Earnings Release
IIQ FY 2020

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

Wednesday, February 12, 2020 11:00 AM BA (09:00 AM US EST)

The call will be hosted by:

Alejandro Elsztain, IIVP

Daniel Elsztain, COO

Matias Gaivironsky, CFO

To participate, please call:

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

1-412-317-6388 (international)

54-11-39845677 (Argentina)

Conference ID # IRSA

In addition, you can access through the following webcast:

http://webcastlite.mziq.com/cover.html?webcastId=e68cfbc5-c5dd-4c64-82cf-cdf1f43955bc

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

PLAYBACK

Available until February 24, 2020

Please call:

1-877-344-7529

1-412-317-0088

Access Code: **10139152**

Main Highlights of the Period

- Net result of the first half of FY20 recorded a gain of ARS 4,857 million compared to a ARS 8,363 million loss in 6M19, mainly explained by higher results from changes in the fair value of investment properties in the Argentina business center and the result from the deconsolidation of Gav-Yam due to the loss of control, offset by lower results of Clal's market valuation in the Israel business center and losses for exchange rate differences in Argentina.

- Net result attributable to the controlling shareholder registered a ARS 1,421 million loss compared to an ARS 8,093 million loss in the first half of 2019.

- Adjusted EBITDA for the first half of FY20 was ARS 11,656 million (ARS 3,442 million from the Argentina business center and ARS 8,214 million from the Israel business center), increasing by 16.1% compared to the same period of 2019.

- Adjusted EBITDA of the rental segments in Argentina decreased 11.6% in the compared semester, mainly due to the decrease of 18.7% in shopping centers and 29.2% in hotels partially offset by a growth of 38.1% in the office segment.

- On November 14, 2019, the Company distributed a dividend in kind of ARS 480 million payable in shares of IRSA Propiedades Comerciales (0.00404623926578 IRCP shares / IRSA shares and 0.0404623926578 IRCP shares / ADR IRSA).

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)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues	21,978	21,409	2.7%	42,786	39,719	7.7%
Net gain / (loss) from fair value adjustment of investment properties	-6,375	-20,471	-68.9%	3,724	-9,081	-
Profit / (Loss) from operations	-5,582	-17,118	-67.4%	7,083	-3,264	-
Depreciation and amortization	3,588	2,509	43.0%	6,912	4,627	49.4%
EBITDA[(1)]	**-1,994**	**-14,609**	**-86.4%**	**13,995**	**1,363**	**926.8%**
Adjusted EBITDA[(1)]	**5,766**	**5,459**	**5.6%**	**11,656**	**10,041**	**16.1%**
(Loss) / Profit for the period	**-7,423**	**-18,492**	**-59.9%**	**4,857**	**-8,363**	**-**
Attributable to equity holders of the parent	-5,108	-17,018	-70.0%	-1,421	-8,093	-82.4%
Attributable to non-controlling interest	-2,315	-1,474	57.1%	6,278	-270	-

(1) See Point XIX: EBITDA Reconciliation

Company's income increased by 7.7% during the first half of fiscal year 2020 as compared to the same period of 2019, while Adjusted EBITDA increased 16.1% reaching ARS 11,656 million, ARS 3,442 million from Argentina Business Center, that decreased 5.5%, and ARS 8,214 million from Israel Business Center, that increased by 28.4% mainly due to an increase in the EBITDA of Telecommunications segment (Cellcom) as a consequence of the impact of IFRS 16 implementation: leases costs are now included in Amortizations.

Profit for the period under review reached a gain of ARS 4,857 million compared to a ARS 8,363 million loss registered in the same period of 2019, mainly explained by higher results from changes in the fair value of investment properties in the Argentine business center and the result from the deconsolidation of Gav-Yam due to the loss of control, offset by lower results of Clal's market valuation and the impairment of Mehadrin´ shares valued at market value in the Israel business center.

<u>Argentina Business Center</u>

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

During the first half of fiscal year 2020, our tenants' sales reached ARS 45,183 million, 0.7% lower, in real terms, than in the same period of 2019 but increasing 4.8% during the second quarter, period in which there was a higher consumption recovery in our Shopping Malls driven by "Ahora 12" and "Ahora 18" incentive measures. Considering same Shopping Malls, that is, excluding Buenos Aires Design in fiscal year 2019, tenants' sales increased 0.4% during the first half of 2020 and 5.6% in the second quarter.

Our portfolio's leasable area totaled 332,812 sqm during the quarter, in line with the same period of previous fiscal year. Portfolio's occupancy remained stable at approximately 95.0%, lower than in the beginning of the previous fiscal year, mainly because of Walmart's anticipated exit from Dot Baires Shopping. Excluding the effect of the remaining vacant sqm on the surface previously occupied by Walmart, occupancy reached 97.9%.

<u>Shopping Malls' Operating Indicators</u>

(in ARS million, except indicated)	IIQ 20	IQ 20	IVQ 19	IIIQ 19	IIQ 19
Gross leasable area (sqm)	332,812	332,277	332,150	332,774	332,119
Tenants' sales (3 months cumulative)	24,648	20,537	20,587	17,064	23,515
Occupancy	95.0%	94.3%	94.7%	94.5%	94.9%

Shopping Malls' Financial Indicators

(in millions of ARS)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues from sales, leases and services	1,939	2,210	-12.3%	3,644	4,207	-13.4%
Net (loss) / gain from fair value adjustment on investment properties	-2,368	-10,121	-76.6%	-1,876	-13,663	-86.3%
Profit / (Loss) from operations	-990	-8,327	-88.1%	702	-10,465	-
Depreciation and amortization	41	28	46.4%	72	62	16.1%
EBITDA (1)	**-949**	**-8,299**	**-88.6%**	**774**	**-10,403**	**-107.4%**
Adjusted EBITDA (1)	**1,419**	**1,822**	**-22.1%**	**2,650**	**3,260**	**-18.7%**

(1) See Point XIX: EBITDA Reconciliation

Income from this segment decreased 13.4% during the first half of fiscal year 2020, compared with same period of previous fiscal year, mainly due to the impact of fix components that did not accompany the semester tenants sales recovery such as base rents that decreased 20.2% in real terms and admission rights that decreased 5.8%, as well as the inclusion in the previous fiscal year of an extraordinary income of ARS 135 million as compensation for Walmart's contract termination in Dot Baires Shopping. Costs, administrative and marketing expenses (SG&A) of the segment decrease by approximately 6.0%. Adjusted EBITDA reached ARS 2,650 million, 18.7% lower than the same period of fiscal year 2019, mainly due to higher commercial discounts granted during the first half of fiscal year 2020. Adjusted EBITDA margin, excluding income from expenses and collective promotion fund, was 72.7%, 4.8 bps lower than in the same period of previous fiscal year.

Operating data of our Shopping Malls

	Date of opening	Location	Gross Leasable Area sqm (1)	Stores	Occupancy Rate (2)	IRSA CP's Interest (3)
Alto Palermo	Dec-97	City of Buenos Aires	18,655	136	99.1%	100%
Abasto Shopping(4)	Nov-99	City of Buenos Aires	36,760	164	98.1%	100%
Alto Avellaneda	Dec-97	Province of Buenos Aires	38,330	129	94.7%	100%
Alcorta Shopping	Jun-97	City of Buenos Aires	15,725	114	98.6%	100%
Patio Bullrich	Oct-98	City of Buenos Aires	11,396	89	94.4%	100%
Buenos Aires Design(5)	Nov-97	City of Buenos Aires	-	-	-	-
Dot Baires Shopping	May-09	City of Buenos Aires	48,805	167	77.8%	80%
Soleil	Jul-10	Province of Buenos Aires	15,156	79	99.0%	100%
Distrito Arcos	Dec-14	City of Buenos Aires	14,335	65	100.0%	90.0%
Alto Noa Shopping	Mar-95	Salta	19,311	86	99.5%	100%
Alto Rosario Shopping(4)	Nov-04	Santa Fe	33,681	141	98.9%	100%
Mendoza Plaza Shopping	Dec-94	Mendoza	43,065	129	98.4%	100%
Córdoba Shopping	Dec-06	Córdoba	15,361	104	99.3%	100%
La Ribera Shopping	Aug-11	Santa Fe	10,530	68	96.0%	50%
Alto Comahue	Mar-15	Neuquén	11,702	95	96.6%	99.95%
Patio Olmos(6)	Sep-07	Córdoba				
Total			**332,812**	**1,566**	**95.0%**	

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

Cumulative tenants' sales as of December 31

(per Shopping Mall, in ARS. million)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Alto Palermo	3,190	2,930	8.9%	5,739	5,558	3.3%
Abasto Shopping	3,081	3,074	0.2%	5,722	6,051	-5.4%
Alto Avellaneda	2,801	2,794	0.3%	5,114	5,424	-5.7%
Alcorta Shopping	1,947	1,737	12.1%	3,390	3,184	6.5%
Patio Bullrich	1,260	1,166	8.1%	2,235	2,042	9.5%
Buenos Aires Design(1)	-	169	-100.0%	-	495	-100.0%
Dot Baires Shopping	2,509	2,376	5.6%	4,464	4,647	-3.9%
Soleil	1,259	1,205	4.5%	2,385	2,344	1.7%
Distrito Arcos	1,461	1,176	24.2%	2,680	2,202	21.7%
Alto Noa Shopping	971	974	-0.3%	1,869	1,941	-3.7%
Alto Rosario Shopping	2,478	2,213	12.0%	4,530	4,332	4.6%
Mendoza Plaza Shopping	1,681	1,686	-0.3%	3,293	3,401	-3.2%
Córdoba Shopping	793	791	0.3%	1,424	1,477	-3.6%
La Ribera Shopping(2)	475	499	-4.8%	943	1,006	-6.3%
Alto Comahue	742	725	2.3%	1,395	1,380	1.1%
Total	**24,648**	**23,515**	**4.8%**	**45,183**	**45,484**	**-0.7%**

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

Cumulative tenants' sales per type of business

(per Type of Business. in ARS million)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Anchor Store	1,333	1,283	3.9%	2,418	2,449	-1.3%
Clothes and Footwear	14,382	13,910	3.4%	25,482	25,542	-0.2%
Entertainment	487	480	1.5%	1,343	1,345	-0.1%
Home	514	497	3.4%	917	1,085	-15.5%
Restaurant	2,339	2,277	2.7%	4,846	4,943	-2.0%
Miscellaneous	3,479	2,995	16.2%	6,047	5,737	5.4%
Services	251	235	6.8%	493	534	-7.7%
Electronic appliances	1,863	1,838	1.4%	3,637	3,849	-5.5%
Total	**24,648**	**23,515**	**4.8%**	**45,183**	**45,484**	**-0.7%**

Detailed Revenues as of December 31

(in ARS million)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Base Rent (1)	831	1,034	-19.6%	1,686	2,113	-20.2%
Percentage Rent	652	516	26.4%	1,060	912	16.3%
Total Rent	**1,481**	**1,550**	**-4.4%**	**2,745**	**3,023**	**-9.2%**
Revenues from non-traditional advertising	49	64	-23.0%	95	111	-14.2%
Admission rights	241	225	7.4%	455	483	-5.8%
Fees	23	32	-27.1%	47	57	-18.9%
Parking	91	111	-18.2%	190	240	-20.6%
Commissions	46	73	-37.1%	92	122	-24.8%
Others	8	155	-95.0%	20	171	-88.3%
Subtotal (2)	**1,939**	**2,210**	**-12.3%**	**3,644**	**4,207**	**-13.4%**
Expenses and Collective Promotion Funds	733	719	2.0%	1,423	1,487	-4.3%
Total	**2,672**	**2,929**	**-8.8%**	**5,067**	**5,694**	**-11.0%**

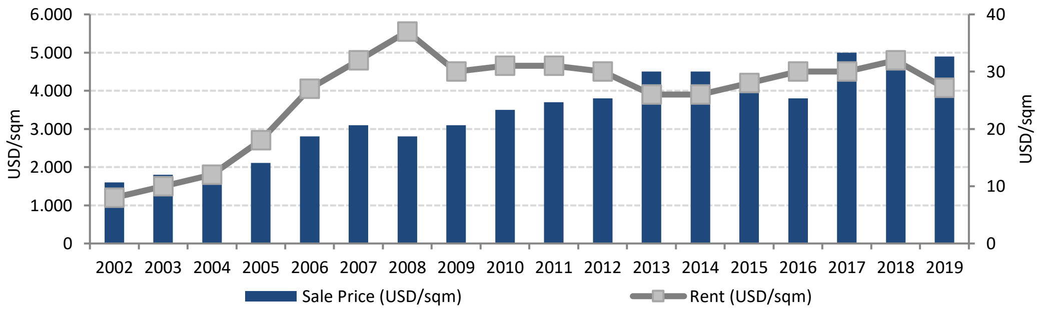
(1) Includes Revenues from stands for ARS 205.9 million cumulative as of December 2019
(2) Does not include Patio Olmos.

III. Offices

The A+ office market in the City of Buenos Aires remains robust even after the period of highest exchange volatility in recent years. The price of Premium commercial spaces slightly raised at USD 4,900 per square meter while rental prices slightly decreased at USD 27.2 when compared with same period of previous fiscal year. per square meter for the A+ segment. The vacancy of the premium segment reached 7.6%.

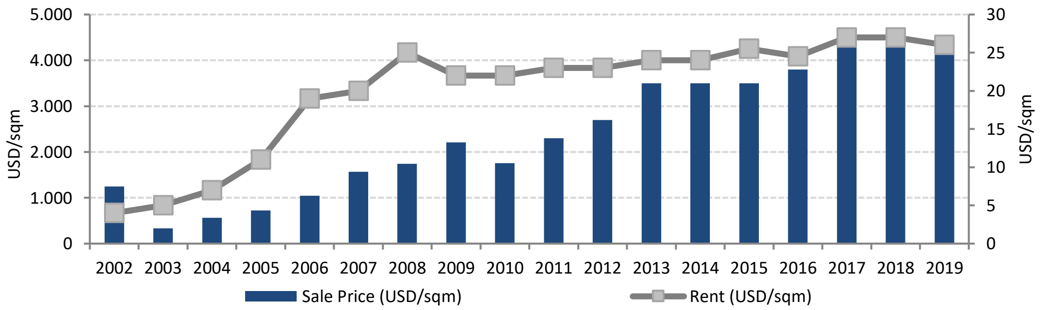
As concerns the A+ office market in the Northern Area, we have noted a significant improvement in the price of units during the last 10 years, and we believe in its potential during the next years. Nevertheless, rental prices show a downward trend around USD 26.0 per square meter.

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



Source: LJ Ramos

Sale and Rental Prices of A+ Offices – Northern Area



Source: LJ Ramos

Gross leasable area was 115,639 sqm as of the second three-month period of fiscal year 2020, highly increased when compared to the same period of previous year due to the inauguration of the Zetta building in May 2019.

Portfolio average occupancy slightly recovers compared to the last two quarters reaching 88.7%, despite it is lower than the recorded in the same period of last fiscal year mainly due to higher vacancy in our class B offices, Suipacha 661 and Philips. Considering our premium portfolio (class A+&A), the occupancy reached 97.1%. The average rental price reached USD 26.9 per sqm in line with previous quarters.

<u>Offices' Operating Indicators</u>

	IIQ 20	IQ 20	IVQ 19	IIIQ 19	IIQ 19
Leasable area	115,639	115,640	115,378	83,205	83,213
Total Occupancy	88.7%	88.1%	88.3%	91.4%	90.0%
Class A+ & A Occupancy	97.1%	96.6%	97.2%	95.0%	93.1%
Class B Occupancy	47.5%	46.2%	45.0%	79.6%	79.6%
Rent USD/sqm	26.9	26.6	26.4	26.3	27.0

Offices' Financial Indicators

(in ARS million)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues from sales, leases and services	523	455	14.9%	1,095	840	30.4%
Net gain from fair value adjustment on investment properties, PP&E e inventories	-2,271	-7,961	-71.5%	3,326	3,863	-13.9%
Profit from operations	-1,888	-7,623	-75.2%	4,178	4,486	-6.9%
Depreciation and amortization	15	2	650.0%	21	9	133.3%
EBITDA(1)	**-1,873**	**-7,621**	**-75.4%**	**4,199**	**4,495**	**-6.6%**
Adjusted EBITDA (1)	**398**	**340**	**17.1%**	**873**	**632**	**38.1%**

(1) See Point XIX: EBITDA Reconciliation

In real terms, during the first half of fiscal year 2020, revenues from the offices segment increased by 30,4% compared to the same period of 2019. Adjusted EBITDA from this segment grew 38.1% 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 inauguration and income flattening of the new Zetta building, EBITDA margin was 79.7%, 4.5 bps higher than the same period of previous year.

Below is information on our Office segment and other rental properties as of December 31, 2019. Also, amended comparative information as of June 30, 2019, is included:

	Date of Acquisition	IRSA's Effective Interest	As of December 31, 2019		As of June 30, 2019	
			Gross Leaseable Area (sqm) (1)	Occupancy (2)	Gross Leaseable Area (sqm) (1)	Occupancy (2)
Offices(3)						
Edificio República	04/28/08	100%	19,885	92.6%	19,885	95.2%
Torre Bankboston	08/27/07	100%	14,865	96.4%	14,865	93.5%
Intercontinental Plaza	11/18/97	100%	2,979	100.0%	2,979	100.0%
Bouchard 710	06/01/05	100%	15,014	100.0%	15,014	100.0%
Suipacha 652/64	11/22/91	100%	11,465	31.2%	11,465	44.6%
Dot Building	11/28/06	80%	11,242	100.0%	11,242	100.0%
Philips Building	06/05/17	100%	8,016	70.8%	7,755	45.7%
Zetta Building	05/06/19	80%	32,173	97.5%	32,173	97.5%
Subtotal Offices		**N/A**	**115,639**	**88.7%**	**115,378**	**88.3%**
Other Properties						
Santa María del Plata S.A	10/17/97	100%	116,100	17.3%	116,100	25.9%
Nobleza Piccardo (4)	05/31/11	50.0%	109,610	22.5%	109,610	78.4%
Other Properties (5)	N/A	N/A	12,292	35.6%	12,292	35.6%
Subtotal Other Properties		**N/A**	**238,002**	**20.6%**	**238,002**	**50.6%**
Total Offices and Others		**N/A**	**353,641**	**42.9%**	**353,380**	**62.9%**

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

IV. Sales and Developments

(in millions of ARS)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues	392	477	-17.8%	460	515	-10.7%
Net gain from fair value adjustment on investment properties	-1,670	-4,064	-58.9%	2,544	197	1.191.4%
Profit from operations	**-1,590**	**-3,862**	**-58.8%**	**2,538**	**344**	**637.8%**
Depreciation and amortization	3	3	-	5	5	-
Barter Agreements result	239	403	-40.7%	239	403	-40.7%
EBITDA(1)	**-1,587**	**-3,859**	**-58.9%**	**2,543**	**349**	**628.7%**
Adjusted EBITDA(1)	**-156**	**-198**	**-21.2%**	**-240**	**-251**	**-4.4%**

(1) See Point XIX: EBITDA Reconciliation

Revenues from the "Sales and Development" segment decreased 10.7% during the first half of fiscal year 2020 compared to the same period of previous year, due to the recognition in the previous fiscal year of the sale of a plot made by Zetol. Adjusted EBITDA of the segment was ARS 240 million loss, compared to ARS 251 million loss in the same period of fiscal year 2019.

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

Alto Palermo Expansion

We keep working on the expansion of Alto Palermo shopping mall. the shopping mall with the highest sales per square meter in our portfolio. that will add a gross leasable area of approximately 3,900 square meters and will consist in moving the food court to a third level by using the area of an adjacent building acquired in 2015. Work progress as of December 31 was 51.0% and construction works are expected to be finished by July 2020.

200 Della Paolera - Catalinas building

The building under construction will have 35,000 sqm of GLA consisting of 30 office floors and 316 parking spaces and is located in the "Catalinas" area in the City of Buenos Aires, one of the most sought-after spots for Premium office development in Argentina. The company owns 30,832 square meters consisting of 26 floors and 272 parking spaces in the building. The total estimated investment in the project amounts to ARS 2,600 million and as of December 31, 2019. work progress was 86.0%. As of today, we have 38% of the IRSA CP's own GLA sqm with signed lease agreements and there are good commercialization prospects for the rest of the surface.

VI. Hotels

During the first half of fiscal year 2020, Hotels segment recorded a decrease in revenues of 12.8% mainly due to the decrease in the rate and the growth of the vacancy of Libertador hotel after the company acquisition of 20% of the ownership of Sheraton and began the operation of the hotel on its own. The segment's EBITDA reached ARS 332 million during the period under review, 29.2% lower than in the previous fiscal year, mainly because the impact during IIQ19 of the G-20 in Intercontinental as well as the event of the Emir of Qatar in Llao Llao.

	IIQ 20	IQ 20	IVQ 19	IIIQ 19	IIQ 19
Average Occupancy	68.1%	61.6%	65.2%	69.3%	68.5%
Average Rate per Room (USD/night)	180	163	197	209	205

(in millions of ARS)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues	694	816	-15.0%	1,268	1,454	-12.8%
Profit / (loss) from operations	172	275	-37.5%	241	398	-39.4%
Depreciation and amortization	55	35	57.1%	91	71	28.2%
EBITDA	**227**	**310**	**-26.8%**	**332**	**469**	**-29.2%**

The following is information on our hotels segment as of December 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	77.2%	141
Libertador [(4)]	03/01/1998	100.00%	200	65.0%	112
Llao Llao [(5)]	06/01/1997	50.00%	205	57.1%	337
Total	**-**	**-**	**718**	**68.1%**	**180**

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

VII. International

Lipstick Building, New York, United States

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

As of December 31, 2019, the building's occupancy rate was 95.6%, thus generating an average rent of USD 78.3 per sqm.

Lipstick	Dec-19	Dec-18	YoY Var
Gross Leasable Area (sqm)	58,092	58,092	-
Occupancy	95.6%	96.9%	-1.3 p,p
Rental price (USD/sqm)	79.3	77.1	1.8%

In June 2019, an "Escrow Agreement" was signed for the sum of US $ 5.1 million, through which an option was acquired to purchase the controlling position on one of the lands where the Lipstick was built. This option expired on August 30, and the owner of the ground lease requested the transfer of the funds deposited in guarantee in his favor. The company will continue negotiations trying to obtain funding sources that allow us to execute the purchase. After the end of the period, on February 7, 2020, the termination of the loan with RBC was executed for an amount of USD 1.6 million.

Investment in Condor Hospitality Inc.

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

It is estimated that the transaction will be settled during the third quarter of fiscal year 2020. As of the date of these financial statement presentation, the group owned 2,245,099 common shares and 325,752 preferred E shares.

VIII. Corporate

(in millions of ARS)	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues	-	-	-	-	-	-
Loss from operations	-105	-254	-58.7%	-177	-326	-45.7%
Depreciation and amortization	1	2	-50.0%	2	2	-
EBITDA	**-104**	**-252**	**-58.7%**	**-175**	**-324**	**-46.0%**

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 December 31, 2019. During the first half of 2020, the investment in Banco Hipotecario generated a ARS 993 million gain compared to a ARS 121 million loss during the same period of 2019. For further information, visit http://www.cnv.gob.ar or http://www.hipotecario.com.ar.

Israel Business Center

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

As of December 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. The Group does not hold a controlling interest in Clal; therefore, it is not consolidated on a line-by-line basis, but presented under a single line as a financial instrument at fair value, as required under IFRS for the current circumstances in which no control is exercised.
- The **"Others"** segment includes the assets and profit from other miscellaneous businesses, such as technological developments, tourism, oil and gas assets, electronics, and other sundry activities.

Segment Results

Following is the comparative information by segments of our Israel Business Center for the period between July 1, 2019 and December 31, 2019.

Real Estate (Property & Building - PBC) - ARS MM	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues	3,039	3,338	-9.0%	6,277	6,153	2.0%
Result from fair value adjustment of investment properties	-164	487	-133.7%	-164	487	-133.7%
Profit from operations	**-429**	**1,562**	**-127.5%**	**610**	**2,399**	**-74.6%**
Depreciation and amortization	46	13	253.8%	61	25	144.0%
Devaluation of associates and joint ventures	1,621	0	100.0%	1,621	0	100.0%
EBITDA	**-383**	**1,575**	**-124.3%**	**671**	**2,424**	**-72.3%**
Adjusted EBITDA	**-219**	**1,088**	**-120.1%**	**2,456**	**1,937**	**26.8%**

Revenues and operating income of the **Real Estate** segment through the subsidiary PBC reached in the first half of fiscal year 2020 an amount of ARS 6,277 million and ARS 610 million, respectively, and for the same period ended on December 31, 2018, reached ARS 6,153 million and ARS 2,399 million respectively. This is mainly due to an average real depreciation of 13.5% of the Argentine peso against the Israeli shekel, offset by an appreciation of the Shekel against the dollar, which makes the income in Shekels for rents lower. At the operational level, the segment suffered Mehadrin's impairment as a result of the decrease in the share price.

Telecommunications (Cellcom) ARS MM	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues	14,096	12,782	10.3%	27,595	24,018	14.9%
(Loss) / Profit from operations	-479	196	-344.4%	-168	43	-490.7%
Depreciation and amortization	3,287	2,420	35.8%	6,467	4,424	46.2%
EBITDA	**2,808**	**2,616**	**7.3%**	**6,299**	**4,467**	**41.0%**

The **Telecommunications** segment carried out by "Cellcom" reached ARS 27,595 million of revenue and an operating loss of ARS 168 million in the six-month period of fiscal year 2020. For the same period of fiscal year 2019, revenues were ARS 24,018 million and the operating gain was ARS 43 million. This is mainly due to an increase in revenues due to an increase in equipment sold, together with a 2.8% increase in fixed line revenues. At EBITDA level, lease costs were reduced because these are charged to financial results due to the implementation of IFRS 16.

Others (other subsidiaries) ARS MM	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues	492	405	21.5%	895	749	19.5%
Loss from operations	-143	-357	-59.9%	-190	-31	512.9%
Depreciation and amortization	118	16	637.5%	147	37	297.3%
EBITDA	**-25**	**-341**	**-92.7%**	**-43**	**6**	**-816.7%**

The "**Others**" segment reached revenues of ARS 895 million and an operating loss of ARS 190 million in the first half of fiscal year 2020. During the same period of fiscal year 2019, it reached revenues of ARS 749 million and an operating loss of ARS 31 million. This is mainly due an increase in Epsilon and Bartan's income. Additionally, during the first half of the FY 2019 there were sales of associated companies while in the current period it did not register this kind of sales.

Corporate (DIC, IDBD and Dolphin) ARS MM	IIQ 20	IIQ 19	YoY Var	6M 20	6M 19	YoY Var
Revenues	-	-	-	-	-	-
(Loss) / Profit from operations	-259	202	-228.2%	-498	-9	5,433.3%
Depreciation and amortization	-	-	-	-	-	-
EBITDA	**-259**	**202**	**-228.2%**	**-498**	**-9**	**5,433.3%**

The "**Corporate**" segment reached in the six-month period of fiscal year 2020 an operating loss of ARS 498 million and for the same period of fiscal year 2019, an operating loss of ARS 9 million. This is mainly due to the fact that during the first half of fiscal year 2019 we had positive results from the sale of Shufersal shares.

Regarding “Clal”, the Group values its holding in the company as a financial asset at market value. The valuation of Clal's shares as of 12/31/2019 amounted to ARS 7,337 million.

XI. EBITDA by Operations Center (ARS million)

Operations Center in Argentina

IIQ FY 20	Shopping Malls	Offices	Sales and Developments	Hotels	International	Corporate	Others	Total
Profit / (loss) from operations	702	4,178	2,538	241	-61	-177	180	7,601
Depreciation and amortization	72	21	5	91	1	2	22	214
EBITDA	**774**	**4,199**	**2,543**	**332**	**-60**	**-175**	**202**	**7,815**

IIQ FY 19	Shopping Malls	Offices	Sales and Developments	Hotels	International	Corporate	Others	Total
Profit / (loss) from operations	-10,464	4,486	344	398	-44	-326	-219	-5,825
Depreciation and amortization	61	9	5	71	2	2	-2	148
EBITDA	**-10,403**	**4,495**	**349**	**469**	**-42**	**-324**	**-221**	**-5,677**
EBITDA Var	**-107.4%**	**-6.6%**	**628.7%**	**-29.2%**	**42.9%**	**-46.0%**	**-191.4%**	**-237.7%**

Israel Business Center

IIQ FY 20	Real Estate	Tele-communications	Others	Corporate	Total
Profit / (loss) from operations	**610**	**-168**	**-190**	**-498**	**-246**
Depreciations and amortizations	61	6,467	147	0	6,675
EBITDA	**671**	**6,299**	**-43**	**-498**	**6,429**
Net unrealized gain from fair value adjustment of investment properties	-	-	-	-	-
Adjusted EBITDA	**671**	**6,299**	**-43**	**-498**	**6,429**

IIQ FY 19	Real Estate	Tele-communications	Other	Corporate	Total
Profit / (loss) from operations	**2,399**	**43**	**-31**	**-9**	**2,402**
Depreciations and amortizations	25	4,424	37	0	4,486
EBITDA	**2,424**	**4,467**	**6**	**-9**	**6,888**
Net unrealized gain from fair value adjustment of investment properties	-	-	-	-	-
Adjusted EBITDA	**2,424**	**4,467**	**6**	**-9**	**6,888**
EBITDA Var	**-72.3%**	**41.0%**	**-816.7%**	**5,433.3%**	**-6.7%**
Adjusted EBITDA Var	**-72.3%**	**41.0%**	**-816.7%**	**5,433.3%**	**-6.7%**

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	41,298	-40	1,540	-12	42,786
Costs	-24,857	21	-1,611	3	-26,444
Gross profit	**16,441**	**-19**	**-71**	**-9**	**16,342**
Net loss from fair value adjustment of investment properties	3,977	-253	-	-	3,724
General and administrative expenses	-4,662	7	-	15	-4,640
Selling expenses	-5,765	4	-25	-	-5,786
Other operating results, net	-2,636	14	71	-6	-2,557
Profit from operations	**7,355**	**-247**	**-25**	**-**	**7,083**
Share of loss of associates and joint ventures	-1,852	181	-	-	-1,671
Profit before financial results and income tax	**5,503**	**-66**	**-25**	**-**	**5,412**

*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 December 31, 2019:

Description	Currency	Amount (1)	Interest Rate	Maturity
Bank overdrafts	ARS	20.7	Floating	< 360 days
Series II Non-Convertible Notes (USD)	USD	71.4	11.50%	Jul-20
Series II Non-Convertible Notes (CLP)	CLP	42.1	10.50%	Aug-20
Series I Non-Convertible Notes	USD	181.5	10.00%	Nov-20
Loan with IRSA CP	USD	26.5	-	Mar-22
Other debt	USD	26.5	-	Feb-22
IRSA's Total Debt		**368.7**		
Cash & Cash Equivalents + Investments (3)	USD	1.2		
IRSA's Net Debt	**USD**	**367.5**		
Bank overdrafts	ARS	7.9	-	< 360 d
IRCP NCN Class IV(2)	USD	133.9	5.0%	Sep-20
PAMSA loan	USD	35.0	Fixed	Feb-23
IRSA CP NCN Class II	USD	360.0	8.75%	Mar-23
IRSA CP's Total Debt		**536.8**		
Cash & Cash Equivalents + Investments (3)		189.9		
IRSA CP's Net Debt		**346.9**		

(1) Principal amount in USD (million) at an exchange rate of ARS 59.89/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, 2019:

Indebtedness(1)	Net (NIS million)
IDBD's Total Debt	1,817
DIC's Total Debt	2,875

(1) IDBD's cash balance includes a sum of NIS 192M as collateral for the equity-swap transaction

XIV. Subsequent Material Events

Operations Center in Argentina

October and December 2019: General Ordinary and Extraordinary Shareholders' Meetings

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

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

On December 12, 2019, a new Shareholder's meeting took place, approving the following matters:

• Consideration of the amendment of section twelfth article of the Bylaws.
• Determination of the number and consideration of appointment of regular and alternate directors for the term of three fiscal years.

November 2019: Dividend distribution

On November 14, 2019, the company distributed a dividend in kind in shares of IRSA Propiedades Comerciales S.A. (IRSA PC), a subsidiary of the Company, for up to the amount of ARS 480,000,000 charged to the fiscal year ended June 30, 2019

The dividend in kind corresponds to a gross dividend of 0.00404623926578 IRSA Propiedades Comerciales S.A.'s shares per each IRSA Inversiones y Representaciones Sociedad Anónima's share (0.0404623926578 IRSA Propiedades Comerciales S.A.'s shares per IRSA Inversiones y Representaciones Sociedad Anónima's GDS).

Operations Center in Israel

November and December 2019: Sale of Clal shares and Capital Increase

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

On November 7, 2019, IDB completed the sale transaction and the loan was granted by a financial entity. It should be clarified that the 2,771,309 Clal shares sold were subject to a swap transaction between IDB and a financial entity, which ended with the Company's notice to that entity.

On December 16, 2019, Clal made a public capital increase of 12,066,000 shares at a price of NIS 53.87 per share, from which IDB did not participate. Additionally, IDB sold 200,000 shares of Clal at a price of NIS 53.95 per share, representative of 0.3% of the new share capital.

On December 18, 2019, IDB sold 617,017 shares of Clal at a price of NIS 53.77 per share representative of 0.9% of the share capital.

At the date of issuance of the financial statements, IDBD holds on Clal an 8.5% directly and additionally a 7.1% through swap contracts.

February 2020: Dolphin Netherlands – Guarantee granted

After the end of the period, on February 4, 2020, Dolphin Netherlands granted financial entities, through which IDB carried out Clal's stock swap transactions in August and November 2018, guarantees for approximately NIS 11 million, which will be part of the committed deposits that IDB assumed as part of the terms of those transactions.

It should be noted that, in relation to Dolphin Netherlands' commitment to make capital injections in IDB in three equal annual payments of NIS 70 million each, on September 2, 2019, 2020 and 2021, it is reported that:

- If swap transactions conclude before the deadline of the second payment (September 2, 2020), the unrealized parts of the guarantees will be returned to Dolphin Netherlands, while the parts exercised of the guarantees until that date will be considered as part of the second payment, so Dolphin Netherlands will transfer the balance of that payment to IDB.
- If swap transactions remain active as of September 2, 2020, Dolphin Netherlands will inject the second payment into IDB and the guarantees will be returned.

XV. Summarized Comparative Consolidated Balance Sheet

(in ARS million)	**12.31.2019**	**06.30.2019**
Non-current assets	323,322	419,430
Current assets	178,207	177,754
Total assets	**501,529**	**597,184**
Capital and reserves attributable to the equity holders of the parent	34,340	40,357
Non-controlling interest	47,055	67,621
Total shareholders' equity	**81,395**	**107,978**
Non-current liabilities	310,864	396,152
Current liabilities	109,270	93,054
Total liabilities	**420,134**	**489,206**
Total liabilities and shareholders' equity	**501,529**	**597,184**

XVI. Summarized Comparative Consolidated Income Statement

(in ARS million)	12.31.2019	12.31.2018
Profit from operations	**7,083**	**-3,264**
Share of profit of associates and joint ventures	-1,671	-1,212
Profit from operations before financing and taxation	**5,412**	**-4,476**
Financial income	536	728
Financial cost	-10,487	-10,152
Other financial results	-5,084	-238
Inflation adjustment	206	-579
Financial results, net	**-14,829**	**-10,241**
Profit before income tax	**-9,417**	**-14,717**
Income tax	-2,365	3,312
Profit / (loss) for the period from continued operations	**-11,782**	**-11,405**
(Loss) / Profit from discontinued operations after taxes	16,639	3,042
Profit for the period	**4,857**	**-8,363**
Other comprehensive income / (loss) for the period	7,389	375
Total comprehensive income / (loss) for the period	**12,246**	**-7,988**
Attributable to:		
Equity holders of the parent	**-3,902**	**-8,380**
Non-controlling interest	**16,148**	**392**

XVII. Summary Comparative Consolidated Cash Flow

(in ARS million)	12.31.2019	12.31.2018
Net cash generated from operating activities	16,780	10,578
Net cash generated from investing activities	13,819	255
Net cash (used in) / generated from financing activities	-45,787	1,265
Net (decrease) / increase in cash and cash equivalents	**-15,188**	**12,098**
Cash and cash equivalents at beginning of year	76,098	73,045
Cash and cash equivalents reclassified to held for sale	-522	-974
Foreign exchange gain on cash and changes in fair value of cash equivalents	4,365	-2,452
Cash and cash equivalents at period-end	**64,753**	**81,717**

XVIII. Comparative Ratios

(in ARS million)	12.31.2019		12.31.2018	
Liquidity				
CURRENT ASSETS	178,207	1.63	198,375	1.94
CURRENT LIABILITIES	109,270		102,027	
Indebtedness				
TOTAL LIABILITIES	420,134	12.23	516,602	7.95
SHAREHOLDERS’ EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	34,340		64,991	
Solvency				
SHAREHOLDERS’ EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	34,340	0.08	64,991	0.13
TOTAL LIABILITIES	420,134		516,602	
Capital Assets				
NON-CURRENT ASSETS	323,322	0.64	458,260	0.70
TOTAL ASSETS	501,529		656,635	

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 profit from fair value adjustment of investment properties, not realized, excluding barter agreement results and devaluation of Mehadrin shares.

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 six-month period ended December 31 (in ARS million)		
	2019	**2018**
Profit for the period	4,857	-8,363
(Loss) / Profit from discontinued operations	-16,639	-3,042
Interest income	-443	-436
Interest expense	9,997	9,907
Income tax	2,365	-3,312
Depreciation and amortization	6,912	4,627
EBITDA (unaudited)	**7,049**	**-619**
Unrealized net gain from fair value adjustment of investment properties	-3,721	9,081
Share of profit of associates and joint ventures	1,671	1,212
Dividends earned	-75	-66
Foreign exchange differences net	-4,427	-2,096
(Gain) / loss from derivative financial instruments	185	-525
Fair value gains of financial assets and liabilities at fair value through profit or loss	2978	-1,333
Inflation adjustment	-206	579
Other financial costs/income	6,820	4,211
Devaluation of Associates and joint ventures	1,621	0
Barter Agreements result	-239	-403
Adjusted EBITDA (unaudited)	**11,656**	**10,041**
Adjusted EBITDA Margin (unaudited)[1]	**27.24%**	**25.28%**

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

XX. Brief comment on future prospects for the Fiscal Year

This Fiscal Year presents challenges in both operations centers: Argentina and Israel. The appreciation of international markets with respect to Argentina has become unstable as a result of the country's economic crisis and has influenced development expectations. Globally, we find the existence of trade conflicts between different countries and a slowdown in global growth that also has a negative impact on Latin America.

In this context, and only two months after the assumption of the new government, the economic outlook in our Argentine operations center remains uncertain. During the second semester of FY20, our subsidiary IRSA Propiedades Comerciales S.A. will keep working in order to optimize its operational efficiency, occupying its vacant sqm in Dot Baires Shopping due to Walmart's anticipated exit and will continue innovating in the latest technological trends to get closer to customers and visitors. Regarding office segment, IRCP plans to open the 9th office building of the portfolio, “200 Della Paolera”, located in Catalinas, one of the most premium corporate areas in Argentina. This building, of approximately 35,000 m2 of ABL, 318 parking lots, services and amenities, will become an emblematic icon of the city while having LEED Certification, which will validate the best environmental practices to transform operational standards of the building. The commercialization is progressing with a good occupancy forecast for its opening, scheduled for the last quarter of the FY 2020.

In relation to Israel Business Center, we will continue working in 2020 to improve the operating margins of each of the subsidiaries and to reduce their debt levels and the holding companies, while continuing selling Clal Insurance and those non-strategic assets of the portfolio. We rely on the value of this investment, from which we hope to obtain good results in the future.

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

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

Saúl Zang

First Vice-Chairman in exercise of the presidency

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

(All amounts in millions, except otherwise indicated)

	12.31.2019	06.30.2019
ASSETS		
Non-current assets		
Investment properties	169,956	293,613
Property, plant and equipment	26,674	28,087
Trading properties	4,336	6,899
Intangible assets	23,462	22,539
Rights of use	13,181	-
Other assets	33	30
Investments in associates and joint ventures	63,588	39,121
Deferred income tax assets	397	502
Income tax and MPIT credit	14	190
Restricted assets	679	3,874
Trade and other receivables	16,954	15,564
Investments in financial assets	3,965	3,634
Financial assets held for sale	-	5,257
Derivative financial instruments	83	120
Total non-current assets	**323,322**	**419,430**
Current assets		
Trading properties	1,923	461
Inventories	1,303	1,443
Restricted assets	5,615	5,512
Income tax and MPIT credit	450	491
Group of assets held for sale	36,488	10,122
Trade and other receivables	28,220	28,365
Investments in financial assets	32,060	40,538
Financial assets held for sale	7,337	14,672
Derivative financial instruments	58	52
Cash and cash equivalents	64,753	76,098
Total current assets	**178,207**	**177,754**
TOTAL ASSETS	**501,529**	**597,184**
SHAREHOLDERS’ EQUITY		
Shareholders' equity attributable to equity holders of the parent (according to corresponding statement)	34,340	40,357
Non-controlling interest	47,055	67,621
TOTAL SHAREHOLDERS’ EQUITY	**81,395**	**107,978**
LIABILITIES		
Non-current liabilities		
Borrowings	253,502	335,969
Lease liabilities	9,972	-
Deferred income tax liabilities	33,737	46,297
Trade and other payables	1,780	2,206
Provisions	11,451	10,082
Employee benefits	182	167
Derivative financial instruments	89	1,293
Salaries and social security liabilities	151	138
Total non-current liabilities	**310,864**	**396,152**
Current liabilities		
Trade and other payables	19,938	23,353
Borrowings	58,970	57,253
Lease liabilities	3,928	-
Provisions	2,075	2,168
Group of liabilities held for sale	19,726	7,163
Salaries and social security liabilities	3,468	2,651
Income tax and MPIT liabilities	426	435
Derivative financial instruments	739	31
Total current liabilities	**109,270**	**93,054**
TOTAL LIABILITIES	**420,134**	**489,206**
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	**501,529**	**597,184**

Unaudited Condensed Interim Consolidated Statements of Income and Other Comprehensive Income for the six-month periods ended December 31, 2019 and 2018

(All amounts in millions, except otherwise indicated)

	Six month		Three month	
	12.31.2019	12.31.2018	12.31.2019	12.31.2018
Revenues	42,786	39,719	21,978	21,409
Costs	(26,444)	(24,781)	(13,266)	(13,031)
Gross profit	**16,342**	**14,938**	**8,712**	**8,378**
Net gain / (loss) from fair value adjustment of investment properties	3,724	(9,081)	(6,375)	(20,471)
General and administrative expenses	(4,640)	(4,716)	(2,286)	(2,535)
Selling expenses	(5,786)	(5,296)	(3,113)	(2,660)
Other operating results, net	(2,557)	891	(2,520)	169
Profit / (loss) from operations	**7,083**	**(3,264)**	**(5,582)**	**(17,119)**
Share of loss of associates and joint ventures	(1,671)	(1,212)	(1,757)	(1,405)
Loss before financial results and income tax	**5,412**	**(4,476)**	**(7,339)**	**(18,524)**
Finance income	536	728	255	417
Finance costs	(10,487)	(10,152)	(4,155)	(5,350)
Other financial results	(5,084)	(238)	3,828	83
Inflation adjustment	206	(579)	542	(497)
Financial results, net	**(14,829)**	**(10,241)**	**470**	**(5,347)**
Loss before income tax	**(9,417)**	**(14,717)**	**(6,869)**	**(23,871)**
Income tax expense	(2,365)	3,312	(315)	2,802
Loss for the period from continuing operations	**(11,782)**	**(11,405)**	**(7,184)**	**(21,069)**
Profit for the period from discontinued operations	16,639	3,042	(239)	2,577
Profit / (loss) for the period	**4,857**	**(8,363)**	**(7,423)**	**(18,492)**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation adjustment	3,355	2,412	(5,414)	(10,975)
Change in the fair value of hedging instruments net of income taxes	(74)	45	(59)	52
Items that may not be reclassified subsequently to profit or loss, net of income tax:	-	-	-	-
Actuarial profit from defined contribution plans	(102)	-	(46)	-
Other comprehensive income for the period from continuing operations	**3,179**	**2,457**	**(5,519)**	**(10,923)**
Other comprehensive income / (loss) for the period from discontinued operations	4,210	(2,082)	(51)	(10,216)
Total other comprehensive income for the period	**7,389**	**375**	**(5,570)**	**(21,139)**
Total comprehensive income / (loss) for the period	**12,246**	**(7,988)**	**(12,993)**	**(39,631)**
Total comprehensive loss from continuing operations	(8,603)	(8,948)	(12,703)	(31,991)
Total comprehensive income from discontinued operations	20,849	960	(290)	(7,640)
Total comprehensive income / (loss) for the period	**12,246**	**(7,988)**	**(12,993)**	**(39,631)**
Profit for the period attributable to:				
Equity holders of the parent	(1,421)	(8,093)	(5,108)	(17,018)
Non-controlling interest	6,278	(270)	(2,315)	(1,474)
Loss from continuing operations attributable to:				
Equity holders of the parent	(10,308)	(9,719)	(6,492)	(18,577)
Non-controlling interest	(1,474)	(1,686)	(692)	(2,492)
Total comprehensive (Loss) / income attributable to:				
Equity holders of the parent	(3,902)	(8,381)	(6,820)	(22,171)
Non-controlling interest	16,148	393	(6,173)	(17,460)
Total comprehensive (Loss) / income from continuing operations attributable to:				
Equity holders of the parent	(6,953)	(9,487)	(6,184)	(15,186)
Non-controlling interest	(1,650)	539	(6,519)	(16,805)
Loss per share attributable to equity holders of the parent:				
Basic	(2.47)	(14.06)	(8.87)	(29.57)
Diluted	(2.47)	(14.06)	(8.87)	(29.57)
Loss per share from continuing operations attributable to equity holders of the parent:				
Basic	(17.89)	(16.89)	(11.27)	(32.28)
Diluted	(17.89)	(16.89)	(11.27)	(32.28)

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

(All amounts in millions, except otherwise indicated)

	12.31.2019	12.31.2018
Operating activities:		
Net cash generated from continuing operating activities before income tax paid	15,021	7,973
Income tax and MPIT paid	(346)	(326)
Net cash generated from continuing operating activities	**14,675**	**7,647**
Net cash generated from discontinued operating activities	2,105	2,931
Net cash generated from operating activities	**16,780**	**10,578**
Investing activities:		
Acquisition of participation in associates and joint ventures	(591)	(18)
Increase in cash due to deconsolidation of subsidiaries	-	(9)
Contributions and issuance of capital in associates and joint ventures	(119)	-
Acquisition, improvements and advance payments for the development of investment properties	(1,404)	(2,009)
Acquisition of subsidiaries, net of cash acquired	-	(349)
Proceeds from sales of investment properties	8,978	14
Acquisitions and improvements of property, plant and equipment	(2,275)	(2,311)
Proceeds from sales of property, plant and equipment	2,904	14
Acquisitions of intangible assets	(1,701)	(1,634)
Acquisitions of subsidiaries, net of cash acquired	(71)	(60)
Net increase of restricted deposits	4,477	(636)
Dividends collected from associates and joint ventures	74	246
Proceeds from sales of interest held in associates and joint ventures	43	7,288
Proceeds from loans granted	27	104
Acquisitions of investments in financial assets	(10,652)	(23,846)
Proceeds from disposal of investments in financial assets	14,327	29,096
Interest received from financial assets	610	622
Dividends received	79	31
Proceeds from sales of intangible assets	25	-
Loans granted to related parties	(202)	(12)
Loans granted	(3,195)	-
Net cash generated from / (used in) continuing investing activities	**11,334**	**6,531**
Net cash used in discontinued investing activities	2,485	(6,276)
Net cash generated from / (used in) investing activities	**13,819**	**255**
Financing activities:		
Borrowings and issuance of non-convertible notes	11,280	25,002
Payment of borrowings and non-convertible notes	(34,753)	(19,343)
(Payment) / collections of short term loans, net	1,278	(1,084)
Interests paid	(7,863)	(7,498)
Repurchase of non-convertible notes	(11,456)	(2,213)
Capital contributions from non-controlling interest in subsidiaries	-	144
Acquisition of non-controlling interest in subsidiaries	(252)	(1,720)
Proceeds from sales of non-controlling interest in subsidiaries	-	8
Loans received from associates and joint ventures, net	80	77
Payment of borrowings to related parties	-	(2)
Proceeds for issue of shares and other equity instrument in subsidiaries	(203)	756
Charge for issuance of shares and other equity instruments	2,417	-
Dividends paid	(1,549)	294
Dividends paid to non-controlling interest in subsidiaries	**(41,021)**	**(5,579)**
Proceeds from derivative financial instruments, net	(4,766)	6,844
Net cash generated from continuing financing activities	**(45,787)**	**1,265**
Net cash generated from /(used in) discontinued financing activities	(15,012)	8,599
Net cash generated from financing activities	(176)	3,499
Net increase in cash and cash equivalents from continuing activities	**(15,188)**	**12,098**
Net increase in cash and cash equivalents from discontinued activities	76,098	73,045
Net increase in cash and cash equivalents	(522)	(974)
Cash and cash equivalents at beginning of period	4,365	(2,452)
Cash and cash equivalents at end of period	**64,753**	**81,717**

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