Earnings Release

Fiscal Year 2017

IRSA invites you to participate in
its fiscal year 2017 conference call

Monday, September 11, 2017 9:00 AM US ET time

The call will be hosted by:
Alejandro Elsztain, IIVP
Daniel Elsztain, COO
Matias Gaivironsky, CFO

To participate, please call:
1-844-308-3343 (toll free) or
1-412-717-9602 (international)
Conference ID # IRSA

In addition, you can access through the following webcast:

http://webcast.engage-x.com/Cover.aspx?PlatformId=so%2BiiYvMLJSZCP4rH7JU0A%3D%3D

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

Available until September 21, 2017

Please call:
1-877-344-7529
1-412-317-0088
Access Code: **10111451**

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Highlights

- In this fiscal year, we changed the valuation model of our investment properties from cost model to fair value model. The change was reflected in the financial statements for the fourth of this fiscal year.

- Adjusted EBITDA for fiscal year 2017 was ARS 9,957 million (ARS 2.397 million from Argentina and ARS 7,560 million from Israel), a 63.8% increase compared to 2016.

- Profit for fiscal year 2017 was ARS 5,520 million, compared to a profit for the year of ARS 9,496 million in 2016, mainly due to lower grain from changes in the fair value of investment properties, offset by gain from the sale of Adama and the higher listing price of Clal, in addition to the fact that the consolidated period of the operations center in Israel is 12 months of 2017 vs. 6 months in 2016.

- Sales in our shopping malls grew 19.1% in fiscal year 2017, and the average rental price of our office portfolio reached USD 25.3 per sqm. EBITDA from the rental segments grew by 27.5% as compared to the previous fiscal year

- We reached an occupancy rate of 98.5% in our shopping centers, 96.2% in our offices and 67.3% in our hotels portfolio.

- In fiscal year 2017, IDBD issued notes in the Israeli market for NIS 1,060 million, at a fixed interest rate of 5.40%, due in 2019, and in July it issued notes again for NIS 642.1 million at a fixed interest rate of 5.3%, due in 2022. The proceeds were used to refinance its short-term debt.

Buenos Aires, September 8, 2017 - IRSA Inversiones y Representaciones Sociedad Anónima (NYSE: IRS) (BYMA: IRSA), Argentina's leading real estate company, announces today the results of its operations for the fiscal year 2017 ended June 30, 2017.

Letter to Shareholders

Dear shareholders,

Fiscal year 2017 was marked by significant events in our two operations centers: Argentina and Israel. In Argentina, we made progress in the development of the projects underway and obtained highly satisfactory results in our rental segments. In Israel, we sold assets for very attractive prices and refinanced 100% of IDBD's short-term debt, extending its maturity to 2019 at a very competitive interest rate, and IDBD's operating subsidiaries continued exhibiting solid performance and investing in new projects.

In the third quarter of this fiscal year, we decided to start the process of changing the valuation model of our investment properties from cost model to fair value model. During the third quarter, the change was applied to our subsidiary IRSA Propiedades Comerciales, and beginning in the fourth quarter of this fiscal year we applied it to the company. This change was motivated by the need to adjust the valuation of investment properties to their fair value, as their amortized cost was not reflective of their economic substance.

Adjusted EBITDA for fiscal year 2017, excluding the impact of the revaluation of our investment properties at fair value, reached ARS 9.98 billion, 63.8% higher than in 2016, whereas profit for the year was ARS 5.22 billion, out of which ARS 2.70 billion derive from the operations center in Argentina and ARS 2.52 billion from the operations center in Israel.

As concerns our *Operations Center in Argentina,* we are highly satisfied with the performance of our commercial real estate subsidiary, IRSA Propiedades Comerciales, which has over 400,000 square meters (sqm) of Gross Leaseable Area (GLA) in 16 shopping malls (including the ownership of the Patio Olmos historic building in Córdoba, operated by a third party) and 7 office buildings.

During this year we grew in terms of acquisitions and new commercial developments. We carried out expansion and improvement works in some of our shopping malls aimed at optimizing tenant distribution and achieving higher sales and rental prices per sqm. We added approximately 8,000 sqm of GLA in the year, including 3,500 sqm added in the second stage of the works in Distrito Arcos, and the ensuing entry of significant tenants, a 1,250-sqm Nike store in Soleil Premium Outlet, and a 1,752 sqm expansion in Alto Rosario, among other store openings.

In operating terms, tenant sales in shopping malls grew 19.4% in the year, and occupancy reached optimum levels of 98.5%.

Looking ahead to 2018, we will start expansion works in our Alto Palermo shopping mall, which is located in a unique setting in the heart of the city and is the shopping mall with highest sales per square meter in Latin America. The project will add approximately 4,000 sqm of gross leaseable area to the shopping mall, and it consists of moving the food court to a third level and using the area of the adjoining property, purchased last year, to make the project feasible. We expect that the opening will take place in fiscal year 2019. Moreover, in fiscal year 2018 we plan to carry out expansion works in some of our shopping malls for approximately 21,000 sqm of GLA. We will build 2,200 sqm to add 6 cinema screens in Alto Comahue, a large store of 3,000 sqm in Alto Rosario shopping mall, and a 12,765 sqm Sodimac store in Mendoza Plaza Shopping, and we will expand Alto Avellaneda, our shopping mall located in the southern region of Buenos Aires, by 3,500 sqm.

Regarding the office segment, during this year we acquired the "Phillips" office building that adjoins our DOT commercial complex for USD 29 million, with the idea of recycling it and repositioning it as a top-quality building. The building has a constructed area of 10,142 sqm and an additional construction capacity of 18,000 square meters. As we executed a 7-month loan-for-use agreement with the seller, this footage will become available for rent in January 2018.

In operating terms, our Premium office portfolio reached an average rental price of approximately USD 25 per sqm, and an occupancy rate of 96.2%.

During the next fiscal year, we will keep on developing the projects currently underway. In the first place, we will make progress in the “Polo Dot” project, located in the commercial complex adjoining our Dot Baires shopping mall, which has grown extensively since we made our first investments in the area. The total project -for which we already have the land- will consist of 3 office buildings (possibly including a hotel in one of them) and the future expansion of the shopping mall by adding approximately 15,000 sqm of GLA. In the first stage, we are developing an 11-floor office building of approximately 32,000 sqm, on top of an existing building, in regard to which we have already executed lease agreements with renowned tenants for approximately 75% of the leasable footage even before starting the works. Construction progress was 7.4% as of the closing of this fiscal year, and we estimate that it will be inaugurated in fiscal year 2019. The second stage of the project consists of two office/hotel buildings that will add 38,400 sqm of GLA to the complex. We have had great demand for Premium office spaces in this new commercial hub, and we trust that we will succeed in accomplishing a top-quality project comparable to the ones built by the company in the past, characterized by attractive income levels and high occupancy.

Moreover, we will make progress in the development of the “Catalinas” building, located in one of the most sought-after spots for developing Premium offices in Argentina. The building will have 35,468 sqm of GLA (16,012 sqm correspond to IRSA Propiedades Comerciales and 14,820 sqm to the company) including 30 office floors and 316 parking spaces; and its opening is scheduled to take place during fiscal year 2020. The building will become an iconic landmark in the city and will have LEED Certification, validating the best environmental practices in terms of operating standards.

In addition to the projects underway, the company and its subsidiary IRSA Propiedades Comerciales have large land reserves for future commercial and mixed-use developments in Argentina. We are optimistic about the change of cycle our country is going through, as we see a favorable scenario, clear rules and great interest from international investors. Along these lines, in an attempt to accelerate our growth process through developments and acquisitions in Argentina and provide liquidity to IRSA Propiedades Comerciales, after year-end we launched a primary and secondary equity offering process for approximately USD 400 million, which unfortunately could not be completed and had to be put off by the company due to market conditions. We are confident that the company will find various funding channels to develop its full potential of land reserves and keep growing and investing in Argentina.

In our Sales and Developments segment, during this year we started marketing 52 lots given as consideration under a barter agreement in the “Greenvielle” gated residential complex, adjoining the “Abril” private residential community in the District of Hudson, in the southern area of Buenos Aires, for a fair value of approximately USD 4.7 million. Moreover, during this year our subsidiary IRSA Propiedades Comerciales received from TGLT the agreed apartment units and parking spaces of the Astor Beruti building, located in Palermo (Buenos Aires) for a fair value of approximately USD 19 million, as consideration under a barter agreement executed with TGLT. Sales of this project have been highly endorsed by the market, and as of June 30, 2017 more than half the units had already been sold.

After year-end, we sold our 50% interest in the “Baicom” land reserve of approximately 6,905 sqm, located in the neighborhood of Retiro, City of Buenos Aires, for USD 7 million.

Following our long-term vision of real estate as value reserve and the incipient resumption of mortgage lending activities in Argentina, we maintained our 29.91% equity interest in Banco Hipotecario S.A., which has made a favorable contribution to our results, as it added income for Ps. 83 million during this fiscal year.

As concerns our investments outside Argentina, during this year the iconic “Lipstick” office building in New York maintained its rental prices among the highest ones in the Third Avenue whilst retaining its high occupancy rate of 95.2% as of June 30. Moreover, we are holding discussions for refinancing its debt in an amount of USD 113.2 million. Our investment in the Condor Hospitality

Trust Hotel REIT (NYSE: CDOR) has continued rolling out its strategy of making selective sales of Economy class hotels and acquiring higher class category hotels. Following this policy, in March of this year its two main investors, IRSA and Stepstone, converted their preferred shares into common shares, thus simplifying the REIT's shareholding structure. The REIT then issued equity in the market for an amount of approximately USD 50 million. We trust in the company's management and we expect to reap the results from this investment in the future.

Regarding our Operations Center in Israel, during this year we retained our 68.3% equity interest in IDBD, one of the largest and most diversified conglomerates in Israel, which keeps leveraging on the strength of its assets and the competitive market position of its main companies: PBC (real estate), Shufersal (supermarkets), Cellcom (telecommunications) and Clal (insurance).

One of the milestones of this year was the sale by Discount Corporation (DIC) of its 40% interest in the agrochemical company "Adama" to Chemchina, for USD 230 million in excess of the total repayment of its debt. This amount, much higher than the one prevailing in the market and reflected in the balance sheet, made it possible to appraise the holding's entire structure and allowed DIC to resume dividend payments to its shareholders, which had been on hold since 2014. During this year, DIC declared dividends for approximately NIS 694 million: 497 million were distributed in April 2017 and the balance will be distributed in September. In the first payment of dividends, IDBD received NIS 353 million for its interest, and IRSA, who had acquired an 8.0% direct interest in DIC at the beginning of the fiscal year --diluted to 6% upon exercise of its warrants at the moment the dividend was paid-- received ARS 165.9 million.

As regards financial matters, a great event of this year was the issuance of Series 13 Notes in the Israeli market for a principal amount of NIS 1,060 million (equivalent to USD 283.7 million) which made it possible to extend the company's entire short-term debt to 2019, at a fixed interest rate of 5.40% per annum. Moreover, in July it issued Notes again for a principal amount of NIS 642 million at a fixed interest rate of 5% per annum, due 2022. The remaining companies of the group have refinanced their debts in the local market at very attractive interest rates.

Concerning our interest in CLAL, in April 2017, the District Court of Tel Aviv-Jaffa ordered Mr. Moshe Terry, in his capacity as trustee of 51% of Clal's shares as resolved by Israel's Capital Market, Insurance and Savings Commission, to sell 5% of the shares in Clal managed by him within a term of 30 days. IDBD agreed that the sale of 5% of Clal's shares would be made through a swap transaction. Therefore, the shares were sold to a banking institution, free of any encumbrance, for a price determined by mutual agreement with such third party, and IDBD will cash or pay for the difference between the sale price of the aforementioned shares and the price such shares will have upon sale thereof to the third party buyer, at the end of a 24-month period. In July, IDBD publicly announced that it is considering a non-binding offer by an international group for the sale of its interest in Clal for an amount of approximately USD 1,300 million. This amount represents a 52% premium over the Company's fair value.

Another transaction that is being negotiated is the sale of the "ISRAIR" aircraft company owned by IDB Tourism, for a net amount of approximately USD 45 million plus 25% of the shares of Sun D'or International Airlines Ltd.

IDBD's greatest challenges for the next period are the sale and/or acquisition of control of Clal Insurance, and the implementation of the mechanism adopted to comply with the requirements of the Concentration Law, whereby conglomerates are forbidden to hold 4 levels of public companies in its structure jointly with publicly listed shares and/or bonds (for example, IDBD – DIC – PBC and Gav-Yam). Concerning this aspect, the selected course of action includes the sale of all the shares of DIC, a subsidiary of IDBD, to a special purpose entity to be incorporated in Israel and to be wholly controlled by other companies controlled in turn by IRSA, for a price that would result from a valuation to be made by an independent appraiser. Payment would be implemented through a loan secured by DIC's shares being sold and an additional collateral on assets to be agreed with IRSA. IRSA has made an offer, which is subject to approval by the Audit Committee and the Board of Directors of IDBD and IRSA.

We plan to simplify the structure in Israel even further, by retaining those assets we believe are potentially valuable while making progress in our strategy aimed at improving operating margins in each business unit. We trust in the value of this investment, from which we expect to obtain very good results in the medium term.

The economic results obtained during this year have been accompanied by several sustainability and social responsibility practices. For 25 years to date, we have invested in the communities where we operate, building strong bonds with more than 160 NGOs. At corporate level, we have three volunteer programs with over 200 participants. Through the IRSA Foundation, we tripled the amount of donations made by our employees to NGOs. We have implemented waste separation in all our buildings and shopping malls and one of our rental buildings has recently obtained the LEED Gold level certification, the highest sustainability qualification for a building.

Looking ahead to fiscal year 2018, we expect to continue growing in each of our business lines, adding footage to our real estate asset portfolio in Argentina and Israel, selling assets we regard as non-strategic for our portfolio, and optimizing the capital structures in our two operations centers. With a future that presents challenges and opportunities alike, we believe that the commitment of our employees, the strength of our management and the trust of our shareholders will be key elements in our ability to continue growing and successfully implementing our business.

To all of you, my most sincere thanks.

City of Buenos Aires, September 8, 2017.

Saul Zang
Vice-Chairman I

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

Change in Investment Properties Valuation Model

In fiscal year 2017, IRSA's Board of Directors decided the change of the valuation model of investment properties (mainly shopping malls, offices and land reserves) from cost model to fair value model, in accordance with the International Financial Reporting Standards (IFRS). This change was motivated by the need to adjust the valuation of investment properties to their fair value, as their historical cost was not reflective of their economic substance. The Company has recognized the effects of this change in its financial statements as of the fourth quarter of this fiscal year (June 30, 2017). In order to determine the fair value of investment properties, the Company has engaged the services of an independent appraiser.

Changes in fair values are recognized in the income statement under the line item "Net gain from fair value adjustment on investment properties".

Investment Properties

Investment properties are those properties owned by the Group that are held either to earn long-term rental income or for capital appreciation and that are not occupied by the Group for its own operations. Investment property also includes properties that are being constructed or developed for future use as investment property. The Group also classifies land whose future use has not been determined yet as investment property. The Group's investment properties mainly comprise its shopping mall and office building portfolio, certain properties under development and other undeveloped lands.

Valuation processes

The Group's investment properties were valued at year-end by independent professionally qualified valuers who hold a recognized relevant professional qualification and have experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

Each operations center includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes (the "review teams"). The review teams: i) verify all major and important assumptions relevant to the valuation included in the independent valuation report; ii) assess property valuation movements when compared to the prior year valuation report; and iii) hold discussions with the independent valuers.

Changes in Level 2 and 3 fair values, if any, are analyzed at each reporting date during the valuation discussions between the review teams and the independent appraiser. In the case of the operations center in Argentina, the Board of Directors ultimately approves the fair value calculations for recording into the financial statements. In the case of the operations center in Israel, valuations are examined by the Israeli Management and reported to the Balance Sheet Committee.

Valuation Techniques Used for the Estimation of the Fair Value of Investment Properties:

Operations Center in Argentina

For shopping malls, whose aggregate value was Ps. 28,561, Ps. 26,426 and Ps. 10,277 for the fiscal years ended June 30, 2017, 2016 and 2015, respectively, the valuation was determined using discounted cash flow ("DCF") projections based on unobservable valuation assumptions.

For office properties, other rental properties and undeveloped land, whose aggregate value was Ps. 11,115, Ps. 8,986 and Ps. 8,938 as of June 30, 2017, 2016 and 2015, respectively, the valuation was determined using market comparable asset transactions. These values are adjusted for differences in key attributes such as location, size of the property and quality of the interior design. The most significant contribution to this comparable market approach is the price per square meter.

Properties under construction were valued at Ps. 615 and Ps. 293 as of June 30, 2017 and 2016, respectively. As of June 30, 2015, there were no properties under construction. The valuation was based on costs for all the above mentioned periods. These properties under development comprise works in a building office to be constructed.

Operations center in Israel

For rental properties, whose aggregate value was Ps. 54,334 and Ps. 40,871 for the fiscal years ended June 30, 2017 and 2016, respectively, the valuation was determined using discounted cash flow ("DCF") projections based on unobservable valuation assumptions.

For further information on this subject, see Note 10 to the Consolidated Financial Statements.

Consolidated Results

in ARS Million	FY 17	FY 16	YoY Var
Revenues from sales, leases and services	74,172	31,523	135.3%
Net gain from fair value adjustment on investment properties	4,453	17,559	-74.6%
Profit from operations	9,550	20,441	-53.3%
Depreciation and amortization	4,716	2,085	126.2%
Adjusted EBITDA*	9,957	6,080	63.8%
Profit for the year	5,220	9,496	-45.0%
Attributable to equity holders of the parent	3,030	8,973	-66.0%
Attributable to non-controlling interest	2,190	523	319.0%

*EBITDA: Net gain from fair value adjustment on investment properties plus disposal of investment properties.

The Company's consolidated results reflect the material accounting impact of the consolidation of the Israeli holding IDB Development Corporation ("IDBD") (12 months in 2017 vs. 6 months in 2016) in all of its lines, and the change in the valuation model of investment properties from cost model to fair value model.

Adjusted EBITDA, which excludes net gain from fair value adjustment on investment properties and includes disposals of investment properties, reached ARS 9,957 million in fiscal year 2017, 63.8% higher than in 2016.

Profit for the year was ARS 5,220 million, compared to ARS 9,496 million in 2016, mainly due to the following events:

- a decrease in gain from fair value adjustment on investment properties, which went down from ARS 17,559 million in 2016 to ARS 4,453 million in 2017. The higher revaluation recorded in fiscal year 2016 was due to the elimination of foreign exchange restrictions in December 2015 and lower discount rate applied to the valuations of our properties in the operations center in Argentina, offset by:
- gain from the sale of the agrochemical company Adama, in the Operations Center in Israel for ARS 4,200 million; and
- the rise in the listing price of Clal Insurance company owned by IDBD, recorded at fair value, which posted a profit of ARS 2,513 million in fiscal year 2017 vs. a loss of ARS 1,879 million in 2016.

Operations Center in Argentina

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

In fiscal year 2017, our tenants' sales reached ARS 34,426 million**,** 19.1% higher than in the same period of 2016, starting to stabilize after several periods of deceleration caused by the fall in consumption.

Our portfolio's leasable area increased by approximately 8,000 sqm as compared to 2016, mainly due to the completion of the second expansion stage at Distrito Arcos, where significant tenants such as Megatlon, Farmacity, Akiabara, Stock Center and Mishka were added; and the expansion of Soleil, adding Nike as its main tenant during the third quarter of this fiscal year.

The occupancy rate stood at very high levels, reaching 98.5%.

Shopping Malls' Financial Indicators

(in ARS million)

	FY17	FY16	YoY Var
Revenues	3,043	2,406	26.5%
Net gain from fair value adjustment on investment properties	2,068	16,132	-87.2%
Profit from operations	4,253	17,895	-76.2%
Depreciation and amortization	-12	-10	26.3%
Adjusted EBITDA (1)	**2,197**	**1,773**	**23.9%**

Shopping Malls' Operating Indicators

(in ARS million, except as indicated)

	FY17	FY16	FY15
Gross leasable area (sqm)	341,289	333,155	333,911
Occupancy	98.5%	98.4%	98.7%

Revenues from this segment grew 26.5% during this fiscal year, whereas EBITDA reached ARS 2,197 million, excluding the impact of the change in the fair value of investment property (+ 23.9% compared to the same period of 2016). The EBITDA margin, excluding income from common maintenance expenses and collective promotion fund, was 72.2%.

The following table shows certain information of our shopping malls as of June 30, 2017:

	Date of acquisition	Location	Gross Leaseable Area sqm (1)	Stores	Occupancy (2)	IRSA CP's Interest (3)
Alto Palermo	Dec-97	City of Buenos Aires	18,945	143	99.3%	100%
Abasto Shopping(4)	Nov-99	City of Buenos Aires	36,795	171	96.8%	100%
Alto Avellaneda	Dec-97	Province of Buenos Aires	36,063	136	99.3%	100%
Alcorta Shopping	Jun-97	City of Buenos Aires	15,613	113	98.1%	100%
Patio Bullrich	Oct-98	City of Buenos Aires	11,760	91	97.6%	100%
Buenos Aires Design	Nov-97	City of Buenos Aires	13,697	62	97.2%	53.68%
Dot Baires Shopping	May-09	City of Buenos Aires	49,499	158	99.9%	80%
Soleil	Jul-10	Province of Buenos Aires	15,227	79	100.0%	100%
Distrito Arcos (5)	Dec-14	City of Buenos Aires	14,692	67	100.0%	90.00%
Alto Noa Shopping	Mar-95	Salta	19,059	90	99.4%	100%
Alto Rosario Shopping(5)	Nov-04	Santa Fe	31,808	150	99.6%	100%
Mendoza Plaza Shopping	Dec-94	Mendoza	42,867	142	97.1%	100%
Córdoba Shopping	Dec-06	Córdoba	15,445	108	98.1%	100%
La Ribera Shopping	Aug-11	Santa Fe	10,054	68	97.6%	50%
Alto Comahue (6)	Mar-15	Neuquén	9,766	104	96.4%	99.92%
Patio Olmos(7)	Sep-15	Córdoba				
Total			**341,289**	**1,681**	**98.5%**	

Notes:
(1) Corresponds to gross leasable area in each property. Excludes common areas and parking spaces.
(2) Calculated dividing occupied sqm by leasable area as of the last day of the fiscal year.
(3) Company's effective interest in each of its business units.
4) Excludes Museo de los Niños (3,732 sqm in Abasto and 1,261 sqm in Alto Rosario).
(5) Opening December 18, 2014.
(6) Opening March 17, 2015.
(7) IRSA CP owns the historic building of the Patio Olmos shopping mall in the Province of Córdoba, operated by a third party.

Tenants' Retail Sales [1] [2]

The following table shows the approximate total amount of tenants' retail sales in millions of pesos in the shopping malls where we have an interest during the fiscal years indicated:

	2017	2016	2015
Alto Palermo	4,169	3,499	2,662.1
Abasto Shopping	4,604	4,043	3,150.2
Alto Avellaneda	4,344	3,781	2,913.3
Alcorta Shopping	2,207	1,900	1,474.7
Patio Bullrich	1,236	1,061	888.5
Buenos Aires Design	537	414	326.0
Dot Baires Shopping	3,748	3,254	2,570.6
Soleil	1,726	1,282	938.4
Distrito Arcos	1,455	962	339.9
Alto Noa Shopping	1,587	1,369	1,068.6
Alto Rosario Shopping	3,175	2,628	1,951.8
Mendoza Plaza Shopping	2,734	2,369	1,906.7
Córdoba Shopping	1,178	991	756.0
La Ribera Shopping	771	634	398.1
Alto Comahue	954	717	182.1
Patio Olmos [4]			
Total sales	**34,426**	**28,905**	**21,527.0**

(1) Retail sales based upon information provided to us by retailers and prior owners. The amounts shown reflect 100% of the retail sales of each shopping mall, although in certain cases we own less than 100% of such shopping malls. Excludes sales from stands and spaces used for special exhibitions.
(2) Opening December 18, 2014.
(3) Opening March 17, 2015.
(4) IRSA CP owns the historic building of the Patio Olmos shopping mall in the province of Cordoba, operated by a third party.

Cumulative sales per Type of Business

(in ARS million)

	2017	2016	2015
Anchor Store	1,875	1,590	1,299
Clothes and Footwear	18,463	15,201	11,125
Entertainment	1,178	1,025	741
Home and decoration	957	784	617
Electronic appliances	4,064	3,861	2,994
Restaurant	3,671	2,722	1,938
Miscellaneous	3,963	3,368	2,589
Services	255	351	223
Total	**34,426**	**28,905**	**21,527**

Detailed Revenues as of June 30, 2017 and 2016

(in ARS thousand)

	IVQ17	IVQ 16	YoY Var	12M 17	12M 16	YoY Var
Base Rent[1]	537,246	425,165	26.4%	1,731,148	1,319,821	31.2%
Percentage Rent	158,445	161,982	(2.2%)	637,281	599,033	6.4%
Total Rent	**695,691**	**587,148**	**18.5%**	**2,368,429**	**1,918,854**	**23.4%**
Admission rights	68,507	60,669	12.9%	262,489	207,531	26.5%
Fees	13,581	10,825	25.5%	47,916	37,717	27.0%
Parking	51,897	42,652	21.7%	192,750	153,213	25.8%
Commissions	42,929	11,149	285.0%	124,903	84,815	47.3%
Revenues from non-traditional advertising	15,861	16,455	(3.6%)	60,663	56,372	7.6%
Others	2,490	1,749	42.3%	50,141	6,796	637.7%
Revenues before Expenses and Collective Promotion Fund	**890,956**	**730,647**	**21.9%**	**3,107,290**	**2,465,298**	**26.0%**
Expenses and Collective Promotion Fund	362,823	273,831	32.5%	1,349,725	1,081,385	24.8%
Total[2]	**1,253,779**	**1,004,478**	**24.8%**	**4,457,016**	**3,546,683**	**25.7%**

(1) Includes Revenues from stands for ARS 209.2 million cum Jun, 17.

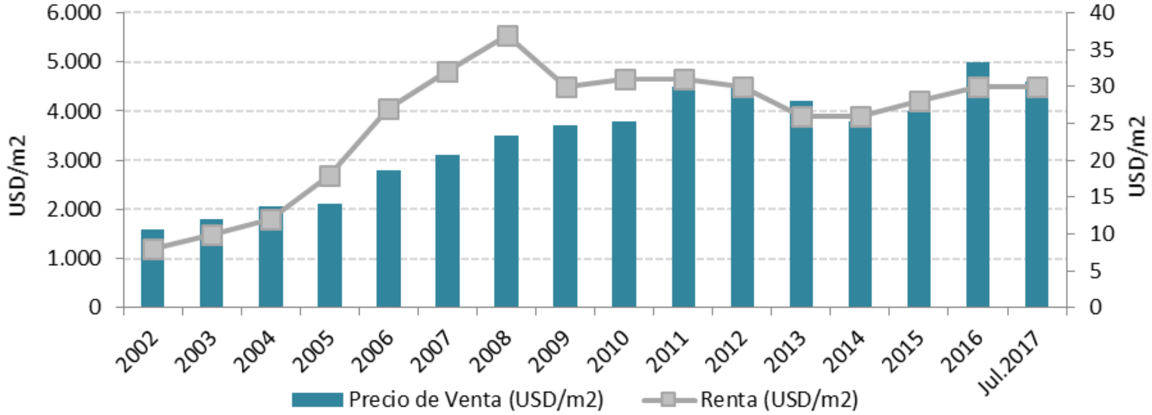
(2) Does not include Patio Olmos.

III. Offices

The A+ office market in the City of Buenos Aires remains robust. The price for Premium commercial spaces stood in the whereabouts of USD 4,600 per square meter. Rental prices remained at the same levels as compared to the previous year, averaging USD 30 per square meter for the A+ segment and the vacancy rate keeps falling, reaching 3.72% as of July 2017.

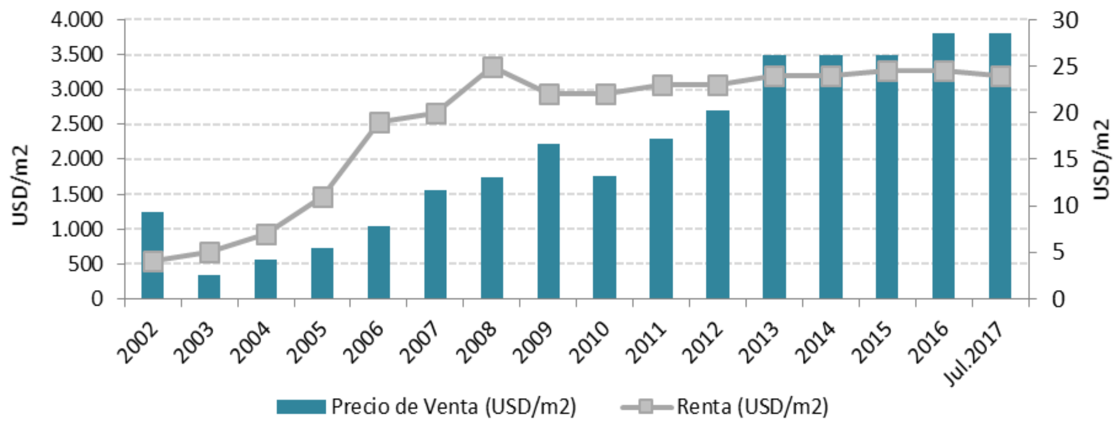
As concerns the A+ office market in the Northern Area, we have noted a significant improvement in the price of units during the last 10 years, and we believe in its potential during the next years.

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

OFFICES	FY17	FY 16	YoY Var
Revenues	443	340	30.3%
Net gain from fair value adjustment on investment properties	1,354	1,304	3.8%
Profit from operations	1,701	1,585	7.3%
Depreciation and amortization	-6	-3	100.0%
Adjusted EBITDA	**353**	**284**	24.3%

During fiscal year 2017, revenues from offices increased 30.3% as compared to the same period of 2016, mainly due to the depreciation of the peso vis-à-vis the dollar. Adjusted EBITDA from this segment grew 24.3% in fiscal year 2017 compared to the same period of the previous year.

Gross leasable area was 87,919 sqm as of the closing of fiscal year 2017, higher than the one recorded in the same period of the previous fiscal year, mainly due to the acquisition of the Phillips building, adjoining Dot Baires shopping mall, which added 10,142 sqm in June 2017. This increase was partially offset by the partial sales of the Intercontinental Plaza building.

The office portfolio maintained an occupancy rate of 100% during the first three quarters of fiscal year 2017, while in the fourth quarter one floor of the República building and one floor in Suipacha 664 building were vacated, thus closing the year with an occupancy rate of 96.2%.

	FY 17	FY 16	FY 15
Leaseable area (sqm)	87,919	81,020	111,678
Total portfolio occupancy	96.2%	98.7%	98.1%
Rent ARS/sqm	419	358	226
Rent USD/sqm	25.3	24.0	24.9

On June 5, 2017, our subsidiary IRSA Propiedades Comerciales S.A. acquired the historic Phillips Building, adjoining the Dot Baires shopping mall, which faces Avenida General Paz, in the City of Buenos Aires. The building has 4 office floors and a total GLA of approximately 10,000 sqm and a remaining construction capacity over FOT of 18,000 sqm. IRSA CP is owner of 100% of the building, and has had possession of it since June 2017. Effective January 20, 2018 it will have tenancy rights over the building, as it has signed a loan-for-use agreement with the selling party for a term of 7 months.

Properties

The following table shows certain information on our direct and indirect ownership of offices and other rental properties**:**

	Date of Acquisition	Gross Leaseable Area (sqm) (1)	Occupancy (2)	IRSA's Effective Interest	Monthly Rental Income ($ thousand) (3)	Accumulated annual rental income ($ million)(4)		
						2017	2016	2015
Offices								
Edificio República (5)	04/28/08	19,885	95.0%	100.0%	9,114	112	72	62
Torre Bankboston (5)	08/27/07	14,873	100.0%	100.0%	6,408	81	56	42
Bouchard 551	03/15/07	-	-	100.0%	235	3	3	10
Intercontinental Plaza (5)	11/18/97	3,876	100.0%	100.0%	1,415	19	28	56
Bouchard 710 (5)	06/01/05	15,014	100.0%	100.0%	7,594	86	68	48
Dique IV	12/02/97	-	-	-	-	0	15	32
Maipú 1300	09/28/95	803	51%	100.0%	143	6	6	16
Libertador 498	12/20/95	620	100.0%	100.0%	600	7	6	2
Suipacha 652/64 (5)	11/22/91	11,465	86%	100.0%	2,470	30	22	16
Dot Building (5)	11/28/06	11,242	100.0%	80.0%	4,345	50	31	27
Phillips building(5)	06/05/17	10,142	-	100.0%	-	-	-	-
Subtotal Offices		**87,919**	**96.2%**	**N/A**	**32,325**	**393**	**307**	**311**
Other Properties								
Santa María del Plata S.A	10/17/97	116,100	91%	100.0%	988	12	12	-
Nobleza Picardo (6)	05/31/11	109,610	94%	50.0%	1,775	13	2	8
Other Properties (7)	N/A	17,941	N/A	N/A	1,317	13	11	7
Subtotal Other Properties		**243,651**	**90.0%**	**N/A**	**4,079**	**38**	**25**	**15**
Total Offices and Others		**331,570**	**91.5%**	**N/A**	**36,404**	**431**	**332**	**326**

Notes:
(1) Gross leaseable area for each property as of 06/30/17. Excludes common areas and parking.
(2) Calculated dividing occupied sqm by leasable area as of 06/30/17.
(3) Agreements in effect as of 06/30/17 in each property were computed.
(4) Corresponds to total consolidated leases.
(5) Through IRSA CP.
(6) Through Quality Invest S.A.
(7) Includes the following properties: Ferro, Dot Adjacent Lot, Anchorena 665, Anchorena 545 (Chanta IV) and Intercontinental Lot.

The following table shows the occupancy rate[1] of our offices at the closing of the fiscal years ended June 30, 2017 and 2016:

	Occupancy Rate (1) 2017	2016
Offices		
Edificio República	95.2%	100.0%
Torre Bankboston	100.0%	100.0%
Intercontinental Plaza	100.0%	100.0%
Bouchard 710	100.0%	100.0%
Suipacha 652/64	86.3%	90.7%
DOT Building	100.0%	100.0%
Maipú 1300	50.6%	90.9%
Libertador 498	100.0%	100.0%
Phillips Building	-	-
Subtotal Offices	98.7%	98.1%

(1) Leased square meters as per agreements in effect as of June 30, 2017 and 2016 over gross leaseable area of the offices for the same periods.

IV. Sales and Developments

Sales and Developments	FY17	FY 16	YoY Var
Revenues	99	8	1137.5%
Net gain from fair value adjustment on investment properties	849	773	9.8%
Profit from operations	821	681	20.6%
Depreciation and amortization	0	-1	-
Adjusted EBITDA	**72**	**817**	20.6%

For fiscal year 2017, adjusted EBITDA from the Sales and Developments segment was ARS 72 million as compared to EBITDA for ARS 817 million during the 12-month period of 2016, in which a higher gain from disposal of investment properties had been recorded. While 2,647 sqm in the Intercontinental Plaza office building, 550 sqm in the Maipú 1300 building, and the remaining footage of Rivadavia 2768 building were sold in FY 2017, 3,451 sqm in the Maipú 1300 building, 6,814 sqm in the Intercontinental Plaza building, the Isla Sirgadero plot, and the entire Dique IV office building located in Puerto Madero, had been sold in FY 2016.

V. CAPEX

	Developments		
	Greenfields		*Expansions*
	Polo Dot (First Stage)	Catalinas(*)	Alto Palermo
Beginning of works	FY2017	FY2017	FY2017
Estimated opening date	FY 2019	FY 2020	FY2019
GLA (sqm)	32,000	35,468	4,000
% held by IRSA Propiedades Comerciales	80%	45%	100%
Investment amount at 100% (million)	ARS 1,000	ARS 1,600	USD 28.5
Work progress (%)	7.4%	3.0%	0%

(*) 45% of the development corresponds to our subsidiary IRSA Propiedades Comerciales S.A.

Alto Palermo Expansion

The expansion project of Alto Palermo shopping mall will add a gross leaseable area of approximately 4,000 sqm to the shopping mall that has the highest sales per square meter in our portfolio and consists in moving the food court to a third level in the shopping mall by using the area of an adjacent building acquired in 2015. We ended demolition works and we expect to start construction during fiscal year 2018. Its opening is scheduled to take place in fiscal year 2019.

First Stage of Polo Dot

The project called “Polo Dot”, located in the commercial complex adjacent to our Dot Baires shopping mall, has experienced significant growth since our first investments in the area. The total project will consist in 3 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 sqm of gross leaseable area. At a first stage, we will develop an 11-floor office building with an area of approximately 32,000 sqm on an existing building, in respect of which we have already executed lease agreements for approximately 75% of the footage, before starting the works. The construction stage started in the second quarter of FY2017, and we expect that the building will become operational within 18 to 24 months. The second stage of the project will include two office/hotel buildings that will add 38,400 sqm of gross leaseable area to the complex. We have seen a significant demand for Premium office spaces in this new commercial hotspot, and we are confident that we will be able to open these buildings with attractive rent levels and high occupancy.

Catalinas Building

The “Catalinas” project is located in one of the most sought-after spots for Premium office development in Argentina. The building to be constructed will have 35,468 sqm of gross leaseable area in 30 office floors and 316 parking spaces. Construction works started during the second quarter of FY2017, and are expected to be completed in about 3 years.

VI. Hotels

During fiscal year 2017, the Hotels segment recorded an increase in revenues of 35.8% mainly due to the depreciation of the exchange rate, an increase in the average rate per room and an increase in the occupation rate. The segment's EBITDA reached ARS 20 million during the period under review.

Hotels (in millions of ARS)	FY 17	FY 16	YoY Var
Revenues	725	534	35.8%
Profit from operations	9	-1	-
Depreciation and Amortization	-11	-11	0.0%
EBITDA	**20**	**10**	100.0%

	IVQ 17	IIIQ 17	IIQ 17	IQ 17	IVQ 16
Average Occupancy	67.3%	69.6%	69.1%	65.3%	65.8%
Average Rate per Room (ARS/night)	2,803	2,873	2,784	2,737	2,102
Average Rate per Room (USD/night)	181	186	182	183	175

The following is information on our hotel segment as of June 30, 2017:

Hotels	Date of Acquisition	IRSA's Interest	Number of Rooms	Average Occupancy(1)	Average Rate per Room ARS(2)	Sales as of June 30 of fiscal years (in millions)		
						2017	2016	2015
Intercontinental (3)	11/01/1997	76.34%	309	73.9%	2,216	272	195	143
Sheraton Libertador (4)	03/01/1998	80.00%	200	73.2%	1,954	151	119	94
Llao (5)	06/01/1997	50.00%	205	51.6%	5,245	302	220	159
Total	**-**	**-**	**714**	**67.3%**	**2,803**	**725**	**534**	**396**

Notes:

1) Cumulative average for the 12-month period.
2) Cumulative average for the 12-month period.
3) Through Nuevas Fronteras S.A. (IRSA's subsidiary).
4) Through Hoteles Argentinos S.A. (IRSA's subsidiary).
5) Through Llao Llao Resorts S.A. (IRSA's subsidiary).

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 53rd Street in Midtown Manhattan, New York. It was designed by architects John Burgee and Philip Johnson (Glass House and Seagram Building, among other renowned works) and it is named after its elliptical shape and red façade. Its gross leaseable area is approximately 58,000 sqm and consists of 34 floors.

As of June 30, 2017, the building's occupancy rate was 95.15%, thus generating an average rent of USD 69.20 per sqm.

Lipstick	Jun-16	Jun-17	YoY Var
Gross Leaseable Area (sqm)	58,094	58,094	-
Occupancy	97.33%	95.15%	2.18 p.p.
Rental price (USD/sqm)	66.67	69.20	3.79%

Since June 2016, various leases have been renewed, equivalent to 4,995 sqm in aggregate (53,763 sf) with an average rent of USD 84 per sqm. In the same period, the entire floor 28 was occupied, with an average rent of USD 87 per sqm, for a term of 11 years. The difference in the occupancy rate is explained by the release of floor 27 and floor 31.

Moreover, we successfully completed the building's certification process and obtained the **LEED EB: O&M Gold** certification. The implementation of this project started in July 2015, and it has concluded with a certification that endorses the best environmental practices, transforming the building's operational standards.

Finally, in the southern wing of the lobby there is an exhibition since September 2014 showcasing part of the work and life of the celebrated Argentine architect César Pelli. The exhibition has been conceived, designed and executed in close cooperation with César Pelli's architectural firm.

Investment in Condor Hospitality Inc.

We maintain our investment in the Condor Hospitality Trust hotel REIT (NASDAQ: CDOR) mainly through our subsidiary Real Estate Strategies L.P. ("RES"), in which we hold a 66.3% interest. Condor is a REIT listed in Nasdaq focused on medium-class hotels located in various states of the United States of America, managed by various operators and franchises.

In January 2017, Condor issued 150,540 new warrants in favor of RES, which are entitled to one share each, at an exercise price of USD 0.001 per share and due in January 2019. The new warrants replaced the former 3,750,000 warrants which entitled their holders to one share each, at an exercise price of USD 1.92 and due on January 31, 2017. In addition, the Group exercised its conversion rights in respect of the 3,245,156 Series D preferred shares (with a par value of USD 10 each) held by RES, into 20,282,225 common shares of Condor (with a par value of USD 0.01 per share), at the agreed conversion price of USD 1.60 per share, accounting for USD 32.4 million in the aggregate. At the same time, the Group received 487,738 Series E preferred shares that are convertible into common shares at USD 2.13 each as from February 28, 2019, paying dividends on a quarterly basis at 6.25% per year.

Also in February, Condor's Board of Directors approved a one-for-6.5 reverse stock split, which was carried out after the close of trading on March 15, 2017. The par value of the shares involved in the reverse stock split remained at USD 0.01 each, with the conversion price of Series E preferred shares standing at USD 13.845 and the exercise price of the warrants, at USD 0.0065.

Subsequently, in March, Condor conducted an initial public offering pursuant to which it issued 4,772,500 new shares (including 622,500 additional shares for the exercise of a call option granted to subscribers) at a price of USD 10.50 per share. The Group did not participate in the offering.

As a consequence of the aforementioned events, as of June 30, 2017, the Group held 3,314,453 common shares of Condor's capital stock, accounting for approximately 28.5% of that company's capital stock and votes. The Group also held 487,738 Series E preferred shares, 23,160 warrants and a promissory note convertible into 97,269 common shares (at a price of USD 10.4 each).

VIII. 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 June 30, 2017 (excluding treasury shares). In fiscal year 2017, the investment in Banco Hipotecario generated income of ARS 83 million, 67% lower than the ARS 257 million recorded in 2016.

For further information, visit http://www.cnv.gob.ar or http://www.hipotecario.com.ar.

Operations Center in Israel

IX. Investment in IDB Development Corporation

As of June 30, 2017, the investment made in IDBD was USD 515 million, and IRSA's indirect equity interest reached 68.3% of IDBD's stock capital. Moreover, IRSA has invested USD 26.7 million in DIC, and IRSA's indirect equity interest reached 6.07% of DIC's stock capital.

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

- The "**Commercial Properties**" segment mainly includes the assets and profit from operations derived from the business related to the subsidiary 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 **"Supermarkets"** segment includes the assets and profit from operations derived from the business related to the subsidiary Shufersal. Through Shufersal, the Group mainly operates a supermarket chain in Israel.
- 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 14, the Group does not hold a controlling interest in Clal; therefore, it is not consolidated on a line-by-line basis, but under a single line as a financial instrument at fair value, as required under IFRS under 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

The following table sets forth the results of our Operations Center in Israel for the consolidated 12-month period (4/1/16 through 3/31/17) vs. 6 months in 2016 (10/1/15 through 3/31/16). As different periods are being compared, no detailed explanation of the changes in results is included.

We will start providing an explanation of results as from the next quarter, when we will have comparative quarters.

Operations Center in Israel (NIS Million)

March 31, 2017 (for the period 04/01/16 through 03/31/17)

	Commercial properties	Supermarkets	Telecommunications	Insurance	Others	Total
Revenues from sales, leases and services	1,239	11,909	4,021	-	66	**17,235**
Costs	-588	-8,925	-2,817	-	-41	**-12,371**
Gross profit	651	2,984	1,204	-	25	**4,864**
Gain from disposal of investment properties	94	-	-	-	-	**94**
General and administrative expenses	-73	-158	-401	-	-158	**-790**
Selling expenses	-23	-2,397	-858	-	-20	**-3,298**
Other operating results, net	12	-13	-9	-	-39	**-49**
Profit / (loss) from operations	661	416	-64	-	-192	**821**
Share of profit of associates and joint ventures	12	19	-	-	-4	**27**
Segment profit / (loss)	673	434	-64	-	-196	**848**
Operating assets	16,655	8,077	6,639	1,795	4,363	**37,526**
Operating liabilities	13,441	6,131	5,249		7,730	**32,551**
Operating assets / (liabilities), net	**3,214**	**1,946**	**1,387**	**1,795**	**-3,367**	**4,975**

The revenues and profit from operations of the **Commercial Properties** segment through the subsidiary Property & Building (“PBC”) reached NIS 1,239 million and NIS 636 million, respectively, (USD 355 million and USD 182 million, respectively) during the consolidated 12-month period (April 1, 2016 through March 31, 2017). The first half and the second quarter of 2017 were characterized by the stability of rental properties in Israel, in terms of demand, rental prices and occupancy rates. In the second quarter of 2017, demand for the office, commercial, industrial and logistics segments was good, as reflected by the stabilization of prices and sustained high occupancy rates of approximately 97%.

The **Supermarkets** segment, through Shufersal, recorded revenues of NIS 11,909 million (USD 3,410 million) for the 12-month period, Profit from operations of this segment reached NIS 416 million (USD 116 million). In 2017, Passover fell at the beginning of April, unlike 2016 when it had fallen in late April, affecting sales and the range of special offers. This impacted on revenues from the retail segment, which fell 2.5% in the second quarter of 2017 as compared to the same quarter of 2016, and 0.5% in the 6-month period under comparison. Revenues from the real estate segment fell 2.4% in the first 6 months of 2017, compared to the same period of 2016 mainly due to the higher vacancy rate of rental properties.

The **Telecommunications** segment, operated by Cellcom, recorded revenues of NIS 4,021 million (USD 1,151 million) in the 12-month period and an operating loss of NIS 64 million (USD 18 million). In the first half of 2017, there was a decrease in revenues from mobile telephone services as compared to the same period of 2016, mainly due to the continued erosion of prices and revenues from services in the fixed line segment, mainly reflecting lower revenues from international calls, partially offset by higher revenues from the television segment.

The **"Others"** segment recorded revenues for NIS 66 million (USD 19 million), and an operating loss of NIS 192 million (USD 55 million).

As concerns "Clal", the Group values its interest in this **insurance** company as a financial asset at fair value. The valuation of Clal's shares was NIS 1,795 million (USD 514 million) as of June 30, 2017.

X. EBITDA by segment (ARS millions)

Operations Center in Argentina

FY 17	Shopping Malls	Offices	Sales and Developmen ts	Hotels	International	Financial Operations and Others	Total
Profit / (loss) from operations	4,253	1,701	821	9	-51	-207	6,526
Depreciation and amortization	-12	-6	0	-11	0	0	-29
EBITDA	2,197	353	72	20	-51	-207	2,384
9M 16	**Centros comerciales**	**Oficinas**	**Ventas y desarrollos**	**Hoteles**	**Internacional**	**Operaciones financieras y otros**	**Total**
Profit / (loss) from operations	17,895	1,585	681	-1	53	-151	20,062
Depreciation and amortization	-10	-3	-1	-11	0	0	-25
EBITDA	1,773	284	817	10	53	-151	2,786
EBITDA Var	**23.9%**	**24.3%**	**-91.2%**	**100.0%**	**-196.2%**	**37.1%**	**-14.4%**

Operations Center in Israel

FY 17 (in ARS Million)	Real Estate	Supermarkets	Telecommunications	Other	Total
Profit / (loss) from operations	2,624	1,649	-253	-758	3,262
Depreciation and amortization	27	1,314	3,210	120	4,671
Adjusted EBITDA	2,305	2,964	2,957	-639	7,587

XI. Reconciliation with Consolidated Statements of Income / (Operations) (ARS millions)

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

	Total as per segment informatio n	Adjustment for share of profit / (loss) of joint ventures *	Expenses and Collective Promotion Funds	Adjustment to income for elimination of inter-segment transactions	Total as per Statements of Income / (Operations)
Revenues	72,733	-41	1,490	-10	74,172
Costs	-50,022	18	-1,517	-	-51,521
Gross profit	**22,711**	**-23**	**-27**	**-10**	**22,651**
Gain from disposal of investment properties	4,645	-192	-	-	4,453
General and administrative expenses	-3,856	5	-	8	-3,843
Selling expenses	-13,448	5	-	2	-13,441
Other operating results, net	-264	-6	-	-	-270
Profit from operations	**9,788**	**-211**	**-27**	**-**	**9,550**
Share of income of associates and joint ventures	11	174	-	-	185
Profit before financial results and income tax	**9,799**	**-37**	**-27**	**-**	**9,735**

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

XII. Financial Debt and Other Indebtedness

Operations Center in Argentina

The following table contains a breakdown of our indebtedness as of June 30, 2017:

Description	Currency	Amount (USD MM) (1)	Interest Rate	Maturity
Bank overdrafts	ARS	2.8	Floating	< 180 d
IRSA NCN, Series VII	ARS	23.1	Badlar + 299	Sep-19
IRSA NCN, Series VIII	USD	184.5	7.0%	Sep-19
ICBC Loan	USD	50.0	5.95%	Feb-22
ICBC Loan	ARS	7.5	21.20	May-18
IRSA NCN 2020	USD	71.4	11.5%	jul-20
Other loans	ARS	0.1	-	-
IRSA's Total Debt	**USD**	**339.5**		
IRSA Cash&Eq+Investments (2)	USD	11.2		
Repurchased debt	USD	-		
IRSA's Net Debt	**USD**	**328.3**		
IRSA CP's Debt				
Bank overdrafts	ARS	2.4	Floating	< 360 d
CP Bank Loan	ARS	4.5	21.20%	May-18
Other Loans	ARS	0.1	-	-
IRSA CP NCN Series II	USD	360.0	8.75%	Mar-23
IRSA CP's Total Debt	**USD**	**367.0**		
IRSA CP Cash&Eq+Investments (3)	USD	179.7		
Repurchased debt	USD	-		
IRSA CP's Net Debt	**USD**	**187.3**		

(1) Principal amount in USD at an exchange rate of ARS 16.63/USD, without considering accrued interest or eliminations of balances with subsidiaries.
(2) "IRSA Cash & Cash Equivalents plus Investments" includes IRSA Cash & Cash Equivalents + IRSA Investments in current and non-current financial assets.
(3) "IRSA CP Cash & Cash Equivalents plus Investments" includes IRSA CP Cash & Cash Equivalents + IRSA CP Investments in current financial assets.

On September 8, 2016, IRSA issued Series VII and VIII Notes for an aggregate amount of USD 210 million:

a) Series VII Notes for a principal amount of 384.2 million at BADLAR + 299 bps due on September 9, 2019.

b) Series VIII Notes for a principal amount of USD 184.5 million at a fixed rate of 7% due on September 9, 2019.

The proceeds were mainly used to repay preexisting debt.

Operations Center in Israel

Financial debt as of March 31, 2017:

Indebtedness	Amount [1]
IDBD's Total Debt	852
DIC's Total Debt	1,126
Shufersal's Total Debt	673
Cellcom's Total Debt	1,132
PBC's Total Debt	3,154
Others' Total Debt [2]	113

(1) Principal amount in USD (million) at an exchange rate of 3.4929 NIS/USD, without considering accrued interest or elimination of balances with subsidiaries. Includes bonds and loans.
(2) Includes IDB Tourism, Bartan and IDBG.

XIII. Material and Subsequent Events

Operations Center in Argentina

October 2016: General Ordinary and Extraordinary Shareholders' Meeting

At the General Ordinary and Extraordinary Shareholders' Meeting held on October 31, 2016, at 1:00 p.m., the following matters, *inter alia,* were dealt with:

- Updating of Report on Shared Services Agreement.
- Treatment of amounts paid as personal assets tax levied on the shareholders.
- Consideration of (I) approval of extension of Global Note Program for a maximum outstanding principal amount of up to USD 300,000,000 approved by the Shareholders' Meeting dated October 31, 2011 for a term of five years or such longer term as permitted under the applicable laws; and (II) increase of program amount by an additional amount of up to USD 200,000,000.
- Grant of indemnities to the Directors, Statutory Auditors and Managers who perform or have performed duties for the Company accessorily to the D&O policies.

February 2017: Exercise of right to convert Convertible Subordinated Notes into Common Shares

On February 10, 2017 BACS Banco de Crédito y Securitización S.A. ("BACS" or the "Bank") was served notice of Resolution No. 63 dated February 7, 2017 whereby the Superintendent of Financial and Exchange Institutions reporting to the Argentine Central Bank had resolved not to raise any objections to the change in BACS's shareholding structure as a result of the conversion of subordinated notes into common shares to be issued in the name of IRSA.

On June 21, 2016, IRSA had notified the Bank that it would exercise its right of conversion of its convertible subordinated notes into common shares for a principal amount of ARS 100,000,000 issued by BACS on June 22, 2015 and fully subscribed by IRSA, pursuant to the provisions of the subscription agreement executed between IRSA and BACS on such date.

Upon conversion, IRSA will become direct holder of 33.36% of the stock capital and voting power of BACS. Moreover, IRSA, directly and through a subsidiary, will become holder of 37.72% of the stock capital and voting power of BACS, whereas Banco Hipotecario S.A. will become holder of the remaining 62.28%.

BACS is a leading bank in the local capital markets; it is positioned among the most important dealers of corporate debt in the primary market, and is leader in the secondary market.

May 2017: Organization of Joint Venture

On May 2, 2017, a joint venture agreement was executed with Galerías Pacífico S.A. for the purpose of making improvements in the Llao Llao hotel in the city of San Carlos de Bariloche aimed at maximizing, enhancing and boosting the brand’s positioning and quality in the hotel and restaurant market at domestic and international level. The agreement also provides for the commercial exploitation of the referred hotel with a view to maximizing profitability.

Interest percentages are 50% for the Company and 50% for Galerías Pacífico S.A. Common and extraordinary expenses and disbursements will be borne in the referred percentages.

The revenues of the joint venture will consist of income generated by the commercial exploitation of the Llao Llao hotel and the positive results of financial investments or any other financial or profits from operations derived from the joint venture.

July 2017: Sale of BAICOM land reserve

On July 19, the Company, acting through a subsidiary, sold to an unrelated third party a land reserve of approximately 6,905 sqm located at Av. P. Ramón Castillo, at the corner of Av. Antártida Argentina, in the neighborhood of Retiro, City of Buenos Aires.

This land reserve was owned by BAICOM Networks S.A., a company in which IRSA held an indirect controlling interest of 50%.

The transaction amount was USD 14,000,000 (fourteen million Dollars) (USD 7 million corresponding to IRSA), and it has been fully paid.

August 2017: Purchase of DIC’s shares by Dolphin Netherlands B.V.

On August 22, 2017, under the scope of the Law to Promote Competition and Reduce Concentration (the “Concentration Law”), Dolphin Netherlands B.V. made a non-binding offer to purchase all the shares held by IDB Development Corporation Ltd. (“IDBD”) in Discount Investment Corporation Ltd. (“DIC”).

No assurance may be given that the parties will execute or perform any binding agreement. The offer is subject to review by IDBD’s independent board committee and the terms and conditions will be negotiated after such review. This transaction could significantly extend over time or could fail to be consummated or be consummated under different terms over the course of the negotiations, as it must be approved by IDBD’s corporate bodies and other entities, which could withhold their consent.

For purposes of the transaction, an independent board committee has been organized to assess the offer and negotiate its terms and conditions.

Operations Center in Israel

November 2016: Sale of Adama

On November 22, 2016, the sale to ChemChina of 40% of the shares in Adama held by Koor, indirectly controlled by IDBD through DIC, was consummated. The proceeds of the sale were USD 230 million in excess of the full repayment of a non-recourse loan, plus interest, which had been granted to Koor by a Chinese bank.

December 2016: Partial sale of interest in Gav Yam (PBC's subsidiary)

On December 5, 2016, PBC sold in the market 280,873 shares of its subsidiary Gav-Yam Land Corporation Ltd. for NIS 391 million, thus reducing its stake in this company from 69.06% to 55.06% of its stock capital.

December 2016: Negotiations between Israir (subsidiary of IDB Tourism) and Sun D'or

As of December 31, 2016, IDB Tourism was at an advanced stage of negotiations with Sun D'or International Airlines Ltd. ("Sun D'or"), a subsidiary of El Al Israel Airlines Ltd. ("El Al"), regarding the following transaction:

- Israir would sell the aircraft owned by it to a third party under a sale and leaseback agreement for an estimated amount of USD 70 million;

- Upon sale of the aircraft, IDB Tourism would receive USD 45 million plus 25% of the shares of Sun D'or; therefore, El Al would become holder of 75% of the shares in such company.

- The parties would execute a shareholders' agreement whereby El Al would be granted a call option (and IDB Tourism would be granted a put option) to purchase Sun D'Or's shares for such price and under such terms as agreed in due course.

February 2017: Issue of IDBD's Notes

On February 16, 2017, IDBD placed Series 13 Notes in the Israeli market for a principal amount of NIS 1,060 million (equivalent to USD 283.7 million) due in November 2019 at a fixed interest rate of 5.40% per annum. The notes are secured by the potential cash flow from dividends or the sale of certain shares of Clal Insurance Enterprise Holdings Ltd.'s capital stock held by IDBD.

March 2017: Increase in DIC's interest

In March 2017, IDBD exercised all of DIC's Class 5 and 6 warrants it held for an aggregate amount of approximately NIS 210 million (equivalent to approximately $ 882 million as of such date), thus increasing its direct equity interest in DIC to approximately 70% of its capital stock.

March 2017: Declaration of Dividends by DIC

On March 22, 2017, DIC's Board of Directors passed a distribution of dividends for NIS 4.5 per share, in two tranches, as follows: (i) NIS 3.3 per share (equivalent to $13.86 per share) payable on April 20, 2017; and (ii) NIS 1.2 per share (equivalent to $5.04 per share) payable on September 19, 2017, subject to the fulfillment of the solvency test upon payment.

April 2017: Agreement for the acquisition of New Pharm

On April 6, 2017, Shufersal entered into an agreement (the "Agreement") with Hamashbir 365 Holdings Ltd. (the “Seller” or "Hamashbir") for the purchase of New Pharm Drugstores Ltd.’s ("New Pharm") shares of stock, representing 100% of its capital stock (the "Sold Shares"), for a consideration of NIS 130 million (equivalent to $ 546 million), payable upon the completion of the transaction, which is subject to the following conditions, among others.

- The approval of Israel’s antitrust commission. Failure to obtain such approval within 3 months from the date of the application (which can be extended for an additional month under certain conditions) will result in the automatic termination of the agreement, unless the parties agree to an extension of the term;
- The release and cancellation of all existing guarantees from New Pharm in respect of the liabilities of Hamashbir Group’s companies and the release and cancellation of all existing guarantees from Hamashbir Group’s companies in respect of New Pharm’s liabilities.

A non-competition clause will be signed after execution of the agreement.

None of these conditions has been met as of the date of these financial statements.

April 2017: Bond Issues

- In April 2017, PBC made a public offering of bonds (Series I) for approximately NIS 431 million, and received proceeds for approximately NIS 446 million (equivalent to approximately $ 1,873 million as of the issue date).

- In April 2017, Gav-Yam made a public offering of bonds (Series F) for approximately NIS 303 million (equivalent to approximately $ 1,272 million as of the issue date).

- In April 2017, DIC made a public offering for increasing the principal amount of its bonds (Series F) by approximately NIS 444 million, and received proceeds for approximately NIS 555 million (equivalent to approximately $ 231 million as of the issue date).

April 2017: Equity Issues

- In April 2017, Shufersal issued approximately 12 million shares and received net proceeds for NIS 210 million (equivalent to approximately $ 882 million as of the issue date). As a result of such issue, DIC's equity interest in Shufersal decreased to approximately 56.11%.

May 2017: Sale of Interest in Clal Insurance

On May 1, 2017, IDBD agreed to the sale of 5% of Clal's shares of stock by way of a swap transaction. Accordingly, such shares were sold on May 4, free from any encumbrance, for a price of NIS 59.86 per share (i.e., for an aggregate amount of approximately NIS 166 million, equivalent to approximately $ 697 million at the exchange rate prevailing on such date). The request was approved by the Trustee and was also supported by a statement from Israel's Capital, Insurance and Savings Market Commission, indicating that such commission did not oppose to the swap transaction.

Concurrently with the sale, IDBD entered into a swap agreement with a bank pursuant to which IDBD will either cash or pay for the difference between the sale price of the aforementioned shares and the price such shares will have upon the sale thereof to the third party, at the end of a 24-month period. IDBD will not be entitled to repurchase such shares.

IDBD is assessing potential courses of action in respect of the judgment rendered by the District Court, including the possibility of filing an appeal.

Under the terms of the swap agreement, IDBD retains the main risks and benefits of all of Clal's shares; for such reason, as of June 30, 2017 all of Clal's shares were recorded as a financial assets held for sale, and a liability of $ 783 was booked. The valuation of such shares as of June 30, 2017, is $ 8,564 and a gain of $ 1,951 has been recorded under net financial results for this fiscal year as a result of the increase in the fair value of these shares.

August 2017: Sale of Additional Percentage of Clal Insurance

Following instructions imparted by Israel's Capital, Insurance and Savings Market Commission to the Trustee regarding the guidelines for selling Clal's shares, on August 30, 2017, IDBD sold 5% of its equity interest in Clal by way of a swap transaction, pursuant to terms identical to those applied to the swap transaction made and reported to the market on May 3, 2017.

The consideration for the transaction was an amount of approximately NIS 152.5 million. Upon completion of the transaction, IDBD's equity interest in Clal will be reduced from 49.9% to 44.9% of its stock capital.

September 2017: Non-binding Offer for Clal Insurance

On September 4, 2017, IDBD received a non-binding offer from Huabang Financial Holdings Limited to acquire its entire equity interest in Clal Insurance Enterprise Holdings Ltd. ("Clal"), representing 44.9% of its stock capital.

The amount payable will be equivalent to Clal's shareholders' equity as reflected in its Financial Statements on the transaction's closing date. As of June 30, 2017, such amount was approximately NIS 4.88 billion.

The transaction is subject to a due diligence process, to be conducted by the purchaser for a term of 60 days after the execution of the memorandum of understanding, and the execution of a binding agreement among the parties, among other requirements.

Moreover, the consummation of the transaction is subject to the approval of Israel's Capital, Insurance and Savings Market Commission.

XIV. Brief comment on prospects for the next period

Our businesses in the operations center in Argentina and Israel have posted sound results for fiscal year 2017. We believe that the diversification of our business, with real estate assets in Argentina and abroad, favorably positions us to face all the challenges and opportunities that may arise in the coming years.

As concerns our operations center in Argentina, our subsidiary IRSA Propiedades Comerciales S.A. continues to consolidate itself as the leading commercial real estate company in Argentina, as its main shopping mall and office businesses keep recording positive growth levels. Although our tenants' sales decelerated during this fiscal year compared to the previous one, occupancy remains significantly high and the public keeps choosing each of our proposals; besides, top-notch domestic and international corporations continue to select our office spaces.

In the next fiscal year, we plan to make progress in the commercial developments already launched, including the 4,000 sqm expansion of our Alto Palermo shopping mall, the development of the 32,000 sqm office building in the commercial complex adjoining our Dot Baires shopping mall, and the "Catalinas" building in Buenos Aires, in which we own 16,012 sqm. In addition, in fiscal year 2018 we expect to carry out expansion works in some of our shopping malls for approximately 21,000 of GLA. We will build 2,200 sqm to add 6 cinema screens in Alto Comahue, a large store of 3,000 sqm in Alto Rosario shopping mall, and a 12,765 sqm Sodimac store in Mendoza Plaza Shopping, and we will expand Alto Avellaneda, our shopping mall located in the southern region of Buenos Aires, by 3,500 sqm. In addition, we will continue working on optimizing the performance of our current properties through improvements that allow us to take best advantage of their GLA potential and to furnish them with increased functionality and appeal for the benefit of consumers and tenants alike.

We will continue to promote marketing actions, events and targeted promotions at our shopping malls to attract consumers, through the joint endeavors of the Company, the retailers and the credit card issuer banks, as these actions have proved to be highly effective and are welcomed by the public.

We are optimistic about the opportunities that may arise in Argentina for fiscal year 2018. We have a large reserve of lands for future shopping mall and office development projects in an industry scenario with high growth potential.

As concerns our investments outside Argentina, we will continue working in the improvement of the operating ratios of our "Lipstick" building in New York and backing the new strategy of selectively selling low-class hotels and replacing them with higher-class hotels, that is being developed by the "Condor Hospitality Trust" hotel REIT (NASDAQ: CDOR), which made a capital increase in March this year and in which we hold 28.5% of its capital stock and voting rights.

Regarding our investment in the Israeli company IDBD, we are much pleased with the results obtained in fiscal year 2017, following the sale of the agrochemical company ADAMA, the improvement in the listing price of Clal Insurance company, which is recorded at fair value, and the recent debt issues made by different companies, which refinanced short-term debt at very attractive rates. In 2018, we will continue to work towards deleveraging the company, selling non-strategic assets in its portfolio and improving the operating margins of each of its operating subsidiaries.

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. As concerns our operations center in Argentina, to contribute to the equity reopening of our controlled company IRSA Propiedades Comerciales S.A., the Company could sell the shares held by it in such company, in one or more tranches, in the over-the-counter market or through a private sale, as agreed by the Company’s shareholders in due course. As concerns our operations center in Israel, in the next fiscal year the Company will analyze the possibility of increasing its interest in IDB Development Corporation Ltd. through the purchase of shares held by its related parties.

Consolidated Balance Sheets as of June 30, 2017, 2016, 2015, and 2014

(Amounts stated in millions of Argentine pesos, unless otherwise stated)

	Note	06.30.17	06.30.16 (adjusted)	06.30.15 (adjusted)	06.30.14 (adjusted)
ASSETS					
Non-current Assets					
Investment properties	10	99,953	82,703	19,217	15,796
Property, plant and equipment	11	27,113	24,049	237	219
Properties held for sale	12	4,532	4,730	141	131
Intangible assets	13	12,387	11,763	127	124
Investments in associates and joint ventures	8 and 9	7,885	16,880	3,591	2,587
Deferred tax assets	21	285	51	57	41
Income tax and minimum presumed income tax credit		145	123	109	110
Restricted assets	14	448	54	-	-
Trade and other accounts receivable	15	4,974	3,441	115	92
Employee benefits		-	4	-	-
Investments in financial assets	14	1,772	2,226	703	275
Financial assets available for sale	14	6,225	3,346	-	-
Derivative financial instruments	14	31	8	206	-
Total non-current assets		**165,750**	**149,378**	**24,503**	**19,375**
Current Assets					
Properties held for sale	12	1,249	241	3	5
Inventories		4,260	3,246	23	17
Restricted Assets	14	506	564	9	-
Income tax and minimum presumed income tax credit		339	506	19	16
Pool of assets held for sale	31	2,681	-	-	1,649
Trade and other accounts receivable	15	17,264	13,409	1,143	707
Investments in financial assets	14	11,951	9,656	295	234
Financial assets available for sale	14	2,337	1,256	-	-
Derivative financial instruments	14	51	19	29	13
Cash and cash equivalents	14	24,854	13,866	375	610
Total current assets		**65,492**	**42,763**	**1,896**	**3,251**
TOTAL ASSETS		**231,242**	**192,141**	**26,399**	**22,626**
SHAREHOLDERS' EQUITY					
Equity and reserves attributable to equity holders of the parent					
Stock capital		575	575	574	574
Treasury stock		4	4	5	5
Comprehensive adjustment of capital stock and treasury stock		123	123	123	123
Additional paid-in capital		793	793	793	793
Premium for trading of treasury shares		17	16	7	-
Statutory reserve		143	117	117	117
Special reserve	17	2,751	2,755	2,755	3,126
Other reserves	17	2,165	990	459	931
Retained earnings		19,293	16,259	7,796	4,551
Total equity and reserves attributable to equity holders of the parent		**25,864**	**21,632**	**12,629**	**10,220**
Non-controlling interest		21,472	14,224	963	998
TOTAL SHAREHOLDERS' EQUITY		**47,336**	**35,856**	**13,592**	**11,218**
LIABILITIES					
Non-current liabilities					
Trade and other accounts payable	18	3,040	1,518	255	202
Loans	20	109,489	90,680	3,736	3,756
Derivative financial instruments	14	86	105	264	321
Deferred tax liability	21	23,024	19,150	5,830	4,546
Employee benefits		763	689	-	-
Salaries and social security charges		127	11	2	4
Provisions	19	943	532	29	29
Total non-current liabilities		**137,472**	**112,685**	**10,116**	**8,858**
Current liabilities					
Trade and other accounts payable	18	20,839	17,874	896	679
Pool of liabilities held for sale	31	1,855	-	-	938
Salaries and social security charges		2,041	1,707	123	99
Loans	20	19,926	22,252	1,248	737
Derivative financial instruments	14	86	112	237	14
Provisions	19	890	1,039	52	18
Income tax and minimum presumed income tax liability		797	616	135	65
Total current liabilities		**46,434**	**43,600**	**2,691**	**2,550**
TOTAL LIABILITIES		**183,906**	**156,285**	**12,807**	**11,408**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**231,242**	**192,141**	**26,399**	**22,626**

Consolidated Income Statements for the fiscal years ended June 30, 2017, 2016, and 2015

(Amounts stated in millions of Argentine pesos, unless otherwise stated)

	Note	06.30.17	06.30.16 (adjusted)	06.30.15 (adjusted)
Revenues from sales, leases and services	23	74,172	31,523	3,403
Costs	24	(51,521)	(21,099)	(1,369)
Gross profit		**22,651**	**10,424**	**2,034**
Net gain from fair value adjustment on investment properties	10	4,453	17,559	3,958
General and administrative expenses	24	(3,843)	(1,839)	(374)
Selling expenses	24	(13,441)	(5,704)	(194)
Other operating results, net	25	(270)	1	33
Profit from operations		**9,550**	**20,441**	**5,457**
Share of profit / (loss) of associates and joint ventures	8 and 9	185	(135)	(224)
Profit before financing and income tax		**9,735**	**20,306**	**5,233**
Finance income	26	1,081	1,296	137
Finance expenses	26	(8,628)	(5,668)	(1,107)
Other financial results	26	2,929	(509)	28
Financial results, net	26	**(4,618)**	**(4,881)**	**(942)**
Profit before income tax		**5,117**	**15,425**	**4,291**
Income tax	21	(2,915)	(6,373)	(1,581)
Profit from continued operations		**2,202**	**9,052**	**2,710**
Profit from discontinued operations	32	3,018	444	-
Profit for the year		**5,220**	**9,496**	**2,710**
Profit from continued operations attributable to:				
Equity holders of the parent		1,786	8,764	2,459
Non-controlling interest		416	288	251
Profit for the year attributable to:				
Equity holders of the parent		3,030	8,973	2,459
Non-controlling interest		2,190	523	251
Profit from continued operations attributable to equity holders of the parent per share:				
Basic		3.11	15.24	4.28
Diluted (i)		3.08	15.14	4.25
Profit attributable to equity holders of the parent per share:				
Basic		5.27	15.61	4.28
Diluted (i)		5.23	15.50	4.25

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

Consolidated Cash Flow Statements

For the fiscal years ended June 30, 2017, 2016, and 2015

(Amounts stated in millions of Argentine pesos, unless otherwise stated)

	Note	06.30.17	06.30.16 (adjusted)	06.30.15 (adjusted)
Operating activities:				
Net cash generated by continued operating activities before income tax paid	16	9,704	4,866	1,263
Income tax and minimum presumed income tax paid		(967)	(804)	(429)
Net cash generated by continued operating activities		**8,737**	**4,062**	**834**
Net cash generated by discontinued operating activities		322	77	-
Net cash generated by operating activities		**9,059**	**4,139**	**834**
Investing activities:				
Capital increase and contributions in joint ventures and associates		(183)	(207)	(39)
Acquisition of investment properties		(2,853)	(888)	(407)
Proceeds of disposal of investment properties		291	1,393	2,447
Acquisition of property, plant and equipment		(2,629)	(1,021)	(48)
Proceeds of sale of property, plant and equipment		8	-	-
Acquisition of intangible assets		(501)	(131)	(5)
Acquisition of joint businesses and associates		(348)	-	(1,242)
Proceeds of sale of interest in associates and joint ventures		-	9	56
Acquisition of subsidiaries, net of cash received	16	(46)	-	-
Cash incorporated by business combinations, net of cash paid	16	-	9,193	-
Dividends collected		251	99	13
Acquisition of investments in financial assets		(4,782)	(11,901)	(2,934)
Proceeds of disposal of investments in financial assets		4,569	11,957	2,339
Interest collected on financial assets		216	112	95
Loans to related companies		(4)	(852)	-
Advances to suppliers		-	(7)	(14)
Net cash (used in) / generated by continued investing activities		**(6,011)**	**7,756**	**261**
Net cash generated by / (used in) discontinued investing activities		3,943	454	-
Net cash generated by investing activities		**(2,068)**	**8,210**	**261**
Financing activities:				
Borrowings		6,250	6,011	606
Repayment of borrowings		(14,577)	(9,554)	(1,073)
Issue of non-convertible notes		20,435	7,622	-
Repayment of principal amount of notes		(5,531)	(4,253)	-
Borrowings from related parties		-	4	22
Repayment of borrowings from joint ventures and associates		(14)	(6)	(2)
Interest paid		(5,692)	(3,365)	(547)
Issue of equity in subsidiaries		2,112	-	-
Distribution of capital to non-controlling interest in subsidiaries		(6)	(197)	(228)
Contributions from non-controlling interest		202	1	16
Acquisition of non-controlling interest in subsidiaries		(1,049)	(1,047)	(6)
Proceeds of disposition of non-controlling interest in subsidiaries		2,738	-	-
Dividends paid		(2,512)	(106)	(69)
Collection of claims		-	90	-
Acquisition of derivative financial instruments		(131)	(620)	(111)
Collection of derivative financial instruments		151	1,951	2
Net cash generated by continued financing activities		**2,376**	**(3,469)**	**(1,390)**
Net cash used in discontinued financing activities		(839)	(499)	-
Net cash generated by financing activities		**1,537**	**(3,968)**	**(1,390)**
Net increase in cash and cash equivalents from continued operations		5,102	8,349	(295)
Net increase / (decrease) in cash and cash equivalents from discontinued operations		3,426	32	-
Net increase in cash and cash equivalents		**8,528**	**8,381**	**(295)**
Cash and cash equivalents at beginning of year	14	13,866	375	610
Cash and cash equivalents reclassified to held for sale		(157)	-	-
Foreign exchange gain on cash and cash equivalents		2,617	5,110	60
Cash and cash equivalents at end of year	14	**24,854**	**13,866**	**375**

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

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