

Earnings Release

First Quarter of FY 2016



A | B | A | S | T | I | O
de Buenos Aires

**IRSA cordially invites you to participate in the three-month period
FY 2016, results conference
Thursday, November 12, 2015 at 8:00 a.m. ET**

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

To participate please call:
888-734-0544 if you are in the U.S. or
+1-706-758-3363 for international calls or
0-800-666-0273 if you are in Argentina
PIN # 63890052

In addition, you can Access through the following webcast:
<http://webcast.neo1.net/Cover.aspx?PlatformId=PM4Ta1wgHaCiiF20u1oq5A%3D%3D>
Preferably 10 minutes before the call is due to begin.
The conference will be in English.

PLAYBACK

Available until November 19, 2015

Please call: **+1-855-859-2056 (International) or**
855-859-2056 (US)
Con el pin # **63890052**

For further information
Alejandro Elsztain – IIVP
Matías Gaivironsky – CFO
+ (5411) 4323 7449
finanzas@irsa.com.ar
www.irsa.com.ar

IRSA Inversiones y Representaciones Sociedad announces its results for the First Quarter of Fiscal Year 2016:

Highlights for the period

- Net income for the first quarter of fiscal year 2016 was a loss of ARS 316.0 million compared with a profit of ARS 135.9 million in the same period of 2015 mainly due to a change in the valuation methodology of our investment in IDB Development Corporation.
- Revenues from sales, leases and services increased by 21.2% in IQ16 compared to the same quarter of 2015 while EBITDA grew 14.0% reaching ARS 778.6 million.
- Tenant sales in our shopping mall's segment increased by 44.5% in the quarter (36.3% considering same stores sales) and portfolio occupancy stood at 98.9%.
- We made sales of investment properties during the quarter for ARS 424.9 million. As a subsequent event, we sold 2 office floors of Maipú 1300 building in Buenos Aires city for \$ 3.0 million

Buenos Aires, November 11, 2015 - IRSA Inversiones y Representaciones Sociedad Anónima (NYSE: IRS) (BASE: IRSA), Argentina's leading real estate company, announces today the results of its operations for the three-month period of FY 2016 ended September 30, 2015.

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

Consolidated Income* (ARS million)

In millions of ARS	IQ 16	IQ 15	Var (ARS)	Var (%)
Revenues from sales, leases and services	713.5	588.6	124.9	21.2%
Operating Income	724.0	640.1	83.9	13.1%
Depreciation and Amortization	54.6	42.8	11.8	27.6%
EBITDA	778.6	682.9	95.7	14.0%
Net (Loss) / Income	(316.0)	135.8	(451.8)	(332.7)%
Attributable to the parent company's shareholders	(275.7)	3.3	(279.0)	(8,454.5)%
Attributable to non-controlling interest	(40.3)	132.5	(172.8)	(130.4)%

*It coincides with the Income Statement of the Financial Statements (Excludes interest in joint ventures).

Revenues from sales, leases and services for the first quarter of 2016 were 21.2% higher than in the first quarter of 2015, mainly explained by an increase in revenues from the "Shopping Centers" and "Hotels" segments, partially offset by the "Offices" and "Sales and Developments" segments, which recorded lower revenues than in the period under comparison.

The Company's Operating Income and EBITDA grew by 13.1% and 14.0%, respectively, mainly due to higher selling and administrative expenses and other operating income, offset by increased sales of investment properties.

Net loss for the first 3-month period of fiscal year 2016 was ARS 316.0 million, compared to net income for ARS 135.8 million in the same period of 2015, mainly due to a decrease in the value of the investment in IDB Development Corporation, which has changed its valuation method effective as of the quarter under analysis. Until June 30, 2015, the investment was recorded at the share's fair quoted price, but as a result of a first instance court decision it may be now inferred that two classes of shares with different rights have been created in the facts and that the shares held by us are different from those in the market. Accordingly, the quotation is no longer a reference of the fair value of our investment, and the valuation criterion had to be changed. For further details, see note 15 "Financial Instruments by category" of our Condensated Consolidated Financial Statements.

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

Our tenants' sales reached ARS 6,588.2 million during the first three months of fiscal year 2016, 44.5% higher than in the same period of 2015 (36.3% without considering sales from Distrito Arcos or Alto Comahue Shopping). In the first quarter of 2015, there had been a slight deceleration in the growth of sales. Our portfolio's leaseable area totaled 334,055 square meters during the period under review, whereas the occupancy rate increased slightly, reaching 98.9%.

Shopping Centers (in ARS M)	IQ 16	IQ 15	var %
Revenues	532.8	387.7	37.4%
Operating Income	377.9	273.8	38.0%
Depreciation and Amortization	41.7	31.1	34.1%
EBITDA	419.6	304.9	37.6%

Shopping Centers' Operating Indicators	IQ 16	IQ 15
Total Leaseable Area (sqm) ^{(1) (2)}	334,055	310,254
Tenants' Sales (3 month cumulative – ARS MM) ⁽¹⁾	6,588.2	4,559.0
Occupancy ⁽¹⁾	98.9%	98.5

(1) Percentage over gross leaseable area at period end.

(2) Excludes Museo de los Niños in Abasto Shopping and Alto Rosario Shopping.

Revenues from this segment grew 37.4% during this quarter, whereas Operating Income reached ARS 377.9 million (+ 38.0% compared to the first quarter of 2015). This rise is explained mainly by the increase in gross income. The EBITDA margin was 78.7%, in line with the margins recorded in 2015.

Operating data of our Shopping Centers as of September 30, 2015

Shopping Center	Date of Acquisition	GLA (sqm) ⁽¹⁾	Stores	Occupancy (%) ⁽²⁾	IRSA CP's Interest ⁽³⁾	Book Value (ARS thousand) ⁽⁴⁾
Abasto ⁽⁵⁾	Jul-94	36,669	170	99.8%	100%	255,183
Alto Palermo	Nov-97	19,545	144	99.7%	100%	218,892
Alto Avellaneda	Nov-97	36,729	138	100.0%	100%	130,820
Alcorta Shopping	Jun-97	15,433	106	99.2%	100%	105,940
Patio Bullrich	Oct-98	11,636	87	99.4%	100%	111,272
Alto Noa	Mar-95	19,073	89	99.7%	100%	30,570
Buenos Aires Design	Nov-97	13,889	63	97.9%	53.7%	11,475
Mendoza Plaza	Dec-94	42,040	144	96.9%	100%	99,800
Alto Rosario ⁽⁵⁾	Nov-04	28,395	146	97.9%	100%	113,731
Córdoba Shopping –Villa Cabrera	Dec-06	15,344	107	99.8%	100%	63,221
Dot Baires Shopping	May-09	49,848	154	100.0%	80%	373,971
Soleil Premium Outlet	Jul-10	13,993	78	99.4%	100%	83,303
La Ribera Shopping	Aug-11	9,787	61	98.7%	50%	26,273
Distrito Arcos ⁽⁶⁾	Dec-14	12,127	63	97.3%	90.0%	243,198
Alto Comahue ⁽⁷⁾	Mar-15	9,547	102	94.8%	99.1%	316,605
Total		334,055	1,652	98.9%		2,184,254

Notes:

(1) Corresponds to gross leasable area in each property. Excludes common areas and parking spaces.

(2) Calculated dividing occupied square meters by leasable area on the last day of the period.

(3) Effective interest held by the company in each of its business units.

(4) Cost of acquisition plus improvements, less cumulative depreciation, plus adjustment for inflation, if any. Amounts are stated in thousands of pesos (ARS).

(5) Excludes Museo de los Niños (3,732 square meters in Abasto and 1,261 square meters in Alto Rosario).

(6) Opening on December 18, 2014.

(7) Opening on March 17, 2015.

Cumulative tenants' sales as of September 30 of fiscal periods 2016 and 2015

(ARS million)

Shopping Centers	IQ 16	IQ 15	Var
Alto Palermo	762.4	607.1	25.6%
Abasto	958.6	710.5	34.9%
Alto Avellaneda	873.4	614.1	42.2%
Alcorta Shopping	407.7	314.5	29.6%
Patio Bullrich	246.7	197.8	24.7%
Buenos Aires Design	103.0	75.4	36.6%
Dot Baires	717.4	548.5	30.8%
Soleil	292.1	201.8	44.7%
Distrito Arcos	213.5	-	100.0%
Alto NOA	310.9	226.0	37.6%
Alto Rosario	593.2	402.6	47.3%
Mendoza Plaza	576.1	423.7	36.0%
Cordoba Shopping	219.7	153.0	43.6%
La Ribera Shopping	152.9	84.0	82.0%
Alto Comahue	160.6	-	100.0%
TOTAL⁽¹⁾	6,588.2	4,559.0	44.5%

(1) Excludes Distrito Arcos and Alto Comahue: Total IQ 16 (ARS MM) 6,214.1, Var 36.3%.

Cumulative tenants' sales as of September 30 of fiscal periods 2016 and 2015

(ARS million)

Type of Business	IQ 16	IQ 15	YoY Var
Anchor Store	366.9	297.8	23.2%
Clothes and Footwear	3,322.8	2,254.1	47.4%
Entertainment	281.9	182.7	54.3%
Home	189.8	135.8	39.8%
Restaurant	666.5	450.6	47.9%
Miscellaneous	733.6	569.8	28.7%
Services	94.3	34.2	175.7%
Electronic appliances	932.4	634.0	47.1%
Total⁽¹⁾	6,588.2	4,559.0	44.5%

(1) Excluding Distrito Arcos and Alto Comahue: Total IQ 16 (ARS MM) 6,214.1, Var 36.3%.

Revenues from cumulative leases as of September 30 of fiscal periods 2016 and 2015

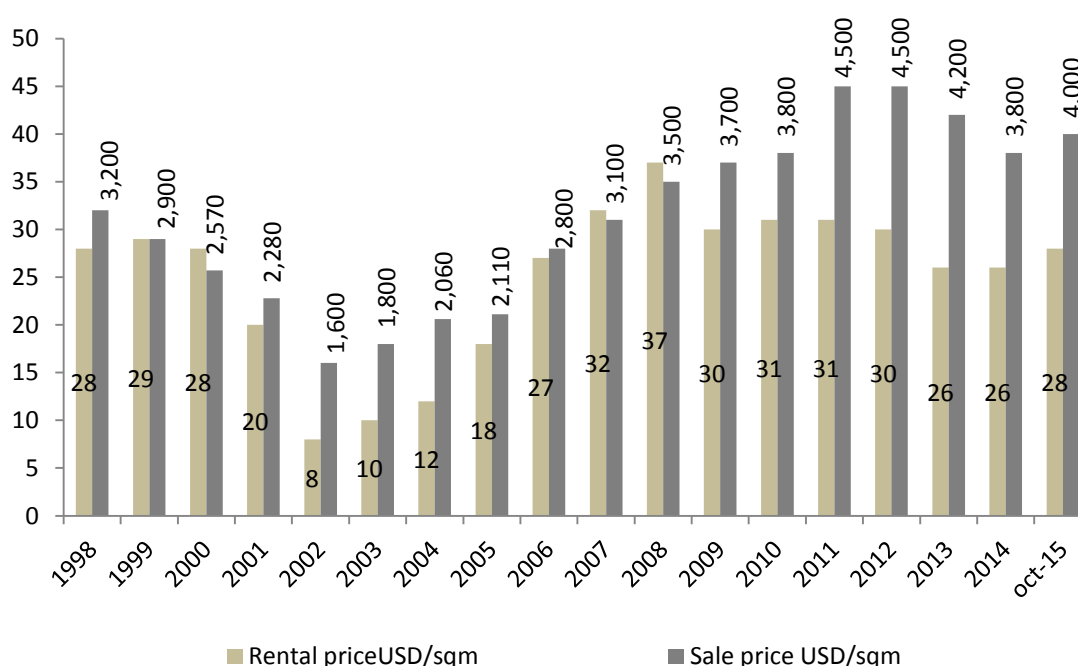
(ARS thousand)

Detailed Revenues	IQ16	IQ15	Var %
Base Rent	285,182	215,441	32.4%
Percentage Rent	141,002	88,253	59.8%
Total Rent	426,184	303,694	40.3%
Admission rights	45,079	34,634	30.2%
Fees	15,745	14,135	11.4%
Parking	36,904	24,799	48.8%
Other	8,867	10,413	(14.8)%
Total Revenues	532,779	387,675	37.4%

III. Oficinas

The A+ office market in the City of Buenos Aires remains robust. According to L.J. Ramos, there has been a slight rise in rental and sale prices of premium spaces during calendar year 2015. Average rental prices stood at USD 28 per square meter, whereas the average sale price of premium spaces was USD 4,000 per square meter. In contrast, the vacancy rate rose slightly in the City of Buenos Aires during calendar year 2015, reaching 12.3% 2.3 pp above the rate recorded last year.

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



Source: L.J. Ramos

Offices In ARS MM	IQ 16	IQ 15	% Var
Revenues	75.1	81.0	(7.3)%
Operating income	43.7	54.2	(19.4)%
Depreciation and amortization	10.0	8.7	14.9%
EBITDA	53.7	62.8	(14.5)%

Revenues from the Offices segment decreased by 7.3% in the first quarter of fiscal year 2016 due to a 15.1% reduction in the leaseable area as a result of the sales made during the period. In addition, the portfolio's occupancy recorded a slight decline, down to 96.9% due to the vacancy of a floor in Torre BankBoston and two floors in Suipacha 652/64 which we expect to occupy in the short term. The segment's EBITDA dropped by 14.5% during the period compared to the same period of the previous fiscal year due to lower revenues and higher administrative and selling expenses.

The EBITDA margin stood at 71.5% (compared to 77.6% in the IQ15) due to lower revenues from sales made.

	IQ 16	IVQ 15 ⁽¹⁾	IIIQ 15	IIQ 15	IQ 15
Leaseable area	94,862	111,678	112,575	112,621	118,788
Occupancy	96.9%	98.1%	98.6%	98.7%	98.1%
Monthly Rent (ARS/sqm)	243.5	230.2	223.0	218.1	215.3
Monthly Rent (USD/sqm)	25.9	25.3	25.3	25.5	25.4

⁽¹⁾ Includes 9 floors of Intercontinental Building sold on June 30, 2015.

The portfolio's rental prices rose, reaching USD 25.9 per square meter.

Below is information on our offices and other rental properties segment as of September 30, 2015.
(In thousands of ARS)

	Date of Acquisition	Leaseable Area sqm (1)	Occupancy Rate (2)	IRSA's Effective Interest	Book Value (3)
Offices					
Edificio República ⁽⁴⁾	04/28/08	19,885	100.0%	100%	193,459
Torre Bankboston ⁽⁴⁾	08/27/07	14,873	94.1%	100%	137,523
Bouchard 551	03/15/07	-	-	100%	7,585
Intercontinental Plaza ⁽⁴⁾	11/18/97	7,467	100.0%	100%	21,769
Bouchard 710 ⁽⁴⁾	06/01/05	15,014	100.0%	100%	60,791
Dique IV, Juana Manso 295	12/02/97	11,298	99.5%	100%	51,043
Maipú 1300	09/28/95	2,998	100.0%	100%	9,914
Libertador 498	12/20/95	620	100.0%	100%	3,972
Suipacha 652/64 ⁽⁴⁾	11/22/91	11,465	82.8%	100%	8,272
Madero 1020	12/21/95	-	-	100%	108
Dot Building ⁽⁴⁾	11/28/06	11,242	100.0%	80%	125,506
Subtotal Offices		94,862	96.9%	N/A	619,942
Other Properties					
Santa María del Plata S.A.	07/10/97	106,100	100.0%	100.0%	12,510
Nobleza Piccardo ⁽⁵⁾	05/31/11	109,610	74.8%	50.0%	7,425
Other Properties ⁽⁶⁾	N/A	39,232	49.2%	N/A	85,190
Subtotal Other Properties		254,942	81.3%	N/A	105,125
TOTAL OFFICES AND OTHER		349,804	85.6%	N/A	725,067

Notes:

- (1) Total leaseable area for each property as of September 30, 2015. Excludes common areas and parking.
(2) Calculated dividing occupied square meters by leaseable area as of September 30, 2015.
(3) Cost of acquisition, plus improvements, less accumulated depreciation, plus adjustment for inflation, less allowance for impairment.
(4) Through IRSA Propiedades Comerciales S.A.
(5) Through Quality Invest S.A.
(6) Includes the following properties: Ferro, Dot Adjoining Plot, Anchorena 665, Chanta IV, Constitución 1111 and Rivadavia 2774.

IV. Sales and Developments

According to the INDEC, the construction business in Argentina grew 5.6% in September 2015 as compared to the same month of 2014, and 2.7% as compared to last August.
For the first nine months of calendar year 2015, the construction business recorded a cumulative increase of 7.5%, showing more dynamism than in 2014.

Sales and Developments in millions of ARS	IQ 16	IQ 15	% Var
Revenues	2.5	4.8	(47.9%)
Income from sale of investment properties	389.8	317.5	22.8%
Operating income	350.0	306.2	14.3%
Depreciation and amortization	-	-	-
EBITDA	350.0	306.2	14.3%

Income from sale of investment properties in millions of ARS	IQ FY2016			IQ FY2015			Var.		
	Revenues	Costs	Net Results	Revenues	Costs	Net Results	Revenues	Costs	Net Results
Madison Ave.	0.0	0.0	0.0	1,535.1	(1,238.6)	296.5	(1,535.1)	1,238.6	(296.5)
Intercontinental Plaza	324.5	(24.1)	300.4	0.0	0.0	0.0	324.5	(24.1)	300.4
Maipu 1300	63.8	(6.7)	57.1	24.7	(3.7)	21.0	39.1	(2.9)	36.1
Isla Sirgadero	36.6	(4.3)	32.3	0.0	0.0	0.0	36.6	(4.3)	32.3
TOTAL	424.9	(35.1)	389.8	1,559.8	(1,242.3)	317.5	(1,134.9)	1,207.3	72.3

The Sales and Developments segment posted lower revenues compared to the first quarter of 2015, which had recorded transactions for ARS 4.8 million mainly due to sales in Condominios del Alto I (Parcel 2G). Operating income and EBITDA increased 14.3% due to higher revenues from sales of investment properties than in the first quarter of 2015, when the company had recorded the sale of Madison 183 in New York and two floors in Maipú 1300 building in the City of Buenos Aires.

Sales of Investment Properties during the first quarter of fiscal year 2016:

Maipú 1300 Building (City of Buenos Aires)



- ✓ During July and August 2015, 1,761 sqm corresponding to 4 floors of the Maipú 1300 building were sold, at a gain of ARS 57.1 million.



Intercontinental Plaza Building (City of Buenos Aires)

- ✓ On September 10, our subsidiary IRSA Propiedades Comerciales sold 5,963 sqm comprising seven office floors, 56 parking spaces and 3 storage spaces for a total amount of ARS 324.5 million, at a gain of ARS 300.0 million.



Isla Sirgadero (Province of Santa Fe)

- ✓ On September 3, the 8,262,600 sqm plot was sold for a total amount of USD 4.0 million, at a gain of ARS 32.6 million.

Accumulated sales as of September 30 of the fiscal periods

DEVELOPMENT	IQ 16	IQ 15	% Var
Residential apartments			
Condominios I and II ⁽¹⁾	-	3,642	100.0%
Libertador 1703 & 1755 (Horizons) ⁽²⁾	1,367	55	2,385.5%
Other residential apartments ⁽³⁾	1,159	-	100.0%
Subtotal Residential Apartments	2,526	3,697	(31.7)%
Residential Communities			
Abril/Baldovinos ⁽⁴⁾	-	646	100.0%
El Encuentro	-	461	100.0%
Subtotal Residential Communities	-	1,107	(100.0)%
TOTAL	2,526	4,804	(47.4)%

(1) Through IRSA Propiedades Comerciales S.A.

(2) Owned by CYRSA S.A.

(3) Includes the following properties: Units to be received in Beruti through IRSA CP, Torres Jardín, San Martín de Tours, Rivadavia 2768, Terreno Caballito and Lotes Pereiraola through IRSA.

(4) Includes sale of shares in Abril.

Development	Company	Interest	Date of Acquisition	Land Area sqm	Saleable area sqm ⁽¹⁾	Buildable area sqm	Sold ⁽²⁾	Title Deed Executed ⁽³⁾	Location	Accumulated revenues as of September 2015	Accumulated revenues as of September 2014	Book Value
Residential Properties												
Available for sale												
Condominios del Alto I	IRSA CP	100%	04/30/1999	-	2,082	-	71%	67%	Santa Fe	-	3,642	21
Condominios del Alto II	IRSA CP	100%	04/30/1999	-	5,009	-	96%	93%	Santa Fe	-	-	518
Caballito Nuevo	IRSA	100%	11/03/1997	-	8,173	-	98%	98%	CABA	-	-	-
Barrio Chico	IRSA	100%	03/01/2003	-	3,492	-	99%	99%	CABA	-	-	124
El Encuentro	IRSA	100%	11/18/1997	-	127,795	-	100%	99%	Buenos Aires	-	461	-
Abril Club de Campo – Plots	IRSA	100%	01/03/1995	-	5,135	-	99%	99%	Buenos Aires	-	646	-
Abril Club de Campo – Manor House ⁽⁴⁾	IRSA	100%	01/03/1995	31,224	34,605	-	-	-	Buenos Aires	-	-	2,357
Torres Jardín	IRSA	100%	07/18/1996	-	-	-	-	-	CABA	1,159	-	-
Entre Ríos 465/9 Apartment	IRSA CP	100%	-	-	-	-	-	-	Buenos Aires	-	-	-
Horizons	IRSA	50%	01/16/2007	-	71,512	-	100%	98%	Buenos Aires	1367	55	2,500
Intangible – Units to be received												
Beruti (Astor Palermo) ⁽⁵⁾	IRSA CP	100%	06/24/2008	-	2,632	-	-	-	CABA	-	-	32,872
Caballito Manzana 35	IRSA	100%	10/22/1998	-	8,258	-	-	-	CABA	-	-	52,205
CONIL - Güemes 836 – Mz. 99 & Güemes 902 – Mz. 95 and stores	IRSA CP	100%	07/19/1996	1,389	-	5,994	-	-	Buenos Aires	-	-	5,409
Canteras Natal Crespo (2 commercial parcels)	IRSA	-	-	40,333	-	-	-	-	Buenos Aires	-	-	-
Isla Sirgadero	IRSA	100%	02/16/2007	826,276	-	N/A	-	-	Santa Fe	-	-	-
Subtotal Residential Properties				899,222	268,693	5,994				2,526	4,804	96,006
Land Reserves												
Pilar R8 Km 53	IRSA	100%	05/29/1997	74,828	-	-	-	-	Buenos Aires	-	-	1,550
Pontevedra	IRSA	100%	02/28/1998	730,994	-	-	-	-	Buenos Aires	-	-	918
Mariano Acosta	IRSA	100%	02/28/1998	967,290	-	-	-	-	Buenos Aires	-	-	804
Merlo	IRSA	100%	02/28/1998	1,004,987	-	-	-	-	Buenos Aires	-	-	639
Terreno San Luis	IRSA	50%	03/31/2008	3,250,523	-	-	-	-	San Luis	-	-	1,584
Subtotal Land Reserves				6,028,622	-	-				-	-	5,495
Future Developments												

Mixed Uses

UOM Lujan ⁽⁶⁾	IRSA CP	100%	05/31/2008	1,160,000	-	N/A	N/A	N/A	Buenos Aires	-	-	41,972
La Adela	IRSA	100%	08/01/2014	10,580,000	-	-	N/A	N/A	Buenos Aires	-	-	214,594
Nobleza Picardo ⁽⁷⁾	IRSA CP	50%	05/31/2011	159,995	-	127,996	N/A	N/A	Buenos Aires	-	-	61,130
Puerto Retiro	IRSA	50%	05/18/1997	82,051	-	N/A	N/A	N/A	CABA	-	-	22,128
Solares Santa María ⁽⁸⁾	IRSA	100%	07/10/1997	716,058	-	N/A	N/A	N/A	CABA	-	-	158,951

Residential

Coto Abasto Air Space	IRSA CP	100%	09/24/1997	-	-	21,536	N/A	N/A	CABA	-	-	8,945
Neuquén – Housing Parcel	IRSA CP	100%	07/06/1999	13,000	-	18,000	N/A	N/A	Neuquén	-	-	803
Uruguay Zetol	IRSA	90%	06/01/2009	152,977	62,756	-	N/A	N/A	Uruguay	-	-	60,295
Uruguay Vista al Muelle	IRSA	90%	06/01/2009	102,216	62,737	-	N/A	N/A	Uruguay	-	-	41,792
Pereiraola (Greenville)	IRSA	100%	04/21/2010	-	39,634	-	-	-	Buenos Aires	-	-	8,200

Retail

Caballito Shopping Plot ⁽⁹⁾	IRSA CP	100%	-	23,791	-	N/A	N/A	N/A	CABA	-	-	-
Dot Potential Expansion	IRSA CP	80%	-	15,881	-	47,643	N/A	N/A	CABA	-	-	-

Offices

Philips Adjoining Plots - Offices 1 & 2	IRSA CP	80%	11/28/2006	12,800	-	38,400	N/A	N/A	CABA	-	-	25,336
Baicom	IRSA	50%	12/23/2009	6,905	-	34,500	N/A	N/A	CABA	-	-	4,183
Intercontinental Plaza II ⁽¹⁰⁾	IRSA CP	100%	02/28/1998	6,135	-	19,598	N/A	N/A	CABA	-	-	1,564
Catalinas Norte Plot	IRSA	100%	12/17/2009	3,649	-	35,300	N/A	N/A	CABA	-	-	109,496

Subtotal Future Developments

13,035,458 165,127 342,973 - - 759,389

Total Land Reserves

19,963,302 433,820 348,967 2,526 4,804 860,890

Notes:

- (1) Saleable Area means the housing square meters proper, including parking and storage spaces. There appears 100% before making any sale.
- (2) % Sold includes those sale transactions for which there is a Preliminary Sales Agreement, Possession or a Title Deed executed. Includes square meters of housing, parking and storage spaces.
- (3) % Title Deed Executed includes those sales transactions for which a Title Deed was executed. Includes square meters of housing, parking and storage spaces.
- (4) Saleable Area includes 31,224 sqm of the plot and 4,712.81 total sqm of the Manor House (discounting 1,331.76 sqm of Ground Floor).
- (5) Saleable Area excludes 171 commercial parking spaces to be received and the units as compensation.
- (6) Mixed Used Feasibility requested, pending provincial approval.
- (7) 127,996 sqm arise from current laws, a draft is being made for 479,415 buildable square meters (pending approval).
- (8) Feasibility requested for 716,058 buildable square meters, pending approval from the Legislative body of the City of Buenos Aires.
- (9) Draft of 71,374 buildable square meters, pending approval of zoning parameters.
- (10) 6,135 sqm of surface are correspond to the parcel, which includes Inter I and II.

V. Hotels

According to the International Tourism Report prepared by the INDEC, during the first eight months of fiscal year 2015 3.9 million non-resident tourists arrived in Argentina, a year-on-year decrease of 0.9%. Outbound departures by Argentine citizens reached 5.4 million, a 14.1% increase with respect to the same period of 2014. Our hotels in the City of Buenos Aires maintained their income and occupancy levels during the period, and our Llao Llao premium resort located in the Patagonian city of Bariloche managed to recover from the eruption of the Chilean volcano that had affected the access to the city during the last quarter, causing hotel occupancy rates to decline sharply.

Hotels (in millions of ARS)	IQ 16	IQ 15	% Var
Revenues	110.8	96.8	14.5%
Operating income	(6.9)	(0.2)	3,350.0%
Depreciation and amortization	4.1	3.7	10.8%
EBITDA	(2.7)	3.5	-

	IQ 16	IVQ 15	IIIQ 15	IIQ 15	IQ 15
Average Occupancy	66.7%	65.7%	68.5%	68.8%	65.0%
Average Rate per Room (ARS/night)	1,660	1,564	1,625	1,599	1,565
Average Rate per Room (USD/night)	179	182	191	190	188

During the first quarter of fiscal year 2016, the hotel segment recorded an increase in revenues of around 14.5% due to the higher average portfolio occupancy, which reached 66.7% and the rise in the average rate. However, Operating Income showed a negative result of ARS 6.9 million mainly due to higher selling and administrative expenses.

The following is information on our hotel segment as of September 30, 2015:

Hotels	Date of Acquisition	IRSA's Interest	Number of Rooms	Average Occupancy ⁽¹⁾	Average Rate ⁽²⁾	Book Value (in thousands of ARS)
Intercontinental ⁽³⁾	11/01/97	76.34%	309	66.1%	1,269	52,861
Sheraton Libertador ⁽⁴⁾	03/01/98	80.00%	200	81.6%	1,157	30,690
Llao Llao ⁽⁵⁾	06/01/97	50.00%	205	52.9%	3,154	80,280
Total			714	66.7%	1,660	163,831

Notes:

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

Accumulated sales as of September 30 of the fiscal periods

Hotels (in thousands of ARS)	IQ 16	IQ 15	% Var
Intercontinental	36,988	34,860	6.1%
Sheraton Libertador	26,298	20,832	26.2%
Llao Llao	47,483	41,135	15.4%
Total	110,769	96,827	14.4%

VI. 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. 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 57,500 sqm and consists of 34 floors.

As of September 30, 2015, the building reached an occupancy rate of 95.47%, thus generating an average rent of USD 65.14 per sqm.

Lipstick	Sep-15	Jun-15	YoY Var
Gross Leaseable Area (sqm)	58,092	58,094	-
Occupancy	95.47%	91.86%	3.6pp
Rental price (USD/sqm)	65.14	64.74	0.62%

As of June 30, 2015, we had in place 2 lease agreements for a total additional area of 22,585 square meters, that were effectively occupied in August, causing occupancy to rise to 95.47%. This is the highest occupancy rate since we took possession of the building at the end of 2008.

Finally, since September 2014 there has been an exhibition of part of the work and life of the renowned Argentine architect Cesar Pelli, shown in the southern wing of the lobby. The exhibition was conceived, designed and staged with the close cooperation of this architectural firm.

Investment in Condor Hospitality Inc.

We maintain our investment in the Condor Hospitality Trust hotel REIT through our subsidiary Real Estate Strategies L.P. ("RES"), in which we hold a 66.8% interest. Condor is a REIT listed in Nasdaq focused on medium-class and long-stay hotels located in 21 states of the United States of America, operated by various operators and franchises such as Comfort Inn, Days Inn, Hampton Inn, Holiday Inn, Sleep Inn, and Super 8, among others. During the last months, the company's results have shown an improvement in operating levels and it has continued with its strategy of selectively disposing of lower-class hotels at very attractive prices and replacing them with higher-class hotels.

Investment in IDB Development Corporation

IDBD is one of the largest and most diversified investment groups in Israel that participates through its subsidiaries in numerous markets and industry sectors, such as real estate, retail, agroindustry, oil and gas production, insurance, telecommunications, etc., controlling companies such as Clal Insurance (Insurance), Cellcom (Cell-phones), Adama (Agrochemicals), Super-Sol (supermarkets); PBC (Real Estate), among others.

In October 2015, IFISA, Society controlled by Eduardo S. Elsztein acquired the whole stake of Extra Holdings Limited in IDBD increasing its stake to 31.7%. IRSA, through Dolphin, remained with 49% of the outstanding shares of IDBD. As of today, the total amount invested by IRSA, through Dolphin, in IDBD reached the sum of USD 300 million.

We have changed this quarter the valuation method of our investment in IDBD. Until June 30, 2015, the investment was recorded at the share's fair quoted price, but as a result of a first instance court decision it may be now inferred that two classes of shares with different rights have been created in the facts and that the shares held by us are different from those in the market. Accordingly, the quotation is no longer a reference of the fair value of our investment, and the valuation criterion had to be changed.

For further information see Note 4 "Acquisitions and Disposals – Investment in IDBD", Note 9 "Participation in associates", Note 15 "Financial Instruments by category" and Note 39 "Subsequent events" of the Consolidated Condensated Financial Statements.

VII. Financial Transactions and Other

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

BHSA is a leading bank in the mortgage lending segment, in which IRSA held a 29.99% interest as of September 30, 2015 (excluding portfolio shares). The investment in Banco Hipotecario generated results for ARS 68.6 million during the first quarter of 2016, 58.5% higher than in the same quarter of 2015.

For further information please refer to <http://www.cnv.gob.ar> or <http://www.hipotecario.com.ar>.

VIII. EBITDA by segment

3M 16	Shopping Centers	Offices	Sales and Development s	Hotels	International	Financial Transactions and Other	Total
Operating income / (loss)	377.9	43.7	350.0	(6.9)	(33.5)	(0.6)	730.6
Depreciation and Amortization	41.7	10.0	-	4.1	0.1	-	55.9
EBITDA	419.6	53.7	350.0	(2.7)	(33.4)	(0.6)	786.6
3M 15	Shopping Centers	Offices	Sales and Development s	Hotels	International	Financial Transactions and Other	Total
Operating income / (loss)	273.8	54.2	306.2	(0.2)	2.8	8.4	645.2
Depreciation and Amortization	31.1	8.7	-	3.7	0.1	-	43.6
EBITDA	304.9	62.8	306.2	3.5	2.9	8.4	688.7
EBITDA Var	37.6%	(14.5)%	14.3%	(177.1)%	(1,251.7)%	(107.1)%	14.2 %

IX. Reconciliation with Consolidated Income Statement (ARS million)

Below is an explanation of the reconciliation of the company's income by segment with its consolidated income statement. The difference lies in the presence of joint businesses included in the segment but not in the income statement.

	Total Segment	Joint Ventures *	Common Maintenance Expenses and Common Advertising Fund	Intersegment eliminations	Income Statement
Revenues from sales, leases and services	721.3	(7.2)	-	(0.5)	713.6
Revenues from common maintenance expenses and common advertising fund	-	-	255.2	(0.2)	255.0
Costs	(179.7)	3.7	(259.1)	-	(435.1)
Gross Profit / (Loss)	541.6	(3.5)	(3.9)	(0.7)	533.5
Income from sale of investment properties	389.8	-	-	-	389.8
General and administrative expenses	(132.4)	0.3	-	1.0	(131.1)
Selling expenses	(55.4)	0.4	-	0.1	(54.9)
Other operating income, net	(12.9)	0.2	-	(0.3)	(13.0)
Operating income	730.7	(2.6)	(3.9)	0.1	724.3
Income / (loss) from interests in equity investees and joint ventures	(493.2)	1.8	-	-	(491.4)
Income before financial income / (loss) and income tax	237.5	(0.8)	(3.9)	0.1	232.9

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

X. Financial Debt and Other Indebtedness

Consolidated Financial Debt as of September 30, 2015:

Type of Debt	Currency	Amount (USD MM) ¹	Interest Rate	Maturity
Short term debt ⁽²⁾	ARS	72.2	Variable	< 30 d
Short term bank loan	ARS	10.6	23.00%	Dec-15
IRSA's Series I Tranche I Notes	USD	150.0	8.50%	Feb-17
IRSA's Series II Tranche II Notes ⁽³⁾	USD	150.0	11.50%	Jul-20
IRSA's Series III Tranche VI Notes	ARS	1.1	Badlar + 450 bps	Feb-17
Loan agreements ⁽⁵⁾	USD	4.2	Variable	Jun-16
Other loans	ARS	0.6	15.25%	Dec-16
Nuevas Fronteras Mortgage 5600 Loan	ARS	0.7	Variable	Dec-17
IRSA's total debt⁽⁵⁾		385.2		
Series I notes ⁽⁴⁾	USD	120.0	7.88%	May-17
IRSA CP's Series I Notes	ARS	43.2	26.5% / Badlar + 400 bps	Mar-17
Short term debt ⁽²⁾	ARS	21.5	Variable	-
Short term bank loan	ARS	15.4	23.00%	Sept-16
Syndicated loan - Arcos	ARS	1.4	15.01%	Nov-15
Syndicated loan - Neuquén	ARS	3.9	15.25%	Jun-16
Com. 5319 loan	ARS	0.3	15.01%	Dec-15
Other loans	ARS	2.4	-	-
Asset purchase debt ⁽⁵⁾	USD	246.4	8.50%	Jul-20
IRSA CP's Total Debt⁽⁵⁾	USD	208.1		
Total Consolidated Debt		597.5		
Consolidated cash		74.1		
Debt repurchase		16.2		
Net Consolidated Debt		503.0		

⁽¹⁾ Principal face value in USD at an exchange rate of 9.422 ARS = 1 USD, without considering accrued interest or elimination of balances with subsidiaries.

⁽²⁾ Includes bank overdrafts and repo transaction.

⁽³⁾ As of September 30, 2015, IRSA CP holds bonds for a principal amount of USD 5.6 million, ERSA holds bonds for a principal amount of USD 1.4 million and RITELCO holds bonds for a principal amount of USD 3.5 million.

⁽⁴⁾ As of September 30, 2015, IRSA CP holds bonds for a principal amount of USD 1.6 million, IRSA holds bonds for a principal amount of USD 4.0 million and ERSA holds bonds for a principal amount of USD 0.1 million.

⁽⁵⁾ Excludes: account receivable from IRSA CP pursuant to the transfer of assets for USD 246.4 million made on December 23, 2014 and the loan for USD 4.2 million between IRSA and IRSA CP as it is a related party.

XI. Subsequent Events

October 2015 – Loan granted to Inversiones Financieras del Sur S.A.

On October 9, 2015, the Company granted a loan for USD 40 million to Inversiones Financieras del Sur S.A. ("IFISA"), a company indirectly controlled by Eduardo Sergio Elsztein. The term of the loan is one year as from the date of disbursement and it will accrue interest at a rate of 3% + Libor 1M to be determined on a monthly basis.

October 2015 – General Ordinary and Extraordinary Shareholders' Meeting

On October 30, 2015, the Company's annual shareholders' meeting for the fiscal year ended June 30, 2015, was held. The following resolutions were adopted, inter alia:

- Appointment of new Supervisory Committee and Board of Directors' members.
- Approval of compensation payable to the Board of Directors.
- Approval of delegation on the Board of Directors of the powers to determine the terms and conditions of the Global Program for the Issuance of simple, non-convertible, secured or unsecured or secured Notes for up to USD 300,000,000 currently outstanding.

Furthermore, the shareholders resolved to adjourn the meeting until November 26, 2015 in order to deal with the treatment and allocation of net income for the fiscal year ended June 30, 2015 and the consideration of payment of a cash dividend for up to ARS 72 million.

November 2015 – Sale of offices / parking spaces in Maipú 1300 Building

The Company sold an unrelated portion of 864 square meters consisting of two office floors and 4 parking units in Maipú 1300 Building, located in the area of Retiro, City of Buenos Aires. The sale price was USD 3.0 million and the transaction resulted in a profit before taxes of approximately ARS 25.9 million. The Company retains an area of 2,134 square meters in the building.

XVI. Brief comment on prospects for the next period

Our real estate businesses in Argentina and abroad have posted very good results in the first quarter of this new fiscal year. 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 2016.

Our subsidiary IRSA Propiedades Comerciales S.A. keeps recording sound growth in both its shopping centers and premium offices segments. The most recent shopping center developments, "Distrito Arcos" and "Alto Comahue" opened during the last fiscal year, are reflecting very good results, with sales growing at rates higher than the portfolio average and operating at full occupancy.

We will also continue working during the year with a view to optimizing the performance of our current properties through improvements that result in taking better advantage of the leaseable square meters and creating higher functionality and appeal for the benefit of consumers and tenants alike. In our shopping centers we will continue to encourage marketing actions, events, and promotions seeking to attract consumers, through the joint efforts of the Company, stores and credit card issuer banks, which have proved to be highly effective in terms of sales and have been eagerly endorsed by the public.

We are optimistic regarding the opportunities that may arise in Argentina toward the second half of the year after the new administration takes office. We have a large reserve of lands intended for future shopping center and office developments in an industry scenario with high growth potential, as penetration levels in terms of sales and surface area per inhabitant are lower than in other countries of the region.

As concerns our investments outside Argentina, we will continue working in the improvement of the operating ratios of our only building in New York after the sale of Madison: the Lipstick Building. Our investment in "Condor Hospitality Trust" hotel REIT (NASDAQ: CDOR) has shown very good results in the last months derived from its sales of hotels, whilst it has managed to seize good opportunities for purchasing higher class hotels. We trust in the new senior management and hope to reap the benefits of this investment in the future. As concerns our recent investment in the Israeli company IDBD, we will continue working in 2016 with a view to optimizing returns from its various business lines and capital structure. We trust in the value of this investment, which we expect will deliver very good results in the medium term.

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 diversifying our operations by adding businesses abroad with attractive value-creation opportunities.

IRSA Inversiones y Representaciones Sociedad Anónima

Consolidated Condensed Interim Balance Sheets as of September 30, 2015 and June 30, 2015

(Amounts stated in thousands of Argentine pesos, except shares and per share data, and unless otherwise stated)

	Note	30.09.2015	30.06.2015
ASSETS			
Non-current Assets			
Investment properties	10	3,466,949	3,490,077
Property, plant and equipment	11	242,428	243,134
Properties for sale	12	122,074	128,104
Intangible assets	13	126,495	127,409
Investments in associates and joint ventures	8.9	2,771,407	3,172,549
Deferred tax assets	25	52,637	52,810
Income tax and minimum presumed income tax credit		108,670	108,522
Trade and other accounts receivable	17	140,872	115,141
Investments in financial assets	18	600,221	702,503
Derivative financial instruments	19	323,637	206,407
Total non-current assets		7,955,390	8,346,656
Current Assets			
Properties for sale	12	4,088	3,300
Inventories	14	22,675	22,770
Restricted Assets	16	9,771	9,424
Income tax and minimum presumed income tax credit		16,854	19,009
Trade and other accounts receivable	17	1,194,658	1,142,567
Investments in financial assets	18	712,099	295,409
Derivative financial instruments	19	35,955	29,158
Cash and cash equivalents	20	698,216	375,180
Total current assets		2,694,316	1,896,817
TOTAL ASSETS		10,649,706	10,243,473
SHAREHOLDERS' EQUITY			
Equity and reserves attributable to controlling company's shareholders			
Stock capital		574,874	574,451
Treasury stock		3,802	4,225
Comprehensive adjustment of capital stock and treasury stock		123,329	123,329
Additional paid-in capital		793,123	793,123
Premium for trading of treasury shares		10,733	7,233
Cost of treasury stock		(30,130)	(33,729)
Changes in non-controlling interest		(14,258)	(5,659)
Reserve for share-based payments	33	61,055	63,824
Legal reserve		116,840	116,840
Special reserve		3,824	3,824
Reserve for conversion		341,062	305,852
Retained earnings		245,248	520,940
Total equity and reserves attributable to controlling company's shareholders		2,229,502	2,474,253
Non-controlling interest		351,828	396,913
TOTAL SHAREHOLDERS' EQUITY		2,581,330	2,871,166
LIABILITIES			
Non-current liabilities			
Trade and other accounts payable	21	263,138	254,628
Loans	24	4,289,470	3,736,028
Derivative financial instruments	19	264,098	263,969
Deferred tax liability	25	98,871	51,440
Salaries and social security charges	22	2,215	2,220
Provisions	23	396,967	374,121
Income tax and minimum presumed income tax payable	25	59,896	-
Total non-current liabilities		5,374,655	4,682,406
Current liabilities			
Trade and other accounts payable	21	964,287	895,996
Loans	24	1,294,246	1,247,796
Derivative financial instruments	19	238,909	236,611
Salaries and social security charges	22	73,257	122,606
Provisions	23	51,875	51,512
Income tax and minimum presumed income tax payable	25	71,147	135,380
Total current liabilities		2,693,721	2,689,901
TOTAL LIABILITIES		8,068,376	7,372,307
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10,649,706	10,243,473

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

IRSA Inversiones y Representaciones Sociedad Anónima

Consolidated Condensed Interim Income Statements For the three-month periods ended on September 30, 2015 and 2014 (Amounts stated in thousands of Argentine pesos, except shares and per share data, and unless otherwise stated)

	Note	30.09.2015	30.09.2014
Revenues from sales, leases, and services	27	713,549	588,647
Revenues from common maintenance expenses.....	27	254,941	201,422
Costs.....	28	(435,134)	(353,494)
Gross profit.....		533,356	436,575
Profit / (loss) from sale of investment properties	10	389,815	317,486
General and administrative expenses.....	29	(131,086)	(79,389)
Selling expenses	29	(54,963)	(37,422)
Other operating income / (loss), net.....	31	(13,098)	2,818
Profit from operations.....		724,024	640,068
Loss from interests in associates and joint ventures	8.9	(491,412)	(111,650)
Profit before financial results and income tax.....		232,612	528,418
Financial income	32	46,399	23,825
Financial costs.....	32	(334,312)	(327,126)
Other financial income / (loss)	32	(148,397)	87,013
Financial income / (loss), net.....	32	(436,310)	(216,288)
Income / (loss) before income tax		(203,698)	312,130
Income tax.....	25	(112,269)	(176,331)
Net (Loss) / Income		(315,967)	135,799
Attributable to:			
Controlling company's shareholders		(275,692)	3,258
Non-controlling interest.....		(40,275)	132,541
(Loss) / Income per share attributable to controlling company's shareholders:			
Basic		(0.48)	0.01
Diluted.....		(0.48)	0.01

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

IRSA Inversiones y Representaciones Sociedad Anónima

Consolidated Condensed Interim Comprehensive Income Statements For the three-month periods ended on September 30, 2015 and 2014 (Amounts stated in thousands of Argentine pesos, except shares and per share data, and unless otherwise stated)

	<u>30.09.2015</u>	<u>30.09.2014</u>
Net (Loss) / Income.....	(315,967)	135,799
Other comprehensive income / (loss):		
Items to be subsequently reclassified to income or loss:		
Translation difference.....	35,873	45,063
Other comprehensive income / (loss) for the period (i).....	35,873	45,063
Total comprehensive income / (loss) for the period	<u>(280,094)</u>	<u>180,862</u>
Attributable to:		
Controlling company's shareholders	(240,482)	39,914
Non-controlling interest	(39,612)	140,948

(i) The components of other comprehensive income / (loss) do not impact on income tax.

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

IRSA Inversiones y Representaciones Sociedad Anónima

Consolidated Condensed Interim Cash Flow Statements For the three-month periods ended on September 30, 2015 and 2014 (Amounts stated in thousands of Argentine pesos, except shares and per share data, and unless otherwise stated)

	Note	30.09.2015	30.09.2014
Operating activities:			
Cash provided by operating activities	20	441,137	306,855
Income tax and minimum presumed income tax paid		(66,995)	(54,761)
Net cash provided by operating activities		374,142	252,094
Investment activities:			
Capital contributions in associates and joint ventures	8.9	(34,329)	(3,280)
Acquisition of associates and joint ventures	8.9	-	(268,975)
Acquisition of investment properties	10	(46,780)	(228,662)
Collections from sale of investment properties		387,557	1,507,060
Acquisition of property, plant and equipment	11	(5,723)	(11,685)
Acquisition of intangible assets	13	(24)	(383)
Increase in investments in financial assets		(1,283,245)	(309,178)
Collections from sale of investments in financial assets		699,564	361,080
Collections from sale of interests in associates and joint ventures		-	19,139
Interest collected on financial assets		702	3,175
Loans to associates and joint ventures		-	49
Dividends collected		-	290
Net cash (used in) / generated by investing activities		(282,278)	1,068,630
Financing activities:			
Borrowings		531,437	327,819
Repayment of loans		(226,217)	(684,650)
Repayment of principal on notes		(95,636)	-
Repayment of financial leases		(800)	(592)
Dividends paid		(42,773)	(48,055)
Acquisition of non-controlling interest in subsidiaries		(8,599)	(1,094)
Contributions of non-controlling interest		-	275
Capital distribution		-	(3,786)
Dividends paid to non-controlling interest		(5,473)	-
Interest paid		(206,024)	(192,204)
Borrowings from associates and joint ventures, net		-	13,009
Repurchase of notes		(120,803)	-
Repayment of loans for purchase of companies		-	(105,861)
Issuance of non-convertible notes		403,051	-
Payments for derivative financial instruments		(14,032)	(16,213)
Net cash generated by (used in) financing activities		214,131	(711,352)
Net increase in cash and cash equivalents		305,995	609,372
Cash and cash equivalents at the beginning of the fiscal year	20	375,180	609,907
Gain from exchange rate differences of cash and cash equivalents		17,041	26,217
Cash and cash equivalents at the end of the period		698,216	1,245,496

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

Headquarters

Intercontinental Plaza – Moreno 877 24th Floor

Tel +(54 11) 4323 7400

Fax +(54 11) 4323 7480

www.irsa.com.ar

C1091AAQ – City of Buenos Aires – Argentina

Investor Relations

Alejandro Elsztain –2nd Vice President

Matías Gaivironsky – CFO

Tel +(54 11) 4323 7449

finanzas@irsa.com.ar

Company Legal Advisors

Estudio Zang, Bergel & Viñes

Tel +(54 11) 4322 0033

Florida 537 18th Floor

C1005AAK – City of Buenos Aires – Argentina

Registrar and Transfer Agent

Caja de Valores S.A.

Tel +(54 11) 4317 8900

25 de Mayo 362

C1002ABH – City of Buenos Aires – Argentina

Company independent auditors

PricewaterhouseCoopers Argentina

Tel +(54 11) 4850 0000

Bouchard 557 7th Floor

C1107AAF – City of Buenos Aires – Argentina

ADRs Depository Agent

The Bank of New York Mellon

P.O. Box 11258

Church Street Station

New York - NY 10286 1258 – United States of America

Tel (toll free) 1 888 BNY ADRS (269-2377)

Tel (international) 1 610 312 5315

shareowner-svcs@bankofny.com



IRSA

BASE Symbol: **IRSA** / NYSE Symbol: **IRS**