

# FY15 Conference Call

September 8, 2015



**Hosted by:**

**Alejandro G. Elsztain, IIVP**

**Daniel R. Elsztain, COO**

**Matías I. Gaivironsky, CFO**

## Financial Consolidated Results FY15

- **Revenues\***: ARS 1,921.7 M (+33.7% vs. FY14)
  - **EBITDA\*\***: ARS 2,801.1 M (+91.5% vs. FY14)
  - **Net Income**: Gain of ARS 650.6 M (vs. Loss of ARS 831.6 M in FY14)
- 
- EBITDA Malls FY15: **ARS 1,327.0 million (+31.1% vs FY14)**
  - EBITDA Offices\*\* FY15 (6M of operations): **ARS 148.2 million (+471.5% vs FY14)**
  - Opening of “**Distrito Arcos**” in BA City & “**Alto Comahue**” in Neuquén.
  - Malls' Tenant Sales increased by **33.3%** in FY15 (**+30.1% same stores sales**)
  - Office Leases remained stable at **USD/sqm 26**
  - Occupancy stood at high levels: **98.7%** in shopping malls & **98.1%** in offices



- **Sales of Investment Properties** for **ARS 2.1 billion** (mainly Maipú 1300, Bouchard Plaza & Madison in NYC)
- **Additional investment in IDBD** increasing our stake to **49%**

\* Revenues from Sales, Leases & Services (does not include revenues from expenses and common advertising)

\*\*EBITDA = Operating Result + D&A excluding one shot tax expenses of the transference of assets



# IRSA Commercial Properties: New Pure Commercial Real Estate vehicle in Argentina

## Transaction Overview (December 2014)



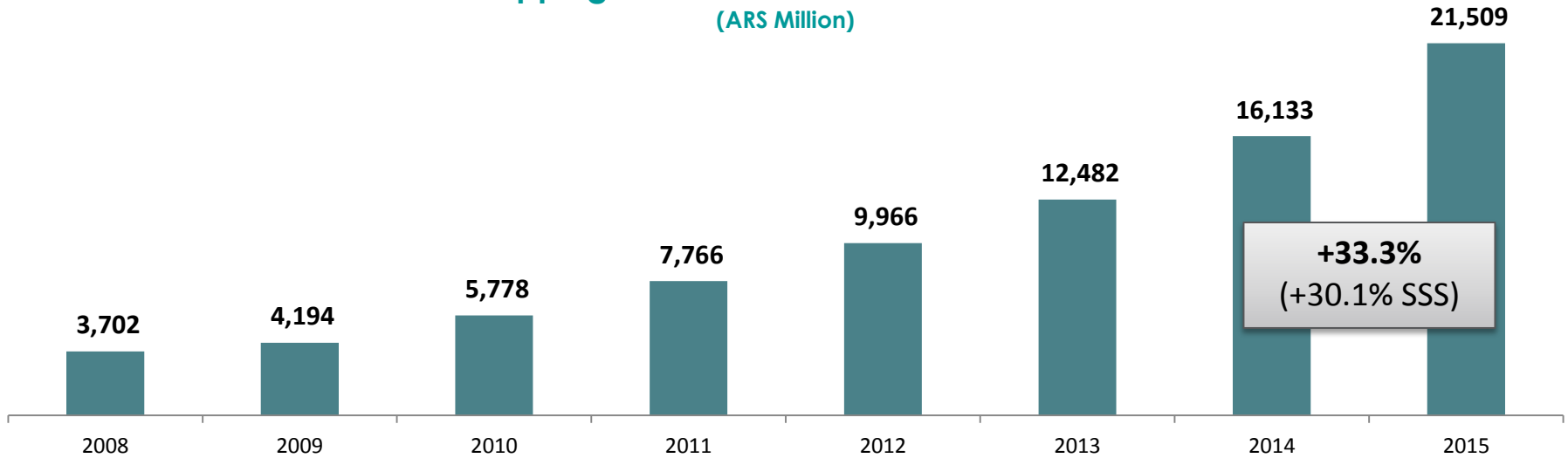
**Created a Unique Rental Real Estate Company Including the Best Portfolio of Shopping Malls and Office Buildings in Argentina**

**Valuation of assets totaling US\$ 308.0 mm (US\$ 3,675 per sqm)**

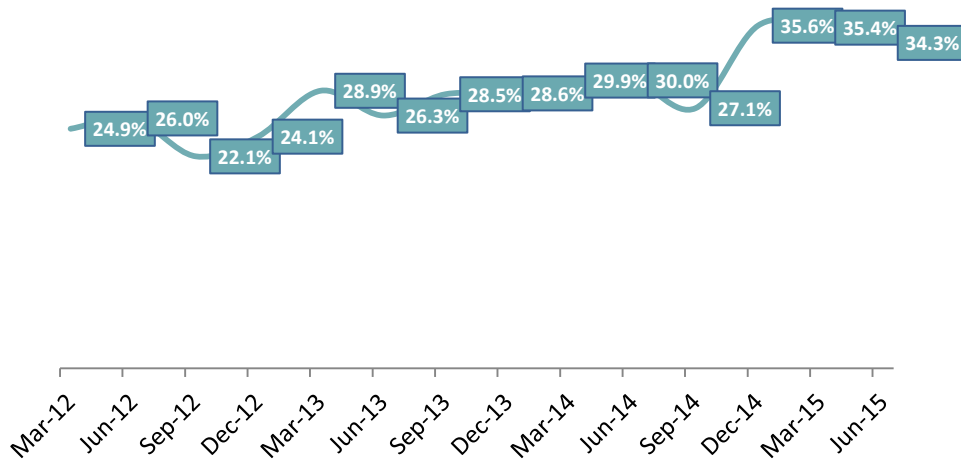
**IRCP added 83,789 sqm to its office portfolio reaching 95,031 sqm of GLA**



## Shopping Centers – Annual Tenants' Sales (ARS Million)

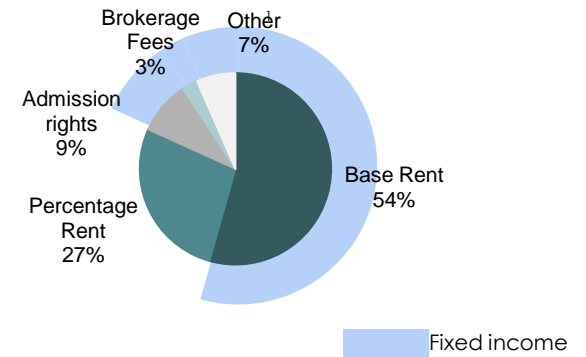


## Shopping Centers – Quarterly Growth Rate (%)



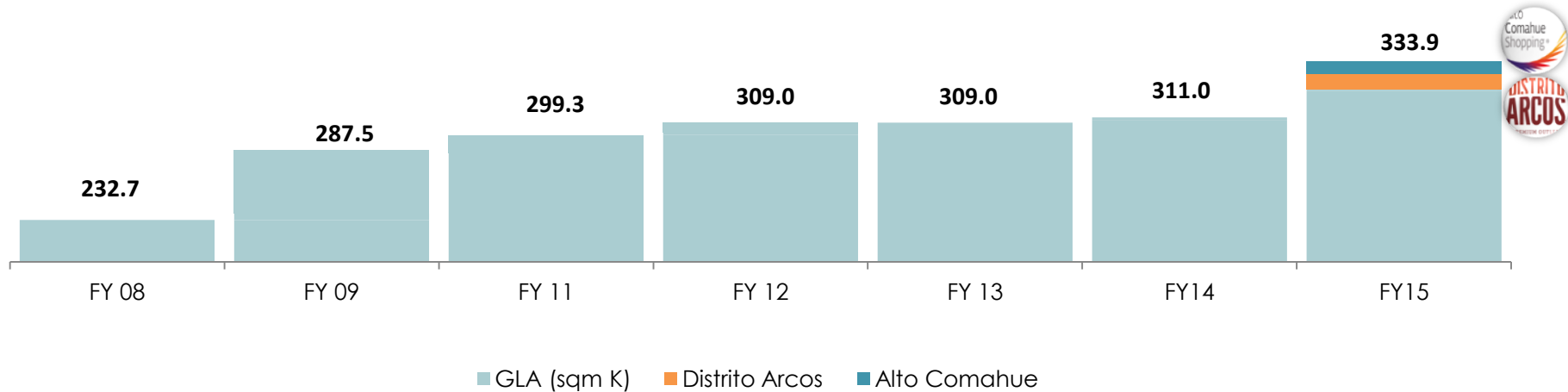
## Shopping Centers – Revenues Breakdown (%)

FY 2015

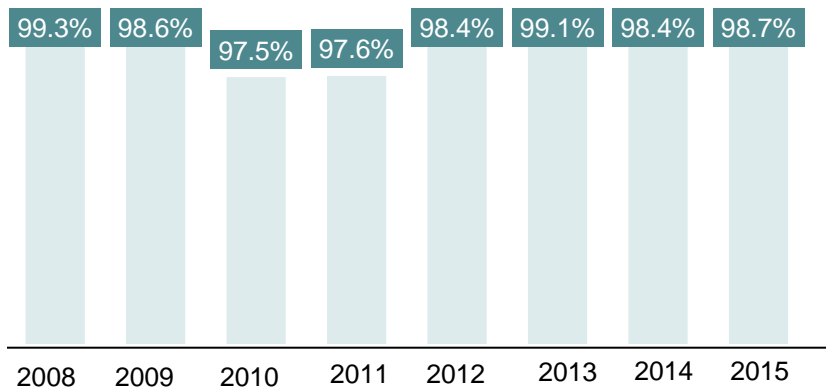


# Shopping Centers: Strong Operating Figures

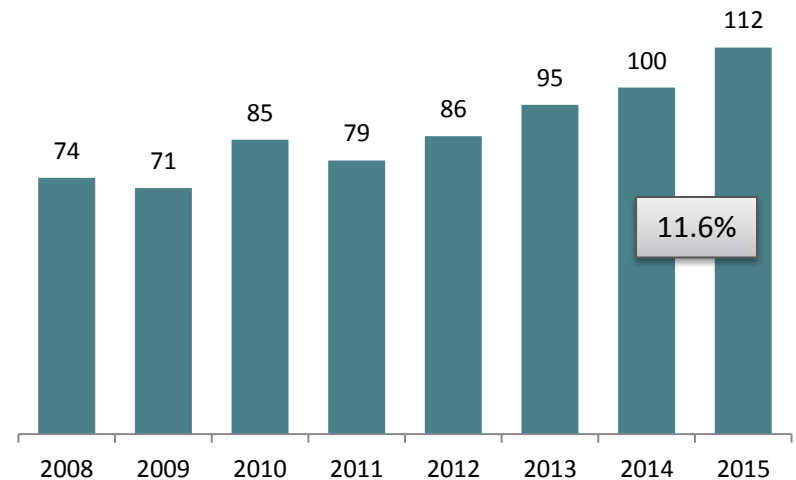
## Shopping Centers – Portfolio Evolution (GLA – Th. sqm)



## Shopping Centers – Occupancy Rate (%)



## Shopping Centers – Annual Visitors (MM)





# Opening of New Developments

## Distrito Arcos (BA City) & Alto Comahue Shopping (Neuquén)

- Premium open space Outlet on the Railway Station in Palermo neighborhood (CABA)
- Opened December 2014 fully occupied
- 13,000 sqm (52 stores & 15 stands)
- Capex: ~ ARS 210 million
- Additional 2,000sqm will add 13 stores & 5 stands in a 2<sup>nd</sup> development phase (expected opening: FY 2016)
- Capex 2<sup>nd</sup> phase: ~ ARS 60 million



- Leading Shopping mall in the city of Neuquén which experienced a great progress due to "Vaca Muerta" investment project
- Opened March 2015 90% occupied
- 9,500 sqm (104 stores)
- Capex: ~ ARS 280 million
- 18,000 additional sqm to develop residential / commercial





# Development of Existing Malls La Ribera (Santa Fe), Alcorta Shopping (BA City) & Alto Rosario

## Expansion Project & Food Court Moving



- New Food Court & Stores moving
- Construction period: July – December 2014
- **+ 1,136 additional sqm of GLA** (14 new stores)
- Capex: ~ **ARS 19.8 million**



## Expansion Projects & Layout Optimization

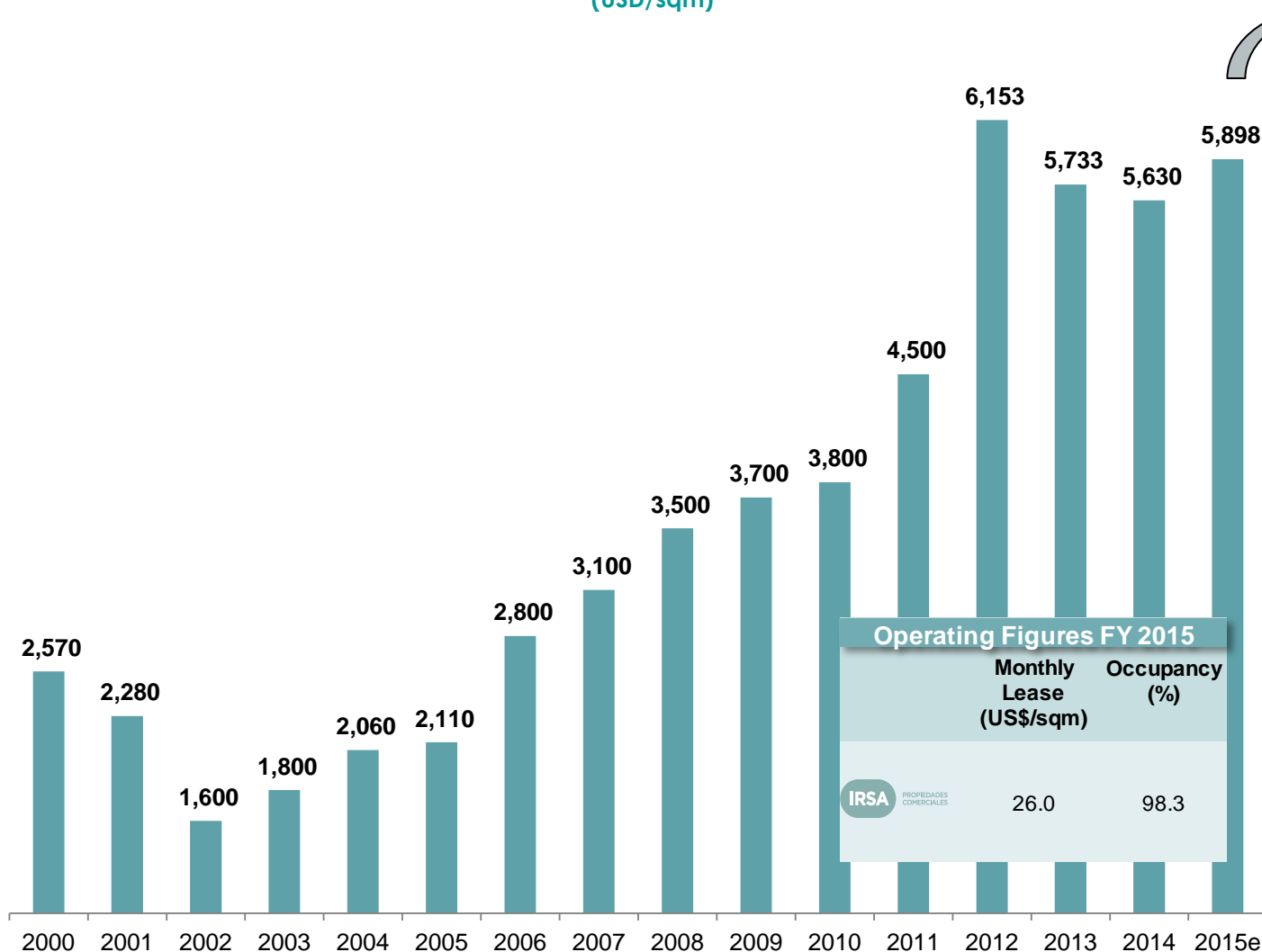
- Intervention of stores at 3<sup>rd</sup> level (food court) and replacement for retail stores
- Construction period: January – June 2015
- **260 additional sqm of GLA** (5 new stores)
- Capex: ~ **ARS 8.6 million**



- Expansion project
- Construction period: – September 2015 – March 2016 (**Under Development**)
- **650 additional sqm of GLA**
- Capex: ~ **ARS 18.0 million**



## A+ Office Market BA – Sale Prices (USD/sqm)



### SALE AT USD/SQM 5,000



### Operating Figures FY 2015

|                              | Monthly Lease<br>(US\$/sqm) | Occupancy<br>(%) |
|------------------------------|-----------------------------|------------------|
| IRSA PROPIEDADES COMERCIALES | 26.0                        | 98.3             |

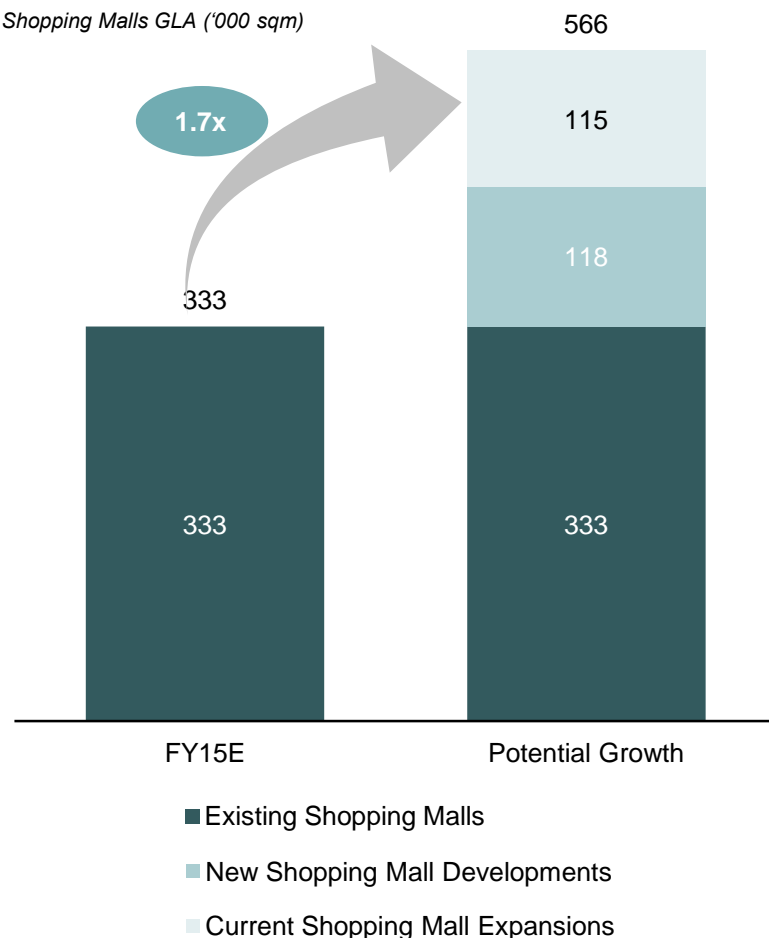
- Partial Sale for **ARS 376,4 mm**
- 8,470 sqm sold**  
(9 floors + 72 parking lots)
- USD/sqm 5.000 – 5.5% Cap Rate**
- Gain recognition: **ARS 138.4 million**
- Remaining sqm: 14,065**



# Organic Growth Initiatives Could Double IRCP's Commercial Real Estate Portfolio

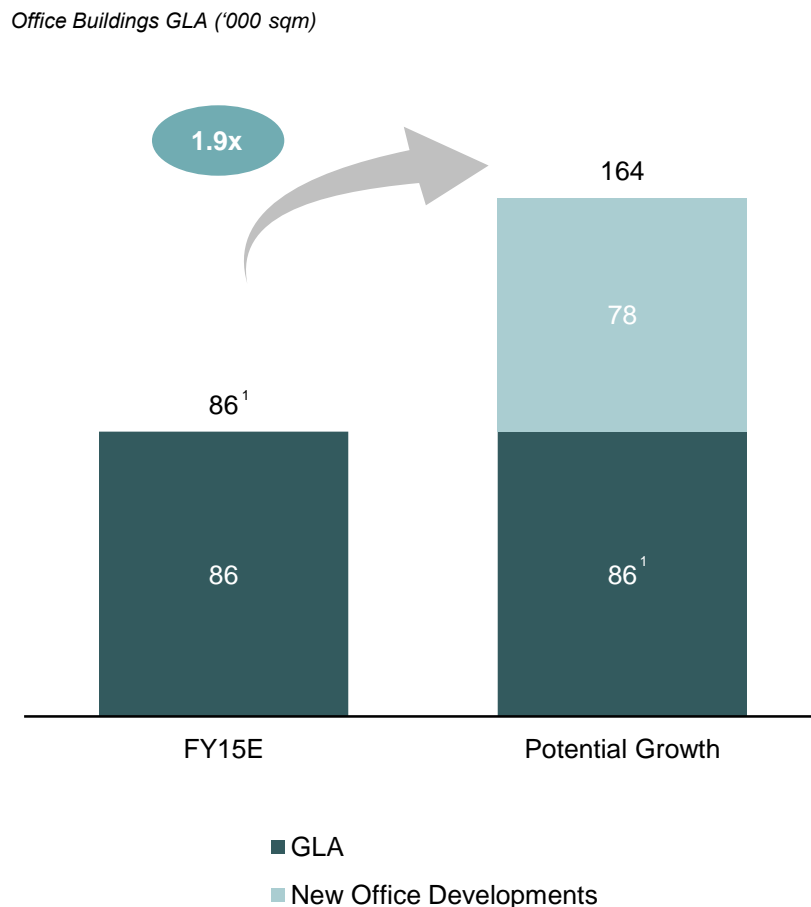
## Attractive Shopping Mall Pipeline...

Shopping Malls GLA ('000 sqm)



## ...as Well as Office Buildings

Office Buildings GLA ('000 sqm)



Source: Company Information

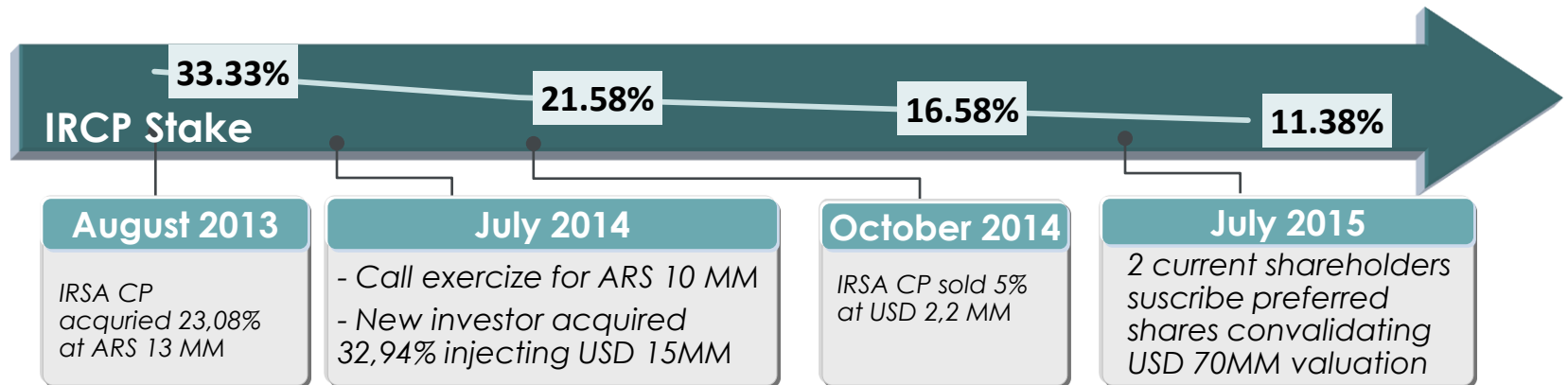
Note:

1. Excludes recent disposal of 8,470 sqm office buildings GLA

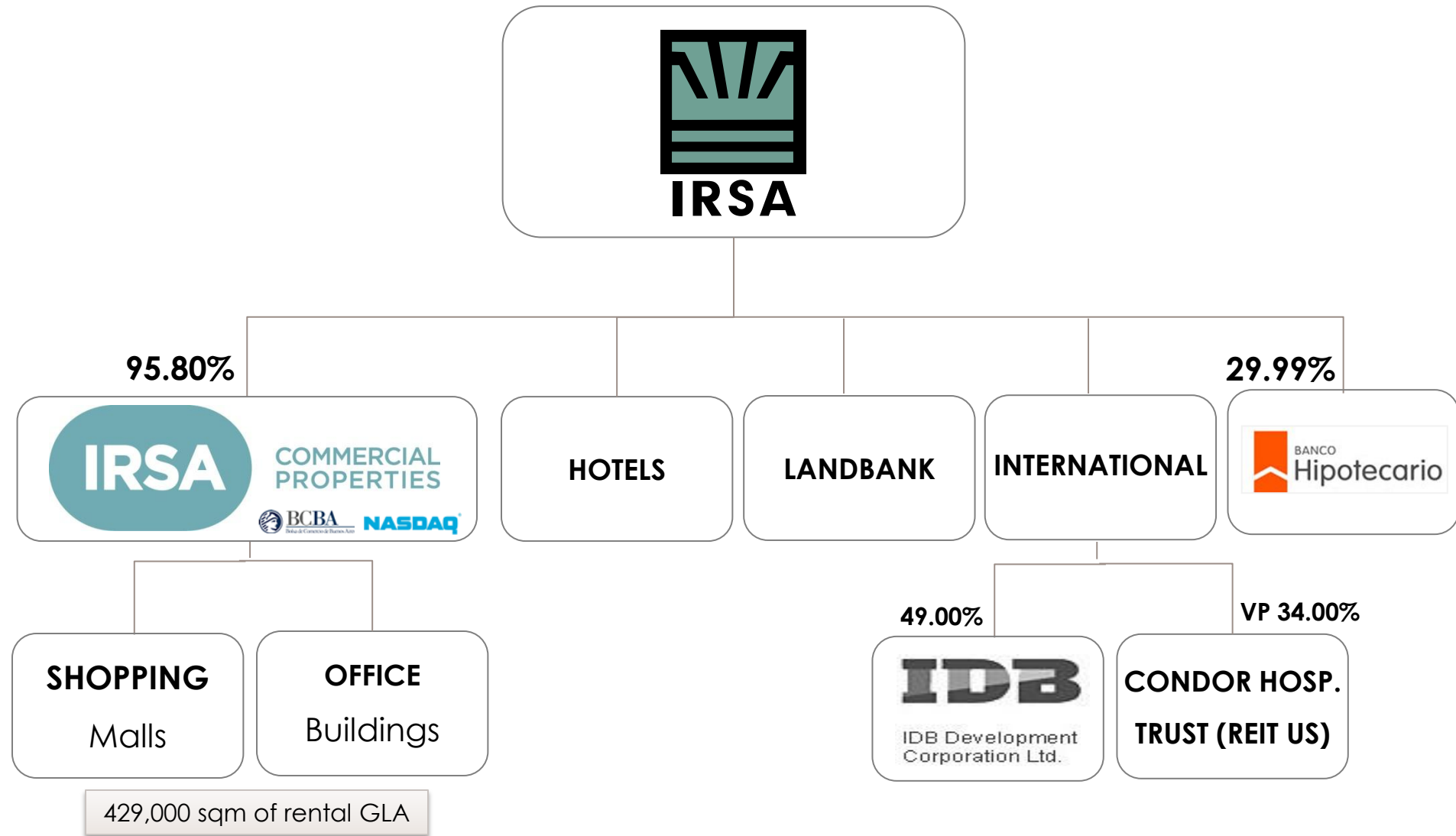
# Investment in Avenida Inc. (e-commerce)



Company created in 2013 that obtained funds  
for ~ **USD 46.0 million**  
*(including investments from Tiger Global Mgt & Naspers)*



**Recognized Gain**  
**ARS 8.6 Million**



+ Commercial Landbank  
Potential to develop: **240,000 sqm of shopping malls**  
**79,000 sqm of offices**



# Hotels Operating Figures

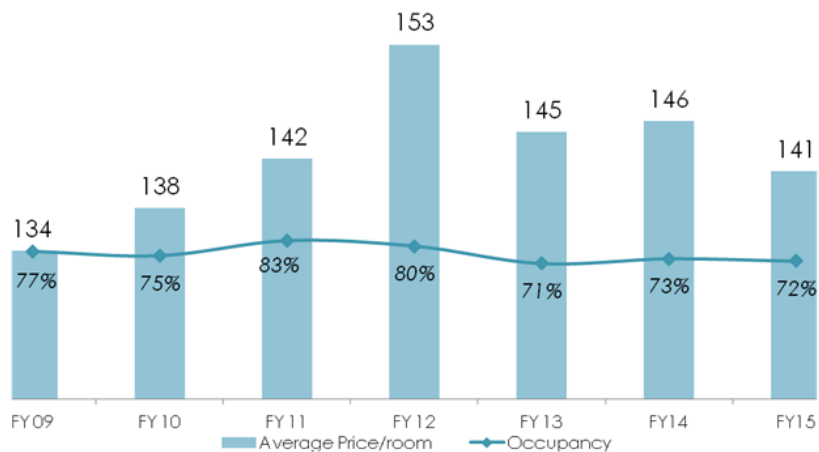


**Sheraton & Intercontinental  
(Buenos Aires City)**

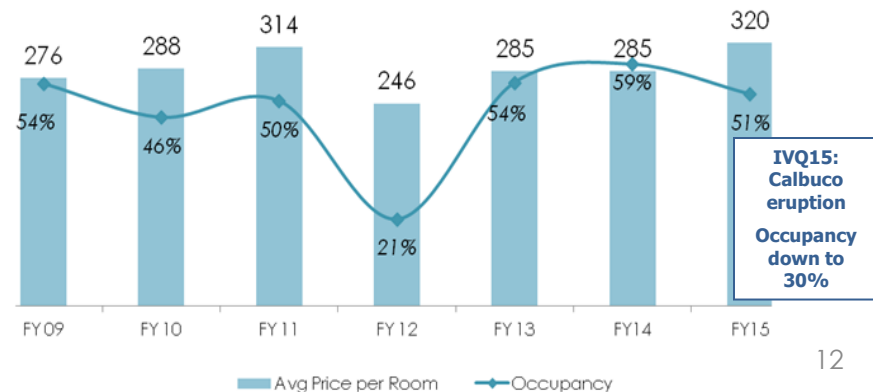


**Llao Llao Resort  
(Bariloche City)**

**Operating Figures  
Buenos Aires Hotels**



**Operating Figures  
Llao Llao Resort**



# Sales & Development FY 2015

- We added La Adela Plot of Land for ARS 210 million to our Landbank & Sold Investment Properties for a total amount of ARS 606 million



- Acquisition for **ARS 210,0 mm** from CRESUD
- **1,054 ha (10 million sqm)**
- **USD/sqm 2.4**
- **High urbanistic potencial for a future real estate development**



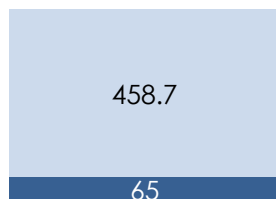
- **Sale of Savoy Hotel in Rosario (Santa Fe)**  
(February 2015)
- Total amount: **ARS 36.7 MM**
- **Profit: ARS 13.3 million**



- Sales for **ARS 523,7 mm**
- **7,592 sqm sold (6 floors)**
- **USD/sqm 8.300 – 4.0% Cap Rate**
- Gain recognition: **ARS 458.7 million**
- No remaining floors (only 116 parking lots)

ARS million

**523.7**



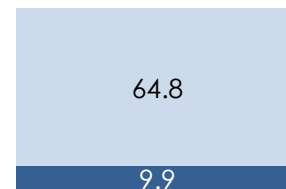
**8.0x**  
BV



- Sales for **ARS 75,0 mm**
- **2,657 sqm sold (5 floors)**
- **USD/sqm 3.300 – 5.8% Cap Rate**
- Gain recognition: **ARS 64.7 million**
- **Remaining surface: 4,759 sqm**

ARS million

**74.7**



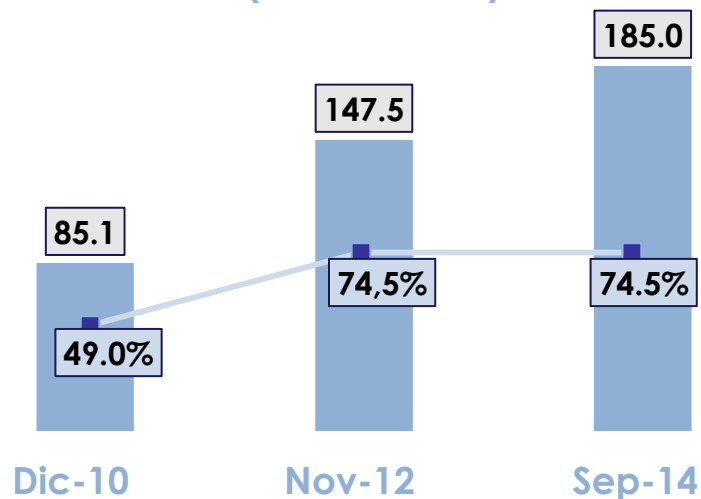
**7.5x**  
BV



# International: Sale of Madison 183 Building

**Sale for USD 185 MM**  
**3.8% Cap Rate**

Valuation of the Building & IRSA Stake  
(USD million - %)



Building Debt (Mortgage non recourse to IRSA)



**Recognized Gain: ARS 296.5 Million**

**IRR (USD): 20%**



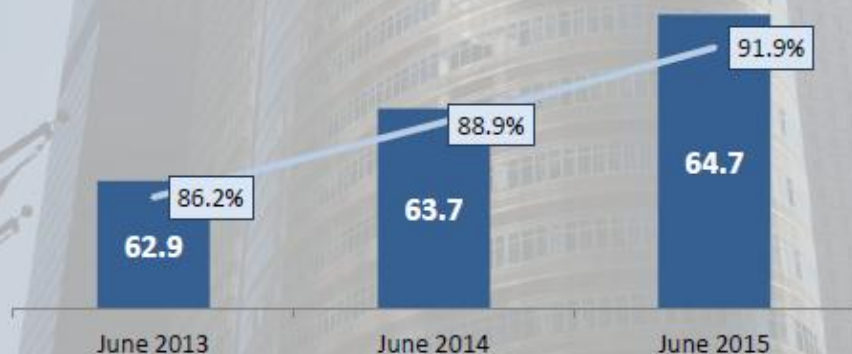


## Lisptick Building



### Lisptick Operating figures

Leases USD/sqm & Occupancy



## Condor Hospitality Trust (Nasdaq: CDOR) – 34% Voting Power

Supertel  
Hospitality Inc.  
(SPPR:Nasdaq)

*Renamed*

Condor  
Hospitality Trust.  
*New Ticker in Nasdaq: CDOR*

New CEO appointed on Mar-15

New Strategy: Selective hotel sales to achieve better margin & scale hotels



## Hersha Hospitality Trust (NYSE:HT)

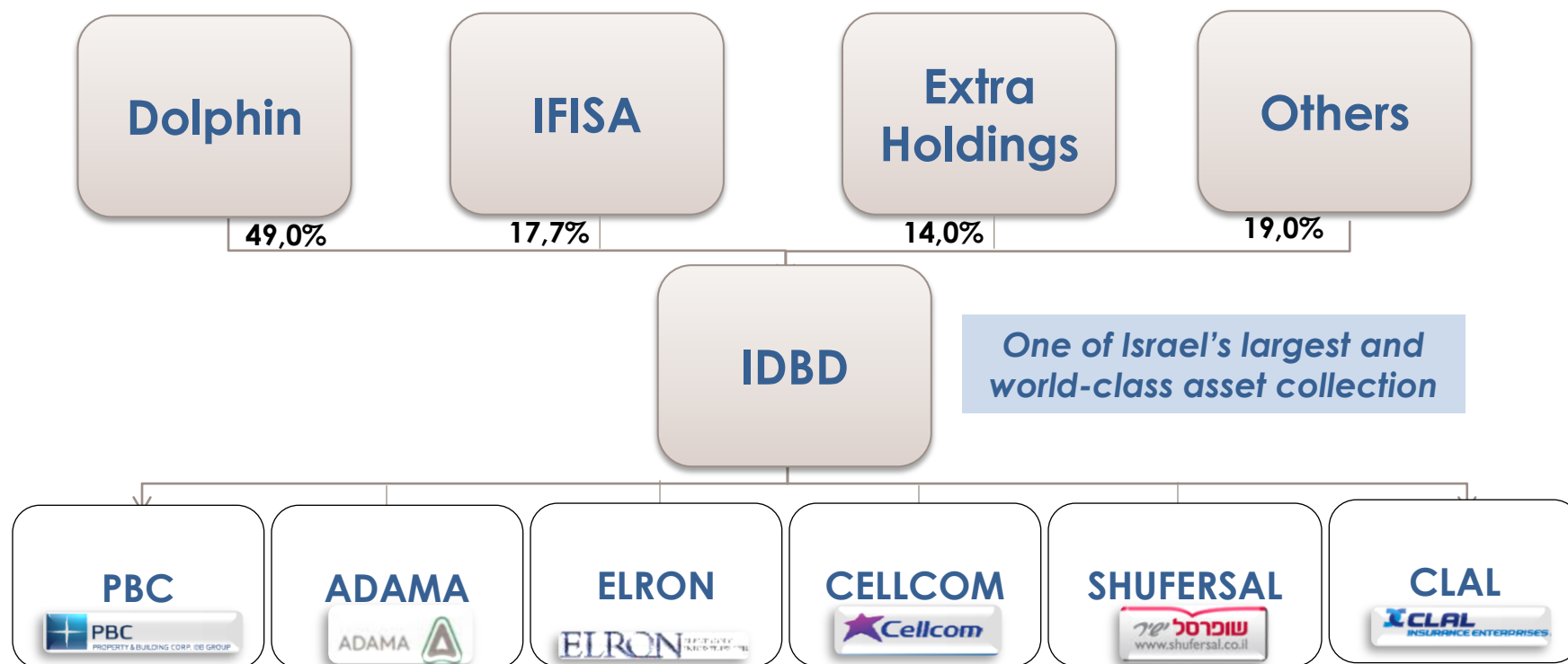
Sale of remaining stake



1 mm remaining shares  
at a price of USD/share 6.74

# International: Investment in IDBD

## Largest Israeli Diversified Holding



o Feb-15: Addition investment of **USD 105 million** in the rights offering issued by IDBD. Therefore, **Dolphin's stake** in IDBD increased to **49%**. **IFISA acquired 12.5%** and ETH diluted to 16.2%

o Election of **Eduardo Sergio Elsztain** as **sole Chairman** of the Board of Directors of IDBD

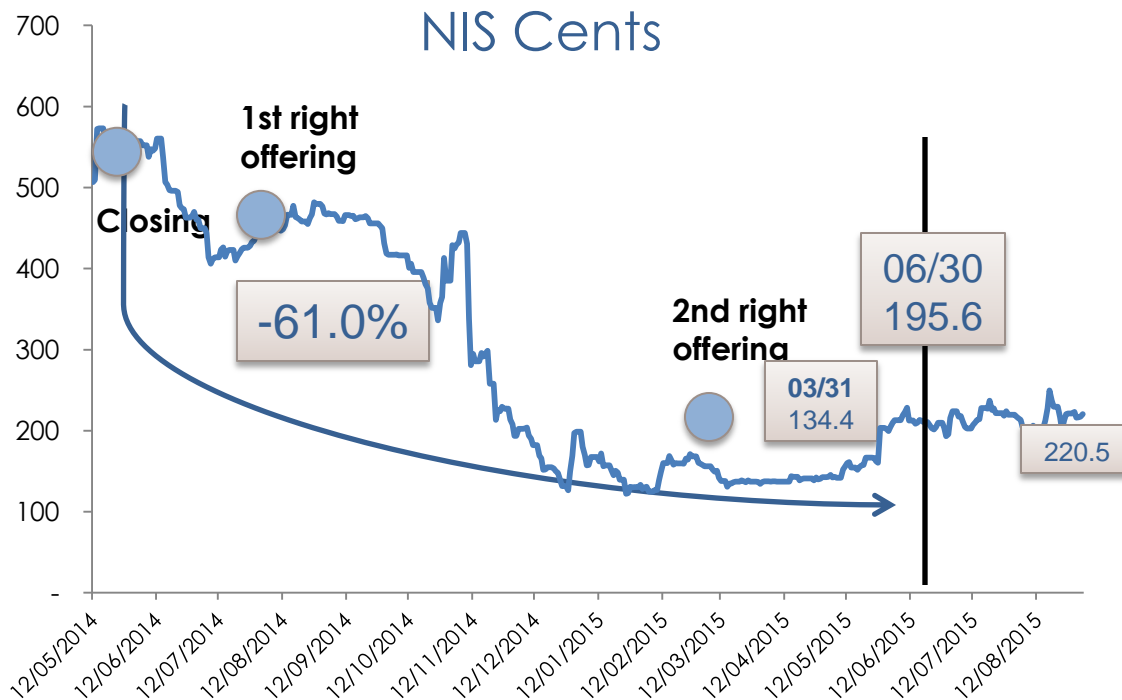
o Dolphin & IFISA **exercise the warrants Series 4** issued by IDBD for **NIS 150 MM**. IFISA increased stake to 17.7% and ETH diluted to 14.0%

o We are expecting the resolution of an arbitration proceeding with ETH for the next days

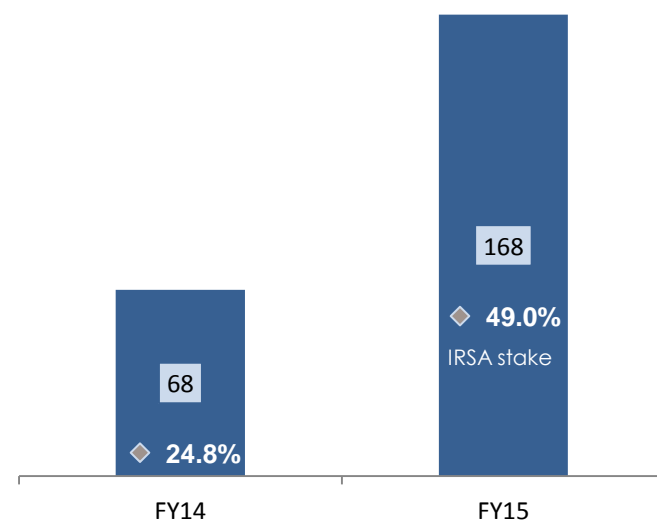
o **IDBD Results on IRSA FY15**: Loss of **ARS 381.7 million** (vs FY14 Loss of -771.7 & Loss of ARS 944.6 million in 9M15)

| Investment & future commitments           | Amount                   |
|---|--------------------------|
| <b>Amount invested by IRSA in Dolphin</b> | <b>~ USD 300 million</b> |
| Underwriting Commitments 2015             | NIS 200 million          |
| <b>Obligations</b>                        |                          |
| Tender Offer 2015                         | NIS 125 million          |
| Tender Offer 2016                         | NIS 131 million          |

## IDBD Share Evolution NIS Cents



## Market Value to IRSA USD Million







29.99%

## Results to IRSA: ARS 142.5 million

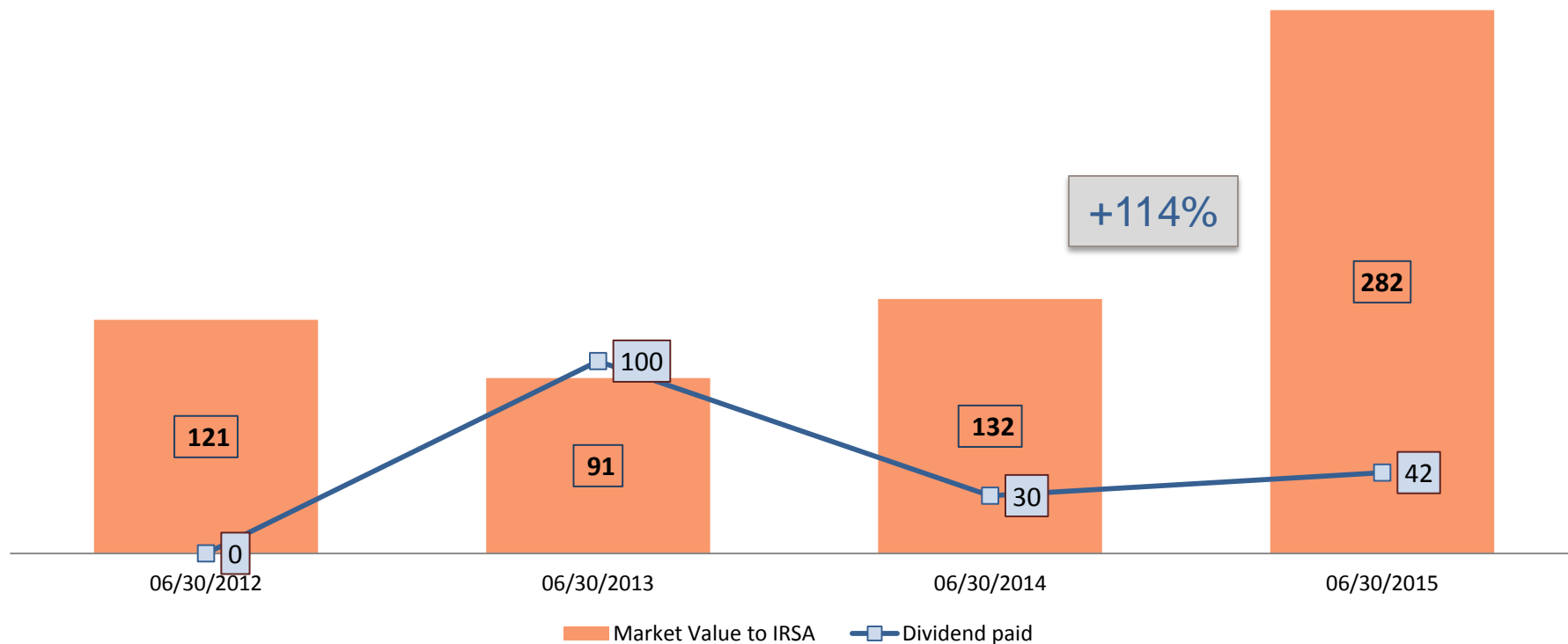
(vs. ARS 183.7 million in FY14)

Dividend paid on January for the total amount of ARS 42 million  
(ARS 12.6 million to IRSA)

## Market Value to IRSA & Dividend Paid

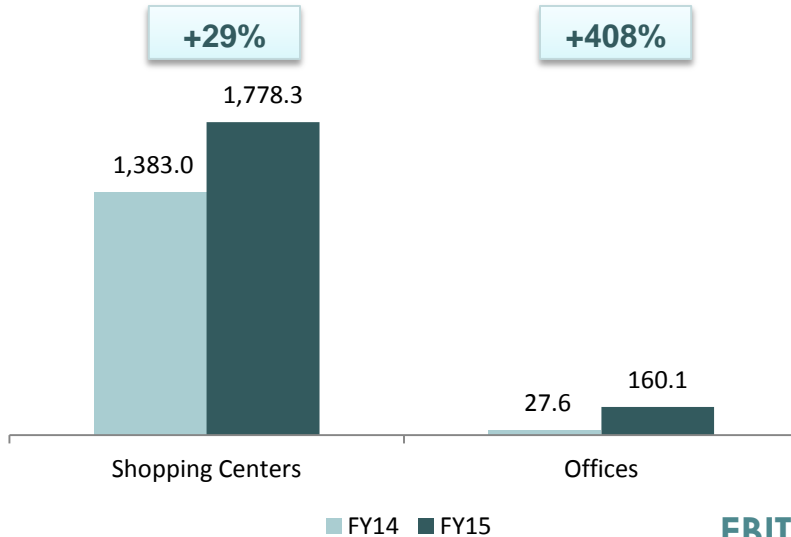
(USD million)

(ARS million)



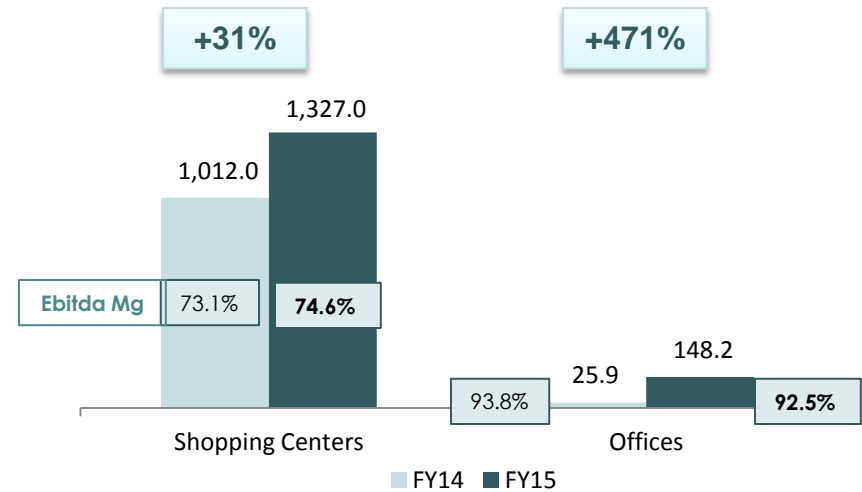
## Revenues by Segment

(ARS million)



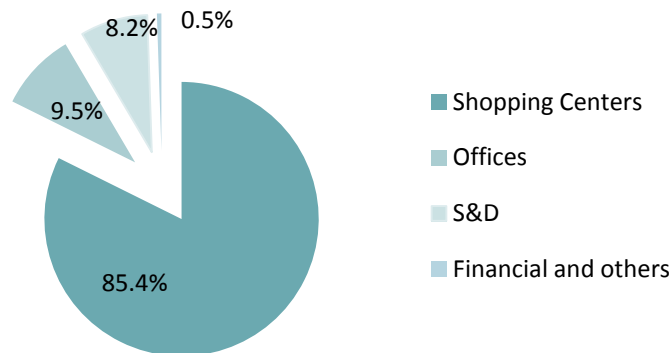
## EBITDA\* & EBITDA Mg by Segment

ARS million



## EBITDA Breakdown

%

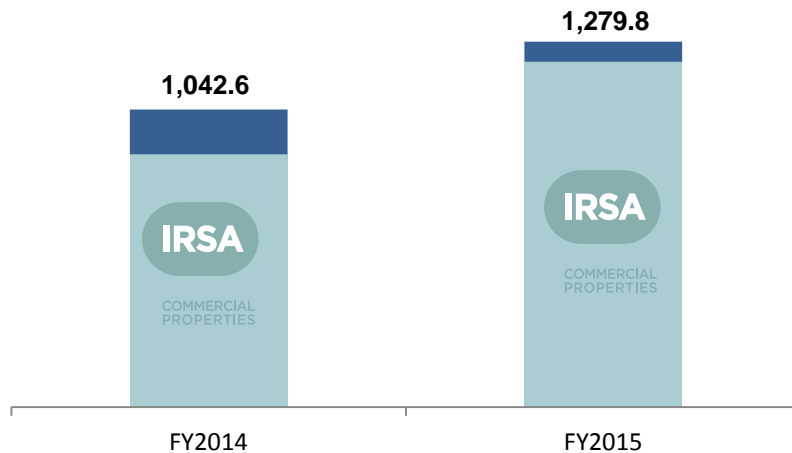


During FY15 IRSA CP paid dividends for a total amount of ARS 437 million (div yield 2.8%)

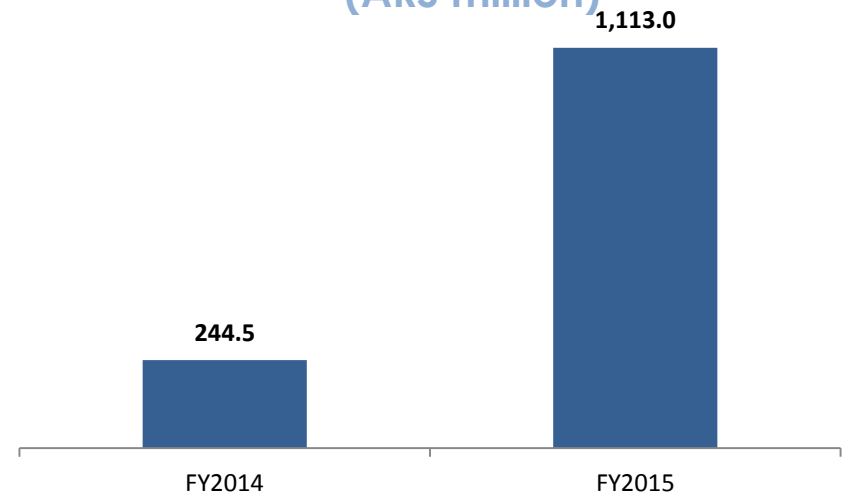
# Consolidated Operating Income by segment FY2015



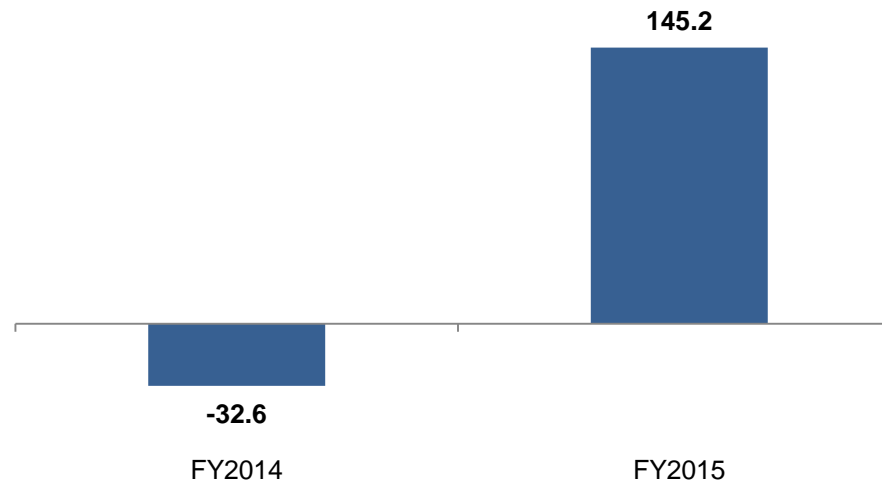
## Rental Segment (ARS million)



## Sales & Development (ARS million)

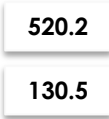


## Others (International & Financials – ARS million)





(ARS million)

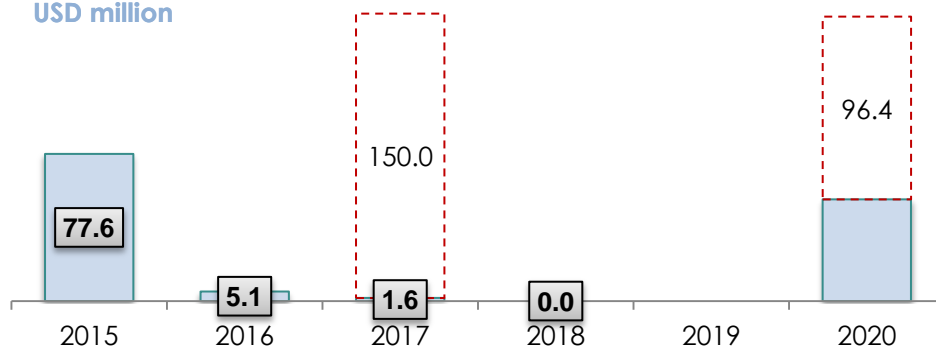


# IRSA's consolidated debt as of June 30, 2015

## IRSA Stand Alone

### Debt amortization schedule

USD million

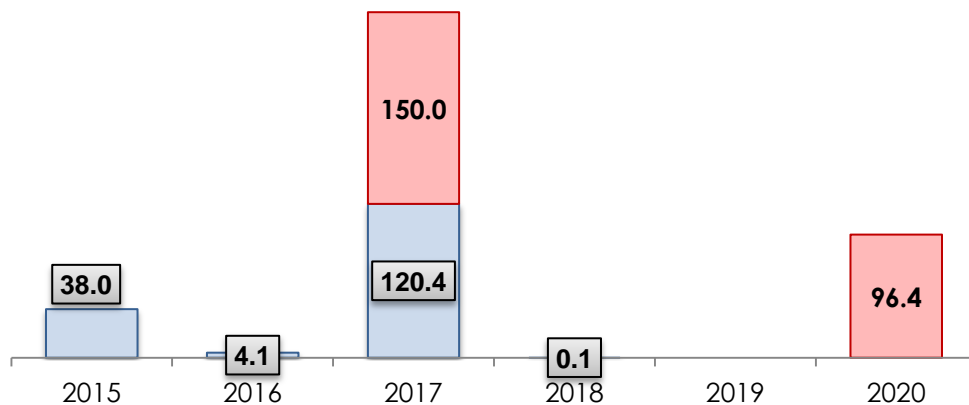


Debt: USD 84.3 MM + USD 300 MM (Bonds)  
 Cash: USD 10.9 MM  
 IRSA CP credit for USD 246.4 MM  
 Debt Repurchase: USD 9.4 MM  
 Net Debt: USD 117.6 MM

## IRSA Commercial Properties Stand Alone

### Debt amortization schedule

USD million



Debt: USD 409.0 MM  
 Cash: USD 33.4 MM  
 Debt Repurchase: USD 1.7 MM  
 Net Debt: USD 373.9 MM  
 EBITDA\* FY15: USD 175 MM  
 Net Debt/EBITDA\*: 2.1x

# Contact Information



**ALEJANDRO ELSZTAIN** – II VP  
**MATÍAS GAIVIRONSKY** – CFO  
Tel +(54 11) 4323 7449

**Corporate Offices**  
Intercontinental Plaza  
Moreno 877 24° Floor  
Tel +(54 11) 4323 7400  
Fax +(54 11) 4323 7480  
C1091AAQ – City of Buenos Aires – Argentina

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**Independent Auditors**  
**PricewaterhouseCoopers**  
**Argentina**

Tel +(54 11) 4850 0000  
Bouchard 557 7°  
C1106ABG – City of Buenos Aires  
Argentina

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Investing in all equities, including natural resources and real estate-related equities, carries risks which should be taken into consideration when making an investment.

This institutional presentation contains statements that constitute forward-looking statements, in that they include statements regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. You should be aware that any such forward looking statements are no guarantees of future performance and may involve risks and uncertainties, and that actual results may differ materially and adversely from those set forth in this presentation. We undertake no obligation to release publicly any revisions to such forward-looking statements to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements can be found in the companies' Forms 20-F for Fiscal Year 2014 ended June 30, 2014, which are available for you in our web sites.

