



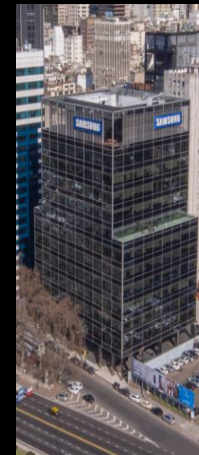
IRSA

Larrain Vial Conference

Santiago de Chile
March 2019



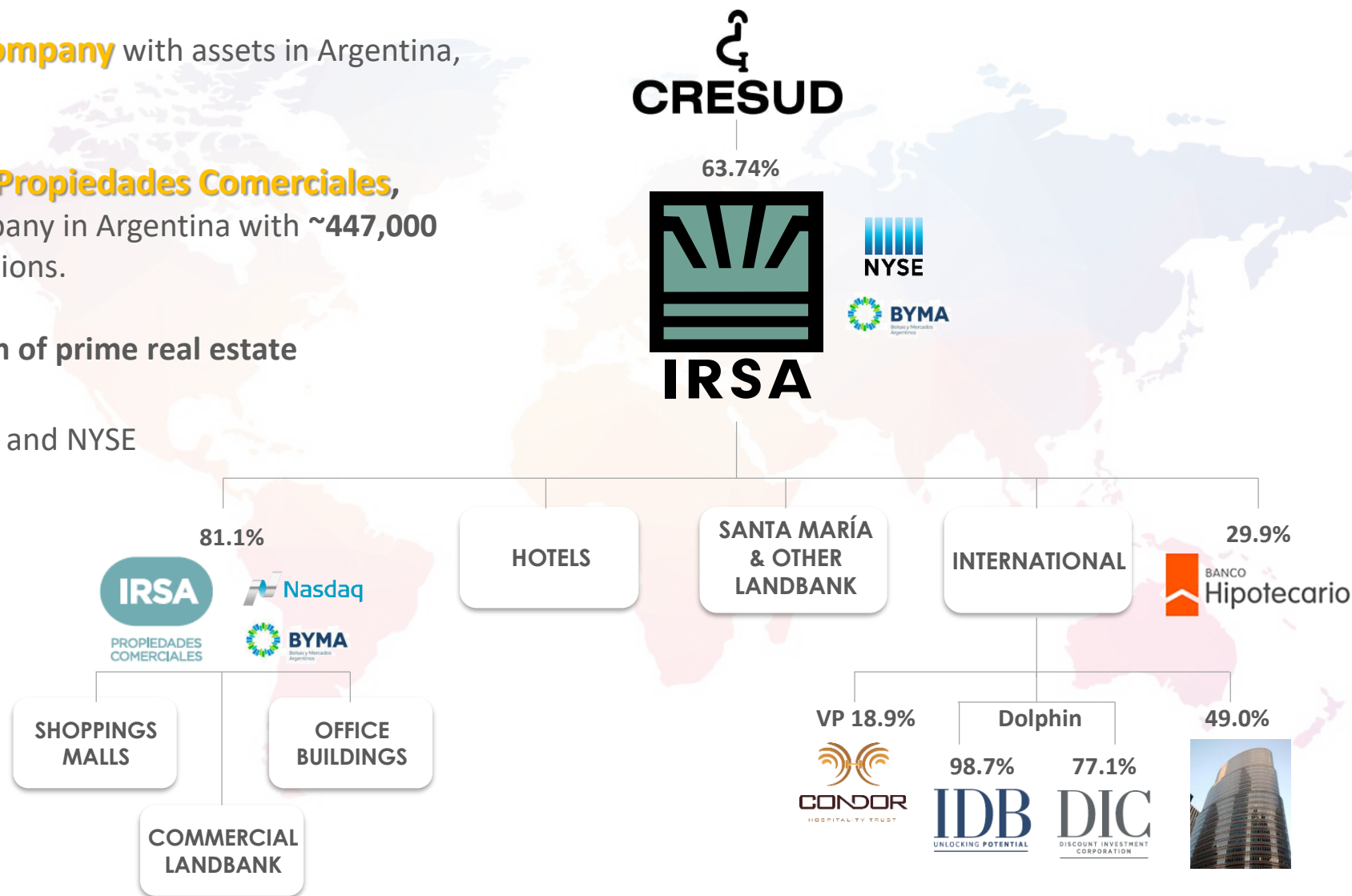
BYMA
Bolsas y Mercados
Argentinos





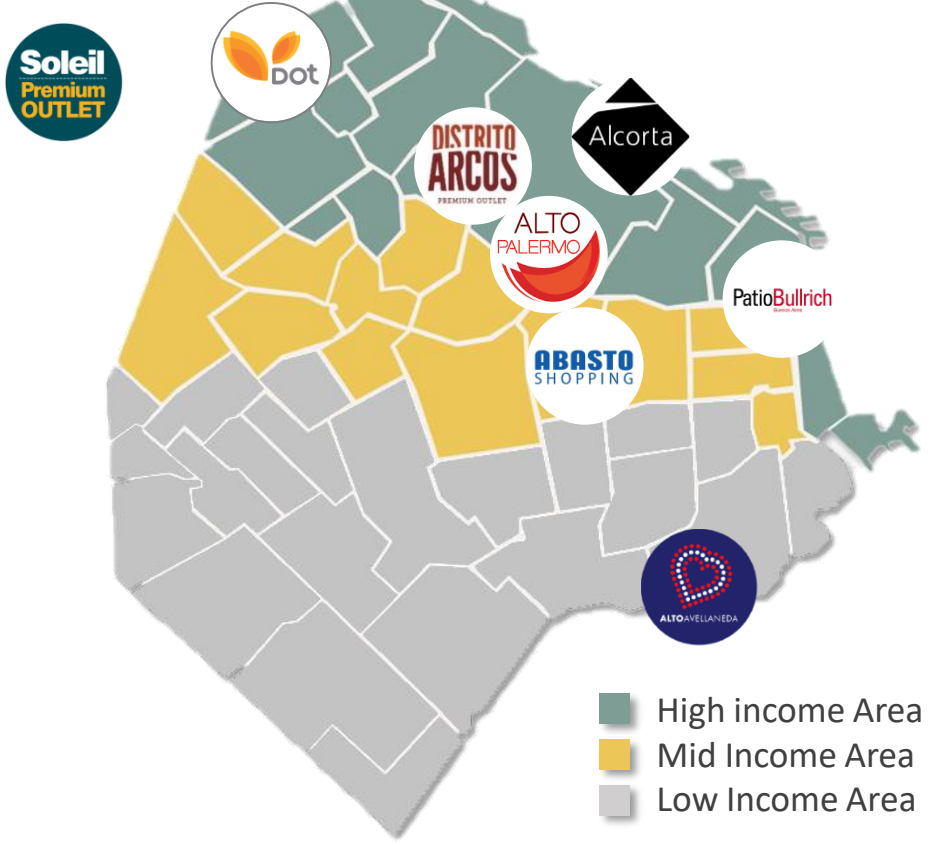
IRSA at a glance

- **Leading diversified real estate company** with assets in Argentina, USA and Israel.
- **Controlling shareholder of IRSA Propiedades Comerciales**, leading commercial real estate company in Argentina with ~447,000 sqm of GLA located in premium locations.
- Landbank to develop ~ 3 million sqm of prime real estate
- **25 years** listed both in Buenos Aires and NYSE



Premium Portfolio of Shopping Malls

BA City



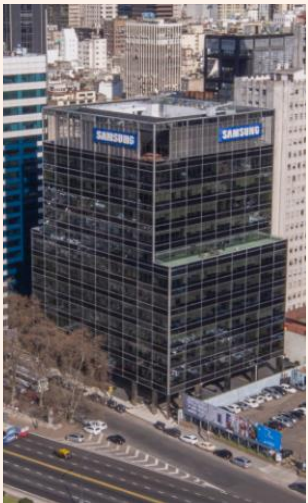
USD **121** MN LTM **EBITDA**
USD **1.1** BN **Book Value**



Argentina

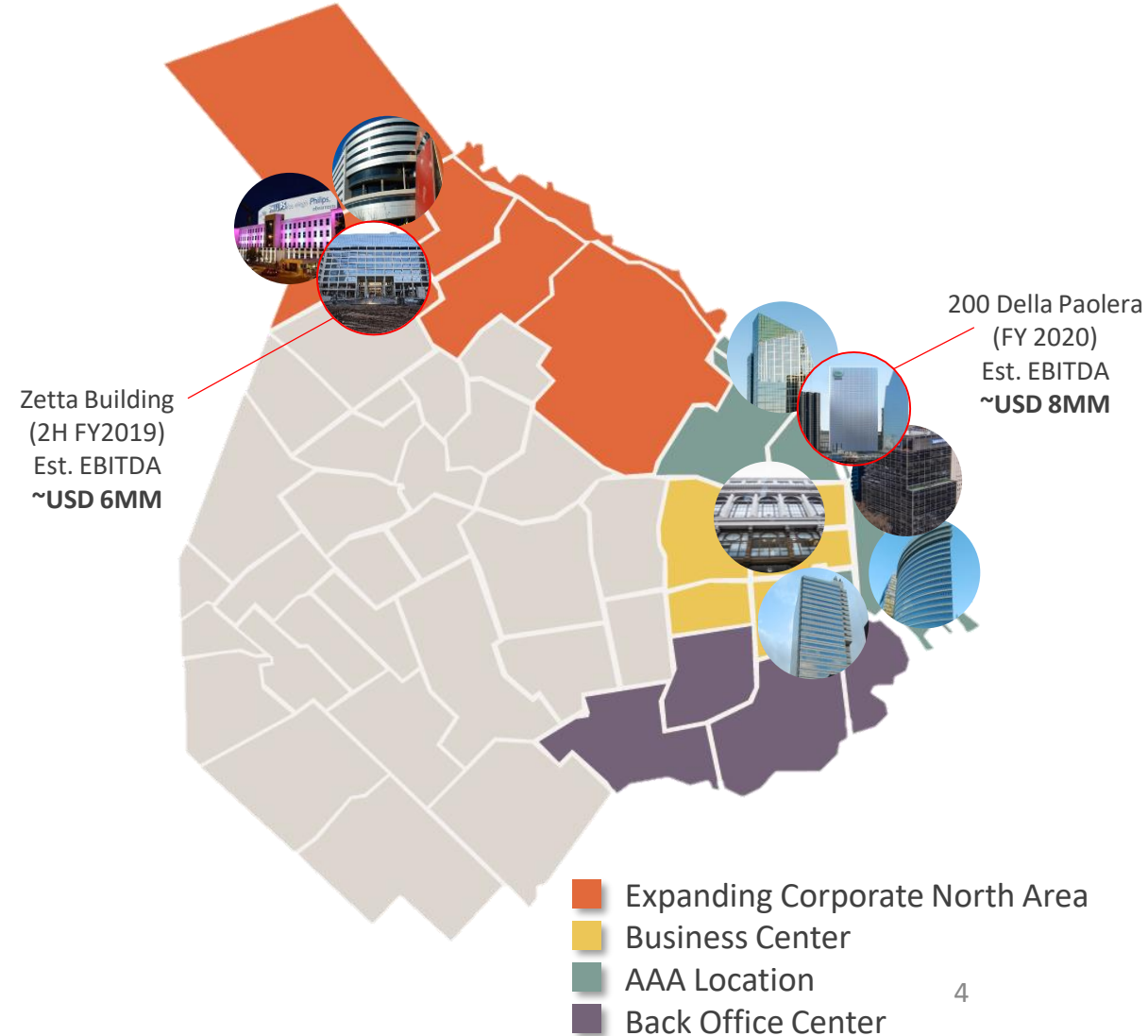


Premium Portfolio of Office Buildings



USD **18** MM LTM **EBITDA**
USD **0.3** BN **Book Value**

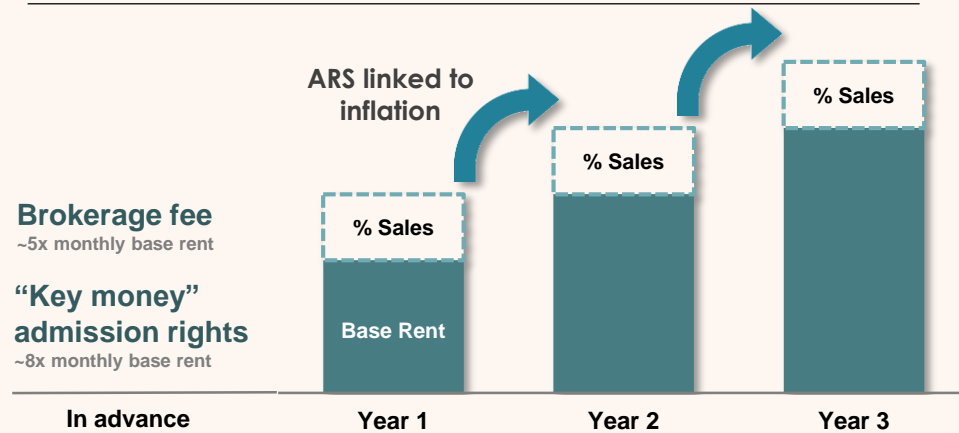
BA City



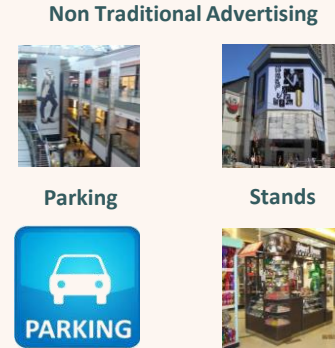
Rental properties' resilient revenue model

Shopping Malls

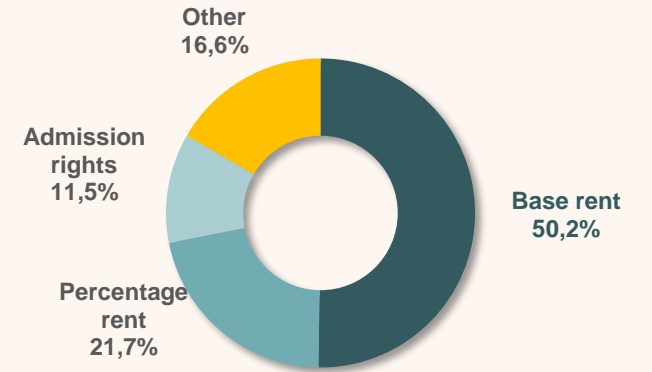
Revenue from leases



Other revenues

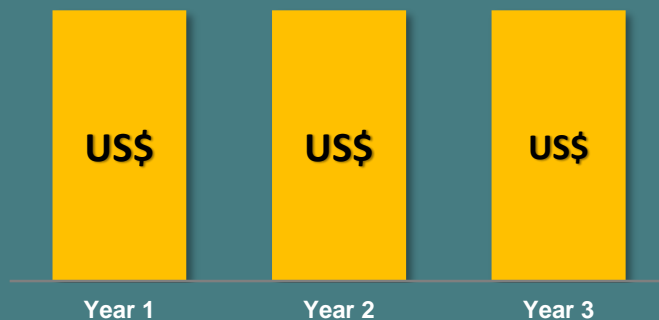


Rent revenue breakdown



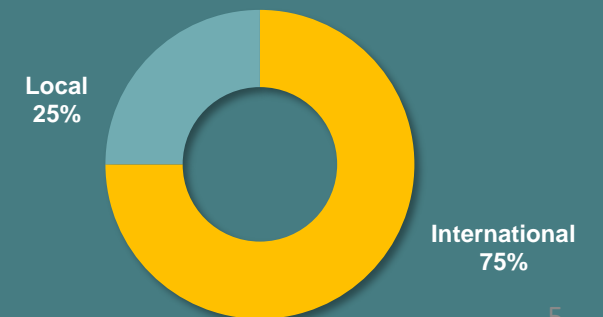
Offices

Revenue from leases



- 3-year average term for office lease contracts
- US Dollar based
- Rental rates for renewed terms are negotiated at market

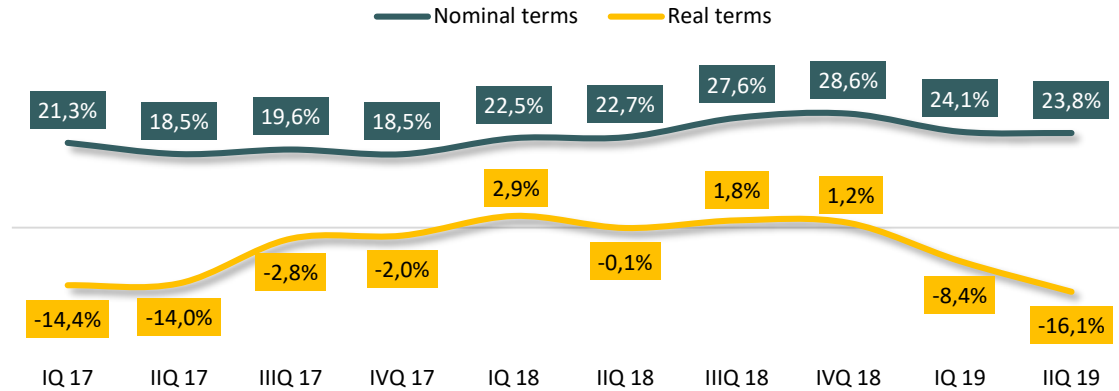
Tenants breakdown



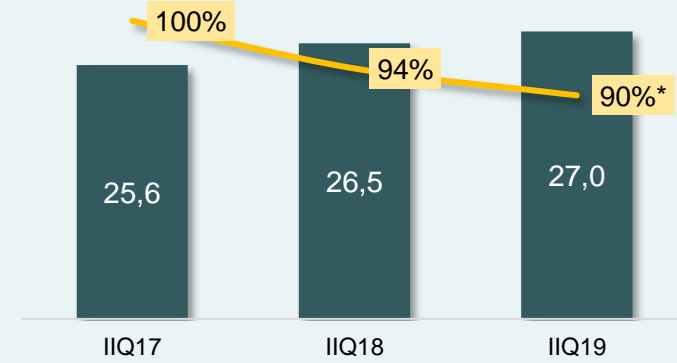
Shopping Malls & Offices Operating Figures

Shopping Malls – Tenants' Sales

(% Var i.a.)

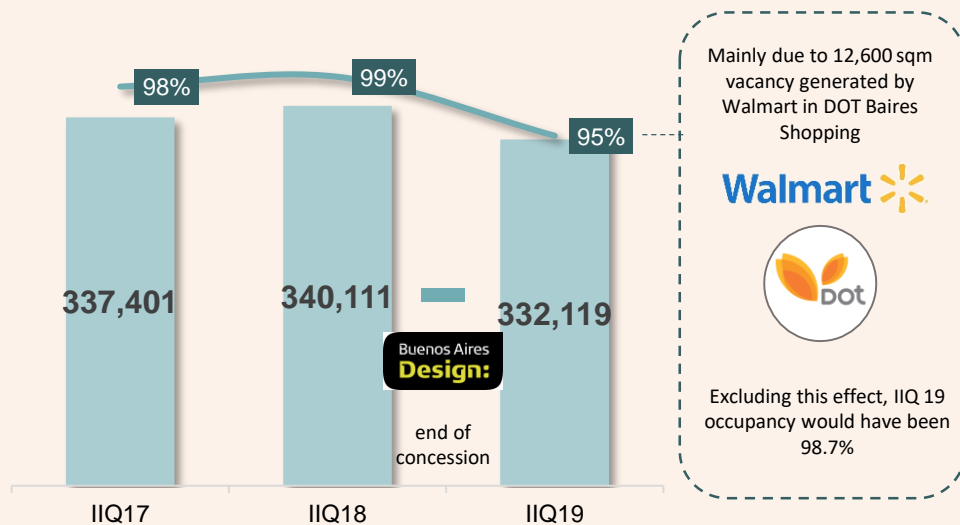


Offices – Leases USD/sqm/month & Occupancy

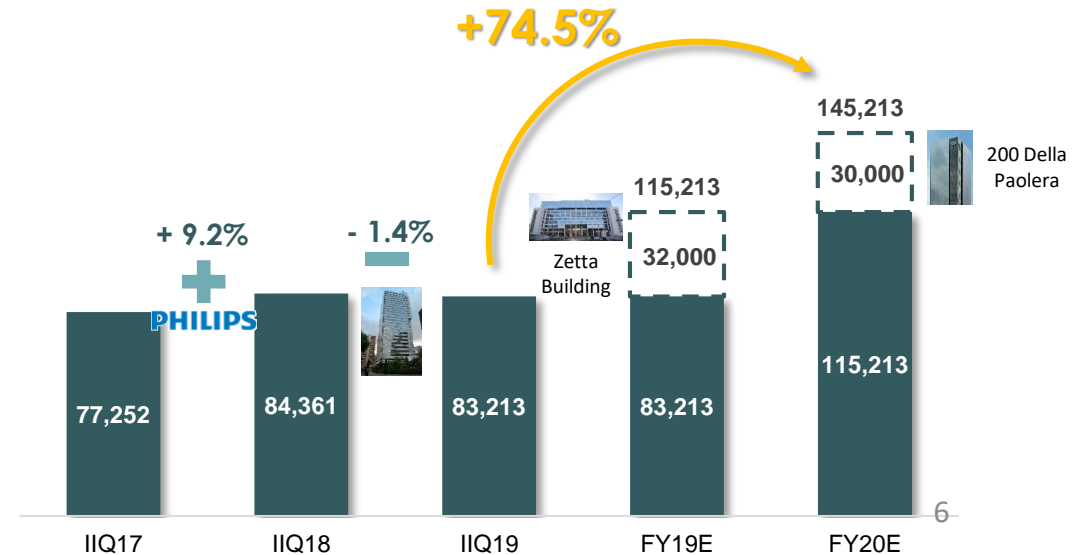


* Mainly explained by new vacant floors at Dot building. Considering Zetta building fully leased to open next quarter, the avg occupancy would have been ~93%.

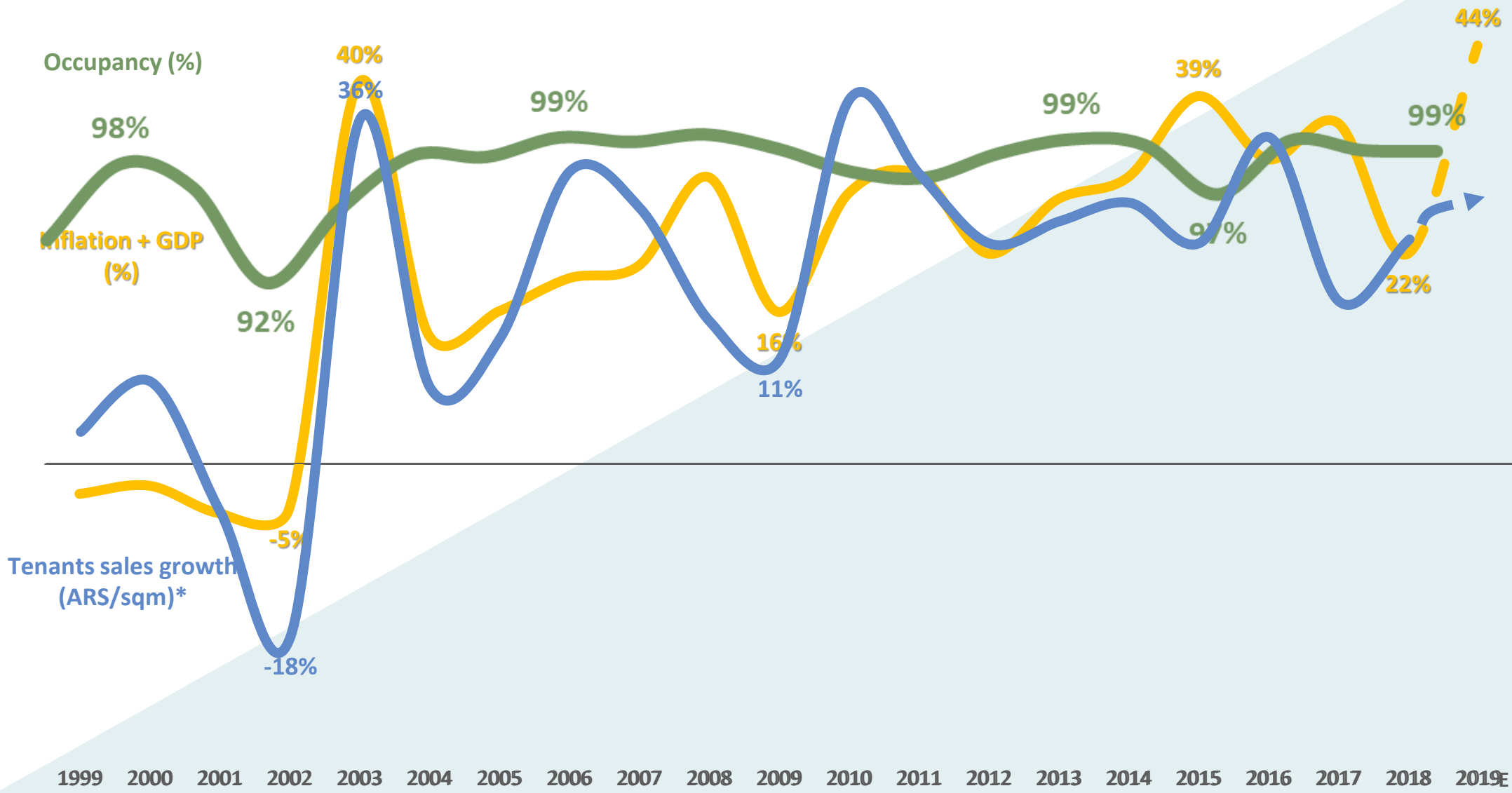
Shopping Centers – Sqm GLA (Th.) & Occupancy (%)



Offices – Stock (sqm GLA)

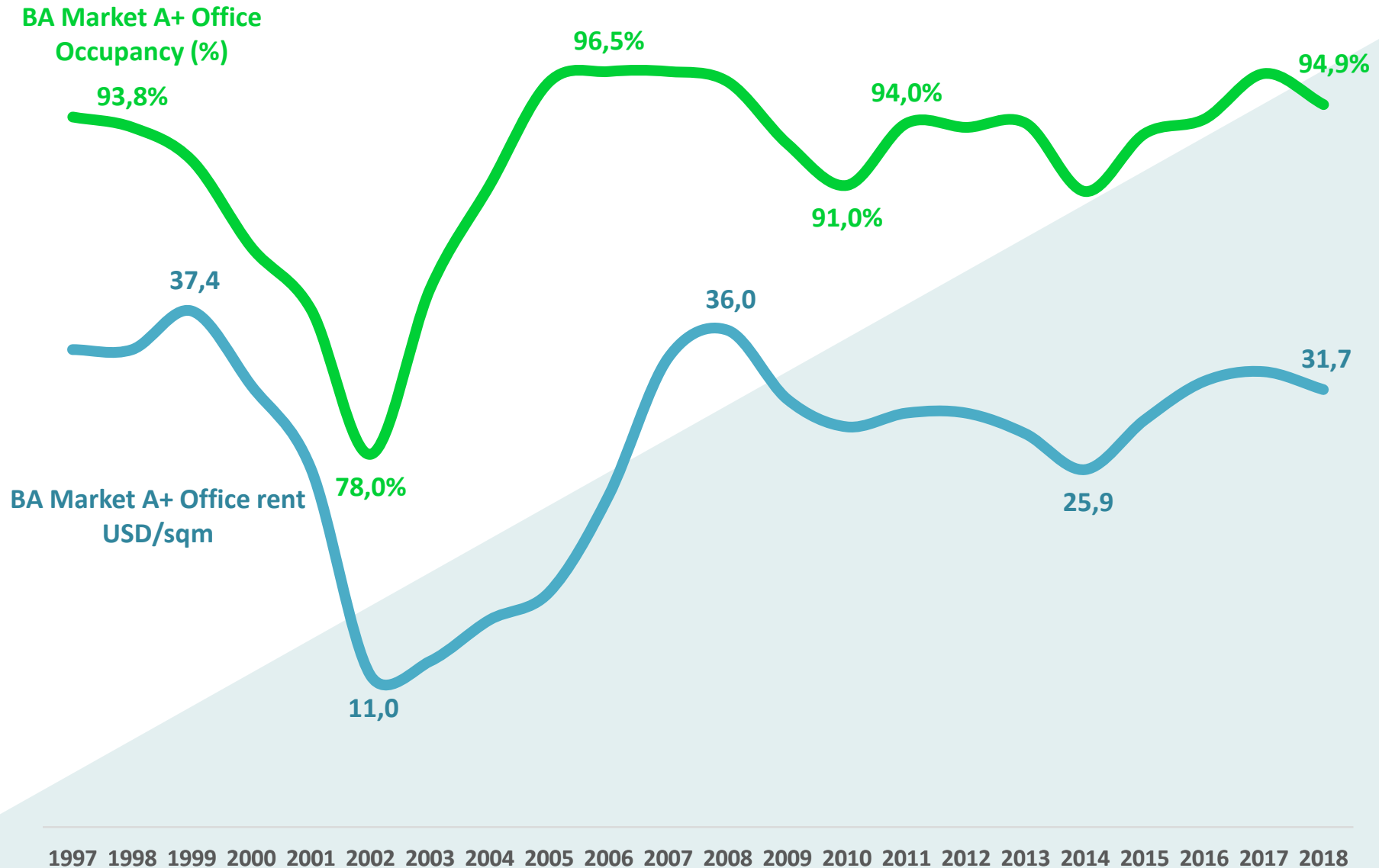


Shopping Malls historical figures evolution



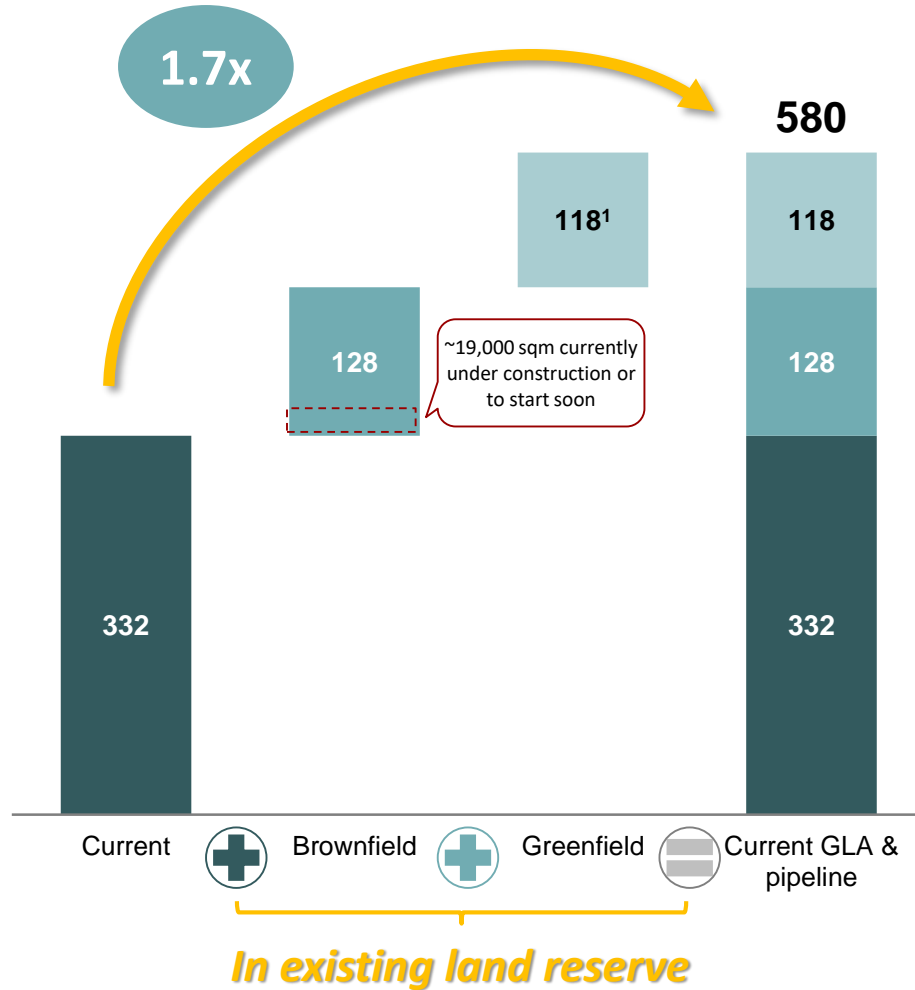
* Excluding DOT Baires

A+ Office sector BA City - historical evolution

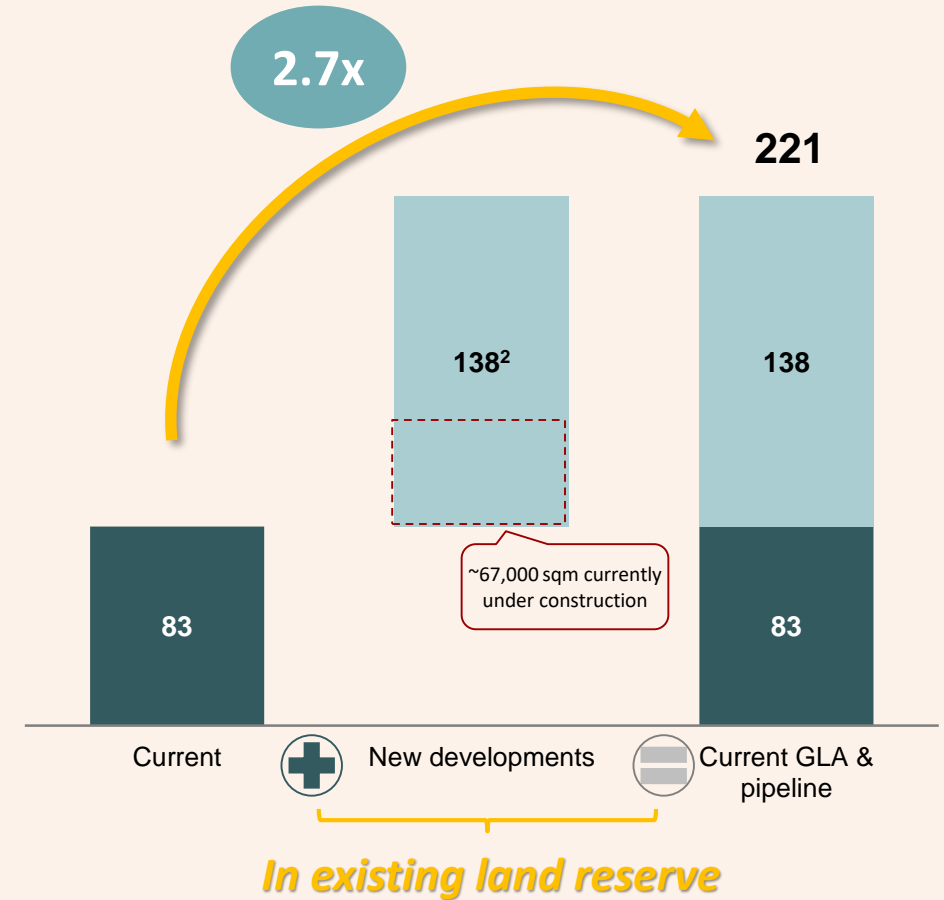


Our land reserve will allow us to significantly expand our commercial real estate portfolio

We have a robust pipeline for shopping malls...



...as well as for premium office properties

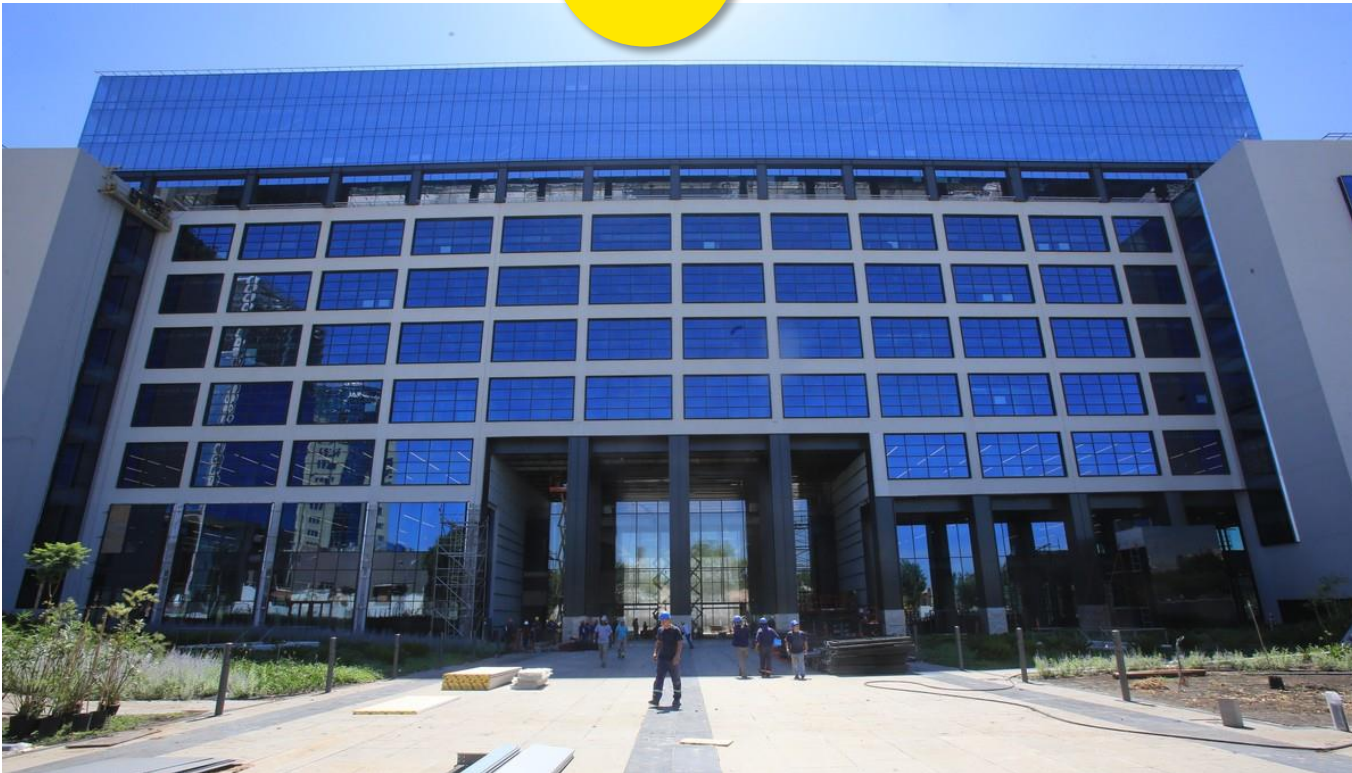
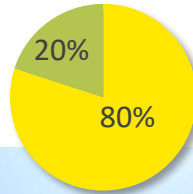


Zetta building (Polo Dot 1st office building)

The first building of the Office Park developed in the north area of BA City

Recent delivery of units to its tenants for conditioning

falabella



32,000 GLA sqm

Fully Leased

ARS 1,425 mm

Est. investment

~ USD 9mm

Est. EBITDA

99% Work Progress

IIIQ 2019 Est. opening

Polo Dot Project



“200 Della Paolera” Office building (under development in Catalinas)

Recent acquisition from IRSA

14,213 sqm

12 floors

131 parking spaces

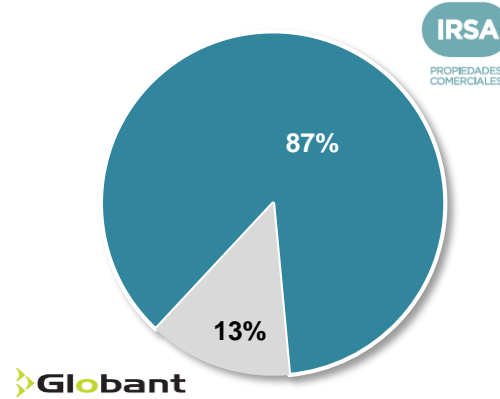
Price:
(including remaining development)

USD 60.3 mm

Price/sqm:

~USD 4,200

Current Ownership



Total Project

35,000 GLA sqm

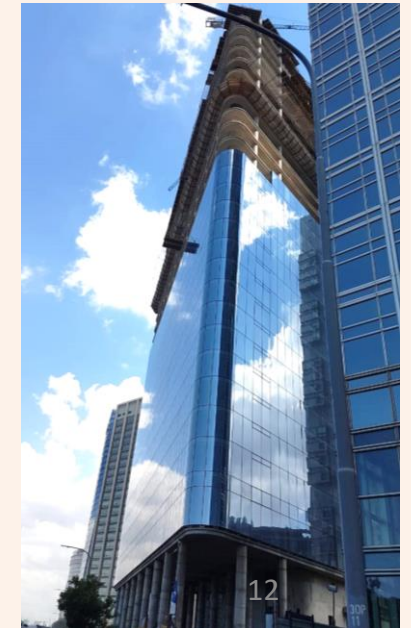
FY 2020 Est. opening

USD 10-12mm

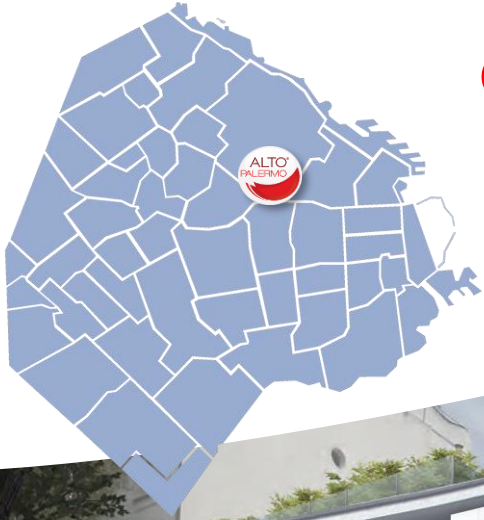
Est. EBITDA

41% Work Progress*

*As of January 31, 2018



Alto Palermo expansion



City of Buenos Aires
Highest sales/sqm shopping mall



3,900
sqm GLA

US\$28.5mm
estimated investment

FY2020
opening date

Recent Approval: La Plata Mixed-use Project



Land Plot
78,000 sqm

Capacity to develop
100,000 sqm



La Plata is the 5th
highly populated
city of Argentina
with no shopping
malls

Recent Approval: Caballito Project

Land Plot of 23,000 sqm
Capacity to develop
Residential: ~ 76,000 sqm
Retail: ~ 11,000 sqm



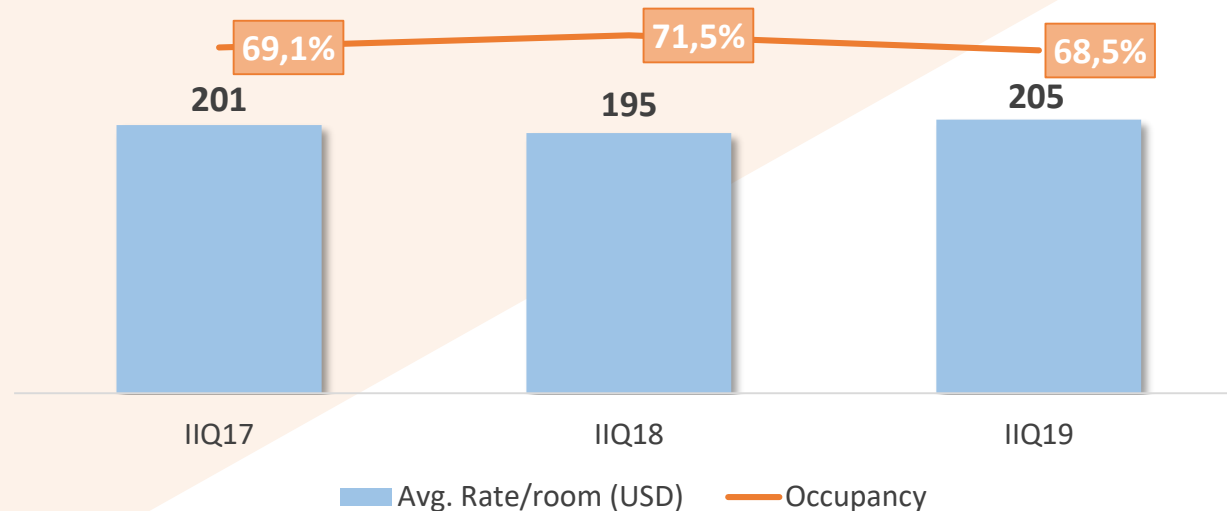
Argentina Business Center - Hotels



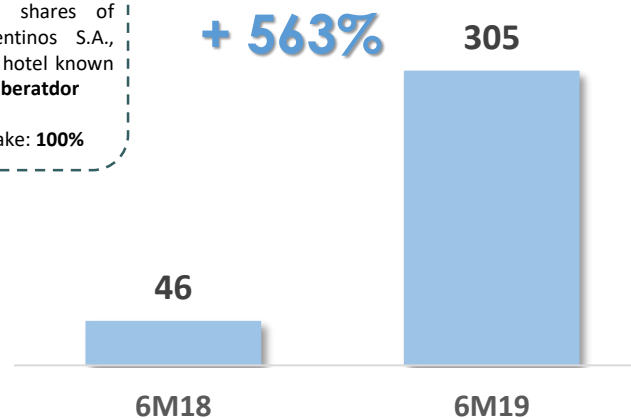
On Feb-19, IRSA acquired 20% of the shares of Hoteles Argentinos S.A., owner of the hotel known as Sheraton Libertador

Current stake: 100%

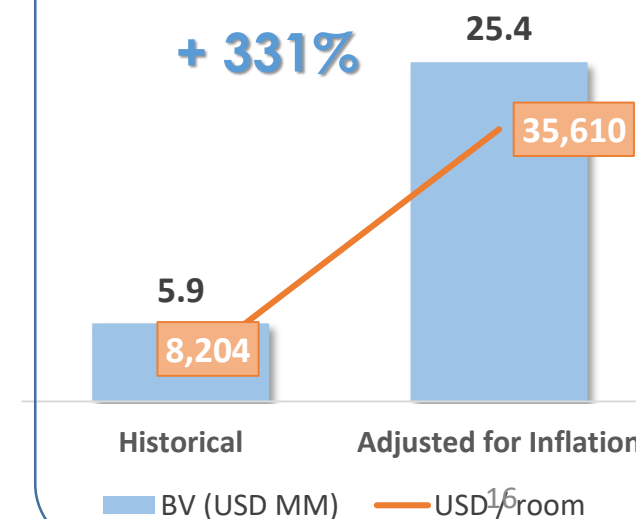
Rate & Occupancy evolution



EBITDA (ARS MM)



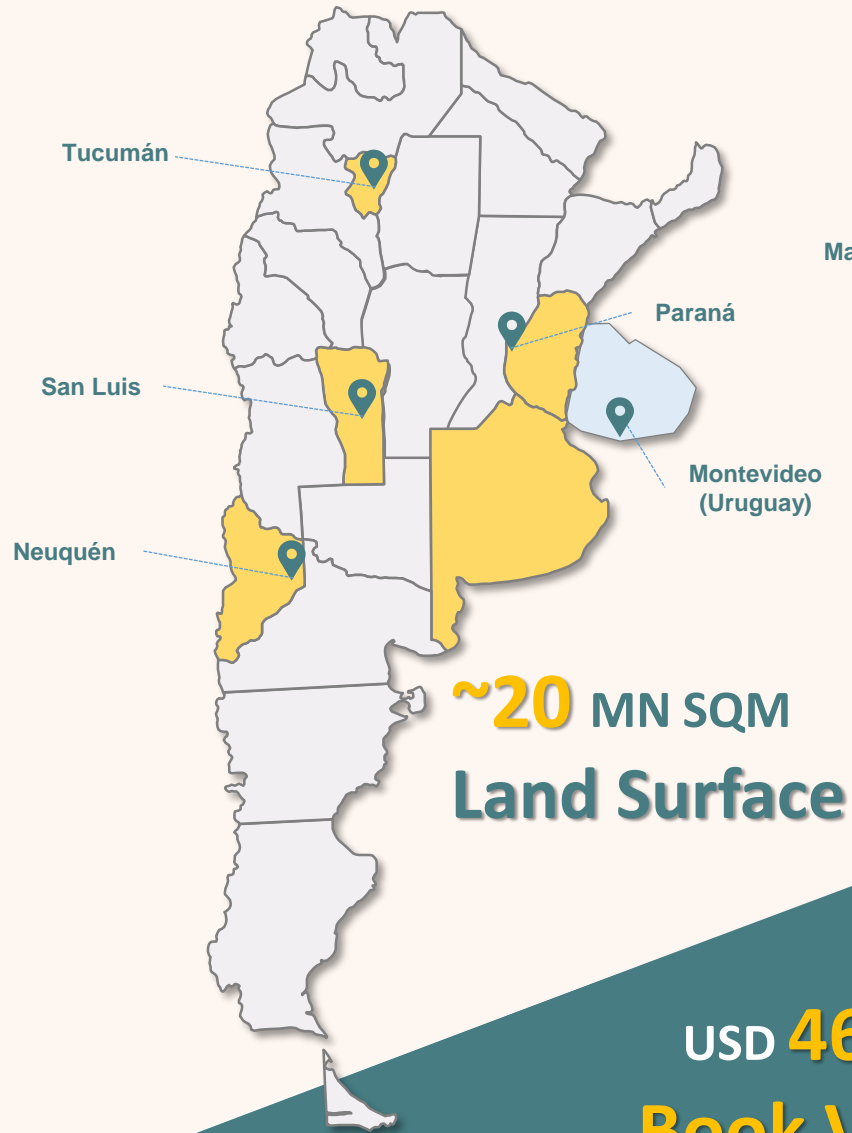
Book Value as of Jun '18





Premium mixed-use Landbank for future developments

Argentina



BA Province



BA City

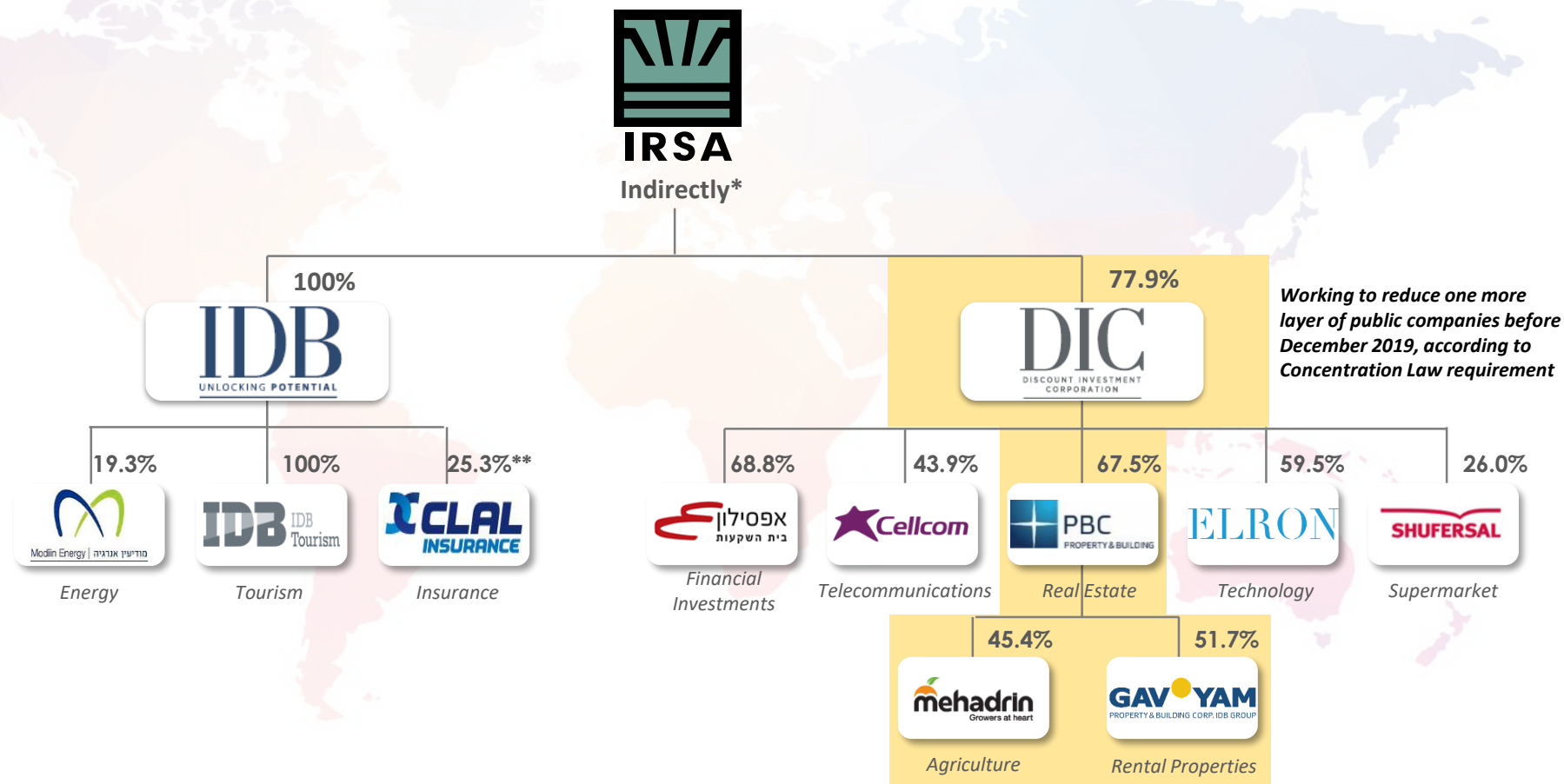


USD **460** MN
Book Value



~ 700,000 sqm of Premium Real Estate to be developed in the best location of BA City (Approvals pending)

Largest and most well diversified conglomerates in Israel



* 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.

** 29.6% stake sold through local swap transactions, holding economic rights for 54.9%.



PBC (67.5% DIC stake) & Gav Yam (51.7% PBC stake) Leading Real Estate companies in Israel



ORACLE

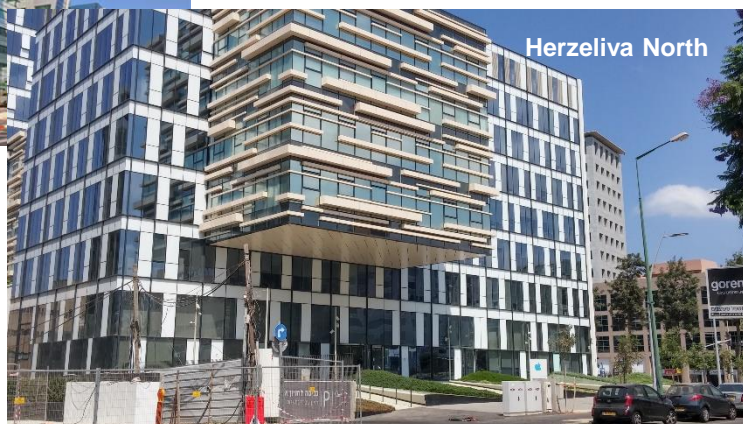


Microsoft

Google

YAHOO!

IBM



Market Cap
USD 523 MM



USD 1,010MM

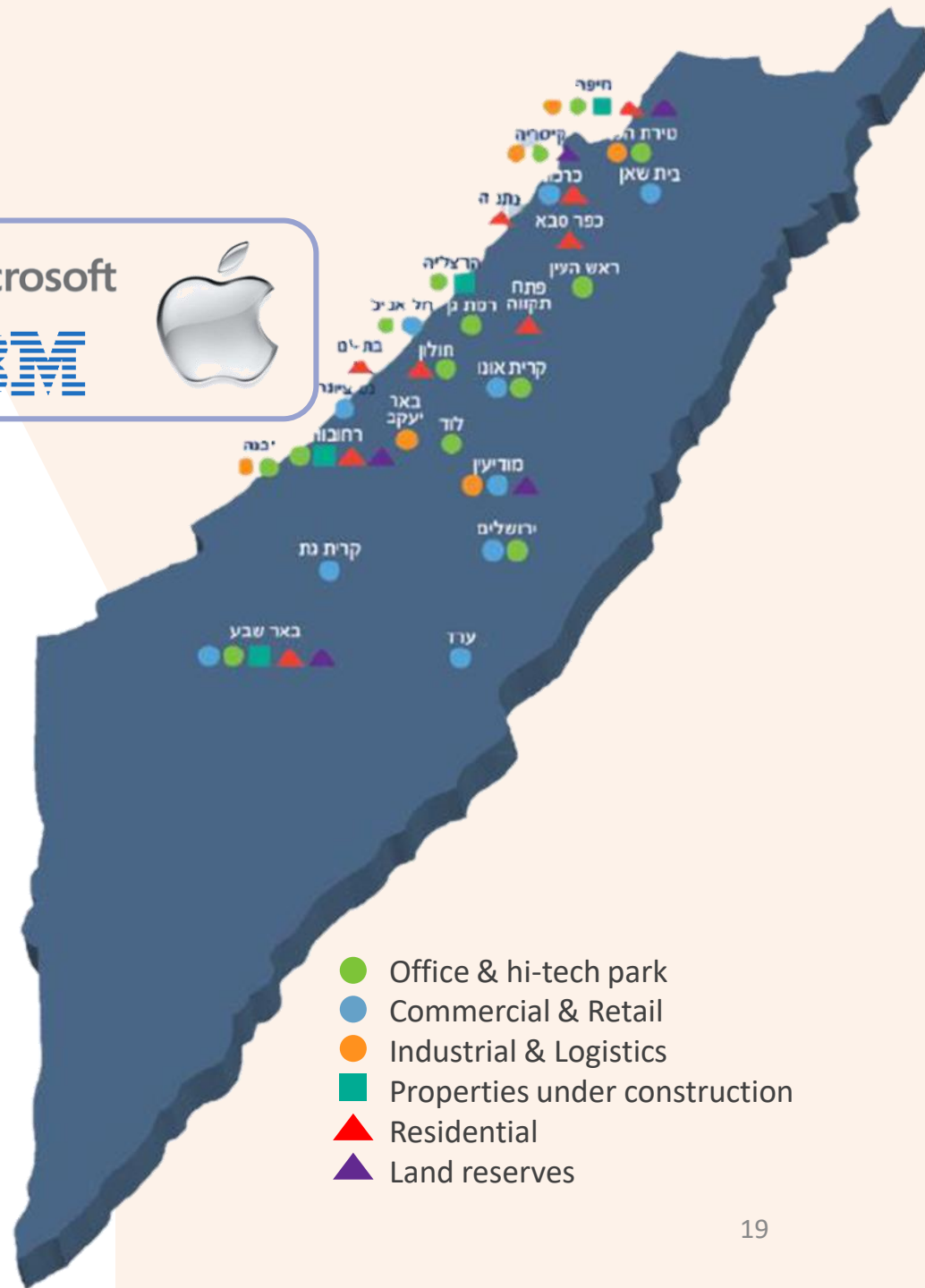


1,160,000 sqm
in Israel

670,000 sqm
Land reserve

97%
occupancy

142,000 sqm
in USA





Real Estate projects under development in Israel



REHOVOT: 3 of 4 buildings finished

8 Projects
194,000 sqm



MATAM-YAM: Recently finished
Amazon main tenant



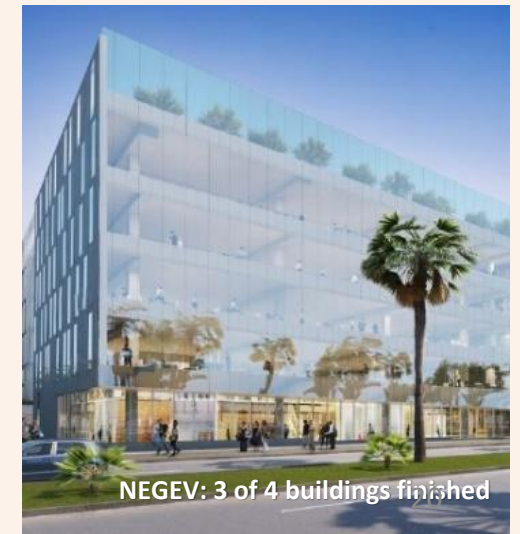
TOHA: 95% already leased. Opening during 2H FY 2019



The new Haifa Bay (under construction)



The New Haifa Bay – Logistic Center
Opening during 2H FY 2019



NEGEV: 3 of 4 buildings finished

Shufersal (26.0% DIC stake): Israel's Leading Food Retailer

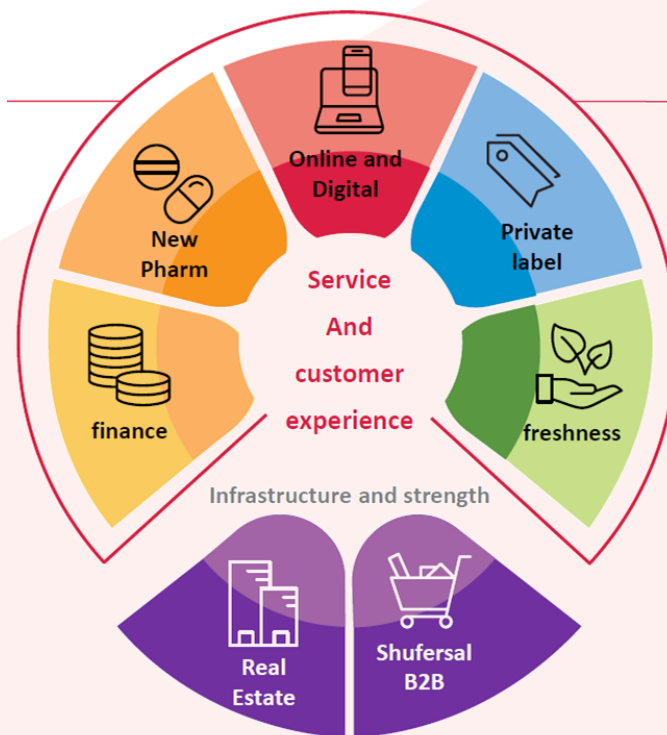
Shufersal

- ✓ Traded on TASE – Market cap **USD 1,674 MM**
- ✓ Operates **338 stores** nationwide
 - Shufersal: 274 stores
 - New Pharm: 64 stores
- ✓ Holds a real estate portfolio of ~ **NIS 3 billion**

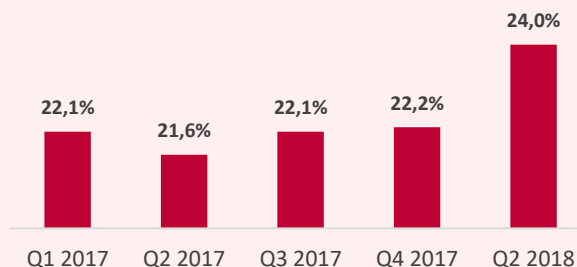


New Pharm recent acquisition
2nd largest pharmacy chain in Israel

ניו-פארם
פשוט חשתלם.

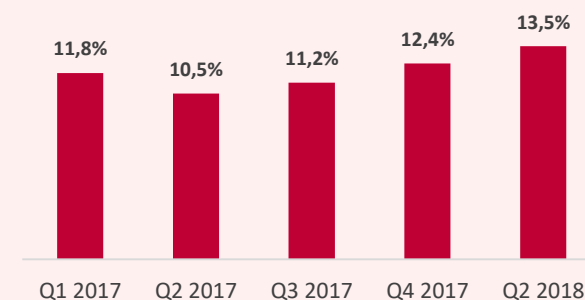


Private Label - % of Total Sales



Online Sales - % of Total Sales

שופרסל Online





Largest Telecommunications Provider (43.9% DIC stake)



✓ Israel's largest cellular provider – **2.8 million subscribers**
26% market share

✓ **Competition:**

- Operates in competitive environment -5 cellular providers.
- Cellular: ARPU NIS 51.8 vs ~ NIS 163 in the US.

✓ Transition from **cellular company to communication Group:**



✓ Market cap **USD 603 MM**

✓ Fastest growing company in TV, internet & fixed line services:

- ISP Service for **685k households**
- Over **195,000 pay TV subscribers**

Cellcom TV Subscribers (Th.)





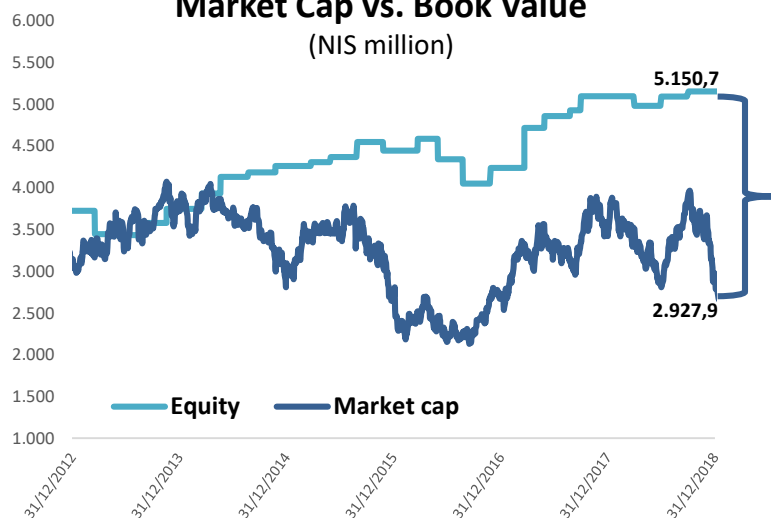
Other Assets in Israel



(25.3% IDB stake – 54.9% economic rights)

- One of the **largest insurance company in Israel**.
- Assets under management (AUM) **over USD 55 billion**.
- Operates with ~2,000 insurance agents and has ~4,000 employees
- Market share:
 - Health insurance: 17%
 - Pension, provident funds and financial products: 15%
 - General insurance: 11.3%
 - Life Insurance and long term savings: 20%

Market Cap vs. Book Value
(NIS million)



57% BV

Insurance Companies	P / BV
CLAL	0.6x
Avg. Israel	0.8x
Avg. USA	1.4x

ELRON (59.5% DIC stake)

- Elron is a **leading Israeli investor in early stage ventures**. Leader of several **exits of more than USD 1.5 billion** over the last 5 years
- Elron specializes in the fields of **medical devices, cybersecurity and IT**.



- Pocared (69%):

Real time automated microbiology lab system.



- CartiHeal (31%):

Cell-free cartilage regeneration.



- BrainsGate (30%) – Device for treating stroke:

Implement used to electrically stimulate the SPG nervous center behind the nose known to increase blood flow in the brain.

**Market cap
USD 79 MM**



- Traded on TASE - Market cap **USD 161 MM**
- **Revenues from agricultural Activity 1,392 Knis, Net profit of about 20 million.**
- **Real estate – leases of 13.6k dunams comprising 27%**
- **Total revenues ~ NIS 1.46 billion**



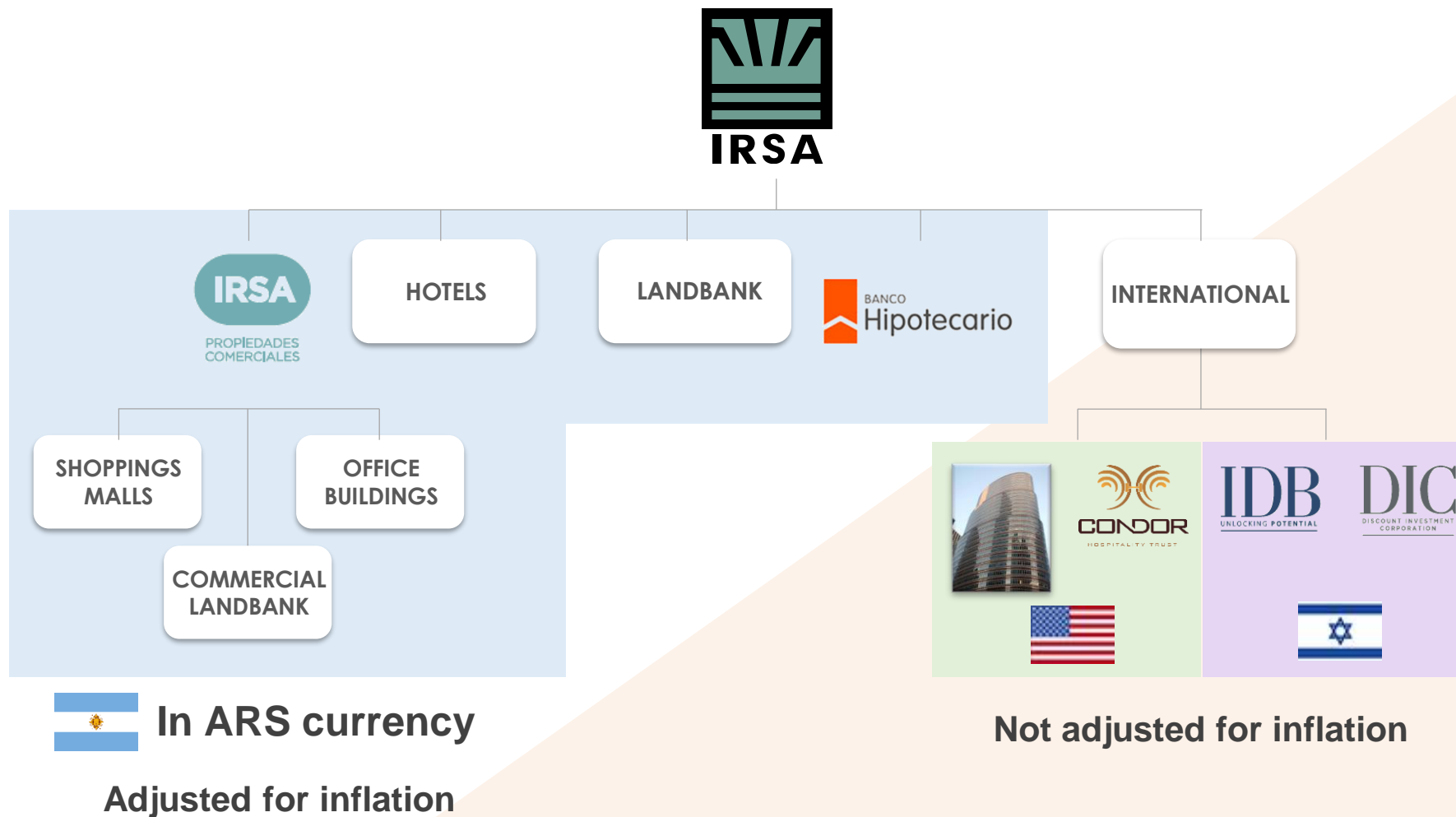


IRSA

Financials



Adjustment for Inflation - Impact on IRSA





IRSA

Adjustment for Inflation - Impact on Assets

Investment Properties

Shopping Malls



Office Buildings



Land Reserves



Valued at Fair value

Balance Sheet

No impact

Income Statement

Segregation of net gain/loss between: (i) real FV adjustment gain/loss, and (ii) inflation adjustment

Other Assets

Property, Plant & Equipment

Hotels

(Sheraton, Intercontinental, Llao Llao)

Properties for Sale

IRCP Properties for sale
Caballito plot
Casona Abril
Pereira Iraola lots

Intangibles

Goodwill
Software
Rights of use (Distrito Arcos)
Right to receive units (Barter agreements)

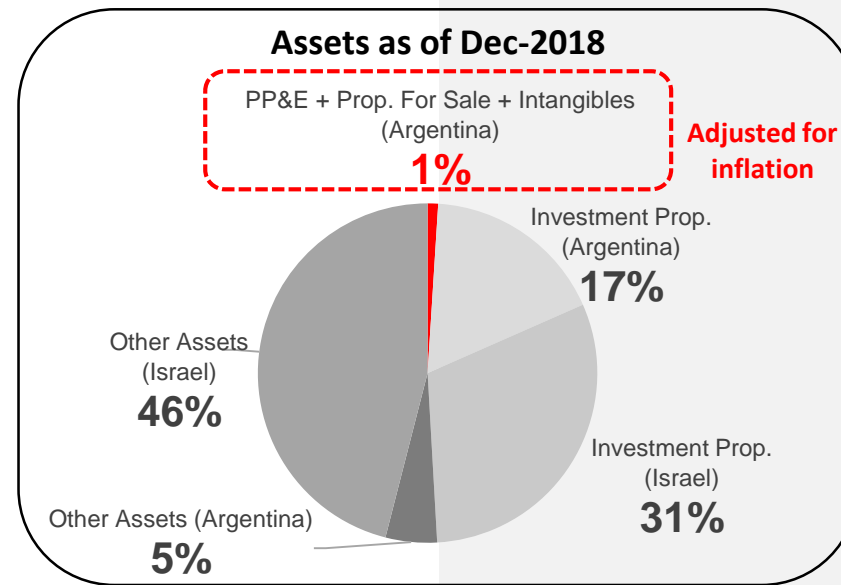
Valued at historical cost adjusted for inflation

Balance Sheet

Items are adjusted for inflation since incorporation or the beginning of the period, if later.

Income Statement

- Annual inflation gain/loss reflected in a separate P&L item "Inflation Adjustment"
- Increased depreciation charge for the year due to PP&E inflation adjustment



Financial Overview by segment IIQ FY 2019

(ARS millions)

Shopping Malls		IIQ 2019	IIQ 2018	Var %	6M 2019	6M 2018	Var %
1	Revenues	1,398	1,508	-7.3%	2,741	2,939	-6.8%
2	Adjusted EBITDA	1,090	1,172	-7.0%	2,062	2,285	-9.8%
3	EBITDA Margin %	78.0%	77.8%	0.2pp	75.2%	77.8%	-2.6pp
4	Net Operating Income (NOI)	1,250	1,302	-4.0%	2,399	2,538	-5.5%

Offices		IIQ 2019	IIQ 2018	Var %	6M 2019	6M 2018	Var %
5	Revenues	295	175	68.7%	521	354	46.9%
6	Adjusted EBITDA	236	140	68.4%	414	287	44.0%
7	EBITDA Margin %	80.1%	80.3%	-0.2pp	79.5%	81.1%	-1.6pp
8	Net Operating Income (NOI)	267	152	75.2%	470	312	50.7%

Main Financial Metrics

Financial Metrics		Dec 31, 2018
1	LTM Adjusted EBITDA (USD MM)	133.3
2	LTM NOI (USD MM)	153.2
3	LTM Adjusted FFO (USD MM)	82.9
Valuation Ratios		
4	Cap Rate (LTM NOI / Market Cap)	17.3%
5	EV / EBITDA LTM	6.6x
6	P / FFO LTM	6.9x
7	P / NAV	0.4x

LTM Dec 31, 2018 Adjusted Avg. FX: \$35.3



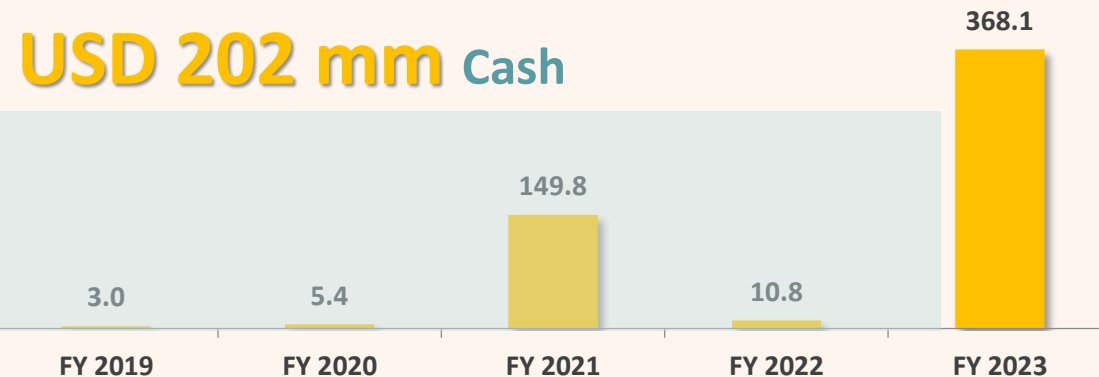
IRSA Commercial Properties' Financial Solvency

As of December 31, 2018

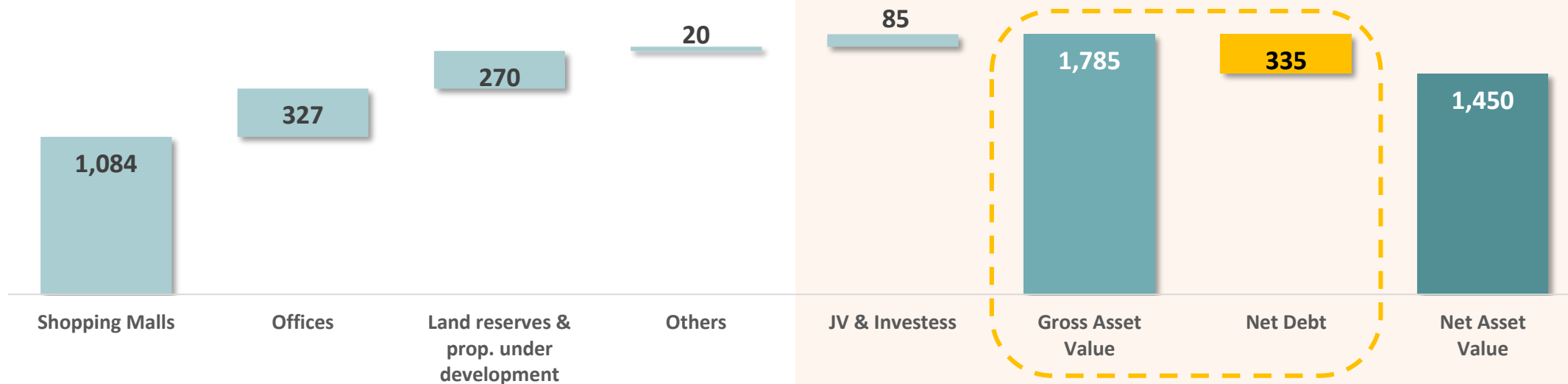


Debt	USD 537 MM
Net Debt	USD 335 MM
Net Debt / EBITDA	2.5x
EBITDA / Interests	3.6x
Local Rating	AA+
International Rating	B+

Debt Amortization Schedule



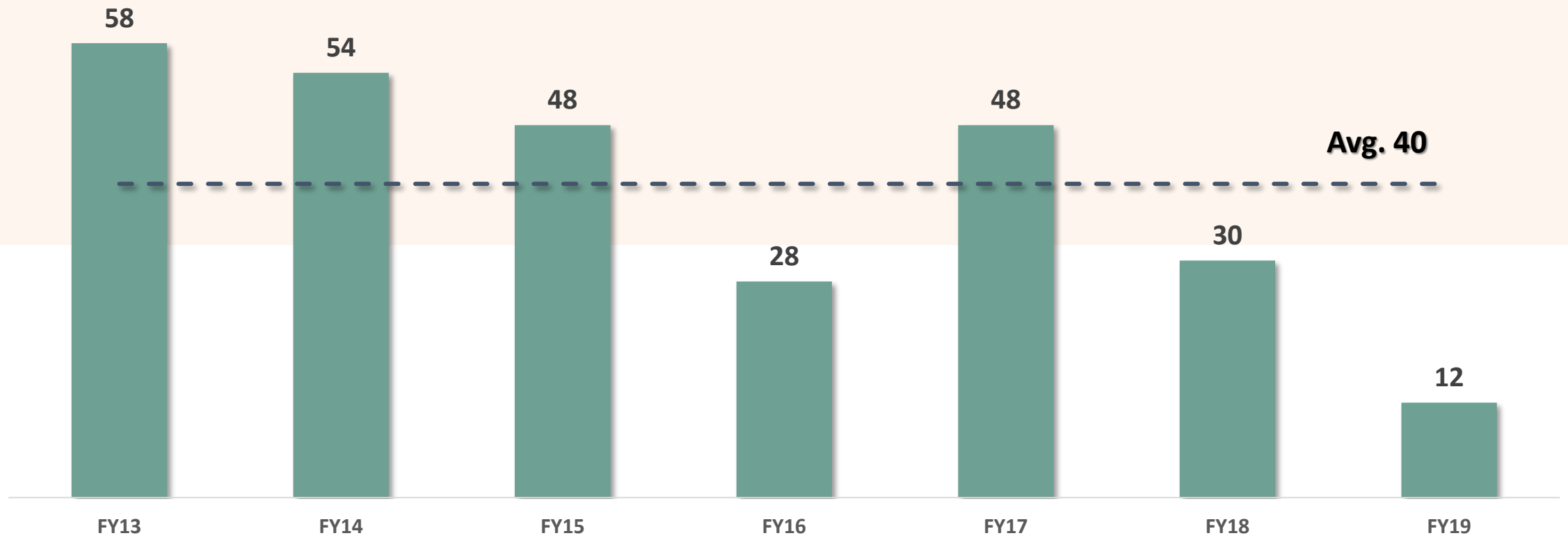
Net Asset Value (USD mm)





Dividends received from IRCP

(USD MM)





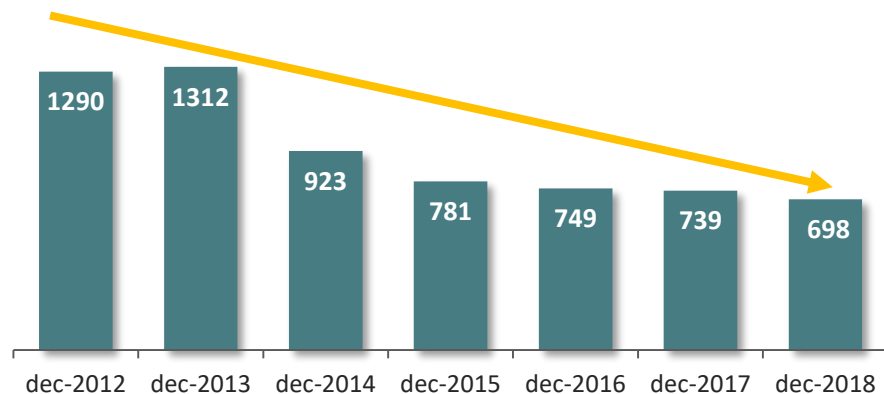
Israel Financial Figures

(USD MM)



Stand alone

Net Debt evolution

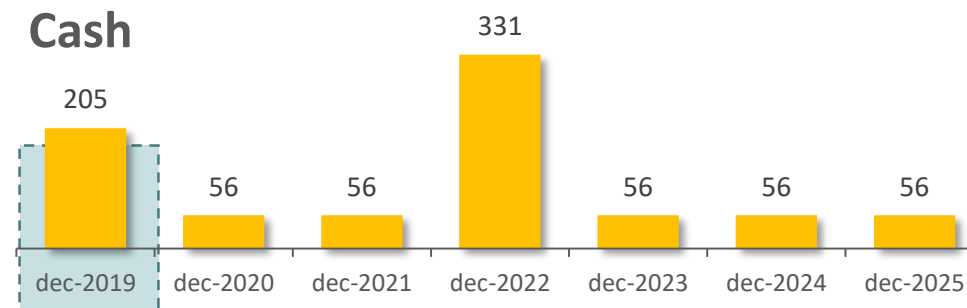


iBBB-
Credit Rating

Debt Amortization Schedule

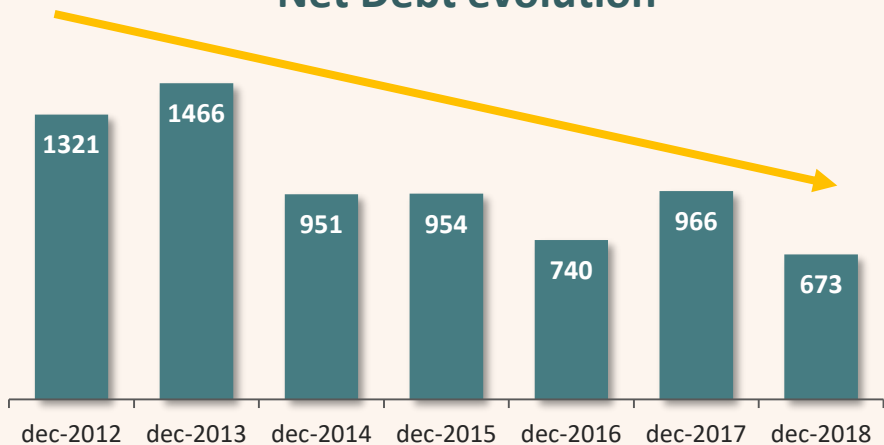
USD 187 mm

Cash



Stand alone

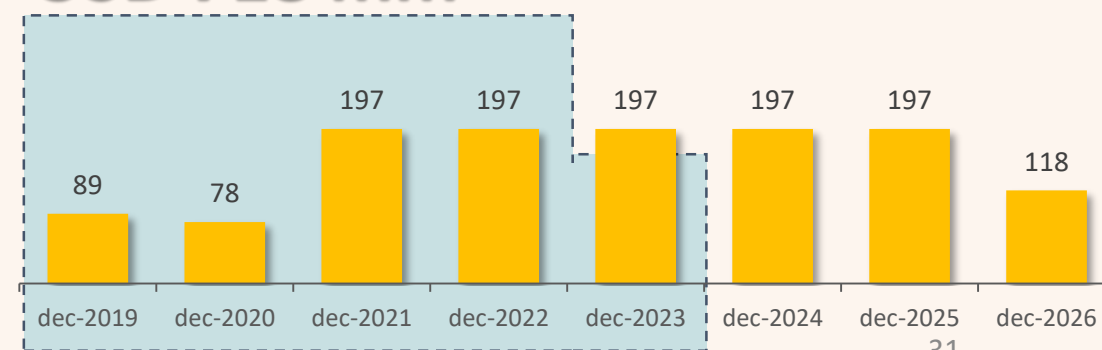
Net Debt evolution



iBBB+
Credit Rating
USD 520 mm
NAV
58%
LTV

Debt Amortization Schedule

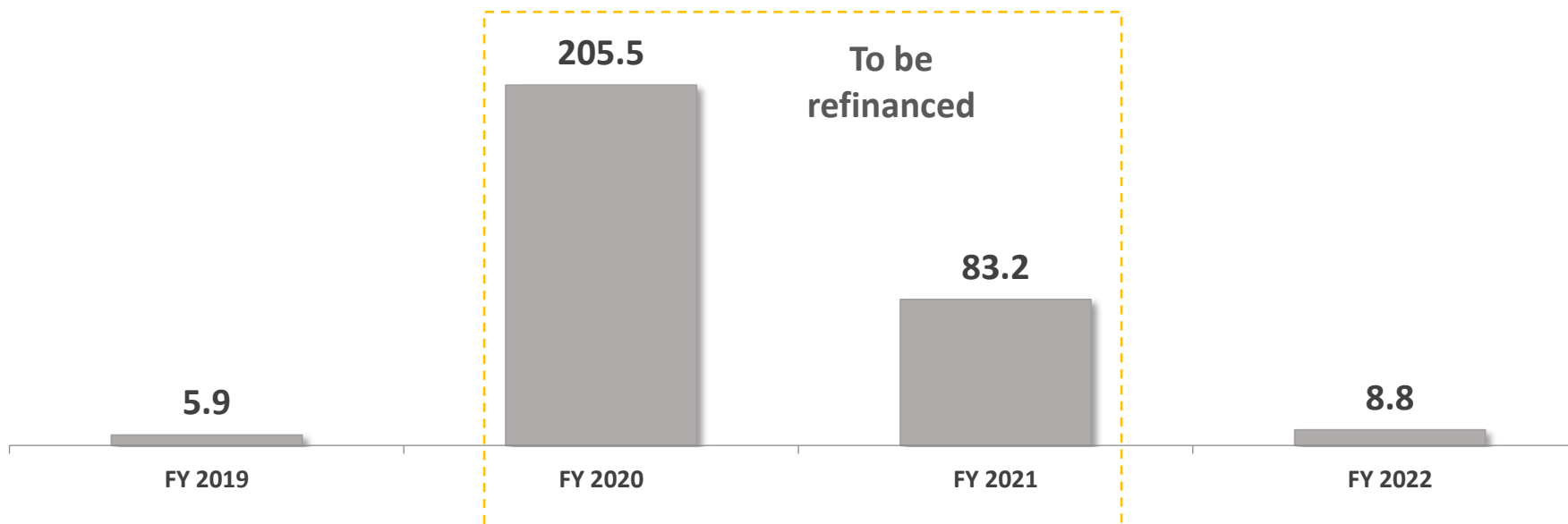
USD 718 mm Cash



USD 294.2 mm
Stand Alone Net Debt

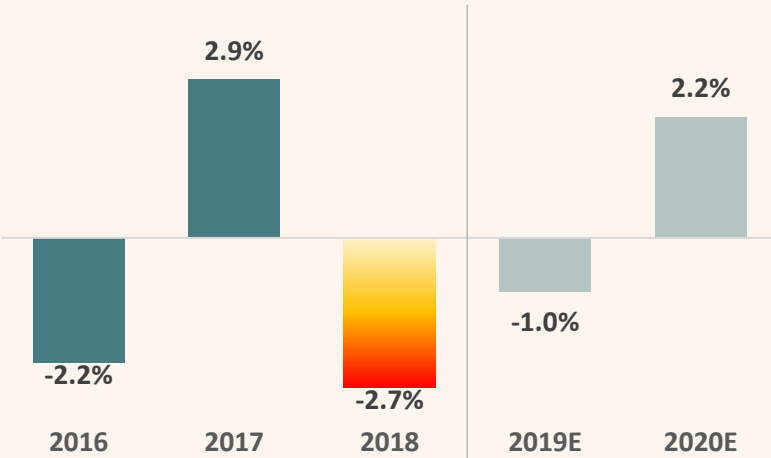
Debt Amortization Schedule

As of December 31, 2018

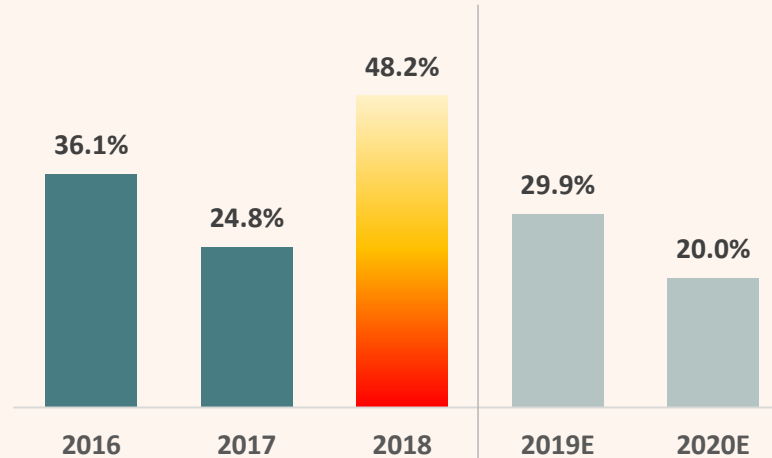


Argentina Macroeconomic Forecast

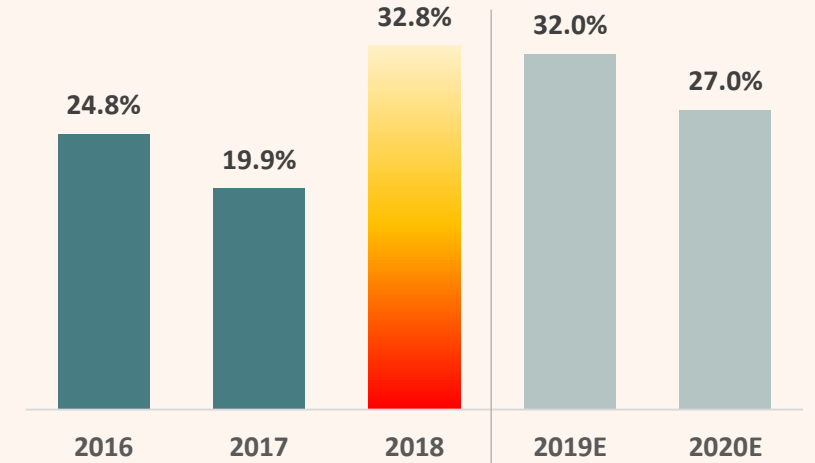
GDP (%)



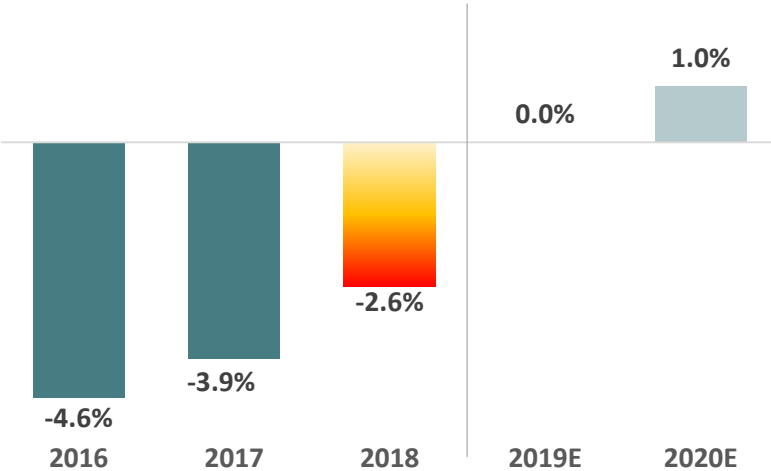
Inflation (%)



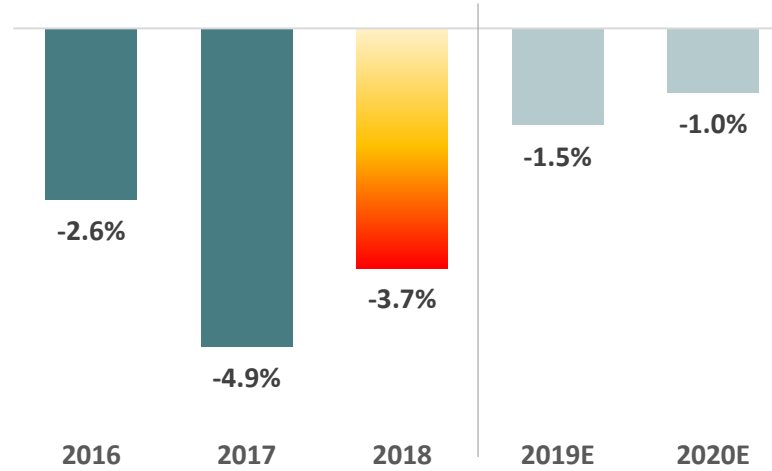
BADLAR Rate (%)



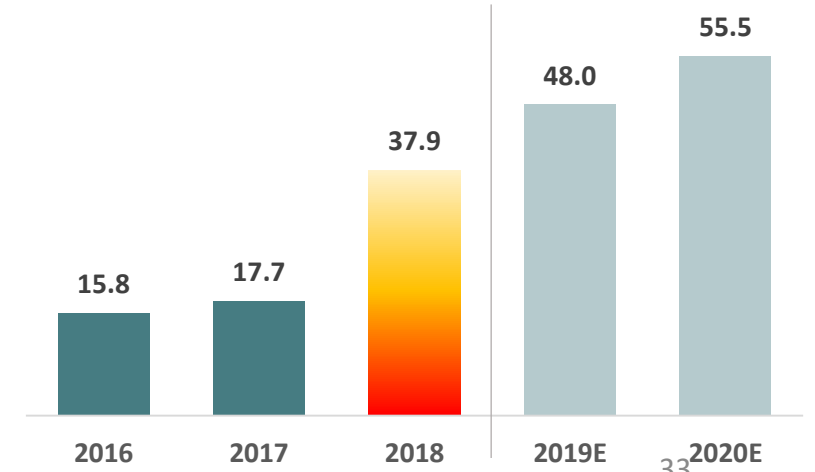
Fiscal Account (% of GDP)



Current Account (% of GDP)



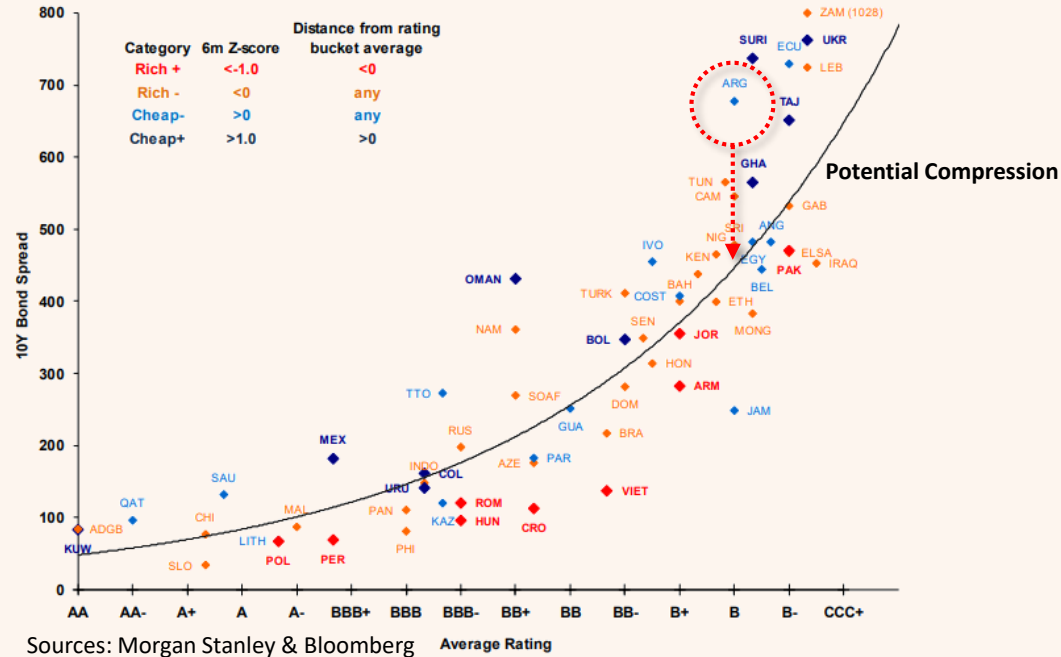
Nominal FX



Argentina Credit Market

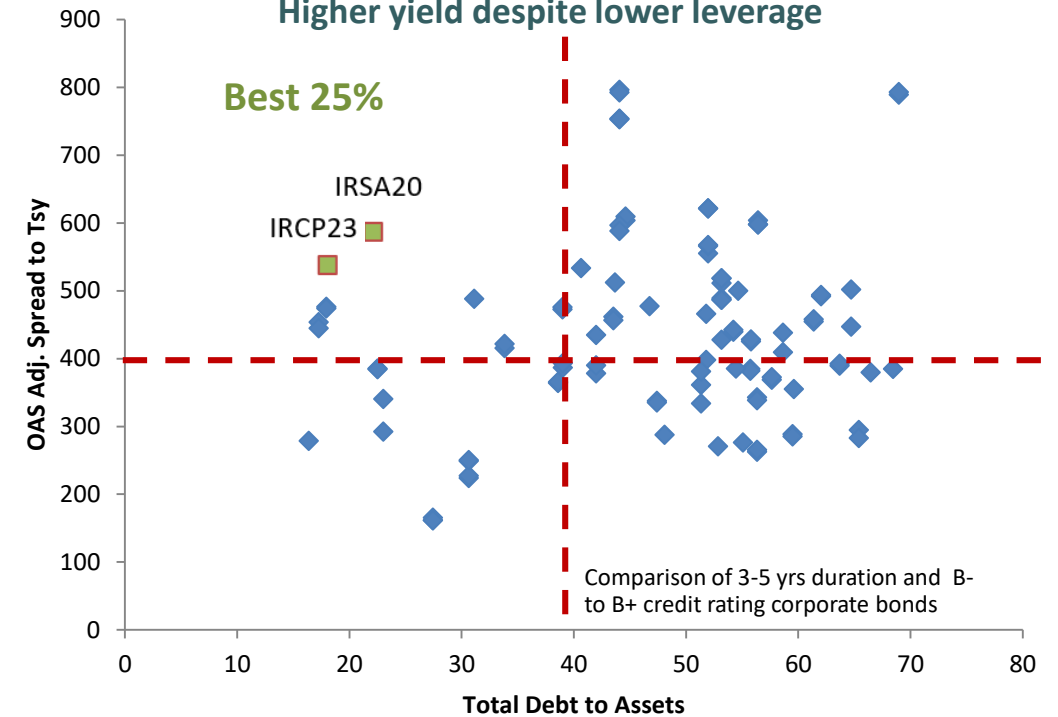
Sovereign 10y bonds vs Ratings

Argentina: High yield relative to rating



IRSA & IRCP bonds

Higher yield despite lower leverage



YTM bonds' evolution

