Earnings Release
IIIQ FY 2019

IRSA invites you to participate in its conference call for the third quarter of the Fiscal Year 2019

Monday, May 13, 2019 02:00 PM US EST (03:00 PM BA)

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=3cf3b348-94b9-406e-8902-2803705b7dfc

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

PLAYBACK

Available until May 20, 2019

Please call:

1-877-344-7529

1-412-317-0088

Access Code: **10130943**

Main Highlights of the Period

- Net result for the 9 month period of fiscal year 2019 registered a loss of ARS 9,065 million, 186.6% lower than the gain registered in the same period of 2018, mainly explained by lower results from changes in the fair value of investment properties and higher financial losses as a result of the exchange depreciation in Argentina Business Center.

- Adjusted EBITDA for the nine-month period of FY 2019 was ARS 13,380 million (ARS 3,995 million from Argentina Business Center and ARS 9,835 million from Israel Business Center), increasing by 6.9% with respect to the same period of FY 2018.

- Adjusted EBITDA of Argentina rental segment grew by 7.1% compared to the same period of previous fiscal year, mainly driven by the office and hotel segments, which have income in dollars, partially offset by a decrease of 13.9% in the shopping malls segment.

- We reached 94.5% occupancy in shopping centers, 91.4% in offices and 69.3% in our hotels´ portfolio.

- On May 2019, as a subsequent event, the company issued a bond in the local market for USD 96.3 million due November 2020 at a fixed dollar interest rate of 10%. The funds will be used to refinance short-term liabilities.

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)	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Revenues	17,045	12,826	32.9%	48,168	39,319	22.5%
Net gain / (loss) from fair value adjustment of investment properties	1,411	-3,420	-	-4,674	7,973	-158.6%
Profit / (Loss) from operations	3,505	-1,860	-	3,314	15,522	-78.6%
Depreciation and amortization	1,947	1,572	23.9%	5,321	4,807	10.7%
EBITDA(1)	**5,452**	**-288**	**-1.993.1%**	**8,635**	**20,328**	**-57.5%**
Adjusted EBITDA(1)	**4,198**	**3,598**	**16.7%**	**13,830**	**12,934**	**6.9%**
(Loss) / Profit for the period	**-2,984**	**-3,067**	**-2.7%**	**-9,065**	**10,463**	**-186.6%**
Attributable to equity holders of the parent	-2,916	-2,517	15.9%	-8,801	8,381	-205.0%
Attributable to non-controlling interest	-68	-550	-87.6%	-264	2,082	-112.7%

(1) See Point XIX: EBITDA Reconciliation

Company’s income increased by 22.5% during the nine-month period of fiscal year 2019 as compared to the same period of 2018, while Adjusted EBITDA increased 6.9% reaching ARS 13,830 million, ARS 3,995 million from Argentina Business Center, that decreased 4.2%, and ARS 9,835 million from Israel Business Center, that increased by 12.2% mainly due to better results in Real Estate segment (PBC) as a consequence of the impact of IFRS 15 implementation.

Profit for the period under review reached an ARS 9,065 million loss, 186.6% lower than the gain registered in the same period of 2018, mainly explained by a higher change in the fair value of investment properties, as well as higher financial losses due to exchange rate depreciation in Argentina Business Center.

Argentina Business Center

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

Shopping malls operated by us comprise 332,774 square meters of GLA, decreasing by approximately 13,000 sqm due to the end of concession of Buenos Aires Design in November 2018. Total tenant sales in our shopping malls, as reported by retailers, were ARS 45,452.0 million for the nine-month period of FY 2019, which implies a decrease, in real terms, of 13.6% when compared to the same period in FY 2018, mainly due to consumption deceleration and the real salary fall observed in Argentine economy.

The portfolio’s occupancy reduced to 94.5% mainly because of Walmart's anticipated exit from Dot Baires Shopping,

Shopping Malls' Financial Indicators

(in millions of ARS)	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Revenues from sales, leases and services	1,196	1,480	-19.2%	4,256	4,761	-10.6%
Net (loss) / gain from fair value adjustment on investment properties	-271	-3,963	-93.2%	-10,204	5,463	-286.8%
Profit / (Loss) from operations	**565**	**-2,870**	**-**	**-7,112**	**9,065**	**-178.5%**
Depreciation and amortization	18	21	-14.3%	63	63	-
EBITDA (1)	**583**	**-2,849**	**-**	**-7,049**	**9,128**	**-177.2%**
Adjusted EBITDA (1)	**853**	**1,114**	**-23.4%**	**3,155**	**3,665**	**-13.9%**

(1) See Point XIX: EBITDA Reconciliation

Shopping Malls' Operating Indicators

(in ARS million, except indicated)	IIIQ 19	IIQ 19	IQ 19	IVQ 18	IIIQ 18
Gross leasable area (sqm)	332,774	332,119	345,929	344,025	343,023
Tenants' sales (3 month cumulative)	12,403	17,086	15,963	17,563	14,820
Occupancy	94.5%	94.9%	98.7%	98.5%	98.6%

Income from this segment decreased 10.6% during the nine-month period of fiscal year 2019, compared with same period of previous fiscal year, recording during IIQFY19 an extraordinary income for ARS 98.6 million as compensation for the termination of Walmart's contract in Dot Baires Shopping, mentioned above. Our costs, administrative and marketing expenses (SG&A) decrease by approximately 5.9%. Adjusted EBITDA reached ARS 3,155 million, 13.9% lower than the nine-month period of fiscal year 2018, and EBITDA margin, excluding income from expenses and collective promotion fund, was 74.1%.

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	98.2%	100%
Abasto Shopping(4)	Nov-99	City of Buenos Aires	36,797	168	98.4%	100%
Alto Avellaneda	Dec-97	Province of Buenos Aires	37,954	131	98.5%	100%
Alcorta Shopping	Jun-97	City of Buenos Aires	15,725	114	98.6%	100%
Patio Bullrich	Oct-98	City of Buenos Aires	11,397	86	90.5%	100%
Buenos Aires Design(5)	Nov-97	City of Buenos Aires	-	-	-	-
Dot Baires Shopping	May-09	City of Buenos Aires	49,407	156	73.5%	80%
Soleil	Jul-10	Province of Buenos Aires	15,190	79	99.0%	100%
Distrito Arcos	Dec-14	City of Buenos Aires	14,179	65	99.4%	90.0%
Alto Noa Shopping	Mar-95	Salta	19,526	87	99.0%	100%
Alto Rosario Shopping(4)	Nov-04	Santa Fe	33,534	140	99.4%	100%
Mendoza Plaza Shopping	Dec-94	Mendoza	42,749	140	99.2%	100%
Córdoba Shopping	Dec-06	Córdoba	15,483	105	98.7%	100%
La Ribera Shopping	Aug-11	Santa Fe	10,530	68	94.4%	50%
Alto Comahue	Mar-15	Neuquén	11,666	100	94.9%	99.1%
Patio Olmos(6)	Sep-15	Córdoba				
Total			**332,774**	**1,574**	**94.5%**	

(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 November 17, 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 March 31

(per Shopping Mall, in ARS. million)	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Alto Palermo	1,521.6	1,672.7	-9.0%	5,560.0	6,134.4	-9.4%
Abasto Shopping	1,597.4	1,962.8	-18.6%	5,994.5	6,973.3	-14.0%
Alto Avellaneda	1,416.1	1,868.4	-24.2%	5,357.5	6,608.6	-18.9%
Alcorta Shopping	829.9	901.1	-7.9%	3,143.3	3,351.5	-6.2%
Patio Bullrich	574.5	505.3	13.7%	2,058.1	1,860.3	10.6%
Buenos Aires Design	-	286.8	-100.0%	359.5	882.1	-59.2%
Dot Baires Shopping	1,194.6	1,600.1	-25.3%	4,571.1	5,729.1	-20.2%
Soleil	676.3	750.0	-9.8%	2,380.0	2,729.7	-12.8%
Distrito Arcos	582.5	594.2	-2.0%	2,182.4	2,270.3	-3.9%
Alto Noa Shopping	611.5	771.1	-20.7%	2,022.0	2,449.2	-17.4%
Alto Rosario Shopping	1,221.8	1,360.8	-10.2%	4,369.1	4,840.9	-9.7%
Mendoza Plaza Shopping	1,052.2	1,252.5	-16.0%	3,523.3	4,185.0	-15.8%
Córdoba Shopping	402.9	468.0	-13.9%	1,476.2	1,743.4	-15.3%
La Ribera Shopping(1)	295.0	366.8	-19.6%	1,026.1	1,269.0	-19.1%
Alto Comahue	426.2	459.3	-7.2%	1,428.9	1,575.1	-9.3%
Total	**12,402.5**	**14,819.9**	**-16.3%**	**45,452.0**	**52,601.9**	**-13.6%**

(1) Through our joint venture Nuevo Puerto Santa Fe S.A.

Cumulative tenants' sales as of March 31

(per Type of Business, in ARS. million)	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Anchor Store	645.6	844.1	-23.5%	2,425.3	2,986.9	-18.8%
Clothes and Footwear	6,527.6	7,123.2	-8.4%	25,086.8	27,299.3	-8.1%
Entertainment	451.8	531.0	-14.9%	1,429.5	1,671.1	-14.5%
Home	262.2	456.9	-42.6%	1,050.6	1,478.8	-29.0%
Restaurant	1,561.4	1,865.7	-16.3%	5,152.8	5,937.0	-13.2%
Miscellaneous	1,676.1	1,886.2	-11.1%	5,844.3	6,363.6	-8.2%
Services	166.2	175.6	-5.4%	554.5	564.3	-1.7%
Electronic appliances	1,111.6	1,937.2	-42.6%	3,908.2	6,300.9	-38.0%
Total	**12,402.5**	**14,819.9**	**-16.3%**	**45,452.0**	**52,601.9**	**-13.6%**

Detailed Revenues as of March 31

(in ARS million)	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Base Rent(1)	730.7	858.1	-14.8%	2,267.2	2,598.5	-12.7%
Percentage Rent	191.0	199.0	-4.0%	853.7	925.0	-7.7%
Total Rent	**921.7**	**1,057.1**	**-12.8%**	**3,120.9**	**3,523.5**	**-11.4%**
Revenues from non-traditional advertising	10.8	32.6	-66.9%	91.2	109.4	-16.7%
Admission rights	159.0	203.6	-21.9%	510.1	560.1	-8.9%
Fees	17.8	23.0	-22.6%	59.5	72.2	-17.5%
Parking	62.6	83.6	-25.1%	236.8	291.1	-18.6%
Commissions	32.4	75.5	-57.1%	120.9	189.4	-36.2%
Others(2)	-7.7	4.1	-287.8%	116.6	14.8	685.5%
Total(3)	**1,196.6**	**1,479.5**	**-19.1%**	**4,256.0**	**4,760.6**	**-10.6%**

(1) Includes Revenues from stands for ARS 293.9 million cumulative as of March 2019
(2) Does not include Patio Olmos.

Rent Price as of June 30, 2018

Regarding the information presented in the last Annual Report corresponding to the fiscal year ended June 30, 2018, we have rectified the annual accumulated rental prices per sqm of Alto Rosario and Mendoza Plaza shopping malls, seth forth below, It should be noted that this information has not been adjusted for inflation.

ARS/sqm	2018
Alto Palermo	32,831
Abasto	16,828
Alto Avellaneda	11,083
Alcorta Shopping	18,744
Patio Bullrich	14,831
Buenos Aires Design	4,776
Dot Baires Shopping	8,385
Soleil Premium Outlet	10,141
Distrito Arcos	14,585
Alto Noa	5,822
Alto Rosario	8,835
Mendoza Plaza	4,149
Córdoba Shopping Villa Cabrera	7,098
La Ribera Shopping	3,444
Alto Comahue	11,694
Patio Olmos(1)	

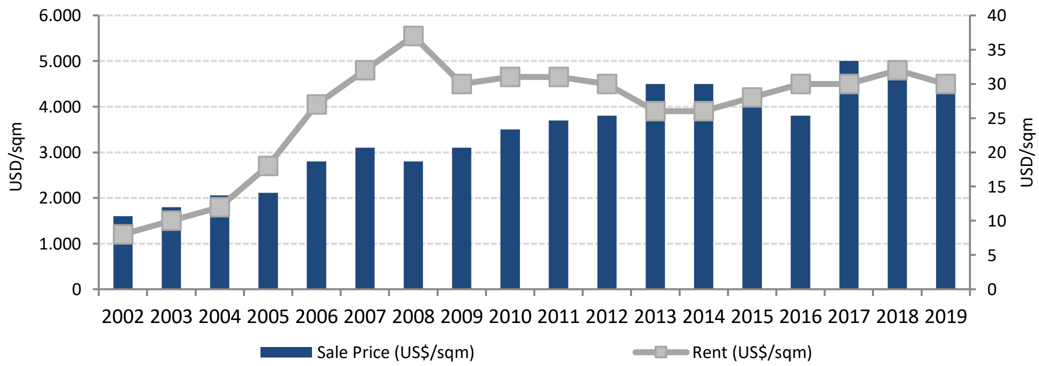
(1) IRSA CP owns the historic building of the Patio Olmos shopping mall in the Province of Córdoba, operated by a third party.

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 while rental prices remained at USD 30 when compared with same period of previous fiscal year, per square meter for the A+ segment, and vacancy decreased slightly to 5.25% as of March 2019.

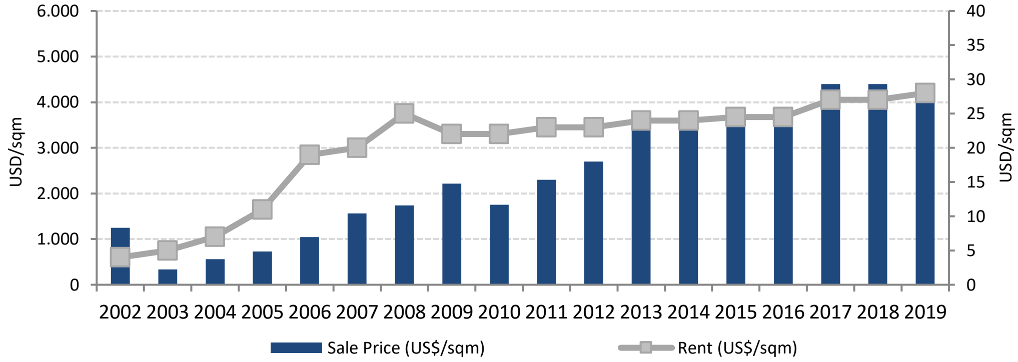
As concerns the A+ office market in the Northern Area, we have noted a significant improvement in the price of units during the last 10 years, and we believe in its potential during the next years. Rental prices have remained at USD 28 per square meter.

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 83,205 sqm as of the third three-month period of fiscal year 2019, slightly below to the same period of the previous year due to the sale of a floor of the Intercontinental tower.

Portfolio average occupancy slightly recovers to 91.4% regarding last quarter, mainly due to the occupation of one vacant floor in Dot Building. We expect to increase the average occupancy during next quarter with the incorporation to the portfolio of Zetta Building, fully leased. The average rental price reached USD 26.3 per sqm in line with previous quarters.

(In millions of ARS)	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Revenues from sales, leases and services	428	210	103.8%	1,038	636	63.2%
Net gain from fair value adjustment on investment properties	380	119	219.3%	3,189	98	3,154.1%
Profit from operations	**753**	**245**	**207.3%**	**4,013**	**531**	**655.7%**
Depreciation and amortization	6	4	50.0%	13	12	8.3%
EBITDA (1)	**759**	**249**	**204.8%**	**4,026**	**543**	**641.4%**
Adjusted EBITDA (1)	**379**	**130**	**191.5%**	**837**	**445**	**88.1%**

(1) See Point XIX: EBITDA Reconciliation

	IIIQ 19	IIQ 19	IQ 19	IVQ 18	IIIQ 18
Gross leasable area	83,205	83,213	83,213	83,213	84,110
Occupancy	91.4%	90.0%	93.4%	92.3%	91.0%
Rent (USD/sqm)	26.3	27.0	25.7	26.1	26.5

In real terms, during the first semester of fiscal year 2019, revenues from the offices segment increased by 67.7% compared to the same period of 2018.

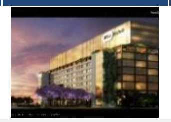
Adjusted EBITDA from this segment grew 88,1% in real terms compared to the same period of the previous year due to the positive impact of the devaluation in our dollar-denominated contracts and the effect of income flattening of the new Zetta building. EBITDA margin was 81.0%.

Below is information on our Office segment and other rental properties as of March 31, 2019.

	Date of Acquisition	Gross Leasable Area (sqm) [1]	Occupancy [2]	IRSA's Effective Interest
Offices				
Edificio República [3]	04/28/08	19,885	90.3%	100%
Torre Bankboston [3]	08/27/07	14,865	97.1%	100%
Intercontinental Plaza [3]	11/18/97	2,979	100.0%	100%
Bouchard 710 [3]	06/01/05	15,014	100.0%	100%
Suipacha 652/64 [3]	11/22/91	11,465	86.2%	100%
Dot Building [3]	11/28/06	11,242	92.3%	80%
Philips Building [3]	06/05/17	7,755	69.8%	100%
Subtotal Offices		**83,205**	**91.4%**	**N/A**
Other Properties				
Santa María del Plata	10/17/97	116,100	91.4%	100%
Nobleza Piccardo [4]	05/31/11	109,610	78.0%	50%
Other Properties [5]	N/A	12,928	N/A	N/A
Subtotal Other Properties		**238,638**	**82.6%**	**N/A**
Total Offices and Others		**321,843**	**84.8%**	**N/A**

(1) Corresponds to the total leasable surface area of each property as of March 31, 2019. Excludes common areas and parking spaces.
(2) Calculated by dividing occupied square meters by leasable area as of March 31, 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, Anchorena 545 (Chanta IV), Ferro, Puerto Retiro, Casona Abril, Constitución 1111 and Rivadavia 2774.

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

	Developments				
	Shopping Malls: Expansions			*Offices: New*	
	Alto Palermo	Alto Rosario	Mendoza Plaza (Sodimac & Falabella)	Polo Dot (1st stage)	Catalinas[2]
					
Start of works	FY2019	FY2018	FY2018	FY2017	FY2017
Estimated opening date	FY2020	FY2019	FY2019/20	FY2019	FY2020
GLA (sqm)	3,900	2,000	12,800	32,000	30,000
% held by IRSA Propiedades Comerciales	100%	100%	100%	80%	87%
Investment amount (in millions)	USD 28	USD 3.0	USD 13.7	~ARS 1,425	~ARS 2,510
Work progress (%)	10.5%	52%	0% - 100%[1]	99.6%	51,6%
Estimated stabilized EBITDA (USD million)	USD 4.5	USD 0.4	USD 1.3	USD 8-10	USD 10-12

(1) Falabella's work progress.

Shopping Mall Expansions

During fiscal year 2019, we will add approximately 15,000 sqm from current malls' expansions. We will soon add an approximately 12,800-sqm Sodimac store in Mendoza Plaza Shopping while expanding its Falabella store and 2,000 sqm of expansion in Alto Rosario, where we have recently opened a big Zara store.

In September 2018, we launched the works of 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 4,000 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.

First Stage of Polo Dot – Zetta Building

The project called "Polo Dot", located in the commercial complex adjacent to our shopping mall Dot Baires, has experienced significant growth since our first investments in the area. The total project will consist in four office buildings (one of them could include a hotel) in land reserves owned by the Company and the expansion of the shopping mall by approximately 15,000 square meters of GLA. At a first stage, we developed an 11-floor office building with an area of approximately 32,000 square meters on an existing building, in respect of which we have already executed lease agreements for the total surface and whose opening took place on May 6, 2019 as a subsequent event. The total estimated investment amounts to ARS 1,425 million and as of March 31, 2019, work progress was 99.6%.

Catalinas building – 200 Della Paolera

The building under construction will have 35,000 sqm of GLA consisting of 30 office floors and 316 parking spaces, and will be located in the "Catalinas" area in the City of Buenos Aires, one of the most sought-after spots for Premium office development in Argentina. As of March 31, 2019, the Company owned 35,468 square meters consisting of 26 floors and 273 parking spaces in the building under construction. The total estimated investment under IRSA Commercial Properties as of March 31, 2019 amounts to ARS 2,510 million and, work progress was 51.6%. It should be remembered that IRSA Propiedades Comerciales owns 87% of the building's surface while the remaining 13% is owned by Globant.

V. Sales and Developments

(in millions of ARS)	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Revenues	88	36	144.4%	625	132	373.5%
Net gain from fair value adjustment on investment properties	1,114	261	326.8%	1,257	365	244.4%
Profit from operations	1,089	237	359.5%	1,337	253	428.5%
Depreciation and amortization	3	1	200.0%	6	3	100.0%
EBITDA(1)	**1,092**	**238**	**358.8%**	**1,343**	**256**	**424.6%**
Adjusted EBITDA(1)	**-22**	**15**	**-246.7%**	**86**	**332**	**-74.1%**

(1) See Point XIX: EBITDA Reconciliation

Revenues from the "Sales and Development" segment decreased 373.5% during the nine-month period of fiscal year 2019 compared to the same period of previous year, due to the sale in ARS 309 million of "Plot 1" that the Company owned in Canelones (Montevideo, Uruguay) and the impact of early revenues recognition in Catalinas Project according to IFRS 15. Adjusted EBITDA of the segment was ARS 86.0 million, compared to ARS 332 million in the same period of fiscal year 2018, mainly due to the impairment of 100% of the book value of "Puerto Retiro" plot of land originated in the litigation that exists over it and the sale of BAICOM plot in the same period of fiscal year 2018.

VI. Hotels

In the nine-month period of fiscal year 2019, Hotels segment recorded an increase in revenues of 24.6% mainly due to the positive impact of the depreciation of the exchange rate in Argentina in dollarized rates. The segment's EBITDA reached ARS 483 million during the period under review highlighting the performance in the second quarter because of the impact of the G-20 in Intercontinental as well as the event of the Emir of Qatar in Llao Llao.

(in millions of ARS)	IIIQ 19	IIIQ 18	Var a/a	9M 19	9M 18	YoY Var
Revenues	482	430	12.1%	1,539	1,239	24.2%
Profit / (loss) from operations	114	2	5,600.0%	403	-4	-
Depreciation and amortization	29	15	93.3%	80	73	9.6%
EBITDA	**143**	**17**	**741.2%**	**483**	**69**	**600.0%**

	IIIQ 19	IIQ 19	IQ 19	IVQ 18	IIIQ 18
Average Occupancy	69.3%	68.5%	64.5%	70.1%	71.9%
Average Rate per Room (USD/night)	203	205	189	191	198

The following is information on our hotels segment as of March 31, 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	75.1%	156
Sheraton Libertador [4]	03/01/1998	100.00%	200	74.3%	161
Llao Llao [5]	06/01/1997	50.00%	205	53.1%	372
Total	**-**	**-**	**718**	**68.5%**	**205**

(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.

On February 28, 2019, the company acquired from a non related third party 20% of the shares of Hoteles Argentinos S.A. ("HASA"), owner of the hotel known as "Sheraton Libertador". The amount of the transaction was USD 1,152,415, which have been fully paid. After this acquisition, IRSA stake in HASA increased to 100%.

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 March 31, 2019, the building's occupancy rate was 95.9%, thus generating an average rent of USD 76.9 per sqm.

Lipstick	Mar-19	Mar-18	YoY Var
Gross Leasable Area (sqm)	58,092	58,092	-
Occupancy	95.9%	96.9%	-1.0 p,p
Rental price (USD/sqm)	76.9	77.5	-0.8%

As a subsequent event, the company informed that its associate Metropolitan 885 Third Avenue Leasehold LLC decided to not exercise the option to purchase a part of the parcel of land where the Lipstick Building was built in New York City. The period available for IRSA to exercise such purchase option expired on April 30, 2019. Metropolitan's decision to not exercise this option does not constitute an event of default under any agreement or other undertaking to which Metropolitan or any of its affiliates is a party.

Investment in Condor Hospitality Inc.

We maintain our investment in the Condor Hospitality Trust Hotel REIT (NYSE: CDOR) mainly through our subsidiary Real Estate Investment Group VII L.P. ("REIG VII"), in which we hold a 100% interest. Condor is a REIT listed in NYSE focused on medium-class hotels located in various states of the United States of America, managed by various operators and franchises.

Condor's investment strategy is to build a branded premium, select service hotels portfolio within the top 100 Metropolitan Statistical Areas ("MSA") with a particular focus on the range of MSA 20 to 60. Since the beginning of the reconversion of the hotel portfolio in 2015, Condor has acquired 14 high quality select service hotels in its target markets for a total purchase price of approximately USD 277 million. In addition, during this time, he has sold 53 legacy assets for a total value of approximately USD 161 million.

As of March 31, 2019, the Group held 2,245,100 common shares of Condor's capital stock, accounting for approximately 18.9% of that company's capital stock. The Group also held 325,752 Series E preferred shares, and a promissory note convertible into 64,964 common shares (at a price of USD 10.4 each).

VIII. Corporate

(in millions of ARS)	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Revenues	-	-	-	-	-	-
Loss from operations	-28	-70	-60.0%	-265	-189	40.2%
Depreciation and amortization	1	-	-	2	-	-
EBITDA	**-27**	**-70**	**-61.4%**	**-263**	**-189**	**39.2%**

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 March 31, 2019. During the nine-month period of 2019, the investment in Banco Hipotecario generated a loss of ARS 533 million compared to a ARS 348 million gain on the same period of 2018. For further information, visit http://www.cnv.gob.ar or http://www.hipotecario.com.ar.

On April 10, 2019, the shareholders approved a cash dividend of up to Ps.250 million. The cash dividend will be available as of April 22, 2019.

Israel Business Center

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

As of March 31, 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. As stated in Note 12, 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, 2018 and March 31, 2019.

Real Estate (Property & Building - PBC) - ARS MM	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Revenues	3,901	1,955	99.5%	10,621	6,111	73.8%
Net gain from fair value adjustment of investment properties	377	168	124.4%	1,248	2,118	-41.1%
Profit from operations	2,171	1,394	55.7%	6,357	5,935	7.1%
Depreciation and amortization	11	1	1,000.0%	29	24	20.8%
EBITDA	**2,182**	**1,395**	**56.4%**	**6,386**	**5,959**	**7.2%**
Adjusted EBITDA	**1,962**	**1,266**	**55.0%**	**5,659**	**3,979**	**42.2%**

Revenues and operating income of the **Real Estate** segment through the subsidiary PBC reached in the nine-month period ended March 31, 2019 an amount of ARS 10,621 million and ARS 6,357 million, respectively, and for the same period ended on March 31, 2018, reached ARS 6,111 million and ARS 5,935 million respectively. This is mainly due to an average real depreciation of 22% of the Argentine peso against the Israeli shekel, an increase of approximately 25,000 sqm compared to Marzo 2018 and an increase in the value of the rent.

Additionally, as explained in note 2.2. to the financial statements, the group adopted IFRS 15 in the current fiscal year, which allows it to recognize the sales of properties under development according to the degree of progress of the work. Said standard was not in effect for the comparative period and it has not been restated. With respect to the variation in operating income, in the nine-month period ended March 31, 2019, the impact of the result from fair value adjustment of investment properties was a gain of ARS 1,248 million, while for the same period of the previous year was a gain of ARS 2,118 million, corresponding to higher revaluations in the same period of previous fiscal year The result of this period corresponds only to properties that went from being in development to rental properties and some sales.

Telecommunications (Cellcom) ARS MM	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Revenues	9,673	7,868	22.9%	27,134	23,595	15.0%
(Loss) / Profit from operations	-367	-264	39.0%	-469	87	-639.1%
Depreciation and amortization	1,862	1,535	21.3%	5,078	4,548	11.7%
EBITDA	**1,495**	**1,271**	**17.6%**	**4,609**	**4,635**	**-0.6%**

The **Telecommunications** segment carried out by "Cellcom" reached ARS 27,134 million of revenue and an operating loss of ARS 469 million in the nine-month period of fiscal year 2019. For the same period of fiscal year 2019, revenues were ARS 23,595 million and operating loss was ARS 87 million. This is mainly due to the constant erosion in revenues from mobile services, which was partially offset by an increase in revenues related to landlines, television and the internet. In addition, content costs for television and internet increased more than the revenues generated, as well as an increase in marketing expenses, in order to attract more customers. During the period under review, Cellcom sold its interest in the subsidiary Rimon, for which it recorded a gain in "other operating results, net" of approximately ARS 242 million.

Others (other subsidiaries) ARS MM	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Revenues	585	190	207.9%	1,130	749	50.9%
Loss from operations	-157	-283	-44.5%	-178	-192	-7.3%
Depreciation and amortization	10	41	-75.6%	38	81	-53.1%
EBITDA	**-147**	**-242**	**-39.3%**	**-140**	**-111**	**26.1%**

The "**Others**" segment reached revenues of ARS 1,130 million and an operating loss of ARS 178 million in the nine-month period of fiscal year 2019. During the same period of fiscal year 2018, it reached revenues of ARS 749 million and an operating loss of ARS 192 million. This is mainly due to a decrease in Epsilon's revenues and the result of the sale of Cyber Secdo by Elron as of March 31, 2019, which generated an approximate gain of ARS 281 million, while as of March 31, 2018 it has sold Cloudyn for an amount of ARS 435 million, compensated by an increase in research and development costs and expenses

Corporate (DIC, IDBD and Dolphin) ARS MM	IIIQ 19	IIIQ 18	YoY Var	9M 19	9M 18	YoY Var
Revenues	-	-	-	-	-	-
(Loss) / Profit from operations	-286	-154	85.7%	-293	259	-213.1%
Depreciation and amortization	-	-	-	-	-	-
EBITDA	**-286**	**-154**	**85.7%**	**-293**	**259**	**-213.1%**

The "**Corporate**" segment reached in the nine-month period of fiscal year 2019 an operating loss of ARS 293 million and for the same period of fiscal year 2018, an operating gain of ARS 259 million mainly originated in the gain for Ma'ariv trial on December 2017.

In relation to "Clal", the Group values its holding in said **insurance** company as a financial asset at market value. The valuation of Clal's shares as of March 31, 2019 raised to $ 16,209 million.

On January 2, 2019, following instructions imparted by Israel's Capital Market, Insurance and Savings Commission to the Trustee, IDBD sold 4.5% of its equity interest in Clal through a swap transaction, in accordance with the same principles as applied to swap transactions that were made and reported to the market in the preceding months of May and August of 2017; and January, May and August 2018. The consideration for the transaction was of an approximate amount of NIS 127 million (equivalent to approximately ARS 1,270 million). After the aforementioned transaction was completed, the holding of IDBD in Clal was reduced to 25.3% of its share capital.

XI. EBITDA by Operations Center (ARS million)

Operations Center in Argentina

IIIQ FY 19	Shopping Malls	Offices	Sales and Developments	Hotels	International	Corporate	Others	Total
Loss from operations	-7,112	4,013	1337	403	-55	-265	-403	-2,082
Depreciation and amortization	63	13	6	80	2	2	5	171
EBITDA	**-7,049**	**4,026**	**1,343**	**483**	**-53**	**-263**	**-398**	**-1,911**

IIIQ FY 18	Shopping Malls	Offices	Sales and Developments	Hotels	International	Corporate	Others	Total
Profit from operations	9,066	531	253	-4	-95	-189	-59	9,503
Depreciation and amortization	62	12	3	73	2	0	0	152
EBITDA	**9,128**	**543**	**256**	**69**	**-93**	**-189**	**-59**	**9,655**
EBITDA Var	**-229.49%**	**-86.51%**	**-80.94%**	**-85.71%**	**75.47%**	**-28.14%**	**-85.18%**	**-605.23%**

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IIIQ FY 19	Real Estate	Tele-communications	Others	Corporate	Total
Profit from operations	**6,357**	**-469**	**-178**	**-293**	**5,417**
Depreciations and amortizations	29	5,078	38	0	5,145
EBITDA	**6,386**	**4,609**	**-140**	**-293**	**10,562**
Net unrealized gain from fair value adjustment of investment properties	-727	-	-	-	-727
Adjusted EBITDA	**5,659**	**4,609**	**-140**	**-293**	**9,835**

IIIQ FY 18	Real Estate	Tele-communications	Other	Corporate	Total
Profit from operations	**5,935**	**87**	**-192**	**259**	**6,089**
Depreciations and amortizations	23	4,548	81	0	4,652
EBITDA	**5,958**	**4,635**	**-111**	**259**	**10,741**
Net unrealized gain from fair value adjustment of investment properties	-1,980	-	-	-	-1,980
Adjusted EBITDA	**3,978**	**4,635**	**-111**	**259**	**8,761**
EBITDA Var	**-6.70%**	**0.56%**	**-20.71%**	**-188.40%**	**1.69%**
Adjusted EBITDA Var	**-29.70%**	**0.56%**	**-20.71%**	**-188.40%**	**-10.92%**

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	46,421	-45	1,803	-11	48,168
Costs	-26,895	31	-1,882	-	-28,746
Gross profit	**19,526**	**-14**	**-79**	**-11**	**19,422**
Net loss from fair value adjustment of investment properties	-4,612	-62	-	-	-4,674
General and administrative expenses	-5,458	9	-	16	-5,433
Selling expenses	-6,034	3	-	-	-6,031
Other operating results, net	-87	122	-	-5	30
Profit from operations	**3,335**	**58**	**-79**	**-**	**3,314**
Share of loss of associates and joint ventures	-1,135	-78	-	-	-1,213
Profit before financial results and income tax	**2,200**	**-20**	**-79**	**-**	**2,101**

*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 March 31, 2019:

Description	Currency	Amount (1)	Interest Rate	Maturity
Bank overdrafts	ARS	14.1	Floating	< 360 days
IRSA 2020 Series II Non-Convertible Notes.	USD	71.4	11.50%	Jul-20
Series VII Non-Convertible Notes	ARS	8.9	Badlar + 299	Sep-19
Series VIII Non-Convertible Notes (2)	USD	183.5	7.00%	Sep-19
Other debt	USD	35.3	-	Feb-22
IRSA's Total Debt		**313.2**		
Cash & Cash Equivalents + Investments (3)	USD	0.2		
IRSA's Net Debt	**USD**	**313.0**		
Bank overdrafts	ARS	4.2	-	< 360 d
PAMSA loan	USD	35.0	Fixed	Feb-23
IRCP NCN Class IV	USD	139.0	5.0%	Sep-20
IRSA CP NCN Class II	USD	360.0	8.75%	Mar-23
IRSA CP's Total Debt		**538.2**		
Cash & Cash Equivalents + Investments (3)		205.3		
Consolidated Net Debt		**332.9**		

(1) Principal amount in USD (million) at an exchange rate of Ps. 43.35 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 December 31, 2018:

Indebtedness[1]	Net
IDBD's Total Debt	613
DIC's Total Debt	632

(1) Principal amount in USD (million).

XIV. Subsequent Material Events

Operations Center in Argentina

April 2019: Credit line with IRSA Commercial Properties

On April 1, 2019, the Company's Board of Directors has approved a credit line for the Company and / or its subsidiaries to be granted to be granted by IRSA Commercial Properties, and / or its subsidiaries, for up to USD 180 million up to a three years term. The rate to be applied will be the yield on IRSA bonds with maturity date in 2020, or those issued in the future. In case of absence of notes issued by IRSA, the bonds issued by IRSA CP plus a 50 basis points margin will be considered. The Audit Committee has issued a favourable opinion regarding the market conditions of this line of credit.

May 2019: Bonds issuance

On May 8, 2019 the company issued Bonds in the local market for USD 96.3 million for a 18 months term at an annual dollar interest rate of 10% with quarterly payments. The funds will be used to refinance short-term liabilities.

Israel Business Center

Mar 2019: Control permit request of Clal

On March 28, 2019 IDB Development Corp. has submitted to the Head of Capital Market, Insurance and Savings Authority a request for a control permit in Clal and Clal Insurance Company Ltd., a private company, approximately 99.8% of whose shares are held by Clal.

Three alternatives were submitted, the first one focused on receipt of a control permit in Clal through a special purpose vehicle to be formed by corporations controlled by the Company which would acquire the participation of IDBD in Clal. In addition, the two remaining alternatives, focuses on the method for holding Clal - holding through IDBD or through Discount Investment Corporation Ltd. There is no certainty that the request for the control permit will be approved by the Commission of Capital Market, Insurance and Savings.

May 2019: Clal shares sale

Agreements for the sale of Clal shares

On May 2, 2019, IDBD, continuing with the instructions given by the Capital Markets, Insurance and Savings Commission of Israel, has entered into sale agreements with two unrelated third parties (the "Buyers"), according to which each of the Buyers will acquire shares of Clal which constitute approximately 4.99% of its issued capital, in consideration of a cash payment of NIS 47.7 per share (approximately ARS 587 per share on the day of the transaction). Additionally, each of the Buyers was given an option to acquire additional shares of Clal for approximately 3% of its issued capital, for a period of 120 days, subject to the receipt of a holding permit, at a price of NIS 50 per share.

IDBD also engaged, on May 2, 2019, in an agreement with a third unrelated buyer (the "Additional Buyer"), according to which the Additional Buyer will receive an option, valid for a period of 50 days, to acquire shares of Clal representative of approximately 4.99% of its issued capital (and no less than 3% of its issued capital), in consideration of NIS 47.7 per share (approximately ARS 587 per share on the day of the transaction). Subject to the exercise of the option by the Additional Buyer, the price will be paid by the Additional Buyer 10% in cash and the remainder will be paid through a loan which will be provided to the Additional Buyer by IDBD and/or by a related entity thereof and/or by a banking corporation and/or financial institution, under conditions which were agreed upon.

The Agreements include, inter alia, an undertaking by the Buyers and the Additional Buyer not to sell the acquired shares during agreed-upon periods. It is hereby clarified that each of the Buyers, and the Additional Buyer, have declared and undertaken towards IDBD that no arrangements or understandings exist between them and the other buyers and/or the Additional Buyer (as applicable) regarding the joint holding of the shares of Clal which form the subject of the Agreements.

The total scope of the shares of Clal which may be acquired by the aforementioned three buyers, insofar as the three agreements will be completed, and the options thereunder exercised, amounts to approximately 18% of the issued capital of Clal Insurance Enterprises.

The Company's engagement in the aforementioned agreements has been approved by IDBD's Board of Directors.

Regarding swap transactions which were executed by IDBD with respect to shares of Clal, IDBD has requested the Commissioner to provide his consent for the update of the terms, in a manner which will allow the execution of the sale of shares of Clal which forms the subject of the swap transactions through over the counter transactions, to a particular buyer (instead of sale through distribution of the shares), and which will also allow IDBD to instruct the financial entities through which the swap transactions were executed to execute the sales to the Buyers and to the Additional Buyer.

Sale of Clal shares

On May 3, 2019, IDBD completed the sale of Clal shares representative of 4.99% of its share capital to one of the unrelated parties, for an approximate amount of NIS 132 million, NIS 47.7 per share (approximately ARS 1,623 per share on the day of the transaction). The consideration with respect to the Sold Shares will remain in the trust account which is pledged in favor of the Company's bond holders (Series M), and will serve, in the Company's discretion, to make a prepayment, or to make payments in accordance with the amortization schedule of the Company's bonds.

In addition, on May 2, 2019, the Swap Transaction with respect to 2,215,521 Clal shares, representative of approximately 4% of its share capital was concluded, through the sale to the other unrelated party (the "Second Purchaser"), according to a price per share. In accordance with the agreement with the second Purchaser, the early termination of the Swap Transaction will be implemented as soon as possible with respect to the shares representing 1% of Clal's capital stock, in order to complete the sale to this Purchaser.

As a consequence of the above mentioned sales, IDBD's holding in Clal Insurance Enterprises was reduced to 20.3% of its share capital (approximately 15.4% through a trustee) and the company owns approximately an additional 25% through swaps transactions, which will be reduced to 24% when the additional 1% sale to the Second Buyer.

XV. Summarized Comparative Consolidated Balance Sheet

(in ARS million)	03.31.2019	06.30.2018
Non-current assets	347,446	345,250
Current assets	144,374	136,691
Total assets	**491,820**	**481,941**
Capital and reserves attributable to the equity holders of the parent	45,303	56,107
Non-controlling interest	54,179	53,218
Total shareholders' equity	**99,482**	**109,325**
Non-current liabilities	315,283	305,904
Current liabilities	77,055	66,712
Total liabilities	**392,338**	**372,616**
Total liabilities and shareholders' equity	**491,820**	**481,941**

XVI. Summarized Comparative Consolidated Income Statement

(in ARS million)	03.31.2019	03.31.2018
Profit from operations	**3,314**	**15,522**
Share of profit of associates and joint ventures	-1,213	107
Profit from operations before financing and taxation	**2,101**	**15,629**
Financial income	2,055	803
Financial cost	-14,766	-13,801
Other financial results	81	1,618
Inflation adjustment	-560	-391
Financial results, net	**-13,090**	**-11,771**
Profit before income tax	**-10,989**	**3,858**
Income tax	1,615	4,681
Profit / (loss) for the period from continued operations	**-9,374**	**8,539**
(Loss) / Profit from discontinued operations after taxes	309	1,924
Profit for the period	**-9,065**	**10,463**
Other comprehensive income / (loss) for the period	3,916	-5,663
Total comprehensive income / (loss) for the period	**-5,149**	**4,800**
Attributable to:		
Equity holders of the parent	**-8,321**	**5,011**
Non-controlling interest	**3,172**	**-211**

XVII. Summary Comparative Consolidated Cash Flow

(in ARS million)	03.31.2019	03.31.2018
Net cash generated from operating activities	11,732	8,437
Net cash generated from / (used in) investing activities	7,119	-14,998
Net cash (used in) / generated from financing activities	-12,231	9,179
Net increase in cash and cash equivalents	**6,620**	**2,620**
Cash and cash equivalents at beginning of year	53,106	45,792
Cash and cash equivalents reclassified to held for sale	-426	-302
Foreign exchange gain on cash and changes in fair value of cash equivalents	2,166	2,971
Inflation adjustment	-109	-53
Cash and cash equivalents at period-end	**61,357**	**51,028**

XVIII. Comparative Ratios

(in ARS million)	03.31.2019		03.31.2018	
Liquidity				
CURRENT ASSETS	144,374	1.87	107,465	1.63
CURRENT LIABILITIES	77,055		65,899	
Indebtedness				
TOTAL LIABILITIES	392,338	8.66	282,389	6.82
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	45,303		41,379	
Solvency				
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	45,303	0.12	41,379	0.15
TOTAL LIABILITIES	392,338		282,389	
Capital Assets				
NON-CURRENT ASSETS	347,446	0.71	252,818	0.70
TOTAL ASSETS	491,820		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 nine-month period ended March 31 (in ARS million)		
	2019	**2018**
Profit for the period	-9,065	10,463
(Loss) / Profit from discontinued operations	-309	-1,924
Interest income	-949	-920
Interest expense	11,578	9,118
Income tax	-1,615	-4,681
Depreciation and amortization	5,321	4,807
EBITDA (unaudited)	**4,961**	**16,863**
Unrealized net gain from fair value adjustment of investment properties	5,195	-7,126
Share of profit of associates and joint ventures	1,213	-107
Dividends earned	-50	-99
Foreign exchange differences net	2,090	569
(Gain) / loss from derivative financial instruments	-409	-12
Fair value gains of financial assets and liabilities at fair value through profit or loss	328	-1,606
Inflation adjustment	560	391
Other financial costs/income	-58	4,330
Adjusted EBITDA (unaudited)	**13,830**	**13,203**
Adjusted EBITDA Margin (unaudited)(1)	**28.71%**	**33.58%**

(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

Our businesses in Argentina and Israel have posted sound operating results for the nine-month period of fiscal year 2019. We believe that the diversification of our business, with real estate assets in Argentina and abroad, favourably positions us to face all the challenges and opportunities that may arise in the coming years.

As concerns our Argentina Business Center, our subsidiary IRSA Propiedades Comerciales S.A. has shown a deceleration in consumption in its shopping malls, whose sales dropped in real terms by 13.6% during the nine-month period of fiscal year 2019. The rest of fiscal year 2019 will be a challenge for the consumption in shopping malls given the context of economic recession and high inflation. The office business continues solid with dollar tied revenues that allows IRCP to partially offset the effect of the recession.

Regarding investments, during the current fiscal year, IRSA CP plan to incorporate approximately 15.000 sqm of the expansion works in progress of some of its shopping malls highlighting the work of Alto Palermo's third level, which foresees to add 4,000 sqm of GLA in fiscal year 2020 to the most profitable shopping mall in the portfolio. Also, IRSA CP will add to its portfolio the "Zetta Building", of 32,000 sqm of GLA, located in the commercial complex adjacent to our shopping Dot Baires, whose opening took place on May 6, 2019. Additionally, IRSA CP will advance in the development of 35,468 sqm of GLA of the "Catalinas" building located in one of the most premium areas for the development of offices in Argentina.

In addition to the projects in progress, the company has a large reserve of land for future developments of shopping malls and offices in Argentina in a context of a high potential industry. We hope to have the economic, financial and governmental conditions to be able to execute the growth plan of our subsidiary IRSA Propiedades Comerciales.

In relation to the investment in the Israeli IDBD and DIC companies, we will keep working in 2019 to continue reducing the company's debt levels, sell the non-strategic assets of the portfolio and improve the operating margins of each of the operating subsidiaries. Likewise, we will work on the fulfilment of the second stage of requirement of the Concentration Law, which requires eliminating one more of public company level before December 2019 and on the sale or control permits, requested after the end of the period, of the insurance company Clal.

Taking into account the quality of the real estate assets in our portfolio, the Company's financial position and low indebtedness level and its franchise for accessing the capital markets, we remain confident that we will continue consolidating the best real estate portfolio in Argentina and Israel. Moreover, in line with our continuous pursuit of business opportunities and having in mind the general and specific conditions of the national and international markets, we keep evaluating different actions to optimize our capital structure.

Saúl Zang

First Vice-Chairman in exercise of
the presidency

Unaudited Condensed Interim Consolidated Statements of Financial Position as of March 31, 2019 and June 30, 2018

(All amounts in millions, except otherwise indicated)

ASSETS	Note	03.31.19	06.30.18
Non-current assets			
Investment properties	8	242,673	231,649
Property, plant and equipment	9	22,262	20,219
Trading properties	10, 21	2,972	9,464
Intangible assets	11	17,841	17,645
Other assets		24	269
Investments in associates and joint ventures	7	31,911	36,884
Deferred income tax assets	18	414	509
Income tax and MPIT credit		347	591
Restricted assets	12	4,058	2,909
Trade and other receivables	13	15,113	11,587
Investments in financial assets	12	3,040	2,441
Financial assets held for sale	12	6,696	11,083
Derivate financial instruments	12	95	-
Total non-current assets		**347,446**	**345,250**
Current assets			
Trading properties	10, 21	3,263	4,661
Inventories	21	1,227	897
Restricted assets	12	5,085	6,041
Income tax and MPIT credit		484	566
Group of assets held for sale	27	8,737	7,389
Trade and other receivables	13	22,534	21,275
Investments in financial assets	12	32,076	36,276
Financial assets held for sale	12	9,513	6,356
Derivative financial instruments	12	98	124
Cash and cash equivalents	12	61,357	53,106
Total current assets		**144,374**	**136,691**
TOTAL ASSETS		**491,820**	**481,941**
SHAREHOLDERS' EQUITY			
Shareholders' equity attributable to equity holders of the parent (according to corresponding statement)		45,303	56,107
Non-controlling interest		54,179	53,218
TOTAL SHAREHOLDERS' EQUITY		**99,482**	**109,325**
LIABILITIES			
Non-current liabilities			
Borrowings	16	268,138	257,647
Deferred income tax liabilities	18	35,845	37,775
Trade and other payables	15	4,431	5,145
Provisions	17	6,100	5,051
Employee benefits		121	157
Derivative financial instruments	12	550	34
Salaries and social security liabilities		98	95
Total non-current liabilities		**315,283**	**305,904**
Current liabilities			
Trade and other payables	15	18,623	20,972
Borrowings	16	48,040	36,411
Provisions	17	1,671	1,499
Group of liabilities held for sale	27	5,395	4,615
Salaries and social security liabilities		2,024	2,213
Income tax and MPIT liabilities		1,208	744
Derivative financial instruments	12	94	258
Total current liabilities		**77,055**	**66,712**
TOTAL LIABILITIES		**392,338**	**372,616**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**491,820**	**481,941**

The accompanying notes are an integral part of the consolidated financial statements,

Unaudited Condensed Interim Consolidated Statements of Income and Other Comprehensive Income for the nine and three-month period ended March 31, 2019 and 2018

(All amounts in millions, except otherwise indicated)

		Nine month		Three month	
	Note	03.31.2019	03.31.2018	03.31.2019	03.31.2018
Revenues	19	48,168	39,319	17,045	12,826
Costs	20, 21	(28,746)	(22,489)	(10,568)	(7,506)
Gross profit		**19,422**	**16,830**	**6,477**	**5,320**
Net (loss) / gain from fair value adjustment of investment properties	8	(4,674)	7,973	1,411	(3,421)
General and administrative expenses	20	(5,433)	(4,790)	(1,873)	(1,732)
Selling expenses	20	(6,031)	(5,661)	(2,153)	(1,990)
Other operating results, net	22	30	1,170	(357)	(35)
(Loss) / profit from operations		**3,314**	**15,522**	**3,505**	**(1,858)**
Share of loss of associates and joint ventures	7	(1,213)	107	(426)	(6)
(Loss) / profit before financial results and income tax		**2,101**	**15,629**	**3,079**	**(1,864)**
Finance income	23	2,055	803	897	113
Finance costs	23	(14,666)	(13,801)	(4,584)	(3,014)
Other financial results	23	81	1,618	(1,273)	475
Inflation adjustment	23	(560)	(391)	(128)	(183)
Financial results, net		**(13,090)**	**(11,771)**	**(5,088)**	**(2,609)**
(Loss) / profit before income tax		**(10,989)**	**3,858**	**(2,009)**	**(4,473)**
Income tax expense	18	1,615	4,681	(484)	923
(Loss) / profit for the period from continuing operations		**(9,374)**	**8,539**	**(2,493)**	**(3,550)**
Profit for the period from discontinued operations	28	309	1,924	(491)	483
(Loss) / profit for the period		**(9,065)**	**10,463**	**(2,984)**	**(3,067)**
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation adjustment		2,983	(4,000)	2,618	(509)
Participation in other comprehensive results of associates and joint ventures		648	(3,338)	790	(1,535)
Change in the fair value of hedging instruments net of income taxes		36	15	5	15
Items that may not be reclassified subsequently to profit or loss, net of income tax:					
Actuarial profit from defined contribution plans		(10)	(204)	(10)	(124)
Other comprehensive loss for the period from continuing operations		**3,657**	**(7,527)**	**3,403**	**(2,153)**
Other comprehensive (loss) / income for the period from discontinued operations		259	1,864	241	1,419
Total other comprehensive loss for the period		**3,916**	**(5,663)**	**3,644**	**(734)**
Total comprehensive (loss) / income for the period		**(5,149)**	**4,800**	**660**	**(3,801)**
Total comprehensive (loss) / income from continuing operations		(5,717)	1,012	910	(5,702)
Total comprehensive income from discontinued operations		568	3,788	(250)	1,901
Total comprehensive (loss) / income for the period		**(5,149)**	**4,800**	**660**	**(3,801)**
(Loss) / profit for the period attributable to:					
Equity holders of the parent		(8,801)	8,381	(2,916)	(2,517)
Non-controlling interest		(264)	2,082	(68)	(550)
(Loss) / profit from continuing operations attributable to:					
Equity holders of the parent		(9,149)	7,595	(2,446)	(2,550)
Non-controlling interest		(225)	944	(47)	(1,000)
Total comprehensive (Loss) / income attributable to:					
Equity holders of the parent		(8,321)	5,011	(2,227)	(4,042)
Non-controlling interest		3,172	(211)	2,887	241
Total comprehensive (Loss) / income from continuing operations attributable to:					
Equity holders of the parent		(8,927)	2,385	(1,996)	(5,616)
Non-controlling interest		3,210	(1,373)	2,906	(86)
(Loss) / profit per share attributable to equity holders of the parent:					
Basic		(15.31)	14.58	(5.07)	(4.38)
Diluted		(15.31)	14.48	(5.07)	(4.38)
(Loss) / profit per share from continuing operations attributable to equity holders of the parent:					
Basic		(15.91)	13.21	(3.47)	(9.76)
Diluted		(15.91)	13.12	(3.47)	(9.76)

The accompanying notes are an integral part of the consolidated financial statements.

Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the nine-month periods ended March 31, 2019 and 2018

(All amounts in millions, except otherwise indicated)

	Note	03.31.2019	03.31.2018
Operating activities:			
Net cash generated from continuing operating activities before income tax paid	14	14,100	19,243
Income tax and MPIT paid		(671)	(1,386)
Net cash generated from continuing operating activities		**13,429**	**17,857**
Net cash generated from discontinued operating activities		579	438
Net cash generated from operating activities		**14,008**	**18,295**
Investing activities:			
(Increase) Decrease of interest in associates and joint ventures		18	34
Acquisition, improvements and advance payments for the development of investment properties		(4,476)	(3,878)
Decrease in cash due to deconsolidation of subsidiary		(60)	-
Proceeds from associates liquidation		-	20
Proceeds from sales of investment properties		1,982	927
Acquisitions and improvements of property, plant and equipment		(2,680)	(4,415)
Advanced payments		(2,363)	(26)
Acquisitions of intangible assets		(1,941)	(1,194)
Proceeds from sales of property, plant and equipment		10	63
Acquisitions of subsidiaries, net of cash acquired		(22)	(1,108)
Net increase of restricted deposits		(510)	(1,268)
Dividends collected from associates and joint ventures		244	194
Proceeds from sales of interest held in associates and joint ventures		5,271	426
Proceeds from loans granted		451	1,042
Payment of acquisition of non-controlling interest		(521)	-
Acquisitions of investments in financial assets		(19,839)	(26,967)
Proceeds from disposal of investments in financial assets		29,069	21,564
Interest received from financial assets		34	633
Dividends received		67	71
Payment of acquisition of other assets		-	(190)
Loans granted to related parties		(120)	(605)
Loans granted		(84)	(178)
Net cash generated from / (used in) continuing investing activities		**4,530**	**(14,855)**
Net cash used in discontinued investing activities		(213)	(169)
Net cash generated from / (used in) in investing activities		**4,317**	**(15,024)**
Financing activities:			
Borrowings and issuance of non-convertible notes		32,071	36,234
Payment of borrowings and non-convertible notes		(26,276)	(20,022)
Obtention (payment) of short term loans, net		(179)	407
Interests paid		(11,722)	(9,444)
Capital distributions to non-controlling interest in subsidiaries		-	(96)
Repurchase of non-convertible notes		(2,856)	-
Capital contributions from non-controlling interest in subsidiaries		1,465	630
Acquisition of non-controlling interest in subsidiaries		(3,678)	(1,040)
Proceeds from sales of non-controlling interest in subsidiaries		9	5,671
Loans received from associates and joint ventures, net		167	-
Payment of borrowings to related parties		(315)	-
Proceeds from shares issue and other equity instrument in subsidiaries			25
Dividends paid		(92)	(2,358)
Dividends paid to non-controlling interest in subsidiaries		(383)	(669)
Proceeds from derivative financial instruments, net		5	(7)
Net cash generated from continuing financing activities		**(11,784)**	**9,331**
Net cash used in discontinued financing activities		52	(152)
Net cash generated from financing activities		**(11,732)**	**9,179**
Net increase in cash and cash equivalents from continuing activities		6,175	12,334
Net increase in cash and cash equivalents from discontinued activities		418	118
Net increase in cash and cash equivalents		**6,593**	**12,452**
Cash and cash equivalents at beginning of period	13	53,106	45,792
Cash and cash equivalents reclassified to held for sale		(426)	(302)
Foreign exchange gain on cash and changes in fair value of cash equivalents		(51)	(6,914)
Cash and cash equivalents at end of period	13	**61,357**	**51,028**

The accompanying notes are an integral part of the consolidated financial statements,

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