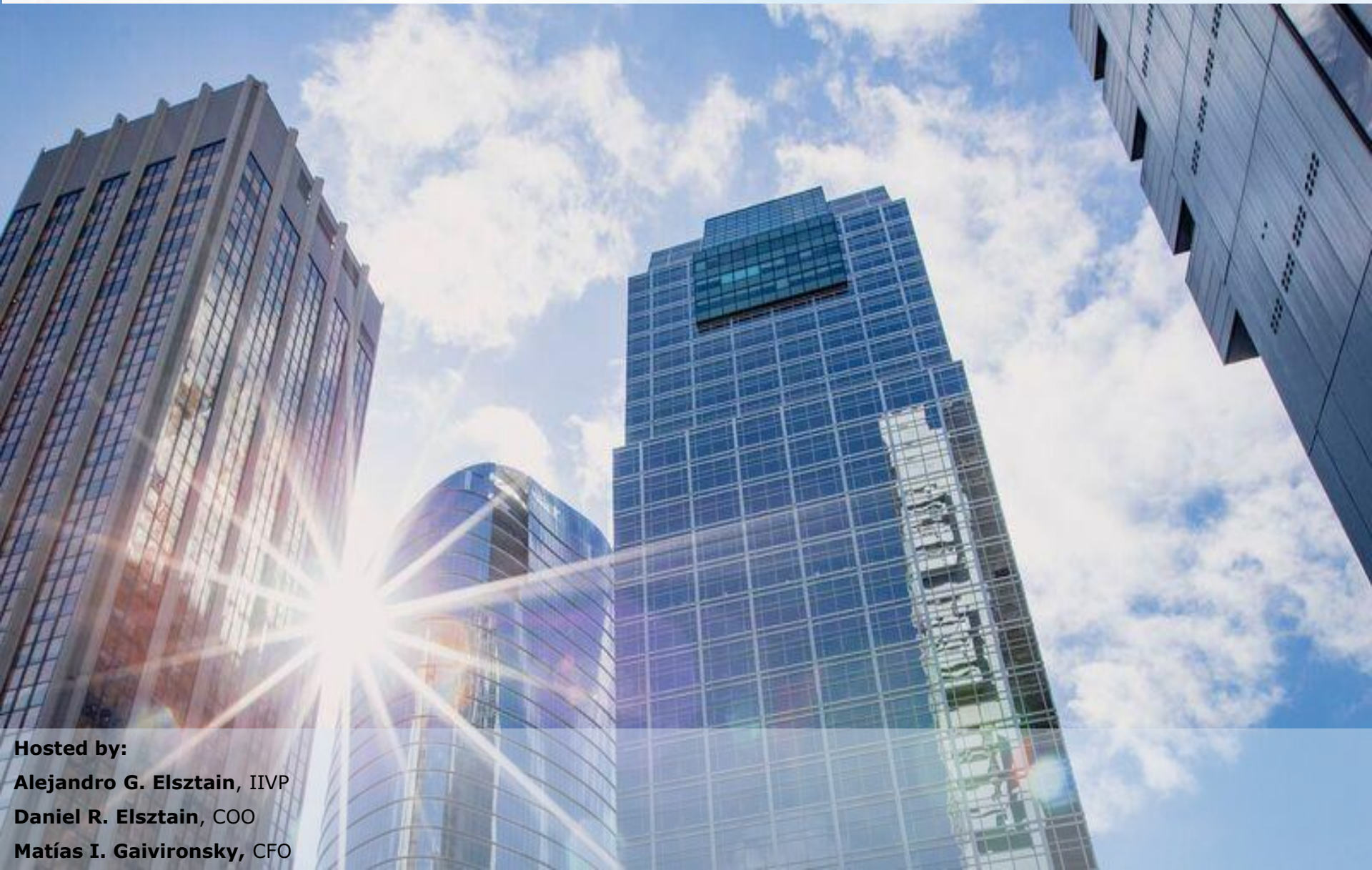


# FY 2016 Conference Call

September 9, 2016



**Hosted by:**

**Alejandro G. Elsztain, IIVP**

**Daniel R. Elsztain, COO**

**Matías I. Gaivironsky, CFO**

# Main Highlights for FY 2016 – Consolidated Basis



- We are presenting the 1st annual results consolidating IDBD

## Financial Consolidated Results FY16

- Revenues: **ARS 32,675 million** (ARS 4,446 million from Argentina & ARS 28,229 million from Israel)
- EBITDA: **ARS 6,178 million** (ARS 2,974 million from Argentina & ARS 3,204 million from Israel)
- Net Income: **Loss of ARS 1,872 million** (Gain of ARS 179 million from Argentina & Loss of ARS 2,051 million from Israel)  
*Attributable to IRSA Shareholders: Loss of 1,254 million*

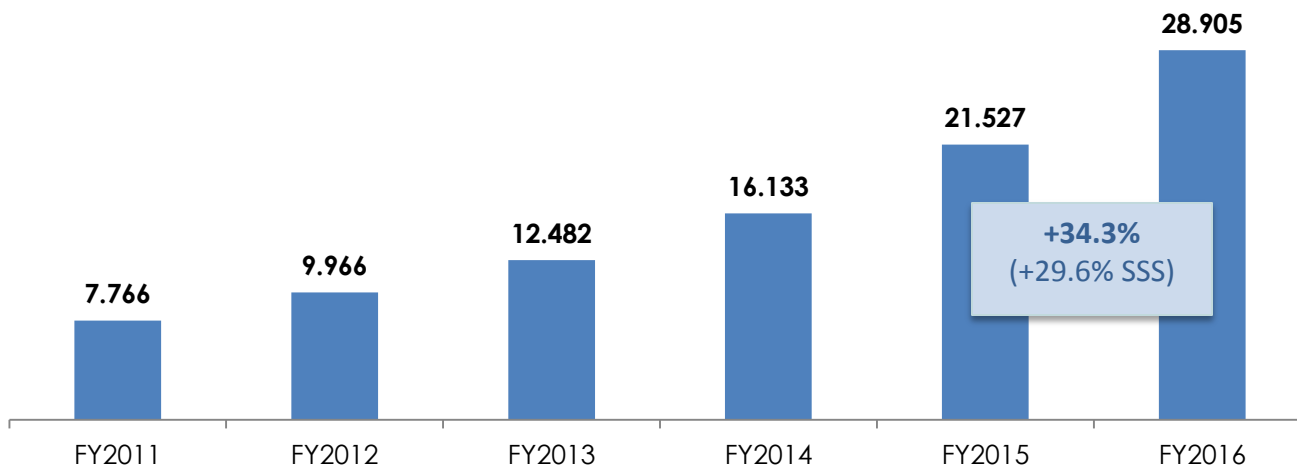
## Argentina Business Center

- IRSA sold **1.2%** of **IRSA Commercial Properties** this year reducing stake **from 95.80% to 94.61%**
- **Strong results** in the **rental** segment & **sales of investment properties** during FY16
- Developments to start in 2017: **Polo Dot, Catalinas & Alto Palermo Expansion**
- Allocation of company's structural debt at IRCP level due 2023
- IRSA issued **USD 184.5 MM** note at 7% and ARS 384.2 MM note at BADLAR + 299 bps due 2019 **to cancel existing debt**

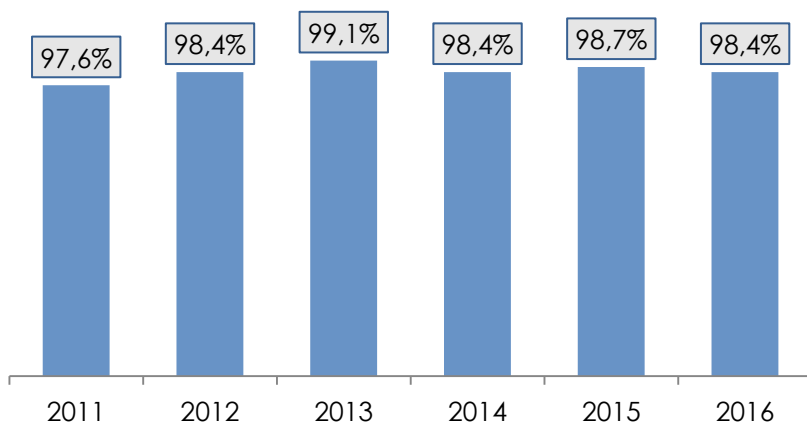
## Israel Business Center

- Modification of the Tender Offer obligations and payment during march 2016 – Desliting
- As subsequent events, IDBD subsidiary DIC accepted a good **offer from ChemChina to sell its 40% stake in Adama**
- IDBD issued notes at **4.25% (+CPI)** due **2019** for **NIS 325 MM** to finance short term debt & note issuance

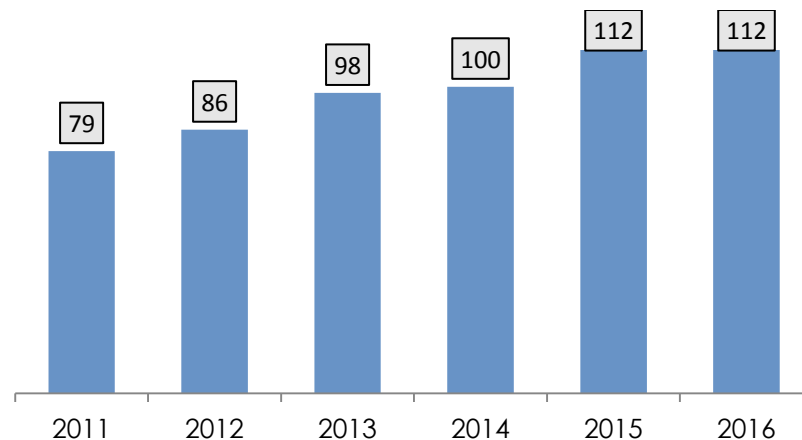
## Shopping Malls – Annual Tenants' Sales (ARS Million)



## Shopping Malls – Occupancy Rate (%)



## Shopping Malls – Annual Visitors (MM)

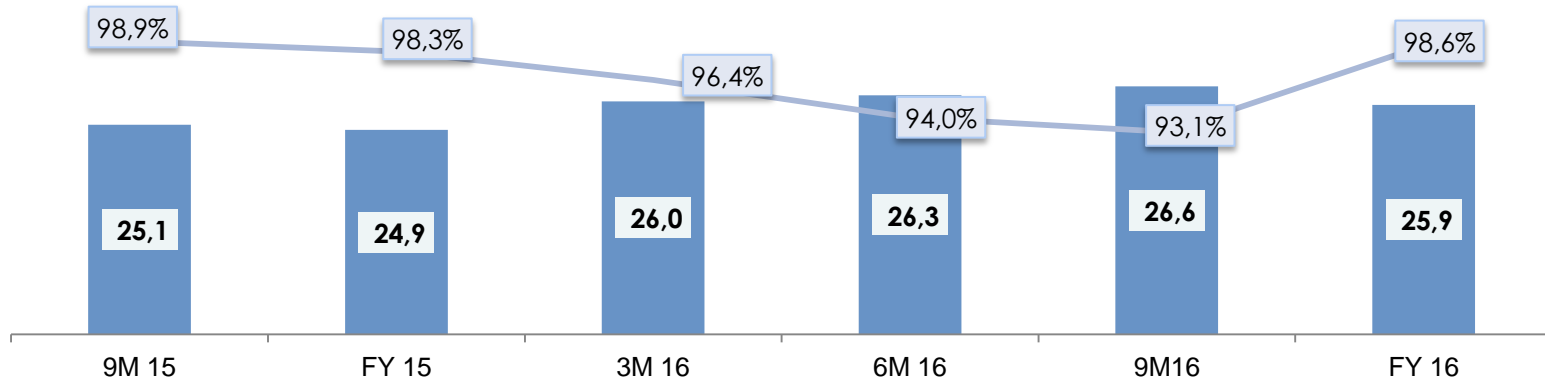


# Argentina Business Center - Office Buildings

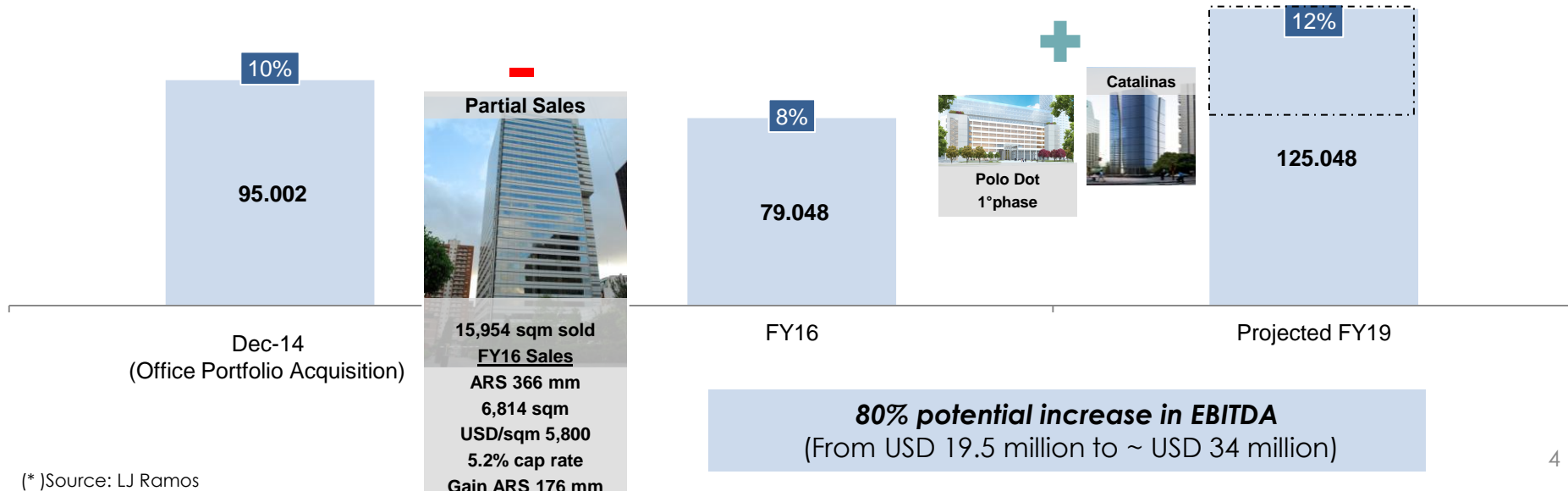
IRSA

COMMERCIAL  
PROPERTIES

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



## Offices – Stock (sqm) & Market Share (%) - A+ BA City (\*)



(\*) Source: LJ Ramos

# Argentina Business Center: Projects to start in 2017

Est.  
Opening

FY2018

## Alto Palermo Expansion (BA)

Investment: ~ USD 25 million

New GLA: ~ 4,000

Est.  
Opening

FY2019

## Polo Dot Office Building (BA)

Investment: ~USD 55 million

GLA: ~ 30,000 sqm

## Catalinas Office Building (BA)

Investment: ~USD 100 million

GLA: ~ 35,468

Est.  
Opening

FY2020

Dec-15: Sale to Globant 4 floors at ARS 180 MM + USD 12 MM

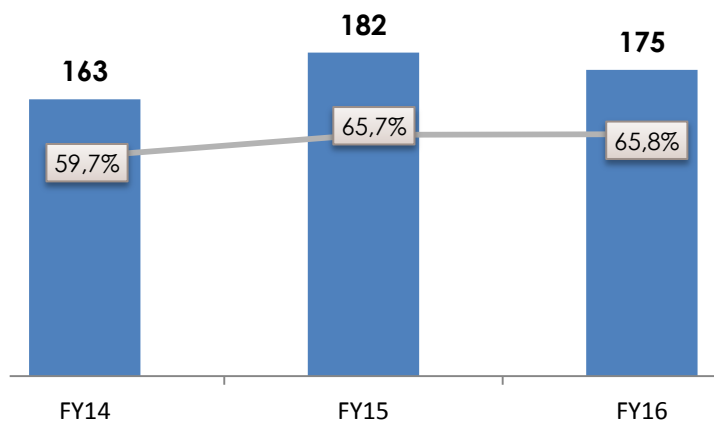
April-16 : Sale to IRSA CP of 16,012 sqm for long term lease

14,820 sam remained under IRSA for sale or lease (not defined)

# Argentina Business Center - Hotels



**Avg Price / room & Occupancy**  
(USD)

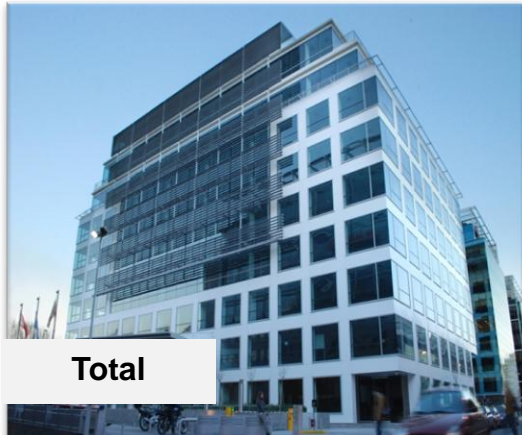


**Summary Main Figures**  
(FY 2016 vs FY 2015)



## Sale of Investment Properties (FY 2016)

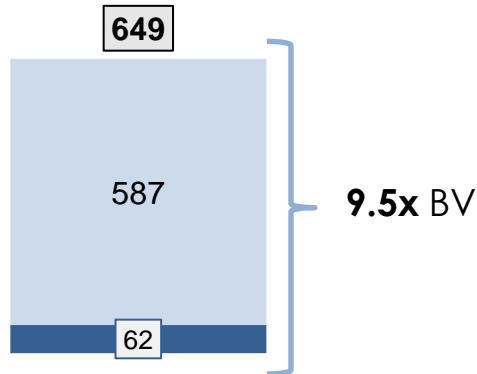
**“Dique IV” Office**  
(Puerto Madero - BA)



Total

11,242 sqm

ARS  
million

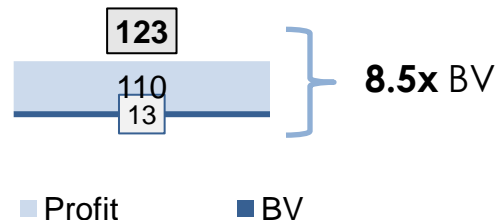


**“Maipú 1300” Office**  
(Retiro – BA)



Partial

3,451 sqm

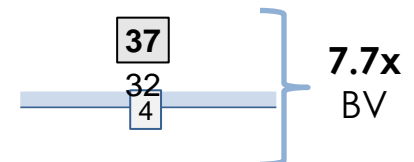


**Isla Sirgadero Plot**  
(Santa Fe Province)



Total

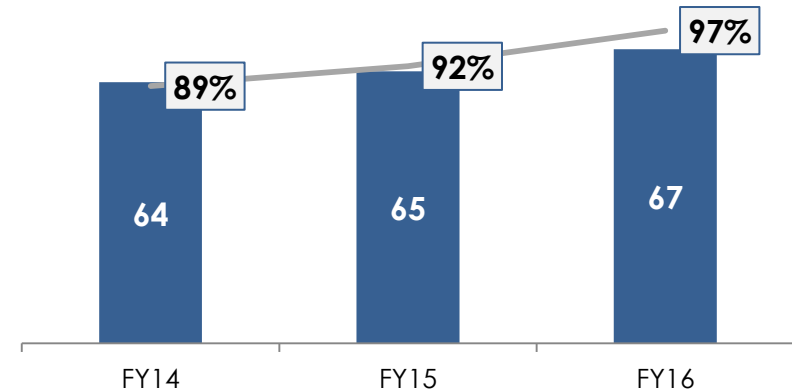
826 ha



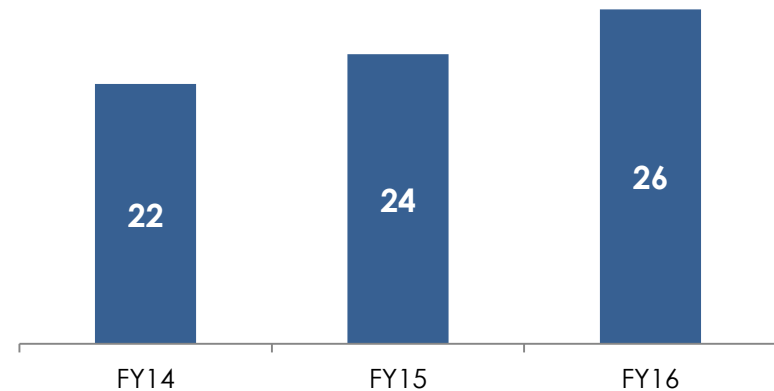
## Lisptick Building



### Leases USD/sqm & Occupancy %



### NOI (USD million)





## New Preferred Shares Serie D issued on Mar-16

(Redemption of preferred A&B on April 2016)



New partner inject **USD 30 MM**



Change its preferred C (USD 30 MM) for D  
+ accumulated dividend unpaid  
VP: From 34% to 49%

Preferred Dividend paid quarterly (6.25% annual) – Last one paid on June 2016

Company' Strategy: Selective hotel sales and replace with better margin & scale hotels

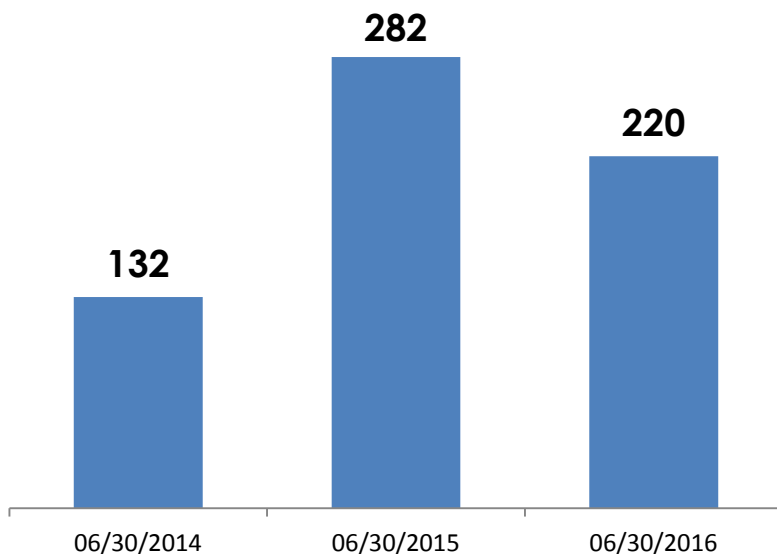
Next Steps: Follow on to finance future growth



IRSA stake: 29.91%

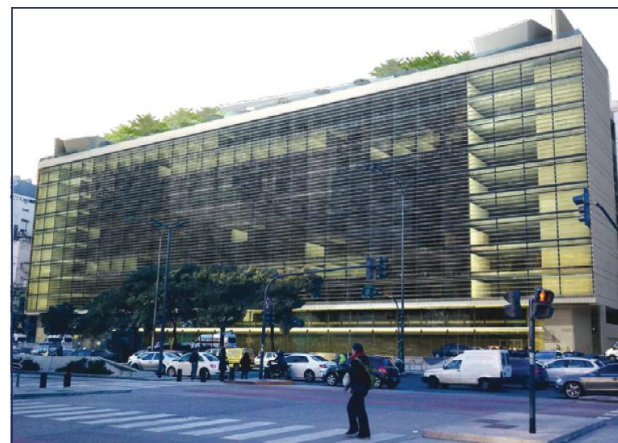
**Results to IRSA FY16: ARS 257.0 million**  
(+ 80% vs. FY15)

## Market Value to IRSA (USD million)



## Acquisition of “Del Plata” office building

*An emblem of the historical memory of the city.*



*Located on the most important avenue, in front of the Obelisc and with a prominent public transport infrastructure aside.*

❖ IRSA acquired this year an additional 6.1% stake of BACS and exercise its convertible bonds.

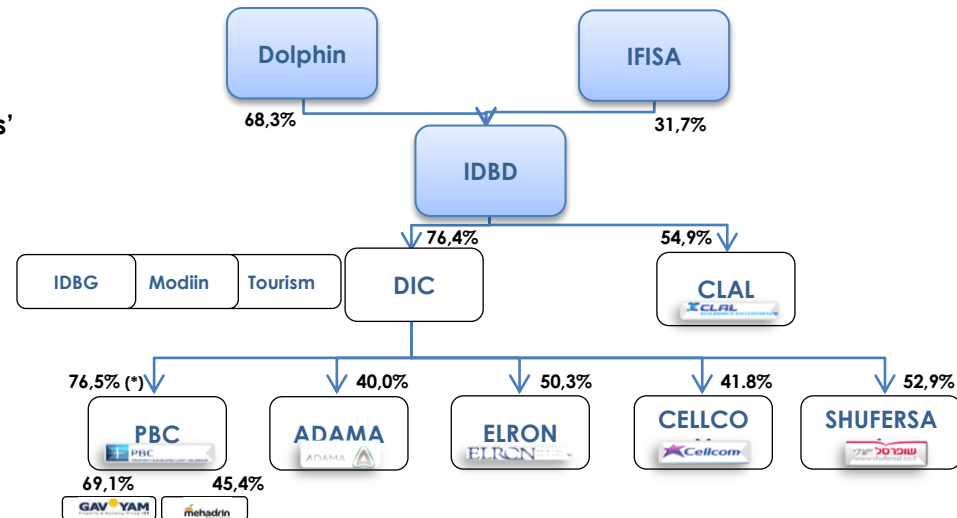
❖ Pro forma shareholders structure is 40% IRSA, 60% Banco Hipotecario

As of June 30, 2016 IRSA controls, through Dolphin, 68.3% of IDBD – Amount invested USD 515 million

## IDBD at a Glance

- Largest and most well diversified Conglomerate in Israel
- Controller of Israel's **largest telecommunications'**, **agrochemicals'** and **supermarkets'** company.
- Controller of PBC, **leading real estate & farming company** in Israel
- Controller of the **2<sup>nd</sup> insurance company** in Israel
- Operational Subsidiaries' Listed on Tel Aviv Stock Exchange

## Ownership Structure as of March 31, 2016



## Main Events FY16 and subsequent

- Appointment of acting CEO & CFO for IDBD and DIC
- Mar-16: Renegotiation of Tender Offers - Float acquisition + Deslisting (last price NIS/share 2.14) – Bonds still outstanding on TASE
- Offer acceptance to sell 40% of ADAMA for USD 230 million in excess of total loan cancellation
- IDBD & DIC debt issuance at 4.25% (+CPI) & 5.70% due 2019 & 2023 respectively (subject to approval Clal's shares pledge on IDBD note)

(\*) 12% has been sold after March, 31 2016



## • LEADING REAL ESTATE COMPANY

- 1.1 million sqm of income production properties in Israel
- 1,200 residential units in Israel
- Owns HSBC building in NYC & 50% of Tivoli Mall in Las Vegas
- 45% stake in Mehadrin, leader citrics exporter in Israel
- Expand Series F debenture with a maturity of 10y at 1.86%



**Consolidated**



## • ISRAEL'S LARGEST FOOD RETAILER

- > 275 stores
- > 512,000 sqm
- > 18 commercial properties 46,000 sqm
- > 3 big warehouses 85,000 sqm

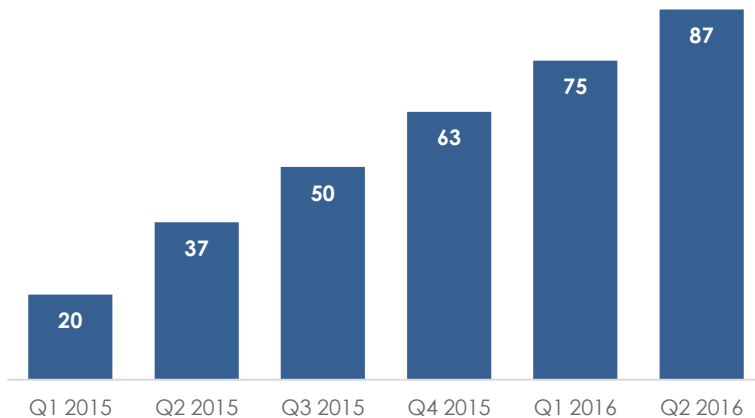


**Consolidated**



- Israel's leading mobile communications operator
- More than **2.8 million subscribers**
- An estimated **market share of 27%**

TV Costumers (Th.)

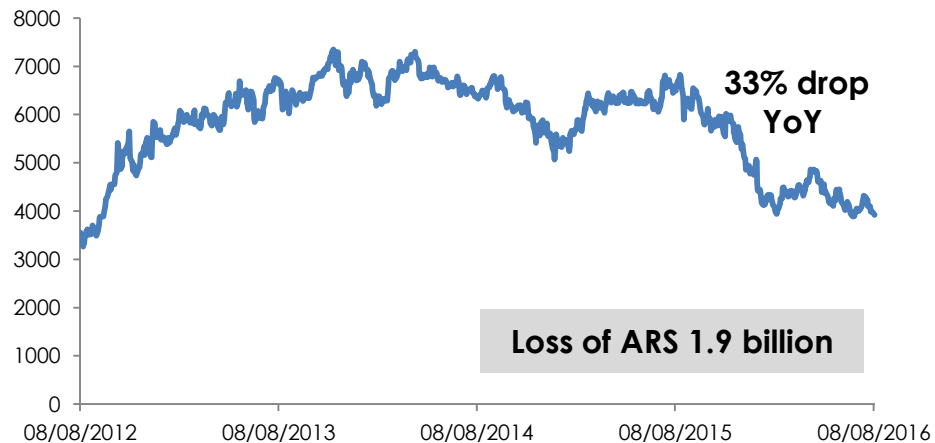


Consolidated



- Israel's leading insurance, pension and finance group
- Over **USD 43 billion** assets under management
- Market share of **15-20%** (life & non life & health)

CLAL Share Price – NIS



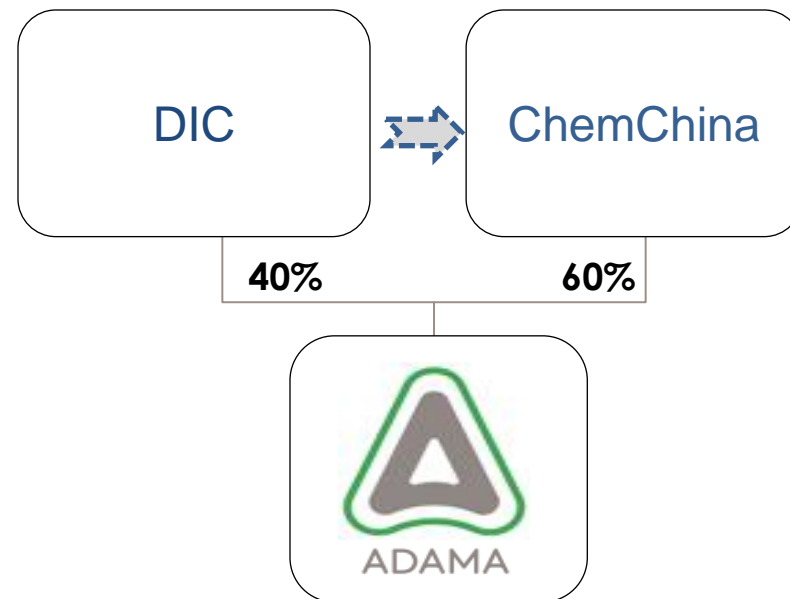
Market Value

# Israel Business Center: Offer acceptance to sell ADAMA

## Sale Agreement – August 2016

- *DIC signed an agreement to sell its 40% stake in Adama to ChemChina*
- *Price: **USD 230 million** in excess of the total loan cancelation for USD 1.17 billion*
- *Transaction is expected to be done by **October 31, 2016***
- *DIC's net cash flow is ~ **NIS 800 millions***

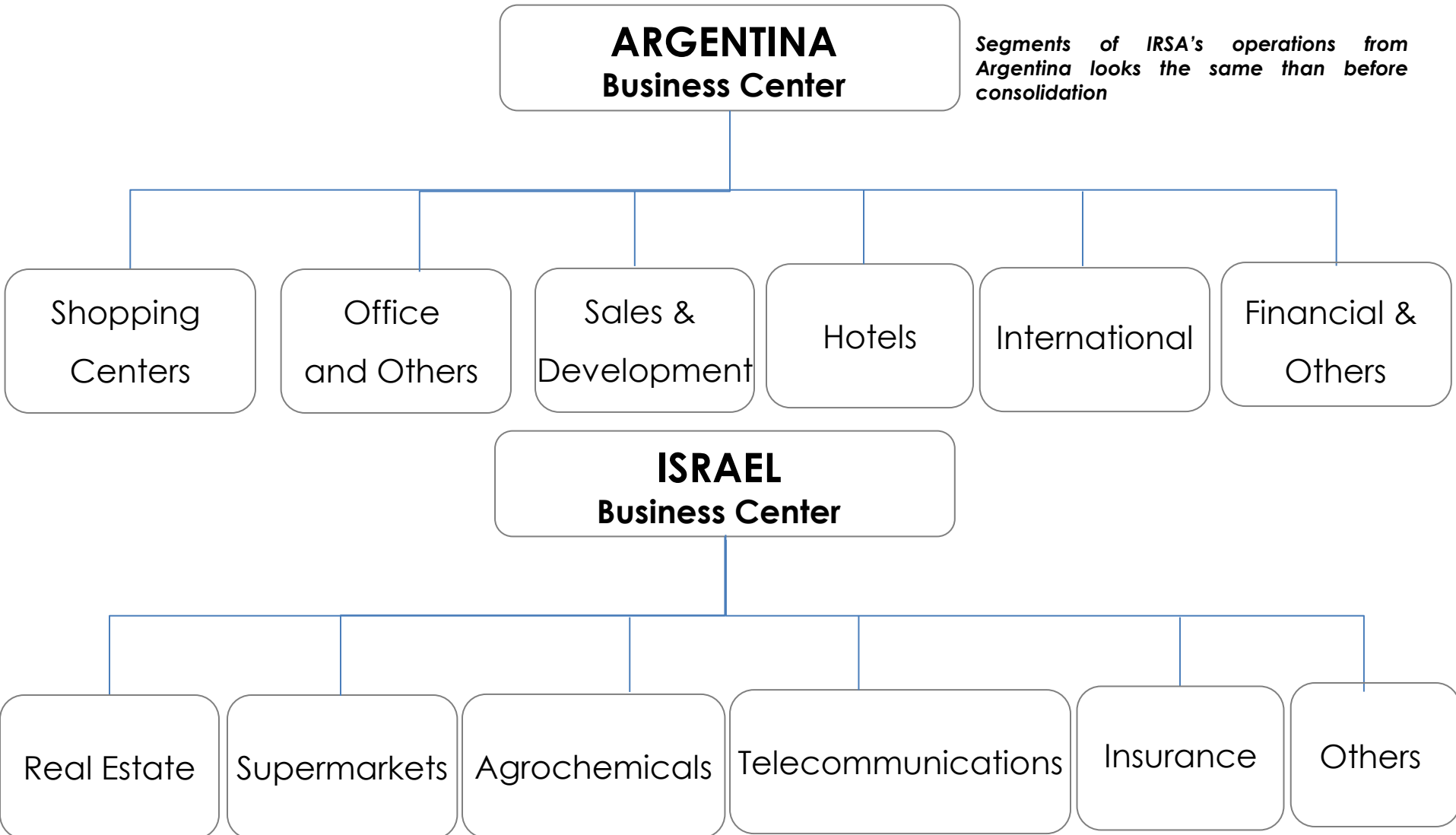
## Ownership Structure



# Financial Results

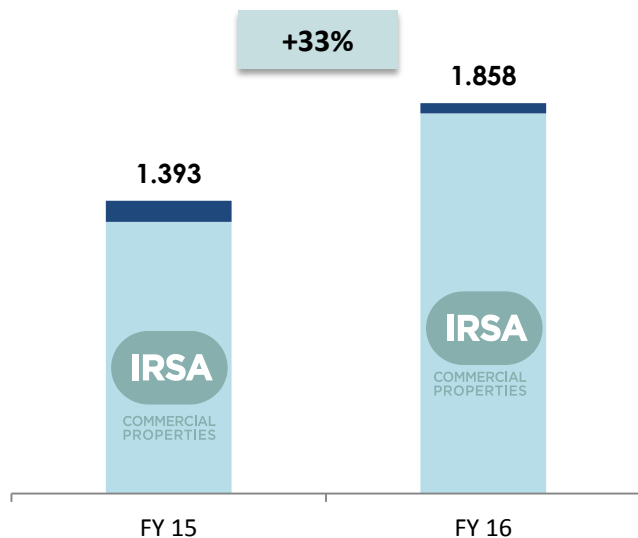


- Segments of IRSA looks separately as follows...



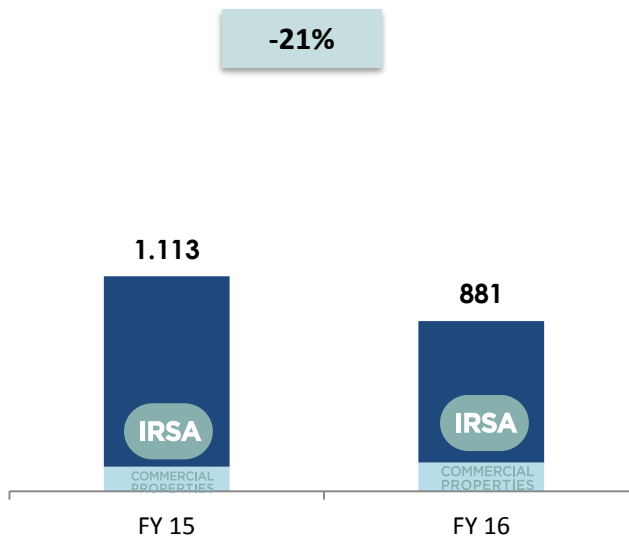
# Argentina Business Center: Operating Income by Segment FY16

## Rental Segment (ARS million)



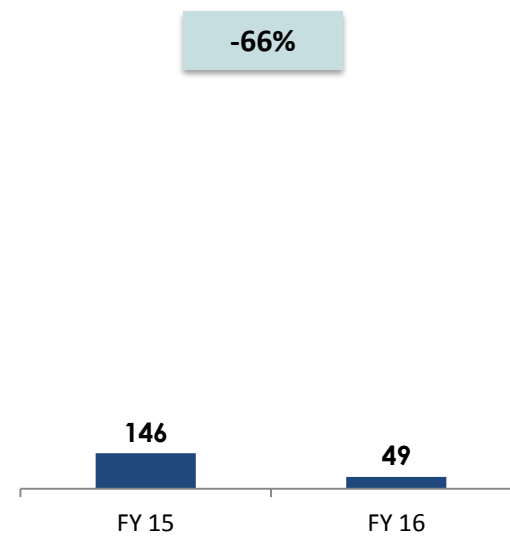
(Shoppings, offices<sup>(\*)</sup> + hotels)

## Sales & Development (ARS million)



(Sales & Development)

## Financial & Others (ARS million)

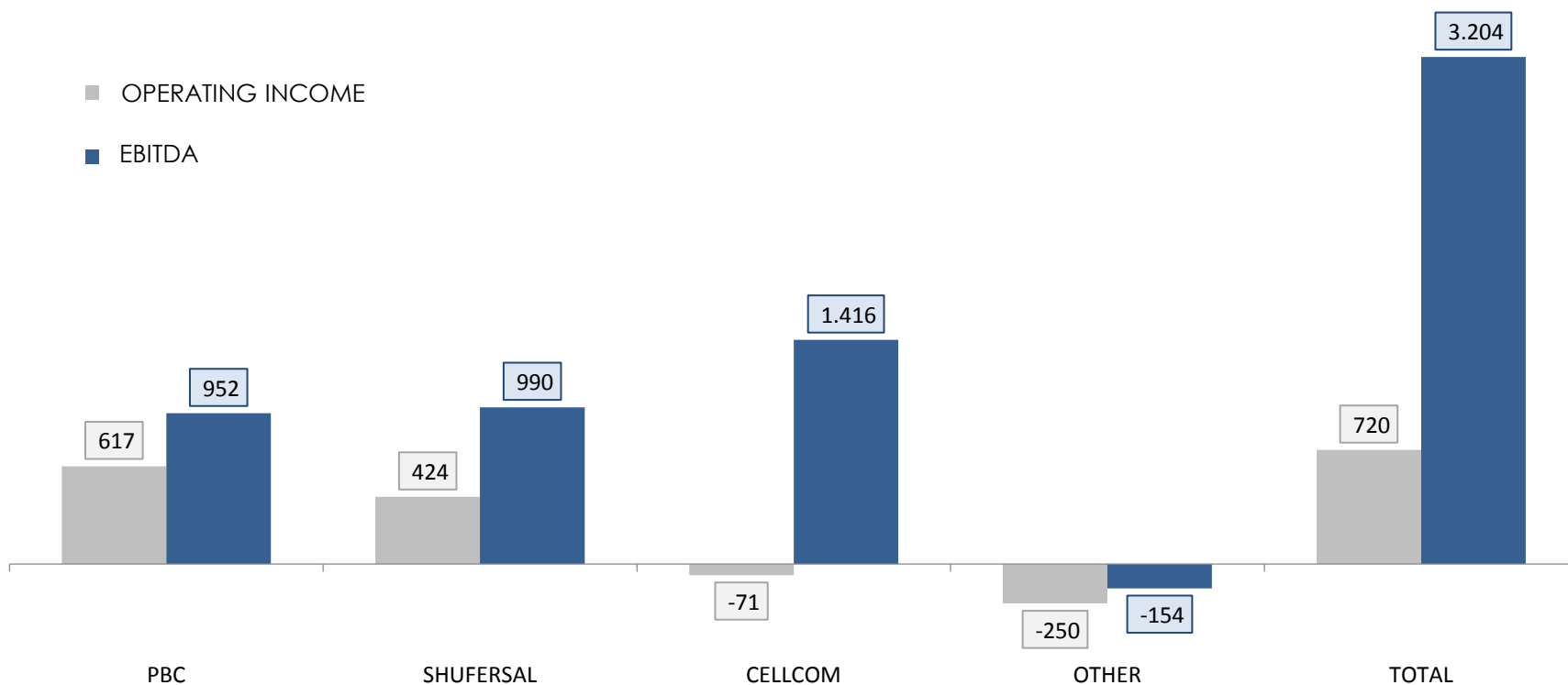


(International + Financials)

(\*) Excludes stamp tax expenses incurred in the transfer of assets

# Israel Business Center: Operating Income by Segment 6M (Oct-15 to Mar-16)



In ARS million



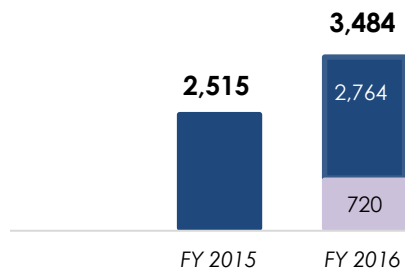
## Consolidated Subsidiaries



# Consolidated Financial Results FY 2016 – ARS MM

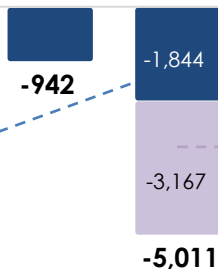
 Argentina Business Center  
 Israel Business Center

## Operating Income



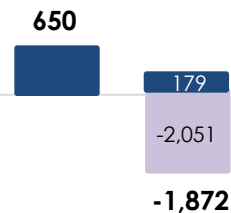
## Net Financial Results

**Net Financial Results**  
 Main Effects – FY2016



FV Clal 1,937  
 Net Financial costs 708

## Net Income



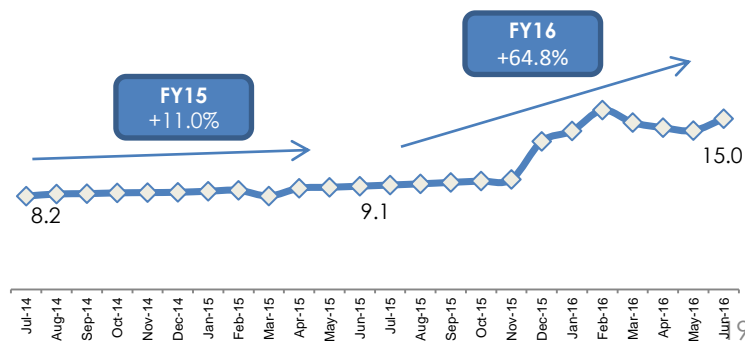
Controlling shareholders

-1,254

Non-controlling interest

-618

## Exchange Rate Evolution (ARS/USD)



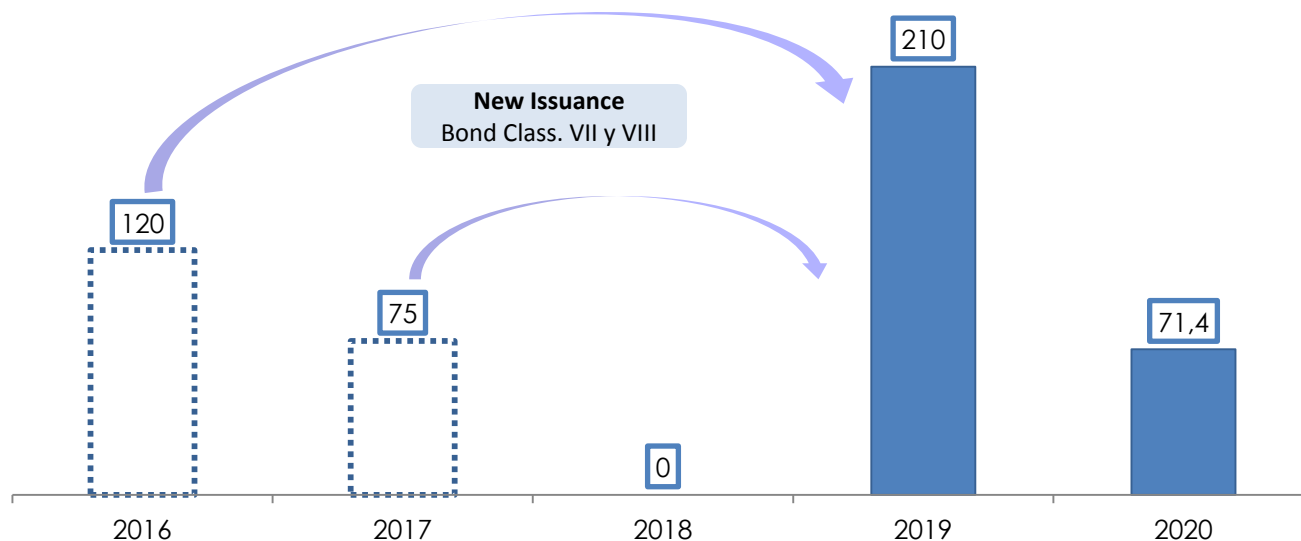
- Net Financial Costs: Loss of ARS 1,277 MM
- Net FX Losses: ARS 664 MM
- Other FV of financial assets: Gain of ARS 74 MM

# IRSA stand alone Debt as of June 30, 2016

Gross Debt: **USD 266.8 MM**

Net Debt: **USD 258.2 MM**

Debt Amortization schedule - Proforma  
(USD million)



**Sep-16:** IRSA issued **USD 184.5 million** note at 7% and ARS 384.2 million note at BADLAR + 299 bps due 2019 **to cancel existing debt**

# Israel Business Center: Debt as of March 31, 2016

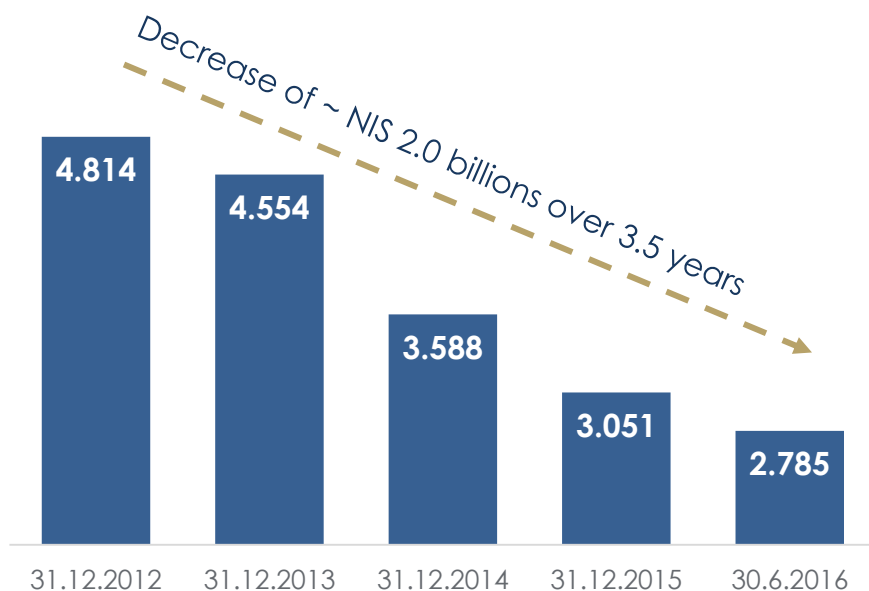
**Net Debt**

**Amount USD MM**

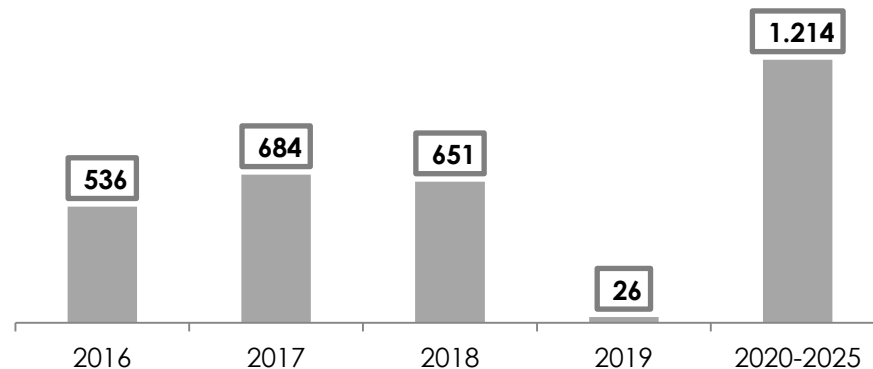
IDBD

692

## IDBD Debt decrease since IRSA Investment



## IDBD Debt Amortization schedule (NIS MM)



- As a subsequent event, IDBD issued notes at **4.25% (+CPI)** due **2019** for **NIS 325 MM** to finance short term debt
- The issuance is subject to the approval of a pledge on Clal's shares

# 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

NYSE Symbol: **IRS**  
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[www.irsacom.ar](http://www.irsacom.ar)

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

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

## Cautionary Statement

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 2015 ended June 30, 2015, which are available for you in our web sites.

