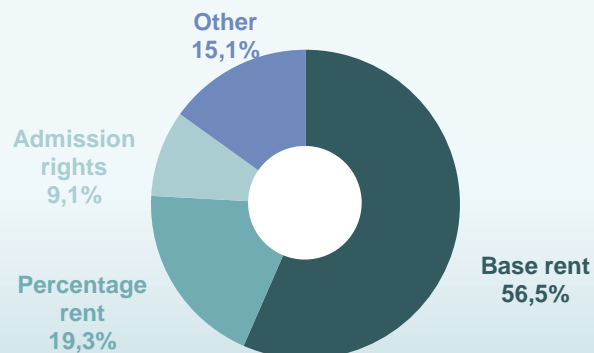
Stands



PARKING



Shopping mall rent revenue breakdown¹



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

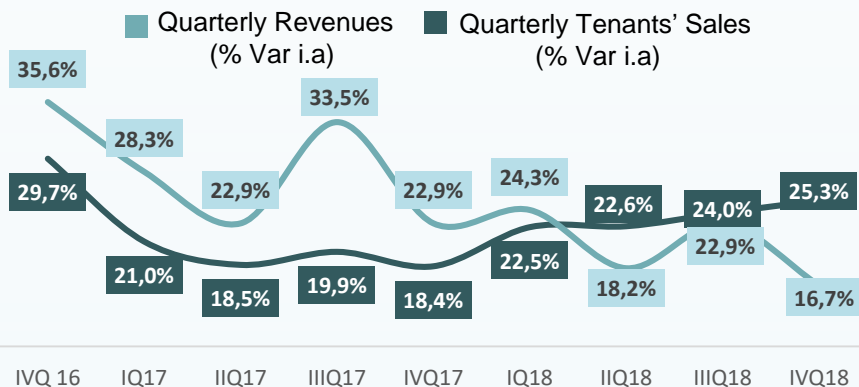
✓ **US Dollar based**

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

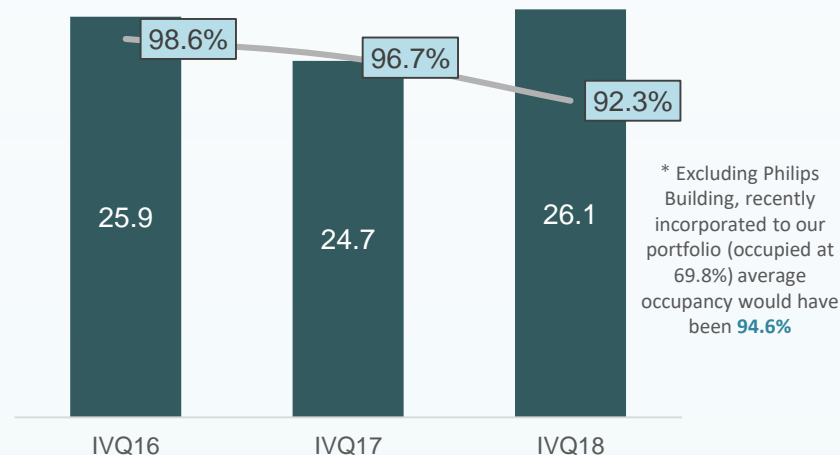
¹ As of March 31, 2018

Shopping Malls & Offices: Strong Operating Figures

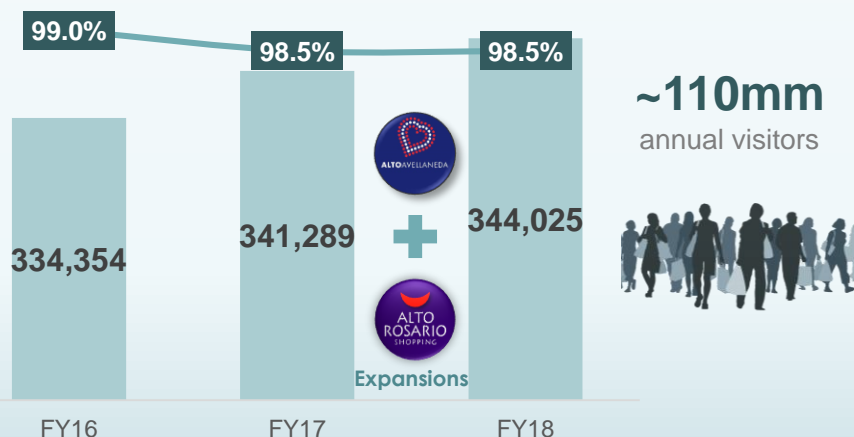
Shopping Malls – Quarterly Revenues & Tenants' Sales (% Var i.a)



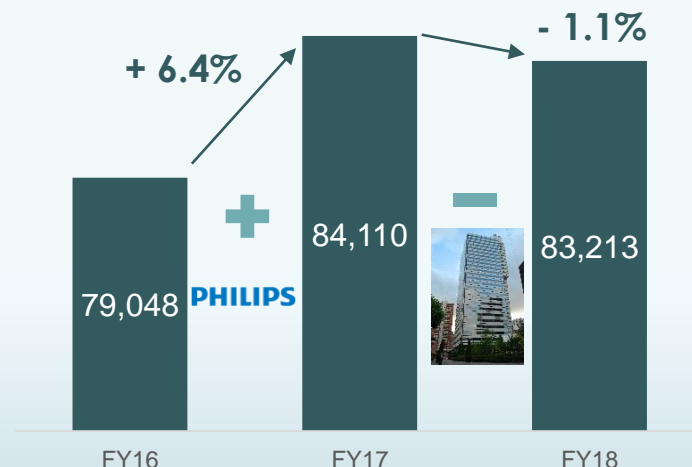
Offices – Leases USD/sqm/mth & Occupancy



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



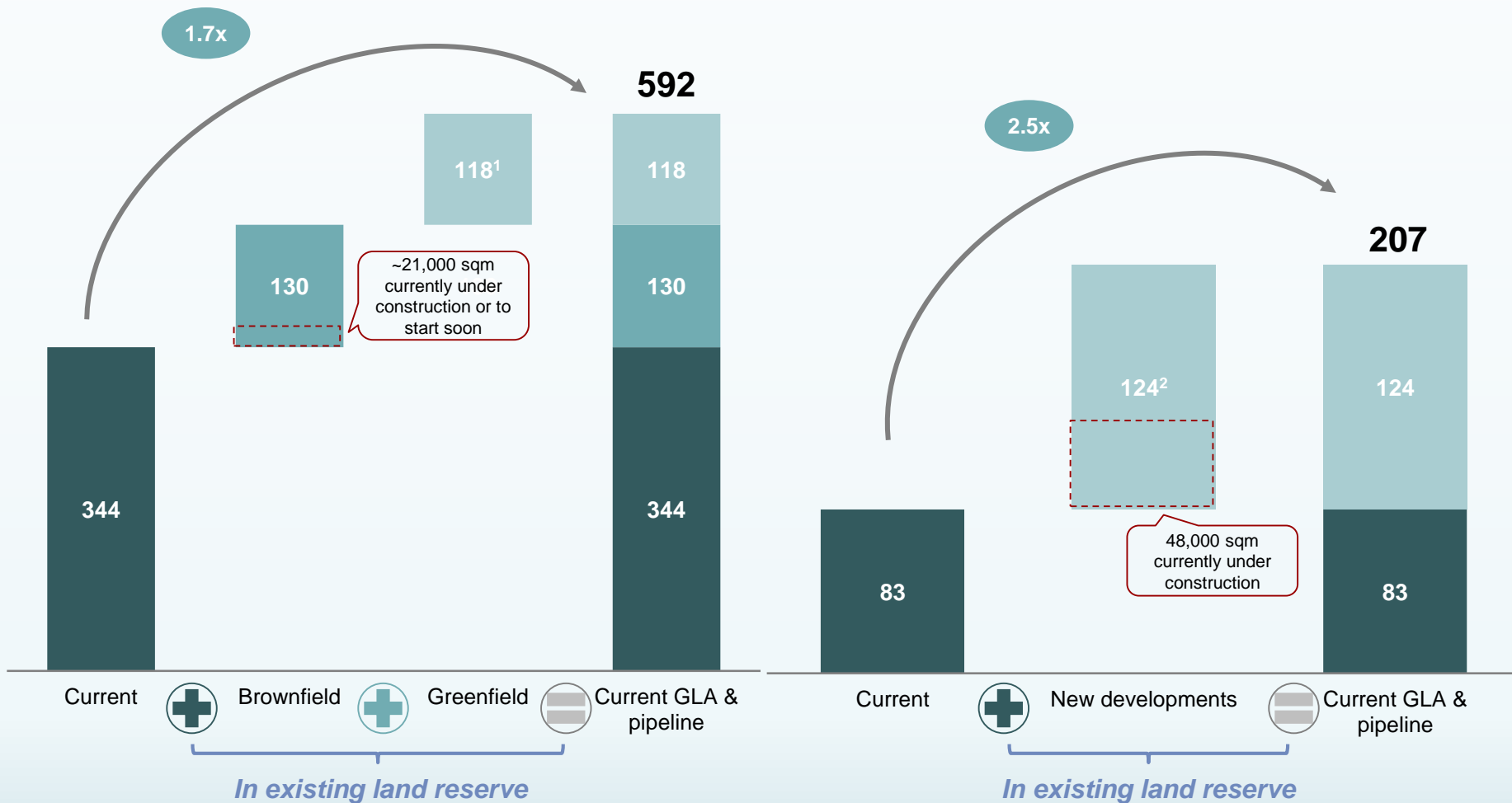
Offices – Stock (sqm GLA)



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



Projects under development: CAPEX 2018-2020

- ✓ Total investment: ~ **USD 208 million** (including land at BV)
- ✓ Projected stabilized EBITDA: **USD 24 million**
- ✓ EBITDA / Investment: **11,6%**

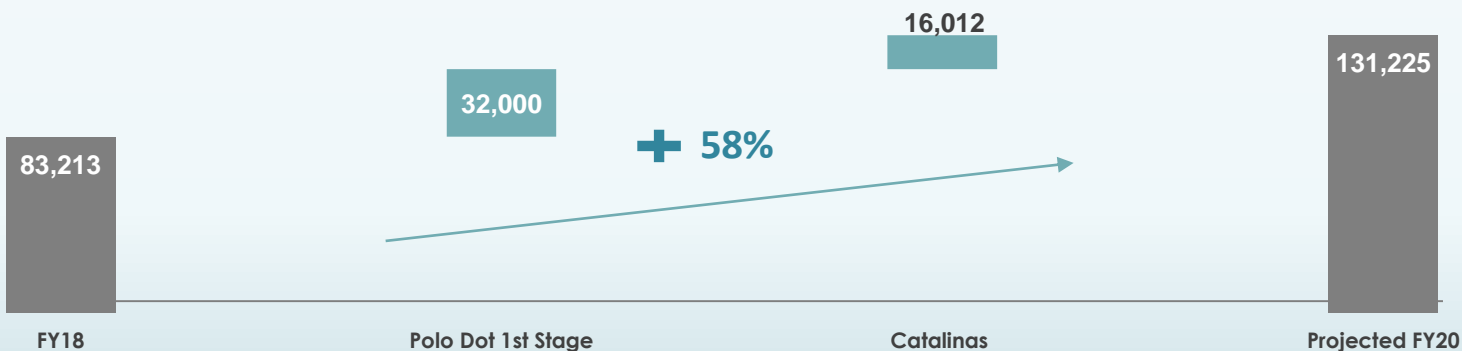
Shopping Malls' Expansions under development – sqm GLA



~USD 8 million
increase
in EBITDA (+7%)

Investment: USD
54 million

Office buildings under development – sqm GLA



~USD 16 million
increase
in EBITDA (+70%)

Investment:
Land USD 44 million
Development USD 110 million

Our current projects under development

Highest sales/sqm mall in the region

Shopping Alto Palermo



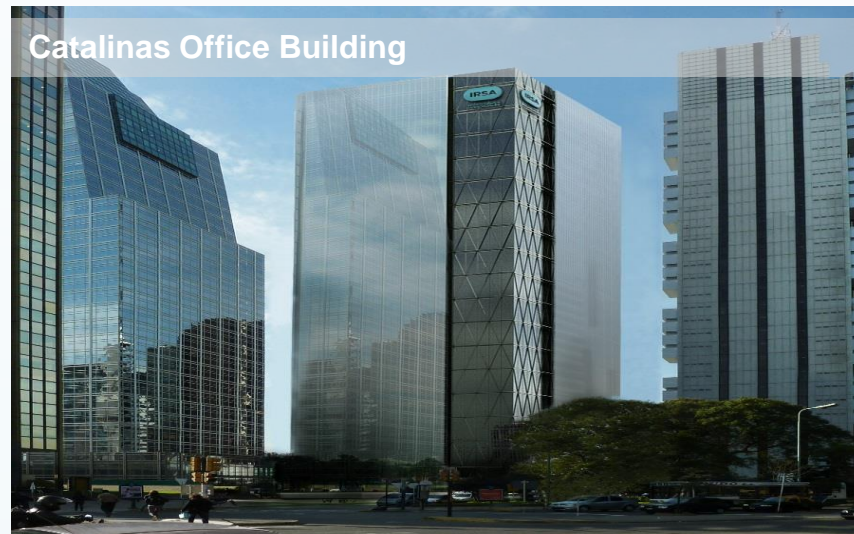
**City of
Buenos
Aires**
shopping mall

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
16%

Our current projects under development



Top quality office project in the booming northern area

98,000 sqm¹
Total GLA



Polo Dot Phase 1

Progress
74%

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

Our five year development pipeline

~US\$580mm

estimated 5-year investment¹



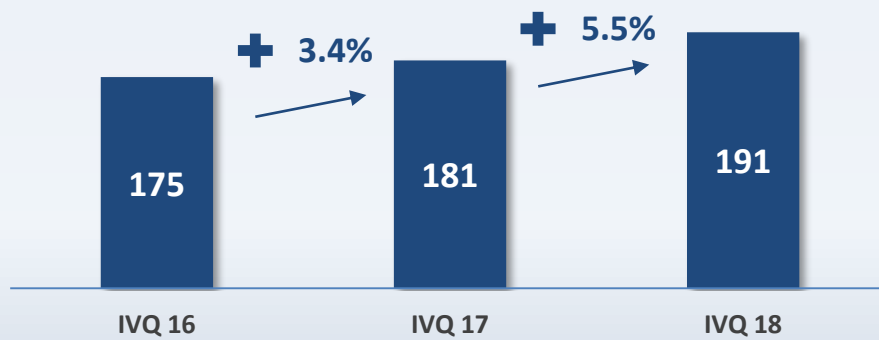
¹ Assumes average of US\$/sqm of 2,500 for all developments and expansions excluding Alto Palermo (US\$28.5mm), Dot Phase 1 (US\$65mm) and Catalinas (US\$45mm)

² Approvals pending. Shopping mall GLA 30,000 sqm

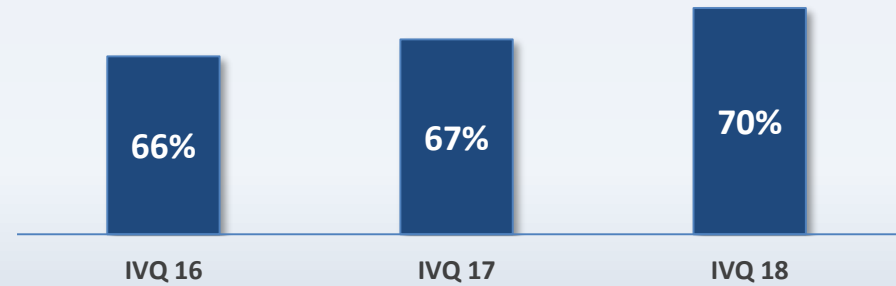
³ Includes 50k sqm for potential residential/hotel



Average Price / room (USD)

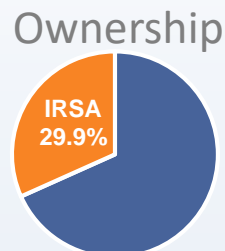


Occupancy





Main events – FY18



Results to IRSA

- The bank has generated a gain of **ARS 619 million** during FY18 compared to a gain of ARS 83 million during FY17 mainly explained by **operational improvement** and the **increase in present value of its financial assets**.

General Ordinary Shareholders' Meeting (April 9th)

- Approved cash dividend of **ARS 200 million** (ARS/share 0,13333 and ARS/ADR 1,3333) paid on April 23, 2018. According to its stake, IRSA received **ARS 59.8 million**.
- Approved a capital increase of **900 million shares**, equivalent to 60% of the current stock capital, to finance future growth. Banco Hipotecario is waiting for regulatory approvals and better market conditions.

Share Price evolution



Market Value to IRSA

(USD million)





Lipstick Building

On **February 2018**, IRSA refinanced Lipstick debt:

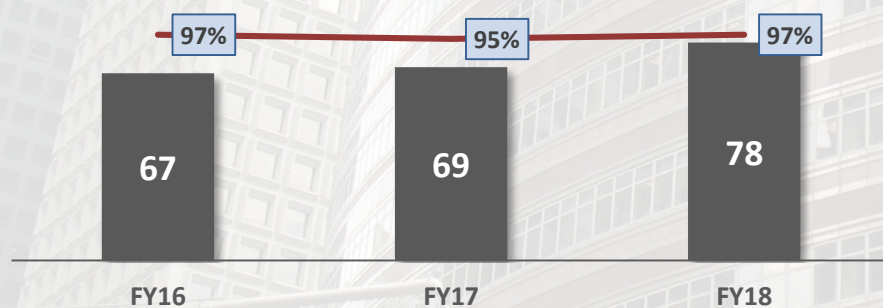
- From USD 113 to **USD 53 MM**
- Extending the term to **April 2020**
- Reducing interest rate from Libor + 4% to **Libor +2%**

Main future challenges:

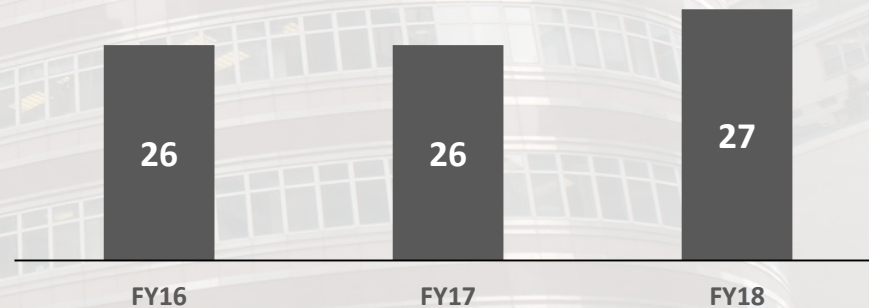
- Keep working on its capital structure
- Main tenant replacement in FY 2021.

Impact on Lipstick Fair Value registered in FY 2018
(ARS 1.9 bn loss)

Leases (USD MM) & Occupancy



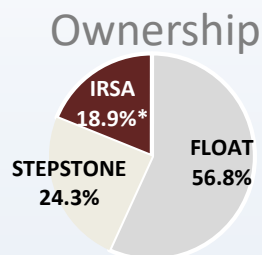
NOI (USD MM)



International: Investment in Condor Hospitality Trust



Fly to quality from economy hotels to high-quality hotels strategy



- Through a subsidiary controlled in a 100%. In addition, IRSA indirectly holds a promissory note and preferred Serie E shares

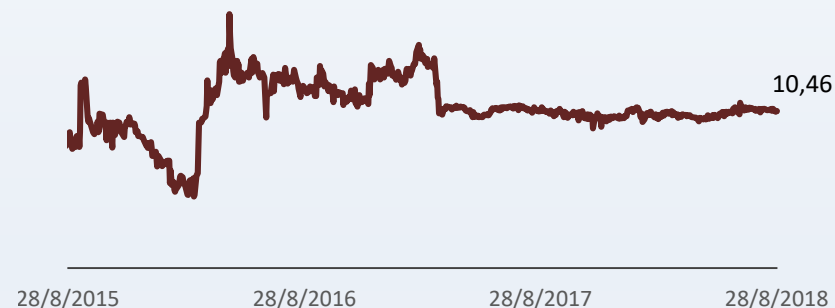
Dividends to IRSA

- Net dividends for **USD 2.0 M** in FY 18 (from both common and preferred shares)

Main recent events

- IIQ 18: Sale of Comfort Suits (Fort Wayne) for USD 7.1MM (proceeds applied to outstanding debt)
- Only two remaining legacy hotels: Super 8 (Creston) currently under contract for sale with expected gross proceeds of USD 5.1MM
- The Company keeps evaluating all capital raising alternatives and opportunities to grow through the continued acquisition of high-quality, select-service assets primarily in secondary markets.

Share Price evolution



Market Value to IRSA

(USD million)



* Valuation of other instruments (preferred E & promissory notes) at Face Value



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

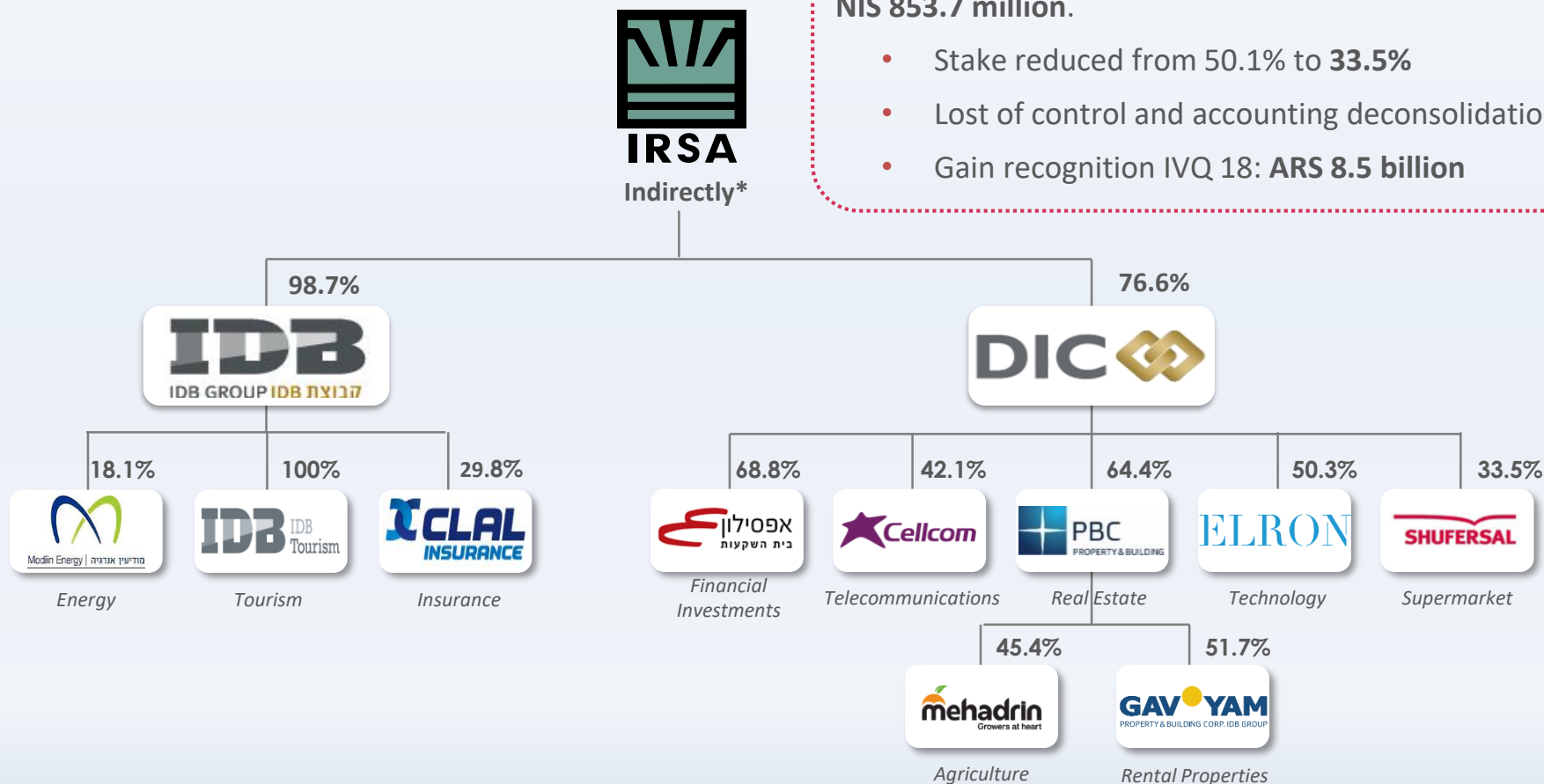


- During and after FY 2018: Sale of additional 20% of Clal shares through four new swap transactions with similar conditions than the previous one.
- A new commissioner should be appointed
- Market cap / Equity: 68.7% (as of 3/9/18)

✓ 2nd stage of Concentration Law

- Reduction of 1 layer before the end of 2019

Current Corporate Structure

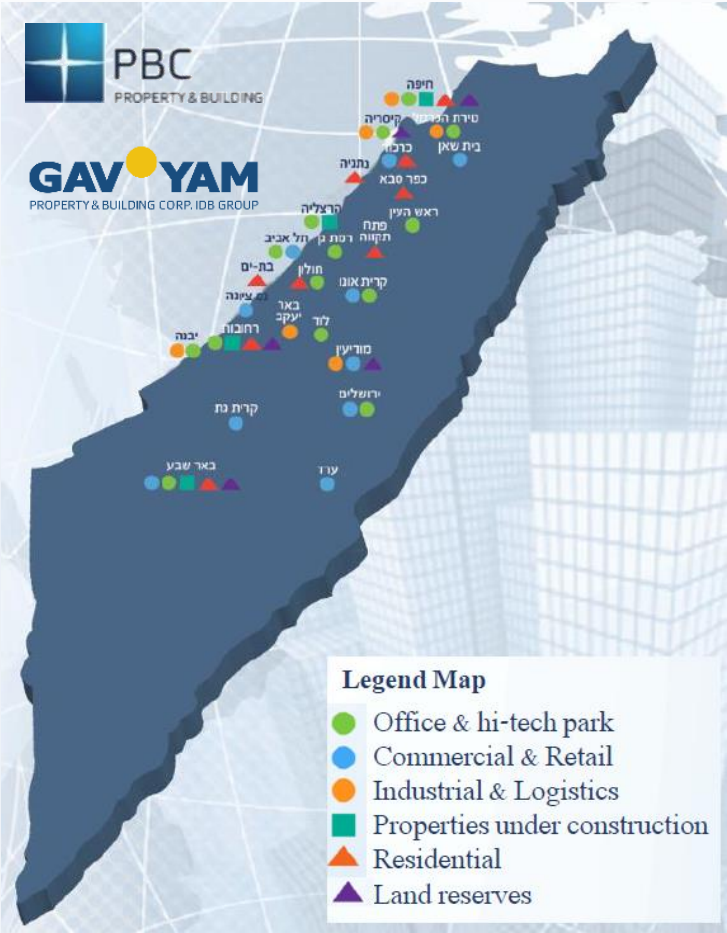


On June 2018, DIC sold a **16.65%** stake in Shufersal for **NIS 853.7 million**.

- Stake reduced from 50.1% to **33.5%**
- Lost of control and accounting deconsolidation
- Gain recognition IVQ 18: **ARS 8.5 billion**

• 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



142,000 sqm
in USA

Gav Yam: Leading commercial real estate company in Israel



8 Projects under development, planning & marketing
194,000 sqm



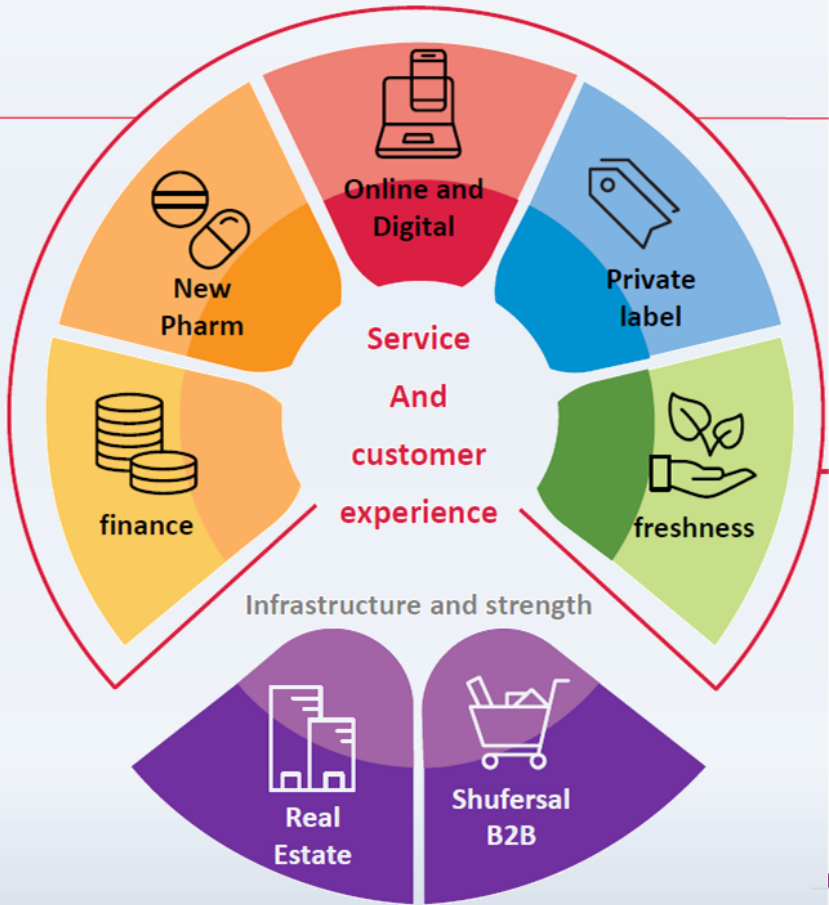
Strengthening business positioning through innovation, market leadership and long-term planning



Innovation and Technology

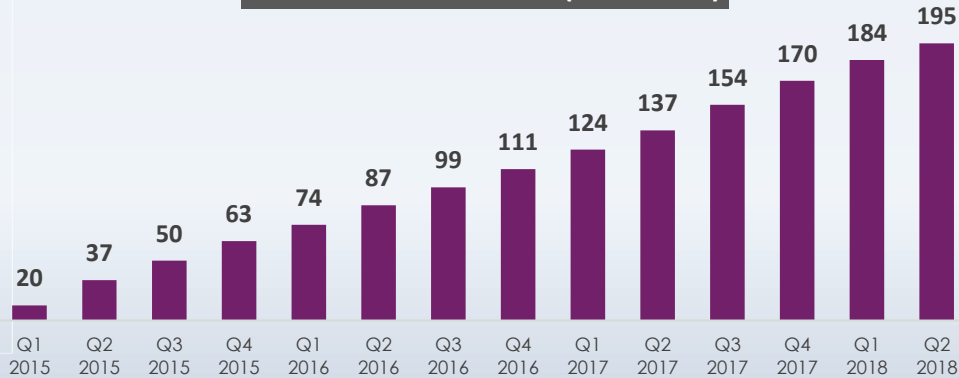


TV Brand



- ✓ Transforming from a cellular company to a comprehensive telecommunications group
- ✓ Optimization of cost structure

Cellcom TV Subscribers (thousands)



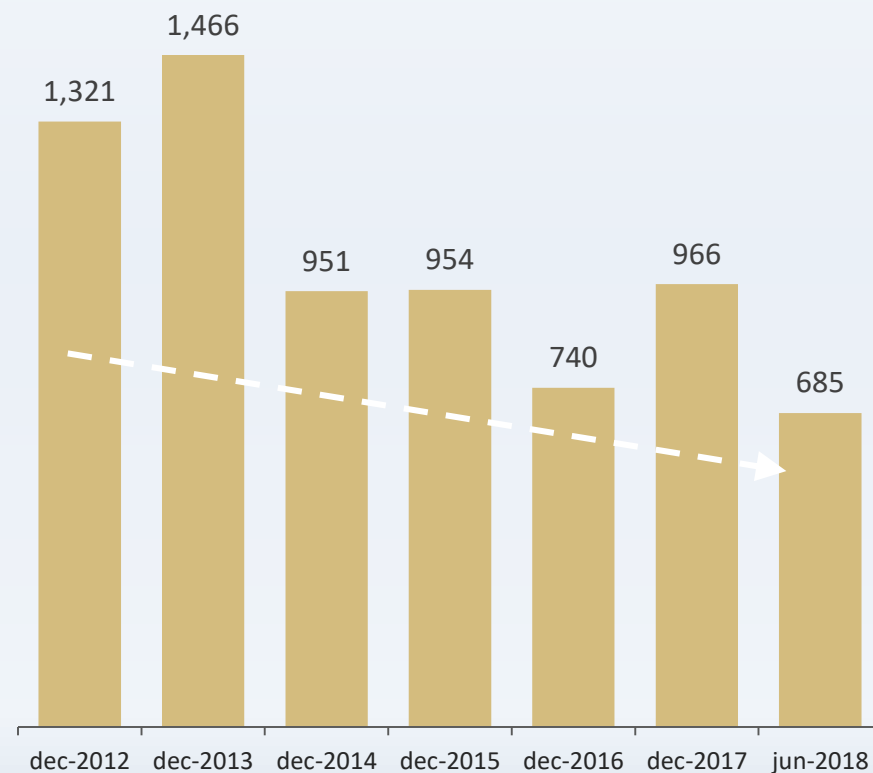
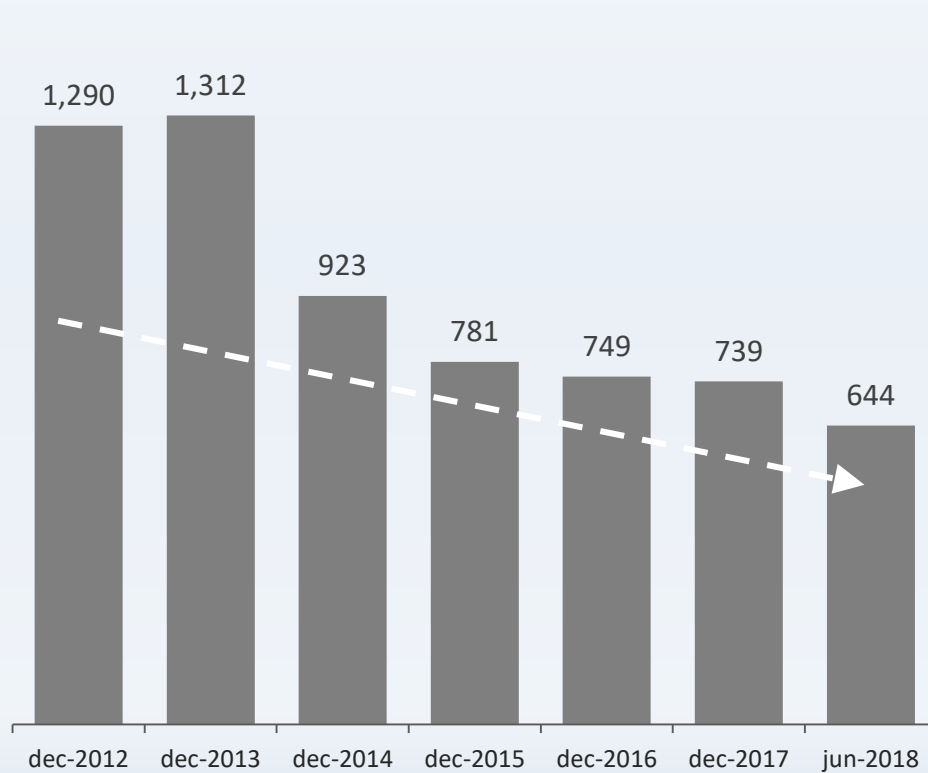
Deleverage at IDB & DIC



Net Debt (USD million)



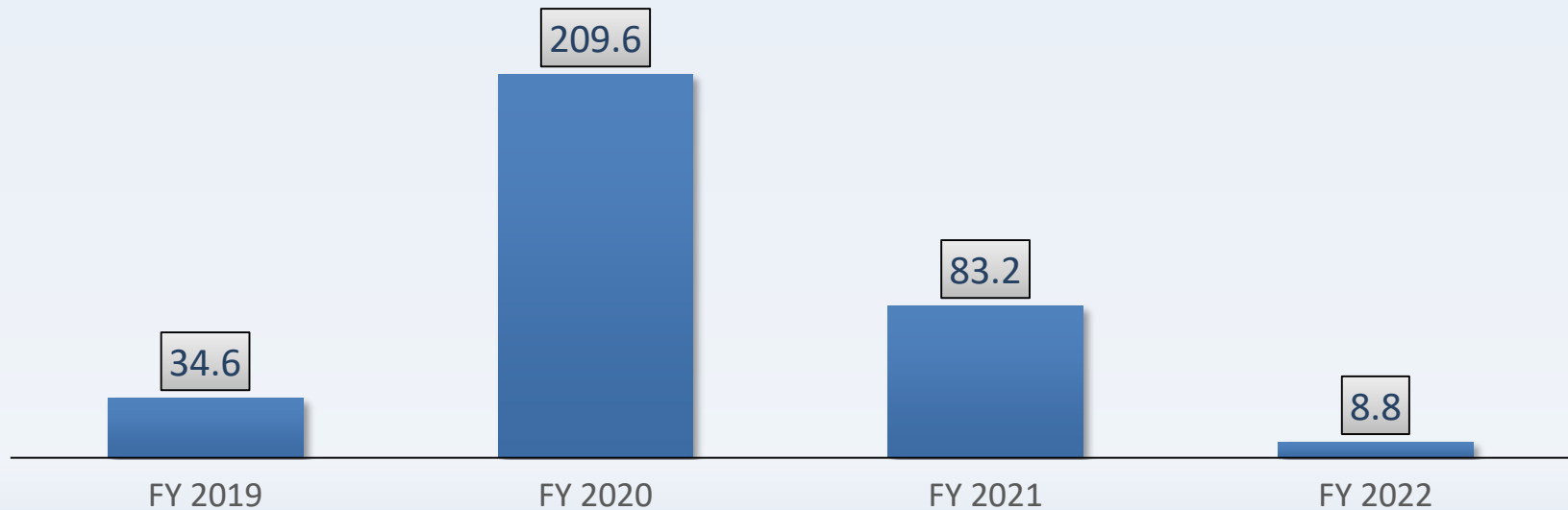
Available cash	Sep 3, 2018
Operating companies	798
IDB	278
DIC	675
Consolidated cash	1,751



IRSA Net Debt
(USD MM)

335.3

Debt Amortization Schedule (IRSA- USD MM)



Thanks!

