Earnings Release
IQ FY 2020

IRSA invites you to participate in its conference call for the first quarter of the Fiscal Year 2020

Tuesday, November 12, 2019 11:00 AM BA (09:00 AM US EST)

The call will be hosted by:

Alejandro Elsztain, IIVP

Daniel Elsztain, COO

Matias Gaivironsky, CFO

To participate, please call:

1-844-717-6831 (toll free) or

1-412-317-6388 (international)

54-11-39845677 (Argentina)

Conference ID # IRSA

In addition, you can access through the following webcast:

http://webcastlite.mziq.com/cover.html?webcastId=e4be839d-6ab4-4ed8-9677-89be73cbdc46

Preferably, 10 minutes before the call is due to begin. The conference will be in English.

PLAYBACK

Available until November 21, 2019

Please call:

1-877-344-7529

1-412-317-0088

Access Code: **10136632**

Main Highlights of the Period

- The net result of the first quarter of the FY 2020 recorded a gain of ARS 10,983 million compared to a gain of ARS 9,059 million in the IQ19, mainly explained by the result from the deconsolidation of Gav-Yam due to the loss of control offset by lower results of Clal's market valuation in the Israel business center and lower results from changes in the fair value of investment properties in the Argentine business center.

- The adjusted EBITDA for the first quarter of 2020 was ARS 5,268 million (ARS 1,434 million from the Argentine business center and ARS 3,834 million from the Israel business center), increasing by 28.6% compared to the same quarter of 2019.

- Adjusted EBITDA of the rental segments in Argentina decreased 4.1% in the compared quarter, mainly due to the decrease of 14.5% in shopping centers and 33.8% in hotels partially offset by a growth of 62,5% in the office segment.

- On October 30, our Shareholders' Meeting has approved a dividend in kind for the sum of ARS 480 million payable in shares of IRSA Propiedades Comerciales (0.00404623926578 IRCP shares / IRSA shares and 0.0404623926578 IRCP / ADR IRSA shares).

I. Brief comment on the Company's activities during the period, including references to significant events occurred after the end of the period.

Consolidated Results

(in millions of ARS)	IQ 20	IQ 19	YoY Var
Revenues	18,610	16,376	13.6%
Net gain / (loss) from fair value adjustment of investment properties	9,032	10,187	-11.3%
Profit / (Loss) from operations	11,327	12,391	-8.6%
Depreciation and amortization	2,973	1,894	57.0%
EBITDA(1)	**14,300**	**14,285**	**0.1%**
Adjusted EBITDA(1)	**5,268**	**4,098**	**28.6%**
(Loss) / Profit for the period	**10,983**	**9,059**	**21.2%**
Attributable to equity holders of the parent	3,298	7,982	-58.7%
Attributable to non-controlling interest	7,685	1,077	613.6%

(1) See Point XIX: EBITDA Reconciliation

Company's income increased by 13.6% during the first quarter of fiscal year 2020 as compared to the same period of 2019, while Adjusted EBITDA increased 28.6% reaching ARS 5,268 million, ARS 1,434 million from Argentina Business Center, that decreased 8%, and ARS 3,434 million from Israel Business Center, that increased by 51% mainly due to an increase in the EBITDA of Telecommunications segment (Cellcom) as a consequence of the impact of IFRS 16 implementation: leases costs are now included in Amortizations.

Profit for the period under review reached a gain of ARS 10,983 million, 21.2% higher than the gain registered in the same period of 2019, mainly explained by the result from the deconsolidation of Gav-Yam due to the loss of control offset by lower results of Clal's market valuation in the Israel business center and lower results from changes in the fair value of investment properties in the Argentine business Center.

Argentina Business Center

II. Shopping Malls (through our subsidiary IRSA Propiedades Comerciales S.A.)

During the first quarter of fiscal year 2020. our tenants' sales reached ARS 18,367.4 million, 6.5% lower, in real terms, than the same period of 2019. Although consumption in Argentina has slowed down in recent quarters, mainly due to the fall in real wages, this quarter shows a lower decrease in real terms that could be explained, at least partially, by more consumer financing alternatives, such as "Ahora 12" and "Ahora 18" plans, which allow financing in credit card installments.

Our portfolio's leasable area totaled 332,774 sqm during the quarter. decreasing by approximately 13,000 sqm, compared to the same period of previous fiscal year, due to the end of concession of Buenos Aires Design in December 2018 (IIQ 19). The portfolio's occupancy reduced to 94.3% mainly because of Walmart's anticipated exit from Dot Baires Shopping. Excluding the impact of Walmart's exit, occupancy reached 97.5%.

Shopping Malls' Operating Indicators

(in ARS million, except indicated)	IQ 20	IVQ 19	IIIQ 19	IIQ 19	IQ 19
Gross leasable area (sqm)	332,277	332,150	332,774	332,119	345,929
Tenants' sales (3 months cumulative)	18,367	18,413	15,261	21,031	19,648
Occupancy	94.3%	94.7%	94.5%	94.9%	98.7%

Shopping Malls’ Financial Indicators

(in millions of ARS)	IQ 20	IQ 19	YoY Var
Revenues from sales, leases and services	1,525	1,786	-14.6%
Net (loss) / gain from fair value adjustment on investment properties	440	-3,168	-
Profit / (Loss) from operations	**1,513**	**-1,912**	**-**
Depreciation and amortization	27	31	-12.9%
EBITDA (1)	**1,540**	**-1,881**	**-**
Adjusted EBITDA (1)	**1,100**	**1,287**	**-14.5%**

(1) See Point XIX: EBITDA Reconciliation

Income from this segment decreased 14.6% during the first quarter of fiscal year 2020, compared with same period of previous fiscal year, mainly due to the impact of fix components that did not accompany the quarter tenants sales recovery such as base rents that decreased 20.8% in real terms and admission rights that decreased 17.1%. Our costs. administrative and marketing expenses (SG&A) decrease by approximately 17.7%. Adjusted EBITDA reached ARS 1,100 million, 14.5% lower than the same period of fiscal year 2019, and EBITDA margin, excluding income from expenses and collective promotion fund. was 72.1%, in line with the same period of previous fiscal year.

Operating data of our Shopping Malls

	Date of opening	Location	Gross Leasable Area sqm (1)	Stores	Occupancy Rate (2)	IRSA CP’s Interest (3)
Alto Palermo	Dec-97	City of Buenos Aires	18,637	135	98.1%	100%
Abasto Shopping(4)	Nov-99	City of Buenos Aires	36,802	165	97.7%	100%
Alto Avellaneda	Dec-97	Province of Buenos Aires	37,958	127	99.1%	100%
Alcorta Shopping	Jun-97	City of Buenos Aires	15,725	114	98.1%	100%
Patio Bullrich	Oct-98	City of Buenos Aires	11,396	89	94.7%	100%
Buenos Aires Design(5)	Nov-97	City of Buenos Aires	-	-	-	-
Dot Baires Shopping	May-09	City of Buenos Aires	48,807	155	75.6%	80%
Soleil	Jul-10	Province of Buenos Aires	15,156	79	98.9%	100%
Distrito Arcos	Dec-14	City of Buenos Aires	14,335	65	94.5%	90.0%
Alto Noa Shopping	Mar-95	Salta	19,311	86	97.2%	100%
Alto Rosario Shopping(4)	Nov-04	Santa Fe	33,681	141	99.8%	100%
Mendoza Plaza Shopping	Dec-94	Mendoza	42,876	127	95.0%	100%
Córdoba Shopping	Dec-06	Córdoba	15,361	104	99.9%	100%
La Ribera Shopping	Aug-11	Santa Fe	10,530	68	95.7%	50%
Alto Comahue	Mar-15	Neuquén	11,702	95	96.9%	99.1%
Patio Olmos(6)	Sep-07	Córdoba				
Total			**332,277**	**1,550**	**94.3%**	

(1) Corresponds to gross leasable area in each property. Excludes common areas and parking spaces.
(2) Calculated dividing occupied square meters by leasable area as of the last day of the fiscal period.
(3) Company’s effective interest in each of its business units.
(4) Excludes Museo de los Niños (3,732 square meters in Abasto and 1,261 square meters in Alto Rosario).
(5) End of concession December 5, 2018
(6) IRSA CP owns the historic building of the Patio Olmos shopping mall in the Province of Córdoba, operated by a third party.

Cumulative tenants' sales as of September 30

(per Shopping Mall, in ARS. million)	IQ 20	IQ 19	YoY Var
Alto Palermo	2,279.2	2,349.5	-3.0%
Abasto Shopping	2,362.8	2,662.7	-11.3%
Alto Avellaneda	2,069.0	2,352.8	-12.1%
Alcorta Shopping	1,291.2	1,294.4	-0.2%
Patio Bullrich	872.3	783.1	11.4%
Buenos Aires Design(1)	-	291.2	-100.0%
Dot Baires Shopping	1,748.2	2,031.5	-13.9%
Soleil	1,007.3	1,019.1	-1.2%
Distrito Arcos	1,090.8	918.0	18.8%
Alto Noa Shopping	803.5	865.2	-7.1%
Alto Rosario Shopping	1,835.2	1,894.8	-3.1%
Mendoza Plaza Shopping	1,441.6	1,533.2	-6.0%
Córdoba Shopping	564.0	613.9	-8.1%
La Ribera Shopping(2)	418.3	453.4	-7.7%
Alto Comahue	584.0	585.6	-0.3%
Total	**18,367.4**	**19,648.4**	**-6.5%**

(1) End of concession December 5.2018
(2) Through our joint venture Nuevo Puerto Santa Fe S.A.

Cumulative tenants' sales per type of business (1)

(per Type of Business. in ARS million)	IQ 20	IQ 19	YoY Var	2019	2018	2017
Anchor Store	970.9	1,043.0	-6.9%	3,576	4,401	4,114
Clothes and Footwear	9,928.1	10,403.1	-4.6%	36,716	40,038	40,588
Entertainment	766.2	774.4	-1.1%	2,215	2,382	2,587
Home	360.6	526.3	-31.5%	1,468	2,149	2,104
Restaurant	2,241.7	2,383.9	-6.0%	7,400	8,462	8,064
Miscellaneous	2,296.8	2,451.9	-6.3%	8,284	9,064	8,738
Services	216.4	267.8	-19.2%	788	828	561
Electronic appliances	1,586.7	1,798.0	-11.8%	5,628	9,425	8,940
Total	**18,367.4**	**19,648.4**	**-6.5%**	**66,075**	**76,747**	**75,696**

(1) We present the information for FY 2019, 2018 and 2017 shown in the Annual Report as of June 30, 2019 with a correction in the amounts per type of business without affecting the total amount.

Detailed Revenues as of September 30

(in ARS million)	IQ 20	IQ 19	YoY Var
Base Rent (1)	764	965	-20.8%
Percentage Rent	365	354	3.1%
Total Rent	**1,130**	**1,319**	-14.3%
Revenues from non-traditional advertising	41	42	-2.4%
Admission rights	191	231	-17.1%
Fees	21	23	-9.0%
Parking	89	115	-22.6%
Commissions	41	44	-6.7%
Others	11	14	16.1%
Subtotal (2)	**1,525**	**1,786**	**-14.6%**
Expenses and Collective Promotion Funds	665	**759**	-12.4%
Total	**2,142**	**2,474**	**-13.4%**

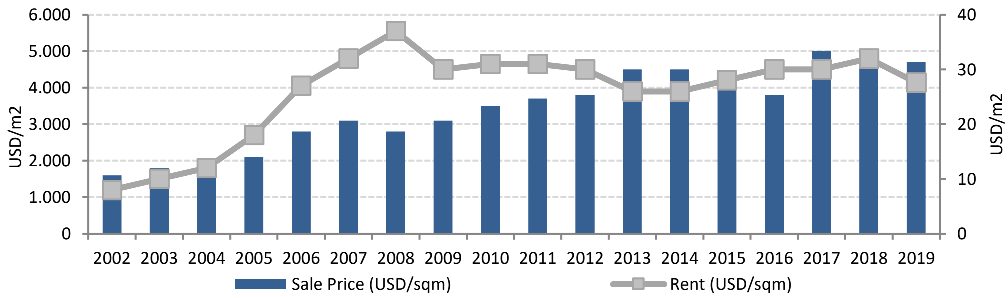
(1) Includes Revenues from stands for ARS 103.6 million cumulative as of September 2019
(2) Does not include Patio Olmos.

III. Offices

The A+ office market in the City of Buenos Aires remains robust even after the period of highest exchange volatility in recent years. The price of Premium commercial spaces diminished at USD 4,700 per square meter as well as rental prices that remained at USD 27.6 when compared with same period of previous fiscal year. per square meter for the A+ segment. The vacancy of the premium segment increased slightly to 6.8%, a trend that is expected to continue in the coming months with the completion of buildings currently under construction.

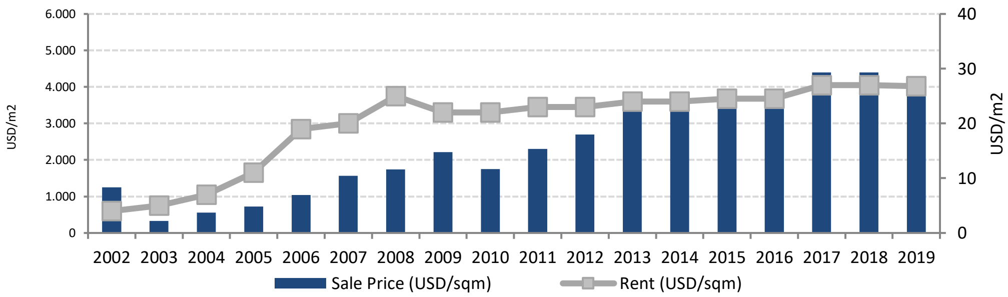
As concerns the A+ office market in the Northern Area. we have noted a significant improvement in the price of units during the last 10 years, and we believe in its potential during the next years. Nevertheless, rental prices show a downward trend around USD 26.8 per square meter.

Sale and Rental Prices of A+ Offices – City of Buenos Aires



Source: LJ Ramos

Sale and Rental Prices of A+ Offices – Northern Area



Source: LJ Ramos

Gross leasable area was 115,640 sqm as of the first three-month period of fiscal year 2019, highly increased when compared to the previous year due to the inauguration of the Zetta building in May 2019.

Portfolio average occupancy remain in the levels observed in last quarter, 88.1%, mainly due to higher vacancy in our class B offices, Suipacha 661 and Philips. Considering our premium portfolio (class A+&A), the occupancy reached 96.6%. The average rental price reached USD 26.6 per sqm in line with previous quarters.

Offices' Operating Indicators

	IQ 20	IVQ 19	IIIQ 19	IIQ 19	IQ 19
Leasable area	115,640	115,378	83,205	83,213	83,213
Total Occupancy	88.1%	88.3%	91.4%	90.0%	93.4%
Class A+ & A Occupancy	96.6%	97.2%	95.0%	93.1%	97.6%
Class B Occupancy	46.2%	45.0%	79.6%	79.6%	79.6%
Rent USD/sqm	26.6	26.4	26.3	27.0	25.7

Offices' Financial Indicators

(in ARS million)	IQ 20	IQ 19	YoY Var
Revenues from sales, leases and services	512	344	48.8%
Net gain from fair value adjustment on investment properties, PP&E e inventories	5,006	10,575	-52.7%
Profit from operations	5,425	10,830	-49.9%
Depreciation and amortization	5	6	-16.7%
EBITDA(1)	**5,430**	**10,836**	**-49.9%**
Adjusted EBITDA (1)	**424**	**261**	**62.5%**

(1) See Point XIX: EBITDA Reconciliation

In real terms. during the first quarter of fiscal year 2020, revenues from the offices segment increased by 53.5% compared to the same period of 2019. Adjusted EBITDA from this segment grew 6.6% in real terms compared to the same period of the previous year due to the positive impact of the devaluation in our dollar-denominated contracts and the effect of income flattening of the new Zetta building. EBITDA margin was 85.3%, 6.8 bps above same period of previous year.

Below is information on our Office segment and other rental properties as of September 30, 2019:

	Date of Acquisition	Gross Leaseable Area (sqm) (1)	Occupancy (2)	IRSA's Effective Interest
Offices(4)				
Edificio República	04/28/08	19,885	92.6%	100%
Torre Bankboston)	08/27/07	14,865	93.5%	100%
Intercontinental Plaza	11/18/97	2,979	100.0%	100%
Bouchard 710	06/01/05	15,014	100.0%	100%
Suipacha 652/64	11/22/91	11,465	31.2%	100%
Dot Building	11/28/06	11,242	100.0%	80%
Philips Building	06/05/17	8,017	67.6%	100%
Zetta Building	05/06/19	32,173	97.5%	80%
Subtotal Offices		**115,640**	**88.1%**	**N/A**
Other Properties				
Santa María del Plata S.A	10/17/97	116,100	25.9%	100%
Nobleza Piccardo (5)	05/31/11	109,610	79.8%	50.0%
Other Properties (3)	N/A	12,292	35.6%	N/A
Subtotal Other Properties		**238,002**	**51.3%**	**N/A**
Total Offices and Others		**353,380**	**63.3%**	**N/A**

(1) Corresponds to the total leasable surface area of each property as of September 30, 2019. Excludes common areas and parking spaces.
(2) Calculated by dividing occupied square meters by leasable area as of September 30, 2019.
(3) Through IRSA CP.
(4) Through Quality Invest S.A.
(5) Includes the following properties: Dot Adjoining Plot, Intercontinental plot of land, Anchorena 665, Puerto Retiro, Casona Abril, Constitución 1111 and Rivadavia 2774.

Below, we present the following table shown in the Annual Report as of June 30, 2019 with a rectification in the number and amount of lease agreements not renewed.

Building	Number of lease agreements (1)(5)	Annual rental price (2)	Rental price per new and renewed sqm (3)	Rental price per previous sqm (3)	Number of lease agreements not renewed	Lease agreements not renewed Annual rental price (4)
Bouchard 710	1	10,698,433	1,214	1,257	-	-
Della Paolera 265	3	104,463,158	1,249	1,251	1	2,242,046
Edificio República	8	93,015,881	1,343	1,230	-	-
DOT Building	3	42,673,277	1,078	1,008	-	-
Suipacha 652/64	1	10,576,344	552	530	-	-
Zetta Building	2	386,602,685	1,027	-	-	-
Total Offices	**18**	**648,029,779**	**1,086**	**1,139**	**1**	**2,242,046**

(1) Includes new and renewed lease agreements executed in FY 2019.
(2) Lease agreements in U.S. dollars converted to Pesos at the exchange rate prevailing in the first effective month of the agreement, multiplied by 12 months.
(3) Monthly value.
(4) Lease agreements in U.S. dollars converted to Pesos at the exchange rate prevailing in the last effective month of the agreement, multiplied by 12 months.
(5) It does not include lease agreements over parking spaces, antennas or terrace area.

IV. Sales and Developments

(in millions of ARS)	IQ 20	IQ 19	YoY Var
Revenues	61	34	79.4%
Net gain from fair value adjustment on investment properties	3,769	3,811	-1.1%
Profit from operations	3,692	3,762	-1.9%
Depreciation and amortization	2	2	0.0%
EBITDA[(1)]	**3,694**	**3,764**	**-1.9%**
Adjusted EBITDA[(1)]	**-75**	**-47**	**59.6%**

(1) See Point XIX: EBITDA Reconciliation

Revenues from the "Sales and Development" segment decreased 79.4% during the first quarter of fiscal year 2020 compared to the same period of previous year, due to the impact of early revenues recognition in Catalinas Project according to IFRS 15. Adjusted EBITDA of the segment was ARS 75 million loss, compared to ARS 47 million loss in the same period of fiscal year 2019.

Below, we present the table of land reserves at IRSA CP level shown in the Annual Report as of June 30, 2019 with the rectification of the fair value of certain properties.

	IRSA CP's Interest	Date of acquisition	Land surface (sqm)	Buildable surface (sqm)	GLA (sqm)	Salable surface (sqm)	Fair Value (ARS millions)
RESIDENTIAL - BARTER AGREEMENTS							
Beruti (Astor Palermo) - BA City	100%	6/24/2008	-	-	-	175	235.9
CONIL - Güemes 836 – Mz. 99 & Güemes 902 – Mz. 95 & Commercial stores - Buenos Aires	100%	7/19/1996	-	-	-	1,461	61.6
Total Intangibles (Residential)			**-**	**-**	**-**	**1,636**	**297.5**
LAND RESERVES							
Catalinas - BA City	100%	5/26/2010	3,648	58,100	30,832	-	-
Subtotal Oficinas			**3,648**	**58,100**	**30,832**	**-**	**-**
Total under Development			**3,648**	**58,100**	**30,832**	**-**	**-**
UOM Luján - Buenos Aires	100%	5/31/2008	1,160,000	464,000	-	-	445.9
San Martin Plot (Ex Nobleza Piccardo) - Buenos Aires	50%	5/31/2011	159,996	500,000	-	-	1,715.0
La Plata - Greater Buenos Aires	100%	3/23/2018	78,614	116,553	-	-	423.1
Maltería Hudson – Greater Buenos Aires	100%	31/7/2018	147,895	177,000	-	-	1,019.8
Caballito plot - BA City	100%	1/20/1999	23,791	86,387	10,518	75,869	1,557.5
Subtotal Mixed-uses			**1,570,296**	**1,343,940**	**10,518**	**75,869**	**5,161.3**
Coto Abasto aire space - BA City[(2)]	100%	9/24/1997	-	21,536	-	16,385	539.1
Córdoba Shopping Adjoining plots - Córdoba[(2)]	100%	6/5/2015	8,000	13,500	-	2,160	19.6
Neuquén - Residential plot - Neuquén[(2)]	100%	6/7/1999	13,000	18,000	-	18,000	100.6
Subtotal Residential			**21,000**	**53,036**	**-**	**36,545**	**659.3**
Polo Dot comnercial expansion – BA City	80%	11/28/2006	-	-	15,940	-	590.0
Paraná plot - Entre Ríos [(3)]	100%	8/12/2010	10,022	5,000	5,000	-	-
Subtotal Retail			**10,022**	**5,000**	**20,940**	**-**	**590.0**
Polo Dot - Offices 2 & 3 - BA City	80%	11/28/2006	12,800	-	38,400	-	1,135.7
Intercontinental Plaza II - BA City	100%	28/2/1998	6,135	-	19,598	-	473.3
Córdoba Shopping Adjoining plots - Córdoba[(2)]	100%	5/6/2015	2,800	5,000	5,000	-	11.1
Subtotal Offices			**21,735**	**5,000**	**62,998**	**-**	**1,620.1**
Total Future Developments			**1,623,053**	**1,406,976**	**94,456**	**112,414**	**8,030.7**
Other Reserves[(1)]			**1,899**	**-**	**7,297**	**262**	**642.0**
Total Land Reserves			**1,624,952**	**1,406,976**	**101,753**	**112,676**	**8,672.7**

(1) Includes Zelaya 3102-3103, Chanta IV, Anchorena 665, Condominios del Alto II, Ocampo parking spaces, DOT adjoining plot and Mendoza shopping adjoining plot.
(2) These land reserves are classified as Property for Sale, therefore, their value is maintained at historical cost adjusted for inflation. The rest of the land reserves are classified as Investment Property, valued at market value.
(3) Sign of the deeds pending subject to certain conditions.
(4) Sale agreements for 86,93% of the property under development have been signed between IRSA and IRSA CP and the remaining units have been sold to Globant, also through an agreement. The sale deed with both entities is yet to be signed. The fair value disclosed above corresponds only to the land.

V. CAPEX (through our subsidiary IRSA Propiedades Comerciales S.A.)

Alto Palermo Expansion

We keep working on the expansion of Alto Palermo shopping mall. the shopping mall with the highest sales per square meter in our portfolio. that will add a gross leasable area of approximately 3,900 square meters and will consist in moving the food court to a third level by using the area of an adjacent building acquired in 2015. Work progress as of September 30 was 37.9% and construction works are expected to be finished by July 2020.

200 Della Paolera - Catalinas building

The building under construction will have 35,000 sqm of GLA consisting of 30 office floors and 316 parking spaces and is located in the “Catalinas” area in the City of Buenos Aires. one of the most sought-after spots for Premium office development in Argentina. The company owns 30,832 square meters consisting of 26 floors and 272 parking spaces in the building. The total estimated investment in the project amounts to ARS 2,600 million and as of September 30, 2019. work progress was 73.4%. As of today, we have 21% of the IRSA CP's own GLA sqm with signed lease agreements and there are good commercialization prospects for the rest of the surface.

VI. Hotels

During the first quarter of fiscal year 2020, Hotels segment recorded a decrease in revenues of 10.2% mainly due to the mainly to the decrease in the rate and the growth of the vacancy of Libertador hotel after the company acquisition of 20% of the ownership of Sheraton and the begin of the operation of the hotel on its own, added to the fact that the economic volatility of the quarter affected the activity in general and corporate events in particular. The segment’s EBITDA reached ARS 94 million during the period under review, 33.8% lower than in the previous fiscal year.

	IQ 20	IVQ 19	IIIQ 19	IIQ 19	IQ 19
Average Occupancy	61.6%	65.2%	69.3%	68.5%	64.5%
Average Rate per Room (USD/night)	167	197	209	205	189

(in millions of ARS)	IQ 20	IQ 19	Var a/a
Revenues	513	571	-10.2%
Profit / (loss) from operations	62	110	-43.6%
Depreciation and amortization	32	32	-
EBITDA	**94**	**142**	**-33.8%**

The following is information on our hotels segment as of September 30, 2019:

Hotels	Date of Acquisition	IRSA's Interest	Number of rooms	Occupancy(1)	Average Price per Room USD. (2)
Intercontinental (3)	11/01/1997	76.34%	313	71.1%	136
Sheraton Libertador (4)	03/01/1998	100.00%	200	48.5%	98
Llao Llao (5)	06/01/1997	50.00%	205	59.9%	279
Total	**-**	**-**	**718**	**61.6%**	**167**

(1) Accumulated average in the three-month period.
(2) Accumulated average in the three-month period.
(3) Through Nuevas Fronteras S.A. (Subsidiary of IRSA).
(4) Through Hoteles Argentinos S.A.
(5) Through Llao Llao Resorts S.A.

VII. International

Lipstick Building, New York, United States

The Lipstick Building is a landmark building in the City of New York, located at Third Avenue and 53th Street in Midtown Manhattan, New York. Architects John Burgee and Philip Johnson (Glass House and Seagram Building, among other renowned works) designed it and it is named after its elliptical shape and red façade. Its gross leasable area is approximately 58,000 sqm and consists of 34 floors.

As of September 30, 2019, the building's occupancy rate was 95.6%, thus generating an average rent of USD 79.3 per sqm.

Lipstick	Sep-19	Sep-18	YoY Var
Gross Leasable Area (sqm)	58,092	58,092	-
Occupancy	95.6%	96.9%	-1.3 p,p
Rental price (USD/sqm)	79.3	77.1	2.9%

In June 2019, an "Escrow Agreement" was signed for the sum of US $ 5.1 million, through which an option was acquired to purchase the controlling position on one of the lands where the Lipstick was built. This option expired on August 30, so the seller has the right to collect the deposit. The company will continue negotiations trying to obtain funding sources that allow us to execute the purchase.

Investment in Condor Hospitality Inc.

On July 19, 2019, Condor signed an agreement and merger plan with a company not related to the group. As agreed, each Condor ordinary share, whose nominal value is US$ 0.01 per share will be cancelled before the merger and will become the right to receive a cash amount equivalent to US$ 11.10 per ordinary share. Additionally, in accordance with the terms and conditions of the merger agreement, each Series E convertible share will be automatically cancelled and will become entitled to receive a cash amount equal to US$ 10.00 per share.

It is estimated that the operation will be developed between November and December 2019. As of the date of these financial statement presentation, the group owned 2,245,099 common shares and 325,752 preferred E shares.

VIII. Corporate

(in millions of ARS)	IQ 20	IQ 19	YoY Var
Revenues	-	-	-
Loss from operations	-64	-64	-
Depreciation and amortization	1	-	-
EBITDA	**-63**	**-64**	**-1.6%**

IX. Financial Operations and Others

Interest in Banco Hipotecario S.A. ("BHSA") through IRSA

BHSA is a leading bank in the mortgage lending industry, in which IRSA held an equity interest of 29.91% as of September 30, 2019. During the three-month period of 2020, the investment in Banco Hipotecario generated a ARS 349 million gain compared to a ARS 92 million gain on the same period of 2019. For further information, visit http://www.cnv.gob.ar or http://www.hipotecario.com.ar.

Israel Business Center

X. Investment in IDB Development Corporation and Discount Investment Corporation ("DIC")

As of September 30, 2019, IRSA's indirect equity interest in IDB Development Corp. was 100% of its stock capital and in Discount Corporation Ltd. ("DIC") was 82.31% of its stock capital.

Within this operations center, the Group operates the following segments:

- The **"Real Estate"** segment mainly includes the assets and profit from operations derived from the business related to the DIC subsidiary, Property & Building ("PBC"). Through PBC, the Group operates rental and residential properties in Israel, United States and other locations in the world, and executes commercial projects in Las Vegas, United States of America.
- The **"Telecommunications"** segment includes the assets and profit from operations derived from the business related to the subsidiary Cellcom. Cellcom is supplier of telecommunication services and its main businesses include the provision of cellular and fixed telephone, data and Internet services, among others.
- The **"Insurance"** segment includes the investment in Clal. This company is one of the largest insurance groups in Israel, whose businesses mainly comprise pension and social security insurance and other insurance lines. The Group does not hold a controlling interest in Clal; therefore, it is not consolidated on a line-by-line basis, but presented under a single line as a financial instrument at fair value, as required under IFRS for the current circumstances in which no control is exercised.
- The **"Others"** segment includes the assets and profit from other miscellaneous businesses, such as technological developments, tourism, oil and gas assets, electronics, and other sundry activities.

Segment Results

Following is the comparative information by segments of our Israel Business Center for the period between July 1, 2019 and September 30, 2019.

Real Estate (Property & Building - PBC) - ARS MM	IQ 20	IQ 19	YoY Var
Revenues	2,896	2,518	15.0%
Profit from operations	929	749	24.0%
Depreciation and amortization	13	11	18.2%
EBITDA	**942**	**760**	**23.9%**
Adjusted EBITDA	**942**	**760**	**23.9%**

Revenues and operating income of the **Real Estate** segment through the subsidiary PBC reached in the three-month period ended September 30, 2019 an amount of ARS 2,896 million and ARS 929 million, respectively, and for the same period ended on September 30, 2019, reached ARS 2,518 million and ARS 749 million respectively. This is mainly due to an average real depreciation of 20.66% of the Argentine peso against the Israeli shekel, offset by an appreciation of the Shekel against the dollar, which makes the income in Shekels for HSBC rents lower. Additionally, the market was characterized by maintaining stability in terms of demand and occupancy rates, keeping an average occupation of 97% in Israel and 100% in HSBC building.

Telecommunications (Cellcom) ARS MM	IQ 20	IQ 19	YoY Var
Revenues	12,073	10,049	20.1%
(Loss) / Profit from operations	278	-137	-302.9%
Depreciation and amortization	2,844	1,792	58.7%
EBITDA	**3,122**	**1,655**	**88.6%**

The **Telecommunications** segment carried out by "Cellcom" reached ARS 12,073 million of revenue and an operating loss of ARS 278 million in the three-month period of fiscal year 2020. For the same period of fiscal year 2019, revenues were ARS 10,049 million and operating loss was ARS 137 million. This is mainly due to an increase in revenues related to fixed lines, television and internet that compensate the revenues loss of the cell phone sector, accompanied by a reduction in structure costs.

Others (other subsidiaries) ARS MM	IQ 20	IQ 19	YoY Var
Revenues	360	308	16.9%
Loss from operations	-42	292	-114.4%
Depreciation and amortization	26	19	36.8%
EBITDA	**-16**	**311**	**-105.1%**

The "**Others**" segment reached revenues of ARS 360 million and an operating loss of ARS 42 million in the first quarter of fiscal year 2020. During the same period of fiscal year 2019, it reached revenues of ARS 308 million and an operating gain of ARS 292 million. This is mainly due to a real average depreciation of 20.66% of the Argentine peso against the Israeli shekel and a decrease in Bartan's income. Additionally, during the first quarter of the FY 2020 Elron sold associated companies while in the current period it did not register this kind of sales.

Corporate (DIC, IDBD and Dolphin) ARS MM	IQ 20	IQ 19	YoY Var
Revenues	-	-	-
(Loss) / Profit from operations	-214	-189	13.2%
Depreciation and amortization	-	-	-
EBITDA	**-214**	**-189**	**13.2%**

The "**Corporate**" segment reached in the three-month period of fiscal year 2020 an operating loss of ARS 214 million and for the same period of fiscal year 2019, an operating loss of ARS 189 million. This is mainly due to a real average depreciation of 20.66% of the Argentine peso against the Israeli shekel and a decrease in the fees for legal advisory services.

Regarding “Clal”, the Group values its holding in the company as a financial asset at market value. The valuation of Clal's shares as of 09/30/2019 amounted to ARS 14,675 million.

XI. EBITDA by Operations Center (ARS million)

Operations Center in Argentina

IQ FY 20	Shopping Malls	Offices	Sales and Developments	Hotels	International	Corporate	Others	Total
Profit / (loss) from operations	1,513	5,425	3,692	62	-35	-64	188	10,781
Depreciation and amortization	27	5	2	32	1	1	7	76
EBITDA	**1,540**	**5,430**	**3,694**	**94**	**-34**	**-63**	**195**	**10,857**

IQ FY 19	Shopping Malls	Offices	Sales and Developments	Hotels	International	Corporate	Others	Total
Profit / (loss) from operations	-1,912	10,830	3,762	110	-17	-64	178	12,887
Depreciation and amortization	31	6	2	32	-	-	2	72
EBITDA	**-1,881**	**10,836**	**3,764**	**142**	**-17**	**-64**	**180**	**12,959**
EBITDA Var	**-**	**-49.89%**	**-1.86%**	**-33.80%**	**100.00%**	**-1.56%**	**8.33%**	**-16.22%**

Israel Business Center

IQ FY 20	Real Estate	Tele-communications	Others	Corporate	Total
Profit / (loss) from operations	**929**	**278**	**-42**	**-214**	**951**
Depreciations and amortizations	13	2,844	26	-	2,883
EBITDA	**942**	**3,122**	**-16**	**-214**	**3,834**
Net unrealized gain from fair value adjustment of investment properties	-	-	-	-	-
Adjusted EBITDA	**942**	**3,122**	**-16**	**-214**	**3,834**

IQ FY 19	Real Estate	Tele-communications	Other	Corporate	Total
Profit / (loss) from operations	**749**	**-137**	**292**	**-189**	**715**
Depreciations and amortizations	11	1,792	19	-	1,822
EBITDA	**760**	**1,655**	**311**	**-189**	**2,537**
Net unrealized gain from fair value adjustment of investment properties	-	-	-	-	-
Adjusted EBITDA	**760**	**1,655**	**311**	**-189**	**2,537**
EBITDA Var	**23.95%**	**88.64%**	**-105.14%**	**13.23%**	**51.12%**
Adjusted EBITDA Var	**23.95%**	**88.64%**	**-105.14%**	**13.23%**	**51.12%**

XII. Reconciliation with Consolidated Statements of Income (ARS million)

Below is an explanation of the reconciliation of the company’s profit by segment with its Consolidated Statements of Income. The difference lies in the presence of joint ventures included in the segment but not in the Statements of Income.

	Total as per segment	Joint ventures*	Expenses and CPF	Elimination of inter-segment transactions	Total as per Statements of Income
Revenues	17,971	-20	665	-6	18,610
Costs	-11,097	8	-697	-	-11,786
Gross profit	**6,874**	**-12**	**-32**	**-6**	**6,824**
Net loss from fair value adjustment of investment properties	9,433	-401	-	-	9,032
General and administrative expenses	-2,117	4	-	8	-2,105
Selling expenses	-2,395	4	-	-	-2,391
Other operating results, net	-63	-	32	-2	-33
Profit from operations	**11,732**	**-405**	**-**	**-**	**11,327**
Share of loss of associates and joint ventures	-226	303	-	-	77
Profit before financial results and income tax	**11,506**	**-102**	**-**	**-**	**11,404**

*Includes Puerto Retiro, CYRSA, Nuevo Puerto Santa Fe and Quality (San Martín plot).

XIII. Financial Debt and Other Indebtedness

Operations Center in Argentina

The following table contains a breakdown of our indebtedness as of September 30, 2019:

Description	Currency	Amount (1)	Interest Rate	Maturity
Bank overdrafts	ARS	10.2	Floating	< 360 days
Series II Non-Convertible Notes (USD)	USD	71.4	11.50%	Jul-20
Series II Non-Convertible Notes (CLP)	CLP	44.2	10.50%	Aug-20
Series I Non-Convertible Notes	USD	181.5	10.00%	Nov-20
Loan with IRSA CP	USD	28.5	-	Nov-22
Other debt	USD	29.4	-	Feb-22
IRSA's Total Debt		**365.2**		
Cash & Cash Equivalents + Investments (3)	USD	0.6		
IRSA's Net Debt	**USD**	**364.5**		
Bank overdrafts	ARS	17.3	-	< 360 d
PAMSA loan	USD	35.0	Fixed	Feb-23
IRCP NCN Class IV(2)	USD	137.7	5.0%	Sep-20
IRSA CP NCN Class II	USD	360.0	8.75%	Mar-23
IRSA CP's Total Debt		**550.0**		
Cash & Cash Equivalents + Investments (3)		203.3		
Consolidated Net Debt		**346.7**		

(1) Principal amount in USD (million) at an exchange rate of Ps. 57.59 Ps. /USD, without considering accrued interest or eliminations of balances with subsidiaries.
(2) Net of repurchase.
(3) "Cash & Cash Equivalents plus Investments" includes Cash & Cash Equivalents and Investments in Current Financial Assets.

Israel Business Center

Financial debt as of June 30, 2019:

Indebtedness(1)	Net (NIS million)
IDBD's Total Debt	2,173
DIC's Total Debt	2,661

(1) IDBD's cash balance includes a sum of NIS 430M as collateral for the equity-swap transaction

XIV. Subsequent Material Events

Operations Center in Argentina

August 2019: Bonds issuance

On August 6, 2019, the Company reopened the Note Series I in the local market for the sum of USD 85.2 million, the auctioned bid price was 103.77%, which resulted in an internal annual rate of return of 8.75% nominal. Likewise, on the same date, the Notes Series II denominated in Chilean pesos, underwritable and payable in dollars, for an amount of CLP 31,502.6 million (equivalent to USD 45 million) were issued at a rate of 10.5% per within 12 months The funds will be used to refinance short-term liabilities and cancel negotiable obligations that expire during the year.

August 2019: Capital Contribution to Dolphin

On August 30, 2019, the Board of Directors has approved the subscription of a commitment with Dolphin Netherlands B.V., a Dutch company 100% controlled by our subsidiary Tyrus S.A., to make capital contributions in Dolphin Netherlands B.V. for up to NIS 210,000,000 (two hundred and ten million Israeli shekels), according to a schedule of commitments made by Dolphin Netherlands B.V. between September 2019 and September 2021 with IDB Development Corporation Ltd. ("IDBD").

It is made known with reference to Dolphin Netherlands B.V. that said company would compromise to make contributions in its 100% controlled IDBD subject to the occurrence of certain facts according to the following scheme: (i) NIS 70,000,000 to be contributed immediately; (ii) NIS 70,000,000 to be contributed until September 2, 2020 and (iii) NIS 70,000,000 to be contributed until September 2, 2021. According to the agreement of Dolphin Netherlands B.V. with IDBD, those contributions may be considered as capital contributions resulting in the issuance of new IDBD shares in favour of the controller company or may be granted in the form of a subordinated loan.

October 2019: General Ordinary and Extraordinary Shareholders' Meeting

At the General Ordinary and Extraordinary Shareholders' Meeting held on October 30, 2019, the following matters, inter alia, were resolved:

- Distribution of a dividend in kind for ARS 480 million in shares of IRSA Propiedades Comerciales, subsidiary of IRSA.
- Fees payable to the Board of Directors and Supervisory Committee for fiscal year 2019 ended as of June 30, 2019.
- Renewal of regular and alternate Directors due to expiration of their terms and appointment of three new independent directors. Acceptance of the resignation of a regular director.
- Increase in the amount of the Global Note Program for up to USD 250 million. Delegation on the Board of Directors of the broadest powers to implement and determine the terms and conditions of the program
- Stock Capital increase for up to par value of ARS 200 million through the issuance of up to 200 million common book-entry shares and delegation on the Board of Directors of the power to determine all the terms and conditions of the issuance.
- Incentive plan for employees. management and directors to be integrated without premium for up to 1% of the Capital Stock.

November 2019: Dividend distribution announcement

The shareholders are informed that in accordance with the resolution of the Ordinary and Extraordinary General Assembly dated October 30, 2019 and the Board meeting dated October 31, 2019, it will be available to the shareholders as of November 14, 2019, a dividend in the amount of ARS 480,000,000, payable in shares of IRSA Propiedades Comerciales S.A., according to the price of the shares of that company as of October 29, 2019. The Company will pay the sum of 2,341,463 shares of IRSA Propiedades Comerciales S.A. at a ratio of 0.00404623926578 shares IRSA Propiedades Comerciales S.A. per IRSA share and 0.0404623926578 per IRSA ADR.

The Dividend will be charged to the fiscal year ended June 30, 2019, and it will be paid to all shareholders that have such quality as of November 13, 2019 according to the record kept by Caja de Valores S.A.

Additionally, it is reported that in order to harmonize the payment of the dividend in the local market and in the foreign market, the Board of Directors has decided that the dividend will be made available to the Shareholders on November 14, 2019.

November 2019: Call to General Ordinary and Extraordinary Shareholders' Meeting

On November 8, 2019, the company calls the Ordinary and Extraordinary General Shareholders' Meeting for December 12, 2019 to deal, among others, the following points:
• Consideration of the amendment of section twelfth article of the Bylaws.
• Determination of the number and consideration of appointment of regular and alternate directors for the term of three fiscal years.

Operations Center in Israel

July 2019: DIC notes repurchase

On July 15, 2019, DIC Board of Directors approved the extension of its notes repurchase plan (Series F and Series J), until July 15, 2020, for a total amount up to an additional NIS 200 million. During July 2019 DIC repurchased its own shares for an amount of NIS 300 million.

July and September 2019: Sale of Gav Yam shares

On July 1, 2019, PBC sold approximately 11.7% of Gav-Yam's share capital through private agreements. After this transaction, the stake of PBC in Gav-Yam changed from 51.7% to 40.0%. The consideration received for said sale was NIS 456 (approximately $5,472 at the day of the transaction).

Additionally, on September 1, PBC sold approximately an additional 5.14% of Gav-Yam shares, therefore the PBC stake in Gav-Yam went from 51.7% to 34.9%. It is estimated that as a result of these sales, PBC has lost control over Gav-Yam and will deconsolidate it in its financial statements.

August, September and November 2019: Sale of Clal shares

On August 28, 2019, the buyer of the transaction made in May notified the decision to exercise the option for the remaining 3% at a price of NIS 50 per share for a total amount of NIS 83 million. These shares were delivered through SWAP contracts.

On September 3, 2019, IDB concluded an agreement for the sale of an additional 6% of CLAL shares, of which 1% will be collected in cash (approximately NIS 29 million) and the remaining 5% through the receipt of securities of own debt (notes) for a nominal value of approximately NIS 190 million. The agreed price of the CLAL share was NIS 52.5 and the discount rate applied to the notes nominal value was between 21 and 25%.

On May 2, 2019, IDBD had entered into an agreement with an unrelated buyer (a company owned by Eyal Lapidot) through which it granted an option to acquire Clal shares representing approximately 4.99% of its issued capital (and not less than 3%), at a price of NIS 47.7 per share. Subject to the exercise of the option by said buyer, the price would be paid 10% in cash and the rest through a loan that would be provided to the buyer by IDBD and / or by a related entity and / or by a banking corporation and / or financial institution, under the agreed conditions.

As a result of the aforementioned sales, at the time of closing, the holding of IDBD in Clal, directly and through swap contracts, was reduced to 30.3%.

XV. Summarized Comparative Consolidated Balance Sheet

(in ARS million)	09.30.2019	09.30.2018
Non-current assets	354,224	375,128
Current assets	164,070	158,978
Total assets	**518,294**	**534,106**
Capital and reserves attributable to the equity holders of the parent	37,674	36,094
Non-controlling interest	45,756	60,478
Total shareholders' equity	**83,430**	**96,572**
Non-current liabilities	333,290	354,308
Current liabilities	101,574	83,226
Total liabilities	**434,864**	**437,534**
Total liabilities and shareholders' equity	**518,294**	**534,106**

XVI. Summarized Comparative Consolidated Income Statement

(in ARS million)	09.30.2019	09.30.2018
Profit from operations	**11,327**	**12,391**
Share of profit of associates and joint ventures	77	173
Profit from operations before financing and taxation	**11,404**	**12,564**
Financial income	251	278
Financial cost	-5,663	-4,295
Other financial results	-7,971	-287
Inflation adjustment	-300	-73
Financial results, net	**-13,683**	**-4,377**
Profit before income tax	**-2,279**	**8,187**
Income tax	-1,833	456
Profit / (loss) for the period from continued operations	**-4,112**	**8,643**
(Loss) / Profit from discontinued operations after taxes	15,095	416
Profit for the period	**10,983**	**9,059**
Other comprehensive income / (loss) for the period	11,590	19,242
Total comprehensive income / (loss) for the period	**22,573**	**28,301**
<u>Attributable to:</u>		
Equity holders of the parent	**2,610**	**12,333**
Non-controlling interest	**19,963**	**15,968**

XVII. Summary Comparative Consolidated Cash Flow

(in ARS million)	09.30.2019	09.30.2018
Net cash generated from operating activities	7,655	3,248
Net cash generated from investing activities	2,553	1,748
Net cash (used in) / generated from financing activities	-25,772	16,322
Net (decrease) / increase in cash and cash equivalents	**-15,564**	**21,318**
Cash and cash equivalents at beginning of year	68,060	65,329
Cash and cash equivalents reclassified to held for sale	26	-298
Foreign exchange gain on cash and changes in fair value of cash equivalents	10,147	22,252
Cash and cash equivalents at period-end	**62,669**	**108,601**

XVIII. Comparative Ratios

(in ARS million)	09.30.2019		09.30.2018	
<u>Liquidity</u>				
CURRENT ASSETS	164,070	1.62	107,465	1.63
CURRENT LIABILITIES	101,574		65,899	
<u>Indebtedness</u>				
TOTAL LIABILITIES	434,864	11.54	282,389	6.82
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	37,674		41,379	
<u>Solvency</u>				
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	37,674	0.09	41,379	0.15
TOTAL LIABILITIES	434,864		282,389	
<u>Capital Assets</u>				
NON-CURRENT ASSETS	354,224	0.68	252,818	0.70
TOTAL ASSETS	518,294		360,283	

XIX. EBITDA Reconciliation

In this summary report we present EBITDA and Adjusted EBITDA. We define EBITDA as profit for the period excluding: (i) interest income, (ii) interest expense, (iii) income tax expense, and (iv) depreciation and amortization. We define Adjusted EBITDA as EBITDA minus (i) total financial results, net excluding interest expense, net (mainly foreign exchange differences, net gains/losses from derivative financial instruments; gains/losses of financial assets and liabilities at fair value through profit or loss; and other financial results, net) and minus (ii) share of profit of associates and joint ventures and minus (iii) net unrealized gains from fair value adjustment of investment properties.

EBITDA and Adjusted EBITDA are non-IFRS financial measures that do not have standardized meanings prescribed by IFRS. We present EBITDA and adjusted EBITDA because we believe they provide investors supplemental measures of our financial performance that may facilitate period-to-period comparisons on a consistent basis. Our management also uses EBITDA and Adjusted EBITDA from time to time, among other measures, for internal planning and performance measurement purposes. EBITDA and Adjusted EBITDA should not be construed as an alternative to profit from operations, as an indicator of operating performance or as an alternative to cash flow provided by operating activities, in each case, as determined in accordance with IFRS. EBITDA and Adjusted EBITDA, as calculated by us, may not be comparable to similarly titled measures reported by other companies. The table below presents a reconciliation of profit from operations to EBITDA and Adjusted EBITDA for the periods indicated:

For the three-month period ended September 30 (in ARS million)		
	2019	**2018**
Profit for the period	10,983	9,059
(Loss) / Profit from discontinued operations	-15,095	-416
Interest income	-189	-223
Interest expense	5,411	4,110
Income tax	1,833	-456
Depreciation and amortization	2,973	1,894
EBITDA (unaudited)	**5,916**	**13,968**
Unrealized net gain from fair value adjustment of investment properties	-9,032	-10,187
Share of profit of associates and joint ventures	-77	-173
Dividends earned	-62	-55
Foreign exchange differences net	-6,646	-9,864
(Gain) / loss from derivative financial instruments	-165	-396
Fair value gains of financial assets and liabilities at fair value through profit or loss	2764	-9,181
Inflation adjustment	300	73
Other financial costs/income	12,270	19,913
Adjusted EBITDA (unaudited)	**5,268**	**4,098**
Adjusted EBITDA Margin (unaudited)[(1)]	**28.31%**	**25.02%**

(1) Adjusted EBITDA margin is calculated as Adjusted EBITDA, divided by revenue from sales, rents and services.

XX. Brief comment on future prospects for the Fiscal Year

This Fiscal Year presents challenges in both operations centers: Argentina and Israel. In Argentina, the political and economic outlook as of the issuance date of the financial statements is in a transition process, mainly motivated by the outcome of the general elections held in October of this year whose result produced a change in the Executive Power since next December with the consequent uncertainty regarding future political, economic a social decisions of the new administration. To this is added the situation in the region with some political and economic instability. Globally, we find the existence of trade conflicts between different countries and a slowdown in global growth that also has a negative impact on Latin America. The appreciation of international markets with respect to Argentina has become unstable as a result of the country's economic crisis and has influenced development expectations.

In this context, our subsidiary IRSA Propiedades Comerciales S.A. will keep working in order to optimize its operational efficiency. In shopping malls, IRCP will work on the occupancy of its vacant sqm in Dot Baires Shopping due to Walmart's anticipated exit and will continue innovating in the latest technological trends to get closer to customers and visitors. Regarding office segment, IRCP plans to open the 9th office building of the portfolio, “200 Della Paolera”, located in Catalinas, one of the most premium corporate areas in Argentina. This building, of approximately 35,000 m2 of ABL, 318 parking lots, services and amenities, will become an emblematic icon of the city while having LEED Certification, which will validate the best environmental practices to transform operational standards of the building. The commercialization is progressing with a good occupancy forecast for its opening, scheduled for the last quarter of the FY 2020.

In relation to the Business Center in Israel, we will continue working in 2020 on two important fronts: the sale of Clal Insurance and the requirement of the concentration law to reduce one more level of public company before December 2019. Likewise, we will continue to reduce the debt levels of the companies, selling those non-strategic assets of the portfolio and improving the operating margins of each of the operating subsidiaries. We trust on the value of this investment, from which we hope to obtain good results in the future.

On the national and international framework above mentioned, the Company is analyzing alternatives to appreciate its shares value. In that sense, the Board of Directors of the Company will continue in the evaluation of financial, economic and / or corporate tools that allow the Company to improve its position in the market in which it operates and have the necessary liquidity to meet its obligations. Within the framework of this analysis, the indicated tools may be linked to corporate reorganization processes (merger, spin-off or a combination of both), disposal of assets in public and / or private form that may include real estate as well as negotiable securities owned by the Company, incorporation of shareholders through capital increases through the public offering of shares to attract new capital, issuance of convertible notes or subscription options or a combination of these three instruments, all as recently approved by the shareholders meeting of 10/30/2019, repurchase of shares and instruments similar to those described that are useful to the proposed objectives.

Considering the quality of the real estate portfolio, the diversification of our business by segment and by country and the franchise of the company to access the capital market, we are confident to continue consolidating the best portfolio in Argentina and Israel.

Eduardo Elsztain

Chairman

Unaudited Condensed Interim Consolidated Statements of Financial Position
as of September 30, 2019, and June 30, 2019

(All amounts in millions, except otherwise indicated)

ASSETS	**09.30.19**	**06.30.19**
Non-current assets		
Investment properties	197,192	262,600
Property, plant and equipment	26,954	25,120
Trading properties	6,559	6,170
Intangible assets	22,783	20,159
Assets using rights	13,281	-
Other assets	33	27
Investments in associates and joint ventures	63,004	34,989
Deferred income tax assets	398	450
Income tax and MPIT credit	147	170
Restricted assets	2,816	3,465
Trade and other receivables	17,043	13,920
Investments in financial assets	3,915	3,250
Financial assets held for sale	-	4,701
Derivate financial instruments	99	107
Total non-current assets	**354,224**	**375,128**
Current assets		
Trading properties	277	412
Inventories	1,147	1,291
Restricted assets	9,640	4,930
Income tax and MPIT credit	428	439
Group of assets held for sale	15,850	9,053
Trade and other receivables	29,063	25,369
Investments in financial assets	30,253	36,256
Financial assets held for sale	14,675	13,122
Derivative financial instruments	68	46
Cash and cash equivalents	62,669	68,060
Total current assets	**164,070**	**158,978**
TOTAL ASSETS	**518,294**	**534,106**
SHAREHOLDERS' EQUITY		
Shareholders' equity attributable to equity holders of the parent (according to corresponding statement)	37,674	36,094
Non-controlling interest	45,756	60,478
TOTAL SHAREHOLDERS' EQUITY	**83,430**	**96,572**
LIABILITIES		
Non-current liabilities		
Borrowings	275,818	300,482
Leasing liabilities	10,160	-
Deferred income tax liabilities	33,336	41,406
Trade and other payables	2,056	1,973
Income tax and MPIT liabilities	6	-
Provisions	10,995	9,017
Employee benefits	166	149
Derivative financial instruments	602	1,157
Salaries and social security liabilities	151	124
Total non-current liabilities	**333,290**	**354,308**
Current liabilities		
Trade and other payables	21,205	20,887
Borrowings	59,256	51,206
Leasing liabilities	3,802	-
Provisions	2,127	1,939
Group of liabilities held for sale	11,445	6,406
Salaries and social security liabilities	2,652	2,371
Income tax and MPIT liabilities	377	389
Derivative financial instruments	710	28
Total current liabilities	**101,574**	**83,226**
TOTAL LIABILITIES	**434,864**	**437,534**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**518,294**	**534,106**

Unaudited Condensed Interim Consolidated Statements of Income and Other Comprehensive Income for the three-month periods ended September 30, 2019 and 2018

(All amounts in millions, except otherwise indicated)

	Three months	
	09.30.2019	**09.30.2018**
Revenues	18,610	16,376
Costs	(11,786)	(10,509)
Gross profit	**6,824**	**5,867**
Net gain from fair value adjustment of investment properties	9,032	10,187
General and administrative expenses	(2,105)	(1,951)
Selling expenses	(2,391)	(2,358)
Other operating results, net	(33)	646
Profit from operations	**11,327**	**12,391**
Share of loss of associates and joint ventures	77	173
Profit before financial results and income tax	**11,404**	**12,564**
Finance income	251	278
Finance costs	(5,663)	(4,295)
Other financial results	(7,971)	(287)
Inflation adjustment	(300)	(73)
Financial results, net	**(13,683)**	**(4,377)**
(Loss) / profit before income tax	**(2,279)**	**8,187**
Income tax expense	(1,833)	456
(Loss) / profit for the period from continuing operations	**(4,112)**	**8,643**
Profit for the period from discontinued operations	15,095	416
Profit for the period	**10,983**	**9,059**
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustment	7,843	11,973
Change in the fair value of hedging instruments net of income taxes	(13)	(6)
Items that may not be reclassified subsequently to profit or loss, net of income tax:		
Actuarial profit from defined contribution plans	(51)	-
Other comprehensive income for the period from continuing operations	**7,779**	**11,967**
Other comprehensive income for the period from discontinued operations	3,811	7,275
Total other comprehensive income for the period	**11,590**	**19,242**
Total comprehensive income for the period	**22,573**	**28,301**
Total comprehensive income from continuing operations	3,667	20,609
Total comprehensive income from discontinued operations	18,906	7,692
Total comprehensive income for the period	**22,573**	**28,301**
Profit for the period attributable to:		
Equity holders of the parent	3,298	7,982
Non-controlling interest	7,685	1,077
(Loss) / profit from continuing operations attributable to:		
Equity holders of the parent	(3,413)	7,922
Non-controlling interest	(699)	721
Total comprehensive income attributable to:		
Equity holders of the parent	2,610	12,333
Non-controlling interest	19,963	15,968
Total comprehensive income from continuing operations attributable to:		
Equity holders of the parent	(688)	5,097
Non-controlling interest	4,355	15,512
Profit per share attributable to equity holders of the parent:		
Basic	5.74	13.88
Diluted	5.70	13.79
(Loss) / profit per share from continuing operations attributable to equity holders of the parent:		
Basic	(5.94)	13.78
Diluted	(5.94)	13.68

Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the three-month periods ended September 30, 2019 and 2018

(All amounts in millions, except otherwise indicated)

	09.30.2019	09.30.2018
Operating activities:		
Net cash generated from continuing operating activities before income tax paid	6,770	3,035
Income tax and MPIT paid	(260)	(97)
Net cash generated from continuing operating activities	**6,510**	**2,938**
Net cash generated from discontinued operating activities	1,145	310
Net cash generated from operating activities	**7,655**	**3,248**
Investing activities:		
Increase of interest in associates and joint ventures	(4)	(86)
Acquisition of associates and join ventures	(2,288)	-
Contributions and issuance of capital in associates and joint ventures	(82)	(12)
Acquisition and improvements payments for investment properties	(899)	(1,898)
Increase in cash due to deconsolidation of subsidiary	-	54
Proceeds from sales of investment properties	-	11
Acquisitions and improvements of property, plant and equipment	(814)	(795)
Proceeds from sales of property, plant and equipment	2,531	-
Acquisitions of intangible assets	(700)	(701)
Net increase of restricted deposits	(1,577)	(293)
Dividends collected from associates and joint ventures	32	146
Proceeds from sales of interest held in associates and joint ventures	39	631
Proceeds from loans granted	33	92
Acquisitions of investments in financial assets	(8,224)	(8,071)
Proceeds from disposal of investments in financial assets	12,349	12,372
Interest received from financial assets	277	296
Dividends received from financial assets	67	203
Proceeds from sales of financial assets	75	-
Loans granted to related parties	-	(8)
Loans granted	(609)	-
Net cash generated from continuing investing activities	**206**	**1,941**
Net cash generated from / (used in) discontinued investing activities	2,347	(193)
Net cash generated from investing activities	**2,553**	**1,748**
Financing activities:		
Borrowings and issuance of non-convertible notes	11,916	23,292
Payment of borrowings and non-convertible notes	(21,950)	(4,583)
Obtention of short-term loans, net	1,233	1,086
Interests paid	(4,919)	(2,574)
Repurchase of non-convertible notes	(8,139)	(804)
Acquisition of non-controlling interest in subsidiaries	(180)	(368)
Proceeds from sales of non-controlling interest in subsidiaries	-	11
Loans received from associates and joint ventures, net	-	86
Payment of borrowings to related parties	-	(5)
Dividends paid to non-controlling interest in subsidiaries	-	(356)
Proceeds from derivative financial instruments, net	77	377
Net cash (used in) / generated from continuing financing activities	**(21,962)**	**16,162**
Net cash (used in) / generated from discontinued financing activities	(3,810)	160
Net cash (used in) / generated from financing activities	**(25,772)**	**16,322**
Net (decrease) / increase in cash and cash equivalents from continuing activities	(15,246)	21,041
Net (decrease) / increase in cash and cash equivalents from discontinued activities	(318)	277
Net (decrease) / increase in cash and cash equivalents	**(15,564)**	**21,318**
Cash and cash equivalents at beginning of period	68,060	65,329
Cash and cash equivalents reclassified to held for sale	26	(298)
Foreign exchange gain on cash and changes in fair value of cash equivalents	10,147	22,252
Cash and cash equivalents at end of period	**62,669**	**108,601**

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