

# IDBD Consolidation Effect on IRSA's Financial Statements

May 2016

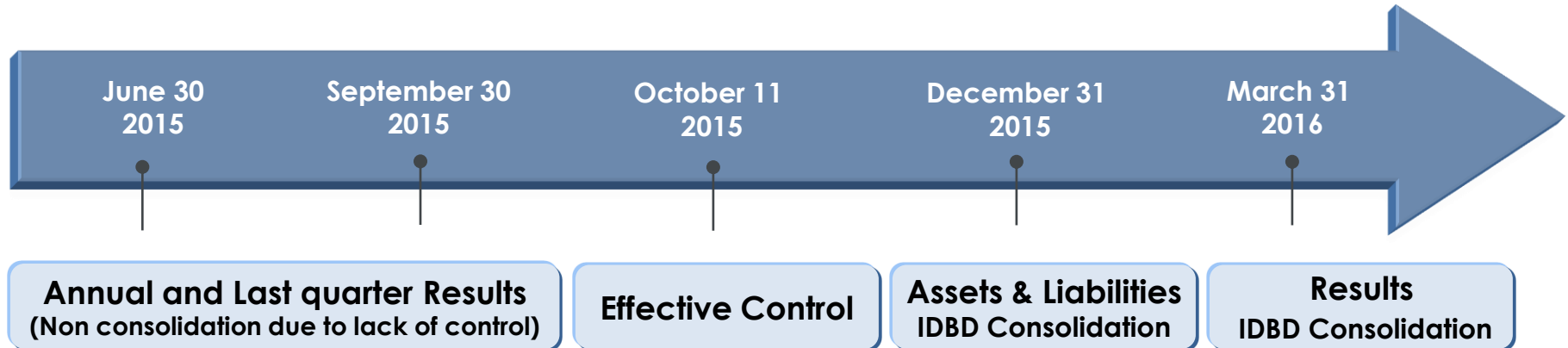


# IDBD Consolidation on IRSA's Financial Statements



## Timeline

- On **October 11, 2015** the Group controlled by **Eduardo S. Elsztain** took effective control of **IDB Development Corp**; and as such IRSA started consolidating IDBD as from this date.
- IRSA's IIIQ16 Financial Statements, to be release on May 11, 2016 will consolidate IDBD **Results** with a three month lag



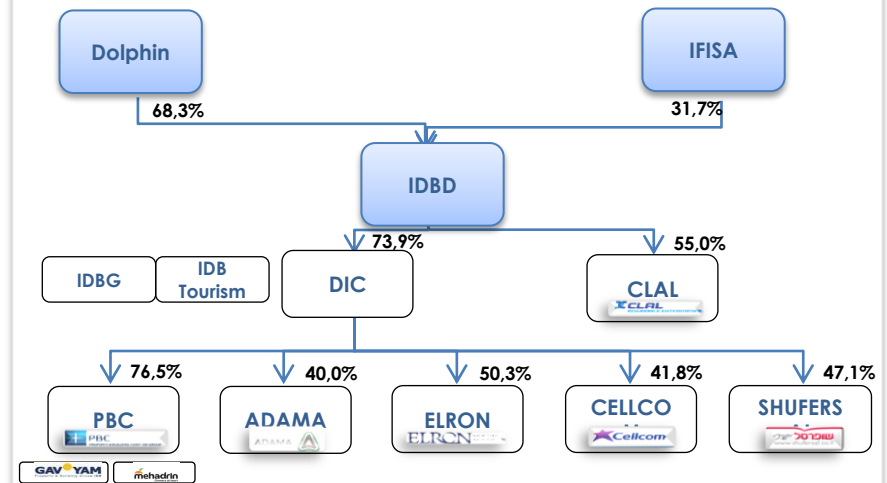
## Accounting facts

- As information is not available on timeline basis, **consolidation will be made with a three month lag** as permitted by accounting standards.
- **The Purchase Price Allocation process is expected to be finalized by June 30, 2016** concurrently with our year-end.

## Business Description

- **Largest and most well diversified Conglomerate in Israel**
- Controller of Israel's **largest telecommunications', agrochemicals' and supermarkets'** company.
- Controller of PBC, **leading real estate company** in Israel
- Controller of the **2<sup>nd</sup> insurance company** in Israel
- ~ **Delisted from Tel Aviv Stock Exchange** since March 31, 2016

## Ownership Structure

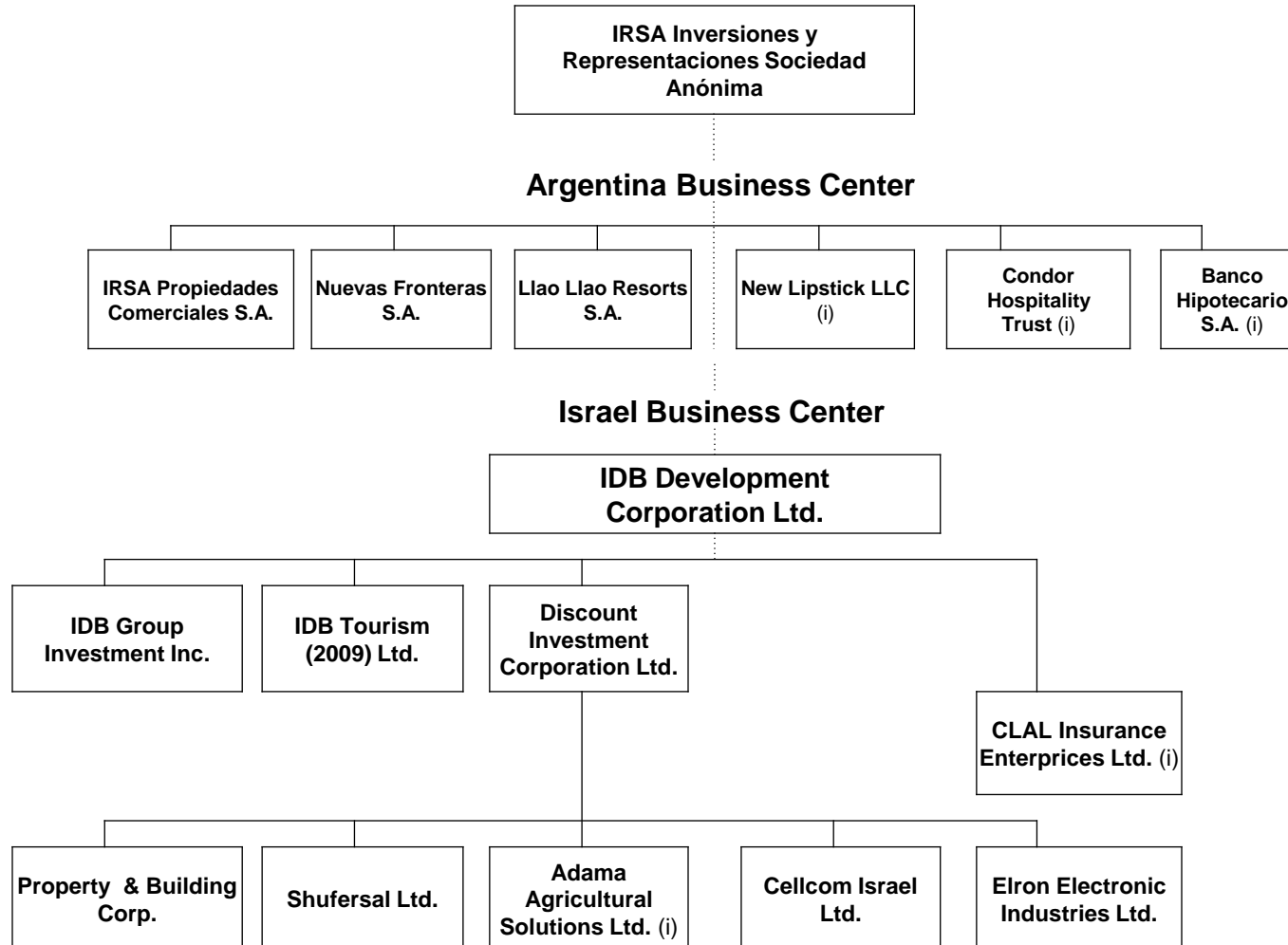


## Investment made by IRSA

	Amount
Amount invested by IRSA in Dolphin	~ USD 515 million

# Balance Sheet Disclosure

- We divided the operations in two Business Centers: Argentina & Israel
- All the information of IRSA's operations in Argentina will be disclosed separately from the operations of IDBD (Israel)



(i) Companies not consolidated (registered as equity investees)

# Balance Sheet Disclosure: Segment information



- Segments of IRSA will look separately as follows...

Segments of IRSA's operations from Argentina looks the same than before consolidation

December 31, 2015							
Argentina Business Center							
	Shopping Centers	Office and Others	Sales & Development	Hotels	International	Financial Operations & Others	Total
Revenues .....							
Costs .....							
<b>Gross/Loss Profit</b> .....							
Result on Sales of Investment Properties.....							
G&A.....							
Sales Expenses .....							
Other Net Operating Result .....							
<b>Operating Income</b> .....							
Associates and Joint Venture Results .....							
<b>Segment Profit/Loss</b> .....							
Investment Properties .....							
Property, Plant and Equipment .....							
Properties for sale.....							
Goodwill.....							
Rights to receive future units from barter transactions.....							
Inventories .....							
Investments in associates and Joint Ventures.....							
<b>Operating Assets</b> .....							

## Israel Business Center

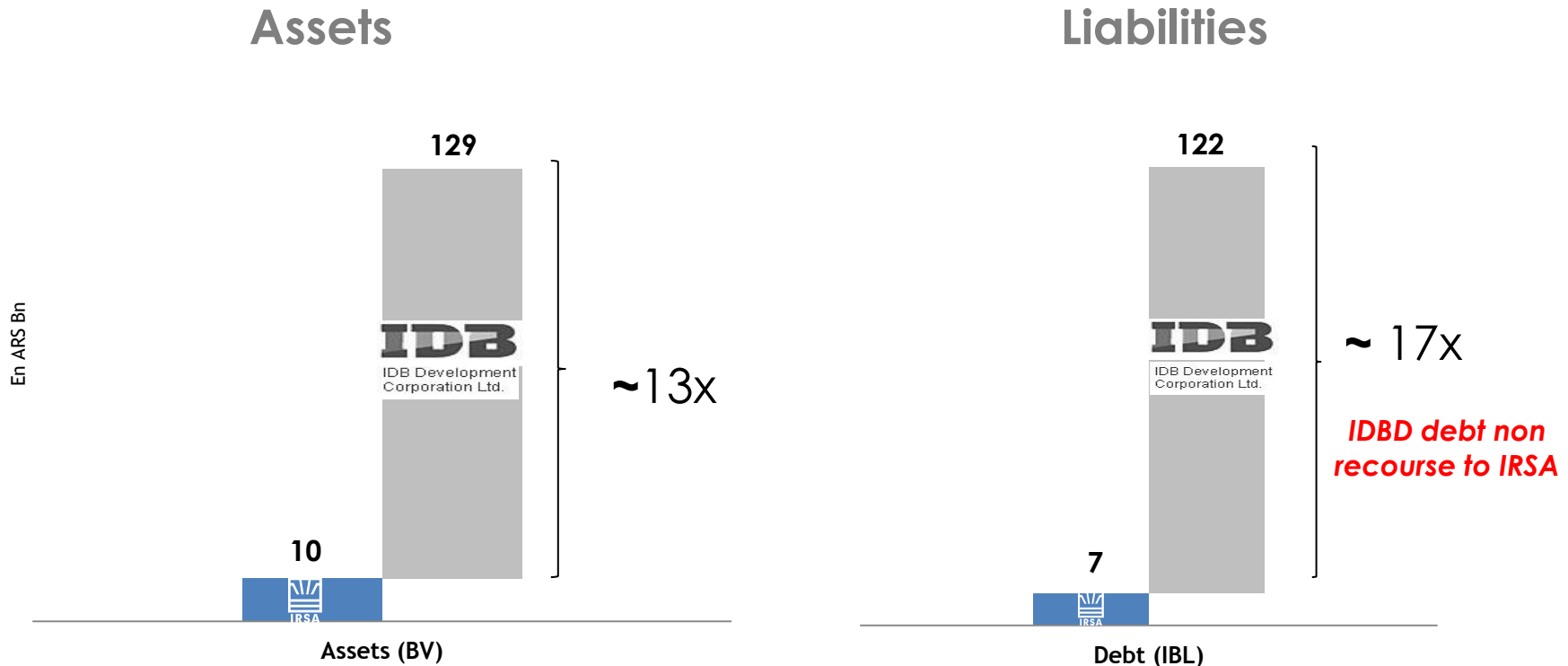
Information to be included this quarter (IIIQ16)

Information included since last quarter (IIQ16)

	Real Estate	Supermarkets	Agrochemicals	Telecommunications	Insurance	Others	Total
Revenues.....							
Costs .....							
<b>Gross Profit \ (Loss)</b> .....							
<b>Segment Profit \ (Loss)</b> .....							
Operating Assets .....							
Operating Liabilities.....							

# IDBD Assets & Liabilities Consolidation

## An accounting effect



○ *Research Analysts' NAV Calculation states that IDBD investment represents ~ 10% of IRSA's Assets at Market Value and agrees that this consolidation is just an accounting matter*



# 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**  
BASE Symbol: **IRSA**

[www.irsa.com.ar](http://www.irsa.com.ar)

Follow us on Twitter



**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.

