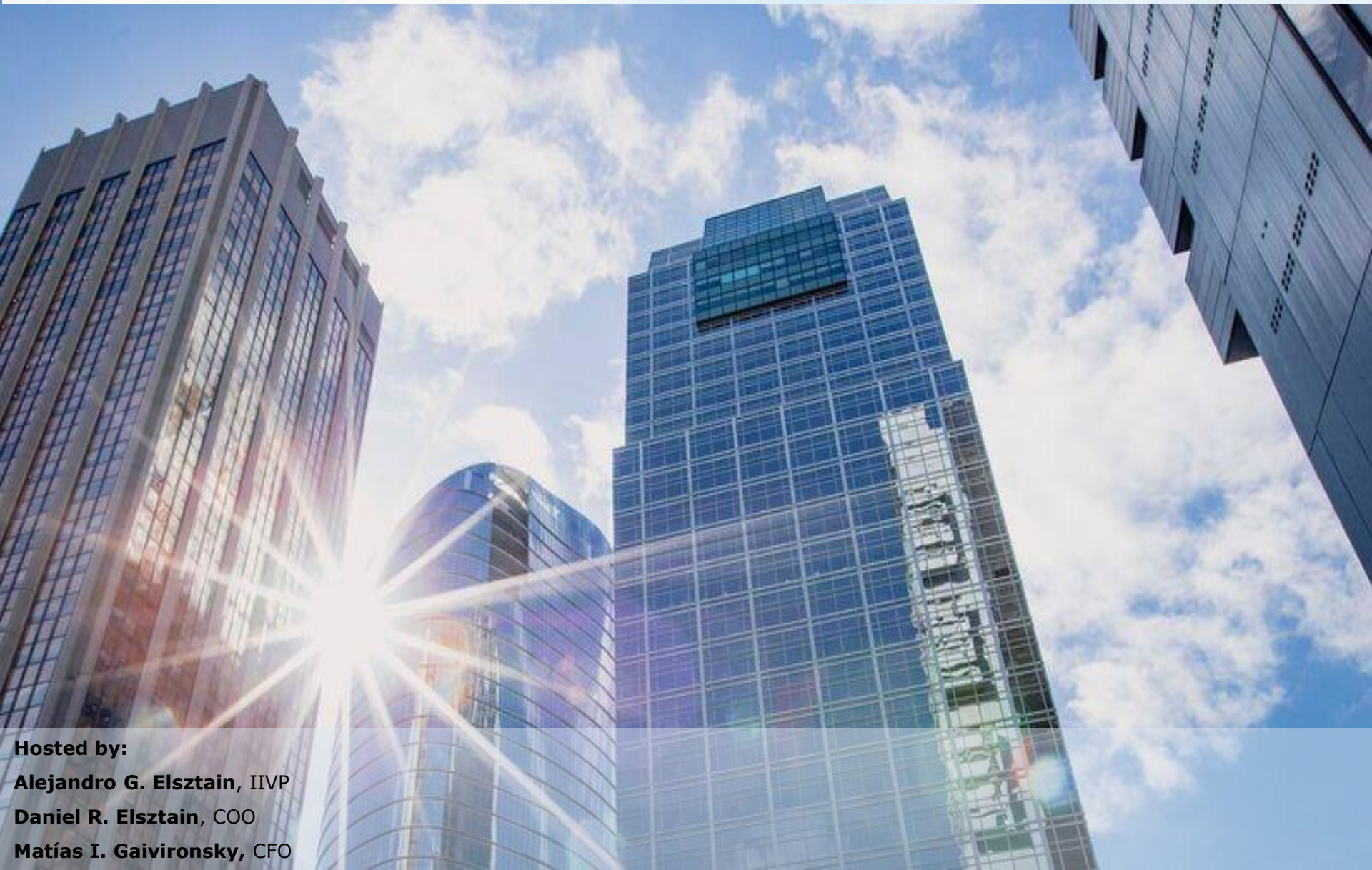


# IIIQ 2017 Conference Call

May 15, 2017



**Hosted by:**

**Alejandro G. Elsztain, IIVP**

**Daniel R. Elsztain, COO**

**Matías I. Gaivironsky, CFO**

# Main Highlights for 9M FY2017 – Consolidated Basis



The Company decided to **change the valuation method of the Investment properties** and will be reflected in our financial statements as of **June 30, 2017**

## Financial Consolidated Results 9M17

- Revenues: **ARS 55.2 bn** (ARS 4.2 billion from Argentina & ARS 51.0 billion from Israel)
- EBITDA: **ARS 7,5 bn** (ARS 1,8 billion from Argentina & ARS 5,7 billion from Israel)
- Net Gain: **ARS 3,8 bn** (Gain of ARS 727 MM from Argentina vs Gain of ARS 148 MM in 9M16 & ARS 3,0 bn from Israel)  
*Attributable to IRSA Shareholders: Gain of ARS 2,1 billion*

## Argentina Business Center

- Good results** in the **rental segment**. EBITDA for the Rental Segment grew by **31.8%** in 9M17 vs 9M16
- Lower results** from **sales of investment properties** during 9M17 compared to strong sales in 9M16
- Works in progress in **Polo Dot & Catalinas Office Building**

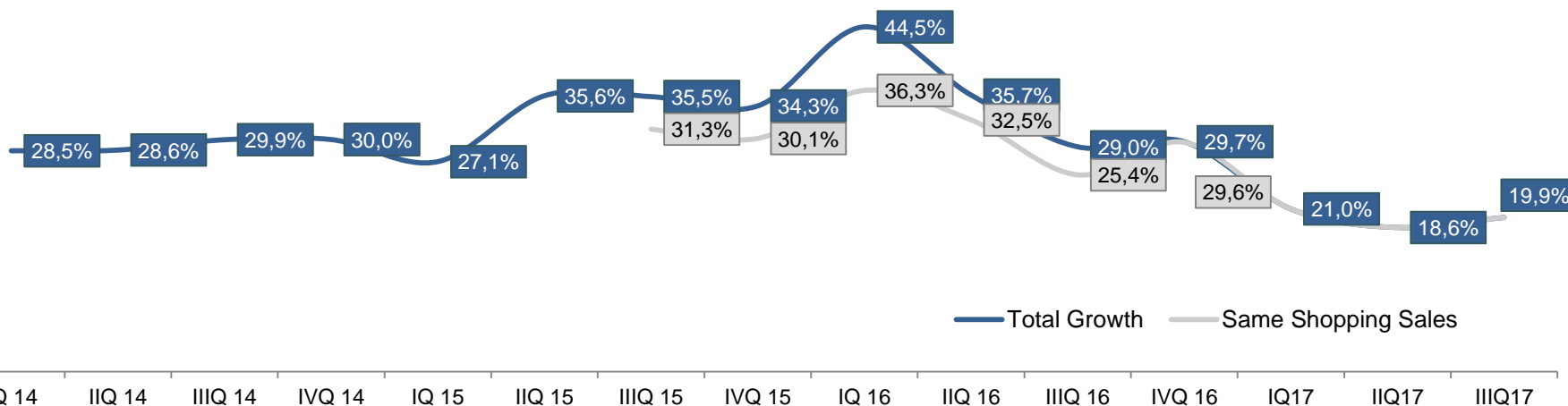
## Israel Business Center

- Strong results** due to **ADAMA sale** and **increase** in the **share price of Clal**, valued at market value
- Feb-16**: IDBD has issued notes in the israelí market for **NIS 1,060 million** due **2019** at a fixed annual interest rate of **5.40%** to **cancel existing debt**.

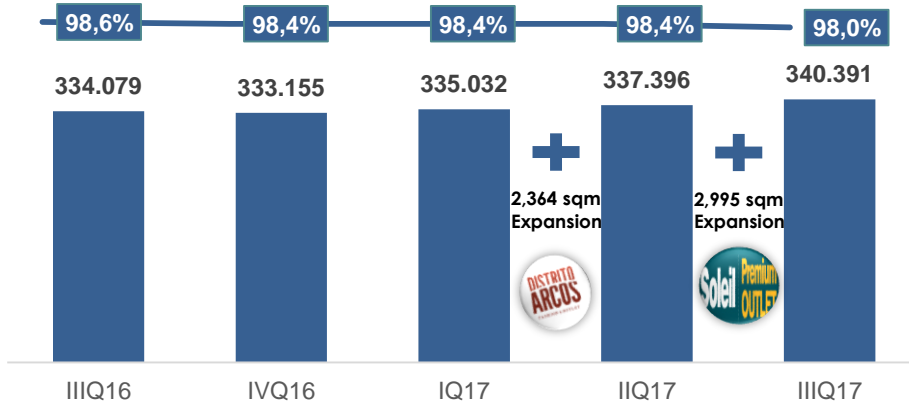
**IRSA**

COMMERCIAL  
PROPERTIES

## Shopping Malls – Tenants' Sales (Quarterly Growth Rate - %)



## Shopping Malls – Stock & Occupancy %



## Summary Main Figures (IIIQ 2017)

Stock (sqm)



Occupancy



Sales (ARS)



Visitors

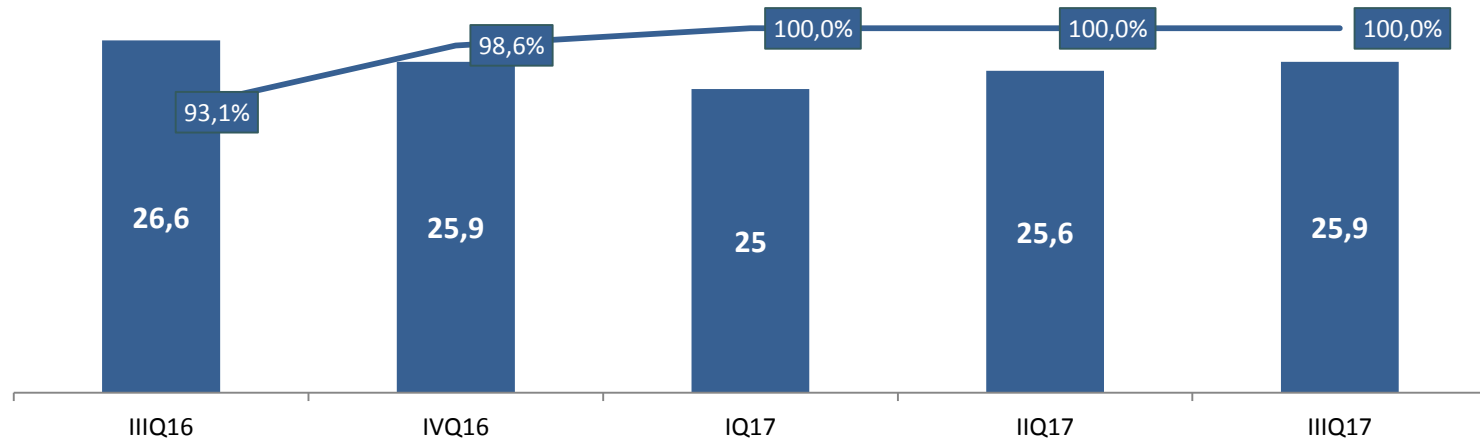


# Argentina Business Center - Office Buildings

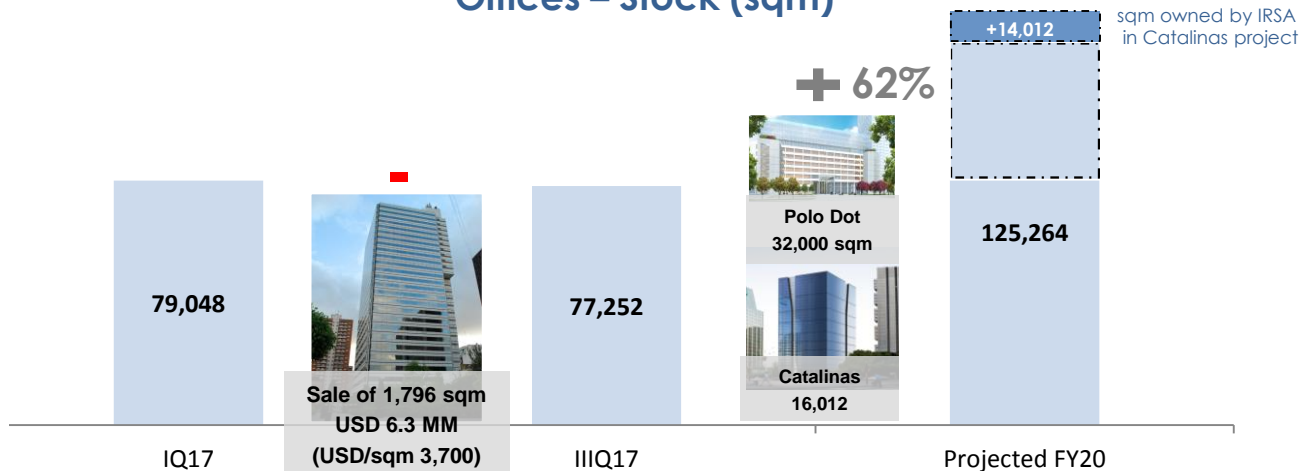
IRSA

COMMERCIAL  
PROPERTIES

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



## Offices – Stock (sqm)



**80% potential increase in EBITDA**  
(From USD 19.5 million to ~ USD 34 million)

Estimated **Market Share\***: 12%



# Argentina Business Center: Capex FY 2017

Capex 2017-2020: **USD 194.5 million** – Rental GLA will increase by **17%** to **~485,000 sqm**

## Construction Works (Current Picture)



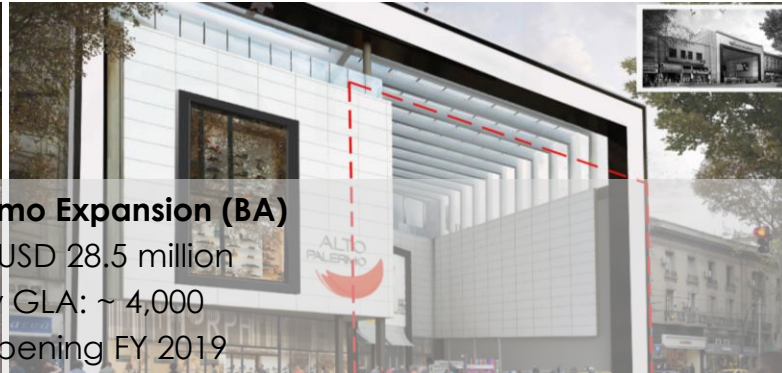
### Alto Palermo Expansion (BA)

Investment: ~ USD 28.5 million

New GLA: ~ 4,000

Est. Opening FY 2019

## Fully developed (future picture)

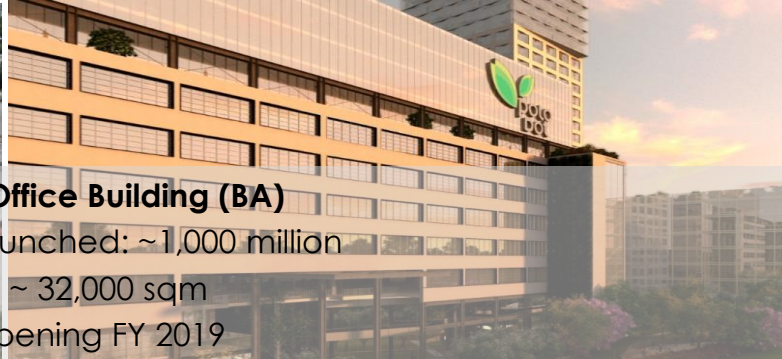


### Polo Dot Office Building (BA)

Investment launched: ~1,000 million

GLA: ~ 32,000 sqm

Est. Opening FY 2019



### Catalinas Office Building (BA)

Investment: ~USD 101 million

GLA: ~ 35,468 sqm

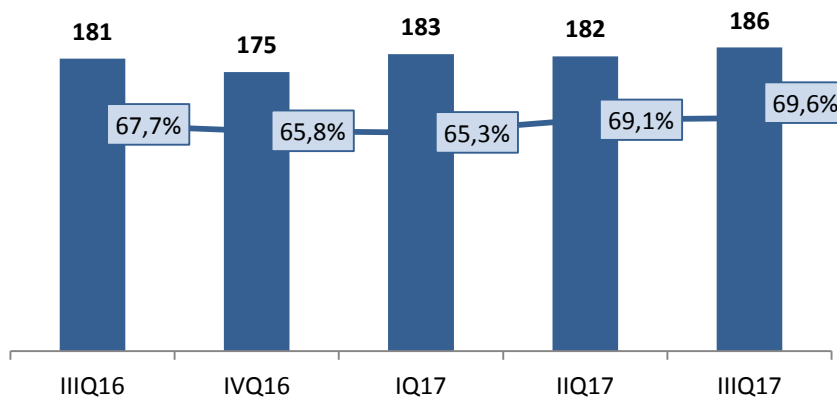
Est. Opening FY 2020



# Argentina Business Center - Hotels



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



**Summary Main Figures**  
(9M17 vs 9M16)

**Revenues**



ARS 568 MM (+39.9% vs 9M16)

**EBITDA**



ARS 49 MM (+63.3% vs 9M16)

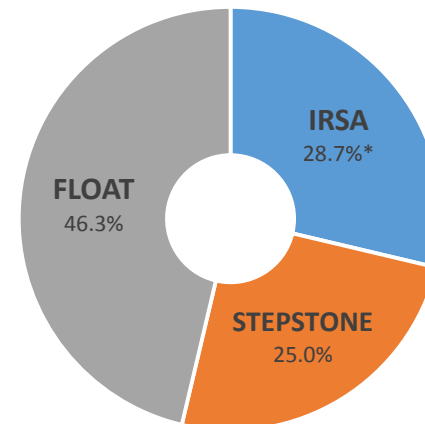




## Conversion of Preferred D to Common and Capital Increase

- On March 2017, Condor issued **4.7 million new shares** at a price of **USD/share 10.5**.
- On May 2017, Condor **extended a revolving credit line** from USD 90 million **to USD 150 million**.
- Proceeds from those transactions will be used to **refinance short term debt** and **keep acquiring hotels** in the US following its **fly to quality strategy**.

Common shareholders' structure  
(%)

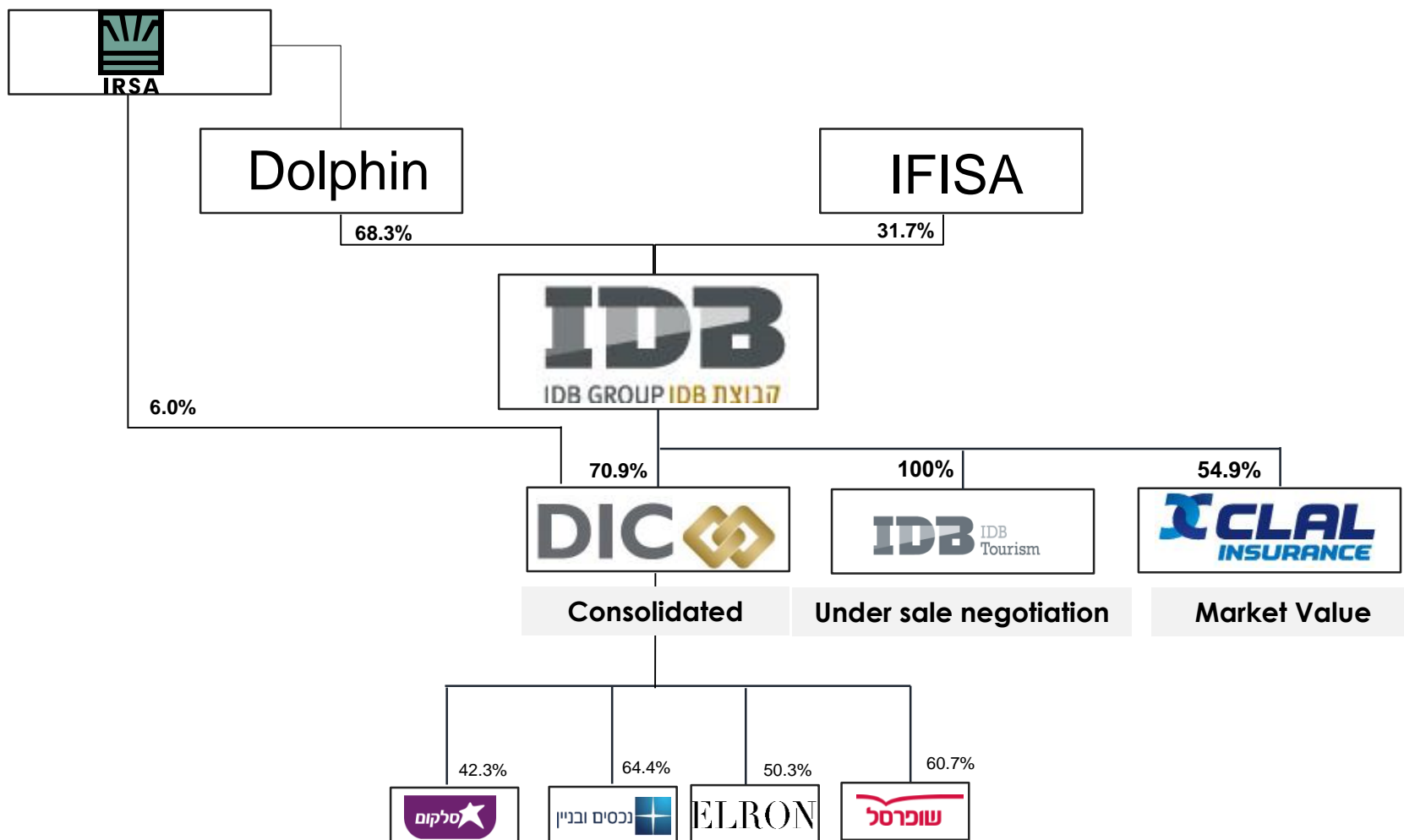


• Through a subsidiary controlled in a 66,3 %.  
In addition, IRSA indirectly holds warrants, a promissory note and preferred Serie E shares

# Israel Business Center: Investment in IDBD

## As of today:

- IRSA controls, through Dolphin, **68.3%** of IDBD
- IRSA owns **6.0%** of DIC (dilution from 8.8% stake as of March 31, 2017 due to exercise of warrants)



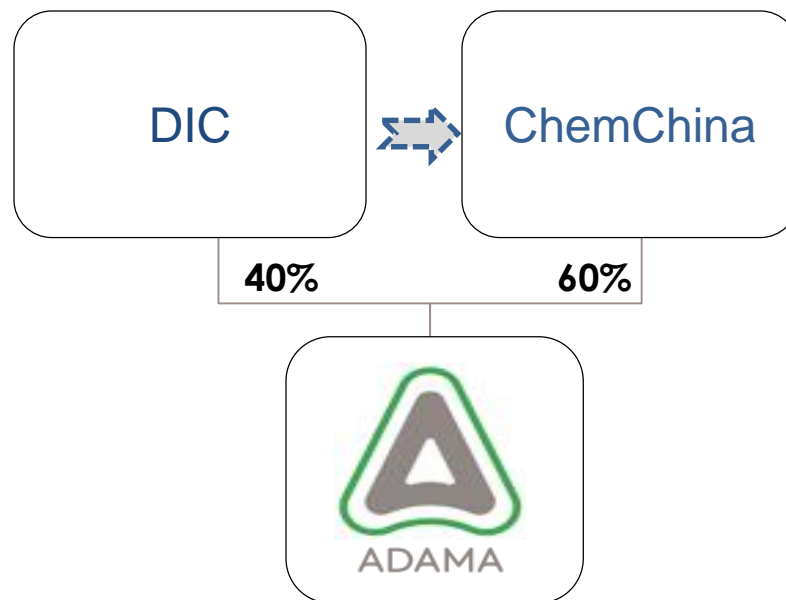


# Israel Business Center: Sale of Agrochemical ADAMA

## Transaction

- DIC **sold** its 40% stake in **Adama** to **ChemChina**
- Price: **USD 230 million** in excess of the total loan cancelation for USD 1.17 billion
- Transaction completed on **November 2016**
- DIC's net cash flow ~ **NIS 800 millions**
- **Gain recognized: ARS 4,2 billion at IRSA level**

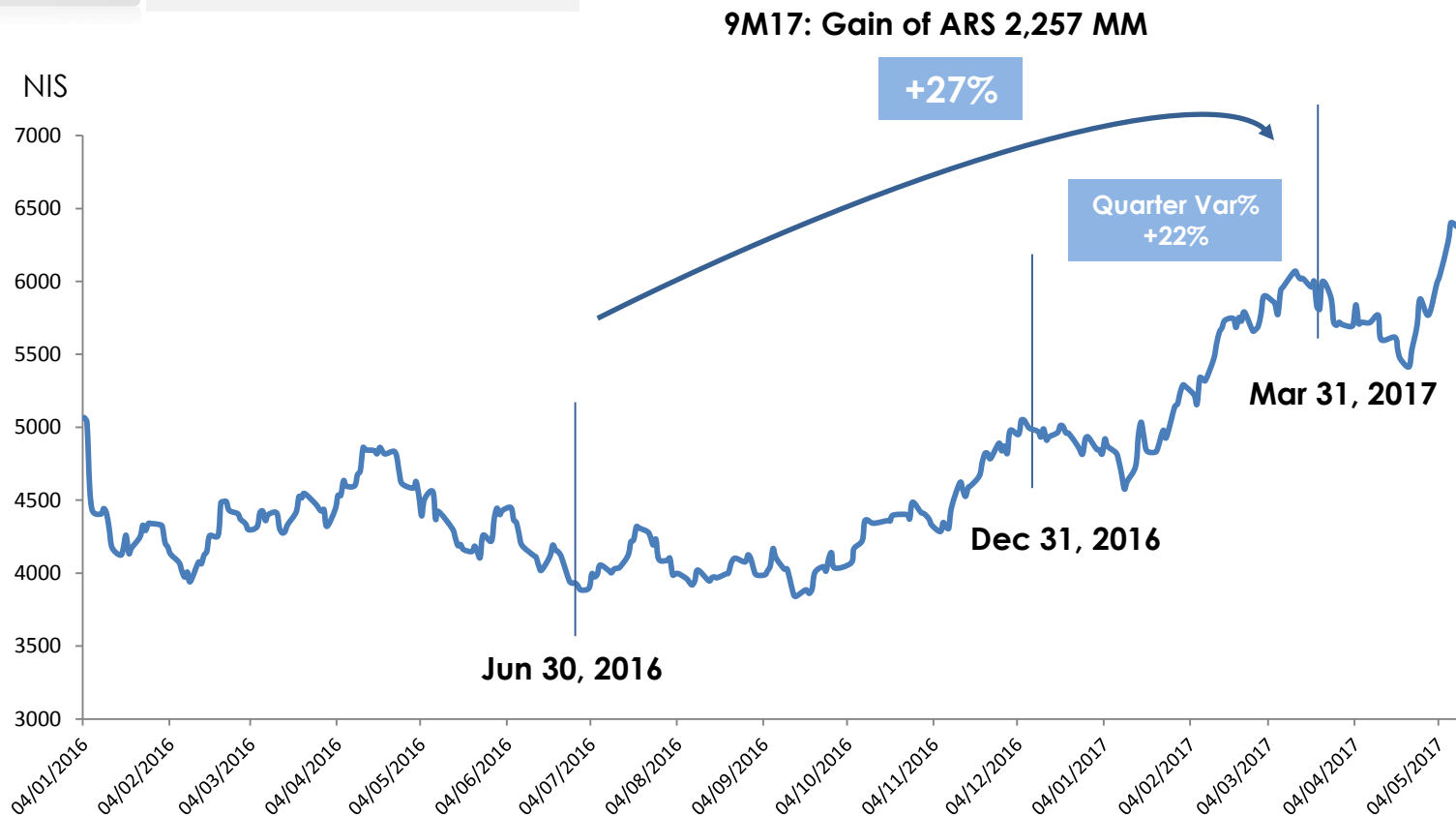
## Ownership Structure



# Israel Business Center: Clal' share price evolution



Valued at Market Value



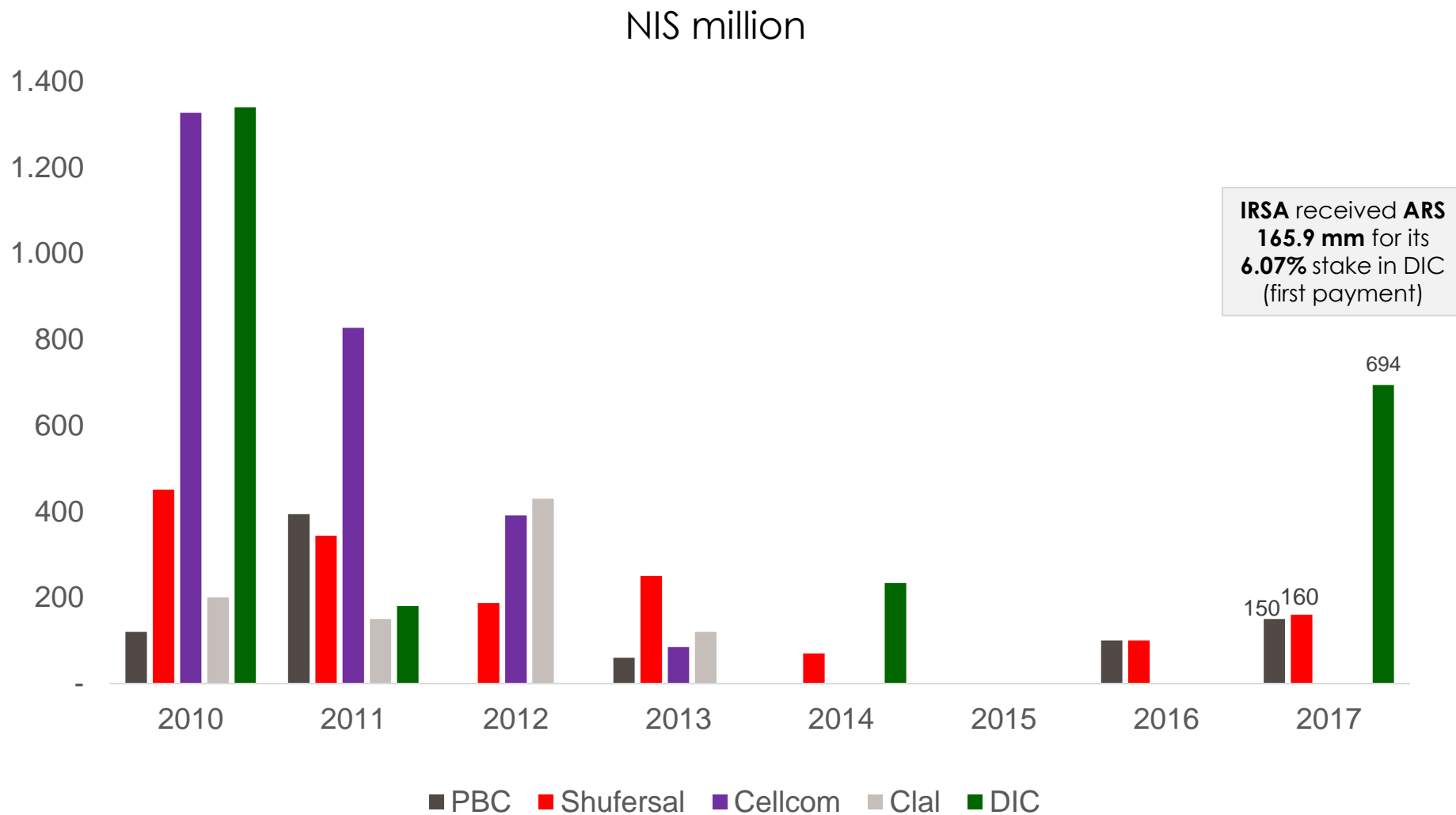
## May-17: Swap Agreement

IDBD has entered into a **swap agreement** for the **sale of 5% of the shares of Clal** with a banking institution.

IDBD will **receive** or **pay** the difference between the value of the sale of the shares and the value of the future sale of these shares in **24 months**.

Consequently, IDBD stake in CLAL reduced from 54.9% to **49.9%**

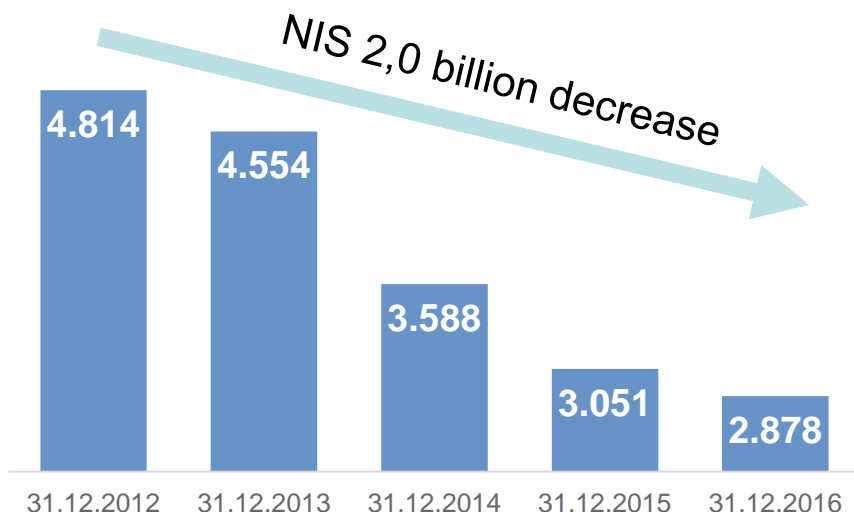
# Israel Business Center: Dividends' Payment



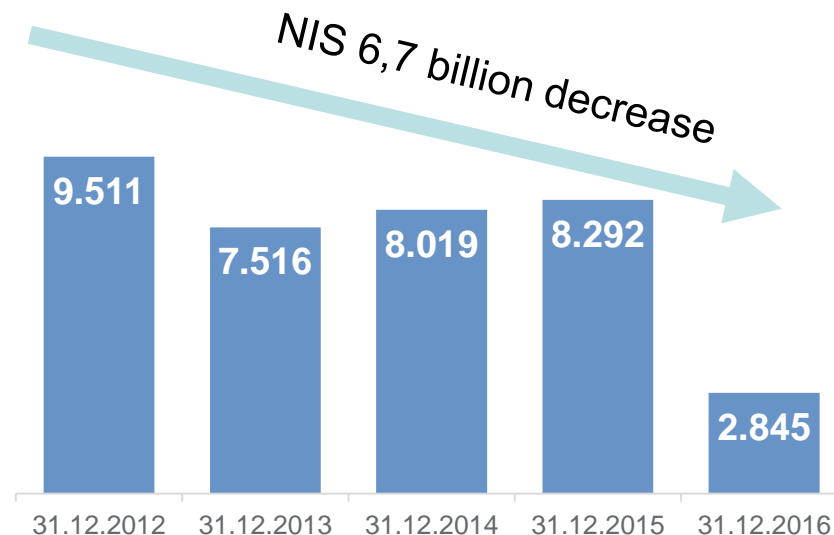
\* In two payments (april-17 for a total amount of NIS 508 million and the balance will be paid on sep-17)

# IDBD & DIC Net debt decrease (NIS million)

## IDBD



## DIC



- **Removal of Going concern clause**
- **Removal of Banks financial covenants**

### Companies' last issuances:

- **PBC (Apr-17): NIS 446 million at 3.68% fixed rate due 2029**
- **Gav -Yam (Mar-17): NIS 430 million at 1.69% fixed rate due 2026**
- **DIC (Mar-17): NIS 555 million at 4.06% + CPI due 2025**
- **IDBD (Feb-17): NIS 1,060 million at 5.40% fixed rate due 2019**

### Credit Rating Upgrade:

- **DIC from BBB- to BBB ; IDBD from CCC to BB outlook development**



# Financial Results



# Decision to change the valuation method of Investment Properties: From historical cost to Fair Value

- During the quarter, **IRSA and IRSA Commercial Properties** have decided to **change the valuation method of their investment properties** (mainly, shopping malls, offices and land reserves) **from historical cost to fair market value**, in accordance with the International Financial Reporting Standards (IFRS).
- The subsidiary IRSA Commercial Properties has already reflected this change in the current financial statement as of March 31, 2017 and the Company intends to recognize it in the **fourth quarter of the current fiscal year (June 30, 2017)**.
- The Company has retained an **independent appraiser** to estimate the fair market value of its investment properties.

**Shoppings Malls**



**Offices\***



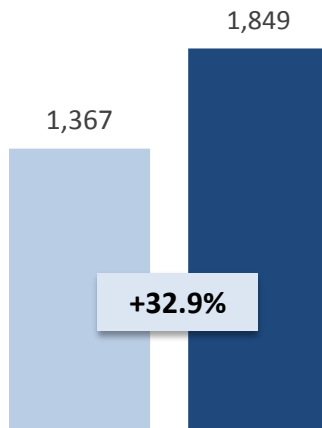
**Land Reserves**



*\* Includes La Rural S.A.*

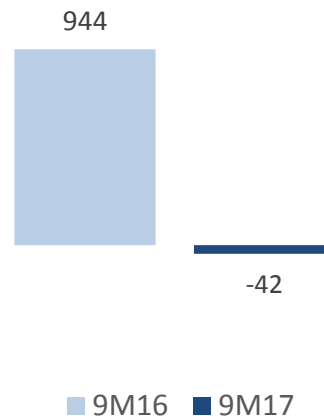
# Argentina Business Center: Operating Income by Segment 9M FY17

## Rental Segment (ARS million)



(Shoppings, offices + hotels)

## Sales & Development (ARS million)



(Sales & Development)

## Financial & Others (ARS million)

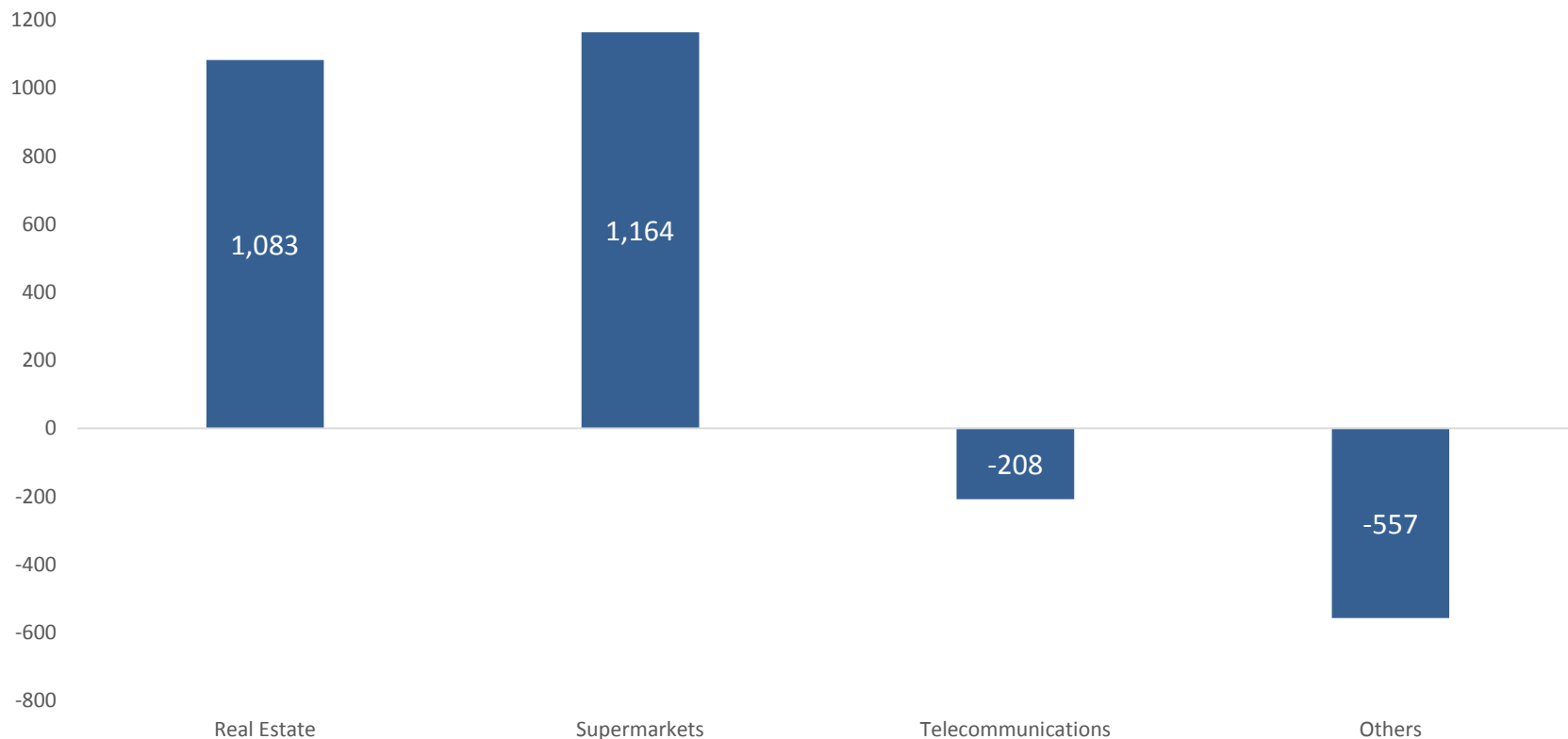


(International + Financials + Others)

# Israel Business Center: Operating Income by Segment 9M (Mar-16 to Dec-16)



In ARS million

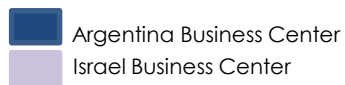


## Consolidated Subsidiaries

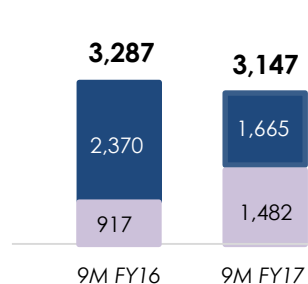




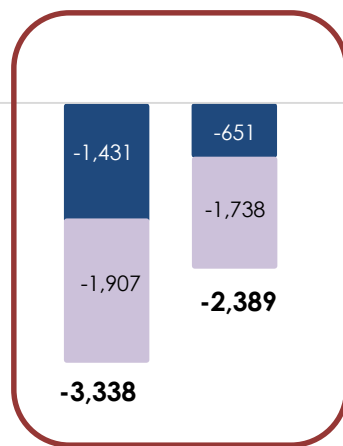
# Consolidated Financial Results 9M FY17 – ARS MM



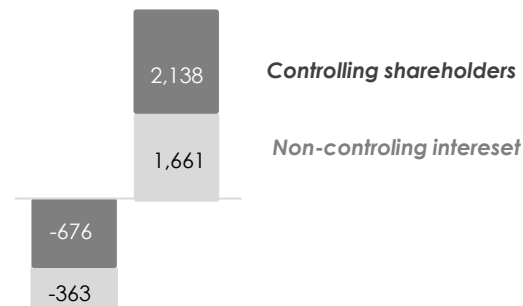
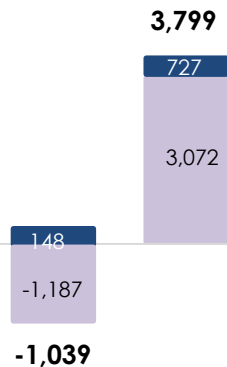
## Operating Income



## Net Financial Results



## Net Income

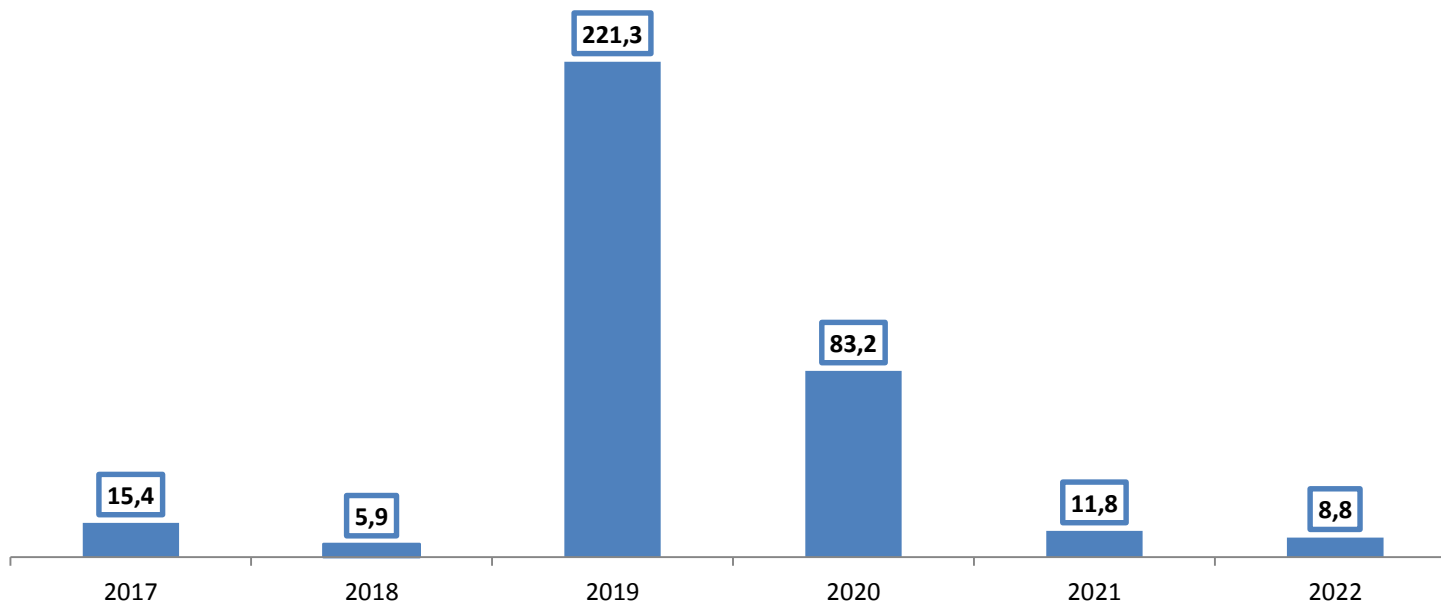


Main impacts (ARS MM)	9M16	9M17
Net Financial Costs	(1,278)	(4,226)
Net FX	(1,923)	(207)
Changes in FV of financial assets	(734)	2,309

Gross Debt: **USD 346.4 MM**

Net Debt: **USD 337,1MM**

## Debt Amortization schedule (USD million)



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## 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 2016 ended June 30, 2016, which are available for you in our web sites.

