CRESUD INC
Form 20-F
November 17, 2015

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

[ ] REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: June 30, 2015

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[ ] SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report ___

For the transition period from ___ to___

Commission file number: 001-29190

CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA FINANCIERA Y AGROPECUARIA
(Exact name of Registrant as specified in its charter)

CRESUD INC.
(Translation of Registrant's name into English)

Republic of Argentina
(Jurisdiction of incorporation or organization)

Moreno 877, 23 Floor,
(C1091AAQ) City of Buenos Aires, Argentina
(Address of principal executive offices)

Matías Gaivironsky
Chief Financial Officer

Tel +(5411) 4323-7449 – finanzas@cresud.com.ar
Moreno 877, 24 Floor,
(C1091AAQ) Buenos Aires, Argentina
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares, each representing ten shares of Common Stock	Nasdaq National Market of the Nasdaq Stock Market
Common Stock, par value one Peso per share	Nasdaq National Market of the Nasdaq Stock Market*

* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

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Cresud S.A.C.I.F. y A.
(THE “COMPANY”)

The number of outstanding shares of the issuer’s common stock as of June 30, 2015 was 501,642,804.

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act:

£ Yes S No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934.

S Yes £ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

S Yes £ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Date File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

£ Yes S No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer £ Accelerated filer
S Non-accelerated filer £

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP £ International Financial Reporting Standards as issued by the International Accounting Standards Board S Other £

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

£ Item 17 £ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

£ Yes S No

Cresud

DISCLOSURE REGARDING FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides a "Safe Harbor" for forward looking statements.

This annual report contains or incorporates by reference statements that constitute "forward-looking statements," regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. Such statements include any forecasts, projections and descriptions of anticipated cost savings or other synergies. Words such as "anticipate," "expect," "intend," "plan," "believe," "seek," "estimate," variations of such words, and expressions are intended to identify such forward-looking statements. You should be aware that any such forward-looking statements are not guarantees of future performance and may involve risks and uncertainties, and that actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, without limitations, the actions of competitors, future global economic conditions, market conditions, foreign exchange rates, and operating and financial risks related to managing growth and integrating acquired businesses), many of which are beyond our control. The occurrence of any such factors not currently expected by us would significantly alter the results set forth in these statements.

Factors that could cause actual results to differ materially and adversely include, but are not limited to:

- changes in general economic, business or political or other conditions in Argentina or changes in general economic or business conditions in latin america; and other countries in which we have direct and/or indirect operations and/or investments.
- changes in capital markets in general that may affect policies or attitudes toward lending to Argentina or Argentine companies;
- inflation, changes in exchange rates or regulations applicable to currency exchanges or transfers;
- our ability to integrate our business with companies and/or assets we may acquire;
- unexpected developments in certain existing litigation;
- current and future laws and governmental regulations applicable to our business;
- increased costs;
- fluctuations and reductions on the value of Argentina's public debt;
- unanticipated increases in financing and other costs or the inability to obtain additional debt or equity financing on attractive terms;
- force majeure; and
- the risk factors discussed under Item 3 (d) Risk Factors.

You should not place undue reliance on such statements, which speak only as of the date that they were made. Our independent public accountants have not examined or compiled the forward-looking statements and, accordingly, do not provide any assurance with respect to such statements. These cautionary statements should be considered in connection with any written or oral forward-looking statements that we might issue in the future. We do not undertake any obligation to release publicly any revisions to such forward-looking statements after filing of this Form to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

CERTAIN MEASURES AND TERMS

As used throughout this annual report, the terms "Cresud", "Company", "we", "us", and "our" refer to Cresud Sociedad Anóni Comercial, Inmobiliaria, Financiera y Agropecuaria, together with our consolidated subsidiaries, except where we make clear that such terms refer only to the parent company.

References to "Tons", "tons" or "Tns." are to metric tons, to "kgs" are to kilograms, to "ltrs" are to liters, "Hct" are to hectares, and "square meters" are to square meters, while in the United States and certain other jurisdictions, the standard measure of area is the square foot (sq.ft). A metric ton is equal to 1,000 kilograms. A kilogram is equal to approximately 2.2 pounds. A metric ton of wheat is equal to approximately 36.74 bushels. A metric ton of corn is equal to approximately 39.37 bushels. A square meter is equal to 10.77 sq. ft. A metric ton of soybean is equal to approximately 36.74 bushels. One gallon is equal to 3.7854 liter. One hectare is equal to approximately 2.47 acres and 10,000 square meters. One kilogram of live weight cattle is equal to approximately 0.5 to 0.6 kilogram of carcass (meat and bones).

As used herein: "GLA or gross leasable area", in the case of shopping centers, refers to the total leasable area of the property, regardless of our ownership interest in such property (excluding common areas and parking and space occupied by supermarkets, hypermarkets, gas stations and co-owners, except where specifically stated).

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

FINANCIAL STATEMENTS

This annual report contains our Audited Consolidated Financial Statements as of June 30, 2015 and 2014 and for the fiscal years ended June 30, 2015, 2014 and 2013 (our "Audited Consolidated Financial Statements"). Our Audited Consolidated Financial Statements have been audited by Price Waterhouse & Co. S.R.L. Buenos Aires Argentina, a member firm of PricewaterhouseCoopers International Limited, an independent registered public accounting firm ("Price Waterhouse & Co."), whose report is included herein.

Pursuant to Resolution No.562/09 issued by the Comisión Nacional de Valores ("CNV"), as subsequently amended by Resolution No. 576/10, text amended and restated by Resolution No. 622/13 (the "Rules of the CNV"), all listed companies in Argentina with certain exceptions (i.e. financial institutions and insurance entities) are required to present their Audited Consolidated Financial Statements for accounting periods beginning on or after January 1, 2012 in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Therefore, we have prepared our Audited Consolidated Financial Statements under IFRS for the first time for our fiscal year ended June 30, 2013, which included comparative financial information for the year ended June 30, 2012. The opening IFRS statement of financial position was prepared as of our transition date of July 1, 2011. All IFRS standards issued by the IASB effective at the time of preparing the Audited Consolidated Financial Statements have been applied.

MARKET DATA

Market data used throughout this annual report was derived from reports prepared by unaffiliated third-party sources. Such reports generally state that the information contained therein has been obtained from sources believed by such sources to be reliable. Certain market data which appear herein (including percentage amounts) may not sum due to rounding.

In this annual report where we refer to "Peso", "Pesos", or "Ps." we mean Argentine Pesos, the lawful currency in Argentina; when we refer to "U.S. Dollars", or "US$" we mean United States Dollars, the lawful currency of the United States of America; when we refer to "Real", "Reals", "Rs." or "R$" we mean Brazilian Real, the lawful currency in the Federative Republic of Brazil; when we refer to "NIS", we mean New Israeli Shekels, the lawful currency of Israel; and when we refer to "Central Bank" we mean the Argentine Central Bank.

Solely for the convenience of the reader, we have translated certain Peso amounts into U.S. Dollars at the offer exchange rate quoted by Banco de la Nación Argentina for June 30, 2015, which was Ps. 9.088 = US$ 1.00. We make no representation that the Peso or U.S. Dollar amounts actually represent or could have been or could be converted into U.S. Dollars at the rates indicated, at any particular rate or at all.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

This item is not applicable.

Item 2. Offer Statistics and Expected Timetable

This item is not applicable.

Item 3. Key Information

A. SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data has been derived from our Audited Consolidated Financial Statements as of the dates and for each of the periods indicated below. This information should also be read in conjunction with our Audited Consolidated Financial Statements included under Item 8. "Financial Information", and the discussion in Item 5. "Operating and Financial Review and Prospects".

The selected consolidated statements of income and comprehensive income data for the years ended June 30, 2015, 2014, 2013 and 2012 and the selected consolidated statements of financial position data as of June 30, 2015 and 2014 have been derived from our Audited Consolidated Financial Statements included in this annual report which have been audited by Price Waterhouse & Co S.R.L. City of Buenos Aires, Argentina, member of PriceWaterhouseCoopers International Limited, an independent registered public accountants' firm.

The selected consolidated statements of income and comprehensive income data for the year ended June 30, 2012 and the selected consolidated statements of financial position data as of June 30, 2013, 2012 and July 1, 2011 have been derived from our Audited Consolidated Financial Statements as of June, 30, 2013 which have been audited by Price Waterhouse & Co S.R.L. and are not included herein.

	IFRS For the fiscal year ended June 30,				
	2015(1)	2015	2014	2013	2012
	(in thousands of US$)	(in thousands of Ps.)			
Consolidated Statements of Income					
Revenues	621,898	5,651,805	4,604,011	3,528,551	2,859,849
Costs	(524,837)	(4,769,715)	(3,914,592)	(3,120,495)	(2,464,219)
Initial recognition and changes in fair value of biological assets and agricultural produce at the point of harvest	145,703	1,324,152	1,152,653	886,744	700,946
	(3,793)	(34,471)	(17,447)	11,756	2,720

Changes in net realizable value of agricultural produce after harvest					
Gross Profit	238,971	2,171,771	1,824,625	1,306,556	1,099,296
Gain from disposal of investment properties	126,566	1,150,230	230,918	177,999	116,689
Gain from disposal of farmlands	60,570	550,462	91,356	149,584	45,490
General and administrative expenses	(67,982)	(617,820)	(533,939)	(346,383)	(320,677)
Selling expenses	(52,174)	(474,158)	(352,726)	(279,463)	(200,461)
Other operating results, net	1,343	12,209	(75,008)	98,068	(93,381)
Profit from operations	307,294	2,792,694	1,185,226	1,106,361	646,956
Share of (loss)/profit of associates and joint ventures	(112,783)	(1,024,972)	(408,651)	(9,818)	2,796
Profit from operations before financing and taxation	194,511	1,767,722	776,575	1,096,543	649,752
Finance income	26,530	241,109	288,188	200,857	139,491
Finance cost	(185,335)	(1,684,328)	(2,852,000)	(1,124,746)	(757,497)
Other Financial results	17,062	155,058	(10,586)	15,128	48,691
Financial results, net	(141,743)	(1,288,161)	(2,574,398)	(908,761)	(569,315)
Profit/(Loss) before income tax	52,768	479,561	(1,797,823)	187,782	80,437
Income tax (expense)/benefit	(33,379)	(303,350)	389,415	(33,519)	(21,956)
Profit/(Loss) for the year	19,329	176,211	(1,408,408)	154,263	58,481
Attributable to:					
Equity holders of the parent	(27,468)	(249,619)	(1,067,880)	(26,907)	(21,329)
Non-controlling interest	46,856	425,830	(340,528)	181,170	79,810

	IFRS				
	For the fiscal year ended June 30,				
	2015(1)	2015	2014	2013	2012
	(in thousands of US$)	(in thousands of Ps.)			
Consolidated Statements of Comprehensive Income					
Profit/(Loss) for the year	19,389	176,211	(1,408,408)	154,263	58,481
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Currency translation adjustment	(57,382)	(521,489)	1,284,550	180,908	(231,288)
Currency translation adjustment from associates and joint ventures	8,980	81,606	(17,409)	1,715	(3,530)
Other comprehensive (loss)/income for the year	(48,402)	(439,883)	1,267,141	182,623	(234,818)
Total comprehensive income/(loss) for the year	29,013	(263,672)	(141,267)	336,886	(176,337)
Attributable to:					
Equity holders of the parent	(48,430)	(440,130)	(436,557)	65,647	(103,268)
Non-controlling interest	19,416	176,458	295,290	271,239	(73,069)

	IFRS				
	As of fiscal year ended June 30,				
	2015(1)	2015	2014	2013	2012
	(in thousands of US$)	(in thousands of Ps.)			
CASH FLOW DATA					
Net cash generated from operating activities	54,414	494,514	883,163	648,519	668,411
Net cash generated from/(used in) investing activities	96,161	873,910	(885,945)	(93,012)	(353,920)
Net cash used in financing activities	(195,669)	(1,778,241)	(446,249)	(17,160)	(478,941)

	IFRS					
	For the fiscal year ended June 30,					July 1,
	2015(1)	2015	2014	2013	2012	2011
	(in thousands of US$)	(in thousands of Ps.)				
Consolidated Statements of Financial Position						
ASSETS						
Non-Current Assets						
Investment properties	382,368	3,474,959	3,454,616	4,171,401	3,454,677	3,544,383
Property, plant and equipment	217,561	1,977,195	2,381,956	1,841,454	1,872,920	1,976,970
Trading properties	14,267	129,654	132,555	97,828	86,511	74,058
Intangible assets	19,340	175,763	175,007	218,537	168,302	173,682
Biological assets	50,493	458,879	444,853	303,128	278,208	325,864
	305,093	2,772,685	2,375,339	1,486,862	1,500,560	1,438,855

Investments in associates and joint ventures						
Deferred income tax assets	71,763	652,186	852,642	179,228	80,674	23,914
Income tax credit	17,656	160,457	177,547	198,871	156,892	123,854
Restricted assets	473	4,301	50,897	54,631	-	-
Trade and other receivables	46,960	426,777	475,349	291,430	297,169	236,787
Investment in financial assets	68,535	622,845	275,012	253,742	626,683	426,152
Derivative financial instruments	22,844	207,602	233	25,377	18,434	60,442
Total Non-Current Assets	1,217,353	11,063,303	10,796,006	9,122,489	8,541,030	8,404,961
Current Assets						
Trading properties	363	3,300	4,596	11,689	10,529	28,443
Biological assets	13,204	119,998	195,830	97,564	85,251	107,239
Inventories	56,267	511,350	439,771	252,376	253,447	371,268
Restricted assets	66,794	607,021	-	1,022	-	-
Income tax credit	3,383	30,749	19,694	4,779	28,762	76,116
Assets held for sale	-	-	1,357,866	-	-	-
Trade and other receivables	195,023	1,772,373	1,438,408	1,480,314	859,302	679,426
Investment in financial assets	55,469	504,102	495,633	385,585	72,069	62,465
Derivative financial instruments	3,252	29,554	32,897	7,321	2,578	18,966
Cash and cash equivalents	69,729	633,693	1,002,987	1,047,586	471,922	694,552
Total Current Assets	463,484	4,212,140	4,987,682	3,288,236	1,783,860	2,038,475
TOTAL ASSETS	1,680,837	15,275,443	15,783,688	12,410,725	10,324,890	10,443,436

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	IFRS					
	As of fiscal year ended June 30,					July 1,
	2015(1)	2015	2014	2013	2012	2011
	(in thousands of US$)			(in thousands of Ps.)		
SHAREHOLDERS’ EQUITY						
Capital and Reserves Attributable to Equity Holders of the Parent						
Share capital	54,443	494,777	490,997	496,562	496,562	496,562
Treasury stock	756	6,866	10,566	5,001	5,001	5,001
Inflation adjustment of share capital	7,101	64,530	64,047	64,773	164,561	164,561
Inflation adjustment of treasury stock	98	895	1,378	652	1,657	1,657
Share premium	72,564	659,464	773,079	773,079	773,079	773,079
Additional paid-in capital from treasury stock	1,395	12,678	-	-	-	-
Cost of treasury stock	(3,543)	(32,198)	(54,876)	-	-	-
Share warrants	-	-	106,264	106,264	106,263	106,263
Cumulative translation adjustment	48,756	443,096	633,607	2,284	(6,889)	-
Equity-settled compensation	9,022	81,988	70,028	8,345	(81,939)	-
Changes in non-controlling interest	5,921	53,806	(15,429)	(21,996)	1,833	1,012
Legal reserve	-	-	81,616	46,835	42,922	32,293
Reserve for new developments	-	-	17,065	337,065	389,202	320,064
Special reserve	-	-	633,940	695,628	-	-
Reserve for the acquisition of securities issued by the company	3,543	32,198	200,000	-	-	-
(Accumulated deficit) / Retained Earnings	(27,076)	(246,069)	(1,066,428)	(26,522)	666,611	829,207
Equity Attributable to equity holders of the parent	172,980	1,572,031	1,945,854	2,487,970	2,558,863	2,729,699
Non-controlling interest	256,374	2,329,927	2,488,932	2,231,096	2,132,648	2,480,379
TOTAL SHAREHOLDERS’ EQUITY	429,354	3,901,958	4,434,786	4,719,066	4,691,511	5,210,078
LIABILITIES						
Non-current liabilities						
Trade and other payables	29,055	264,054	216,760	228,267	168,860	155,726
Borrowings	641,832	5,832,973	5,315,335	4,189,896	2,770,087	2,056,244
Deferred income tax liabilities	16,581	150,691	470,045	530,263	630,011	769,941
Derivative financial instruments	29,704	269,949	320,847	2,773	22,859	-
Payroll and social security liabilities	609	5,539	5,041	3,984	783	635

Provisions	42,578	386,948	220,489	71,626	22,553	14,939
Total non-current liabilities	760,359	6,910,154	6,548,517	5,026,809	3,615,153	2,997,485
Current Liabilities						
Trade and other payables	143,798	1,306,835	1,004,180	899,542	586,691	580,675
Income tax liabilities	15,665	142,361	73,429	92,182	118,041	80,242
Payroll and social security liabilities	25,352	230,400	202,546	120,835	103,919	81,085
Borrowings	271,350	2,466,030	2,639,491	1,527,390	1,187,082	1,479,803
Derivative financial instruments	28,910	262,734	53,419	8,691	18,558	8,353
Provisions	6,049	54,971	20,708	16,210	3,935	5,715
Liabilities held for sale	-	-	806,612	-	-	-
Total current liabilities	491,124	4,463,331	4,800,385	2,664,850	2,018,226	2,235,873
TOTAL LIABILITIES	1,251,483	11,373,485	11,348,902	7,691,659	5,633,379	5,233,358
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,680,837	15,275,443	15,783,688	12,410,725	10,324,890	10,443,436

Other Financial Data	IFRS As of fiscal year ended June 30 2015(1) (in US$, except for percentages, ratios and number of shares)	2015 (in Ps, except for percentages, ratios, number of shares, per share and per ADS data)	2014	2013	2012
Basic net income per share (2)	(0.06)	(0.51)	(2.15)	(0.05)	(0.04)
Diluted net income per share (3)	(0.06)	(0.51)	(2.15)	(0.05)	(0.04)
Basic net income per ADS (2)(4)	(0.56)	(5.07)	(21.50)	(0.54)	(0.43)
Diluted net income per ADS (3)(4)	(0.56)	(4.50)	(21.50)	(0.54)	(0.43)
Capital stock	55,199	501,643	501,563	501,563	501,563
Number of common shares	501,642,804	501,642,804	501,562,730	501,562,730	501,562,534
Weighted – average number of common shares outstanding	492,020,463	492,020,463	496,132,488	496,561,931	496,561,780
Diluted weighted – average number of common shares (5)	554,375,631	554,375,631	558,487,656	558,917,099	558,916,948
Dividends paid (6)	-	-	-	120,000	120,000
Dividends per share	-	-	-	0.24	0.24
Dividends per ADS (4)	-	-	-	2.42	2.42
Depreciation and amortization	28,369	257,822	296,919	279,738	233,137
Gross margin (7)	0.31	0.31	0.32	0.30	0.31
Operating margin (8)	0.40	0.40	0.21	0.25	0.18
Net margin (9)	0.03	0.03	(0.24)	0.03	0.02
Ratio of current assets to current liabilities (10)	0.94	0.94	1.04	1.23	0.88
Ratio of shareholders' equity to total liabilities (11)	0.34	0.34	0.39	0.61	0.83
Ratio of non current assets to total assets (12)	0.72	0.72	0.68	0.74	0.83
Ratio of "Return on Equity" – ROE (13)	0.04	0.04	(0.31)	0.03	0.01

(1) Solely for the convenience of the reader, we have translated Peso amounts into U.S. Dollars at the exchange rate quoted by Banco de La Nación

Argentina for June 30, 2015 which was Ps.9.088 = US$1.00. We make no representation that the Peso or U.S. Dollar amounts actually represent, could have been or could be converted into U.S. Dollars at the rates indicated, at any particular rate or at all.

(2) Basic net income per share is computed by dividing the net income available to common shareholders for the period by the weighted average common shares outstanding during the period.

(3) Diluted net income per share is computed by dividing the net income for the period by the weighted average number of common shares

assuming the total conversion of outstanding notes and exercise of outstanding options. Due to the loss for the years 2014, 2013 and 2012, there is no diluted effect on this result.

(4) Determined by multiplying per share amounts by ten (one ADS equals ten common shares).

(5) Assuming exercise of all outstanding warrants to purchase our common shares.

(6) The shareholders' meeting held in October 2013 approved the distribution of a cash dividend for an amount of Ps.120 million for the fiscal year ended June 30, 2013.

(7) Gross profit divided by the sum of revenues and initial recognition and changes in

fair value of biological assets and agricultural produce at the point of harvest.

(8) Operating income divided by the sum of revenues and initial recognition and changes in fair value of biological assets and agricultural produce at the point of harvest.

(9) Net income divided by the sum of revenues and initial recognition and changes in fair value of biological assets and agricultural produce at the point of harvest.

(10) Current assets over current liabilities.

(11) Shareholders' equity over total liabilities.

(12) Non-current assets over total assets.

(13) Profitability refers to Income for the year divided by average Shareholders'

equity.

Exchange Rates

In addition to the above measures, on February 8, 2002, the Argentine Central Bank (the "Central Bank") issued strong restrictions which required the prior authorization of the Central Bank with respect to transfers of funds abroad for the purpose of servicing principal and/or interest payments on foreign indebtedness.

Since October 2011, the Argentine government has expanded the restrictions on access to the foreign exchange market and transfers of foreign currency abroad. Through a combination of foreign exchange and tax regulations, the Argentine authorities have significantly curtailed access to foreign exchange by individuals and private sector entities. Current foreign exchange regulations include, among others, the obligation to obtain prior approval by the Central Bank of certain foreign exchange transactions such as payments relating to royalties, services or fees payable to related parties of Argentine companies outside Argentina (pursuant to section 3.4 of Central Bank Communication "A" 5264, issued January 3, 2012, as amended and supplemented), the ability of individuals to purchase foreign currency, subject to the limits set forth by the Argentine tax authority, restrictions for legal entities to purchase foreign currency to create or increase portfolio investments outside of Argentina, and limits to the net position in foreign exchange holdings of financial institutions (pursuant to Central Bank Communication "A" 5611, issued on August 4, 2014).

The following table shows the maximum, minimum, average and closing exchange rates for each period applicable to purchases of U.S. Dollars.

	Maximum(1)(2)	Minimum(1)(3)	Average(1)(4)	At closing(1)
Fiscal year ended June 30, 2011	4.0900	3.9110	3.9810	4.0900
Fiscal year ended June 30, 2012	4.5070	4.0900	4.2808	4.5070
Fiscal year ended June 30, 2013	5.3680	4.5050	4.8914	5.3680
Fiscal year ended June 30, 2014	8.0830	5.3700	6.7657	8.0830
Fiscal year ended June 30, 2015	9.0380	8.0850	8.5599	9.0380
July 2015	9.1400	9.0430	9.0934	9.1400
August 2015	9.2460	9.1450	9.1939	9.2460
September 2015	9.3720	9.2540	9.3167	9.3720
October 2015	9.4960	9.3800	9.4407	9.4960
November 2015 (through Novemeber 12, 2015)	9.5650	9.5050	9.5337	9.5650

Source: Central Bank

(1) Average between the offer exchange rate and the bid exchange rate according to Banco de la Nación Argentina "foreign currency exchange rate".

(2) The maximum exchange rate appearing in the table was the highest end-of-month exchange rate in the year or shorter period, as indicated.

(3) The minimum exchange rate appearing in the table was the highest end-of-month exchange rate in the year or shorter period, as indicated.

(4) Average exchange rates at the end of the month.

Increases in Argentine inflation or devaluation and depreciation of the Peso could have a material adverse effect on our results.

B. CAPITALIZATION AND INDEBTEDNESS

This section is not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

This section is not applicable.

D. RISK FACTORS

You should carefully consider the risks described below, in addition to the other information contained in this annual report, before making an investment decision. We also may face additional risks and uncertainties that are not presently known to us, or that we currently deem immaterial, which may adversely affect our business. In general, you take more risk when you invest in the securities of issuers in emerging markets such as Argentina than when you invest in the securities of issuers in the United States. You should understand that an investment in our common shares and American Depositary Shares ("ADSs") involves a high degree of risk, including the possibility of loss of your entire investment.

Risks Relating to Argentina.

We depend on macroeconomic and political conditions in Argentina.

We are exposed to economic conditions in Argentina, considering that as of the date of this annual report, substantially all of our assets were located in Argentina and all of our activities are conducted in Argentina. The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high and variable levels of inflation and currency devaluation.

During 2001 and 2002, Argentina experienced a period of severe political, economic and social crisis, which caused a significant economic contraction and led to radical changes in government policies. Among other consequences, the crisis resulted in Argentina defaulting on its foreign debt obligations, introducing emergency measures and numerous changes in economic policies that affected the utility companies and many other sectors of the economy, and suffering a significant devaluation of the Peso, which in turn caused numerous Argentine private sector debtors with foreign currency exposure to default on their outstanding debt. Although the economy has largely recovered from the crisis, during 2014, the Argentine economy has shown signs of slowdown due to the increase in the applicable exchange rates and decreases in commodity prices. The Argentine economy is suffering high inflation and has an increasing need of capital investment, with many sectors, particularly the energy sector, operating near full capacity.

An economic slowdown suggests uncertainty as to whether the economic growth experienced in the past decade may be sustainable. This is mainly because economic growth was initially dependent on a significant devaluation of the Argentine Peso, excess production capacity resulting from a long period of deep recession and high commodity prices. Furthermore, the economy has suffered a sustained erosion of direct investment and capital investment. After the 2001 economic crisis, Argentina recovered with significant increases in gross domestic product ("GDP") at an average of 8.5% on annual basis between 2003 and 2008. As a result of the 2008 global financial crisis, Argentina GDP's growth rate decreased to 0.9% in 2009, though growth rebounded to 9.2% in 2010 and 8.9% in 2011. During 2012, the Argentine economy experienced a slowdown, with GDP increasing at a rate of 1.9%. In March 2014, the Argentine government announced a new method of calculating GDP as requested by the International Monetary Fund ("IMF") (using 2004 as the base year instead of 1993, which was the base reference year used in the prior method of GDP calculation). Following changes in the methodology used in calculating GDP, the National Institute of Statistics ("Instituto Nacional de Estadísticas y Censos" or "INDEC") reported that Argentina's GDP's growth rate for 2013 was 3% and 0.5% for 2014. This decrease was principally due to the deceleration of the global economy and macroeconomic conditions in Argentina during 2014. As of July 31, 2015, the Monthly Economic Activity Estimator (Estimador Mensual de Actividad Económica, or the "EMAE") increased 2.7%, relative to the same period in the prior year, according to data published by the INDEC. Argentina's relative stability since 2002 has been affected by increased social and political tension and government intervention in the economy.

Our business depends to a significant extent on macroeconomic and political conditions in Argentina. Deterioration of the country's economy would likely have a significant adverse effect on our business, financial condition and results of operations.

Continuing inflation may have an adverse effect on the economy.

According to the INDEC, the consumer price index increased 23.9%, 10.9% and 10.8% in 2014, 2013 and 2012, respectively, and for the six months ended June 30, 2015, increased 15.0% relative to the same period in the prior year. Uncertainty surrounding future inflation rates has slowed any potential recovery in the long-term credit market. Private estimates, on average, refer to annual rates of inflation substantially in excess of those published by the INDEC.

In the past, inflation has materially undermined the Argentine economy and the government's ability to foster conditions that would permit stable growth. High inflation may also undermine Argentina's foreign competitiveness in international markets and adversely affect economic activity and employment, as well as our business and results of operation. In particular, the margin on our services is impacted by the increase in our costs in providing those services, which is influenced by wage inflation in Argentina, as well as other factors. While certain of our tenant leases include provisions that allow us to agree with our tenants to periodical increases of the lease prices, there can be no assurance that these provisions will adequately protected us against rapid inflation.

High inflation would also adversely affect economic activity, employment, real salaries, consumption and interest rates. In addition, the dilution of the positive effects of the Peso devaluation on the export-oriented sectors of the Argentine economy will decrease the level of economic activity in the country. In turn, 5% of the Argentine debt is adjusted by the Reference Stabilization Coefficient ("Coeficiente de Estabilización de Referencia" or "CER" as per its acronym in Spanish), a currency index that is strongly tied to inflation. Therefore, any significant increase in inflation would cause an increase in Argentina's debt and, consequently, the country's financial obligations.

The government has taken certain measures in order to control inflation, such as implementing a fair price program, by virtue of which supermarkets have to offer certain products at a government determined price, and sectorial agreements in order to implement salary increases. Additionally, the Argentine government has recently enacted Law No.26,991 (the "Supply Law"), which amends Law No.20,680, and enables the federal government to intervene in certain markets when it considers that any party to such market is trying to impose prices, or supply restrictions over such market. The Supply Law provides among others pecuniary sanctions, suspension, seizure of operations, and confiscation of goods.

If inflation remains high or continues to rise, Argentina's economy may be negatively impacted and our business could be adversely affected.

There are concerns about the accuracy of Argentina's official inflation statistics.

In January 2007, the INDEC modified its methodology used to calculate the consumer price index, which was calculated as the monthly average of a weighted basket of consumer goods and services that reflects the pattern of consumption of Argentine households. At the time that the INDEC adopted this change in methodology the Argentine government also replaced several key officers at the INDEC, prompting complaints of governmental interference from the technical staff at the INDEC. In addition, the International Monetary Fund ("IMF") requested to clarify its inflation rates several times.

On November 23, 2010, the Argentine government began consulting with the IMF for technical assistance in order to prepare a new national consumer price index with the aim of modernizing the current statistical system. During the first quarter of 2011, a team from the IMF started working in conjunction with the INDEC in order to create such an index. Notwithstanding such efforts, reports published by the IMF stated that its staff also used alternative measures of inflation for macroeconomic surveillance, including data produced by private sources, and such measures have shown inflation rates that are considerably higher than those issued by the INDEC since 2007. Consequently, the IMF called on Argentina to adopt measures to improve the quality of used data by the INDEC. In a meeting held on February 1, 2013, the Executive Board of the IMF emphasized that the progress in implementing remedial measures since September 2012 has not been sufficient. As a result, the IMF issued a declaration of censure against Argentina in connection with the breach of its related obligations to the IMF and called on Argentina to adopt remedial measures to address the inaccuracy of inflation and GDP data without further delay.

In order to address the quality of official data, a new consumer price index denominated Urban National Consumer's Price Index ("Indice de Precios al Consumidor Nacional urbano" or the "IPCNu"), was enacted on February 13, 2014. For the year ended December 31, 2014 the IPCNu was 23.9%. The IPCNu represents the first national indicator to measure changes in prices of household goods for final consumption. While the previous price index only measured inflation in the Greater Buenos Aires, the IPCNu is calculated by measuring prices of goods across the entire urban population of the 23 provinces of Argentina and the City of Buenos Aires. The IMF declared that it was going to review later in 2014 Argentina's reports on progress in revising its inflation and gross domestic product statistics. However, as of the date of this annual report, it is still being reviewed by the IMF. In addition, in February 2014, the INDEC released a new GDP index for 2013, equal to 3.0%, which differs from the GDP index originally released by the INDEC for the same period which was 5.5%. In December 15, 2014, the IMF recognized the progress of Argentine authorities to remedy the inaccurate provision of data, but has delayed the definitive evaluation of the new index. If the IMF finds that the methodology of INDEC for calculating a new national consumer price index or GDP is inaccurate, or concludes that its methodology should be adjusted, that could result in financial and economic hazards for Argentina, including lack of financing from such organization. If these measures are adopted, the Argentine economy could suffer adverse effects, either by limiting access to international financial markets or increasing the financing cost associated therewith, which in turn would adversely affect our financial condition and results of operations.

Notwithstanding these measures to address appropriate inflation statistics, there are private reports implying significantly higher inflation rates than the official reports of the INDEC. Despite the changes adopted by the INDEC to the measurement procedure with the IPCNu, there are still some differences between the figures resulting from this indicator and those recorded by private consultants, the Argentine Congress and the provincial statistic agencies. If it is determined that it is necessary to unfavorably adjust the consumer price index and other INDEC indices, there could be a significant decrease in confidence in the Argentine economy, which could, in turn, have a material adverse effect on us.

Argentina's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and public policies and foster economic growth.

Argentina's 2001 default and its failure to fully restructure its sovereign debt and negotiate with the holdout creditors has limited and may continue to limit Argentina's ability to access international capital markets. In 2005, Argentina completed the restructuring of a substantial portion of its indebtedness and settled all of its debt with the IMF. Additionally, in June 2010, Argentina completed the renegotiation of approximately 67% of the defaulted bonds that were not swapped in the 2005 restructuring. As a result of the 2005 and 2010 debt swaps, Argentina has restructured approximately 92.4% of its defaulted debt that was eligible for restructuring. Holdout creditors that declined to participate in the exchanges commenced numerous lawsuits against Argentina in several countries, including the United States, Italy, Germany, and Japan. Additionally, on May 29, 2014, the Argentine government and representatives of the Paris Club creditors reached an agreement to clear Argentina's debt due to the Paris Club creditors, in arrears, in the total amount of US$9.7 billion as of April 30, 2014.

In related cases brought before the U.S. District Court for the Southern District of New York (the "District Court"), the plaintiffs argued that allowing Argentina to make payments under the new bonds issued pursuant to the debt swaps while it remained in default on its pre-2002 bonds violates the pari passu clause in the original bonds and entitles the plaintiffs to injunctive relief barring Argentina from making payments on the new bonds without making comparable payments on the original bonds. In late October 2012, the U.S. Court of Appeals for the Second Circuit in New York affirmed the District Court's ruling that the pari passu clause in the pre-2002 bonds prevents Argentina from making payments unless it makes ratable payments to the holdout creditors at the same time. On November 21, 2012, the District Court specified that ratable payments to the holdout creditors would be the full amount owed on the bonds (including interest) and ordered Argentina to pay approximately US$1.3 billion plus interest owed to the holdout creditors' party to such proceedings.

On appeal, the U.S. Court of Appeals for the Second Circuit ordered Argentina to submit a payment plan proposal for the holdout creditors, which Argentina did on March 29, 2013. On August 23, 2013, the U.S. Court of Appeals for the Second Circuit rejected Argentina's payment proposal and affirmed the District Court's November 21, 2012 injunctions (the "Injunction"). However, in the same ruling, the U.S. Court of Appeals for the Second Circuit stayed the enforcement of the injunctions pending the resolution by the U.S. Supreme Court of any timely petition for a writ of certiorari. In this regard, Argentina filed a petition for a writ of certiorari on June 24, 2013, which was denied as premature. Later, on February 18, 2014, Argentina and certain holders of the new bonds timely filed petitions for a writ of certiorari. On June 16, 2014, the U.S. Supreme Court denied Argentina's petition for a writ of certiorari in connection therewith and, subsequently, on June 18, 2014, the U.S. Court of Appeals for the Second Circuit lifted its stay on the District Court's Injunction. Separately, on June 16, 2014, the U.S. Supreme Court affirmed a District Court ruling to compel discovery from certain financial institutions concerning, among other things, Argentina's assets.

On June 23, 2014, the District Court appointed a special master to mediate settlement negotiations between Argentina and the litigating bondholders. On June 26, 2014, the District Court denied Argentina's request for a further stay of the Injunction. In addition, on or about June 27, 2014, Argentina transferred to The Bank of New York Mellon, in its capacity as trustee, amounts due June 30, 2014 in respect of certain of its restructured bonds. The District Court, however, prohibited such payment and ordered Argentina and the holders of its non-restructured bonds to agree on a payment schedule. Following negotiations between Argentina and the litigating bondholders, Argentina and such bondholders failed to reach an agreement in respect of its defaulted debt. By July 30, 2014, the end of the grace period provided under Argentina's relevant restructured bonds for the payment of debt service thereunder, Argentina and the holdout creditors had not arrived on an agreement and The Bank of New York Mellon complied with the order of the District Court to not deliver the funds previously deposited by Argentina for payment to the holders of the restructured bonds under foreign law. While Argentina asserted that it complied with its obligation to the holders of the restructured bonds by making such deposit, and that the indenture trustee had the obligation to deliver such payment, on such date Standard & Poor's Rating Services downgraded Argentina's foreign currency credit rating to "selective default", or "SD", while on July 31, 2014, Fitch Ratings Inc. downgraded Argentina's foreign currency issuer default rating to "restricted default", or "RD".

On September 11, 2014, the Argentine Congress enacted Law No.26,984, with the purpose of implementing legal mechanisms to allow restructured bondholders to collect payments under such bonds. Law No.26,984 established a new account in the name of Nación Fideicomisos S.A. with the Central Bank in order to make payments to restructured bondholders. Furthermore, Law No.26,984 set forth that the executive branch could implement an exchange of restructured bonds for Argentine law-governed bonds and for French law-governed bonds. As of the date of this annual report, no such mechanism has been implemented by the Argentine government. Separately, during August 2014 the Central Bank revoked The Bank of New York Mellon's authorization to operate in Argentina. In connection with these and other actions taken by the Argentine government, the District Court held Argentina in contempt on September 29, 2014.

The District Court authorized limited exceptions to the Injunction allowing certain custodians of Argentine law-governed bonds to process payments in August 2014, September 2014 and December 2014. Payments on the remaining restructured bonds have not been processed as a consequence of the Injunction and various restructured bondholders have been seeking the release of such payments in court. As of the date of this annual report, the District Court has not authorized any other such releases or payments.

On January 2, 2015, Argentina deposited, for the benefit of the restructured bondholders, approximately US$1,000 million corresponding to the payment dated December 31, 2014. In addition, the Argentine government deposited US$539 million in Nación Fideicomisos S.A. to service interest of certain restructured bonds under foreign legislation and another amount reserved for payment to the holdouts, frozen as of the date of this annual report, as ordered by the District Court, in the accounts of Bank of New York in the Central Bank. At the date of this annual report, the consequences of the passage of the new sovereign payments law or the development and the effects of the NML Capital case could have on our business and operations are not clear.

The Argentine government successfully appealed such decision and on August 10, 2015, the U.S. Court of Appeals for the Second Circuit stated that the District Court had improperly expanded a class of bondholders who were seeking repayment following the 2002 default, stating thatthe District Court must return to a narrower definition of class, limited to those who have continuously held the eight series of bonds in question and to hold a hearing to determine the proper amount of damages.

In addition, the District Court stated in another ruling that it considers all Argentine government assets in the United States, except for diplomatic and military, as commercial assets which NML Capital could try to seize. The decision have allowed the found to request for the attachment of these assets, which have fallen specially on the Central Bank, Banco de la Nación Argentina, bank accounts of certain embassies, the Aquarius SAC-D satellite and the Frigate Libertad, among other assets. Meanwhile, Argentina's lawyers and officials believe and argue that there are only diplomatic assets protected by sovereign immunity. In this context, the District Court ordered Argentina to provide information about assets in the United States within ten days and said that if the country holds assets which have no diplomatic or military purposes; they can be attached being considered "commercial use".

On August 31, 2015 the Argentine government won an appeals court ruling. Such ruling denied a motion to dismiss for lack of subject matter jurisdiction filed by the Central Bank, stating that the District Court erred in: (1) imputing the Argentine government's waiver of sovereign immunity to the Central Bank based on an alter ego theory; and (2) applying the commercial activity exception to Central Bank's use of its account with the Federal Reserve Bank of New York. Accordingly, the U.S. Court of Appeals for the Second Circuit reversed the District Court's order of September 26, 2013, and remands the cause with instructions to dismiss the complaint on sovereign immunity grounds.

Also, on September 16, 2015, the Argentine government won an additional appeals court ruling, which noted that defining a precise class to which Argentina owes damages for refusing to pay bondholders and calculating those damages have been "exasperating tasks," stating that "Judge Thomas P. Griesa was making it too easy for some plaintiffs by creating a class including bondholders who were not the original purchasers of the bonds", while objective criteria may be necessary to define an ascertainable class, it cannot be the case that any objective criterion will do."

The continuation and outcome of this litigation may continue to prevent Argentina from obtaining favorable terms or interest rates when accessing international capital markets. Litigation initiated by holdout creditors or other parties may result in material judgments against the Argentine government and could result in attachments of, or injunctions relating to, Argentina's assets, which could have a material adverse effect on the country's economy and affect our ability to access international financing. In addition, litigation initiated by holdouts could eventually bring Argentina to be considered in default of its obligations and cause acceleration of the existing exchange debt due to cross default clauses which could have a material adverse effect on the on the country's economy, and consequently, our business, financial condition and results of operations.

Argentina is subject to litigation by foreign shareholders of Argentine companies and holders of Argentina's defaulted bonds, which have resulted and may result in adverse judgments or injunctions against Argentina's assets and limit its financial resources.

Foreign shareholders of several Argentine companies, including public utilities, and bondholders that did not participate in the exchange offers described above, have filed claims in excess of US$20 billion in the aggregate with the International Centre for Settlement of Investment Disputes (the "ICSID") alleging that the emergency measures adopted by the government differ from the just and equal treatment standards set forth in several bilateral investment treaties to which Argentina is a party. During 2013, Argentina agreed to settle five separate investment treaty arbitration claims at a cost of around US$500 million. As of December 31, 2014, there were ICSID judgments outstanding against Argentina for approximately US$64 million, plus interest and expenses. On April 9, 2015, the ICSID held that Argentina must pay US$405 million in damages for prejudices suffered in relation to the termination of the Aguas Argentinas S.A. water and waste water management concession contract in the Buenos Aires metropolitan area. Litigation, as well as ICSID and UNCITRAL claims against the Argentine government, have resulted in material judgments and may result in new material judgments against the government, and could result in attachments of or injunctions relating to assets of Argentina that the government intended for other uses. As a result, the Argentine government may not have all the necessary financial resources to honor its obligations, implement reforms and foster growth, which could have a material adverse effect on the country's economy, and consequently, our business, financial condition and results of operations.

The amendment of the Central Bank's Charter and the Convertibility Law may adversely affect the Argentine economy.

On March 22, 2012, the Argentine Congress passed Law No.26,739, which amended the charter of the Central Bank and Law No.23,298 (the "Convertibility Law"). See "Argentina's ability to obtain financing from international markets is limited, which may impair its ability to implement reforms and foster economic growth" above. This new law amends the objectives of the Central Bank (established in its charter) and removes certain provisions previously in force. Pursuant to the amendment, the Central Bank focuses on promoting monetary and financial stability as well as development with social equity.

A key component of the amendment of the Central Bank charter relates to the use of international reserves. Pursuant to this amendment, the Central Bank reserves may be made available to the government for the repayment of debt or to finance public expenses. During 2013, the currency reserves in U.S. Dollars held by the Argentine government in the Central Bank decreased significantly, from US$43.3 billion in 2012 to US$30.6 billion in 2013, while during 2014 the reserves increased slightly to US$31.4 billion as of December 31, 2014. The Central Bank's stock of foreign currency reserves was US$33.9 billion as of June 30, 2015 and after the payment of the sovereign bond, BODEN 15, on October 3, 2015, the stock of foreign currency reserves was US$ 27.7 billion. This use of the Central Bank reserves for expanded purposes by the Argentine government may result in Argentina being more vulnerable to inflation or external shocks, affecting the country's capacity to overcome the effects of an external crisis.

Significant fluctuation in the value of the Peso may adversely affect the Argentine economy as well as our financial performance.

The devaluation of the Peso has had a negative impact on the ability of Argentine businesses to honor their foreign currency-denominated debt, initially led to very high inflation, significantly reduced real wages, had a negative impact on businesses whose success is dependent on domestic market demand, such as utilities and the financial industry, and adversely affected the government's ability to honor its foreign debt obligations.

Since the strengthening of exchange controls began in late 2011, and upon the introduction of measures that have limited access to foreign currency by private companies and individuals, (such as requiring an authorization of tax authorities to access the foreign currency exchange market), the implied exchange rate, as reflected in the quotations for Argentine securities that trade in foreign markets compared to the corresponding quotations in the local market, has increased significantly over the official exchange rate. These measures may prevent or limit us from offsetting the risk derived from our exposure to the U.S. Dollar and, if so, we cannot predict the impact of these changes on our financial condition and results of operations.

If the Peso continues to devalue, all of the negative effects on the Argentine economy related to such devaluation could reappear, with adverse consequences on our business. Moreover, it would likely result in a material adverse effect in our business as a result of the exposure to financial commitments denominated in U.S. Dollar. While certain of our office space leases are denominated in U.S. Dollars, we are only partially protected against Peso devaluation as payment is fixed in Pesos and there can be no assurance we will be able to maintain our U.S. Dollar-denominated leases.

On the other hand, a substantial increase in the value of the Peso against the U.S. Dollar also presents risks for the Argentine economy. The appreciation of the Peso against the U.S. Dollar negatively impacts the financial condition of entities whose foreign currency denominated assets exceed their foreign currency-denominated liabilities, such as us. In addition, in the short term, a significant real appreciation of the Peso would adversely affect exports. This could have a negative effect on GDP growth and employment as well as reduce the Argentine public sector's revenues by reducing tax collection in real terms, given its current heavy reliance on taxes on exports. The appreciation of the Peso against the U.S. Dollar could have an adverse effect on the Argentine economy and our business.

Certain measures that may be taken by the Argentine government may adversely affect the Argentine economy and, as a result, our business and results of operations.

During recent years, the Argentine government has increased its direct intervention in the economy through the implementation or change of laws and regulations, such as: nationalizations, or expropriations, among others; restrictions on production, imports and exports; exchange and/or transfer restrictions; direct and indirect price controls; tax increases, changes in the interpretation or application of tax laws and other retroactive tax claims or challenges; cancellation of contract rights; delays or denials of governmental approvals, among others.

In November 2008, the Argentine government enacted Law No.26,425 which provided for the nationalization of the Administradoras de Fondos de Jubilaciones y Pensiones (the "AFJPs"). More recently, beginning in April 2012, the Argentine government provided for the nationalization of YPF S.A. and imposed major changes to the system under which oil companies operate, principally through the enactment of Law No.26,741 and Decree No.1277/2012. In February 2014, the Argentine government and Repsol S.A. (the former principal shareholder of YPF S.A.) announced that they had reached agreement on the terms of the compensation payable to Repsol S.A. for the expropriation of the YPF S.A. shares. Such compensation totaled US$5 billion, payable by delivery of Argentine sovereign bonds with various maturities. In April 23, 2014, the agreement with Repsol S.A. was approved by the Argentine Congress and accordingly, in May 8, 2014, Repsol, S.A. received the relevant Argentine government bonds.

Additionally, on December 19, 2012, the Argentine government issued Decree N° 2552/12, which, ordered the expropriation of the "Predio Rural de Palermo." However, on January 4, 2013, the Federal Civil and Commercial Chamber granted an injunction that momentarily blocked the enforceability of Decree N° 2,552/2012; notwithstanding the foregoing on June 1, 2015, the injunction was released. On June 2, 2015, this decision was appealed, and as a result the aforementioned injunction is still effective and the effects of the Decree N° 2552/12 remain blocked as of the date hereof. The Argentine government filed a motion to revoke the injuction which was rejected by the Federal Civil and Commercial Chamber and as a consequence the Argentine government filed an extraordinary motion with the Supreme Court, which as of the date of this annual report has not been resolved. The Decree N° 2552/12 may indirectly affect IRSA's investment in Entertainment Holding S.A. ("EHSA").

Furthermore, on May 18, 2015, IRSA was notified that the Agencia de Administración de Bienes del Estado (“AABE”), revoked the concession agreement granted to its subsidiary Arcos del Gourmet S.A, through Resolution N° 170/2014. On June 2, 2015, IRSA filed before the AABE a request to declare the notification void, as certain formal proceedings required under Argentine law have not been complied by the AABE. Furthermore, IRSA intends to file shortly an administrative appeal in order to request the dismissal of the revocation of the agreement. As of the date of this annual report, the “Distrito Arcos” shopping center continues to operate normally.

There are other recent examples of government intervention. In December 2012 and August 2013, the Argentine Congress established new regulations relating to domestic capital markets. The new regulations generally provide for increased intervention in the capital markets by the government, authorizing, for example, the CNV to appoint observers with the ability to veto the decisions of the board of directors of companies admitted to the public offering regime under certain circumstances and suspend the board of directors for a period of up to 180 days.

We cannot assure you that these or other measures that may be adopted by the Argentine government, such as expropriation, nationalization, forced renegotiation or modification of existing contracts, new taxation policies, changes in laws, regulations and policies affecting foreign trade, investment, etc., will not have a material adverse effect on the Argentine economy and, as a consequence, adversely affect our financial condition, our results of operations and the market value of our securities.

Argentine presidential, congressional and certain municipal and state government elections are to be held in October 2015. Uncertainty resulting from the election campaigns regarding the results of the elections, or as a result of uncertainty as to whether the new Argentine government will implement changes in policy or regulation, may adversely affect the Argentine economy. The President of Argentina and its Congress each have considerable power to determine governmental policies and actions that relate to the Argentine economy and, consequently, may affect our results of operations or financial condition. We can offer no assurances that the policies that may be implemented by the Argentine government after such elections will not adversely affect our business, results of operations or financial condition.

The Argentine government may order salary increases to be paid to employees in the private sector, which would increase our operating costs.

In the past, the Argentine government has passed laws, regulations and decrees requiring companies in the private sector to maintain minimum wage levels and provide specified benefits to employees and may do so again in the future. In the aftermath of the Argentine economic crisis, employers both in the public and private sectors experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. In August 2012, the Argentine government established a 25% increase in minimum monthly salary to Ps.2,875, effective as of February 2013. The Argentine government increased the minimum salary to Ps.3,300 in August 2013, to Ps.3,600 in January 2014, to Ps.4,400 in September 2014, to Ps.4,716 in January 2015, to Ps.5,588 in August 2015 and to Ps.6,060 from January 2016. Due to ongoing high levels of inflation, employers in both the public and private sectors continue to experience significant pressure from unions and their employees to increase salaries. During the year ended December 31, 2014, various unions have agreed with employers’ associations on salary increases between 25% and 30%. It is possible that the Argentine government could adopt measures mandating salary increases and/or the provision of additional employee benefits in the future. Any such measures could have a material and adverse effect on our business, results of operations and financial condition.

Property values in Argentina could decline significantly.

Property values are influenced by multiple factors that are beyond our control, such as a decrease in the demand for real estate properties due to a deterioration of macroeconomic conditions or an increase in supply of real estate properties that could adversely affect our current prices. We cannot assure you that property values will increase or that they will not be reduced. Most of the properties we own are located in Argentina. As a result, a reduction in the value of properties in Argentina could materially affect our business.

Restrictions on transfers of foreign currency and the repatriation of capital from Argentina may impair our ability to pay dividends and distributions.

According to current Argentine practices the Argentine government may impose restrictions on the exchange of Argentine currency into foreign currencies and on the remittance to foreign investors of proceeds from investments in Argentina in circumstances where a serious imbalance develops in Argentina's balance of payments or where there are reasons to foresee such an imbalance. Beginning in December 2001, the Argentine government implemented a number of monetary and foreign exchange control measures that included restrictions on the free disposition of funds deposited with banks and on the transfer of funds abroad without prior approval by the Central Bank, some of which are still in effect. Among the restrictions that are still in effect are those relating to the repatriation of certain funds collected in Argentina by non-Argentine residents.

On January 7, 2003, the Central Bank issued communication "A" 3859, which is still in force and pursuant to which there are no limitations on company's ability to purchase foreign currency and transfer it outside Argentina to pay dividends, provided that those dividends arise from net earnings corresponding to approved and audited financial statements.

Although the transfer of funds abroad by local companies in order to pay annual dividends only to foreign shareholders, based on approved and fully audited financial statements, does not require formal approval by the Central Bank, the recent decrease in availability of U.S. Dollars in Argentina has led the Argentine government to impose informal restrictions on certain local companies and individuals for purchasing foreign currency. These restrictions on foreign currency purchases started in October 2011 and tightened thereafter through the date of this annual report. As a result of these informal restrictions, local residents and companies may be prevented from purchasing foreign currency through the foreign exchange market ("Mercado Único y Libre de Cambios" or "MULC") for the purpose of making payments abroad, such as dividends, capital reductions, and payment for importation of goods and services. For example, local banks may request, even when not expressly required by any regulation, the prior opinion of the Central Bank before executing any specific foreign exchange transaction. In addition, other exchange controls could impair or prevent the conversion of anticipated dividends, distributions or the proceeds from any sale of equity holdings in Argentina, as the case may be, from Argentine Pesos into U.S. Dollars and the remittance of the U.S. Dollars abroad.

In the future, the Argentine government or the Central Bank may impose formal restrictions to the payment of dividends abroad and established additional requirements. Any restrictions on transferring funds abroad imposed by the government could undermine our ability to pay dividends on our GDSs in U.S. Dollars.

Also, if payments cannot be made in U.S. Dollars abroad, the repatriation of any funds collected by foreign investors in Argentine Pesos in Argentina may be subject to restrictions. From October 28, 2011, in order for a non-Argentine investor to be granted access to the MULC to purchase foreign currency with Argentine Pesos received in Argentina as a result of a stock sale, capital reduction or liquidation of an Argentine company, it is a requirement that the funds originally used for such investment, disbursement or capital contribution, as applicable, were settled through the MULC. This requirement applies only to capital contributions to local companies or foreign currency purchases of the stock of an Argentine company made from October 28, 2011 that qualify as "foreign direct investments" (i.e., represent at least 10% of the Argentine company's capital stock). In the case of equity positions below the 10% threshold, repatriation is subject to a monthly threshold of US$0.5 million. Transfers in excess of that monthly threshold are subject to prior approval by the Central Bank. The Argentine government could adopt further restrictive measures in the future. If that were the case, a foreign shareholder, such as ourselves, may be prevented from converting the Argentine Pesos it receives in Argentina into U.S. Dollars. If the exchange rate fluctuates significantly during a time when we cannot convert the foreign currency, we may lose some or all of the value of the dividend distribution or sale proceeds.

These restrictions and requirements could adversely affect our financial condition and the results of our operations.

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The Rural Land Law and its application.

On December 22, 2011, the Argentine Congress passed the Rural Land Law in order to protect the ownership and sovereignty of certain rural areas of Argentina (the "Rural Land Law"). The Rural Land Law sets limits on the ownership of rural land by foreign individuals or legal entities acting in Argentina ("Foreign Persons"), setting a maximum allowable percentage ownership for foreigners of 20%. Additionally, only 30% of the aforementioned 20% may be held by Foreign Persons of the same nationality, and from the date of enactment of the Rural Land Act, a Foreign Person may not own more than 1,000 hectares of rural land in total throughout Argentine territory. The Rural Land Law states that it will not affect any rights previously acquired by Foreign Persons.

For the purposes of the Rural Land Law, the definition of Foreign Person includes Argentine companies in which a percentage higher than 51% of the outstanding capital stock is owned by foreign individuals or legal entities, or lower rates if the entity meets the proportions necessary to form the social will. The following also falls within the definition of Foreign Person (among others): (a) entities controlled by a percentage greater than 25% by a foreign company, or regardless of participation when such company holds enough votes to form the social will of that company; (b) companies that issued convertible notes, where a Foreign Person may exert over 25% of the voting power necessary to form the social will; (c) transfers for trusts whose beneficiaries are Foreign Persons in a percentage higher than 25%, (d) joint ventures, holding companies and any other legal persons present or in the future, and (e) foreign legal persons under public law.

On February 29, 2012, Executive Branch Decree No. 274/12 was published regulating the Rural Land Law. The aforementioned decree established a deadline of 60 days to the provinces to report the total area of their departments, municipalities or political divisions equivalent discriminating rural and urban land and rural properties subject to the Rural Land Law and consequently owned by Foreign Persons. Additionally, provinces should report the complete list of foreign companies registered in their respective jurisdictions. The decree also provides that foreign holders must report their holdings within 180 days from the date of enactment of regulations in the national register of rural land.

Exchange controls and restrictions on transfers abroad and capital inflow restrictions have limited, and can be expected to continue to limit, the availability of international credit.

In 2001 and 2002, Argentina imposed exchange controls and transfer restrictions substantially limiting the ability of companies to retain foreign currency or make payments abroad. In June 2005, the government issued Decree No.616/2005, which established additional controls on capital inflow, including the requirement that, subject to limited exemptions, 30% of all funds remitted to Argentina remain deposited in a domestic financial institution for one year without earning any interest. In October 2011, new exchange controls measures that restrict foreign exchange inflows and outflows of capital were implemented, including, establishing as a requirement for the repatriation of the direct investment of non-residents (purchase of shares of local companies and real estate), the inflow of foreign currency and its settlement in the MULC). This measure increases the cost of obtaining foreign funds and limits access to such financing.

Additionally, on July 12, 2012, the Central Bank issued Communication "A" 5318, which among others suspended the access to MULC for residents for external assets without a specific purpose.

Through resolution No.3210/2011 of the AFIP and the Communications "A" 5239, 5240, 5242 and 5245 and its amendments of the Central Bank, the "Consultation of Exchange Operations Programme", was established, a system by which an assessment is made at the time of each transaction, in order to allow for acquiring U.S. Dollars for tourism purposes. The system analyzes the transaction for consistency with each currency buyer's tax information, and validates or invalidates the transaction.

In January 2014, the Central Bank established by Communication ”A” 5526 that resident individuals in the country will be able to access the local exchange market for purchases made in line with the ”buy for the possession of foreign currency in the country” concept according to their income declared to the AFIP and other quantitative parameters established in the framework of exchange rate policy. In this sense, the AFIP established through its General Resolution No. 3583/2014 a parameter of 20% of the monthly income of the taxpayer validating the exchange transaction, with a minimum amount of monthly income of two minimum mobile wage and a monthly cap of US$2,000. The purchase amount that individuals can access under this provision can be found through the “Exchange Operations Consultation Program”, available on the corporate website of the AFIP.

Additionally, on May 21, 2015, pursuant to Communication “A” 5757, the Central Bank amended Communication “A” 5526, which regulates residents’ access to the MULC for the acquisition of foreign currency for their application to specific uses and/or purposes in local assets. The amendment permits simultaneous access to the MULC for the acquisition of foreign currency for its deposit in local financial institutions up to an amount agreed with the MULC for a term no higher than 270 calendar days, deriving from the issuance of new debt securities with public offering issued by local governments and/or residents of the non-financial private sector. Such funds can only be allocated for their deposit in local financial institutions as a fixed-term deposit, or in a special account in foreign currency, which can be withdrawn only for its settlement through the MULC. These funds are exempt from the mandatory deposit of 30% imposed by Decree No.616/2005. At least 80% of residents’ foreign currency demands of residents must be covered by the funds obtained from this mechanism for specific purposes in local assets.

The Argentine government may, in the future, impose additional controls on the foreign exchange market and on capital flows from and into Argentina, in response to capital flight or depreciation of the Peso. These restrictions may have a negative effect on the economy and on our business if imposed in an economic environment where access to local capital is constrained. For more information, please see "Exchange Rates and Exchange Controls”.

The Argentine economy could be adversely affected by economic developments in other global markets.

Financial and securities markets in Argentina are influenced, to varying degrees, by economic and market conditions in other global markets. The international scenario shows contradictory signals of global growth, as well as high financial and exchange uncertainty. Most emerging economies have been affected by the change in the U.S. monetary policy, resulting in the sharp unwinding of speculative asset positions, depreciations and increased volatility in the value of their currencies and higher interest rates. The general appreciation of the U.S. Dollar resulting from a more restrictive U.S. monetary policy contributed to the fall of the international price of raw materials, increasing the difficulties of emerging countries which are exporters of these products. There is global uncertainty about the degree of economic recovery in the United States, with no substantial positive signals from other developed countries and an increased risk of a general deceleration in developing countries, specifically China.

Moreover, the recent challenges faced by the European Union to stabilize certain of its member economies, such as Greece, have had international implications affecting the stability of global financial markets, which has hindered economies worldwide. The Eurozone finance ministers, at a meeting held in August 2015, agreed a third bailout deal for Greece, which required the approval of several countries such as Germany, one of its main creditors.

Although economic conditions vary from country to country, investors' perception of the events occurring in one country may substantially affect capital flows into other countries. International investors' reactions to events occurring in one market sometimes demonstrate a "contagion" effect in which an entire region or class of investment is disfavored by international investors. Argentina could be adversely affected by negative economic or financial developments in other countries, which in turn may have an adverse effect on our financial condition and results of operations. Lower capital inflows and declining securities prices negatively affect the real economy of a country through higher interest rates or currency volatility. The Argentine economy was adversely impacted by the political and economic events that occurred in several emerging economies in the 1990s, including those in Mexico in 1994, the collapse of several Asian economies between 1997 and 1998, the economic crisis in Russia in 1998 and the Brazilian devaluation in January 1999.

In addition, Argentina is also affected by the economic conditions of its major trade partner, Brazil, which started to devaluate its currency in early February 2015. The Real devalued against the U.S. Dollars by approximately 46% from January 2015 to September 2015, causing the Real to suffer the steepest depreciation in over a decade in its attempt to increase exports. In addition, during September 2015, Standard & Poor's downgraded Brazil's credit rating to BB-plus and during October 2015, Fitch Ratings downgraded Brazil's credit rating to 'BBB'. Moreover, Argentina may also be affected by other countries that have influence over world economic cycles, such as the United States or China. Particularly, China has recently devaluated the Yuan, which has adversely affected companies with a substantial exposure to that country.

If interest rates rise significantly in developed economies, including the United States, Argentina and other emerging market economies could find it more difficult and expensive to borrow capital and refinance existing debt, which would negatively affect their economic growth. In addition, if these developing countries, which are also Argentina's trade partners, fall into a recession; the Argentine economy would be affected by a decrease in exports. All of these factors would have a negative impact on us, our business, operations, financial condition and prospects.

The effect of global economic conditions on Argentina could cause a reduction in exports and foreign direct investment, and a decline in national tax revenues and the inability to access to the international capital markets, which could adversely affect our business and results of operations.

A decline in the international prices for Argentina's main commodity exports could have an adverse effect on Argentina's economic growth and on our business.

High commodity prices have contributed significantly to the increase in Argentine exports since the third quarter of 2002 as well as in governmental revenues from export taxes (withholdings). However, this reliance on the export of certain commodities, such as soy, has made the Argentine economy more vulnerable to fluctuations in their prices.

If international commodity prices decline, the Argentine government's revenues would decrease significantly affecting Argentina's economic activity. Accordingly, a decline in international commodity prices could adversely affect Argentina's economy, which in turn would produce a negative impact on our financial condition and results of operations.

In addition, adverse weather conditions can affect the production of commodities by the agricultural sector, which account for a significant portion of Argentina's export revenues. These circumstances would have a negative impact on the levels of government revenues, availability of foreign exchange and the government's ability to service its sovereign debt, and could either generate recessionary or inflationary pressures, depending on the government's reaction. Either of these results would adversely impact Argentina's economy growth and, therefore, our business, financial condition and results of operations.

Restrictions on the supply of energy could negatively affect Argentina's economy.

As a result of prolonged recession, and the forced conversion into Pesos and subsequent freeze of natural gas and electricity tariffs in Argentina, there has been a lack of investment in natural gas and electricity supply and transport capacity in Argentina in recent years. At the same time, demand for natural gas and electricity has increased substantially, driven by a recovery in economic conditions and price constraints, which has prompted the government to adopt a series of measures that have resulted in industry shortages and/or costs increase. In particular, Argentina has been importing natural gas in order to compensate the shortages in local production. In order to pay for natural gas imports, the Argentine government has frequently used the Central Bank reserves due to absence of incoming currencies from investment. If the government is unable to pay for the natural gas imported in order to produce electricity, business and industries may be affected.

The Argentine government has been taking a number of measures to alleviate the short-term impact of energy shortages on residential and industrial users. If these measures prove to be insufficient, or if the investment that is required to increase natural gas production, transportation capacity and energy generation over the medium-and long-term fails to materialize on a timely basis, economic activity in Argentina could be curtailed which may have a significant adverse effect on our business.

As a first step of these measures, subsidies on energy tariffs were withdrawn to industries and high income consumers. Additionally, since 2011, a series of rate increases and the reduction of subsidies mainly among industries and high-income consumers were implemented. As a result, energy costs increased significantly, which could substantially and adversely affect the Argentine economy, as well as our business operations and results of our transaction.

High public expenditure could result in long- lasting adverse consequences for the Argentine economy.

During the last few years, the Argentine government has substantially increased public expenditures. In 2014, public sector expenditures increased by 43% year over year and the government reported a primary fiscal deficit of 0.9%. During recent years, the Argentine government has resorted to the Central Bank and to the Administración Nacional de la Seguridad Social (Federal Social Security Agency, or "ANSES", per its acronym in Spanish) to source part of its funding requirements.

Recently, the Argentine government has begun adjusting its subsidy policies, particularly those related to energy, electricity and gas, water and public transportation. Changes in these policies could materially and adversely impact consumer purchase capacity and economic activity and may lead to an increase in prices.

Moreover, the primary fiscal balance could be negatively affected in the future if public expenditures continue to increase at a rate higher than revenues due to subsidies to lower-income sectors, social security benefits, financial assistance to provinces with financial problems, increased spending on public works and subsidies to the energy and transportation sectors. A further deterioration in fiscal accounts could negatively affect the government's ability to access the long-term financial markets and could in turn result in more limited access to such markets by Argentine companies.

Risks Relating to Brazil

The Brazilian government has exercised and continues to exercise significant influence over the Brazilian economy, which combined with Brazil's political and economic conditions may adversely affect us.

Our business is dependent to a large extent on the economic conditions in Brazil. From June 30, 2011 we consolidate our financial statements with our subsidiary Brasilagro-Companhia Brasileira de Propiedades Agricolas ("Brasilagro").

We may be adversely affected by the following factors, as well as the Brazilian federal government's response to these factors:

- economic and social instability;
- increase in interest rates;
- exchange controls and restrictions on remittances abroad;
- restrictions and taxes on agricultural exports;
- exchange rate fluctuations;
- inflation;
- volatility and liquidity in domestic capital and credit markets;
- expansion or contraction of the Brazilian economy, as measured by GDP growth rates;
- allegations of corruption against political parties, elected officials or other public officials, including allegations made in relation to the Lava Jato investigation;
- government policies related to our sector;
- fiscal or monetary policy and amendments to tax legislation; and
- other political, social and economic developments in or affecting Brazil.

Historically, the Brazilian government has frequently intervened in the Brazilian economy and has occasionally made significant changes in economic policies and regulations, including, among others, the imposition of a tax on foreign capital entering Brazil (IOF tax), changes in monetary, fiscal and tax policies, currency devaluations, capital controls and limits on imports. The administration is currently facing domestic pressure to retreat from the current macroeconomic policies in an attempt to achieve higher rates of economic growth. In addition, the federal government is proposing the creation of a tax on financial transactions, including wire transfers, (the so-called “CPMF”) in order to improve the fiscal situation of the country. We cannot predict which policies will be adopted by the Brazilian government and whether these policies will negatively affect the economy or our business or financial performance.

The Brazilian economy has been experiencing a slowdown – GDP growth rates were 7.5%, 3.9%, 1.8%, 2.7%, and 0.1% in 2010, 2011, 2012, 2013 and 2014, respectively and GDP decreased 1.9% in the first six months of 2015. Inflation, unemployment and interest rates have increased more recently and the Brazilian Real has weakened significantly in comparison to the U.S. Dollar. The market expectations for the years 2015 and 2016 is that the Brazilian economy will continue to slow down and GDP will decrease. Our results of operations and financial condition may be adversely affected by the economic conditions in Brazil.

In addition to the recent economic crisis, protests, strikes and corruption scandals, including the “Lava Jato” investigation, has led to a fall in confidence and a political crisis. There is strong popular pressure and several legal and administrative proceedings for the impeachment of the Brazilian President and/or revocation of the mandates or resignation of the Brazilian President and/or the Head of the House of Representatives, which have led to uncertainties. The political crisis could worsen the economic conditions in Brazil, which may adversely affect our results of operations and financial conditions.

The economic and political crisis have resulted in the downgrading of the country’s long-term credit rating from Standard & Poor's rating agency from BBB + to BBB-, placing Brazil back to speculative investment grade level ("junk"). Moody's downgraded Brazil from "Baa2" to "Baa3" and changed the negative perspective to stable, while Fitch Ratings downgraded Brazil from BBB to BBB- and changed the perspective from stable to negative. Both Moody’s and Fitch still consider Brazil investment grade. Further downgrading of Brazil’s ratings by any of these agencies may adversely affect us and the stock price of our securities.

Inflation, coupled with the Brazilian government’s measures to fight inflation, may hinder Brazilian economic growth and increase interest rates, which could have a material adverse effect on us.

Brazil has in the past experienced significantly high rates of inflation. As a result, the Brazilian government adopted monetary policies that resulted in Brazilian interest rates being among the highest in the world. The Brazilian Central Bank’s Monetary Policy Committee (Comitê de Política Monetária do Banco Central, or “COPOM”, as per its acronym in Portuguese), establishes an official interest rate target for the Brazilian financial system based on the level of economic growth, inflation rate and other economic indicators in Brazil. Between 2004 and 2010, the official Brazilian interest rate varied from 19.75% to 8.75% per year. In response to an increase in inflation in 2010, the Brazilian government increased the official Brazilian interest rate, the SELIC rate, which was 10.75% per year on December 31, 2010. The SELIC rate has increased since then and, as of June 30, 2015, it was 13.75% per year. The inflation rates, as measured by the General Market Price Index (Índice Geral de Preços-Mercado or “IGP-M”, as per its acronym in Portuguese), and calculated by Fundação Getúlio Vargas, or “FGV”, were 7.8% in 2012, 5.5% in 2013, and 3.67% in 2014. Cumulative inflation in the first six months of 2015, calculated by the same index, was 4.33%.

Inflation and the government measures to fight inflation have had and may continue to have significant effects on the Brazilian economy and our business. In addition, the Brazilian government’s measures to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and slowing economic growth. On the other hand, an easing of monetary policies of the Brazilian government may trigger increases in inflation. In the event of an increase in inflation, we may not be able to adjust our daily rates to offset the effects of inflation on our cost structure, which may materially and adversely affect us.

An increase in interest rates may have a significant adverse effect on us. In addition, as of June 30, 2015, certain of our loans were subject to interest rate fluctuations such as the Brazilian long-term interest rate (Taxa de Juros de Longo Prazo or "TJLP", as per its acronym in Portuguese), and the interbank deposit rate (Certificados de Depósitos Interbancários or "CDI", as per its acronym in Portuguese). In the event of an abrupt increase in interest rates, our ability to comply with our financial obligations may be materially and adversely affected.

The Brazilian Real is subject to depreciation and exchange rate volatility which could adversely affect Brasilagro's and our financial condition and results of operations.

Brazil's rate of inflation and the government's actions to combat inflation have also affected the exchange rate between the Real and the U.S. Dollar. As a result of inflationary pressures, the Brazilian currency has been devalued periodically during the last four decades. Throughout this period, the Brazilian federal government has implemented various economic plans and utilized a number of exchange rate policies, including sudden devaluations, periodic devaluations (during which the frequency of adjustments has ranged from daily to monthly), floating exchange rate systems, exchange controls and dual exchange rate markets. During 2009 and 2010 the Real appreciated 24.9% and 4.6%, respectively, against the U.S. Dollar. As a contrast, during 2012 and 2013 the Real depreciated 13.3%, 9.6% and 15.5%, respectively, against the U.S. Dollar. In February, 2014, Brazilian Government started to devaluate its currency, causing the Real to suffer the steepest depreciation in over a decade in its attempt to increase exports. Between January 2015 and September 2015 the Real depreciated 46%.There can be no assurance that the rate of exchange between the Real and the U.S. Dollar will not fluctuate significantly in the future. In the event of a devaluation of the Real, the financial condition and results of operations of our Brazilian subsidiary could be adversely affected. In addition, during September 2015, Standard & Poor's downgraded Brazil's credit rating to BB-plus and during October 2015, Fitch Ratings downgraded Brazil's credit rating to 'BBB-, which triggers funds that target investment-grade countries to sell its holdings in Brazil. As of October 2015, the Bovespa has dropped 40% in U.S. Dollars terms during the year.

Depreciation of the Real relative to the U.S. Dollar may increase the cost of servicing foreign currency-denominated debt that our subsidiary may incur in the future, which could adversely affect our financial condition and results of operations. In addition, depreciation of the Real creates additional inflationary pressures in Brazil that may adversely affect our results of operations. Depreciation generally curtails access to international capital markets and may prompt government intervention. It also reduces the U.S. Dollar value of Brasilagro's revenues, distributions and dividends, and the U.S. Dollar equivalent of the market price of our common shares. On the other hand, the appreciation of the Real against the U.S. Dollar may lead to the deterioration of Brazil's public accounts and balance of payments, as well as to lower economic growth from exports, which could impact the results of our subsidiary Brasilagro.

A deterioration in general economic and market conditions or in perceptions of risk in other countries, principally in emerging countries or the United States, may have a negative impact on the Brazilian economy and us.

Economic and market conditions in other countries, including United States, Latin American and other emerging market countries, may affect the Brazilian economy and the market for securities issued by Brazilian companies. Although economic conditions in these countries may differ significantly from those in Brazil, investors' reactions to developments in these other countries may have an adverse effect on the market value of securities of Brazilian issuers. Crises in other emerging market countries could dampen investor enthusiasm for securities of Brazilian issuers, including ours, which could adversely affect the market price of our common shares. In the past, the adverse development of economic conditions in emerging markets resulted in a significant flow of funds out of the country and a decrease in the quantity of foreign capital invested in Brazil. Changes in the prices of securities of public companies, lack of available credit, reductions in spending, general slowdown of the global economy, exchange rate instability and inflationary pressure may adversely affect, directly or indirectly, the Brazilian economy and securities market. The recent global economic downturn and related instability in the international financial system have had, and may continue to have, a negative effect on economic growth in Brazil. The ongoing global economic downturn has reduced the availability of liquidity and credit to fund the continuation and expansion of business operations worldwide. The recent substantial losses in worldwide equity markets, including in Brazil, could lead to an extended worldwide economic recession or depression.

In addition, the Brazilian economy is affected by international economic and market conditions generally, especially economic conditions in the United States. Share prices on BM&FBOVESPA, for example, have historically been sensitive to fluctuations in U.S. interest rates and the behavior of the major U.S. stock indexes. An increase in the interest rates in other countries, especially the United States, may reduce global liquidity and investors' interest in the Brazilian capital markets, adversely affecting the price of our common shares.

The Brazilian government imposes certain restrictions on currency conversions and remittances abroad which could affect the timing and amount of any dividend or other payment we receive.

Brazilian law guarantees foreign shareholders of Brazilian companies the right to repatriate their invested capital and to receive all dividends in foreign currency provided that their investment is registered with the Banco Central do Brazil. We registered our investment in Brasilagro with the Brazilian Central Bank on April 28, 2006. Although dividend payments related to profits obtained subsequent to January 1, 1996 are not subject to income tax, if the sum of repatriated capital and invested capital exceeds the investment amount registered with the Brazilian Central Bank, repatriated capital is subject to a capital gains tax of 15%. There can be no assurance that the Brazilian government will not impose additional restrictions or modify existing regulations that would have an adverse effect on an investor's ability to repatriate funds from Brazil nor can there be any assurance of the timing or duration of such restrictions, if imposed in the future.

Widespread uncertainties, corruption and fraud relating to ownership of real estate may adversely affect our business.

There are widespread uncertainties, corruption and fraud relating to title ownership of real estate assets in Brazil. In Brazil, ownership of real property is conveyed through filing of deeds before the relevant land registry. In certain cases, land registry recording errors, including duplicate and/or fraudulent entries, and deed challenges frequently occur, leading to judicial actions. Disputes over title ownership of real estate assets are frequent, and, as a result, there is a risk that errors, fraud or challenges could adversely affect us, causing the loss of all or substantially all of our properties.

In addition, our land may be subject to expropriation by the Brazilian government. An expropriation could materially impair the normal use of our lands or have a material adverse effect on our results of operations. In addition, social movements, such as Movimento dos Trabalhadores Rurais Sem Terra and Comissão Pastoral da Terra and the Argentinean Rural Land Law, among others, are active in Brazil. Such movements advocate land reform and mandatory property redistribution by the government. Land invasions and occupations of rural areas by a large number of individuals is common practice for these movements, and, in certain areas, including some of those in which we are likely to invest, police protection and effective eviction proceedings are not available to land owners. As a result, we cannot give you any assurance that Brasilagro properties will not be subject to invasion or occupation by these groups. A land invasion or occupation could materially impair the normal use of Brasilagro lands or have a material adverse effect on us or the value of our common shares or ADSs.

The lack of efficient transportation, and adequate storage or handling facilities in certain of the regions in which Brasilagro operates may have a material adverse effect on our business.

One of the principal disadvantages of the agriculture industry in some of the regions where Brasilagro operates is that they are located far from major ports (in some cases, up to 1,500 kilometers). Efficient access to transportation infrastructure and ports is critical to profitability in the agricultural industry. However, as part of our business strategy, we intend to acquire and develop land in specific areas where existing transportation is poor. A substantial portion of agricultural production in certain of the regions where we operate is currently transported by truck, a means of transportation significantly more expensive than the rail transportation available to the U.S. and other foreign countries. As a result, we may be unable to provide cost-efficient production to our potential most important markets, and this could have an adverse effect on our business and results of our operations.

Risks Relating to Our Region

Our business is dependent on economic conditions in the countries where we operate or intend to operate.

We have made investments in farmland in Argentina, Brazil, Paraguay and Bolivia and we may possibly make investments in other countries in and outside Latin America. Owing that demand for livestock and agricultural products is usually correlated to economic conditions prevailing in the local market, which in turn is dependent on the macroeconomic condition of the country in which the market is located, our financial condition and results of operations are, to a considerable extent, dependent upon political and economic conditions prevailing from time to time in the countries where we operate. Latin American countries have historically experienced uneven periods of economic growth, as well as recession, periods of high inflation and economic instability. Certain countries have experienced severe economic crises, which may still have future effects. As a result, governments may not have the necessary financial resources to implement reforms and foster growth. Any of these adverse economic conditions could have a material adverse effect on our business.

We face the risk of political and economic crises, instability, terrorism, civil strife, expropriation and other risks of doing business in emerging markets.

In addition to Argentina and Brazil, we conduct or intend to conduct our operations in other Latin-American countries such as, Paraguay and Bolivia, among others. Economic and political developments in the countries in which we operate, including future economic changes or crisis (such as inflation or recession), government deadlock, political instability, terrorism, civil strife, changes in laws and regulations, expropriation or nationalization of property, and exchange controls could adversely affect our business, financial condition and results of operations.

Although economic conditions in one country may differ significantly from another country, we cannot assure that events in one only country will not adversely affect our business or the market value of, or market for, our common shares and/or ADSs.

Governments in the countries where we operate or intend to operate exercise significant influence over their economies.

Emerging market governments, including governments in the countries where we operate, frequently intervene in the economies of their respective countries and occasionally make significant changes in policy and regulations. Governmental actions to control inflation and other policies and regulations have often involved, among other measures, price controls, currency devaluations, capital controls and limits on imports. Our business, financial condition, results of operations and prospects may be adversely affected by changes in government policies or regulations, including factors, such as:

- exchange rates and exchange control policies;
- inflation rates;
- interest rates;
- tariff and inflation control policies;
- import duties on information technology equipment;
- liquidity of domestic capital and lending markets;
- electricity rationing;
- tax policies; and
- other political, diplomatic, social and economic developments in or affecting the countries where we intend to operate.

An eventual reduction of foreign investment in any of the countries where we operate may have a negative impact on such country's economy, affecting interest rates and the ability of companies to access financial markets.

Local currencies used in the conduct of our business are subject to exchange rate volatility and exchange controls.

The currencies of many Latin American countries have experienced substantial volatility in recent years. Currency movements, as well as higher interest rates, have materially and adversely affected the economies of many Latin American countries, including countries in which account for or are expected to account for a significant portion of our revenues. The depreciation of local currencies creates inflationary pressures that may have an adverse effect on us generally, and may restrict access to international capital markets. On the other hand, the appreciation of local currencies against the U.S. Dollar may lead to deterioration in the balance of payments of the countries where we operate, as well as to a lower economic growth.

In addition, we may be subject to exchange control regulations in these Latin American countries which might restrict our ability to convert local currencies into U.S. Dollars.

Inflation and certain government measures to curb inflation may have adverse effects on the economies of the countries where we operate or intend to operate our business and our operations.

Most countries where we operate or intend to operate, historically, experienced high inflation rates. Inflation and some measures implemented to curb inflation have had significant negative effects on the economies of latin american countries. Governmental actions taken in an effort to curb inflation, coupled with speculation about possible future actions, have contributed to economic uncertainty at times in most latin american countries. The countries where we operate or intend to operate may experience high levels of inflation in the future that could lead to further government intervention in the economy, including the introduction of government policies that could adversely affect our results of operations. In addition, if any of these countries experience high rates of inflation, we may not be able to adjust the price of our services sufficiently to offset the effects of inflation on our cost structures. A high inflation environment would also have negative effects on the level of economic activity and employment and adversely affect our business and results of operations.

Developments in other markets may affect the Latin American countries where we operate or intend to operate, and as a result our financial condition and results of operations may be adversely affected.

The market value of securities of companies such as us may be, to varying degrees, affected by economic and market conditions in other global markets. Although economic conditions vary from country to country, investors' perception of the events occurring in one country may substantially affect capital flows into and securities from issuers in other countries, including latin american countries. Various Latin American economies have been adversely impacted by the political and economic events that occurred in several emerging economies in recent times. Furthermore, Latin American economies may be affected by events in developed economies which are trading partners or that impact the global economy and adversely affect our activities and the results of our operations.

Land in Latin American countries may be subject to expropriation or occupation.

Our land may be subject to expropriation by the governments of the countries where we operate and intend to operate. An expropriation could materially impair the normal use of our lands or have a material adverse effect on our results of operations. In addition, social movements, such as Movimento dos Trabalhadores Rurais Sem Terra and Comissão Pastoral da Terra in Brazil, are active in certain countries where we operate or intend to operate. Such movements advocate land reform and mandatory property redistribution by governments. Invasions and occupations of rural areas by a large number of individuals is common practice for these movements, and, in certain areas, including some of those in which we are likely to invest, police protection and effective eviction proceedings are not available to land owners. As a result, we cannot assure you that our properties will not be subject to invasion or occupation. A land invasion or occupation could materially affect the normal use of our properties or have a material adverse effect on us or the value of our common shares and our ADSs.

We may invest in countries other than Argentina and Brazil and cannot give you any assurance as to the countries in which we will ultimately invest, and we could fail to list all risk factors for each possible country.

We have a broad and opportunistic business strategy therefore we may invest in countries other than Argentina and Brazil including countries in other emerging markets outside latin america (e.g., Africa). As a result, it is not possible at this time to identify all risk factors that may affect our future operations and the value of our common shares and ADSs.

Risks Relating to Our Business.

Fluctuation in market prices for our agriculture products could adversely affect our financial condition and results of operations.

Prices for cereals, oilseeds and by-products, like those of other commodities, can be expected to fluctuate significantly. The prices that we are able to obtain for our agriculture products depend on many factors beyond our control, including:

- prevailing world prices, which historically have been subject to significant fluctuations over relatively short periods of time, depending on worldwide demand and supply;
- changes in the agricultural subsidy levels in certain important countries (mainly the United States and countries in the European Union) and the adoption of other government policies affecting industry market conditions and prices; and
- demand for and supply of competing commodities and substitutes.

Our financial condition and results of operations could be materially and adversely affected if the prices of our agricultural products decline.

Unpredictable weather conditions may have an adverse impact on our crop yields and cattle production.

The occurrence of severe adverse weather conditions, especially droughts, hail, or floods, is unpredictable and may have a potentially devastating impact upon our crop production and, to a lesser extent, our cattle and wool production. The occurrence of severe adverse weather conditions may reduce yields on our farmlands or require us to increase our level of investment to maintain yields.

According to the United States Department of Agriculture ("USDA") estimates, Argentina's crops output (wheat, corn and soybean) for the 2015/2016 season are expected to drop by 8,3 million tons as compared to the previous cycle. They forecast a reduction in the planted area, and a general decrease in the expected yields in comparison with the 2014/2015 campaign, which shown all-time high yields for corn and soybean. The estimated production of soybean is supposed to reach 57 million tons, the wheat production 10.5 million tons and the corn production 24 million tons.

We cannot assure you that the current and future severe adverse weather conditions will not adversely affect our operating results and financial condition.

Diseases may strike our crops without warning potentially destroying some or all of our yields.

The occurrence and effect of crop disease and pestilence can be unpredictable and devastating to crops, potentially destroying all or a substantial portion of the affected harvests. Even when only a portion of the crop is damaged, our results of operations could be adversely affected because all or a substantial portion of the production costs for the entire crop have been duly incurred. Although some crop diseases are treatable, the cost of treatment is high, and we cannot assure that such events in the future will not adversely affect our operating results and financial condition.

Our cattle are subject to diseases.

Diseases among our cattle herds, such as tuberculosis, brucellosis and foot-and-mouth disease, can have an adverse effect on milk production and fattening, rendering cows unable to produce milk or meat for human consumption. Outbreaks of cattle diseases may also result in the closure of certain important markets, such as the United States, to our cattle products. Although we abide by national veterinary health guidelines, which include laboratory analyses and vaccination, to control diseases among the herds, especially foot-and-mouth disease, we cannot assure that future outbreaks of cattle diseases will not occur. A future outbreak of diseases among our cattle herds may adversely affect our cattle and milk sales which could adversely affect our operating results and financial condition.

We may be exposed to material losses due to volatile crop prices since a significant portion of our production is not hedged, and exposed to crop price risk.

Due to the fact that we do not have all of our crops hedged, we are unable to have minimum price guarantees for all of our production and are therefore exposed to significant risks associated with the level and volatility of crop prices. We are subject to fluctuations in crop prices which could result in receiving a lower price for our crops than our production cost. We are also subject to exchange rate risks related to our crops that are hedged, because our futures and options positions are valued in U.S. Dollars, and thus are subject to exchange rate risk.

In addition, if severe weather or any other disaster generates a lower crop production than the position already sold in the market, we may suffer material losses in the repurchase of the sold contracts.

The creation of new export taxes may have an adverse impact on our sales and results of operations.

In order to prevent inflation and variations in the exchange rate from adversely affecting prices of primary and manufactured products (including agricultural products), and to increase tax collections and reduce Argentina's fiscal deficit, the Argentine government has imposed new taxes on exports. Pursuant to Resolution No. 11/02 of the Ministry of Economy and Production, as amended by Resolution No. 35/02, No. 160/2002, No. 307/2002 and No. 530/2002, effective as of March 5, 2002, the Argentine government imposed a 20%, 10% and 5% export tax on primary and manufactured products. On November 12, 2005, pursuant to Resolution No. 653/2005, the Ministry of Economy and Production increased the tax on cattle exports from 5% to 10%, and on January 2007 increased the tax on soybean exports from 23.5% to 27.5%. Pursuant to Resolutions No. 368/07 and No. 369/07 both dated November 12, 2007, the Ministry of Economy and Production further increased the tax on soybean exports from 27.5% to 35.0% and also the tax on wheat and corn exports from 20.0% to 28.0% and from 20.0% to 25.0%, respectively. In early March 2008, the Argentine government introduced a regime of sliding –scale export tariffs for oilseed, grains and by-products, where the withholding rate (in percentage) would increase to the same extent as the crops' price. Therefore, it imposed an average tax for soybean exports of 46%, compared to the previous fixed rate of 35%. In addition, the tax on exports of wheat was increased, from a fixed rate of 28% to an average variable rate of 38%, and the tax on exports of corn changed from a fixed rate of 25% to an average variable rate of 36%. This tariff regime, which according to farmers effectively sets a maximum price for their crops, sparked widespread strikes and protests by farmers whose exports have been one of the principal driving forces behind Argentina's recent growth. In April 2008, as a result of the export tariff regime, farmers staged a 21-day strike in which, among other things, roadblocks were set up throughout the country, triggering Argentina's most significant political crisis in five years. These protests disrupted transport and economic activity, which led to food shortages, a surge in inflation and a drop in export registrations. Finally, the federal executive branch decided to send the new regime of sliding-scale export tariffs to the federal congress for its approval. The project was approved in the lower chamber of the national congress but rejected by the Senate. Subsequently, the federal government abrogated the regime of sliding-scale export tariffs and reinstated the previous scheme of fixed withholdings.

Export taxes may have a material adverse effect on our sales and results of operations. We produce exportable goods and, therefore, an increase in export taxes is likely to result in a decrease in our products' price, and, therefore, may result in a decrease of our sales. We cannot guarantee the impact of those or any other future measures that might be adopted by the Argentine government on our financial condition and result of operations.

An international credit crisis could have a negative impact on our major customers which in turn could materially adversely affect our results of operations and liquidity.

The most recent international credit crisis that started in 2008 had a significant negative impact on businesses around the world. Although we believe that available borrowing capacity under the current conditions and proceeds resulting from potential farmland sales will provide us with sufficient liquidity through the current economic environment, the impact of the crisis on our major customers cannot be predicted and may be quite severe. A disruption in the ability of our significant customers to access liquidity could cause serious disruptions or an overall deterioration of their businesses which could lead to a reduction in their future orders of our products and the inability or failure on their part to meet their payment obligations to us, any of which could have a material adverse effect on our results of operations and liquidity.

Government intervention in the markets may have a direct impact on our prices.

The Argentine government has set certain industry market conditions and prices in the past. In order to prevent a substantial increase in the price of basic products as a result of inflation, the Argentine government is adopting an interventionist policy. In March 2002, the Argentine government fixed the price for milk after a conflict among producers and the government. Since 2005, the Argentine government, in order to increase the domestic availability of beef and reduce domestic prices, adopted several measures: it increased turnover tax and established a minimum average number of animals to be slaughtered. In March 2006, the registries for beef exports were temporarily suspended. This last measure was softened once prices decreased. There can be no assurance that the Argentine government will not interfere in other areas by setting prices or regulating other market conditions. Accordingly, we cannot assure you that we will be able to freely negotiate all our products' prices in the future or that the prices or other market conditions that the Argentine government could impose will allow us to freely negotiate the price of our products.

We do not maintain insurance over all our crop storage facilities; therefore, if a fire or other disaster damages some or all of our harvest, we will not be completely covered.

We store a significant portion of our grain production during harvest due to the seasonal drop in prices that normally occurs at that time. Currently, we store a significant portion of our grain production in plastic silos. We do not maintain insurance on our plastic silos. Although our plastic silos are placed in several different locations, and it is unlikely that a natural disaster affects all of them simultaneously, a fire or other natural disaster which damages the stored grain, particularly if such event occurs shortly after harvesting, could have an adverse effect on our operating results and financial condition.

Worldwide competition in the markets for our products could adversely affect our business and results of operations.

We experience substantial worldwide competition in each of our markets in which we operate, and in many of our product lines. The market for cereals, oil seeds and by-products is highly competitive and also sensitive to changes in industry capacity, producer inventories and cyclical changes in the world's economies, any of which may significantly affect the selling prices of our products and thereby our profitability. Argentina is more competitive in the oilseed market than in the market for cereals. Due to the fact that many of our products are agricultural commodities, they compete in the international markets almost exclusively on the basis of price. Many other producers of these products are larger than us, and have greater financial and other resources. Moreover, many other producers receive subsidies from their respective countries while we do not receive any such subsidies from the Argentine government. These subsidies may allow producers from other countries to produce at lower costs than us and/or endure periods of low prices and operating losses for longer periods than we can. Any increased competitive pressure with respect to our products could materially and adversely affect our financial condition and results of operations.

Social movements may affect the use of our agricultural properties or cause damage to them.

Social movements such as the Landless Rural Workers' Movement (Movimento dos Trabalhadores Rurais Sem Terra) and the Pastoral Land Commission (Comissão Pastoral da Terra) are active in Brazil and advocate land reform and property redistribution by the Brazilian government. Invasion and occupation of agricultural land by large numbers of people is a common practice among the members of such movements and, in certain regions, including those where we currently invest, remedies such as police protection or eviction procedures are inadequate or non-existent. As a result, we cannot assure you that our agricultural properties will not be subject to invasion or occupation by any social movement. Any invasion or occupation may materially impair the use of our lands and adversely affect our business, financial condition, and results of operations.

If we are unable to maintain our relationships with our customers, particularly with the single customer who purchases our entire raw milk production each month, our business may be adversely affected.

Our cattle sales are diversified, notwithstanding the aforementioned, we are and will continue to be significantly dependent on a number of third party relationships, mainly with our customers for crop and milk sales. During the fiscal year 2015, we sold our products to approximately 300 customers. Sales of agricultural products to our ten largest customers represented approximately 48% of our net sales for the fiscal year ended June 30, 2015. During fiscal year 2015, our biggest three customers were ETH Biotecnología, Mastellone Hnos. S.A. and Molinos Río de la Plata S.A., which represented, in the aggregate, approximately 27% of our net sales in agricultural products, while the remaining seven customers in the aggregate represented approximately 21% of our net sales in the fiscal year 2015.

In addition, we currently sell our entire raw milk production to one customer in Argentina, Mastellone Hnos. S.A. For the year ended June 30, 2015, these sales represented approximately 3% of our agricultural business revenues. We cannot assure you that this customer will continue to purchase our entire raw milk production in the future or that, if it fails to do so, we could enter into satisfactory sale arrangements with new purchasers in the future.

We sell our crop production mainly to exporters and manufacturers that process the raw materials to produce meal and oil, products that are sent to the export markets. The Argentine crop market is characterized by a few purchasers and a great number of sellers. Although most of the purchasers are international companies with strong financial conditions, we cannot assure you that this situation will remain the same in the future or this market will not get more concentrated in the future.

We may not be able to maintain or form new relationships with customers or others who provide products and services that are important to our business. Accordingly, we cannot assure you that our existing or prospective relationships will result in sustained business or the generation of significant revenues.

Our business is seasonal, and our revenues may fluctuate significantly depending on the growing cycle.

Our agricultural business is highly seasonal due to its nature and cycle. The harvest and sale of crops (corn, soybean and sunflower) generally occurs from February to June. Wheat is harvested from December to January. Our operations and sales are affected by the growing cycle of the crops we process and by decreases during the summer in the price of the cattle we fatten. As a result, our results of operations have varied significantly from period to period, and are likely to continue to vary, due to seasonal factors.

The restrictions imposed on our subsidiaries' dividend payments may adversely affect us.

We have subsidiaries, and therefore, dividends in cash and other permitted payments of our subsidiaries constitute a major source of our income. The debt agreements of our subsidiaries contain covenants that may restrict their ability to pay dividends or proceed with other types of distributions. If our subsidiaries are prevented from making payments to us or if they are only allowed to pay limited amounts, we may be unable to pay dividends or to repay our indebtedness.

Our principal shareholder has the ability to direct our business and affairs, and its interests could conflict with ours.

As of June 30, 2015, Mr. Eduardo S. Elsztain, is the beneficial owner of 37.4% (on a fully diluted basis) of our common shares. As a result of his significant influence over us, Mr. Elsztain, by virtue of his position in IFISA, has been able to elect a majority of the members of our board of directors, direct our management and determine the result of substantially all resolutions that require shareholders' approval, including fundamental corporate transactions and our payment of dividends by us.

The interests of our principal shareholder and management may differ from, and could conflict with, those of our other shareholders. Pursuant to a consulting agreement we pay a management fee equal to 10% of our annual net income to Consultores Asset Management S.A., formerly known as Dolphin Fund Management S.A. ("Consultores Asset Management"), a company whose capital stock is 85% owned by Mr. Eduardo S. Elsztain and the remaining by Saúl Zang, our vice-chairman. This performance based fee could be viewed as an incentive for Consultores Asset Management to favor riskier or more speculative investments than would otherwise be the case. In addition, as of June 30, 2015 Mr. Elsztain was the beneficial owner, due to his indirect shareholding through us of 64.3% of IRSA (without considering treasury shares), an Argentine company that currently owns approximately 95.8% of the common shares of its subsidiary IRSA Commercial Properties whose chief executive officer is Mr. Alejandro G. Elsztain, Mr. Eduardo S. Elsztain's brother. We cannot assure you that our principal shareholders will not cause us to forego business opportunities that their affiliates may pursue or to pursue other opportunities that may not be in our interest, all of which may adversely affect our business, results of operations and financial condition and the value of our common shares and the ADSs

We could be adversely affected by our investment in IRSA if its value declines.

Our investment in IRSA is exposed to the common risks generally inherent in investments in the real estate industry, many of which are outside IRSA's control. Any of these risks could adversely and materially affect IRSA's businesses, financial position and/or results of operations. Any available returns on capital expenditures associated with real estate are dependent upon sales volumes and/or revenues from leases and the expenses incurred. In addition, there are other factors that may adversely affect the performance and the value of a property, including the local economic conditions prevailing in the area where the property is located, macroeconomic conditions in Argentina and in the rest of the world, competition from other companies engaged in real estate development, IRSA's ability to find lessees, non-performance by lessees and/or lease terminations, changes in legislation and in governmental regulations (including those governing the use of the properties, urban planning and real estate taxes), variations in interest rates (including the risk of an increase in interest rates causing a reduction in the sales of lots in properties intended for residential development) and the availability of funding. In addition, and given the relative illiquidity of the real estate market, IRSA could be unable to effectively respond to adverse market conditions and/or be compelled to undersell one or more of its properties. Broadly speaking, some significant expenses, such as debt services, real estate taxes and operating and maintenance costs do not fall when there are circumstances that reduce the revenues from an investment.

These factors and/or events could impair IRSA's ability to respond to adverse changes in the returns on its investments thus causing a significant reduction in its financial position and/or the results of its operations, which could have an adverse effect on our financial position and the results of our operations.

We could be materially and adversely affected by our investment in Brasilagro.

We consolidated our financial statements with our subsidiary Brasilagro. Brasilagro was formed on September 23, 2005 to exploit opportunities in the Brazilian agricultural sector. Brasilagro seeks to acquire and develop future properties to produce a diversified range of agricultural products (which may include sugarcane, grains, cotton, forestry products and livestock). Brasilagro is a startup company that has been operating since 2006. As a result, it has a developing business strategy and limited track record. Brasilagro's business strategy may not be successful, and if not successful, Brasilagro may be unable to successfully modify its strategy. Brasilagro's ability to implement its proposed business strategy may be materially and adversely affected by many known and unknown factors. If we were to write-off our investments in Brasilagro, this would likely materially and adversely affect our business. As of June 30, 2015, we owned 39.76% of the outstanding common shares of Brasilagro.

We are subject to extensive environmental regulation.

Our activities are subject to a wide set of federal, state and local laws and regulations relating to the protection of the environment, which impose various environmental obligations. Obligations include compulsory maintenance of certain preserved areas in our properties, management of pesticides and associated hazardous waste and the acquisition of permits for water use. Our proposed business is likely to involve the handling and use of hazardous materials that may cause the emission of certain regulated substances. In addition, the storage and processing of our products may create hazardous conditions. We could be exposed to criminal and administrative penalties, in addition to the obligation to remedy the adverse effects of our operations on the environment and to indemnify third parties for damages, including the payment of penalties for non-compliance with these laws and regulations. Since environmental laws and their enforcement are becoming more stringent in Argentina, our capital expenditures and expenses for environmental compliance may substantially increase in the future. In addition, due to the possibility of future regulatory or other developments, the amount and timing of environmental-related capital expenditures and expenses may vary substantially from those currently anticipated. The cost of compliance with environmental regulation may result in reductions of other strategic investments which may consequently decrease our profits. Any material unforeseen environmental costs may have a material adverse effect on our business, results of operations, financial condition or prospects.

As of June 30, 2015, we owned land reserves extending over more than 352,928 hectares that were purchased at very attractive prices. In addition, we have a concession over 109,014 hectares reserved for future development. We believe that there are technological tools available to improve productivity in these farmlands and, therefore, achieve appreciation in the long term. However, current or future environmental regulations could prevent us from fully developing our land reserves by requiring that we maintain part of this land as natural woodlands not to be used for production purposes.

Increased energy prices and fuel shortages could adversely affect our operations.

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We require substantial amounts of fuel oil and other resources for our harvest activities and transport of our agricultural products. We rely upon third parties for our supply of the energy resources consumed in our operations. The prices for and availability of energy resources may be subject to change or curtailment, respectively, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, interruptions in production by suppliers, worldwide price levels and market conditions. The prices of various sources of energy may increase significantly from current levels. An increase in energy prices could materially adversely affect our results of operations and financial condition.

We depend on our chairman and senior management.

Our success depends, to a significant extent, on the continued employment of Mr. Eduardo S. Elsztain, our chairman, and Alejandro G. Elsztain, our chief executive officer, and second vice-chairman. The loss of their services for any reason could have a material adverse effect on our business. If our current principal shareholders were to lose their influence on the management of our business, our principal executive officers could resign or be removed from office.

Our future success also depends in part upon our ability to attract and retain other highly qualified personnel. We cannot assure you that we will be successful in hiring or retaining qualified personnel, or that any of our personnel will remain employed by us.

The Investment Company Act may limit our future activities.

Under Section 3(a)(3) of the Investment Company Act of 1940, as amended, an investment company is defined in relevant part to include any company that owns or proposes to acquire investment securities that have a value exceeding 40% of such company's unconsolidated total assets (exclusive of U.S. government securities and cash items). Investments in minority interests of related entities as well as majority interests in consolidated subsidiaries which themselves are investment companies are included within the definition of "investment securities" for purposes of the 40% limit under the Investment Company Act.

Companies that are investment companies within the meaning of the Investment Company Act, and that do not qualify for an exemption from the provisions, are required to register with the Securities and Exchange Commission and are subject to substantial regulations with respect to capital structure, operations, transactions with affiliates and other matters. In the event such companies do not register under the Investment Company Act, they may not, among other things, conduct public offerings of their securities in the United States or engage in interstate commerce in the United States. Moreover, even if we desired to register with the Securities and Exchange Commission as an investment company, we could not do so without an order of the Commission because we are a non-U.S. corporation, and it is unlikely that the Securities and Exchange Commission would issue such an order.

In recent years we made a significant investment in the capital stock of IRSA. As of June 30, 2015, we owned approximately 64.3% of IRSA's outstanding shares. Although we believe we are not an "investment company" for purposes of the Investment Company Act, our belief is subject to substantial uncertainty, and we cannot give you any assurance that we would not be determined to be an "investment company" under the Investment Company Act. As a result, the uncertainty regarding our status under the Investment Company Act may adversely affect our ability to offer and sell securities in the United States or to U.S. persons. The U.S. capital markets have historically been an important source of funding for us, and our ability to obtain financing in the future may be adversely affected by a lack of access to the U.S. markets. If an exemption under the Investment Company Act is unavailable to us in the future and we desire to access the U.S. capital markets, our only recourse would be to file an application to the SEC for an exemption from the provisions of the Investment Company Act which is a lengthy and highly uncertain process.

Moreover, if we offer and sell securities in the United States or to U.S. persons and we were deemed to be an investment company under the investment company act and not exempted from the application of the Investment Company Act, contracts we enter into in violation of, or whose performance entails a violation of, the Investment Company Act, including any such securities, may not be enforceable against us.

We hold Argentine securities which might be more volatile than U.S. securities and carry a greater risk of default.

We currently have and in the past have had certain investments in Argentine government debt securities, corporate debt securities, and equity securities. In particular, we hold a significant interest in IRSA, an Argentine company that has suffered material losses, particularly during the fiscal years 2001 and 2002. Although our holding of these investments, excluding IRSA, tends to be short term, investments in such securities involve certain risks, including:

· market volatility, higher than those typically associated with U.S. government and corporate securities; and

· loss of principal.

Some of the issuers in which we have invested and may invest, including the Argentine government, have in the past experienced substantial difficulties in servicing their debt obligations, which have led to the restructuring of certain indebtedness. We cannot assure that the issuers in which we have invested or may invest will not be subject to similar or other difficulties in the future which may adversely affect the value of our investments in such issuers. In addition, such issuers and, therefore, such investments, are generally subject to many of the risks that are described in this section with respect to us, and, thus, could have little or no value.

Risks relating to our investment in IRSA.

IRSA is subject to risks inherent to the operation of shopping centers that may affect its profitability.

IRSA's shopping centers are subject to various factors that affect their development, administration and profitability, including:

· decline in its lease prices or increases in levels of default by IRSA's tenants due to recessions, increases in interest rates and other factors that IRSA cannot control;

· the accessibility and the attractiveness of the area where the shopping center is located;

· the intrinsic attractiveness of the shopping center;

· the flow of people and the level of sales of each shopping center rental unit;

· increasing competition from internet sales;

· the amount of rent collected from each shopping center rental unit;

· changes in consumer demand and availability of consumer credit (considering the limits impose by the Central Bank to interest rates charged by financial institutions), both of which are highly sensitive to general macroeconomic conditions; and

· fluctuations in occupancy levels in IRSA's shopping centers.

An increase in IRSA's operating costs, caused by inflation or by other factors, could have a material adverse effect on IRSA if its tenants are unable to pay higher rent due to the increase in expenses. Moreover, the shopping center business is closely related to consumer spending and to the economy in which customers are located. All of IRSA's shopping centers are in Argentina, and, as a consequence, their business could be seriously affected by a recession in Argentina. For example, during the economic crisis in Argentina, spending decreased significantly, unemployment, political instability and inflation significantly reduced consumer spending in Argentina, lowering tenants' sales and forcing some tenants to leave IRSA's shopping centers. Persistently poor economic conditions in Argentina will likely have a material adverse effect on the revenues from shopping center activity and thus on IRSA's business.

IRSA's performance is subject to risks associated with its properties and with the real estate industry.

IRSA's economic performance and the value of its real estate assets are subject to the risk that their properties may not be able to generate sufficient revenues to meet the operating expenses, including debt service and capital expenditures, IRSA's cash flow and ability to service its debt and to cover other expenses may be adversely affected.

Events or conditions beyond IRSA's control that may adversely affect its operations or the value of its properties include:

· downturns in the national, regional and local economic climate;

· volatility and decline in discretionary spending;

· competition from other shopping centers and office, and commercial buildings;

· local real estate market conditions, such as oversupply or reduction in demand for retail, office, or other commercial space;

· decreases in consumption levels;

· changes in interest rates and availability of financing;

· the exercise by our tenants of their legal right to early termination of their leases;

· vacancies, changes in market rental rates and the need to periodically repair, renovate and re-lease space;

· increased operating costs, including insurance expense, salary increases, utilities, real estate taxes, state and local taxes and heightened security costs;

· civil disturbances, earthquakes and other natural disasters, or terrorist acts or acts of war which may result in uninsured or underinsured losses;

· significant expenditures associated with each investment, such as debt service payments, real estate taxes, insurance and maintenance costs which are generally not reduced when circumstances cause a reduction in revenues from a property;

· declines in the financial condition of our tenants and our ability to collect rents from our tenants;

· changes in our ability or our tenants' ability to provide for adequate maintenance and insurance, possibly decreasing the useful life of and revenue from property;

- changes in law or governmental regulations (such as those governing usage, zoning and real property taxes) or government action such as expropriation, confiscation or revocation of concessions; and
- interpretation by judges of the New Civil Code (in force from August 1, 2015).

If any one or more of the foregoing conditions were to affect IRSA's business, it could have a material adverse effect on our financial condition and results of operations.

An adverse economic environment for real estate companies such as a credit crisis may have a significant adverse impact on our results of operations and business prospects.

The success of IRSA's business and profitability of its operations are dependent on continued investment in the real estate markets and access to capital and debt financing. A long term crisis of confidence in real estate investments and lack of credit for acquisitions may tend to constrain our business growth. As part of our business goals, IRSA intends to increase our properties portfolio with strategic acquisitions of core properties at advantageous prices, where IRSA believes it can bring the necessary expertise to enhance property values.

In order to pursue acquisitions, IRSA may need access to equity capital and/or debt financing. Any disruptions in the financial markets, including the bankruptcy and restructuring of major financial institutions, may adversely impact IRSA's ability to refinance existing debt and the availability and cost of credit in the near future. Any consideration of sales of existing properties or portfolio interests may be tempered by decreasing property values. IRSA's ability to make scheduled payments or to refinance its obligations with respect to indebtedness depends on its operating and financial performance, which in turn is subject to prevailing economic conditions. If a recurrence of the disruptions in financial markets remains or arises in the future, there can be no assurances that government responses to such disruptions will restore investor confidence, stabilize the markets or increase liquidity and the availability of credit.

The loss of significant tenants could adversely affect both the operating revenues and value of IRSA's properties.

If certain of IRSA's most important tenants were to experience financial difficulties, including bankruptcy, insolvency or a general downturn of business, or if it simply failed to retain its patronage, IRSA's business could be adversely affected. IRSA's shopping centers are typically anchored by significant tenants, such as well-known department stores who generate shopping traffic at the mall. Further, certain tenants are also very important for IRSA's office buildings. A decision by such significant tenants to cease operations at IRSA's shopping centers or office buildings, as applicable, could have a material adverse effect on the revenues and profitability of the affected segment and, by extension, on its financial condition and results of operations. In addition, the closing of one or more significant tenants at its shopping centers may induce other major tenants at an affected property to terminate their leases, to seek rent relief and/or cease operating their stores or otherwise adversely affect occupancy at the property. Moreover, key tenants at one or more properties might terminate their leases as a result of mergers, acquisitions, consolidations, dispositions or bankruptcies. The bankruptcy and/or closure of one or more significant tenants, if IRSA is not able to successfully re-lease the affected space, could have a material adverse effect on both the operating revenues and underlying value of the properties involved.

IRSA may face risks associated with property acquisitions.

IRSA has in the past acquired, and intend to acquire in the future, properties, including large properties that would increase its size and potentially alter its capital structure. Although, IRSA believes that the acquisitions that it has completed in the past and that it expect to undertake in the future have, and will, enhance its future financial performance, the success of such transactions is subject to a number of uncertainties, including the risk that:

- IRSA may not be able to obtain financing for acquisitions on favorable terms;

- acquired properties may fail to perform as expected;

- the actual costs of repositioning or redeveloping acquired properties may be higher than our estimates; and

- acquired properties may be located in new markets where we may have limited knowledge and understanding of the local economy, absence of business relationships in the area or unfamiliarity with local governmental and permitting procedures.

If IRSA acquires new properties, it may not be able to efficiently integrate acquired properties, particularly portfolios of properties, into IRSA's organization and to manage new properties in a way that allows it to realize cost savings and synergies, which could impair the results of operations.

IRSA's future acquisitions may be unprofitable.

IRSA intends to acquire additional properties to the extent that they manage to acquire them on advantageous terms and conditions and they meet our investment criteria. Acquisitions of commercial properties entail general investment risks associated with any real estate investment, including:

- IRSA's estimates of the cost of improvements needed to bring the property up to established standards for the market may prove to be inaccurate;

- properties IRSA acquires may fail to achieve, within the time frames it projects, the occupancy or rental rates it expects to achieve at the time it makes the decision to acquire, which may result in the properties' failure to achieve the returns that IRSA projected;

- IRSA pre-acquisition evaluation of the physical condition of each new investment may not detect certain defects or identify necessary repairs, which could significantly increase the total acquisition costs; and

- IRSA investigation of a property or building prior to its acquisition, and any representations IRSA may receive from the seller of such building or property, may fail to reveal various liabilities, which could reduce the cash flow from the property or increase our acquisition cost.

If IRSA acquires a business, it will be required to merge and integrate the operations, personnel, accounting and information systems of such acquired business. In addition, acquisitions of or investments in companies may cause disruptions in IRSA's operations and divert management's attention away from day-to-day operations, which could impair IRSA's relationships with its current tenants and employees.

Acquired properties may subject IRSA to unknown liabilities.

Properties that IRSA acquires may be subject to unknown liabilities and IRSA it would have no recourse, or only limited recourse, to the former owners of the properties. Thus, if a liability were asserted against it based upon ownership of an acquired property, IRSA might be required to pay significant sums to settle it, which could adversely affect its financial results and cash flow. Unknown liabilities relating to acquired properties could include:

· liabilities for clean-up of undisclosed environmental contamination;

· law reforms and governmental regulations (such as those governing usage, zoning and real property taxes); and

· liabilities incurred in the ordinary course of business.

IRSA’s dependence on rental income may adversely affect its ability to meet its debt obligations.

A substantial part of IRSA’s income is derived from rental income from real property. As a result, IRSA’s performance depends on its ability to collect rent from its tenants. IRSA’s income and funds for distribution would be negatively affected if a significant number of its tenants or any of its major tenants (as discussed in more detail below):

· delay lease commencements;

· decline to extend or renew leases upon expiration;

· fail to make rental payments when due; or

· close stores or declare bankruptcy.

Any of these actions could result in the termination of leases and the loss of rental income attributable to the terminated leases. In addition, IRSA cannot assure you that any tenant whose lease expires will renew that lease or that we will be able to re-lease space on economically advantageous terms or at all. The loss of rental revenues from a number of our tenants and our inability to replace such tenants may adversely affect our profitability and our ability to meet debt and other financial obligations.

It may be difficult to buy and sell real estate quickly and transfer restrictions may apply to part of IRSA’s portfolio of properties.

Real estate investments are relatively illiquid and this tends to limit its ability to vary its portfolio in response to changes in the economy or other conditions. In addition, significant expenditures associated with each investment, such as mortgage payments, real estate taxes and maintenance costs, are generally not reduced when circumstances cause a decrease in income from an investment. If income from a property declines while the related expenses do not decline, IRSA’s business would be adversely affected. Further, if it becomes necessary or desirable for it to dispose of one or more of the mortgaged properties, IRSA may not be able to obtain a release of the lien on the mortgaged property without payment of the associated debt. The foreclosure of a mortgage on a property or inability to sell a property could adversely affect its business.

Some of the land IRSA has purchased is not zoned for development purposes, and it may be unable to obtain, or may face delays in obtaining the necessary zoning permits and other authorizations.

IRSA owns several plots of land which are not zoned for the type of projects it intends to develop. In addition, IRSA does not yet have the required land-use, building, occupancy and other required governmental permits and authorizations for these properties. IRSA cannot assure you that it will continue to be successful in its attempts to rezone land and to obtain all necessary permits and authorizations, or that rezoning efforts and permit requests will not be unreasonably delayed or rejected. Moreover, IRSA may be affected by building moratorium and anti-growth legislation. If it is unable to obtain all of the governmental permits and authorizations it needs to develop its present and future projects as planned, IRSA may be forced to make unwanted modifications to such projects or abandon them altogether.

IRSA's ability to grow will be limited if IRSA cannot obtain additional financing.

IRSA must maintain liquidity to fund its working capital, service its outstanding indebtedness and finance investment opportunities. Without sufficient liquidity, IRSA could be forced to curtail its operations or may not be able to pursue new business opportunities.

IRSA´s growth strategy is focused on the development and redevelopment of properties IRSA already owns and the acquisition and development of additional properties. As a result, IRSA is likely to depend to an important degree on the availability of debt or equity capital, which may or may not be available on favorable terms or at all. IRSA cannot guarantee that additional financing, refinancing or other capital will be available in the amounts IRSA desires or on favorable terms. IRSA´s access to debt or equity capital markets depends on a number of factors, including the market's perception of IRSA´s growth potential, IRSA´s ability to pay dividends, its financial condition, its credit rating and its current and potential future earnings. Depending on these factors, IRSA could experience delays or difficulties in implementing its growth strategy on satisfactory terms or at all.

The capital and credit markets have been experiencing extreme volatility and disruption since the last credit crisis. If IRSA's current resources do not satisfy its liquidity requirements, it may have to seek additional financing. The availability of financing will depend on a variety of factors, such as economic and market conditions, the availability of credit and its credit ratings, as well as the possibility that lenders could develop a negative perception of the prospects of IRSA or the industry generally. IRSA may not be able to successfully obtain any necessary additional financing on favorable terms, or at all.

Serious illnesses and pandemics, such as the 2009 outbreak of Influenza A H1N1 virus (the "Swine Flu"), have in the past adversely affected consumer and tourist activity, may do so in the future and may adversely affect our results of operations.

As a result of the outbreak of Swine Flu during the winter of 2009, consumers and tourists dramatically changed their spending and travel habits to avoid contact with crowds. Furthermore, several governments enacted regulations limiting the operation of schools, cinemas and shopping centers. Even though the Argentine government only issued public service recommendations to the population regarding the risks involved in visiting crowded places, such as shopping centers, and did not issue specific regulations limiting access to public places, a significant number of consumers nonetheless changed their habits vis-a-vis shopping centers and malls. We cannot assure you that a new disease outbreak or health hazard (such as the Ebola outbreak in recent years) will not occur in the future, or that such an outbreak or health hazard would not significantly affect consumer and/or tourist activity, and that such scenario would not adversely affect our businesses.

Adverse incidents that occur in IRSA's shopping centers may result in damage to IRSA's image and a decrease in the number of IRSA's customers.

Given that shopping centers are open to the public, with ample circulation of people, accidents, theft, robbery and other incidents may occur in IRSA´s facilities, regardless of the preventative measures it adopts. In the event such an incident or series of incidents occurs, shopping center customers and visitors may choose to visit other shopping venues that they believe are safer and less violent, which may cause a reduction in the sales volume and operating income of IRSA´s shopping centers.

Argentine Law governing leases imposes restrictions that limit IRSA´s flexibility.

Argentine laws governing leases impose certain restrictions, including the following:

- a prohibition to include automatic price adjustment clauses based on inflation increases in lease agreements; and
- the imposition of a two-year minimum lease term for all purposes, except in particular cases such as embassy, consulate or international organization venues, room with furniture for touristic purposes for less than three months, custody and bailment of goods, exhibition or offering of goods in fairs or in cases where due to the circumstances, the subject matter of the lease agreement requires a shorter term.

As a result of the foregoing, IRSA is exposed to the risk of increases of inflation under our leases, and the exercise of rescission rights by our tenants could materially and adversely affect its business. IRSA cannot assure you that its tenants will not exercise such right, especially if rent values stabilize or decline in the future or if economic conditions deteriorate.

In addition, on October 1, 2014, by means of the Law No.26,994, the Argentine Congress sanctioned a new Civil and Commercial Code (the "Civil and Commercial Code") which although wasn't effective as of June 30, 2015, is in force since August 1, 2015, and is currently applicable to our leases. The Civil and Commercial Code derogates Law No. 23,091 on Urban Leases, which amends certain important matters in the current law in connection with leases, such as including a minimum term of two years, and a maximum term of twenty years for residential leases and of fifty years for other purpose leases. Furthermore, the Civil and Commercial Code modifies the regime applicable to contractual provisions relating to foreign currency payment obligations by establishing that foreign currency payment obligations may be discharged in Pesos. This amends the legal framework currently in force, pursuant to which debtors may only discharge their foreign currency payment obligations by making payment in the specific foreign currency agreed upon in their agreements; provided however that the option to discharge in Pesos a foreign currency obligation may be waived by the debtor is still under discussion. Although certain judicial decisions have set forth that this regulation regarding foreign currency can be left aside by the parties to an agreement, it is still too early to determine whether or not this legal provision can be left aside in an agreement as a general rule. Moreover, and regarding the new provisions for leases, there are no judicial decisions on the scope of this amendment and, in particular, in connection with the ability of the parties to any contract to set aside the new provision and enforce such agreements before an Argentine court.

IRSA may be liable for some defects in its buildings.

According to the former Argentine Civil Code, the builder of a real estate development was liable in case of property damage – meaning the damages compromises the structure and/or the defects render the building no longer useful – for a period of 10 years since the possession of the property; on the other hand, the builder was liable for the latent defects, even when those defects did not imply significant property damage. In addition, according to the former Argentine Civil Code, such liability was extended to the technical project manager and the designer of any given project. Furthermore, in certain cases, such as when consumer law was involved, the liability could be extended to the developer. The Civil and Commercial Code, which became effective on August 1, 2015, has similar provisions to those included in the former Argentine Civil Code and expressly extends the liability for such damage to real estate developers (i.e., any person who sells real estate built by either themselves or by a third party contractor), and any other person involved in the project, in addition to the liability of the builder, the technical project manager and the designer of any given project. According to the Civil and Commercial Code, the warranty period for latent defects expires after three years of the client taking possession of the real estate, and both the builder and the seller are liable for such defects.

In IRSA's real estate developments it usually act as developer and seller and build through third-party contractors. Absent a specific claim, IRSA cannot quantify the potential cost of any obligation that may arise as a result of a future claim, and it has not recorded provisions associated with them in its financial statements. If IRSA were required to remedy any defects on completed works, its financial condition and results of operations could be adversely affected.

Eviction proceedings in Argentina are difficult and time consuming.

Although Argentine law permits a summary proceeding to collect unpaid rent and a special proceeding to evict tenants, eviction proceedings in Argentina are difficult and time-consuming. Historically, the heavy workloads of the courts and the numerous procedural steps required have generally delayed landlords' efforts to evict tenants. Eviction proceedings generally take between six months and two years from the date of filing of the suit to the time of actual eviction.

IRSA has usually attempted to negotiate the termination of lease agreements with defaulting tenants after the first few months of non-payment in order to avoid legal proceedings. Delinquency may increase significantly in the future, and such negotiations with tenants may not be as successful as they have been in the past. Moreover, new Argentine laws and regulations may forbid or restrict eviction, and in each such case, they would likely have a material and adverse effect on IRSA´s financial condition and results of operation.

IRSA is subject to risks inherent to the operation of office buildings that may affect its profitability.

Office buildings are subject to various factors that affect their development, administration and profitability, including:

· a decrease in demand for office space;

· a deterioration in the financial condition of our tenants may result in defaults under leases due to bankruptcy, lack of liquidity or for other reasons;

· difficulties or delays renewing leases or re-leasing space;

· decreases in rents as a result of oversupply, particularly of newer buildings;

· competition from developers, owners and operators of office properties and other commercial real estate, including sublease space available from our tenants; and

· maintenance, repair and renovation costs incurred to maintain the competitiveness of IRSA's office buildings.

IRSA's investment in property development and management activities may be less profitable than we anticipate.

IRSA is a company engaged in the development and management of shopping centers, office buildings and other rental properties, frequently through third-party contractors. Risks associated with IRSA's development and management activities include the following, among others:

· abandonment of development opportunities and renovation proposals;

· construction costs of a project may exceed IRSA's original estimates for reasons including raises in interest rates or increases in the costs of materials and labor, making a project unprofitable;

· occupancy rates and rents at newly completed properties may fluctuate depending on a number of factors, including market and economic conditions, resulting in lower than projected rental rates and a corresponding lower return on our investment;

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pre-construction buyers may default on its purchase contracts or units in new buildings may remain unsold upon completion of construction;

- the unavailability of favorable financing alternatives in the private and public debt markets;

- sale prices for residential units may be insufficient to cover development costs;

- construction and lease-up may not be completed on schedule, resulting in increased debt service expense and construction costs;

  - impossibility to obtain or delays in obtaining, necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations, or building moratoria and anti-growth legislation;

- significant time lags between the commencement and completion of projects subjects IRSA to greater risks due to fluctuation in the general economy;

- construction may not be completed on schedule because of a number of factors, including weather, labor disruptions, construction delays or delays in receipt of zoning or other regulatory approvals, or man-made or natural disasters (such as fires, hurricanes, earthquakes or floods), resulting in increased debt service expense and construction costs;

- general changes in IRSA's tenants' demand for rental properties; and

- IRSA may incur capital expenditures that could result in considerable time consuming efforts and which may never be completed due to government restrictions.

In addition, IRSA may face contractors' claims for the enforcement of labor laws in Argentina (sections 30, 31 and 32 under Law No. 20,744), which provide for joint and several liability. Many companies in Argentina hire personnel from third-party companies that provide outsourced services, and sign indemnity agreements in the event of labor claims from employees of such third company that may affect the liability of such hiring company. However, in recent years, several courts have denied the existence of independence in those labor relationships and declared joint and several liabilities for both companies.

While IRSA's policies with respect to expansion, renovation and development activities are intended to limit some of the risks otherwise associated with such activities, nevertheless IRSA is subject to risks associated with the construction of properties, such as cost overruns, design changes and timing delays arising from a lack of availability of materials and labor, weather conditions and other factors outside of its control, as well as financing costs, may exceed original estimates, possibly making the associated investment unprofitable. Any substantial unanticipated delays or expenses could adversely affect the investment returns from these redevelopment projects and harm its operating results.

IRSA is subject to great competitive pressure.

IRSA's real estate activities (in particular due to the acquisition of the office buildings in December 2014) are highly concentrated in the Buenos Aires metropolitan area, where the real estate market is highly competitive due to a scarcity of properties in sought-after locations and the increasing number of local and international competitors.

Furthermore, the Argentine real estate industry is generally highly competitive and fragmented and does not have high barriers to entry restricting new competitors from entering the market. The main competitive factors in the real estate development business include availability and location of land, price, funding, design, quality, reputation and partnerships with developers. A number of residential and commercial developers and real estate services companies compete with it in seeking land for acquisition, financial resources for development and prospective purchasers and tenants. Other companies, including joint ventures of foreign and local companies, have become increasingly active in the real estate business and shopping center business in Argentina, further increasing this competition. To the extent that one or more of IRSA's competitors are able to acquire and develop desirable properties, as a result of greater financial resources or otherwise, its business could be materially and adversely affected. If IRSA is not able to respond to such pressures as promptly as its competitors, or the level of competition increases, its financial condition and results of its operations could be adversely affected.

All of IRSA's shopping center properties are located in Argentina. There are other shopping centers and numerous smaller retail stores and residential properties within the market area of each of our properties. The number of competing properties in a particular area could have a material adverse effect on its ability to lease retail space in its shopping centers or sell units in its residential complexes and on the amount of rent or the sale price that IRSA is able to charge. IRSA cannot assure you that other shopping center operators, including international shopping center operators, will not invest in Argentina in the near future. If additional companies become active in the Argentine shopping center market in the future, such competition could have a material adverse effect on IRSA's results of operations.

Substantially all of IRSA's offices and other non-shopping center rental properties are located in developed urban areas. There are many office buildings, shopping malls, retail and residential premises in the areas where the properties are located. This is a highly fragmented market, and the abundance of comparable properties in the vicinity may adversely affect the ability to rent or sell office space and other real estate and may affect the sale and lease price of their premises. In the future, both national and foreign companies may participate in Argentina's real estate development market, competing with IRSA for business opportunities.

Some potential losses are not covered by insurance, and certain kinds of insurance coverage may become prohibitively expensive.

IRSA currently carries insurance policies that cover potential risks such as civil liability, fire, loss profit, floods, including extended coverage and losses from leases on all of its properties. Although IRSA believes the policy specifications and insured limits of these policies are generally customary, there are certain types of losses, such as lease and other contract claims, terrorism and acts of war that generally are not insured under the insurance policies offered in the national market. Should an insured loss or a loss in excess of insured limits occur, IRSA could lose all or a portion of the capital it has invested in a property, as well as the anticipated future revenue from the property. In such an event, IRSA might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property. IRSA cannot assure you that material losses in excess of insurance proceeds will not occur in the future. If any of our properties were to experience a catastrophic loss, it could seriously disrupt its operations, delay revenue and result in large expenses to repair or rebuild the property. If any of its key employees were to die or become incapacitated, it could experience losses caused by a disruption in its operations which will not be covered by insurance, and this could have a material adverse effect on its financial condition and results of operations.

In addition, IRSA cannot assure you that it will be able to renew its insurance coverage in an adequate amount or at reasonable prices. Insurance companies may no longer offer coverage against certain types of losses, such as losses due to terrorist acts and mold, or, if offered, these types of insurance may be prohibitively expensive.

Demand for IRSA's premium properties may not be sufficient.

IRSA has focused on development projects to cater affluent individuals and has entered into property barter agreements pursuant to which IRSA contributes its undeveloped properties to ventures with developers who will deliver to its units in premium locations. At the time the developers return these properties to it, demand for premium residential units could be significantly lower. In such case, IRSA would be unable to sell these residential units at the estimated prices or time frame, which could have an adverse effect on its financial condition and results of operations.

IRSA’s level of debt may adversely affect its operations and its ability to pay its debt as it becomes due.

IRSA had, and expects to have, substantial liquidity and capital resource requirements to finance its business. As of June 30, 2015, IRSA’s consolidated financial debt amounted to Ps.4,973.0 million (including accrued and unpaid interest and deferred financing costs). IRSA cannot assure you that it will have sufficient cash flows and adequate financial capacity in the future.

The fact that it is leveraged may affect its ability to refinance existing debt or borrow additional funds to finance working capital, acquisitions and capital expenditures. In addition, the recent disruptions in the global financial markets, including the bankruptcy and restructuring of major financial institutions, may adversely impact IRSA’s ability to refinance existing debt and the availability and cost of credit in the future. In such conditions, access to equity and debt financing options may be restricted and it may be uncertain how long these economic circumstances may last.

This would require IRSA to allocate a substantial portion of cash flow to repay principal and interest, thereby reducing the amount of money available to invest in operations, including acquisitions and capital expenditures. Its leverage could also affect its competitiveness and limit its ability to changes in market conditions, changes in the real estate industry and economic downturns.

IRSA may not be able to generate sufficient cash flows from operations to satisfy its debt service requirements (including the notes) or to obtain future financing. If IRSA cannot satisfy its debt service requirements or if IRSA default on any financial or other covenants in its debt arrangements, the lenders and/or holders of its debt will be able to accelerate the maturity of such debt or cause defaults under the other debt arrangements. IRSA’s ability to service debt obligations or to refinance them will depend upon its future financial and operating performance, which will, in part, be subject to factors beyond its control such as macroeconomic conditions and regulatory changes in Argentina. If it cannot obtain future financing, it may have to delay or abandon some or all of its planned capital expenditures, which could adversely affect its ability to generate cash flows and repay its obligations.

The recurrence of a credit crisis could have a negative impact on its major customers, which in turn could materially adversely affect its results of operations and liquidity.

The international credit crisis in 2009 had a significant negative impact on businesses around the world. The impact of a crisis on our major tenants cannot be predicted and may be quite severe. A disruption in the ability of our significant tenants to access liquidity could cause serious disruptions or an overall deterioration of their businesses which could lead to a significant reduction their future orders of their products and the inability or failure on their part to meet their payment obligations to us, any of which could have a material adverse effect on our results of operations and liquidity.
IRSA is subject to risks affecting the hotel industry.

The full-service segment of the lodging industry in which our hotels operate is highly competitive. The operational success of our hotels is highly dependent on our ability to compete in areas such as access, location, quality of accommodations, rates, quality food and beverage facilities and other services and amenities. Our hotels may face additional competition if other companies decide to build new hotels or improve their existing hotels to increase their attractiveness.

In addition, the profitability of our hotels depends on:

· IRSA’s ability to form successful relationships with international and local operators to run our hotels;

· changes in tourism and travel trends, including seasonal changes and chages due to pandemic outbreaks, such as the A H1N1 virus, a potential ebola outbreak, among others, or weather phenomenas or other natural events, such as the eruption of the Puyehué and the Calbuco volcano in June 2011 and April 2015, respectively;

· affluence of tourists, which can be affected by a slowdown in global economy; and

· taxes and governmental regulations affecting wages, prices, interest rates, construction procedures and costs.

An uninsured loss or a loss that exceeds the policies on IRSA’s properties could subject to lost capital or revenue on those properties.

Under the terms and conditions of the leases currently in force on IRSA’s properties, tenants are required to indemnify and hold harmless from liabilities resulting from injury to persons, or property, on or off the premises, due to activities conducted on the properties, except for claims arising from our negligence or intentional misconduct or that of its agents.

Tenants are generally required, at the tenant’s expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. In addition, IRSA cannot assure the holders that the tenants will properly maintain their insurance policies or have the ability to pay the deductibles.

Should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, IRSA could lose all or part of its invested capital, and anticipated revenue from, one or more of the properties, which could have a material adverse effect on our operating results and financial condition.

The shift of consumers to purchasing goods over the Internet may negatively affect sales at IRSA´s shopping centers.

In recent years, retail sales by means of the Internet have grown significantly in Argentina, even though the market share of Internet sales related to retail sales is still not significant. The Internet enables manufacturers and retailers to sell directly to consumers, diminishing the importance of traditional distribution channels such as retail stores and shopping centers. IRSA believes that its target consumers are increasingly using the Internet, from home, work or elsewhere, to shop electronically for retail goods, and this trend is likely to continue. If e-commerce and retail sales through the Internet continue to grow, consumers' reliance on traditional distribution channels such as IRSA´s shopping centers could be materially diminished, having a material adverse effect on our financial condition, results of operations and business prospects.

IRSA’s business is subject to extensive regulation and additional regulations may be imposed in the future.

IRSA´s activities are subject to federal, state and municipal laws, and to regulations, authorizations and licenses required with respect to construction, zoning, use of the soil, environmental protection and historical patrimony, consumer protection, antitrust and other requirements, all of which affect its ability to acquire land, buildings and shopping centers, develop and build projects and negotiate with customers. In addition, companies in this industry are subject to increasing tax rates, the creation of new taxes and changes in the taxation regime. IRSA is required to obtain licenses and authorizations with different governmental authorities in order to carry out IRSA´s projects. Maintaining IRSA´s licenses and authorizations can be a costly provision. In the case of non-compliance with such laws, regulations, licenses and authorizations, IRSA may face fines, project shutdowns, and cancellation of licenses and revocation of authorizations.

In addition, public authorities may issue new and stricter standards, or enforce or construe existing laws and regulations in a more restrictive manner, which may force IRSA to make expenditures to comply with such new rules. Development activities are also subject to risks relating to potential delays in obtaining or an inability to obtain all necessary zoning, environmental, land-use, development, building, occupancy and other required governmental permits and authorizations. Any such delays or failures to obtain such government approvals may have an adverse effect on IRSA´s business.

In the past, the Argentine government imposed strict and burdensome regulations regarding leases in response to housing shortages, high rates of inflation and difficulties in accessing credit. Such regulations limited or prohibited increases on rental prices and prohibited eviction of tenants, even for failure to pay rent. Most of IRSA´s leases provide that the tenants pay all costs and taxes related to their respective leased areas. In the event of a significant increase in the amount of such costs and taxes, the Argentine government may respond to political pressure to intervene by regulating this practice, thereby negatively affecting IRSA´s rental income. IRSA cannot assure you that the Argentine government will not impose similar or other regulations in the future. Changes in existing laws or the enactment of new laws governing the ownership, operation or leasing of properties in Argentina could negatively affect the Argentine real estate market and the rental market and materially and adversely affect IRSA´s operations and profitability.

IRSA’s assets are highly concentrated in certain geographic areas and an economic downturn in such areas could have a material adverse effect on its financial condition.

For the fiscal year ended June 30, 2015, 70.9% of IRSA’s sales from leases and services were derived from shopping centers in the City of Buenos Aires and the Greater Buenos Aires. In addition, all of its office buildings are located in the City of Buenos Aires and a substantial portion of its revenues are now derived from such properties. Although IRSA owns properties and may acquire or develop additional properties outside of the City of Buenos Aires and the Greater Buenos Aires, it expects to continue to depend to a very large extent on economic conditions affecting those areas and therefore, an economic downturn in those areas could have a material adverse effect on its financial condition and results of operations. IRSA’s dependence on rental income may adversely affect its ability to meet our debt obligations.

IRSA faces risks associated with the expansion to other Latin American markets.

From 1994 to 2002, IRSA had substantial investments outside of Argentina, including Brazil Realty, which was sold in 2002, and Fondo de Valores Inmobiliarios in Venezuela, which was sold in 2001.

IRSA continue to believe that Brazil, Uruguay and other Latin American countries offer attractive growth opportunities in the real estate sector. IRSA will continue to consider investment opportunities outside of Argentina as they arise.

Investments in Brazil and other Latin American countries are subject to significant risks including sovereign risks and risks affecting these countries' real estate sectors. These risks include competition by well-established as well as new developers, unavailability of financing or financing on terms that are not acceptable to IRSA, exchange rate fluctuations, lack of liquidity in the market, rising construction costs and inflation, extensive and potentially increasing regulation and bureaucratic procedures for obtaining permits and authorizations, political and economic instability that may result in sharp shifts in demand for properties, risks of default in payment and difficulty evicting defaulting tenants.

IRSA faces risks associated with its expansion in the United States.

On July 2, 2008, we acquired 30% interest in Metropolitan 885 LLC ("Metropolitan"), a limited liability company organized under the laws of Delaware, United States of America. During fiscal year 2011, an agreement was reached to restructure Metropolitan's debt; after the consummation of the aforementioned restructuring, we indirectly hold 49% of New Lipstick LLC ("New Lipstick"), a holding company which is the owner of Metropolitan. Metropolitan's main asset is the Lipstick Building, a 34-story building located at 885, Third Avenue between 53 and 54 streets in Manhattan, New York. Metropolitan has incurred in a secured loan in connection with the Lipstick Building. For more information, please see "Item 5. Operating and Financial Review and Prospects".

In March 2012, through our subsidiary Real Estate Strategies, L.P. ("RES"), we acquired 3,000,000 Series C convertible preferred shares issued by Condor in an aggregate amount of US$ 30,000,000, a REIT focused in middle-class and long-stay hotels in 20 states in the United States of America.

During 2008 and 2009, the U.S. markets experienced extreme dislocations and a severe contraction in available liquidity globally as important segments of the credit markets were frozen. Global financial markets have been disrupted by, among other things, volatility in securities prices, rating downgrades and declining valuations. This disruption lead to a decline in business and consumer confidence and increased unemployment and precipitated an economic recession throughout the globe. As a consequence, owners and operators of commercial real estate, including hotels, resorts, and commercial real estate properties such as offices, experienced dramatic declines in property values. We are unable to predict if disruptions in the global financial markets will occur in the future and the impact that may have on IRSA's business, financial condition and results of operations.

IRSA may face risks associated with its investment in Israel.

IDBD is one of the largest business conglomerates of Israel. Particularly, due to the limited size of the Israeli market and due to the high level of governmental regulation, IDBD and its subsidiaries may be limited to expand its business in the future, to form joint ventures and/or strategic alliances, or be obliged to sell, transfer or dispose any of its assets or business segments.

Furthermore, changes in the market prices of securities issued by IDBD and its subsidiaries can affect, directly or indirectly, their results of operations, the shareholders' equity, and/or the enterprise value, the ability to approve and/or distribute dividends, and the availability of credit, among other things.

IDBD is indirectly exposed due to its main investments, to changes in the prices of, raw materials, securities, and other economic indices, which may have a material impact on the results of operations of IDBD and its subsidiaries.

Actual losses on client balances could differ from those that IDBD currently anticipates and, as a result, we may need to adjust our provisions. We cannot assure you that we will accurately assess the creditworthiness of its clients. If IDBD is unable to meet its contractual obligations, it may experience delays in the collection of or be unable to collect its client balances, which would adversely affect our results of operations and cash flows could be adversely affected.

As a consequence of the aforementioned and due to the high level of governmental regulation in Israel, the value of our investment in IDBD could be severely affected and therefore would likely have a significant adverse effect on our business, financial condition and results of operations.

IRSA is currently facing litigation in connection with its investment in IDBD.

On October 20, 2015, the Tel Aviv-Jaffo Court admitted the motion filed by the Arrangement Trustees of IDBH under the Arrangement and determined that any IDBD shares held by any entity controlled by Eduardo Sergio Elsztain and/or transferred by them to third parties shall be prevented from participating as offerees in the Tender Offers as set forth in the Arrangement, with the reservation that this will not apply to IDBD shares which were purchased from minority shareholders on the stock exchange and are in the possession of IFISA. Dolphin filed an appeal before the Supreme Court of Justice of Israel on the Tel Aviv-Jaffo Court's Decision.

There can be no assurances of the final outcome of this litigation if the Supreme Court does not reverse the judgment and remove our ban from participating in the Tender Offers with our indirect shareholdings, and as a consequence the value of our investment in IDBD could be severely affected and therefore would likely have a significant adverse effect on our business, financial condition and results of operations.

Conditions in Israel may limit the ability of IDBD to develop and sell products, which could result in a decrease of revenues.

IDBD's corporate headquarters and a substantial business are located in Israel. Political, economic and security conditions in Israel could directly affect IDBD´s operations. Since the establishment of the State of Israel, a number of armed conflicts, hostilities and terrorist attacks have taken place in Israel and adjacent areas, which in turn could adversely affect IDBD and its results of operations. The disruption of trade between Israel and its main commercial partners, could affect the economic and financial condition of Israel, which could adversely affect the results of operations of IDBD and its subsidiaries.

The rights and responsibilities of IDBD´s shareholders are governed by Israeli law and differ in some respects from the rights and responsibilities of shareholders under U.S. law.

IDBD is incorporated under Israeli law. The rights and duties of holders of IDBD's common shares are governed by IDBD´s articles of association and by Israeli law. These rights and duties may differ in some respects from the usual for U.S. corporations. Israeli law provides that these duties are applicable in shareholder votes at the general meeting with respect to, among other things, amendments to a company's articles of association, increases in a company's authorized share capital, mergers and actions and transactions involving interests of officers, directors or other interested parties which require the shareholders' general meeting's approval. In addition, a controlling shareholder of an Israeli company or a shareholder who knows that he or she possesses the power to determine the outcome of a vote at a meeting of our shareholders, or who has, by virtue of the company's articles of association, the power to appoint or prevent the appointment of an office holder in the company, or any other power with respect to the company, has a duty of fairness towards the company.

If the bankruptcy of Inversora Dársena Norte S.A. is extended to IRSA´s subsidiary Puerto Retiro, IRSA will likely lose a significant investment in a unique waterfront land reserve in the City of Buenos Aires.

On April 18, 2000, Puerto Retiro S.A. ("Puerto Retiro"), was served notice of a filing made by the Argentine Government, through the Ministry of Defense, seeking to extend bankruptcy of Inversora Dársena Norte S.A. ("Indarsa") to the Company. Upon filing of the complaint, the bankruptcy court issued a restraing order the ability of Puerto Retiro dispose of, in any manner, the real property purchased in 1993 from Tandanor.

Indarsa had acquired 90% of the capital stock in Tandanor from the Argentine Government in 1991. Tandanor's main business involved ship repairs performed in a 19-hectare property located in the vicinity of La Boca neighborhood and where the Syncrolift is installed.

As Indarsa failed to comply with its payment obligation for acquisition of the shares of stock in Tandanor, the Ministry of Defense filed a bankruptcy petition against Indarsa, seeking to extend it to the Company.

The evidentiary stage of the legal proceedings has already concluded. The Company lodged an appeal from the injunction order, and such order was confirmed by the Court of Appeals on December 14, 2000. The parties filed the arguments in due time and proper manner. After the case was set for judgment, the judge ordered the suspension of the judicial order requesting the case records for issuance of a decision based on the alleged existence of pre-judgmental status in relation to the criminal case against former officials of the Ministry of Defense and former directors of the Company, for which reason the case will not be adjudicated until a final judgment is entered in respect of the criminal case.

It has been made known to the commercial court that the expiration of the limitation period has been declared in the criminal action and the criminal defendants have been acquitted. However, this decision was reversed by the Criminal

Court of Cassation (Cámara de Casación Penal). An extraordinary appeal was filed and rejected, therefore an appeal was directly lodged with the Argentine Supreme Court for improper refusal to permit the appeal, and a decision is still pending.

The Management and the legal counsel to the Company believe that there are sufficient legal and technical arguments to consider that the petition for an extension of the bankruptcy will be dismissed by the court. However, in view of the particular features and progress of the case, this position cannot be held to be conclusive.

In turn, Tandanor filed a civil action against Puerto Retiro and the other defendants in the criminal case for violation of Section 174 (5) based on Section 173 (7) of the Criminal Code. Such action seeks -on the basis of the nullity of the decree that approved the bidding process involving the Dársena Norte property- a reimbursement in favor of Tandanor for all such amounts it has allegedly lost as a result of a suspected fraudulent transaction involving the sale of the property disputed in the case.

In July 2013 the answer to the civil action was filed, which contained a number of defenses. Tandanor requested the intervention of the Argentine Government as third party co-litigant in this case, which petition was granted by the Court. In March 2015, both the Argentine Government and the criminal complainant answered the asserted defenses. As of the date hereof no resolution has been issued in such regard. We can not assure you that this Company may succeed in this order.

Property ownership through joint ventures or minority participation may limit IRSA´s ability to act exclusively in its interest.

IRSA develops and acquires properties through joint ventures with other persons or entities when IRSA believes circumstances warrant the use of such structures. For example, IRSA currently owns 80% of Panamerican Mall S.A. (“PAMSA”), while another 20% is owned by Centro Comercial Panamericano S.A., and 50% of Quality Invest S.A. (“Quality Invest”).

IRSA could engage in a dispute with one or more of its joint venture partners that might affect its ability to operate a jointly owned property. Moreover, its joint venture partners may at any time, have business, economic or other objectives that are inconsistent with its objectives, including objectives that relate to the timing and terms of any sale or refinancing of a property. For example, the approval of certain of the other investors is required with respect to operating budgets and refinancing, encumbering, expanding or selling any of these properties. In some instances, its joint venture partners may have competing interests in its markets that could create conflicts of interest. If the objectives of its joint venture partners are inconsistent with its own objectives, IRSA will not be able to act exclusively in its interests.

If one or more of the investors in any of its jointly owned properties were to experience financial difficulties, including bankruptcy, insolvency or a general downturn of business, there could be an adverse effect on the relevant property or properties and in turn, on its financial performance. Should a joint venture partner declare bankruptcy, IRSA could be liable for its partner’s common share of joint venture liabilities.

Dividend restrictions in IRSA’s subsidiaries’ debt agreements may adversely affect it.

IRSA has subsidiaries and an important source of funds for are cash dividends and other permitted payments from its subsidiaries. The debt agreements of its subsidiaries contain covenants restricting their ability to pay dividends or make other distributions. If IRSA’s subsidiaries are unable to make payments to it, or are able to pay only limited amounts, IRSA may be unable to make payments on its indebtedness.

IRSA is dependent on its Board of Directors.

IRSA´s success, to a significant extent, depends on the continued employment of Mr. Eduardo S. Elsztain, and certain other members of its board of directors and senior management, who have significant expertise and knowledge of its business and industry. The loss or interruption of their services for any reason could have a material adverse effect on its business and results of operations. IRSA´s future success also depends in part upon its ability to attract and retain other highly qualified personnel. IRSA cannot assure you that they will be successful in hiring or retaining qualified personnel or that any of I ts personnel will remain employed by them.

IRSA may face potential conflicts of interest relating to its principal shareholders.

IRSA's largest beneficial owner is Mr. Eduardo S. Elsztain, through us. As of June 30, 2015, such beneficial ownership consisted of: (i) 372,112,411 common shares held by us, and (ii) 900 common shares held directly by Mr. Elsztain.

Conflicts of interest between IRSA's management, us and its affiliates may arise in the performance of IRSA's business activities. As of June 30, 2015, Mr. Elsztain also beneficially owned (i) approximately 37.4% of ours' common shares and (ii) approximately 95.8% of the common shares of our subsidiary IRSA Commercial Properties. IRSA cannot assure you that its' principal shareholders and their affiliates will not limit or cause IRSA to forego business opportunities that its affiliates may pursue or that the pursuit of other opportunities will be in IRSA's interest.

Due to the currency mismatches between assets and liabilities, IRSA may have currency exposure.

As of June 30, 2015, the majority of our liabilities, such as our Series I and Series II Notes are denominated in U.S. Dollars while our revenues are denominated in Pesos. This currency gap exposes IRSA to a risk of exchange rate volatility, which would negatively affect its financial results if the Dollar were to appreciate against the Peso. Any further depreciation of the Peso against the U.S. Dollar will correspondingly increase the amount of its debt in Pesos, with further adverse effects on its results of operation and financial condition and may increase the collection risk of its leases and other receivables from its tenants and mortgage debtors, most of whom have Pesodenominated revenues.

IRSA's Investment in Banco Hipotecario.

As of June 30, 2015, IRSA owned approximately 29.99% of the outstanding capital stock of Banco Hipotecario S.A. ("Banco Hipotecario"), which represented 14.08% of IRSA's consolidated assets as of such date.

All of Banco Hipotecario's operations, properties and customers are located in Argentina. Accordingly, the quality of Banco Hipotecario's loan portfolio, financial condition and results of operations depend on economic, regulatory and political conditions prevailing in Argentina.

These conditions include growth rates, inflation rates, exchange rates, changes to interest rates, changes to government policies, social instability and other political, economic or international developments either taking place in, or otherwise affecting, Argentina.

Risks Relating to the Argentine Financial System

The short-term structure of the deposit base of the Argentine financial system, including Banco Hipotecario, could lead to a reduction in liquidity levels and limit the long-term expansion of financial intermediation.

After the Argentine crisis, the volume of financial activity regarding deposits and loans was severely reduced. Between 2003 and 2007, a gradual and increasing recovery of deposits levels took place. But because of the global financial crisis, these levels were reduced during 2008 only to be further improved during the last half of 2009, until the present date.

The Argentine financial system growth strongly depends on deposits levels, due to the small size of its capital markets and the absence of foreign financings during recent years. In the medium term, the growth of credit could depend on the growth of the deposits levels. During 2011-2013 credit was able to grow at a higher rate than deposits, by consuming liquidity excess of financial institutions. Notwithstanding that, in 2014, this scenario started to change, and reasonable deposits started to grow at a faster rate that credits.

The liquidity of the Argentine financial system is currently reasonable, due to the high level of mandatory deposits reserves of Argentine financial entities, among other short-term investments, which represent 43% of total deposits. Notwithstanding that, because most deposits are short term, a substantial part of the credits are also short-term maturity, and there are a small proportion of long term credit lines, such as mortgages. Moreover, the restrictions on the purchase of foreign currency naturally reduce the volatility of local currency deposits.

Although liquidity levels are currently reasonable, no assurance can be given that these levels will not be reduced due to a future negative economic scenario. Therefore, there is still a risk of low liquidity levels that could increase funding cost in the event of a withdrawal of a significant amount of the deposit base of the financial system, and limit the long-term expansion of financial intermediation including Banco Hipotecario.

Future governmental measures may adversely affect the economy and the operations of financial institutions.

The Argentine government has historically exercised significant influence over the economy, and financial institutions, in particular, have operated in a highly regulated environment. We cannot assure that the laws and regulations currently governing the economy or the banking sector will remain unaltered in the future. We cannot assure you that changes will not adversely affect Banco Hipotecario’s business, financial condition or results of operations and Banco Hipotecario’s ability to honor its debt obligations in foreign currency.

As of the date of this annual report, there are three legislative bills to amend the Financial Institutions Law which have been sent to the Argentine Congress seeking to modify different aspects of the Financial Institutions Law. If the law currently in force were to be comprehensively modified, the financial system as a whole could be substantially and adversely affected. If any of these legislative bills were to be enacted or if the Financial Institutions Law were amended in any other way, there is no prediction on the impact of the subsequent amendments to the regulations on the financial institutions in general, Banco Hipotecario’s business, its financial condition and the results of operations.

Law No. 26,739 was enacted to amend the Central Bank’s charter, the principal aspects of which are: (i) to broaden the scope of the Central Bank’s mission (by establishing that such institution shall be responsible for financial stability and economic development while pursuing social equity); (ii) to change the obligation to maintain an equivalent ratio between the monetary base and the amount of international reserves; (iii) to establish that the board of directors of the institution will be the authority responsible for determining the level of reserves required to guarantee normal operation of the foreign exchange market based on changes in external accounts; and (iv) to empower the monetary authority to regulate and provide guidance on credit through the financial system institutions, so as to “promote long-term production investment”.

In addition, the Civil and Commercial Code, among other things, modifies the applicable regime for contractual provisions relating to foreign currency payment obligations by establishing that foreign currency payment obligations may be discharged in Pesos. This amends the legal framework, pursuant to which debtors may only discharge their foreign currency payment obligations by making payment in the specific foreign currency agreed upon in their agreements; provided however that the option to discharge in Pesos a foreign currency obligation may be waived by the debtor is still under discussion.

We are not able to ensure that any current or future laws and regulations (including, in particular, the amendment to the Financial Institutions Law and the amendment to the Central Bank's charter) will not result in significant costs to us, or will otherwise have an adverse effect on Banco Hipotecario's operations.

The stability of the financial system depends upon the ability of financial institutions, including ours, to maintain and increase the confidence of depositors.

The measures implemented by the Argentine government in late 2001 and early 2002, in particular the restrictions imposed on depositors to withdraw money freely from banks and the "pesification" and restructuring of their deposits, were strongly opposed by depositors due to the losses on their savings and undermined their confidence in the Argentine financial system and in all financial institutions operating in Argentina.

If depositors once again withdraw their money from banks in the future, there may be a substantial negative impact on the manner in which financial institutions, including ours, conduct their business, and on their ability to operate as financial intermediaries. Loss of confidence in the international financial markets may also adversely affect the confidence of Argentine depositors in local banks.

In the future, an adverse economic situation, even if it is not related to the financial system, could trigger a massive withdrawal of capital from local banks by depositors, as an alternative to protect their assets from potential crises. Any massive withdrawal of deposits could cause liquidity issues in the financial sector and, consequently, a contraction in credit supply.

The occurrence of any of the above could have a material and adverse effect on Banco Hipotecario's expenses and business, results of operations and financial condition.

The asset quality of financial institutions is exposed to the non-financial public sector's and Central Bank's indebtedness.

Financial institutions carry significant portfolios of bonds issued by the Argentine government and by provincial governments as well as loans granted to these governments. The exposure of the financial system to the non-financial public sector's indebtedness had been shrinking steadily, from 48.9% of total assets in 2002 to 9.1% in 2014. To an extent, the value of the assets held by Argentine banks, as well as their capacity to generate income is dependent on the creditworthiness of the non-financial public sector, which is in turn tied to the government's ability to foster sustainable long-term growth, generate fiscal revenues and cut back on public expenditure.

In addition, financial institutions currently carry securities issued by the Central Bank in their portfolios, which generally are short-term; such securities issued by the Central Bank represents approximately 19.5% of the total assets of the Argentine financial system. As of June 30, 2015, Banco Hipotecario's total exposure to the public sector was Ps.2,286.4 million, which represented 7.6% of its assets as of that date, and the total exposure to securities issued by the Central Bank was Ps. 2,422.2 million, which represented 7.3% of its total assets as of June 30, 2015.

The Consumer Protection Law may limit in some of the rights afforded to Banco Hipotecario.

Argentine Law No. 24,240 (the “Consumer Protection Law”) sets forth a series of rules and principles designed to protect consumers, which include Banco Hipotecario’s customers. The Consumer Protection Law was amended by Law No. 26,361 on March 12, 2008 to expand its applicability and the penalties associated with violations thereof. Additionally, Law No. 25,065 (as amended by Law No. 26,010 and Law No. 26,361, the “Credit Card Law”) also sets forth public policy regulations designed to protect credit card holders.

In addition, the Civil and Commercial Code has a chapter on consumer protection, stressing that the rules governing consumer relations should be applied and interpreted in accordance with the principle of consumer protection and that a consumer contract should be interpreted in the sense most favorable to it.

The application of both the Consumer Protection Law and the Credit Card Law by administrative authorities and courts at the federal, provincial and municipal levels has increased. This trend has increased general consumer protection levels. In the event that Banco Hipotecario is found to be liable for violations of any of the provisions of the Consumer Protection Law or the Credit Card Law, the potential penalties could limit some of Banco Hipotecario’s rights, for example, with respect to its ability to collect payments due from services and financing provided by us, and adversely affect Banco Hipotecario’s financial results of operations. We cannot assure you that court and administrative rulings based on the newly-enacted regulation or measures adopted by the enforcement authorities will not increase the degree of protection given to Banco Hipotecario’s debtors and other customers in the future, or that they will not favor the claims brought by consumer groups or associations. This may prevent or hinder the collection of payments resulting from services rendered and financing granted by us, which may have an adverse effect on Banco Hipotecario’s business and results of operations.

Class actions against financial institutions for unliquidated amounts may adversely affect the financial system’s profitability.

Certain public and private organizations have initiated class actions against financial institutions in Argentina. The National Constitution and the Consumer Protection Law contain certain provisions regarding class actions. However, their guidance with respect to procedural rules for instituting and trying class action cases is limited. Nonetheless, through an ad hoc doctrine, Argentine courts have admitted class actions in some cases, including various lawsuits against financial entities related to “collective interests” such as alleged overcharging on products, interest rates and advice in the sale of public securities, etc. If class action plaintiffs were to prevail against financial institutions, their success could have an adverse effect on the financial industry in general and indirectly on Banco Hipotecario’s business.

Banco Hipotecario operates in a highly regulated environment, and its operations are subject to regulations adopted, and measures taken, by several regulatory agencies.

Financial institutions are subject to a major number of regulations concerning functions historically determined by the Central Bank and other regulatory authorities. The Central Bank may penalize Banco Hipotecario and its directors, members of the Executive Committee, and members of its Supervisory Committee, in the event of any breach of the applicable regulation. Potential sanctions, for any breach on the applicable regulations may vary from administrative and/or disciplinary penalties to criminal sanctions. Similarly, the CNV, which authorizes securities offerings and regulates the capital markets in Argentina, has the authority to impose sanctions on us and Banco Hipotecario’s Board of Directors for breaches of corporate governance established in the capital markets laws and CNV Rules. The Financial Information Unit ("Unidad de Información Financiera" or “UIF”) regulates matters relating to the prevention of asset laundering and has the ability to monitor compliance with any such regulations by financial institutions and, eventually, impose sanctions.

We cannot assure you whether such regulatory authorities will commence proceedings against Banco Hipotecario, its shareholders or directors, or its Supervisory Committee or penalize Banco Hipotecario. This notwithstanding, and in addition to "Know Your Customer" compliance, Banco Hipotecario has implemented other policies and procedures to comply with its duties under currently applicable rules and regulations.

In addition to regulations specific to the banking industry, Banco Hipotecario is subject to a wide range of federal, provincial and municipal regulations and supervision generally applicable to businesses operating in Argentina, including laws and regulations pertaining to labor, social security, public health, consumer protection, the environment, competition and price controls. We cannot assure that existing or future legislation and regulation will not require material expenditures by Banco Hipotecario or otherwise have a material adverse effect on Banco Hipotecario's consolidated operations.

Risks Relating to the Bank's Business.

The quality of Banco Hipotecario's loan portfolio could be impaired if the Argentine private sector continues to be affected in the event of a decrease in the level of activity.

Banco Hipotecario's loan portfolio is concentrated on recession-sensitive segments and it is to a large extent dependent upon local and international economic conditions. This in turn might affect the credit worthiness of Banco Hipotecario's loan portfolio and its results of operations.

Increased competition and M&A activities in the banking industry may adversely affect Banco Hipotecario.

Banco Hipotecario foresees increased competition in the banking sector. If the trend towards decreasing spreads is not offset by an increase in lending volumes, the ensuing losses could lead to mergers in the industry. These mergers could lead to the establishment of larger, stronger banks with more resources than us. Therefore, although the demand for financial products and services in the market continues to grow, competition may adversely affect Banco Hipotecario's results of operations, shrinking spreads and commissions.

Reduced spreads without corresponding increases in lending volumes could adversely affect Banco Hipotecario's profitability.

The spread for Argentina's financial system between the interest rates on loans and deposits could be affected as a result of increased competition in the banking sector and the Argentine government's tightening of monetary policy in response to inflation concerns.

Since 2009, the interest rate spreads throughout the Argentine financial system have generally increased. This increase was sustained by a steady demand for consumer loans in recent years. In 2013 and 2014, borrowing and lending rates increased significantly. However, the net interest margin of the financial system remained stable due to a substantial growth both in the loan and deposit portfolios.

In June 2014, the Central Bank established a system of maximum active benchmark rates for consumer loans and secured loans and additionally, in October 2014, established a new mechanism of regulation by setting a minimum deposit rate for certain deposits of natural persons.

We cannot guarantee that interest rate spreads will remain stable unless increases in lending or additional cost-cutting takes place. A reversal of this trend, or a new regulation imposing maximum active benchmark rates, could adversely affect Banco Hipotecario's profitability.

Differences in the accounting standards between Argentina and certain countries with developed capital markets, such as the United States, may make it difficult to compare Banco Hipotecario's financial statements and those prepared by companies from these other countries.

Publicly available information about Banco Hipotecario in Argentina is presented differently from the information available for registered public companies in certain countries with highly developed capital markets, such as the United States. Except as otherwise described herein, Banco Hipotecario prepares its financial statements in accordance with Central Bank GAAP, which differ in certain significant respects from Argentine GAAP and from U.S. GAAP.

The Argentine Government might prevail at Banco Hipotecario's General Shareholders' Meetings.

By virtue of Law No. 23,696 (the "Privatization Law") there are no restrictions on the Argentine Government's ability to dispose of its Class A shares and all those shares minus one could be sold to third parties through public offering. Banco Hipotecario's By-laws set forth that if at any time Class A shares were to represent less than 42% of Banco Hipotecario's shares with right to vote, Class D shares automatically lose their triple vote right, which could result in the principal shareholders losing control of Banco Hipotecario. Should any such situation materialize and should the Argentine Government retain a sufficient number of Class A shares, the Argentine Government could prevail in Shareholders' Meetings (except for some decisions that call for qualified majorities) and could thus exert actual control on the decisions that must be submitted to consideration by the Shareholders' Meeting.

Banco Hipotecario's obligations as trustee of the Programa de Crédito Argentino del Bicentenario para la Vivienda Única Familiar ("PROCREAR") trust are limited.

Banco Hipotecario currently acts as trustee of the PROCREAR Trust, which aims to facilitate access to housing solutions by providing mortgage loans for construction and developing housing complexes across Argentina. Under the terms and conditions of the PROCREAR Trust, all the duties and obligations under the trust have to be settled with the trust estate. Notwithstanding, if the aforementioned is not met, Banco Hipotecario could have its reputation affected. In addition, if the Argentine government decides to terminate the PROCREAR Trust and/or terminate Banco Hipotecario's role as trustee of the PROCREAR Trust, this may adversely affect Banco Hipotecario's results of operations.

In the future, Banco Hipotecario may consider new business opportunities, which could turn out to be unsuccessful.

In recent years Banco Hipotecario has considered some business acquisitions or combinations and plans to continue considering acquisitions that offer appealing opportunities and that are in line with Banco Hipotecario's commercial strategy. However, Banco Hipotecario cannot assure you that such businesses could deliver sustainable outcomes or that it will be able to consummate the acquisition of financial institutions in favorable conditions. Additionally, Banco Hipotecario's ability to obtain the desired outcome because of said acquisitions will be partly dependent upon its ability to follow through with the successful integration of the businesses. To integrate any acquired business entails major risks, including unforeseen difficulties in integrating operations and systems; problems inherent in assimilating or retaining the target's employees; challenges associated with keeping the target's customers; unforeseen liabilities or contingencies associated with the target; and the likelihood of management having to take time and attention out of the business's day-to-day to focus on the integration activities and the resolution of associated problems.

Cybersecurity events could negatively affect Banco Hipotecario's reputation, its financial condition and results of operations.

Banco Hipotecario has access to large amounts of confidential financial information and control substantial financial assets belonging to the customers as well as to Banco Hipotecario. In addition, Banco Hipotecario provides its customers with continuous remote access to their accounts and the possibility of transferring substantial financial assets by electronic means. Accordingly, cybersecurity is a material risk for Banco Hipotecario. Cybersecurity incidents, such as computer break-ins, phishing, identity theft and other disruptions could negatively affect the security of information stored in and transmitted through Banco Hipotecario 's computer systems and network infrastructure and may cause existing and potential customers to refrain from doing business with Banco Hipotecario.

In addition, contingency plans in place may not be sufficient to cover liabilities associated with any such events and, therefore, applicable insurance coverage may be deemed inadequate, preventing Banco Hipotecario from receiving full compensation for the losses sustained because of such a disruption.

Although Banco Hipotecario intends to continue to implement security technology devices and establish operational procedures to prevent such damage, we cannot assure you that all of Banco Hipotecario's systems are entirely free from vulnerability and these security measures will be successful. If any of these events occur, it could damage Banco Hipotecario's reputation, entail serious costs and affect Banco Hipotecario's transactions, as well as its results of operations and financial condition.

A disruption or failure in any of Banco Hipotecario's information technology systems could adversely affect its business.

Banco Hipotecario depends on the efficient and uninterrupted operation of internet-based data processing, communication and information exchange platforms and networks, including those systems related to the operation of Banco Hipotecario's ATM network. Banco Hipotecario's operations depend on its ability to manage its information technology systems and communications efficiently and without interruption. Banco Hipotecario's communications, systems or transactions could be harmed or disrupted by fire, floods, power failures, defective telecommunications, computer viruses, electronic or physical theft and similar events or disruptions. In addition, Banco Hipotecario's information technology systems and operations may suffer if its suppliers do not meet the delivery of products in a timely manner or decide to end the relationship with Banco Hipotecario.

Any of the foregoing events may cause disruptions in Banco Hipotecario's information technology systems, delays and the loss of critical data, and could prevent Banco Hipotecario from operating at optimal levels. In addition, the contingency plans in place may not be sufficient to cover all those events and, therefore, this may mean that the applicable insurance coverage is limited or inadequate, preventing Banco Hipotecario from receiving full compensation for the losses sustained because of such a disruption. Also, Banco Hipotecario's recovery of losses plan may not be enough to prevent damage resulting from all the cases and Banco Hipotecario's insurance coverage could be inadequate to cover losses from interruptions. If any of these assumptions occur Banco Hipotecario's reputation, business, results of operations and financial condition could be adversely affected.

Risks Related to the ADSs and the Common Shares.

Shares eligible for sale could adversely affect the price of our common shares and American Depositary Shares.

The market prices of our common shares and ADS could decline as a result of sales by our existing shareholders of common shares or ADSs in the market, or the perception that these sales could occur. These sales also might make it difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

The ADSs are freely transferable under U.S. securities laws, including common shares sold to our affiliates. IFISA, which as of June 30, 2015, owned approximately 37.4% of our common shares (or approximately 187,552,100 common shares which may be exchanged for an aggregate of 18,755,210 ADSs), is free to dispose of any or all of its common shares or ADSs at any time in its discretion. Sales of a large number of our common shares and/or ADSs would likely have an adverse effect on the market price of our common shares and the ADSs.

If we issue additional equity securities in the future, you may suffer dilution, and trading prices for our equity securities may decline.

We may issue additional shares of our common stock for financing future acquisitions or new projects or for other general corporate purposes, although there is no present intention to do so. Any such issuance could result in a dilution of your ownership stake and/or the perception of any such issuances could have an adverse impact on the market price of the ADSs.

We are subject to certain different corporate disclosure requirements and accounting standards than domestic issuers of listed securities in the United States.

There may be less publicly available information about the issuers of securities listed on the Buenos Aires Stock Market ("Mercado de Valores de Buenos Aires" or "MERVAL") than is regularly published by or about domestic issuers of listed securities in the United States and certain other countries. We are exempt from the rules under the Securities Exchange Act of 1934, as amended (the "Exchange Act") prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

We have identified a material weakness in our internal controls over financial reporting related to the accounting for derivative financial instruments derived from non-routine, complex contractual provisions in the context of the acquisition of an associate.

Our management has concluded that our disclosure controls and procedures as of the end of fiscal year 2014 were not effective given to a material weakness in our internal control over financial reporting. This material weakness is related to the accounting for derivative financial instruments derived from non-routine complex contractual provisions in the context of the acquisition of an associate. Under this concept, a material weakness is a deficiency, or combination of deficiencies, in the internal control over financial reporting that may reasonably cause that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. See Item 15. Controls and Procedures - A. Disclosure Controls and Procedures.

Any failure to implement and/or maintain improvements in the controls over our financial reporting, or any difficulties encountered in the implementation of such improvements, could result in a material misstatement in our annual or interim financial statements that: (i) may not be prevented or detected; and/or, (ii) may cause us to fail to meet our reporting obligations under the applicable securities laws. This situation may also cause investors to lose confidence in our reported financial information, and this could have an adverse impact on the trading price of our shares or ADSs.

Investors may not be able to effect service of process within the U.S., limiting their recovery of any foreign judgment.

We are a publicly held stock corporation (sociedad anónima) organized under the laws of Argentina. Most of our directors and our senior managers, and most of our assets are located in Argentina. As a result, it may not be possible for investors to effect service of process within the United States upon us or such persons or to enforce against us or them in United States court judgments obtained in such courts predicated upon the civil liability provisions of the United States federal securities laws. There is doubt whether the Argentine courts will enforce, to the same extent and in as timely a manner as a U.S. or foreign court, an action predicated solely upon the civil liability provisions of the United States federal securities laws or other foreign regulations brought against such persons or against us.

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If we are considered to be a passive foreign investment company for United States federal income tax purposes, U.S. Holders of our common shares or ADSs would suffer negative consequences.

Based on the current and projected composition of our income and valuation of our assets, including goodwill, we do not believe we were a passive foreign investment company ("PFIC") for United States federal income tax purposes for the taxable year ending June 30, 2015, and we do not currently expect to become a PFIC, although there can be no assurance in this regard. The determination of whether we are a PFIC is made annually. Accordingly, it is possible that we may be a PFIC in the current or any future taxable year due to changes in our asset or income composition or if our projections are not accurate. The volatility and instability of Argentina's economic and financial system may substantially affect the composition of our income and assets and the accuracy of our projections. In addition, this determination is based on the interpretation of certain U.S. Treasury regulations relating to rental income, which regulations are potentially subject to differing interpretation. If we become a PFIC, U.S. Holders (as defined in "Taxation—United States Taxation") of our common shares or ADSs will be subject to certain United States federal income tax rules that have negative consequences for U.S. Holders such as additional tax and an interest charge upon certain distributions by us or upon a sale or other disposition of our common shares or ADSs at a gain, as well as reporting requirements. Please see ''Taxation—United States Taxation—Passive Foreign Investment Company'' for a more detailed discussion of the consequences if we are deemed a PFIC. You should consult your own tax advisors regarding the application of the PFIC rules to your particular circumstances.

Changes in Argentine tax laws may adversely affect the tax treatment of our common shares or ADSs.

On September 23, 2013, the Argentine income tax law was amended by the passage of Law N° 26,893. Under the amended law, the distribution of dividends is subject to income tax at a rate of 10%, unless the dividends are distributed to Argentine corporate entities. In addition, the amended law establishes that the sale, exchange or other transfer of shares and other securities is subject to a capital gain tax at a rate of 15% for Argentine resident individuals and foreign beneficiaries. There is an exemption for Argentine resident individuals if certain requirements are met; however, there is no such exemption for non-Argentine residents. See Item 10.E –"Taxation —Argentine Taxation." However, as of the date hereof many aspects of the amended tax law remain unclear and, pursuant to certain announcements made by Argentine tax authorities, they are subject to further rulemaking and interpretation, which may adversely affect the tax treatment of our common shares and/or ADSs.

The income tax treatment of income derived from the sale of ADSs, dividends or exchanges of shares from the ADS facility may not be uniform under the revised Argentine income tax law. The possibly varying treatment of source income could impact both Argentine resident holders as well as non-Argentine resident holders. In addition, should a sale of ADSs be deemed to give rise to Argentine source income, as of the date of this annual report no regulations have been issued regarding the mechanism for paying the Argentine capital gains tax when the sale exclusively involves non-Argentine parties. However, as of the date of this annual report, no administrative or judicial rulings have clarified the ambiguity in the law.

Therefore, holders of our common shares, including in the form of ADSs, are encouraged to consult their tax advisors as to the particular Argentine income tax consequences under their specific facts.

Holders of our ADSs may be unable to exercise voting rights with respect to the common shares underlying the ADSs at our shareholders' meetings.

We will not treat the holders of our ADSs as one of our shareholders and the holders of our ADSs will not have shareholder rights. The ADS depositary will be the holder of the common shares underlying your ADSs and ADS holders may exercise voting rights with respect to the common shares represented by the ADSs only in accordance with the deposit agreement relating to the ADSs. There are no provisions under Argentine law or under our by-laws that limit the exercise by ADS holders of their voting rights through the ADS depositary with respect to the underlying common shares. However, there are practical limitations on the ability of ADS holders to exercise their voting rights due to the additional procedural steps involved in communicating with these holders. For example, holders of our common shares will receive notice of shareholders' meetings through publication of a notice in an Official Gazette in Argentina, an Argentine newspaper of general circulation and the bulletin of the Buenos Aires Stock Exchange ("BCBA"), and will be able to exercise their voting rights by either attending the meeting in person or voting by proxy. ADS holders, by comparison, will not receive notice directly from us. Instead, in accordance with the deposit agreement, we will provide the notice to the ADS depositary. If requested by us, the ADS depositary will mail to holders of ADSs the notice of the meeting and a statement as to the manner in which instructions may be given by holders. To exercise their voting rights, ADS holders must then instruct the ADS depositary as to voting the common shares represented by their ADSs. Due to these procedural steps involving the ADS depositary, the process for exercising voting rights may take longer for ADS holders than for holders of common shares and common shares represented by ADSs may not be voted as ADS holders desire.

Under Argentine law, shareholder rights may be fewer or less well defined than in other jurisdictions.

Our corporate affairs are governed by our by-laws and by Argentine corporate law, which differ from the legal principles that would apply if we were incorporated in a jurisdiction in the United States, such as the States of Delaware or New York, or in other jurisdictions outside Argentina. In addition, your rights or the rights of holders of our common shares to protect your or their interests in connection with actions by our board of directors may be fewer and less well defined under Argentine corporate law than under the laws of those other jurisdictions. Although insider trading and price manipulation are illegal under Argentine law, the Argentine securities markets are not as highly regulated or supervised as the U.S. securities markets or markets in some other jurisdictions. In addition, rules and policies against self–dealing and regarding the preservation of shareholder interests may be less well defined and enforced in Argentina than in the United States, putting holders of our common shares and ADSs at a potential disadvantage.

The protections afforded to minority shareholders in Argentina are different from and more limited than those in the United States and may be more difficult to enforce.

Under Argentine law, the protections afforded to minority shareholders are different from, and much more limited than, those in the United States and some other Latin American countries. For example, the legal framework with respect to shareholder disputes, such as derivative lawsuits and class actions, is less developed under Argentine law than under U.S. law as a result of Argentina's short history with these types of claims and few successful cases. In addition, there are different procedural requirements for bringing these types of shareholder lawsuits. As a result, it may be more difficult for our minority shareholders to enforce their rights against our directors or us or controlling shareholder than it would be for shareholders of a U.S. company.

The majority of our shareholders may determine to not pay any dividends.

In accordance with Argentine corporate law we may pay dividends to shareholders out of net and realized profits, if any, as set forth in our Audited Financial Statements prepared in accordance with IFRS. The approval, amount and payment of dividends are subject to the approval by our shareholders at our annual ordinary shareholders meeting. The approval of dividends requires the affirmative vote of a majority of the shareholders entitled to vote at the meeting. As a result, we cannot assure you that we will be able to generate enough net and realized profits so as to pay dividends or that our shareholders will decide that dividends will be paid

Our ability to pay dividends is limited by law and economic conditions.

In accordance with Argentine corporate law, we may pay dividends in Pesos out of retained earnings, if any, to the extent set forth in our audited financial statements. Our ability to generate retained earnings is subject to the results of our operations. During 2014 inflation has accelerated mainly due to the devaluation process carried out by the Argentine Central Bank. The uncertainty surrounding future inflation may affect our results and as a result our ability to pay dividends. If the Peso continues to devaluate significantly, all of the negative effects on the Argentine economy related to such devaluation could recur, with adverse consequences on our business and as a result on the results of our operations and our ability to pay dividends.

The ability of holders of the ADS to receive cash dividends may be limited.

The ability of the ADS holders to receive cash dividends may be limited by the ability of the depositary to convert cash dividends paid in Pesos into U.S. Dollars. Under the terms of our deposit agreement with the depositary for the ADSs, to the extent that the ADS depositary can in its judgment, and in accordance with local exchange regulations, convert Pesos (or any other foreign currency) into U.S. Dollars on a reasonable basis and transfer the resulting U.S. Dollars abroad, the ADS depositary will promptly as practicable convert or cause to be converted all cash dividends received by it in Pesos on the deposited securities common shares into U.S. Dollars. If in the judgment of the depositary this conversion is not possible on a reasonable basis (or is not permitted by applicable Argentine laws, regulations and approval requirements), the ADS depositary may distribute the foreign currency received by it in Pesos in Argentina or in its discretion hold such currency uninvested for the respective accounts of the owners entitled to receive the same. As a result, if the exchange rate fluctuates significantly during a time when the depositary cannot or does not convert the foreign currency, you may lose some or all of the value of the dividend distribution. For further information see “Risks Relating to Argentina—Restrictions on transfers of foreign currency and the repatriation of capital from Argentina may impair our ability to pay dividends and distributions.”

Our inability to provide audited financial statements for IDBD in accordance with Rule 3-09 of Regulation S-X may cause us to be unable to complete a registered offering, which would materially adversely affect our ability to access the capital markets, may cause certain of our shareholders to be unable to rely on Rule 144 for sales of our securities and may ultimately result in the delisting of our ADSs from NASDAQ.

We have been unable to obtain financial statements for IDBD for the year ended December 31, 2014 audited in accordance with auditing standards generally accepted in the United States (“U.S. GAAS”) that may be required to be included in this Annual Report on Form 20-F by Rule 3-09 of Regulation S-X (“Rule 3-09”). As of June 30, 2015, we held 49% of IDBD and, as such, we did not control IDBD and did not have the power to direct IDBD or its management to provide us with such audited consolidated financial statements. In reliance on Rule 12b-21 promulgated under the Exchange Act and Rule 409 promulgated under the Securities Act of 1933, as amended, we have provided unaudited consolidated financial statements for IDBD for the year ended December 31, 2014, which do not comply with Rule 3-09. As a result of including such financial information, we do not believe that the omission of the audited financial statements in accordance with Rule 3-09 will have a material impact on a reader’s understanding of our financial condition or our results of operations.

We are in the process of requesting a waiver from the SEC for filing the audited consolidated financial statements of IDBD for the year ended December 31, 2014 as may be required by Rule 3-09. We cannot provide you with any assurances that we will obtain this waiver. If the SEC does not grant this waiver to us, we will have to file an amendment to this annual report including the financial statements of IDBD for the year ended December 31, 2014 audited in accordance with U.S. GAAS as soon as such financial statements become available. If this annual report on Form 20-F is considered materially deficient due to the lack of financial statements of IDBD for the year ended December 31, 2014 audited in accordance with U.S. GAAS, we may no longer be considered current in our Exchange Act reporting requirements until the time we file such amendment and we may no longer be considered timely in our Exchange Act reporting requirements. As a result, we would become ineligible to use a “short form” registration statement on Form F-3 for 12 months. In addition, the SEC may not declare effective any registration statement that we file in connection with an offering that requires the financial statements under Rule 3-09 to be included. If, as a result, we are unable to complete a registered offering, our ability to access the public capital markets would be materially adversely affected. Any resulting inability to complete a registered offering may materially adversely impact our business, liquidity position, growth prospects, financial condition and results of operations. Furthermore, the Rule 144 safe harbor for the sale of our securities may be unavailable for a certain period of time, which may make it harder to effect such sales. Finally, our ADSs may ultimately be delisted from NASDAQ.

Item 4. Information on the Company

A. HISTORY AND DEVELOPMENT OF THE COMPANY

General Information

Our legal name is Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria, and our commercial name is “Cresud”. We were incorporated and organized on December 31, 1936 under Argentine law as a stock corporation (sociedad anónima) and were registered with the Public Registry of Commerce of the City of Buenos Aires (Inspección General de Justicia), on February 19, 1937 under number 26, on page 2, book 45 of National By-laws Volume. Pursuant to our bylaws, our term of duration expires on July 6, 2082. Our headquarters are located at Moreno 877, (C1091AAQ), Ciudad Autónoma de Buenos Aires, Argentina. Our telephone is +54 (11) 4814-7800, and our website is www.cresud.com.ar.

Information contained in or accessible through our website is not a part of this annual report on Form 20-F. All references in this annual report on Form 20-F to this or other internet sites are inactive textual references to these URLs, or “uniform resource locators” and are for information purposes only. We assume no responsibility for the information contained on these sites.

History

We were incorporated in 1936 as a subsidiary of Credit Foncier, a Belgian company engaged in the business of providing rural and urban loans in Argentina. We were incorporated to administer real estate holdings foreclosed by Credit Foncier. Credit Foncier was liquidated in 1959, and as a part of such liquidation, our shares were distributed to Credit Foncier's shareholders and in 1960 were listed on the Buenos Aires Stock Exchange ("BASE"). During the 1960s and 1970s, our business shifted to exclusively agricultural activities.

In 1993 and 1994, Consultores Asset Management acquired, on behalf of certain investors, approximately 22% of our shares on the BASE. In late 1994, an investor group led by Consultores Asset Management (including Dolphin Fund plc.) acquired additional shares increasing their aggregate shareholding to approximately 51.4% of our outstanding shares. In 1995, we increased our capital through a rights offering and global public offering of ADRs representing our common shares and listed such ADRs on the NASDAQ. We started our agricultural activities with 7 farmlands and 20,000 hectares under management.

As of June 30, 2015, we have invested approximately Ps. 1,077.5 million to acquire our current 64.30% equity interest in IRSA (without considering treasury shares). IRSA is one of Argentina's largest real estate companies and is engaged in a range of diversified real estate activities including residential properties, office buildings, shopping centers and luxury hotels in Argentina. A majority of our directors are also directors of IRSA.

In line with our international expansion strategy, on September of 2005 we participated in the creation of Brasilagro with the purpose of replicating our business model in Brazil. We created BrasilAgro together with our partners, Cape Town Llc, Tarpon Investimentos S.A., Tarpon Agro LLC, Agro Investments S.A. and Agro Managers S.A.

On May 2, 2006, BrasilAgro's shares were listed on the Novo Mercado of the Brazilian Stock Exchange ("BOVESPA") with the symbol AGRO3. BrasilAgro's shares were placed jointly with Banco de Investimentos Credit Suisse (Brazil) S.A. in the Brazilian market through investment mechanisms regulated by controlling authorities and with sales efforts pursuant to an exception from registration under the US Securities Act of 1933. The amount originally offered was R$ 532 million, equivalent to 532,000 common shares at a price of R$ 1,000 per share of BrasilAgro.

In addition, we purchased shares in the offering for R$ 42.4 million (approximately US$ 20.6 million). Following such contribution we held a total amount of 42,705 shares, equivalent to 7.4% of BrasilAgro's capital stock. On October 31, 2007, BrasilAgro carried out a 1-for-100 share split approved at the special shareholders' meeting held on March 15, 2007 and ratified at the annual shareholders' meeting held on October 29, 2007. Following this split, BrasilAgro's capital stock was composed of 58,422,400 common shares.

On October 20, 2010 and on December 23, 2010, along with Tarpon we executed two amendments to the share purchase agreement dated as of April 28, 2010, under which we acquired 9,581,750 shares of common stock of BrasilAgro, representing 16.40% of the outstanding stock. Consequently, on October 20, 2010 we paid R$25.2 million and on December 23, 2010 we paid R$50.8 million, and the price reminder of R$52.6 million was paid on April 27, 2011.

Consequently, as of the date of this annual report, we hold 23,150,050 shares or 39.76% of BrasilAgro's outstanding capital stock. It should be noted that such acquisition of shares does not imply any change of control within the shareholders' group of BrasilAgro according to the legal regime in Brazil; Additionally, we own 168,902 BrasilAgro's first issuance warrants and 168,902 BrasilAgro's second issuance warrants.

In addition, during the last quarter of calendar year 2010, we entered into an agreement by means of which we assigned all equity and political rights related to 2,276,534 shares of BrasilAgro for two years. The agreement also provides a promise to sell, under which the assignee may at any time request the sale of BOVESPA's shares or the transfer of shares on its behalf. In consideration for the assignment, we paid a fixed value of US$0.8 million and additionally, in the event the assignee requested the sale or transfer of share, it should paid US$7.15 per share sold or transferred. On June 27, 2012, we agreed together with Mr. Elie Horn and Cape Town Llc. to terminate the shareholder's ageerrment.

From fiscal year 2011, we present our financial statements in consolidated form with Brasilagro's. In November past, Brasilagro's shares became listed as Level II ADRs on the NYSE, under the ticker symbol LND.

In the context of operations that represent a new expansion of our agricultural business in south america, on September 2008, we entered into several agreements to carry out real estate and agricultural, livestock and forestry activities in the Republic of Paraguay. Under these agreements, a new corporation was organized together with Carlos Casado S.A. ("Carlos Casado") under the name Cresca, in which we hold a 50% equity interest. Additionally, we provide consulting services for the agricultural, livestock and forestry development of a rural property of 41,931 hectares.

In March 2008 we concluded a capital increase of 180 million shares. As a result, 180 million shares offered at the subscription price of US$ 1.60 or Ps. 5.0528 per share were fully subscribed, in the local and international markets. In addition, each shareholder received, without additional cost, one warrant for each share subscribed. See Item 9 "The Offer and Listing – A. Offer and Listing Details - Stock Exchanges in which our securities are listed". This capital increase allows us to expand our international operations to Paraguay and Bolivia.

We entered into an agreement to purchase a 50% interest in a rural property located in Mariscal José Felix Estigarribia, Department of Boquerón, Chaco Paraguayo, Republic of Paraguay, owned by Carlos Casado, for a price of US$5.2 million, in order to contribute them to the new company organized. The contribution was made on January 26, 2009, and the title deed to the property was executed on February 3, 2009. Therefore, jointly with the contribution made by Carlos Casado, the total value of the contributions in Cresca is US$10.5 million. In addition, Cresca has an option granted by Carlos Casado for the purchase of 100,000 additional hectares located in Paraguay.

On March 19, 2010 the option granted under the agreement dated September 3, 2008 was partially exercised, whereby 3,614 hectares, valued at US$350 each, were transferred to Cresca. Finally, on June 29, 2010, the title deed was executed, involving the conveyance of 3,646 hectares.

In December 2013, we sold our entire interest in Cresca, in which we held 50% of its stock capital, and the option granted by Carlos Casado for the purchase of 100,000 additional hectares located in Paraguay, to our subsidiary Brasilagro for US$ 18.5 million, thus adding 145,000 hectares in the Paraguayan Chaco to its land portfolio intended for development. On April 3, 2014, Cresca signed a bill of sale whereby it sells an area of 24,624 hectares located in Chaco Paraguayo.

During fiscal year 2015 the option granted under the agreement dated September 3, 2008 was exercised, whereby 60,531 hectares, valued at US$350 each, were transferred to Cresca.

In the framework of a series of transactions that represent a new expansion of our agribusiness operations in South America, in line with our business plan, we have incorporated companies that own land in the Republic of Bolivia during 2008.

For such purposes, the following companies were incorporated: Agropecuaria Acres del Sud S.A ("Acres del Sud"), Ombú Agropecuaria S.A.("Ombú"), Yatay Agropecuaria S.A. ("Yatay") and Yuchan Agropecuaria S.A. ("Yuchan"). The preceding Bolivia-based companies acquired land for agricultural operations. We maintain a 100.00% ownership interest in the capital stock of those companies, all engaged in agricultural operations.

In addition, during October 2008, we acquired, a company named Helmir S.A. ("Helmir"), domiciled in the Republic of Uruguay and incorporated with a broad-ranging corporate purpose.

In line with our international expansion strategy, we have entered into a number of agreements to formalize our position in various South American countries. In July 2008, we, executed several promise to purchase agreements for an aggregate of 12,166 hectares in the Republic of Bolivia for a total price of US$28.9 million.

In connection with these lands, on November 20, 2008, two purchase instruments including delivery of possession were executed, as part of the process of casting into public deed and filing of deeds with the relevant registries, involving the purchase of 883, 2,969 and 3,748 hectares in "San Cayetano," "San Rafael" and "La Fon Fon" farmlands, respectively, located in Santa Cruz, Bolivia.

On January 22, 2009, we executed a deed of purchase for 4,566 hectares in Las Londras farmlands, located in the Province of Guarayos, Republic of Bolivia. On that date, the sum of US$3.8 million was paid, representing 42.9% of the total agreed price. The remaining balance is payable in two annual installments: the first one was paid during the 2010 fiscal period, and the second one was paid in fiscal year 2011.

During fiscal year 2010, 10,800 hectares of the farmlands located in Bolivia were sown. This region has traditionally achieved double harvesting of soybean, which means that better results can be obtained per hectare during a single season; yet, the weather conditions that prevailed during the last year have not allowed double harvesting.

In June 2011, we entered into a purchase agreement for two agricultural parcels located at Santa Cruz, Republic of Bolivia, with a total surface of 5,000 hectares, which are used for agricultural exploitation: (i) The first parcel has a surface of approximately 2,660 hectares for sugar cane exploitation purposes. The purchase price was US$8.4 million which was fully paid, and (ii) the second parcel has a surface of approximately 2,340 hectares for soybeans exploitation purposes. The purchase price was US$4.9 million which was fully paid.

Additionally, we have agreed to sell a parcel of La Fon Fon with a surface of 910 hectares for US$3.64 million and 1,643 hectares of "La Fon Fon II" for an overall amount of US$ 7.21 million.

On May 27, 2014 Ombú executed a purchase and sale agreement involving a sale subject to retention of title covering 883 hectares of "San Cayetano I" for an aggregate amount of US$ 4.2 million.

Acquisitions, dispositions and authorization pending approval

Year ended June 30, 2015

Sale of Cresca farmland

On April 3, 2014, Cresca S.A. signed a bill of sale whereby it sells an area of 24,624 hectares located in Chaco Paraguayo. The total price is US$ 14.7 million (Ps. 56.3 million), which amount shall be collectable as follows US$ 1.8 million were collected upon execution of the bill of sale, US$ 4.3 million upon execution of the conveyance deed; US$ 3.7 million interest-free in July, 2015; US$ 4.9 million interest-free in July, 2016. Possession was delivered upon execution of the conveyance deed of title and constitution of a mortgage to secure payment of the balance, on July 14, 2014.

The Company has recognized gains of Ps. 19.1 million as result of this transaction.

Sale of Cremaq farmland

On June 10, 2015, Brasilagro sold the remaining area of 27,745 hectares of Cremaq field, an establishment, located in the municipality of Baixa Grande do Ribeiro (Piaui). The sale was priced at Rs. 270 million (Ps. 694.0 million), of which Rs. 67.5 million (Ps. 196.8 million) were collected in full as of the date of these financial statements.

The Company has recognized gains of Ps. 525.9 million as result of this transaction.

Sale of La Fon Fon II farmlands

On October 17, 2013, Yuchán Agropecuaria signed a purchase-sale agreement involving a sale subject to retention of title involving 1,643 hectares of "La Fon Fon II" for an overall amount of US$ 7.21 million (equivalents to Ps. 59.0 million). As of the consolidated financial statement date, the amount of US$ 1.5 million has been collected, and the remaining balance amounts to US$ 5.71 million that will be cancelled in 6 semi-annual installments, starting in December this year, and concluding in June, 2018. Under the contract, the conveyance shall be recorded with the Registry once the price has been fully paid off. On June 24, 2015, possession was granted by Yuchán Agropecuaria. During this year the Company recognized a profit before tax of US$ 2.7 million (equivalents to Ps. 24.6 million) as result of this transaction.

Sale of investment properties

On July 7, 2014, IRSA signed the transfer deed for the sale of the 19th and 20th floors of the Maipú 1300 Building. The total price of the transaction was Ps. 24.7. Such transaction generated a profit before tax of approximately Ps. 20.3 million.

On September 29, 2014, the Company finalized the sale of the Madison 183 Building, through the subsidiary Rigby 183 LLC (“Rigby 183”), in the city of New York, United States, in the sum of US$ 185 million, thus paying off the mortgage levied on the asset in the amount of US$ 75 million. Such transaction generated a gain before tax of approximately Ps. 296.5 million.

On October 8, 2014, the Company through IRSA signed the transfer deed for the sale of the 22th and 23th floors of the Bouchard 551 Building. The total price of the transaction was Ps. 168.7 million. Such transaction generated a gain before tax of approximately Ps. 150.1 million.

On October 22, 2014, the Company through IRSA signed the transfer deed for the sale of the 10th floor and two parking units of the Maipú 1300 Building and one parking unit of the building Libertador 498. The total price of the transaction was Ps. 12.0 million. Such transaction generated a gain before tax of approximately Ps. 10.1 million.

On October 28, 2014, the Company through IRSA signed the transfer deed for the sale of 9th, 10th and 11th floors of the Bouchard 551 Building. The total price of the transaction was Ps. 279.4 million. Such transaction generated a gain before tax of approximately Ps. 238.6 million.

On November 7, 2014, the Company through IRSA signed the transfer deed for the sale of the 21th floor of the Bouchard 551 Building. The total price of the transaction was Ps. 75.6 million. Such transaction generated a gain before tax of approximately Ps. 66.1 million.

On December 10, 2014, the Company through IRSA signed the transfer deed for the sale of the 9th floor of the Maipú 1300 Building. The total price of the transaction was Ps. 12.5 million. Such transaction generated a gain before tax of approximately Ps. 10.7 million.

On December 22, 2014, IRSA transfered to IRSA Commercial Properties, 83,789 m2 of our premium office space including the República Building, the Bouchard 710 building, the Della Paolera 265 building, the Intercontinental Plaza Building, the Suipacha 652 building and the land reserve "Intercontinental II" with potential to develop up to 19,600 square meters, each located in the City of Buenos Aires, to implement our objective of expanding our business of developing and operating commercial properties in Argentina and to create a unique and unified portfolio of rental properties consisting of the best office buildings in the city of Buenos Aires and the best shopping centers in Argentina. The total value of the transaction was US$308.0 million, based on third party appraisals. This transaction had no accounting impact.

On May 5, 2015, the Company through IRSA Commercial Properties has signed a bill of sale to transfer 8,470 square meters corresponding to nine offices floors and 72 parking units of Intercontinental Plaza Building. The transaction price was Ps. 376.4 million, which has already been paid in full. On June 30, 2015, the title deed was executed and the possession of the units previously mentioned was granted. Gross profit before tax of this operation amounted to Ps. 338.4 million.

On May 19, 2015, the Company through IRSA signed the transfer deed for the sale of the 15th floor of the Maipú 1300 Building and one parking unit in Libertador 498 Building. The total price of the transaction was US$ 13.5 million. Such transaction generated a profit before tax of approximately Ps. 11.6 million.

On June 5, 2015, the Company through IRSA signed the transfer deed for the sale of the 14th floor of the Maipú 1300 Building. The total price of the transaction was US$ 1.5 million. Such transaction generated a profit before tax of approximately Ps. 11.5 million.

All sales of fiscal year ended June 30, 2015 led to a combined profit for the Company of Ps. 1,150.2 million approximately, disclosed within the line "Gain from disposal of investment properties" in the income statement.

For more information, see "Item 4—Recent Developments."

Decreased shareholding in Avenida Inc.

On July 18, 2014, the Company, through Torodur S.A., exercised the warrant that remained associated to this investment and consequently its interest in Avenida Inc. increased to 6,172,840 shares or 35.46%. Simultaneously, however, a new investor acquired 35.12% of interest in the Company, diluting the Cresud's holding to 23.01% at such date.

On September 2, 2014, Torodur S.A. sold 1,430,000 shares representing 5% of the Avenida Inc.'s capital stock in the amount of Ps. 19.1 million (US$ 2.3 million), thus reducing the equity interest to 17.68% of its share capital. Such transaction generated a gain of Ps. 8.8 million which are shown in the line "Other operating results, net" in the income statement.

As a result of the sale of the interest, the Company has ceased to recognize the equity interest in Avenida Inc. as investment in associates and began to consider it as a financial asset at fair value in the financial statements as of June 30, 2015. On July, 2015, following last year sale of 5% and the recent capital round, our share interest was diluted to 11.38% of Avenida.

Acquisition of additional interest in BHSA

During the year ended June 30, 2015, we acquired, through IRSA, 3,289,029 additional shares of BHSA for a total price of Ps.14.2 million, thus increasing its interest in such company from 29.77% to 29.99%, without consideration of Treasury shares.

Investment in IDBD

General

As of June 30, and as of the date hereof, we hold an indirect investment, through Dolphin Fund Limited ("Dolphin Fund") and Dolphin Netherlands B.V. ("Dolphin Netherlands" and together with Dolphin Fund, "Dolphin"), of 49% of the outstanding capital of IDBD.

As of June 30, 2015 we recorded our investment in IDBD of Ps, 1,136 million and had accounted for a liability that reflected Dolphin's obligation to undertake the Tender Offers (as defined below) for an amount of Ps. 502.6 million.

As a part of the terms of the Arrangement (as defined below), Dolphin agreed to undertake one or more Tender Offers for the acquisition of shares of IDBD for a total amount of NIS512.09 million (equivalent to approximately US$ 135.7 million at the exchange rate prevailing as of June 30, 2015), as follows: (i) at least NIS249.8 million for a price per share of NIS7.798 (price valid as of June 30, 2015, subject to adjustment) by December 31, 2015, an amount of; and (ii) at least NIS512.09 million less the offer made in 2015, for a price per share of NIS8.188 (price as of June 30, 2015, subject to adjustments) by December 31, 2016.

For more information see "—Investment in IDBD—Background of the Investment in IDBD".

Background of the Investment in IDBD

On May 7, 2014, through Dolphin Netherlands B.V, we entered into a transaction, jointly with C.A.A. Extra Holdings Limited, a non-related company, controlled by Mordechai Ben Moshé ("Extra"), through which 106.6 million common shares of IDBD representing 53.30% of its stock capital were acquired under the scope of a debt restructuring of IDBD's holding company, IDB Holdings Corporation Ltd. ("IDBH") with its creditors (the "Arrangement").

Under the terms of the shareholders' agreement entered into between Dolphin Fund and E.T.H.M.B.M. Extra Holdings Ltd., a company controlled by Mordechai Ben Moshé, to which Dolphin Netherlands and Extra acceded (the "Shareholders' Agreement"), Dolphin acquired a 50% interest in this investment, while Extra acquired the remaining 50%. The total investment amount was NIS950 million, equivalent to approximately US$272 million at the exchange rate prevailing on that date.

Under the Arrangement, Dolphin and Extra agreed to participate on a joint and several basis in the capital increases by way of rights offerings resolved by IDBD's Board of Directors in order to carry out its business plan for 2014 and 2015, in an amount of at least NIS300 million for 2014 and NIS500 million for 2015.

As of June 30, 2015, Dolphin has contributed NIS668.6 million in aggregate while Extra contributed NIS203.5 million in IDBD. Thus, Dolphin has completed its committed contributions, while IDBD is claiming from Extra, and Dolphin, under its joint and several liability, to pay the balance committed by Extra for an aggregate of NIS196.5 million (equivalent to approximately US$52.1 million at the exchange rate prevailing as of June 30, 2015).

Moreover, as part of the Arrangement, Dolphin and Extra committed jointly and severally to make one or more tender offers (the "Tender Offers") for the acquisition of shares of IDBD for a total amount of NIS512.09 million (equivalent to approximately US$135.7 million at the exchange rate prevailing as of June 30, 2015), as follows: (i) by December 31, 2015 at least NIS249.8 million for a price per share of NIS7.798 (value as of June 30, 2015, subject to certain adjustments) and (ii) by December 31, 2016, for at least NIS512.09 million, less the offer made in 2015, for a price per share of NIS8.188 (value as of June 30, 2015, subject to certain adjustments). As security for the performance for the Tender Offers, a total of 34,130,119 shares of IDBD were pledged as of June 30, 2015.

On May 12, 2014, IDBD's shares were listed on the "Tel Aviv Stock Exchange ("TASE"), consequently, all the shares (including the pledged shares) were deposited in escrow with Bank Leumi Le-Israel in compliance with the lock-up provisions set forth in the TASE Regulations, which provide that initially listed shares may not be disposed of for a term of 18 months and allow the release of 2.5% per month beginning on the fourth month since the initial listing date, consequently, pursuant to the TASE's regulations as of June 30, 2015, 39,237,461 shares and 243,394 Series 3 warrants remained deposited as set forth above (including part of the pledged shares).

In addition, as of June 30, 2015, 49,695,135 shares, 23,950,072 Series 4 warrants, 22,752,569 Series 5 warrants and 20,357,561 Series 6 warrants of IDBD held by Dolphin were deposited in the same escrow account in which the pledged shares are deposited, and were later transferred to an account of Dolphin which is not an escrow account. As of the date hereof today, the Tender Offers have not been consummated yet.

Pursuant to the provisions of IDBD's shelf offering report for the rights issuance dated June 9, 2014, on June 26, 2014, a total of 1,332,500 rights to subscribe shares and warrants were granted by IDBD to Dolphin at a ratio of one per each 40 shares held, which were exercised on July 1, 2014. Later on, during IDBD's rights issuance process, Dolphin and Extra acquired 0.89 million additional rights for NIS2.83 million, equivalent to approximately US$0.83 million, out of which 50% correspond to Dolphin and 50% to Extra, all in accordance with the terms of the Shareholders' Agreement.

The rights offered by IDBD allowed to subscribe in July 2014 for 13 common shares of IDBD for a price of NIS65 (NIS5 per share) and 27 warrants, 9 of each series (series 1, 2 and 3) to be issued by IDBD, at no cost. Each warrant issued by IDBD would allow the acquisition of one common share of IDBD. Series 1 matured on November 1, 2014 and were exercisable at NIS5.50 per warrant. Series 2 matured on May 1, 2015 and were exercisable at NIS6.00 per warrant. Series 3 matures on December 1, 2015 and is exercisable at NIS6.50 per warrant.

On July 1, 2014 Dolphin exercised all granted rights it held as of June 30, 2014 to acquire additional shares in IDBD. As a result of the exercise of such rights, Dolphin received 23.1 million shares and 16 million of each of Series 1, 2 and 3 warrants. Extra held the same number of rights and acquired the same number of shares and warrants as Dolphin.

During the period from July 9 to July 14, 2014, Dolphin acquired through market transactions 0.42 million shares and 0.34 million Series 2 warrants for NIS1.77 million (equivalent to approximately US$0.52 million as of such date); 50% of which were subsequently sold to Extra pursuant to the provisions of the Shareholders' Agreement.

On November 2, 2014, Dolphin exercised 15,998,787 Series 1 warrants and Extra exercised its respective share of Series 1 warrants.

On January 19, 2015, Dolphin acquired through market transactions 94,000 shares of IDBD for a total amount of NIS0.13 million (equivalent to US$0.03 million as of the purchase date) and subsequently sold 50% to Extra in accordance with the terms of the Shareholders´ Agreement. In addition, Dolphin acquired 42,564 shares of Discount Investment Corporation Ltd. ("DIC"), IDBD's subsidiary, for NIS0.24 million (equivalent to US$0.06 million as of the purchase date), 50% of which was offered to Extra under the terms of the Shareholders Agreement; notwithstanding the aforementioned, Extra decided not to acquire the corresponding 50%.

Furthermore, on January 19, 2015, IDBD issued a shelf offering report for the issuance of rights (the "Rights Offering") for approximately NIS800 million (the "Maximum Immediate Payment") pursuant to an irrevocable offer from Dolphin dated December 29, 2014, to grant on January 26, 2015, one right (one "New Right") for each 25 shares held in IDBD. Each New Right would grant a right to subscribe on February 10, 2015, 45 common shares of IDBD for NIS68.04 (NIS1.512 per share) and 20 Series 4 warrants, 19 Series 5 warrants and 17 Series 6 warrants issued by IDBD at no cost. Each warrant issued by IDBD would allow acquiring a common share in IDBD. The Series 4 warrants will mature on February 10, 2016 at an exercise price of NIS1.663 per warrant. Series 5 warrants will mature on February 12, 2017 at an exercise price of NIS1.814 per warrant. Series 6 warrants mature on February 12, 2018 at an exercise price of NIS1.966 per warrant.

As a result of the Rights Offering above mentioned, on January 26, 2015, Dolphin received 3.7 million New Rights, while Extra received the same number of New Rights. The Rights Offering shelf offering report also stipulated that on February 5, 2015 the rights received could be traded on the public market during such single day only.

In addition, on February 5, 2015, Dolphin acquired 2.05 million New Rights for a total amount of NIS0.94 million (equivalent to US$0.24 million as of the purchase date), 50% of which was offered to Extra under the terms of the Shareholders´ Agreement; notwithstanding the aforementioned, Extra decided not to acquire the corresponding 50%.

On February 10, 2015 Dolphin exercised all New Rights received and acquired on the market. As a result of exercise of these New Rights, Dolphin received 258,970,184 shares, 115,097,859 Series 4 warrants, 109,342,966 Series 5 warrants and 97,833,180 Series 6 warrants. Extra did not exercise any of the New Rights it held. On February 10, 2015, Dolphin sold 71.39 million shares of IDBD to Inversiones Financieras del Sur S.A. ("IFISA") at the closing price of NIS1.39 per share, totaling NIS99.23 million, equivalent to US$25.65 million at the exchange rate prevailing on the date of the transaction.

As a result of the Right Offering, Dolphin remained obliged to inject an amount of NIS8.5 million as equity into IDBD by way of an additional rights offering.

In addition, between February 9 and February 16, 2015, Dolphin acquired in the market 0.36 million shares of DIC for NIS2.88 million, equivalent to US$0.74 million at the exchange rate prevailing on the date of each transaction, part of which was offered to Extra under the terms of the Shareholders Agreement, notwithstanding the foregoing, Extra decided not to acquire its part of such shares according to the Shareholders Agreement.

On May 1, 2015 the IDBD Series 2 warrants matured without being exercised.

On May 31, 2015 Dolphin sold to IFISA 46 million Series 4 warrants for a total amount of NIS0.46 million (equivalent to US$0.12 million as of the date of the transaction), on condition that IFISA agrees to exercise all of them when so required by IDBD to Dolphin, in accordance with the proposal made on May 6, 2015 (as detailed below).

On June 3, 2015 in accordance with the Dolphin proposal dated May 6, 2015, Dolphin exercised 44.2 million Series 4 warrants for a total amount of NIS73.5 million (equivalent to US$19.2 million at the exchange rate prevailing on such date) and IFISA exercised 46 million Series 4 warrants for a total aggregate amount of NIS76.5 million.

As a result of the transactions described above, as of June 30, 2015, Dolphin held an aggregate number of 324,445,664 shares, 15,988,787 Series 3 warrants, 24,897,859 Series 4 warrants, 109,342,966 Series 5 warrants and 97,833,180 Series 6 warrants, accounting for a 49.0% share interest in IDBD, and IFISA held 117,390,470 shares accounting for a 17.73% share interest in IDBD. In addition, as of June 30, 2015 Dolphin held 406,978 shares of DIC, representing a direct interest of 0.48%.

As of June 30, 2015, IDBD's Board of Directors consisted of nine members, three of which were appointed by Dolphin as regular directors: Eduardo Sergio Elsztain, Alejandro Gustavo Elsztain (on July 7 Roni Bar- On replaced him) and Saúl Zang.

For more information, see “Item 4—Recent Developments.”

IDBD Arbitration

On February and March 2015 Dolphin and Extra exchanged letters mainly in relation to claims from Extra in connection with the Rights Offering and Extra’s claim demanding a pro rata acquisition of shares of IDBD owned by Dolphin acquired under the Rights Offering, all the shares acquired thereafter by IFISA and the allocation of certain IDBD shares between Dolphin and Tyrus, asserting in the latter cases the rights under the Shareholders ‘Agreement (first refusal).

Based on the foregoing and in accordance with the provisions of the Shareholders’ Agreement with respect to dispute resolution, on April 30, 2015 arbitration proceedings were initiated in Tel Aviv (the “Preliminary Hearing”), and the Israeli law applies thereto. The arbitration proceedings are intended to settle the issues referred to above, and application and interpretation of certain clauses of the Shareholders' Agreement.

In addition, during the Preliminary Hearing, the parties agreed on the rules and procedures that would govern the conduct of the arbitration proceedings and a schedule for such purposes.

On May 28, 2015, before the filing of the arbitration claim, Extra triggered the Buy Me Buy You (“BMBY”) clause in the Shareholders´ Agreement, which establishes that each party to the Shareholders Agreement may offer to the counterparty to acquire (or sell, as the case may be) the shares it holds in IDBD at a fixed price; and within 14 days from delivery of the BMBY notice (the “Notice”) recipient should let it know whether it desires to sell or acquire the other party’s shares pursuant to the terms of the Notice, in accordance with the provisions of the Shareholders Agreement. In the Notice, Extra further added that the purchaser thereunder would be required to assume all obligations of seller under the Arrangement.

On June 10 and 11, 2015, Dolphin gave notice to Extra of its intention to buy all the shares of IDBD held by Extra, asserted its defenses and its interpretation about application and construction of the BMBY, establishing that Extra’s interpretation of such mechanism was inaccurate, and pursuant to the BMBY clause, Dolphin was not required to assume all of the obligations under the Arrangement, but that if the arbitrator shall decide that Dolphin is required to assume such obligations, then Dolphin would still be the purchasing party in the BMBY.

As a result, the parties pursued arbitration to settle their disputes and in respect of the correct interpretation of the BMBY clause, in order to determine, first, who would be the purchaser under the BMBY clause, and whether such party will be under the obligation to assume all the obligations of seller under the Arrangement.

For such purposes, the arbitrator decided to divide the arbitration proceedings into two phases: the first one to deal with the disputes related to application and interpretation of the mechanism under the BMBY clause and the second one in relation to the parties’ additional claims.

The parties then filed their respective arguments related to the application and interpretation of the BMBY clause mechanism, and two hearings were held on July 19 and July 22, 2015 in order to reach a decision on this matter.

Moreover, on June 28 and 30, 2015 Extra filed a motion with the arbitrator requesting an injunction preventing changes in IDBD’s current Board of Director’s composition at IDBD’s annual shareholders’ meeting held on July 7, 2015.

For more information, see “Item 4—Recent Developments.”

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Proposals to IDBD

On December 29, 2014, Dolphin agreed to inject funds in IDBD, directly or indirectly, through entities controlled by Eduardo Sergio Elsztain, for at least NIS256 million and up to NIS400 million, as follows: (i) NIS256 million through the exercise of the New Rights arising from the Rights Offering by Dolphin; (ii) an additional investment (the "Additional Investment") for an amount equivalent to (a) the Maximum Immediate Payment), less (b) the amount received by IDBD under the Rights Offering, excluding the exercise of the new warrants, but in no case for an amount higher than NIS144 million. The Additional Investment will be made by Dolphin or by any entity directly or indirectly controlled by Eduardo Sergio Elsztain exercising additional rights to be acquired by them or, if such rights are not acquired, by participating in another rights offering to be made by IDBD.

On February 10, 2015, Dolphin subscribed a total of NIS391.5 million, with a remaining contribution commitment of NIS8.5 million.

In addition, Dolphin committed to (i) exercise the Series 4 warrants for a total amount of NIS150 million if so requested by IDBD's Board of Directors within six to 12 months as from the Rights Offering date; and (ii) exercise the remaining Series 4, 5 and 6 warrants received under the Rights Offering, subject to the satisfaction of two conditions simultaneously: (a) that IDBD and its creditors reach an agreement to amend certain debt covenants; and (b) that a control permit over Clal is given by the Capital Markets, Insurance and Savings Commissioner of Israel.

On May 6, 2015, Dolphin submitted to IDBD's Board of Directors a binding and irrevocable proposal, which mainly provided the following:

· Appointment of Eduardo Sergio Elsztain as sole chairman of IDBD's Board of Directors;

· Dolphin's commitment (directly or through any vehicle controlled by Eduardo Sergio Elsztain) to accelerate its obligation to exercise the Series 4 warrants for NIS150 million, and thus IDBD will have the possibility to require their exercise since May 20, 2015 (later it was clarified that this date would be no later than June 2, 2015) instead of on July 19, 2015, provided that before May 20, 2015, IDBD receives a written irrevocable commitment from the representatives of the IDBD bondholders to the effect that until July 20, 2015 they will not call a bondholders meeting (unless they are required to do so under the applicable laws) that includes in its agenda any of the following items:

i) Appointment of advisers (financial, legal or otherwise);

ii) Appointment of a committee representing IDBD's bondholders (as defined below);

iii) File legal actions against IDBD; and

iv) Accelerate the maturity or demand immediate payment of any indebtedness of IDBD.

· IDBD's Board of Directors should set up a committee composed of two members of IDBD's monitoring committee and two members of IDBD's board appointed by Dolphin, which shall have the following duties, subject to the applicable law (later it was clarified that such committee shall not have the authority to make any decision but rather only to make recommendations to the board of directors):

i) Manage, discuss, negotiate and conclude negotiations with the representatives of IDBD's bondholders regarding their requests;

ii) Negotiate with IDBD's financial creditors a new set of covenants for IDBD's financial indebtedness; and

iii) Devise a business and financial plan for IDBD.

· Dolphin (directly or through any vehicle controlled by Eduardo Sergio Elsztain), promised to submit offers to purchase IDBD shares in the public phase of the public offering at an amount of up to NIS100 million at a price per share which is no less than the opening price in the public phase of the public offering, and subject to the following conditions, inter alia:

i) That IDBD makes a public offering of its shares under terms acceptable to the market and approved by IDBD's Board of Directors, for an amount of at least NIS100 million and not to exceed NIS125 million, and that the offering is made between October 1, 2015 and November 15, 2015.

ii) The commitment assumed by Dolphin would automatically expire upon the occurrence of any of the following events before the day of the public auction under the public offering: (i) if any of IDBD's creditors or any of the representatives of IDBD's bondholders files legal actions against IDBD, including a request for early or immediate repayment or acceleration of any portion of IDBD's debt; (ii) if a meeting of any of IDBD's bondholders is called including in its agenda any of the matters set forth above; (iii) if IDBD receives capital contributions for a total amount of NIS100 million in any manner, whether through a rights offering, the exercise of warrants, a private or public placement, and if such contributions are made by Dolphin directly or through any vehicle controlled by Eduardo Sergio Elsztain (apart from the capital contributions creditable against the remaining NIS8.5 million obligation under Dolphin's irrevocable proposal dated December 29, 2014), or by any other individual or legal entity, or the investor public, and at any event when the aggregate amount of such capital contributions under paragraph 5 (d) (iii) of the proposal so submitted is lower than NIS100 million, Dolphin's commitment under Section 5 (c) above would be reduced accordingly; or (iv) if a material adverse event or change occurs in IDBD or its control structure or in any of its material affiliates.

On May 7, 2015, IDBD's Board of Directors approved the proposal and Eduardo Sergio Elsztain was appointed sole Chairman of IDBD's Board of Directors.

On June 3, 2015, pursuant to Dolphin´s original proposal dated December 29, 2014, as amended by paragraph (ii) of the proposal dated May 6, 2015, Dolphin exercised 44.2 million Series 4 warrants, while IFISA exercised the remaining Series 4 warrants required to complete the total NIS150 million commitments. Therefore, the commitment was satisfied as of June 30, 2015.

Proposal to IDBD and DIC

On June 29, 2015, Dolphin submitted an irrevocable proposal to IDBD and DIC (the "Proposal Sent to IDBD and DIC") which offered that, subject to its approval by the Boards of Directors of both companies, DIC would start as soon as possible a rights offering for up to approximately NIS500 million ("DIC's Rights Offering") (equivalent to US$132.5 million at the exchange rate prevailing as of June 30, 2015). Under DIC's Rights Offering, each shareholder of DIC would receive, for no consideration, DIC's right units consisting of 4 series of warrants issued by DIC (which would be registered for trading in the TASE), each of which would be exercisable for one common share of DIC ("DIC's Warrants"), with the following features:

· DIC's Warrants would be divided into 4 series, and the exercise price of each of such series would be approximately NIS125 million, as follows:

i) The first series of warrants would be exercisable until December 21, 2015, for a price to be determined based on acceptable market conditions and after consultation with capital market experts, but in no case for a higher price than NIS6.53 ("DIC's #1 Warrants").

ii) The second series of warrants would be exercisable until December 21, 2016, for an exercise price equivalent to 110% of DIC's #1 Warrants' exercise price.

iii) The third series of warrants would be exercisable until December 21, 2017, for an exercise price of: (i) 110% of DIC's #1 Warrants' exercise price, in the event they are exercised before December 21, 2016; or (ii) 120% of DIC's #1 Warrants' exercise price if they are exercised between December 21, 2016 and December 21, 2017.

iv) The fourth series of warrants would be exercisable until December 21, 2018, for an exercise price of: (i) 110% of DIC's #1 Warrants' exercise price, in the event they are exercised before December 21, 2016; or (ii) 130% of DIC's #1 Warrants' exercise price if they are exercised between December 21, 2016 and December 21, 2018.

· As part of DIC's Rights Offering, IDBD would promise to exercise all DIC's #1 Warrants issued in favor of IDBD, for a total amount of approximately NIS92.5 million ("IDBD's Investment Amount") by December 21, 2015, provided that the following conditions have been satisfied as of such date:

i) IDBD should have the written consent of IDBD's main lenders for IDBD to exercise DIC's #1 Warrants issued in its favor under DIC's Rights Offering.

ii) IDBD should have conducted and completed a Public Offering (as defined below), under which it should have raised an amount of at least NIS200 million.

iii) IDBD should have received the written consent of its main lenders in order for any amount injected as capital in IDBD after the date of such proposal in excess of NIS100 million and up to NIS350 million, to be used at any time for injection from IDBD into DIC, through any capital injection method.

iv) IDBD's obligation expires upon the occurrence of any of the events which result in the expiration of Dolphin's commitment pursuant to the proposal (as described below) or in case of a material adverse event or change occurs in IDBD or its control structure or in any of its material affiliates.

· In turn, Dolphin proposed the following to IDBD:

i) IDBD's public offering amount under Dolphin's proposal dated May 6 would be increased by at least NIS100 million and up to NIS125 million (the "Public Offering under the Proposal to IDBD and DIC"). In other words, the total amount would be increased from a minimum of NIS100 million to a minimum of NIS200 million, and the maximum amount would be increased from a maximum of NIS125 million to a maximum of NIS250 million (the "Total Increased Amount").

ii) Therefore, Dolphin's obligation to participate in the Public Offering under the Proposal to IDBD and DIC would be increased (compared to the proposal dated May 6, 2015) by an amount equal to the difference between the Total Increased Amount and the total amount of commitments received, always provided that such amounts were not higher than NIS200 million (the "Capital Contribution Amount").

iii) The approval of this proposal would constitute IDBD's confirmation and approval that all of Dolphin's commitments under this proposal would imply the full and complete settlement of its remaining obligations to inject NIS8.5 million in IDBD, pursuant to Dolphin's irrevocable proposal dated December 29, 2014 (provided however that Dolphin shall participate in an amount exceeding NIS8.5 million).

iv) The amount mention in section 5(d)(iii) of the May 6 proposal shall be NIS200 million.

v) Dolphin's commitment would automatically expire upon the occurrence of any of the following events: (i) if any of DIC's creditors or any of the trustees of DIC's bonds filed any legal action against DIC, including a request for early repayment or acceleration of any portion of DIC’s debt; and/or (ii) if any meeting of DIC’s bondholders included in its agenda any or many of the following matters: (a) appointment of advisers (financial, legal or otherwise); (b) appointment of a committee of representatives of DIC’s bondholders; (c) filing of any legal action against DIC; and/or (d) request for early or immediate repayment of any portion of DIC’s debt, or any similar discussion.

The Proposal to IDBD and DIC was binding and irrevocable, and it was valid up to July 13, 2015 (later extended to July 16, 2015) and expired on such date if the Boards of Directors of IDBD and DIC did not accept it and approve it unconditionally. On July 9 and 16, 2015, Dolphin submitted clarifications on the Proposal to IDBD and DIC. The Proposal to IDBD and DIC was approved by IDBD’s Board of Directors on July 16, 2015.

For more information, see “Item 4—Recent Developments.”

Disposal of financial assets

During August 2014, IRSA has sold, through its subsidiary REIG IV, the balance of 1 million shares of Hersha Hospitality Trust, at an average price of US$ 6.74 per share.

Transactions with non-controlling interests

IRSA

During the fiscal year ended June 30, 2015, the Company sold a 1.81% interest in IRSA for a total amount of Ps. 181.8 million. This resulted in an increase in non-controlling interests of Ps. 33.7 million and a decrease in equity attributable to holders of the parent of Ps. 97.7 million, net of tax effect. The effect on shareholders' equity of this change in the equity interest in IRSA is summarized as follows:

	Ps. (million)
Carrying amount of the non-controlling interests sold by the Company	(33.7)
Consideration collected	181.8
Tax effect	(50.4)
Reserve recorded in shareholders' equity	97.7

During the fiscal year ended June 30, 2015, the Company acquired a 0.65% interest in IRSA for a total amount of Ps. 50.7 million. This resulted in a decrease in non-controlling interests of Ps. 12.7 million and an increase in equity attributable to holders of the parent of Ps. 38.0 million, net of tax effect. The effect on shareholders' equity of this change in the equity interest in IRSA is summarized as follows:

	Ps. (million)
Carrying amount of Company´s interest acquired of	12.7
Consideration paid for non-controlling interests	(50.7)
Reserve recorded in shareholders' equity	(38.0)

As a result of the transactions mentioned above, as of June 30, 2015, the equity interest in IRSA amounts to 64.30%, not considering effects of treasury stock.

IRSA Commercial Properties

During the fiscal year ended June 30, 2015, the Company, through IRSA, acquired an additional 0.10% interest in IRSA Commercial Properties for a total amount of Ps. 5.7 million. This resulted in a decrease in non-controlling interests of Ps. 0.9 million and an increase in equity attributable to the holders of the parent of Ps. 4.7 million. As of June 30, 2015, IRSA's equity interest in IRSA Commercial Properties amounts to 95.80%. The effect on shareholders' equity of this change in the equity interest in IRSA Commercial Properties is summarized as follows:

	Ps. (million)
Carrying amount of Company's interest acquired of	0.9
Consideration paid for non-controlling interests	(5.6)
Reserve recorded in shareholders' equity	(i) (4.7)

(i) The reserve includes Ps. 1.6 million for non-controlling interest

Dolphin

During February 2015, the Company through its subsidiaries, contributed an amount of US$ 146 million in Dolphin. Such amount was also allocated to increase Dolphin's investment in IDBD. This resulted in a decrease in non-controlling interests of Ps. 21.0 million and an increase in equity attributable to the holders of the parent.

	Ps. (million)
Carrying amount of non-controlling interest	21.0
Consideration paid for non-controlling interests	-
Reserve recorded in shareholders' equity	(i) 21.0

(i) The reserve includes Ps. 6.9 million for non-controlling interest

Disposal of Associates

On February 5, 2014, the Company, through Ritelco, sold its interest in Bitania 26 S.A., representing 49% of its capital stock, for an amount of US$ 4.2 million. Such transaction generated a net gain of approximately Ps. 13.3 million which are shown in the line "Other operating results, net" in the income statement.

BACS Banco de Crédito y Securitización S.A.

The Company through Tyrus, subscribed a purchase-sale agreement of shares of BACS Banco de Crédito y Securitización S.A., representing an interest of 6.125%. The transaction amounts to US$ 1.35 million. This operation is yet to be approved by the Banco Central de la República Argentina, according to regulations in force. The advance payment related to this transaction is disclosed in "Trade and other receivables".

The Company through IRSA, on June 17, 2015, subscribed Convertible Notes, issued by BACS Banco de Crédito y Securitización S.A. for a nominal value of 100,000,000, which are convertible into common stock.

Capital reduction of Rigby 183 LLC

On October 17, 2014, Rigby 183 LLC reduced its capital stock by distributing among existing shareholders, proportionally to their shareholdings, the gain made on the sale of the Madison building. The total amount distributed is US$ 103.8 million, of which the Company received US$ 77.4 million (US$ 26.5 million through IRSA International and US$ 50.9 million through IMadison LLC) and US$ 26.4 were distributed to other shareholders. As a result of such reduction, the Company has decided to reverse the corresponding accumulated currency translation on a pro rata basis, which amounted to Ps. 188.3 million. This reversal has been recognized in the line "Other operating results, net" in the statement of income.

Year ended June 30, 2014

Sale of farmlands

On June 27, 2014, Brasilagro sold a total area of 1,164 hectares of Araucaria field.

The sale was valued at Rs. 32.5 million (or Ps.117.5 million). In July 2014 the buyer made an initial payment of Rs. 4.5 million and remaining balance will be collected in five annual installments. The first installment of Rs. 4.5 million was collected in November 2014 and the second installment, of Rs. 6.9 million, in June 2015. The Company recorded a profit before tax on the sale of the Araucaria farmland for an amount of Rs. 21.0 million (or Ps. 75.8 million).

On May 27, 2014 Ombú Agropecuaria S.A. executed a purchase-sale agreement involving a condition sale of real property covering 883 hectares of "San Cayetano I" for a total amount of US$ 4.2 million (equivalents to Ps. 31.0

million). US$ 2.3 million have already been collected whereas the balance shall be collected in five consecutive semi-annual installments, with the last falling due in November 2016. Under the contract, the conveyance shall be recorded once the price has been fully collected off. Possession was granted upon execution of the contract. The Company recorded a profit before tax of US$ 1.8 million (Ps.15.6 million) on the sale.

Subscription of shares of Avenida Inc.

On August 29, 2013, the Company, through Torodur S.A., subscribed 3,703,704 shares of Avenida Inc., a Company incorporated in Delaware, United States, representing 24.79% of its outstanding capital. At that moment, this company had neither activity nor significant assets. Additionally, the Company acquired a warrant to increase such equity interest up to 37.04% of the company. The transaction price was Ps. 13 million, which were already paid in full. After acquisition, Avenida Inc. established a Company named "Avenida Compras S.A.", a Company incorporated in Argentina and engaged in e-commerce activity. Avenida Inc. owns 100% of Avenida Compras S.A..

Stock call option Agreement for the shares of Arcos del Gourmet S.A.

On September 16, 2013 IRSA Commercial Properties entered into an agreement with Messrs. Eduardo Giana, Pablo Bossi and Patricio Tobal (non-controlling shareholders of Arcos del Gourmet S.A.), whereby the latter grant to IRSA Commercial Properties an exclusive and irrevocable option to purchase 10% of the equity interest of Arcos del Gourmet S.A., which can be executed up to December 31, 2018. In the event the option is exercised, IRSA Commercial Properties should pay the amount of US$ 8.0 million.

Furthermore, in the mentioned agreement a fixed amount of US$ 2.0 million was arranged, which was cancelled, and another variable amount to be paid on a monthly basis, that results from applying a 4.5% on the amounts accrued on each prior calendar month as rental and admission fees, net of certain expenses, during 5 years from the opening of the shopping mall, in relation to the assignment of rights to collect dividends of Arcos during such period.

Acquisition of common shares of Condor Hospitality Trust Inc. (formerly Supertel Hospitality, Inc. due to change of corporate name) (“Condor”).

On January 9, 2014, the Company, through its subsidiary, Real Estate Strategies L.P. (“RES”), granted a loan to Condor for an amount of US$ 2.0 million. This loan included a conversion option whereby RES was allowed to apply the aggregate amount of the loan to purchase common shares of Condor under a “Subscription Rights Offering” or convert the loan directly into common shares of Condor. Additionally, from February 2012, the Company holds two financial instruments in Condor, preferred shares and warrants, which are still held on the balance sheet date. On June 6, 2014, under the "Subscription Rights Offering", RES exercised its conversion right to acquire 1,250,000 common shares at US$ 1.60 per share. As a result of this acquisition, the Company – through RES – acquired a 26.9% equity interest in Condor.

The fair value of the Company’s investment in Condor was based on the fair value of its net assets. Condor´s main assets consist of 65 hotels in United States operated by various hotel chains. The Company has allocated the price paid at the fair value of net assets acquired based on the information available on the balance sheet date. Such fair value amounted to Ps. 31.5 million, resulting in a gain on the acquisition of Ps. 15.4 million, which has been recognized under “Share of loss of associates and joint ventures” in the income statements for the fiscal year ended June 30, 2014.

Significant sale of investment properties

On November 15, 2013 IRSA signed the transfer deed for the sale of the 12th floor and two parking units of the Maipú 1300 Building and two parking units of the Libertador 498 Building. The price of the transaction was Ps. 9.0 million (US$ 1.5 million). Such transaction generated a profit before tax of approximately Ps. 7.2 million.

On January 14, 2014, IRSA signed the transfer deed for the sale of the 11th floor and seven parking units of the Maipú 1300 Building. The total price of the transaction was Ps. 9.6 million (US$ 1.4 million). Such transaction generated a profit before tax of approximately Ps. 7.6 million.

On January 24, 2014, IRSA signed the transfer deed for the sale of the 7th floor and 28 parking units of the Bouchard 551 Building. The total price of the transaction was Ps. 124.6 million equivalents to US$ 16.0 million. Such transaction generated a profit before tax of approximately Ps. 98.8 million.

On April 1, 2014, IRSA signed the transfer deed for the sale of the 5th and 6th floor and complementary units in the Costeros Dique IV Building. The total price of the transaction was Ps. 12.4 million (US$ 1.5 million). Such transaction generated a profit before tax of approximately Ps. 10.3 million.

On April 7, 2014, IRSA signed the transfer deed for the sale of the 21th and 22th floors and two parking units of the Maipú 1300 Building and four parking units of the Libertador 498 Building. The price of the transaction was Ps. 24.1 million (US$ 3.0 million). Such transaction generated a profit before tax of approximately Ps. 19.6 million.

On April 10, 2014, IRSA signed the transfer deed for the sale of the 2nd floor of the Avenida de Mayo 589 Building and ten parking units of the Rivadavia 565 Building. The total price of the transaction was Ps. 24.2 million (US$ 3.0 million). Such transaction generated a profit before tax of approximately Ps. 19.9 million.

On May 6, 2014, IRSA signed the transfer deed for the sale of the Constitución 1159 Building. The price of the transaction was Ps. 23.3 million (US$ 2.9 million). Such transaction generated a profit before tax of approximately Ps. 13.4 million.

On May 14, 2014, IRSA signed the transfer deed for the sale to Transportadora de Caudales Juncadella of the unit 449 of the 8th floor of the Bouchard 551 Building. The price of the transaction was Ps. 61.8 million (US$ 7.7 million). Such transaction generated a profit before tax of approximately Ps. 49.2 million.

On May 19, 2014, IRSA signed the transfer deed for the sale to Inco Sociedad Anónima de Inversión, Industria y Comercio of the unit 1 of the ground floor of the Maipú 1300 Building. The price of the transaction was Ps. 6.5 million (US$ 0.8 million). Such transaction generated a profit before tax of approximately Ps. 5.2 million.

The properties mentioned above were classified as investment properties until the above mentioned transactions were executed, which represents a gross lease area of approximately 10,816 square meters.

All sales of the year led to a combined profit for the Company of Ps. 230.9 million, disclosed within the line "Gain from disposal of investment properties" in the income statement.

On May 22, 2014 IRSA Commercial Properties acquired commercial premises with an area of 40 m2, next to our shopping Alto Palermo, located on the ground floor of the building located in Av. Santa Fe 3255/57/59 in an amount of US$ 3.8 million.

Transactions with non-controlling interest

IRSA Commercial Properties

During the fiscal year ended June 30, 2014, the Company, through IRSA, acquired an additional 0.02% interest in IRSA Commercial Properties for a total amount of Ps. 1.2 million. This resulted in a decrease in non-controlling interests of Ps. 0.2 million and an increase in equity attributable to holders of the parent of Ps. 1.0 million. The effect on shareholders' equity of this change in the equity interest in IRSA Commercial Properties is summarized as follows:

	Ps. (million)
Carrying amount of Company's interest acquired of	0.18
Consideration paid for non-controlling interests	(1.21)
Reserve recorded in shareholders' equity	(i) (1.03)

(i) The Reserve includes Ps. 0.36 million for non-controlling interest

Futuros y Opciones.com S.A.

On December 20, 2013 we sold 14,812 non-transferable nominative common shares, with a nominal value of Ps. 1 each and entitled to one vote per share, representing a 0.9075% interest of Futuros y Opciones.com S.A. ("FyO") for a total amount of Ps. 0.1 million.

	Ps. (million)
Sale's collected value	0.11
Increase in non-controlling interest	(0.21)
Reserve recorded in shareholders' equity	(0.10)

Brasilagro

During the current fiscal year, we sold 10,400 shares of Brasilagro, representing a 0.02% interest, for a total amount of Ps. 0.27 million. Consequently, we recognized an increase in non-controlling interest for an amount of Ps. 0.25 million and a decrease in equity attributable to holders of the parent of Ps. 0.02 million. The effect on shareholders' equity of this change in the equity interest in Brasilagro is summarized as follows:

	Ps. (million)
Carrying amount of the non-controlling interests sold by Cresud	(0.25)
Consideration collected	0.27
Reserve recorded in shareholders' equity	0.02

On the other hand, on September 2, 2013, Brasilagro approved a share repurchase program for up to 3,511,130 common shares and for up to an aggregate amount not to exceed the balance of profits or available reserves disclosed in Brasilagro's latest financial statements. As of June 30, 2014, Brasilagro purchased 99,900 common shares for an aggregate amount of Rs. 1.9 million. Below is a summary of the effects of such transaction on shareholders' equity:

	Ps. (million)
Amount paid for repurchase	(4.94)
Decrease in non-controlling interest	4.92
Reserve recorded in shareholders' equity	(0.02)

IRSA

On July 25, 2013, IRSA's Board of Directors set forth the terms and conditions governing the purchase of the Company's own stock pursuant to Section 64 of Law N° 26,831 and the CNV's regulations, for up to an aggregate amount of Ps. 200.0 million and up to 5% of the capital stock, in the form of common shares or Global Depositary Shares (GDS) representing 10 common shares each, and up to a daily limit of 25% of the average daily transaction volume experienced by the Company's shares, along with the markets where they are listed, during the prior 90 business days, and at a price ranging from a minimum of Ps. 1 up to Ps. 8 per share. On September 18, 2013 the Board of Directors approved an increase to the maximum price, raising it to Ps.10 per common share and US$ 10.50 per GDS. On October 15, 2013, the Board of Directors approved a new increase to the maximum price, raising it to Ps.11.00 per common share and US$ 11.50 per GDS. On October 22, 2013 the Board of Directors approved a new increase to the maximum price, raising it to Ps.14.50 per common share and US$ 15.00 per GDS. During the fiscal year ended June 30, 2014, the Company purchased 533,947 common shares (N.V. Ps. 1 per share) for a total amount of Ps. 5.2 million and 437,075 GDS (representing 4,370,750 common shares) for a total amount of US$ 5.2 million.

On June 10, 2014, the Board of Directors of IRSA resolved to terminate the stock repurchase plan that was approved by resolution of the Board on July 25, 2013, and modified by resolutions adopted on September 18, 2013, October 15, 2013 and October 22, 2013. During the term of the Stock Repurchase Plan, IRSA has repurchased 4,904,697 shares for an aggregate amount of Ps. 37,905,631.

Year ended June 30, 2013

Sale of farmlands

On June 19, 2013, Cresud executed a title deed by means of which Cresud sold to Vargas Derka SH 5,613 hectares of "La Suiza" ranch, which is engaged in livestock activities located near "Villa Angela", Province of Chaco, remaining in this establishment 36,380 hectares used by the Company to cattle and crop activities.

The offer price for this transaction amounted to US$ 6.7 million, and was totally collected on the date of the execution of the title deed, generating a gain of Ps. 29.8 million.

On October 11, 2012 Brasilagro sold Horizontina, a field of land located in Tasso Fragoso, State of Maranhão, Brazil for a total amount of Rs. 75 million (Ps. 174.8 million). The payments were collected as follows: an initial payment of Rs. 1 million, Rs. 26 million in October, 2012 and Rs. 45 million upon execution of the conveyance, on January 22, 2013. The remaining balance as of June 30, 2015 amounts to Rs. 3 million, and its collection is subject to compliance with certain conditions. The gain of the sale was Ps. 53.9 million less commission, expenses and taxes.

The Horizontina field had an area of 14,359 hectares and was acquired on March 10, 2010 by the subsidiary Inmobiliaria Ceibo for a total amount of Rs. 37.7 million.

On April 25, 2013, Brasilagro sold a total area of 394 hectares of Araucaria field. The establishment, located in the municipality of Mineros – GO was acquired in 2007 and had, at the time of sale, a total area of 9,862 hectares.

The sale was priced at Rs. 11.7 million (Ps. 26.6 million). The buyer made an initial payment of Rs. 1.7 million and the remaining balance will be collected in eight installments every six months. The first installment of Rs. 2.1 million was collected in August, 2013, the second, of Rs 2.0 million in March 2014, the third, of Rs.1.9 million, in August 2014 and the fourth, of Rs. 1.9 million, in March 2015. The remaining balance as of June 30, 2015 will be collected in three semi-annual installments. The last installment is due at the moment of the execution of the title deed, in August, 2016. The Company recognized a profit before tax for the sale of the Araucaria field for an amount of Rs. 6.7 million (equivalent to Ps. 12.6 million).

On May 10, 2013, Brasilagro sold a total area of 4,895 hectares of Cremaq field. The establishment, located in the municipality of Ribeiro Gonçalves-PI, Brazil was purchased in 2007 and had, at the time of sale, a total area of 32,702 hectares.

On February 20, 2015, while studying the acquired zone, a difference of 62 hectares between measures and the sales agreement, dated May 11, 2013, was verified. This resulted into an increase of 11,166 bags in the sales price.

The sale was priced at Rs. 42.6 million (Ps. 97.6 million). The buyer made an initial installment of Rs. 4.6 million and the remaining balance was agreed to be collected in five installments. The first installment of Rs. 4.3 million was collected in August, 2013, the second, of Rs 4.0 million was collected in October 2013, the third, of Rs.17.5 million, in June 2014 and the fourth, of Rs. 17.1 million, in June 2015. The remaining balance will be collected upon execution of the conveyance deed, in June, 2016. The Company recognized a profit before tax for the sale Cremaq field of Rs. 26.5 million (Ps. 53.2 million).

Transactions with non-controlling interests

IRSA

During the fiscal year ended June 30, 2013, the Company acquired an additional 1.25% interest in IRSA for a total consideration of Ps. 45.8 million. This resulted in a decrease in non-controlling interests of Ps. 33.9 million and an increase in equity attributable to holders of the parent of Ps. 11.9 million. The effect on shareholders' equity of this change in the equity interest in IRSA is summarized as follows:

	Ps. (million)
Carrying amount of IRSA's interest acquired of	33.9
Consideration paid for non-controlling interests	(45.8)
Reserve recorded in shareholders' equity	(11.9)

IRSA Commercial Properties

During the fiscal year ended June 30, 2013, the Company, through IRSA and E-Commerce Latina S.A., acquired an additional 0.1% interest in IRSA Commercial Properties for a total consideration of Ps. 2.3 million. This resulted in a decrease in non-controlling interests of Ps. 0.8 million and an increase in equity attributable to holders of the parent of Ps. 1.5 million. The effect on shareholders' equity of this change in the equity interest in IRSA Commercial Properties is summarized as follows:

	Ps. (million)
Carrying amount of IRSA Commercial Properties's interest acquired of	0.8
Consideration paid for non-controlling interests	(2.3)
Reserve recorded in shareholders' equity	(i) (1.5)

(i) The Reserve includes Ps. 0.5 million for non-controlling interest

Arcos del Gourmet S.A. ("Arcos")

On June 07, 2013, the Company, through IRSA Commercial Properties, acquired an additional 1.815% equity interest of its controlled company Arcos for a total amount of US$ 0.8 million. The carrying amount of the non-controlling interest in Arcos on the date of acquisition was Ps. 7,357 (representing an 11.815% interest). This resulted in a decrease in non-controlling interest of Ps. 857 and an increase in equity attributable to holders of the parent of Ps. 3,687. The effect on shareholder´s equity of the parent of this change in the equity interest in Arcos during year 2013, is summarized as follows:

	Ps. (million)
Carrying amount of Arcos del Gourmet's interest acquired of	0.8
Consideration paid for non-controlling interests	(4.5)
Reserve recorded in shareholders' equity	(i) (3.7)

(i) The reserve includes Ps. 1.4 million for non-controlling interest

Acquisition of joint venture

On November 29, 2012, IRSA Commercial Properties acquired shares of common stock, representing 50% of Entertainment Holdings S.A. ("EHSA")'s capital stock and votes for Ps. 32.0 million. Under the acquisition agreement, IRSA Commercial Properties is entitled to exercise joint control over EHSA. EHSA is an Argentine company whose main asset consists of an indirect interest of 50% in the capital and voting rights of La Rural S.A. ("LRSA"), whereby it has joint control over this Company together with Sociedad Rural Argentina ("SRA"), who owns the remaining 50%. Thus, IRSA Commercial Properties is the owner of an indirect interest of 25% in LRSA, whose main asset consists of an usufruct agreement on the Predio Ferial de Buenos Aires, located between Cerviño, Sarmiento, Santa Fe Avenues and Oro street, in the City of Buenos Aires (the "Predio Ferial") entered in 1999 into with SRA, owner of such Predio

Ferial.

The amount of Ps. 6.1 million has been included as an asset, in the line trade and other receivables together with accrued interests.

The fair value of the IRSA Commercial Properties' investment in the joint venture was determined based on the fair value of EHSA's net assets, with the rights of use being the main asset. IRSA Commercial Properties has allocated the price paid at the fair value of the net assets acquired. Such fair value amounted to Ps. 15.2 million, which means a goodwill amount of Ps. 10.7 million recognized under the line "Investments in associates and joint venture" in the statement of Financial position as of June 30, 2013.

The fair value of the right of use has been determined by the application of the discounted cash flow method. This estimate considered a discount rate that reflects the market assessments regarding uncertainties in terms of the cash flow amount and timing. The amount of net future cash flows was estimated based on the specific features of the property, the agreements in force, market information and future forecasts as of the valuation date. Net income forecasts, revenues growth rates and discount rates are among the most important assumptions used in the valuation.

Disposal of financial assets

During fiscal year ended June 30, 2013, the Company sold 17,105,629 ordinary shares of Hersha's Hospitality Trust (Hersha) for a total amount of US$ 92.5 million, with a decrease on the equity interest from 9.13% (at the beginning of the year) to 0.49%.

In November and December 2012, IRSA sold all of its shareholdings in NH Hoteles S.A. (138,572 shares for a consideration of € 0.38 million) and in NH Hoteles S.A. (387,758 shares for a total consideration of US$ 1.4 million).

In December 2012, IRSA sold all of its shareholdings in Metrovacesa F (1,238,990 shares for a consideration of € 2.7 million); Metrovacesa SM (229,995 shares for a total consideration of € 0.5 million) and Metrovacesa F (919,087 shares for a consideration of US$ 2.7 million).

Significant sales of investment properties

On August 31, 2012, the Company sold through IRSA certain functional units of the "Libertador 498 Building" of the Autonomous City of Buenos Aires. The total price of the transaction amounted to Ps. 15 million and was collected upon the execution of the title conveyance deeds. This transaction generated a profit before tax of Ps. 12.3 million.

On September 14, 2012, IRSA sold certain functional units on floors 18 and 19, as well as parking areas, of the Bouchard 551 Building. The total price of the transaction was US$ 8.5 million paid upon execution of the conveyance deed. This transaction generated a profit before tax of Ps. 16.6 million.

On October 4 and 11, 2012, IRSA signed the transfer deed for the sale of several functional units (stores and parking spaces) of the "Libertador 498 Building". The transactions price was set at Ps. 29.4 million, amount that has been completely collected. This transaction generated a profit before tax of Ps. 24.1 million

On January 8, 2013, IRSA sold several functional units (stores and parking spaces) of the "Costeros Dique IV Building". The total price of the transaction was Ps. 9.2 million. This transaction generated a profit before tax of Ps. 7.5 million.

On May 8, 2013, IRSA signed the transfer deed for the sale of the 17th floor and two parking units of the Maipú 1300 Building and two parking units of the Libertador 498 Building. The total price of the transaction was Ps. 7.8 million (US$ 1.5 million). Such transaction generated a profit before tax of approximately Ps. 5.7 million.

On May 20, 2013, IRSA signed the transfer deed for the sale of the 6th floor and two parking units of the Maipú 1300 Building and two parking units of the Libertador 498 Building. The transactions price was set at Ps. 7.6 million (US$ 1.45 million), amount that has been completely collected. This transaction generated a profit before tax of Ps. 5.7 million.

On June 28, 2013, IRSA signed the transfer deed for the sale of 4th, 5th and 6th floors and 56 parking units of the Bouchard 551 Building. The total price of the transaction was Ps. 148.7 million, equivalent to US$ 27.6 million. This transaction generated a profit before tax of Ps. 106.2 million.

The properties mentioned above were classified as investment properties until the above mentioned transactions were executed, which represents a gross lease area of approximately 14,442 square meters.

All sales of the year led to a combined profit for the Company of Ps. 178.0 million, disclosed within the line "Gain from disposal of investment properties" in the income statement.

Acquisition of Rigby 183 LLC

On June 30, 2012, the Company held, through its subsidiary IMadison LLC, a 49% interest in the capital stock of Rigby 183 LLC ("Rigby"), a company that owns office buildings for rental at Madison Avenue 183, New York, USA. On November 27, 2012, the Company, through its subsidiary IRSA International LLC, acquired an additional equity interest of 25.5% in Rigby's capital stock, thus taking control over said company. As a result of the acquisition, the Company expects to increase its footprint in the US real estate market. The goodwill from the acquisition, which amounts to Ps. 45.7 million, is attributable to the synergies expected to be achieved by combining the Company's and Rigby's operations.

The acquisition-related costs, which amount to Ps. 2.6 million, were charged under "General and administrative expenses" line in the statements of income.

The fair value of the investment property acquired for Ps. 679.2 million was assessed by a qualified independent appraiser. The fair value of trade and other receivables amounts to Ps. 2.3 million, including trade receivables in the amount of Ps. 0.1 million. As of the acquisition date, the Company estimates that these receivables are recoverable. The fair value of the non-controlling interest in Rigby, an unlisted company, has been determined on a proportional basis to the fair value of net acquired assets.

The Company has recognized gains of Ps. 124.1 million derived from the reassessment of the fair value of the 49% interest held in Rigby before the business combination. In addition, all exchange gains (losses) accumulated in shareholder's equity from the interest held in Rigby before the business combination (Ps. 12.9 million) were charged to income. These gains were disclosed under "Other operating results, net" line in the income statements.

The incomes Rigby has generated since November 27, 2012 and that have been disclosed in the consolidated income statements amount to Ps. 40.9 million. Rigby has also run a net gain of Ps. 8.1 million during said period. If Rigby had been included in the consolidation since July 1, 2012, the consolidated income statements would have shown pro forma revenues in the amount of Ps. 2,202.9 million and pro-forma net income of Ps. 297.5 million.

Disposal of joint ventures

On June 28, 2013, IRSA sold, assigned and transferred to Euromayor S.A. de Inversiones the 100% of its equity interest in Canteras Natal Crespo S.A., accounting for a 50% interest in that company’s capital stock for an aggregate amount of US$ 4.2 million; out of that amount, US$ 1.4 million was cashed in July 2013, with the balance being collected as follows: US$ 2.4 million on March 31, 2014 and US$ 0.4 million against delivery to IRSA of certain lots in the development to be carried out in Canteras Natal Crespo S.A.’s property. IRSA was granted a security interest on the 100% of Canteras Natal Crespo S.A.’s shares to secure payment of the remaining balance.

Disposal of subsidiaries

During the fiscal year ended June 30, 2013, IRSA sold to Doneldon S.A., the 100% of Sedelor S.A.'s, Alafox S.A.'s and Codalis S.A.'s capital stock, all of them companies incorporated in the Republic of Uruguay, with no business activity. Later, IRSA sold to Cresud the 100% of Doneldon S.A.'s capital stock.

Transactions and authorizations pending

Urban Properties and investments

Paraná plot of land

On June 30, 2009, the Company, through IRSA Commercial Properties, subscribed a “Letter of Intent” by which it stated its intention to acquire from Wal-Mart Argentina S.A. a plot of land of about 10,022 square meters located in Paraná, Province of Entre Ríos, to be used to build, develop and operate a shopping center or mall.

On August 12, 2010, the agreement of purchase was executed. The purchase price stood at US$ 0.5 million to be paid as follows: i) US$ 0.05 million had been settled as a prepayment on July 14, 2009, ii) US$ 0.1 million was settled upon executing such agreement, and iii) US$ 0.35 million will be paid upon executing the title deed. The mentioned payments were recorded as an advance under “Trade and other receivables” line.

On December 29, 2011, possession of the real estate was granted, and a minute was signed in which the parties agreed that the deed transferring ownership would be granted on June 30, 2012, or within sixty (60) consecutive days from the date in which the selling party evidenced with a certified copy before the buying party that the real estate was not subject to any encumbrance, burden, limit or restriction to the ownership, except for the electroduct administrative easement in favor of EDEER S.A..

On June 29, 2012, the parties have agreed to extend the term for the execution of the title conveyance deed, which shall be executed within sixty (60) days from the date the seller provides reliable notification to the buyer that the property is not subject to any levy, encumbrance, restrictions on ownership, except for the right of way already mentioned. As of the consolidated financial statements date, evidence of such notice has not been provided.

Acquisition of commercial center goodwill

The Company, through IRSA Commercial Properties, has signed an offering letter for acquiring, building and running a commercial center in a real estate owned by INC S.A. (“INC”), located in the City of San Miguel de Tucumán, Province of Tucumán. The price of this transaction was US$ 1.3 million. Out of this total, US$ 0.05 million were paid. The mentioned payment was recorded as an advance under “Trade and other receivables” line.

Antitrust Law

Law N° 25,156, known as "Antitrust Law" as amended, prevents anticompetitive practices and requires administrative authorization for transactions that according to the Antitrust Law would lead to market concentration According to this law, such transactions include mergers, acquisitions and/or transfers either of businesses or assets by which the acquirer controls or substantially influences another party. Transactions completed by entities with an annual sales volume of more than Ps. 200.0 million must be submitted to the Comisión Nacional de Defensa de la Competencia (hereinafter referred to as the "Antitrust Commision") for approval. Certain exemptions apply. Submissions may be filed either prior to the transaction or within a week after its completion. The Antitrust Commision may (i) authorize the transaction, (ii) condition the transaction to the accomplishment of certain acts, or (iii) reject the authorization.

In general, acquisitions effected by the Company are within the scope of the Antitrust Law. In this cases, the Company directly requests authorization. In other cases, the Company may request the Antitrust Commision to issue a prior statement about whether a particular transaction should be either notified or submitted for approval by the Company.

As of June 30, 2015 and 2014, the following cases are pending resolution by the Antitrust Commision:

(i) The Company requested the Antitrust Commission to issue a statement about the Company's obligation to either notify or submit for authorization the acquisition of the property formerly owned by Nobleza Piccardo S.A.I.C.Y F.. The Antitrust Commision stated that the operation had to be notified. The Company appealed this decision. Subsequently, the Court of Appeals confirmed the Antitrust Commission’s decision regarding the obligation to notify and, therefore, on February 23, 2012, local form F1 was filed, which is being processed as of the date hereof.

(ii) Purchase of Arcos shares: On December 3, 2009 the Company requested that the CNDC issued a ruling on the notification requirement. The CNDC confirmed that the transaction had to be notified; as a result, notice was served in December 2010 and as of the consolidated financial statements date it is still pending.

(iii) Acquisition of shares in Nuevo Puerto Santa Fe (NPSF): On August 23, 2011 the Company informed the CNDC of the direct and indirect acquisition of NPSF (IRSA Commercial Properties directly acquired 33.33% of NPSF and indirectly a 16.66% through its controlled company Torodur SA). On December 14, 2014 the CNDC notified approval of the transaction.

(iv) Acquisition of shares in Entertainment Holdings SA (EHSA): On December 7, 2012, the Company informed the CNDC of the acquisition of shares in EHSA, which indirectly owns 50% of La Rural S.A. – a company that operates a convention center known as Predio Ferial de Palermo. As of the consolidated financial statements date, the transaction is pending approval by the CNDC.

Capital Expenditures

Our capital expenditures totaled Ps. 499.5([1]) million, Ps. 435.7([2]) million and Ps. 1,048.0([3]) million for the fiscal years ended on June 30, 2015, 2014 and 2013, including other property and equipment acquired in business combinations. Our capital expenditures consisted in the purchase of real estate and farms, acquisition and improvement of productive agricultural assets, completion of building a shopping center, construction of real estate and acquisition of land reserves.

Our capital expenditures for the new fiscal year will depend on the prices of real estate, land for agriculture and cattle as well as the evolution of commodity prices.

Fiscal Year Ended June 30, 2015

During the fiscal year ended June 30, 2015 we invested Ps. 318.0 million in the urban properties and investment business, mainly due to (a) improvements in our hotels Sheraton Libertador, Intercontinental and Llao Llao for Ps. 1.2 million, Ps. 9.0 million and Ps. 4.5 million, respectively, (b) acquisition of furniture and fixtures, machinery and equipment, vehicles and other buildings and facilities for Ps. 35.0 million, (c) improvements made to our shopping centers for Ps. 60.4 million, (d) development of properties for Ps. 186.5 million, corresponding Ps. 1.5 million to "Distrito Arcos" project and Ps. 185.0 million to Shopping Neuquén project, (e) supliers advances for investment acquisitions for Ps. 14.0 million, (f) Ps. 5.9 million improvements in our Office buildings and other rental properties and (g) Ps. 1.6 million were related to the acquisition of plots of lands.

In addition, our main investments in the agriculture business during the fiscal year 2015 were Ps. 181.5 million, mainly due (a) acquisition and development of owner occupied farmland for Ps. 153.3 million (including Ps. 93.3 million of subsidiary Brasilagro), (b) Ps. 8.4 million in investment properties, (c) Ps. 5.7 million in machinery and equipment, (d) Ps. 4.7 million in vehicles, (e) Ps. 8.7 million in other building and facilities and (f) Ps. 0.7 million in furniture and fixtures.

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1 Includes the acquisition of investment properties, the acquisition of property, plant and equipment and suppliers advances for acquisition of property, plant and equipment for Ps. 484.3 million according to the Statement of cash flows, non-cash transactions for Ps. 2.3 million as described in Note 21- Cash flow information and capitalized borrowing costs for Ps. 13.0 as described in Note 10 – Investment properties, of the Consolidated Financial Statements as of June 30, 2015.

2 Includes the acquisition of investment properties, the acquisition of property, plant and equipment and suppliers advances for acquisition of property, plant and equipment for Ps. 434.9 million according to the Statement of cash flows, non-cash transactions for Ps. 0.8 million as described in Note 21- Cash flow information of the Consolidated Financial Statements as of June 30, 2014.

3 Includes the acquisition of investment properties, the acquisition of property, plant and equipment and suppliers advances for acquisition of property, plant and equipment for Ps. 366.3 million according to the Statement of cash flows, non-cash transactions for Ps. 2.5 million as described in Note 22 - Cash flow information, and acquisition of subsidiaries for Ps. 679.2 million as described in Note 11 – Investment Properties, of the Consolidated Financial Statements as of June 30, 2013.

Fiscal Year Ended June 30, 2014

During the fiscal year ended June 30, 2014 we invested Ps. 318.4 million in the urban properties and investment business, mainly due to (a) improvements in our hotels Sheraton Libertador, Intercontinental and Llao Llao for Ps. 5.6 million, Ps. 2.1 million and Ps. 2.3 million, respectively, (b) acquisition of furniture and fixtures, machinery and equipment, and other buildings and facilities for Ps. 9.5 million, (c) improvements made to our shopping centers for Ps. 61.1 million, (d) development of properties for Ps. 179.3 million, corresponding Ps. 99.9 million to "Arcos" project and Ps. 79.4 million to Shopping Neuquén project, (e) supliers advances for investment acquisitions for Ps. 29.6 million, (f) Ps. 24.0 million improvements in our Office buildings and other rental properties and (g) Ps. 0.5 million were related to the acquisition of plots of lands.

In addition, our main investments in the agriculture business during the fiscal year 2014 were Ps. 117.3 million, mainly due (a) acquisition and development of owner occupied farmland for Ps. 96.9 million (including Ps. 58.2 million of subsidiary Brasilagro), (b) Ps. 7.0 million in investment properties, (c) Ps. 6.1 million in machinery and equipment, (d) Ps. 3.2 million in vehicles, (e) Ps. 3.0 million in other building and facilities and (f) Ps. 1.1 million in furniture and fixtures

Fiscal Year Ended June 30, 2013

During the fiscal year ended June 30, 2013, we invested Ps. 920.9 million, mainly due to (a) improvements in our hotels Sheraton Libertador, Intercontinental and Llao Llao for Ps. 0.9 million, Ps. 2.6 million and Ps.0.4 million, respectively, (b) acquisition of furniture and fixtures, machinery and equipment, and other buildings and facilities for Ps. 11.6 million, (c) improvements made to our shopping centers for Ps. 56.9 million, (d) development of properties for Ps. 144.2 million, corresponding Ps. 117.9 million to "Arcos" project and Ps. 26.3 million to Shopping Neuquén project (e) improvements in our Office buildings and other rental properties for Ps. 7.6 million, (f) Ps. 679.2 million were related to the purchased an additional 25.5% equity interest in Rigby 183 LLC 's capital stock, (g) Ps.15.8 million are related to suppliers advances and (h) Ps. 1.8 million were related to the acquisition of plots of lands.

In addition, our main investments in the agricultural business during fiscal year 2013 were Ps. 127.1 million, mainly due (a) acquisition and development of owner occupied farmland for Ps. 109.4 million ((including Ps. 61.5 million of our subsidiary Brasilagro), (b) Ps. 10.4 million in machinery, (c) Ps. 2.6 million in trading properties, (d) Ps. 1.6 million in vehicles, (e) Ps. 2.4 million in other building and facilities and (f) Ps. 0.7 million in furniture and fixtures.

Recent Developments

Cresud's Recent Development

Issuance of Notes

On August 12, 2015, we issued Notes for an aggregate principal amount in two series:

- Series 21 Notes, for a principal amount of Ps. 192.2 million, with a maturity of 18 months after the issuance date, which will accrue interest at mixed rate. Fixed rate of 27.5% during the first nine months and floating rate (Badlar plus 375 basis points), after that. Interest will be payable quarterly in arrears. The issuance price was 100.0% of the nominal value.

- Series 22 Notes, for a principal amount of US$ 22.7 million, with an issuance price of 97.65% of the nominal value resulting US$ 22.2 million, and falling due 48 months after the issuance date, will accrue interest at fixed annual rate of 4%. Interest will be payable quarterly in arrears whereas principal will be amortized in two payments in month 44 and 48.

Annual Shareholders Meeting.

On October 30, 2015, was held the Ordinary and Extraordinary Shareholders' Meeting in which was approved the following items:

- Consideration of documents contemplated in section 234, paragraph 1, of the Argentine Companies Law No. 19,550 for the fiscal year ended June 30, 2015.
- Reinstatement of the "Legal Reserve" account. Treatment of allocation of the "Additional Paid-In Capital" account. Consideration of Reclassification of Reserves.
- Consideration of Board of Directors' performance.
- Consideration of Supervisory Committee's performance.
- Consideration of compensation payable to the Board of Directors for $14,310,941 (total compensation) for the fiscal year ended June 30, 2015. Delegation on the Board of Directors of powers to approve the Audit Committee's budget.
- Consideration of compensation payable to the Supervisory Committee for the fiscal year ended June 30, 2015.
- Determination of the number and election of Regular Directors and Alternate Directors, as applicable.
- Appointment of Regular and Alternate Members of the Supervisory Committee.
- Appointment of Certifying Accountant for the next fiscal year and determination of its compensation. Delegation of powers.
- Updating of report on Shared Services Agreement.
- Treatment of amounts paid as personal assets tax levied on the shareholders.
- Consideration of increase of the amount of the Global Note Program for a maximum outstanding amount of up to US$ 300,000,000 (three hundred million dollars) (or its equivalent in other currencies) the creation of which was approved by the shareholders' meeting dated October 31, 2012 (the "Program") by an additional amount of up to US$ 200,000,000 (two hundred million Dollars) (or its equivalent in other currencies).
- Consideration of: (i) delegation to the Board of Directors of the broadest powers to implement the increase and/or reduction in the Program amount; (ii) renewal of the Board of Directors' powers to (a) approve, enter into, deliver and/or execute any agreement, contract, document, instrument and/or security related to the Program and/or the issuance of the various series and/or tranches of notes thereunder; (b) apply for and process before the Argentine Securities Commission the authorization for the public offering of such notes; (c) if applicable, apply for and process before any authorized securities exchange or market of Argentina and/or abroad the authorization for listing and trading of such notes; and (d) carry out any acts, dealings, filings and/or proceedings related to the Program and/or the increase in its amount and/or the issuance of the various series and/or tranches of notes thereunder; and (iii) authorization for the Board of Directors to subdelegate the powers and authorizations referred to in items (i) and (ii) above to one or more of its members.

In addition it was approved to adjourn the Ordinary and Extraordinary Shareholders' Meeting to November 26, 2015, in order to consider and approve the following items:

- Consideration of net income for the fiscal year ended June 30, 2015. Consideration of payment of a cash dividend for up to $88,100 thousand.
- Consideration of allocation of treasury shares. Delegation of powers.

Sale of IRSA´s shares

As of the date of issuance of these annual report, we sold, through various market transactions, 410,181 ADR´s of IRSA, representing 10 common shares of IRSA for the amount of US$ 7.1 million. Thus, our investment in IRSA would decrease by 1.1%.

IRSA's Recent Developments

Annual Shareholders Meeting.

On October 30, 2015, was held the Ordinary and Extraordinary Shareholders' Meeting of IRSA in which was approved the following items:

- Consideration of documents contemplated in Section 234, paragraph 1, of the Argentine Companies Law No. 19,550 for the fiscal year ended June 30, 2015.
- Consideration of Board of Directors' performance.
- Consideration of Supervisory Committee's performance.

Consideration of compensation payable to the Board of Directors for $18,596,284 (total compensation) for the fiscal year ended June 30, 2015. Delegation on the Board of Directors of powers to approve the Audit Committee's budget.

- Consideration of compensation payable to the Supervisory Committee for the fiscal year ended June 30, 2015.
- Determination of the number and election of Regular Directors and Alternate Directors, as applicable.
- Appointment of Regular and Alternate Members of the Supervisory Committee.
- Appointment of Certifying Accountant for the next fiscal year and determination of its compensation. Delegation of powers.
- Updating of report on Shared Services Agreement.
- Treatment of amounts paid as personal assets tax levied on the shareholders.
- Consideration of renewal of delegation on the Board of Directors of the powers to determine the time and currency of issue and further terms and conditions of the notes to be issued under the Global Note Program for up to US$ 300,000,000 currently outstanding, in accordance with the resolutions adopted at the Shareholders' Meeting dated October 31, 2011.

In addition it was approved to adjourn the Ordinary and Extraordinary Shareholders' Meeting of IRSA to November 26, 2015, in order to consider and approve the following items:

- Treatment and allocation of net income for the fiscal year ended June 30, 2015. Consideration of payment of a cash dividend for up to $72,000 thousand.
- Consideration of Special Merger Financial Statements of Unicity SA; Special Merger Financial Statements of Solares de Santa María SA; Special Spin-Off Financial Statements of E-Commerce Latina SA; Special Spin-off-Merger Financial Statements of E-Commerce Latina SA; Special Merger Individual Financial Statements of IRSA Inversiones y Representaciones Sociedad Anónima (IRSA) and Consolidated Financial Statements of IRSA for Merger with Solares de Santa María SA and Unicity SA and Spin-Off-Merger with E-Commerce Latina SA prepared as of June 30, 2015, as well as Supervisory Committee's and Auditor's Reports. Consideration of preliminary merger agreement with Solares de Santa María SA and Unicity SA and preliminary spin-off-merger agreement with E-Commerce Latina SA and further documents. Authorizations and delegations of powers. Appointment of representative to execute final agreement and carry out additional proceedings.

Investment in IDBD

On July 6, 2015, the arbitrator granted an injunction requested by Extra, therefore Dolphin appointed only three directors for the next meeting and may appoint such number of directors until the arbitrator issues a final decision about who is the purchaser under the BMBY process.

On July 9 and 16, 2015, Dolphin submitted certain clarifications to the Proposal Sent to IDBD and DIC dated June 29, 2015.

On July 9, 2015, the main clarifications were as follows:

· The termination or expiration of the Proposal to IDBD and DIC would not repeal the commitments undertaken by Dolphin under the proposal submitted by Dolphin to IDBD on May 6, 2015 always provided that such commitments continued in full force and effect subject to the proposed terms, or Dolphin's remaining commitment to inject NIS8.5 million in IDBD pursuant to its irrevocable proposal dated December 29, 2014.

· A further condition would be added to the Proposal to IDBD and DIC whereby if Dolphin's interest in the rights public offering were lower than NIS8.5 million, Dolphin would remain obliged vis-à-vis IDBD to inject the remaining amount arising from subtracting NIS8.5 million and the amount effectively injected at this instance by Dolphin.

· IDBD would replace its commitment to exercise DIC's Series 1 warrants for NIS92.5 million with the commitment to exercise the Series 1 warrants for at least the amount that results from subtracting (a) the Capital Contribution Amount; less (b) NIS100 million, always provided that such amount does not exceed NIS92.5 million.

On July 13, 2015, Dolphin extended the maturity of the Proposal to IDBD and DIC until July 16, 2015. In addition, on July 16, 2015, Dolphin submitted additional clarifications to the Proposal to IDBD and DIC dated June 29, 2015 and July 9, 2015, which provided as follows:

· Dolphin agrees that the new shares to be acquired by Dolphin or any entity controlled by Eduardo Sergio Elsztain under the public offering of shares to be made by IDBD during October 2015 would not grant to it the right to participate in the Tender Offer always provided that such new shares are still held by Dolphin or an entity controlled by Eduardo Sergio Elsztain. Notwithstanding, nothing will prevent Dolphin and/or the entity controlled by Eduardo Sergio Elsztain that holds such new shares to be acquired under the public offering to be made in October 2015 by IDBD from freely disposing of them.

On July 16, 2015, IDBD's Board of Directors approved a capital increase by means of a public offering pursuant to the terms proposed by Dolphin in the Proposal to IDBD and DIC, and to exercise DIC's warrants, all based on Dolphin's irrevocable commitment to participate in the referred capital increase. IDBD plans to carry out the public offering between October 1 and November 15, 2015, subject to the company's corporate approvals, other statutory consents required and the fact that the exercise of DIC's warrants can be made pursuant to the terms and conditions set forth in Dolphin's proposal.

On July 16, 2015, DIC's Board of Directors accepted the Proposal to IDBD and DIC and instructed its management to take such steps as necessary in order to make a rights offering pursuant to Dolphin's proposal. On August 28, 2015, DIC published a shelf offering report for the issuance of rights to its shareholders. On September 6, 2015, DIC completed the rights offering process, issuing four series of warrants to its shareholders, which are exercisable into DIC shares. As of the date hereof, IDBD has not completed the capital injection in DIC.

On August 16, 2015, the Arrangement Trustees submitted a petition to the Tel-Aviv Jaffo Court for it to determine that: (a) IFISA would be subject to the commitments in the Arrangement jointly and severally with Dolphin; (b) the shares held by IFISA or any other company controlled by Eduardo Sergio Elsztain (including Dolphin) would not be eligible to take part in the Tender Offer; and (c) the shares held by any company controlled by any of the controlling shareholders of IDBD, including any corporations controlled by Eduardo Sergio Elsztain (including Dolphin) and transferred to other entities would not be eligible to take part in the Tender Offer. On August 31, 2015, the competent court asked the Arrangement Trustees to make a supplementary filing to the one dated August 16, 2015, identifying the parties to whom such request was addressed, which filing was made on the above mentioned date. On September

7, 2015 the court dismissed the Arrangement Trustees' filing for failure to submit the supplementary filing requested by the competent court on August 31, 2015.

On August 17, 2015, the Arrangement Trustees submitted to IDBD, its Board of Directors, Dolphin and Extra (among others) an alternative scheme to the one proposed by Dolphin on May 27, 2015 as part of Dolphin's and Extra's obligations under the Tender Offer (the "Trustees' Proposal") which was filed with the competent court. The Trustees' Proposal provided as follows:

· Replacement of the obligation to carry out Tender Offers for a total of NIS512 million with the obligation by Dolphin and Extra (and/or their related parties) to inject NIS512 million in IDBD against the issuance of bonds. The NIS512 million would be injected in two tranches of NIS256 million each (the "First Tranche" and the "Second Tranche", respectively).

i) The First Tranche would be completed by December 31, 2015, and against its injection IDBD would issue in favor of such investors other than Dolphin, Extra and/or any of their related parties (the "Minority Investors") bonds for a principal amount of NIS256 million, by reopening Series 9 ("Series 9"), or by issuing a new series of bonds under terms and conditions replicating those of Series 9 ("IDBD's New Bonds").

ii) The Second Tranche would be completed by January 31, 2016 and against its injection the Minority Investors would receive IDBD's New Bonds for a principal amount of NIS256 million.

iii) Following the exercise of the First Tranche and Second Tranche, Minority Investors would deliver 64 million shares to the obligors under the Tender Offer.

iv) In addition, on January 31, 2016, Dolphin and Extra (or any of their related parties) would purchase the remaining shares held by the Minority Investors for a total of NIS90 million, payable on that same date.

· If the sale of Clal is consummated, IDBD will carry out a partial bond repurchase offering at par value among all series of bonds.

· The Trustees' Proposal would be carried out before IDBD launches a new issuance of shares or rights or, alternatively, each new share or right issued would not be part of the proposal as submitted.

· The Trustees' Proposal is not approved by the Minority Investors; and such approval would be sought after the proposal is accepted by IDBD, Dolphin and Extra.

On August 30, 2015, IDBD sent a request on Dolphin and Extra for them to express their position on the Trustees' Proposal, without setting a specific date for their response.

On September 3, 2015 Dolphin rejected the Trustees' Proposal and, therefore, it is invalid as of the date of issuance of these Financial Statements.

On September 9, 2015, The Arrangement Trustees filed to the Tel Aviv District Court an amended application for instructions (the "Application of the Arrangement Trustees"), to which Dolphin, IFISA, Extra and others were added as parties, requesting Court to instruct that IFISA is obliged to all the Investors' obligations under the Arrangement; that the IDBD shares held by any entity controlled by Eduardo Sergio Elsztain are not entitled to participate in the tender offers and that IDBD shares held or were held by Eduardo Sergio Elsztain and Mr. Ben Moshe and/or by any other entity controlled by them, and were transferred or will be transferred to others, are also not entitled to participate in the tender offers.

On September 24, 2015, the arbitrator granted the arbitration award related to the BMBY process, pursuant to which Dolphin and IFISA were designated as buyers in the BMBY process, and consequently Extra was designated as the seller; in the aforementioned framework Extra has to sell all the shares held in IDBD (92,665,925 shares) at a price of NIS1.64 per share.

On September 24, 2015, the Arrangement Trustees submitted to the Court an application for a temporary injunction prohibiting Dolphin, IFISA, Extra and other vehicle and/or their representatives to carry out any action or transactions regarding the Company's shares, until the Court's decision in the Application of the Arrangement Trustees, as described above.

Furthermore, on October 11, 2015, the BMBY process concluded and IFISA purchased all the shares of IDBD (92,665,925 shares) held by Extra, for a total consideration of approximately NIS152 million (equivalent to US$39.7 million as of the date of the transaction). For more information, please see "Item 4—Recent Developments".

On October 1, 2015, Dolphin and IFISA submitted to the Court their response to the Application of the Arrangement Trustees'. Dolphin asked the court to dismiss the Arrangement Trustees petition, and their position included the following arguments: (a) IFISA is not obliged to comply with Dolphin's obligations according to the Arrangement; (b) IFISA and any other corporation controlled by Eduardo Sergio Elsztain are eligible to participate as offerees in the Tender Offers according to the Arrangement and (c) The Arrangement Trustees' requirement regarding the eligibility of shares to participate in the tender offers should to be dismissed. Also, Dolphin undertook that upon the closing of the BMBY, 106.6 million shares held by it will not participate in the Tender Offers, as long as these shares are held by entities controlled by Eduardo S. Elsztain

On October 7, 2015, the Arrangement Trustees submitted to the Court their response to Dolphin and IFISA concerning the Application of the Arrangement Trustees'.

Furthermore, on October 11, 2015, the BMBY process concluded and IFISA purchased all the shares of IDBD (92,665,925 shares) held by Extra, for a total consideration of approximately NIS152 million (equivalent to US$39.7 million as of the date of the transaction). Upon the closing of the transaction, all Extra's directors in IDBD presented their irrevocable resignation to IDBD's Board of Directors and the Shareholders Agreement automatically terminated in accordance with its terms. Furthermore, on the same date, Dolphin pledged additional shares as security of the performance of the Tender Offers, rising the number to 64,067,710 pledged shares.

. On October 19, 2015, Dolphin and IFISA submitted their response to Court regarding the Application of the Arrangement Trustees in which, among other things, Dolphin clarified that as the offeror in the Tender Offers, it does not intent and will not participate as an offeree in the Tender Offers. Notwithstanding, according to Dolphin's position, it has the right to offer to any other shareholder of IDBD, including entities controlled by Eduardo Sergio Elsztain, to purchase shares within the Tender Offers and also to sell shares to third parties (including those controlled by Eduardo Sergio Elsztain), and the shares being sold are able to participate as offerees in the Tender Offers, without derogating from Dolphin's undertakings according to which 106,600,000 shares held by it will not participate in the Tender Offers, as long as they are held by entities controlled by Eduardo Sergio Elsztain).

On October 20, 2015, the Court decided to grant declaratory remedies requested in the Application of the Arrangement Trustees, according to which:

- The shares held by Dolphin and any other company controlled by Eduardo Sergio Elsztain are not entitled to participate as offerees in the Tender Offers.

- The shares held or that were held by Dolphin and/or by companies controlled by Eduardo Sergio and which were transferred or will be transferred by them to other parties, will not be entitled to participate in the Tender Offers.

- These remedies will not apply to shares which were acquired from the minority shareholders within the framework of the trade in the stock exchange and which came into the possession of IFISA.

The Court rejected the request of the Arrangement Trustees to determine that IFISA is obliged to undertake all the commitments under the terms of the Arrangement, but stated that Dolphin violated its commitment to make IFISA to commit under the undertakings in accordance with the terms of the Arrangement. Dolphin and IFISA reported to IDBD that they intend to appeal the Court decision.

On October 26, 2015, and following the October 20, 2015 court decision and the declaratory remedies submitted, Dolphin and IFISA sent a letter to IDBD ("Dolphin and IFISA's Letter") that, according to their position, and as detailed in the letter: (a) The reservation prescribed by the court vis-à-vis the shares which were acquired from the minority shareholders in trading on the stock exchange and which came into the possession of IFISA, applies to the 127,441,396 shares of IDBD held by IFISA and 131,600 shares of IDBD held by Dolphin, which should be entitled to participate as an offeree in the Tender Offers; and (b) with respect of the 51,760,322 additional shares of IDBD presently held by Dolphin, originating in acquisitions from minority shareholders in IDBD, it may be interpreted from the judgement that, those shares cannot participate as an offeree in the Tender Offers, so long as they are held by Dolphin, however Dolphin is not prevented from selling these shares to any third parties, and that in such a case, that third party shall have the right to participate in the Tender Offers for those shares.

On October 29, 2015, the Arrangement Trustees filed an urgent application for a contempt of court order against Dolphin and IFISA (the "Application for Contempt") and to enforce them to follow the court's instructions of October 20, 2015, alleging that Dolphin and IFISA's letter , published by IDBD on October 27, 2015, which informed of the quantity of shares purchased from the minority shareholders within the framework of the trade in the stock exchange is contrary to the court's decision and thus Dolphin and IFISA are acting in contempt of court.

On October 29, 2015, Dolphin and IFISA filed an appeal to the Supreme Court, with respect to the court decision of October 20, 2015, also requesting to hold an urgent hearing on the appeal. The hearing on the appeal was scheduled for December 16, 2015.

On November 2, 2015, Dolphin and IFISA submitted their response to the Application for Contempt, requesting court to dismiss the application as the Contempt of Court Ordinance does not apply to declaratory remedies and as Dolphin and IFISA did not violate any court order.

On November 4, 2015, the Arrangement Trustees filed a rejoinder to Dolphin´s and IFISA's response to the Application for Contempt, requesting the Court to clarify that the Reservation (as defined below) determined in the Court's decision dated October 20, 2015 shall apply exclusively in the case the following conditions apply:: (1) that the shares were acquired in the market from the public; (2) the acquisition was made within the framework of trading on the TASE; and (3): that the shares are currently held by IFISA; accordingly, the Court was requested to clarify that the Dolphin´s and IFISA's position as filed in the letter dated October 26, 2015 is not and cannot be the correct interpretation of the Judgment.

On November 4, 2015, Dolphin and IFISA filed their response to the rejoinder of the Arrangement Trustees, requesting the Court to dismiss the Arrangement Trustees' request to clarify the judgement.

On November 5, 2015, the Court decided to deny the Application for Contempt filed by Arrangement Trustees. However, the Court stated in an obiter-dictum that Dolphin and IFISA's interpretation of the Reservation in the Decision dated October 20, 2015, within Dolphin and IFISA's letter, stand in contradiction insofar as with regard to the scope of the Reservation.

On November 5, 2015, the Arrangement Trustees sent a letter to Dolphin and IFISA, demanding them, in light of the Court's decision of the same day, to amend Dolphin and IFISA's letter and to inform the Securities Authority and IDBD that all the tender offers will be addressed to the minority shareholders of IDBD and that Dolphin and/or IFISA and any corporation under the control of Mr. Elsztain, will not be offerees in the tender offers and that every share which will be transferred by them to third party, if transferred, will also not be entitled to be an offeree in the tender offer.

On November 5, 2015, the Arrangement Trustees sent a letter to IDBD, demanding it, in light of the Court's decision of the same day, to amend Dolphin and IFISA's letter and to inform the public and the Securities Authority immediately that Dolphin and IFISA's Letter as published by IDBD, is inconsistent with the court's decision and that all the shares held by Dolphin and IFISA or any corporation within the Elsztain Group or which shall be purchased from those corporations, shall not carry a right to participate in the tender offers as an offeree.

On November 10, 2015, following the request of the ISA to IDBD, IDBD approached Dolphin and IFISA in order to obtain their position with regard to the amount of shares held by corporations controlled by Mr. Eduardo Sergio Elsztain and which are entitled to participate in the Tender Offers according to the Reservation in the Court's decision dated October 20, 2015 (the "First Decision"; the "Reservation") and following the Court's decision dated November 5, 2015 (the "Second Decision"). In response to this request, Dolphin and IFISA notified IDBD that their position, as expressed in Dolphin and IFISA's letter, remains unchanged.

On November 10, 2015, Dolphin and IFISA filed an application to the Supreme Court to schedule the hearing on the appeal, which was scheduled for December 16, 2016, to an earlier date, due to the fact that Dolphin has to publish a Tender Offer by December 31, 2015, in order to have a high level of certainty regarding the legal situation as soon as possible.

On November 12, 2015, IDBD reported that, at its request, Dolphin extended the validity of its commitment with regard to the public offering so that it will be performed no later than November 17, 2015 (instead of the original date of November 15, 2015), which was further extended until December 1, 2015. In addition, IDBD was notified by Dolphin, that discussions are being held between Dolphin and the Arrangement Trustees for a potential amendment to the Arrangement with respect to the Tender Offers, pursuant to which the undertakings to execute the Tender Offers will be transformed to an injection of funds into IDBD and bonds to be issued by IDBD instead of a potential public offering as mentioned above. IDBD further reported that the Arrangement Trustees sent a letter stating that the amendments to the Arrangement regarding the Tender Offers are not acceptable for the bondholders, and that the bondholders may convoke a bondholders´ meeting to discuss such issues if IDBD´s Board of Directors do not disapprove such proposal.

Company is assessing its defense strategy, as well as the impact of the closing of the BMBY process with IFISA as the purchaser of the shares of IDBD held by Extra

On November 11, the lock-up under the TASE regulations expired, and therefore there are no shares restricted under this provisions as of the date of hereof.

Class Action Claim

In June 2015, an application for the court to approve the commencement of a class action (the “Class Action”) was filed by four individuals who argue that they were among the creditors of IDBH and that as a result of IDBH’s approved Arrangement they received shares in IDBD and that therefore they were entitled to participate in the Rights Offerings made in 2014 and 2015.The Class action was filed before the applicable courts of Israel against IDBD, Dolphin, Eduardo Sergio Elsztain, Extra and Mordechai Ben Moshe (in their capacities both as controlling shareholders of IDBD and as board members of IDBD) and against the members of IDBD’s Board of Directors and alternate directors who were in office between 2014 and 2015. The amount of the claim is NIS1,048 million (equivalent to US$277.6 million as of June 30, 2015).

As concerns the legal action, pursuant to the applicable laws the proceedings are divided into two stages: (i) the preliminary stage, in which the plaintiff pleads the court to allow the complaint to be admitted as a class action, in which the plaintiff shall prove by producing reasonable evidence that it satisfies the minimum requirements for the class action to qualify as such pursuant to the applicable laws; and (ii) if such requirements are met and the case is admitted as a class action, the substantive proceedings will start.

At present, the Class Action is at the preliminary stage.

Pursuant to the applicable laws the defendants have a 90-day term to file their defense (such term does not include the period from July 21 to September 5, 2015, when the Israeli courts are on recess and an eight days recess during the Jewish holiday of Sukot).

Based on the Israeli legal counsel, it is more likely than not that the Class Action will be dismissed against Dolphin.

In the application for Class Action, the plaintiffs argued, among other things, that IDBD’s controlling shareholders and its Board of Directors acted in concert to frustrate the sale of Clal’s shares to JT Capital Fund (“JT”) and privileged their own interests, causing them material damages as under the terms of the Arrangement they would have been entitled to receive a larger payment had the above mentioned sale been consummated.

In addition, they sustain that the Rights Offerings made in 2014 and 2015 discriminated against the minority shareholders and were carried out without obtaining the required consents (given the personal interest of the controlling shareholders), resulting in the dilution of plaintiffs’ rights’ economic value.

Loan agreements with Inversiones Financieras del Sur S.A.

On July 28, 2015, IRSA's subsidiary Dolphin granted a loan to IFISA, a company indirectly controlled by Eduardo Sergio Elsztain for an aggregate amount of US$7.2 million, which will mature on July 2016 and will accrue interests at a rate of f Libor 1M + 3%.

In addition, on October 9, 2015, through IRSA's subsidiary REIG V L.P. (“Reig V”) IRSA granted another loan for an aggregate amount of US$40 million to IFISA, which will mature on October 2016 and will accrue interests at a rate of f Libor 1M + 3%.

Repurchase of Notes Series V

On August 25, 2015, IRSA repurchased a nominal amount of Ps. 113,762,000 of our Series V Notes for an aggregate amount of Ps.120.5 million, which were cancelled at maturity.

Sale of units in the Intercontinental Plaza Building

On September 10, 2015, IRSA Commercial Properties closed the sale to an unrelated third party of 5,963 square meters that represent seven floors of office space, 56 parking units and three storage units in the Intercontinental Plaza Building located in the neighborhood of Montserrat in the City of Buenos Aires. After such sale, 7,159 square feet remain in IRSA Commercial Properties‘portfolio. The purchase price was Ps.324.5 million, which has been fully paid.

Issuance of Series I Notes

On September 18, 2015 IRSA Commercial Properties issued Series I Notes under its Global Note Program in an aggregate principal amount of Ps.407,260,000 (equivalent to US$43,441,066.67). Series I Notes have a maturity of 18 months from its issue date, and will bear a mixed interest rate of 26.5% per year during the first three months, and Private Badlar Rate (Tasa Badlar Privada) plus 400 bps per year during the remaining period, payable on a quarterly basis.

Sale of units in the Maipú 1300 Building

On November 6, 2015, IRSA closed the sale to an unrelated third party of 864 square meters that represent two floors of office space, and 4 parking units. After such sale, 2,134 square feet remain in IRSA's portfolio. The purchase price was U$S 3 million, which has been fully paid.

B. BUSINESS OVERVIEW

General

We are a leading Latin American agricultural company engaged in the production of basic agricultural commodities with a growing presence in the agricultural sector of Brazil, through our investment in Brasilagro, as well as in other Latin American countries. We are currently involved in several farming activities including grains and sugarcane production, beef cattle raising and milk production. Our business model focuses on the acquisition, development and exploitation of agricultural properties having attractive prospects for agricultural production and/or value appreciation and the selective sale of such properties where appreciation has been realized. In addition, we lease lands to third parties and perform agency and agro-industrial services, including a meat packing plant. Our shares are listed on Mercado de Valores de Buenos Aires (“MVBA”) and the NASDAQ.

We are also directly engaged in the Argentine real estate business through our subsidiary IRSA, one of Argentina’s leading real estate companies. IRSA is engaged in the development, acquisition and operation of shopping centers, premium offices, and luxury hotels in Argentina, as well as the development of residential properties. IRSA’s shares are listed on the MVBA and the NYSE. We own 64.30% of the outstanding common shares of IRSA and a majority of our directors are also directors of IRSA.

During the fiscal years ended June 30, 2013, 2014 and 2015, we had consolidated revenues of Ps. 3,528.5 million, Ps. 4,604.0 and Ps. 5,651.8 million, and consolidated net income/(loss) of Ps. 154.3 million, Ps. (1,408.4) million and Ps. 176.2 million, respectively. During the fiscal years ended June 30, 2014 and June 30, 2015, our total consolidated assets decreased 3.2% from Ps. 15,783.7 million to Ps. 15,275.4 million, and our consolidated shareholders’ equity decreased 12.0% from Ps. 4,434.8 million to Ps. 3,902.0 million.

We operate in two businesses areas, namely, “Agricultural” and “Investment and Development Properties” businesses, as further described below.

Our Agricultural business is further comprised of eight reportable segments:

- Our “Crops” segment consists of planting, harvesting and sale of crops as wheat, corn, soybeans, cotton, and sunflowers. The Company is focused on the long-term performance of the land and seeks to maximize the use of the land through crop rotation; the use of technology and techniques. In this way, the type and quantity of harvested crops change in each agricultural campaign. Our Crops Segment had assets of Ps. 1,822.3 million and Ps. 2,199.2 million as of June 30, 2015 and 2014, respectively, representing 56% and 61% of our agricultural business assets at such dates, respectively. Our Crops segment generated operating loss of Ps. 252.9 million, Ps. 147.5 million and Ps. 110.1 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing (82%), 395% and (313%), of our consolidated operating income/loss from Agricultural Business for such years, respectively.

- Our “Cattle” segment consists of breeding, purchasing and/or fattening of free-range cattle for sale to meat processors and local livestock auction markets. Our Cattle segment had assets of Ps. 621.0 million and Ps. 499.5 million as of June 30, 2015 and 2014, respectively, representing 19% and 14% of our agricultural business assets at such dates, respectively. Our Cattle segment generated operating income of Ps. 36.7 million and Ps. 32.1 million for the fiscal years ended June 30, 2015 and 2014 respectively, representing 12% and (86%), of our consolidated operating income from Agricultural Business for such years, respectively and operating loss of Ps. 13.8 million for the fiscal year ended June 30, 2013, representing (39%), of our consolidated operating income from Agricultural Business for such year.

- Our “Dairy” segment consists of breeding and/or purchasing dairy cows for the production of raw milk for sale to local milk and milk-related products producers. Our Dairy segment had assets of Ps. 63.5 million and Ps. 57.4 million as of June 30, 2015 and 2014, respectively, representing 2.0% and 2.0% of our agricultural business assets at such dates, respectively. Our Dairy segment generated operating income of Ps. 4.2 million and Ps. 4.0 million for the fiscal years ended June 30, 2015 and 2014, respectively, representing 1% and (11%), of our consolidated operating income from Agricultural Business for such years, respectively and operating loss of Ps. 1.0 million for the fiscal year ended June 30, 2013, representing (3%), of our consolidated operating income from Agricultural Business for such year.

- Our “Sugarcane” segment consists of planting, harvesting and sale of sugarcane. Our Sugarcane segment had assets of Ps. 411.3 million and Ps. 571.5 million as of June 30, 2015 and 2014, respectively, representing 13% and 16% of our agricultural business assets at such dates, respectively. Our Sugarcane segment generated operating loss of Ps. 12.1 million and Ps. 19.7 million for the fiscal years ended June 30, 2015 and 2014, respectively, representing (4%) and 53%, of our consolidated operating income from Agricultural Business for such years, respectively and operating income of Ps. 27.2 for the fiscal year ended June 30, 2013, representing 77%, of our consolidated operating income from Agricultural Business for such year.

- Our “Agricultural Rentals and Services” segment consists of services (for example: irrigation) and leasing of the Company’s farms to third parties. Our Agricultural Rentals and Services Segment had assets of Ps. 105.9 million and Ps. 61.2 million as of June 30, 2015 and 2014, respectively, representing 3% and 2% of our agricultural business assets at such dates, respectively. Our Agricultural Rentals and Services segment generated operating income of Ps. 14.8 million, Ps. 8.1 million and Ps. 11.5 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing 5%, (22%) and 33%, of our consolidated operating income from Agricultural Business for such years, respectively.

- Our “Land Transformation and Sales” segment comprises gains from the disposal and development of farmlands activities. Our Land Transformation and Sales segment had assets of Ps. 53.5 million and Ps. 51.5 million as of June 30, 2015 and 2014, respectively, representing 2% and 1% of our agricultural business assets at such dates, respectively. Our Land Transformation and Sales segment generated operating income of Ps. 551.4 million, Ps. 78.0 million and Ps. 132.6 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing 179%, (209%) and 377%, of our consolidated operating income from Agricultural Business for such years, respectively.

· Our "Agro-industrial" segment consists of feedlot farming and the slaughtering and processing in the meat refrigerating plant. Feedlot farming is distinctive and requires specific care and diets which differ from those provided to free-range cattle. This activity represents a separate operating segment due to the distinctive characteristics of the cattle feedlot system and the industrialized meat processing in the packing plant. Our Agro-industrial segment had assets of Ps. 41.5 million and Ps. 44.9 million as of June 30, 2015 and 2014, respectively, representing 1% and 1% of our agricultural business assets at such dates, respectively. Our Agro-Industrial segment generated operating income of Ps. 1.9 million for the fiscal year ended June 30, 2014, representing (5%) of our consolidated operating income from Agricultural Business for such year, and operating loss of Ps. 36.0 million and Ps. 29.6 million for the fiscal years ended June 30, 2015 and 2013, respectively, representing (12%) and (84%), of our consolidated operating income from Agricultural Business for such years, respectively.

· Our "Others" segment consists of the aggregation of the remaining operating segments, which do not meet the quantitative thresholds for disclosure includes the brokerage and sale of inputs activities. Our Others segment had assets of Ps. 161.1 million and Ps.115.2 million as of June 30, 2015 and 2014, respectively, representing 5% and 3% of our agricultural business assets at such dates, respectively. Our Others segment generated operating income of Ps. 2.2 million, Ps. 5.7 million and Ps. 18.4 million for the fiscal years ended June 30, 2015, 2014 and 2013, representing 1%, (15%) and 52% of our consolidated operating income for such years, respectively.

Our Investment and Development Properties is further comprised of six reportable segments:

· Our "Shopping Center Properties" segment includes results from the commercial exploitation and development of shopping centers. Such results originate mainly from the lease and the delivery of services related to the lease of commercial facilities and other spaces in the Company's shopping centers. Our Shopping Center Properties segment had assets of Ps. 2,400.1 million and Ps. 2,316.2 million as of June 30, 2015 and 2014, respectively, representing 34% and 31% of our investment and development properties business assets at such dates, respectively. Our Shopping Center Properties segment generated operating income of Ps. 1,189.3 million, Ps.864.7 million and Ps. 686.0 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing 47%, 70% and 63%, of our consolidated operating income for such years, respectively.

· Our "Offices" segment includes the operating results of the Company's lease of office space and other rental properties and service revenues related to this activity. Our Offices segment had assets of Ps. 1,035.7 million and Ps. 905.8 million as of June 30, 2015 and 2014, respectively, representing 15% and 12% of our investment and development properties business assets at such dates, respectively. Our Offices segment generated operating income of Ps. 98.6 million, Ps. 160.0 million and Ps. 123.6 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing 4%, 13% and 11%, of our consolidated operating income for such years, respectively.

· Our "Sales and Developments" segment includes the operating results of the sales of undeveloped parcels of land and/or trading properties, as the results related with its development and maintenance. Also included in this segment are the results of the sales of real property intended for rent, sales of hotels and other properties included in the International segment. Our Sales and Developments segment had assets of Ps. 465.7 million and Ps. 697.3 million as of June 30, 2015 and 2014, respectively, representing 7% and 9% of our investment and development properties business assets at such dates, respectively. Our Sales and Developments segment generated operating income of Ps. 1,098.7 million, Ps. 238.5 million and Ps. 170.4 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, representing 44%, 19% and 16%, of our consolidated operating income for such years, respectively.

· Our "Hotels" segment includes the operating results of the Company's hotels principally comprised of room, catering and restaurant revenues. Our Hotels segment had assets of Ps. 182.3 million and Ps. 203.9 million as of June 30, 2015 and 2014, respectively, representing 3% and 3% of our investment and development properties business assets at such dates, respectively. Our Hotels segment generated operating income of Ps. 10.2 million for the fiscal years ended June 30, 2014, representing 1% of our consolidated operating income for such year and operating loss of Ps. 12.8 million and Ps. 22.4 million for the fiscal years ended June 30, 2015 and 2013, respectively, representing (1%) and (2%), of our consolidated operating income for such years, respectively.

· Our "International" segment includes the return on investments in subsidiaries and/or associates that mainly operate in the United States in relation to the lease of office buildings and hotels in that country and the return on investment in IDBD at fair value. Our International segment had assets of Ps. 911.2 million and Ps. 1,988.0 million as of June 30, 2015 and 2014, respectively, representing 14% and 27% of our investment and development properties business assets at such dates, respectively. Our International segment generated operating income of Ps. 147.9 million and Ps. 129.3 million for the fiscal years ended June 30, 2015 and 2013, representing 6% and 12%, respectively and operating loss of Ps. 30.0 million for the fiscal years ended June 30, 2014, representing (2%), of our consolidated operating income for such year.

· Our "Financial Operations and Others" segment includes the financial activities carried out by the Company's associates, Banco Hipotecario S.A. and Tarshop S.A. and consumer finance residual financial operations of APSAMedia S.A. (currently merged with IRSA Commercial Properties). The e-commerce activities conducted through the associate Avenida Inc. are also included until the first quarter of the current fiscal year. This investment began to be considered a financial asset from the second quarter of this fiscal year. Our Financial Operations and Others segment had assets of Ps. 1,411.3 million and Ps. 1,261.2 million as of June 30, 2015 and 2014, respectively, representing 20% and 17% of our investment and development properties business assets at such dates, respectively. Our Financial Operations and Others segment generated operating loss of Ps. 3.3 million, Ps. 3.2 million and Ps. 5.5 million for the fiscal years ended June 30, 2015, 2014 and 2013, representing 0%, 0% and 12% of our consolidated operating income for such years, respectively.

Agricultural Business

As of June 30, 2015, we owned 31 farms with approximately 622,220 hectares distributed in Argentina, Brazil, Bolivia and Paraguay. Approximately 95,150 hectares of the land we own are used for crop production, approximately 74,273 hectares are for beef cattle production, 85,000 hectares are for sheep production, 2,864 hectares are for milk production and approximately 8,026 hectares are leased to third parties for crop and cattle production. The remaining 356,907 hectares of land reserves are primarily natural woodlands. In addition, we have the rights to hold approximately 132,000 hectares of land under concession for a 35-year period that can be extended for another 29 years. Out of this total, we have developed 22,986 hectares for crop production. Also, during fiscal year 2015 ended on June 30, 2015, we leased 56,137 hectares from third parties for crop production and 13,501 hectares for beef cattle production.

The following table sets forth, at the dates indicated, the amount of land used for each production activity (including owned and leased land and land under concession):

	2015(1)(6)	2014(1)(6)	2013(1)(6)	2012(1)(5)(6)
Crops (2)	187,438	201,648	182,513	181,079
Cattle (3)	88,643	95,160	91,053	95,995
Milk/Dairy	2,864	2,864	2,780	3,022
Sheep	85,000	85,000	85,000	85,000
Land Reserves (4)	467,568	467,532	461,729	459,979
Own farmlands leased to third parties	10,026	13,111	31,593	25,538
Total (5)	841,539	865,315	854,668	850,613

(1) Includes 35.72% of approximately 8,299 hectares owned by Agro-Uranga S.A., an affiliated Argentine company in which we own a non-controlling 35.72% interest.

(2) Includes wheat, corn, sunflower, soybean, sorghum and others.
(3) Breeding and fattening.
(4) We use part of our land reserves to produce charcoal, rods and fence posts.
(5) It includes Brasilagro and our interest in CRESCA at 50%.
(6) Includes farms owned by Brasilagro and CRESUD sold in 2014 and 2015.
(7) Includes double crops

Strategy

We seek to maximize our return on assets and overall profitability by (i) identifying, acquiring and operating agricultural properties having attractive prospects for increased agricultural production and/or medium or long-term value appreciation and selectively disposing of properties as appreciation is realized, (ii) optimizing the yields and productivity of our agricultural properties through the implementation of state-of-the-art technologies and agricultural techniques and (iii) preserving the value of our significant long-term investment in the urban real estate sector through our subsidiary IRSA.

Focus on maximizing the value of our agricultural real estate assets

We conduct our agricultural activities with a focus on maximizing the value of our agricultural real estate assets. We rotate our portfolio of properties from time to time by purchasing properties which we believe have a high potential for appreciation and selling them selectively as opportunities arise to realize attractive capital gains. We achieve this by relying on the following principles:

- Acquiring under-utilized properties and enhancing their land use: We seek to purchase under-utilized properties at attractive prices and develop them to achieve more productive uses. We seek to do so by (i) transforming non-productive land into cattle feeding land, (ii) transforming cattle feeding land into land suitable for more productive agricultural uses, (iii) enhancing the value of agricultural lands by changing their use to more profitable agricultural activities; and (iv) reaching the final stage of the real estate development cycle by transforming rural properties into urban areas as the boundaries of urban development continue to extend into rural areas. To do so, we generally focus on acquisitions of properties outside of highly developed agricultural regions and/or properties whose value we believe is likely to be enhanced by proximity to existing or expected infrastructure.
- Applying modern technologies to enhance operating yields and property values. We believe that an opportunity exists to improve the productivity and long-term value of inexpensive and/or underdeveloped land by investing in modern technologies such as genetically modified and high yield seeds, direct sowing techniques, and machinery. We optimize crop yield through land rotation, irrigation and the use of fertilizers and agrochemicals. To enhance our cattle production, we use genetic technology and have a strict animal health plan controlled periodically through traceability systems. In addition, we have introduced state-of-the-art milking technologies in our dairy business.
- Anticipating market trends. We seek to anticipate market trends in the agribusiness sector by (i) identifying opportunities generated by economic development at local, regional and worldwide levels, (ii) detecting medium- and long-term increases or decreases in supply and demand caused by changes in the world's food consumption patterns and (iii) using land for the production of food and energy.
- International expansion. We believe that an attractive opportunity exists to acquire and develop agricultural properties outside Argentina, and our objective is to replicate our business model in other countries. Although most of our properties are located in different areas of Argentina, we have begun a process of expansion into other Latin American countries, including Brazil, Bolivia, and Paraguay.

Increase and optimize production yields

We seek to increase and improve our production yields through the following initiatives:

Implementation of technology.

- To improve crop production, we use state-of-the-art technology. We invest in machinery and the implementation of agricultural techniques such as direct sowing. In addition, we use high-potential seeds (GMOs) and fertilizers and we apply advanced land rotation techniques. In addition, we consider installing irrigation equipment in some of our farms.
- To increase beef cattle production we use advanced breeding techniques and technologies related to animal health. Moreover, we optimize the use of pastures and we make investments in infrastructure, including installation of watering troughs and electrical fencing. In addition, we have one of the few vertically integrated beef cattle processing operations in Argentina through Sociedad Anónima Carnes Pampeanas S.A.
- In our milking facility, we have implemented an individual animal identification system, using plastic tags for our beef cattle and "RFID" tags. We use software from Westfalia Co. which enables us to store individual information about each of our dairy cows.

Increased production.

Our goal is to increase our crop, cattle and milk production in order to achieve economies of scale by:

- Increasing our owned land in various regions by taking advantage of attractive land purchase opportunities. In addition, we expand our production areas by developing lands in regions where agricultural and livestock production is not developed to its full potential. We believe in the use of technological tools for improving the productivity of our land reserves and enhancing their long-term value. However, current or future environmental regulations could prevent us from fully developing our lands by demanding us to maintain part of them as natural woodlands not allocated to production.

- Diversifying our production and the weather risk by leasing farms, thus expanding our product portfolio and optimizing our geographic focus, in particular in areas that are not appealing in terms of land value appreciation but with attractive productivity levels. We believe that this diversification mix mitigates our exposure to seasonality, commodity price fluctuations, weather conditions and other factors affecting the agricultural and livestock sector.
- Moreover, we believe that continuing to expand our agricultural operations outside of Argentina will help us improve even more our ability to produce new agricultural products, further diversifying our mix of products, and mitigating our exposure to regional weather conditions and country-specific risks.

Focus on preserving long-term value of our investment in our real estate subsidiary IRSA

We seek to maintain the long-term value of our significant investment in the urban real estate sector through IRSA. We believe that IRSA is an ideal vehicle through which to participate in the urban real estate market due to its substantial and diversified portfolio of residential and commercial properties, the strength of its management and what we believe are its attractive prospects for future growth and profitability.

- Shopping Center Properties. Our main purpose is to maximize our shareholders' profitability. By using our know-how in the shopping center industry in Argentina as well as our leading position, we seek to generate a sustainable growth of cash flow and to increase the long-term value of our real estate assets. We attempt to take advantage of the unsatisfied supply in different urban areas of the region, as well as of our customers' purchase experience. Therefore, we seek to develop new shopping centers in urban areas with attractive prospects for growth, including Buenos Aires' Metropolitan area, some cities in the provinces of Argentina and possibly, other places abroad. To achieve this strategy, the close business relationship we have had for years with more than 1000 retail companies and trademarks composing our selected group of tenants is of utmost importance, as it allows us to offer an adequate mix of tenants for each particular case.
- Offices. Since the Argentine economic crisis in 2001 and 2002, there have been limited investments in high-quality office buildings in Buenos Aires and, as a result, we believe there is currently substantial demand for top-notch office spaces. We seek to purchase and develop premium office buildings in the core districts in the City of Buenos Aires and other strategic locations that we believe offer attractive returns and potential for long-term capital gain. We expect to continue our focus on attracting premium corporate tenants to our office buildings. Furthermore, we intend to selectively consider new opportunities to acquire or construct new rental office buildings.
- Hotels. We believe our portfolio of three luxury hotels is positioned to take advantage of the future growth in tourism and business travel in Argentina. We seek to continue with our strategy to invest in high-quality properties that are operated by leading international hotel companies to capitalize on their operating experience and international reputation. We also seek to continue to invest in improvements for our hotels.
- Sales and Developments. We seek to purchase undeveloped properties in densely-populated areas and build apartment complexes offering green space for recreational activities. We also seek to develop residential communities by acquiring undeveloped properties with convenient access to the City of Buenos Aires, developing roads and other basic infrastructure such as electric power and water, and then selling lots for the construction of residential units. After the Argentine economic crisis in 2001 and 2002, the scarcity of mortgage financing restricted the growth in middle class home purchases and, as a result, we mainly focused on the development of residential communities for middle and high-income individuals, who do not need to finance their home purchases. We seek to continue to acquire undeveloped land at locations we consider attractive within and outside Buenos Aires. In each case, our intention is to purchase land with significant development or appreciation potential to resell. We believe that holding a portfolio of desirable undeveloped plots of land enhances our ability to make strategic long-term investments and affords us a valuable pipeline of new development projects for upcoming years.
- International. In this segment, we seek investments that represent an opportunity of capital appreciation potential in the long term. After the international financial crisis in 2008, we took advantage of the price opportunity in the real estate sector in the United States and invested in two office buildings in Manhattan, New York. During this year we sold 74.5% of the office building located at Madison Avenue, City of New York, for a total amount of US$ 185 million, and we have retained a 49.9% equity interest in a US company whose main asset is the so-called "Lipstick" office building located in the City of New York. In addition, jointly with subsidiaries, we hold 34.0% of the voting power of the REIT Condor Hospitality Trust (NASDAQ:CDOR) and we hold, through Dolphin Fund, a 49.0% stake in the Israeli company IDBD, one of the largest and most diversified investment groups of Israel, which, through its subsidiaries, participates in numerous markets and industry sectors, including real estate, retail, agroindustry, insurance, telecommunications, etc. We intend to continue evaluating -on a selective basis- investment opportunities outside Argentina as long as they offer attractive investment and development opportunities.
- Financial Operations and Other. We maintain our investment in Banco Hipotecario, the leading mortgage bank in Argentina, as we believe that we will be able to reach positive synergies in the long term hand in hand with the development of the mortgage market.

Our Principal Business Activities

During the fiscal year ended June 30, 2015, we conducted our operations on 31 owned farms, 1 farm under concession and 53 leased farms. Some of the farms we own are engaged in more than one productive activity at the same time.

Volume (in tons)	Fiscal Year 2015 Production	Fiscal Year 2015 Sales	Stock as of June 30, 2015	Stock as of June 30, 2014	Stock as of June 30, 2013
Wheat	15,990	7,083	8,666	737	--
Corn	310,874	269,701	61,927	17,799	34,667
Sunflower	11,992	5,181	8,594	1,825	5,855
Soybean	279,608	250,125	102,464	84,351	45,928
Sugarcane	928,273	924,478	--	--	--
Dairy (1)	17,526	16,924	--	--	--
Cattle	7,812	8,871	70,660 (2)	72,865 (2)	64,167 (2)

(1) In thousands of liters.
(2) Heads

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The following chart shows, for fiscal year 2015, the surface area in operation for each line of business:

The following chart illustrates, for the fiscal year ended on June 30, 2015, the surface area in operation and the hectares held as land reserves, classified into own, under lease or under concession:

Crops and Sugarcane

Our crop production is mainly based on grains and oilseeds and sugarcane. Our main crops include soybean, wheat, corn, and sunflower. Other crops, such as sorghum and peanut, are sown occasionally and represent only a small percentage of total sown land.

Production

The following table shows, for the fiscal years indicated, our crop production volumes measured in tons:

Production Volume(1)	FY2015	FY2014	FY2013	FY2012
Corn	310,874	155,759	194,870	247,839
Soybean	279,608	242,349	220,540	196,515
Wheat	15,990	12,373	4,392	18,625
Sorghum	1,740	4,502	6,709	7,791
Sunflower	11,992	5,803	12,437	14,503
Other	6,999	2,476	5,002	6,774
Total Crops (tons)	627,203	423,262	443,950	492,047
Sugarcane (tons)	928,273	657,547	1,156,848	576,048
Cattle herd	7,812	6,970	7,723	8,936
Milking cows	524	489	470	445
Cattle (tons)	8,336	7,459	8,193	9,381
Milk (liters)	17,525,818	19,320,317	18,459,472	16,562,904

(1) Includes CRESCA at 50%. Does not include Agro-Uranga S.A.

Below is the geographical distribution of our agricultural production for the last four seasons (in tons):

2015 Season	Argentina	Brazil	Bolivia	Paraguay	Total
Corn	253,929	40,102	10,199	6,644	310,874
Soybean	132,101	111,751	30,471	5,285	279,608
Wheat	15,990	-	-	-	15,990
Sorghum	538	-	406	796	1,740
Sunflower	11,992	-	-	-	11,992
Other	6,917	-	-	82	6,999
Total Grains and Other	421,467	151,853	41,076	12,807	627,203
Sugarcane	-	830,204	98,069	-	928,273

2014 Season	Argentina	Brazil	Bolivia	Paraguay	Total
Corn	93,388	50,102	11,445	826	155,761
Soybean	108,088	108,107	20,821	5,334	242,350
Wheat	12,373	-	-	-	12,373
Sorghum	1,367	-	2,487	648	4,502
Sunflower	5,756	-	47	-	5,803
Other	1,926	534	-	16	2,476
Total Grains and Other	222,898	158,743	34,800	6,824	423,265
Sugarcane	-	570,820	86,727	-	657,547

2013 Season	Argentina	Brazil	Bolivia	Paraguay	Total
Corn	145,949	34,630	14,291	-	194,870
Soybean	82,476	106,276	31,601	187	220,540
Wheat	3,111	-	1,281	-	4,392
Sorghum	3,766	-	2,638	305	6,709
Sunflower	12,090	-	347	-	12,437
Other	2,644	2,358	-	-	5,002
Total Grains and Other	250,036	143,264	50,158	492	443,950
Sugarcane	-	1,014,234	142,614	-	1,156,848

2012 Season	Argentina	Brazil	Bolivia	Paraguay	Total
Corn	153,889	72,387	21,563	-	247,839
Soybean	83,221	83,319	29,976	-	196,516
Wheat	17,637	-	988	-	18,625
Sorghum	3,360	-	4,431	-	7,791
Sunflower	13,210	-	1,293	-	14,503
Other	5,494	1,280	-	-	6,774
Total Grains and Other	276,811	156,986	58,251	-	492,048
Sugarcane	-	576,030	18	-	576,048

Sales

Below is the total volume of grains and sugarcane sold broken down into geographical areas, measured in tons:

	FY2015			FY2014			FY2013			FY2012	
Volume of Sales (3)	D.M.(1)	F.M.(2)	Total	D.M.(1)	F.M.(2)	Total	D.M.(1)	F.M.(2)	Total	D.M.(1)	F.M.(
Corn	269,701	-	269,701	179,893	-	179,893	233,369	37,775	271,144	202,345	21,76
Soybean	172,938	77,187	250,125	188,818	33,233	222,051	153,446	55,368	208,814	228,639	23,00
Wheat	6,969	114	7,083	11,359	-	11,359	10,735	-	10,735	15,246	5,500
Sorghum	1,569	-	1,569	3,843	-	3,843	5,807	-	5,807	8,497	-
Sunflower	5,181	-	5,181	9,745	-	9,745	10,551	-	10,551	18,095	-
Other	1,872	-	1,872	6,248	261	6,509	13,925	127	14,052	11,519	-
Total Grains (tons)	458,230	77,301	535,531	399,906	33,494	433,400	427,833	93,270	521,103	484,341	50,26
Sugarcane (tons)	924,478	-	924,478	675,670	-	675,670	1,179,877	-	1,179,877	636,335	-
Cattle herd	8,871	-	8,871	8,842	-	8,842	9,627	-	9,627	15,014	-
Milking cows	903	-	903	465	-	465	496	-	496	451	-
Beef-Cattle (tons)	9,774	-	9,774	9,307	-	9,307	10,123	-	10,123	15,465	-
Milk (in thousands of liters)	16,924	-	16,924	18,787	-	18,787	17,870	-	17,870	16,267	-

(1) Domestic Market.
(2) Foreign Market.
(3) Includes CRESCA at 50%. Does not include Agro-Uranga.

The following table shows the sown surface area assigned to crop production, classified into owned, under lease, under concession and leased to third parties for the fiscal years indicated below, measured in hectares:

	2015(1)(2)	2014(1)(2)	2013(1)(2)	2012(1)(2)
Own	128,795	122,632	127,952	127,793
Under lease	58,167	58,030	45,624	44,508
Under concession	21,547	20,986	8,937	8,778
Leased to third parties	3,267	7,616	18,223	23,595
Total	211,776	209,264	200,736	204,674

(1) Sown land may differ from that indicated under "Uses of Land", since some hectares are sown twice in the same season and therefore are counted twice.
(2) Includes CRESCA at 50%. Does not include Agro-Uranga.

Stock	2015 Season	2014 Season	2013 Season	Variation

Corn	61,927	17,799	34,667	247.9	%
Soybean	102,464	84,351	45,928	21.5	%
Sunflower	8,594	1,825	5,855	370.9	%
Sorghum	198	530	3,577	(62.6	%)
Wheat	8,666	737		1,075.8	%
Cotton			239	0.0	%
Sugarcane				0.0	%
Other	4,925	32,782		(85.0	%)
Total	186,774	138,024	90,266	35.3	%

We seek to diversify our mix of products and the geographic location of our farmlands to achieve an adequate balance between the two principal risks associated with our activities: weather conditions and the fluctuations in the prices of commodities. In order to reduce such risks, we own and lease land in several areas of Argentina with different climate conditions that allow us to sow a diversified range of products. Our leased land for crops is mostly located in the Pampas region, a favorable area for crop production. The leased farms are previously studied by technicians who analyze future production expectations based on the historic use of the land. The initial duration of lease agreements is typically one or three seasons. Leases of farms for production of crops generally consist of lease agreements with payments based on a fixed amount of Pesos per hectare or crop sharing agreements (“sharecropping”) with payments in kind based on a percentage of the crops obtained or a fixed amount of tons of grains obtained or their equivalent value in Pesos. The principal advantage of leasing farms is that leases do not require us to commit large amounts of capital to the acquisition of lands but allow us to increase our scale in the short term and reduce the risk of inclement weather. The disadvantage of this strategy is that the cost of leasing can increase over time, in part, because increased demand for leased land increases the price of leased land.

In order to increase our production yields, we use, in addition to state-of-the-art technology, labor control methods which imply the supervision of the seeding’s quality (density, fertilization, distribution, and depth), crop monitoring (determination of natural losses and losses caused by harvester) and verification of bagged crop quality. In this way, we work jointly with our suppliers to achieve the best management of inputs, water and soil.

Wheat seeding takes place from June to August, and harvesting takes place from December to January. Corn, soybean and sunflower are sown from September to December and are harvested from February to August. Grains are available to be sold as commodities after the harvest from December to June and we usually store part of our production until prices recover after the drop that normally takes place during the harvesting season. A major part of production, especially soybean, wheat and sunflower seeds, corn and sorghum, is sold and delivered to buyers pursuant to agreements in which price conditions are fixed by reference to the market price at a specific time in the future that we determine. The rest of the production is either sold at current market prices or delivered to cover any futures contract that we may have entered into.

Agro-Uranga S.A.

We have a 35.72% interest in Agro-Uranga S.A. ("Agro-Uranga"). This company optimizes production processes and attains excellent results, with special emphasis in soil conservation, the application of rational techniques and care of the environment.

Agro-Uranga S.A. has two farms: Las Playas and San Nicolás, with a combined area of 8,299 hectares, located in the core region of the Pampas prairies.

26% of the planted hectares in Agro-Uranga is devoted to the production of its special products division, including popcorn, peas and inshell sunflower, whereas the remaining 76% derives from commodities, such as soybean, corn and wheat.

At present, with the assistance of its foreign trade team it is seeking to develop new products so as to significantly increase export volumes, encouraged by the world's growing demand.

Lease of Farmlands

We conduct our business on owned and leased land. Rental payments increase our production costs, as the amounts paid as rent are accounted for as operating expenses. As a result, production costs per hectare of leased land are higher than for the land owned by us.

Our land leasing policy is designed to supplement our expansion strategy, using our liquidity to make production investments in our principal agricultural activities. On the other hand, our leasing strategy provides us with an added level of flexibility in the share of each of our products in total production, providing for greater diversification.

The initial duration of lease agreements is typically one crop season. Leases of farms for production of crops consist in lease agreements with payments based on a fixed amount of Pesos per hectare or crop sharing agreements ("sharecropping") with payments in kind based on a percentage of the crops obtained or a fixed amount of tons of grains obtained or their equivalent value in Pesos. Leases of farmlands for cattle breeding consist in lease agreements with fixed payments based on a fixed amount of Pesos per hectare or steer kilograms or capitalization agreements with payments in kind or in cash based on the weight gain in kilograms.

During fiscal year 2015, we leased to third parties a total of 53 fields, covering 72,679 hectares, including 14,263 hectares in Brazil. Out of the total leased area, 58,167 hectares were assigned to agricultural production, including double crops, and 13,501 hectares to cattle raising. The properties for agricultural production were leased, primarily, for a fixed price prior to harvest and only a small percentage consisted of crop sharing agreements.

The following table shows a breakdown of the number of hectares of leased land used for each of our principal production activities:

	2015	2014	2013	2012
Crops	59,178	58,030	45,624	44,508
Cattle	13,501	18,549	12,635	12,635

Due to the rise in the price of land, we adopted a policy of not validating excessive prices and applying strict criteria upon adopting the decision to lease, selecting those lands with values that would ensure appropriate margins.

Results

The following table shows the Company's results for fiscal year 2015, compared to the two preceding fiscal years:

Crops

In millions of Ps.	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	YoY var 2015 vs. 2014
Revenues	986.7	836.8	750.4	17.9 %
Costs	(1,795.4)	(1,540.7)	(1,227.8)	16.5 %
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	918.3	868.4	572.1	5.8 %
Changes in the net realizable value of agricultural products after harvest	(34.5)	(17.6)	11.8	95.6 %
Gross profit	75.1	146.9	106.4	(48.9%)
General and administrative expenses	(159.0)	(147.2)	(89.6)	8.0 %
Selling expenses	(160.4)	(117.8)	(115.9)	36.1 %
Other operating results, net	(8.6)	(29.4)	(11.0)	(70.6%)
Loss from operations	(252.9)	(147.5)	(110.1)	71.5 %
Share of profit / (loss) of associates and joint ventures	0.8	11.0	8.1	(92.3%)
Segment Loss	(252.1)	(136.5)	(102.0)	84.7 %

Sugarcane

In millions of Ps.	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	YoY var 2015 vs. 2014
Revenues	197.8	123.9	160.3	59.7 %
Costs	(368.2)	(206.8)	(302.2)	78.1 %
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	187.5	96.2	197.3	94.8 %
Gross profit	17.1	13.3	55.4	28.5 %
General and administrative expenses	(19.8)	(28.3)	(24.2)	(29.9 %)
Selling expenses	(7.8)	(4.9)	(4.0)	59.5 %
Other operating results, net	(1.7)	0.1	(0.0)	(1,704.8%)
(Loss)/Profit from operations	(12.1)	(19.7)	27.2	(38.4 %)
Segment (Loss)/Profit	(12.1)	(19.7)	27.2	(38.4 %)

Cattle

Our cattle production involves the breeding and fattening of our own animals. In some cases, if market conditions are favorable, we also purchase and fatten cattle which we sell to slaughterhouses and supermarkets. As of June 2015, our cattle aggregated 70,660 heads, and we had a total surface area of 88,643 hectares of own and leased lands devoted to this business activity. In addition, we have leased to third parties 13,501 hectares assigned to these activities.

During the fiscal year ended June 30, 2015, our production was 8,336 tons, a 12% year-on-year increase. The following table sets forth, for the fiscal years indicated below, the beef cattle production volumes measured in tons.

The following table sets forth, for the fiscal years indicated below, the cattle production volumes measured in tons:

	2015(1)	2014(1)	2013(1)
Cattle production	8,336	7,459	8,193

(1) Production measured in tons of live weight. Production is the sum of the net increases (or decreases) during a given period in live weight of each head of cattle owned by us.

Our cattle breeding activities are carried out with breeding cows and bulls and our fattening activities apply to steer, heifers and calves. Breeding cows calve approximately once a year and their productive lifespan is from six to seven years. Six months after birth, calves are weaned and transferred to fattening pastures. Acquired cattle are directly submitted to the fattening process. Upon starting this process, cattle have been grazing for approximately one year to one and a half year in order to be fattened for sale. Steer and heifers are sold when they have achieved a weight of 380–430 kg and 280–295 kg, respectively, depending on the breed.

Pregnancy levels, which have been improving over the years, showed satisfactory levels of efficiency notwithstanding the adverse weather conditions. Genetics and herd management are expected to further improve pregnancy levels in the coming years. Reproductive indicators improved thanks to the implementation of technologies, which have included handling techniques and females artificial insemination with cattle genetics especially selected for the stock which is purchased from specialized companies in quality semen elaboration for meat production. We use veterinarian products manufactured by leading national and international laboratories. It is important to emphasize the work of a veterinarian advising committee, who are external to us and visit each establishment monthly to control and agree tasks.

Currently, the cattle raising farms are officially registered as export farmlands pursuant to the identification and traceability rules in force in Argentina. Animals are individually identified, thus allowing for the development of special businesses in this area.

Our cattle stock is organized into breeding and fattening activities. The following table shows, for the fiscal years indicated, the number of head of beef cattle for each activity:

	2015	2014	2013
Breeding stock	52,052	54,808	36,531
Winter grazing stock	12,950	11,607	21,107
Milk farmstock	5,658	6,450	6,529
Total Stock (heads)	70,660	72,865	64,167

We seek to improve cattle production and quality in order to obtain a higher price through advanced breeding techniques. We cross breed our stock of Indicus, British (Angus and Hereford) and Continental breeds to obtain herds with characteristics better suited to the pastures in which they graze. To enhance the quality of our herds even further, we plan to continue improving our pastures through permanent investment in seeds and fertilizers, an increase in the watering troughs available in pastures, and the acquisition of round bailers to cut and roll grass for storage purposes.

Our emphasis on improving the quality of our herd also includes the use of animal health-related technologies. We comply with national animal health standards that include laboratory analyses and vaccination aimed at controlling and preventing disease in our herd, particularly FMD.

Direct costs of beef production consist primarily of crops for feeding and dietary supplementation purposes, animal health and payroll costs, among others.

Results

The following table shows this segment's results for fiscal year 2015, compared to the two preceding fiscal years:

In millions of Ps.	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	YoY var 2015 vs. 2014
Revenues	143.6	90.3	82.9	59.0 %
Costs	(224.6)	(160.7)	(147.3)	39.8 %
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	166.7	145.3	79.3	14.7 %
Changes in the net realizable value of agricultural products after harvest	0.0	0.2	0.0	(98.3%)
Gross Profit	85.7	75.2	14.9	14.1 %
General and administrative expenses	(25.8)	(27.2)	(13.7)	(5.3 %)
Selling expenses	(20.1)	(13.9)	(11.5)	45.1 %
Other operating results, net	(3.2)	(2.0)	(3.5)	58.0 %
Profit/ (Loss) from operations	36.7	32.1	(13.8)	14.3 %
Share of profit / (loss) of associates and joint ventures	0.0	0.0	0.0	(85.7%)
Segment Profit / (Loss)	36.7	32.1	(13.8)	14.3 %

Dairy

As of June 30, 2015, we conducted our diary business in the dairy facility located in “El Tigre” farm in the Province of La Pampa, Argentina. We have a capacity of 2,189 cows in milking per day and seek to increase total productivity through the application of new technologies including improved genetic management for milk production, feeding strategic planning based on cattle specific requirements and the use of individual traceability to know the productivity history of each animal. Also we use computer science in milk business to make more efficient the manual labor by surveying the information supplied by the farm.

Within the process of de-commoditization and technological innovation, we implemented an identification and tracking system in compliance with European and SENASA standards. We also obtained Global Gap and HCCP certification. Our goal in this respect is to distinguish our production and obtain higher prices in production sales.

Our milk production is based on a herd of Holando Argentina dairy cows, genetically selected through the use of imported frozen semen of North American Holando bulls. Male calves are sold, at calving, for a given amount per head, whereas female calves are weaned after 24 hours, spend approximately 60 days in raising and approximately 100 days being fed on the basis of grass, grains and supplements. Young heifers then graze for an additional 12 to 15 month period, prior to artificial insemination at the age of 18 to 20 months and they calve nine months later. Heifers are subsequently milked for an average of 300 days. Milking dairy cows are once again inseminated during the 60 to 90 day subsequent period. This process is repeated once a year during six or seven years. The pregnancy rate for our dairy cows is 80-90%.

Our dairy herd is milked mechanically twice a day. The milk obtained is cooled to less than five degrees centigrade to preserve quality and is then stored in a tank for delivery once a day to trucks sent by buyers. Dairy cows are fed mainly with grass, supplemented as needed with grains, hay and silage. We have invested in certain technologies that focus on genetic improvement, animal health and feeding in order to improve our milk production. These investments include imports of top quality frozen semen from genetically improved North American Holstein bulls, agricultural machinery and devices such as feed-mixer trucks, use of dietary supplements and the installation of modern equipment to control milk cooling. We are currently acquiring dietary supplements for our dairy cows and have made investments with the aim of increasing the quantity and quality of forage (pasture, alfalfa and corn silage) in order to reduce feeding costs.

The following table sets forth, for the periods indicated, the average number of our dairy cows and average daily production per cow:

	2015	2014	2013
Average dairy cows per day (heads)	2,189	2,439	2,392
Milk Production/Dairy Cow/Day (liters)	21.48	19.69	20.44

At the closing of fiscal year 2015, we had 5,658 heads of cattle on 2,864 hectares involved in the production of milk; whereas as of June 30, 2014, we had 6,450 heads of cattle on 2,864 hectares.

Results

The following table shows this segment’s results for fiscal year 2015, compared to the two preceding fiscal years:

In millions of Ps.	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	YoY var

				2015 vs. 2014
Revenues	71.9	53.9	38.8	33.4 %
Costs	(133.3)	(104.3)	(74.8)	27.7 %
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	74.9	62.8	40.7	19.2 %
Gross Profit	13.6	12.4	4.7	9.3 %
General and administrative expenses	(4.9)	(5.9)	(3.1)	(14.4%)
Selling expenses	(3.7)	(2.2)	(1.8)	63.1 %
Other operating results, net	(0.8)	(0.4)	(0.8)	85.4 %
Profit / (Loss) from operations	4.2	4.0	(1.0)	5.2 %
Segment Profit / (Loss)	4.2	4.0	(1.0)	5.2 %

Agricultural Rental and Services

We lease own farms to third parties for agriculture, cattle breeding and seed production, mainly in two types of farms. On the one hand, we lease our farms under irrigation in San Luis (Santa Bárbara and La Gramilla) to seed producers. These farms are ideal for obtaining steady production levels, given the quality of their soil and the weather conditions of the area, along with the even humidity provided by irrigation.

On the other hand, we lease farms recently put into production after agricultural development. In this way we manage to reduce our production risk, ensuring fixed rental income until the new farms reach stable productivity levels.

In addition, in this segment we include the irrigation service we provide to our own farms leased to third parties.

Results

The following table shows this segment's results for fiscal year 2015, compared to the two preceding fiscal years:

In millions of Ps.	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	YoY var 2015 vs. 2014
Revenues	37.2	29.1	30.8	27.6 %
Costs	(19.2)	(17.4)	(12.1)	10.5 %
Gross Profit	18.0	11.8	18.8	52.7 %
General and administrative expenses	(2.1)	(2.7)	(4.4)	(19.8%)
Selling expenses	(0.7)	(0.8)	(1.7)	(8.0 %)
Other operating results, net	(0.3)	(0.2)	(1.1)	51.4 %
Profit from operations	14.8	8.1	11.5	82.5 %
Segment Profit	14.8	8.1	11.5	82.5 %

Land Transformation and Sales

Land Acquisitions

We intend to increase our farmland portfolio by acquiring large extensions of land with high appreciation potential. We also intend to transform the land acquired from non-productive to cattle breeding, from cattle breeding to farming, or applying state-of-the-art technology to improve farming yields so as to generate higher land appreciation.

In our view, the sector's potential lies in developing marginal areas and/or under-utilized areas. Thanks to the current technology, we may achieve similar yields with higher profitability than core areas, resulting in the appreciation of land values.

Over the past 10 years, prices of farmlands intended for agricultural production have increased in the southern hemisphere (mainly South America) but continue to be relatively low compared to the northern hemisphere (U.S. and Europe). Our financial strength relative to other Argentine producers gives us the chance to increase our land holdings at attractive prices, improve our production scale and create potential for capital appreciation.

Several important intermediaries, with whom we usually work, bring farmlands available for sale to our attention. The decision to acquire farmlands is based on the assessment of a large number of factors. In addition to the land's location, we normally carry out an analysis of soil and water, including the quality of the soil and its suitability for our intended use (crops, beef cattle, or milk production), classify the various sectors of the lot and the prior use of the farmland; analyze the improvements in the property, any easements, rights of way or other variables in relation to the property title; examine satellite photographs of the property (useful in the survey of soil drainage characteristics during the different rain cycles) and detailed comparative data regarding neighboring farms (generally covering a 50-km area). Based on the foregoing factors, we assess the farmland in terms of the sales price compared against the production potential of the land and capital appreciation potential. We consider that competition for the acquisition of farmlands is, in general, limited to small farmers for the acquisition of smaller lots, and that there is scarce competition for the acquisition of bigger lots.

In addition, we may consider the acquisition of farmlands in marginal zones and their improvement by irrigation in non-productive areas as well as the installation of irrigation devices in order to obtain attractive production yields and create potential for capital appreciation.

The following chart shows certain information concerning our land acquisitions for each of the last 10 fiscal years ended on June 30:

Fiscal Year	Number of Farmlands	Amount of Acquisitions (Ps. million)
2006 (1)	1	45.9
2007 (2)	1	7.3
2008 (3)	2	4.5
2009 (4)	7	133.2
2010 (5)	-	5.0
2011 (6)	3	61.5
2012	-	-
2013	-	-
2014	-	-
2015	-	-

(1) Includes the acquisition of "San Pedro" farmland of 6,022 hectares.
(2) Includes the acquisition of "8 de Julio" farmland of 90,000 hectares.
(3) Includes the acquisition of the remaining 25% of "La Adela" farmland of 18 hectares and 80% of "La Esperanza" farmland of 980 hectares.
(4) Includes the acquisition of "Estancia Carmen", "Puertas de Luján", "Las Londras", "San Cayetano", "San Rafael", and "La Fon Fon" farmlands and 50% of "Jerovia" farmland, of 10,911, 115, 4,566, 883, 2,969, 3,748 and 20,966 hectares, respectively.
(5) Includes exercise of the option over 50% of the "Jerovía" farmland of 3,646 hectares.

(6) Includes the acquisition of “La Primavera” and “4 Vientos” farmlands of 2,341 hectares and 2,659 hectares, respectively.

In addition, it includes the acquisition of 943 hectares of the Mendoza farlmland.

Land Sales

We periodically sell properties that have reached a considerable appraisal to reinvest in new farms with higher appreciation potential. We analyze the possibility of selling based on a number of factors, including the expected future yield of the farmland for continued agricultural and livestock exploitation, the availability of other investment opportunities and cyclical factors that have a bearing on the global values of farmlands.

The following chart shows certain information concerning our land sales for each of the last 10 fiscal years ended on June 30:

Fiscal Year	Number of Farmlands	Gross Proceeds from Sales (Ps. million)	Profit (1) (Ps. million)
2006 (2)	1	16.1	9.9
2007 (3)	3	29.9	22.3
2008 (4)	2	23.0	20.0
2009 (5)	2	2.0	1.9
2010 (6)	1	18.6	13.7
2011 (7)	2	84.5	54.6
2012 (8)	3	118.3	63.2
2013 (9)	4	332.6	149.6
2014 (10)	2	148.5	91.4
2015(11)	4	814.3	569.6

(1) Includes the difference between the gross proceeds from sales (net of all taxes and commissions) and the book value of the assets sold.
(2) Includes the sale of “El Gualicho” farmland of 5,727 hectares.
(3) Includes the sale of 20,833 hectares of “Tapenagá” farmland and the partial sale of 14,516 hectares of “Los Pozos” farmland and 50 hectares of “El Recreo” farmland.
(4) Includes the partial sale of 4,974 hectares of “Los Pozos” farmland and the partial sale of 2,430 hectares of “La Esmeralda” farmland.
(5) Includes the partial sale of 1,658 hectares of “Los Pozos” farmland and the partial sale of 1,829 hectares of “El Recreo” farmland.
(6) Includes the sale of 12,071 hectares of “Tali Sumaj.”
(7) Includes the sale of “La Juanita” farmland, of 4,302 hectares, and the partial sale of 910 hectares of “La Fon Fon.”
(8) Includes the sale of 2,447 hectares of “San Pedro” farmland, the partial sale of 1,194 hectares of “La Fon Fon” farmland, and the partial sale of 115 hectares of “Puerta de Lujan” farmland.
(9) Includes the sale of 14,359 hectares of “Horizontina” farmland, the partial sale of 394 hectares of “Araucaria” farmland, the partial sale of “Cremaq” farmland of 4,985 hectares, and the partial sale of 5,613 hectares of La “Suiza” farmland.
(10)Includes the sale of 883 hectares of “San Cayetano” farmland and the partial sale of 1,164 hectares of “Araucaria” farmland.
(11)Includes the sale of 1,058 hectares of “La Adela” farmland, 24,624 hectares of “Chaco Paraguayo” farmland, 1,643 hectares of “Fon Fon” farmland and the remainder sale of 27,745 hectares of “Cremaq” farmland.

On July 31, 2014, we sold “La Adela” farm, of approximately 1,058 hectares, located in the District of Luján, Province of Buenos Aires, for a total amount of Ps. 210 million to our subsidiary IRSA, given the degree of development of the farm, its closeness to the city and high urban potential. Under IFRS accounting standards, this kind of sale transactions within the Company does not impact on our financial statements.

On April 3, 2014, CRESCA, a company in which our subsidiary Brasilagro holds 50% of its stock capital, executed a sale agreement for 24,624 hectares of undeveloped land in Paraguay for US$ 600 per hectare, for a total sales price of US$ 14.7 million. The purchaser paid US$ 1.8 million upon execution of the purchase agreement, and the balance in three installments. The transaction was recorded in our books on July 15, 2014 with the transfer of the title deed and surrender of possession of the land. The gain recorded as a result of this transaction was Ps. 19.1 million.

In June 2015 we sold the remaining fraction of our “Fon Fon” farm consisting of 1,643 hectares intended for agriculture located in Santa Cruz de la Sierra (Bolivia) for a total amount of US$ 7.21 million equivalent to US$ 4,388 per hectare. As of such date, possession was surrendered and the sum of US$ 1.5 million was received, with a balance of US$ 5.71 million still remaining that will be paid in six semi-annual installments from December of this year until June 2018. The gain recorded as a result of this transaction was Ps. 24.6 million.

On June 10, 2015, through our subsidiary Brasilagro, we sold the remaining 27,745 hectares in our “Cremaq” farm in the district of Baixa Grande do Ribeiro (Piaui). The total transaction amount was BRL 270.0 million (ps. 694.0 million). Out of this sum, 25% has already been collected and the balance will be paid upon execution of the title deed, scheduled to be signed 90 days after the execution of the sale undertaking (June 10, 2015). The gain recorded as a result of this transaction was Ps. 525.9 million.

Farmland Development

We consider that there is great potential in farmland development where, through the use of current technology, we may achieve similar yields with higher profitability than in core areas.

As of June 30, 2015, we owned land reserves in the region extending over more than 356,907 hectares of own farmlands that were purchased at very attractive prices. In addition, we have a concession over 107,584 hectares reserved for future development. We believe that there are technological tools available to improve productivity in these farms and, therefore, achieve appreciation in the long term. However, current or future environmental regulations could prevent us from fully developing our land reserves by requiring that we maintain part of this land as natural woodlands not to be used for production purposes.

During fiscal year 2015, we developed 1,493 hectares intended for agricultural production so as to reach 24,416 hectares in operation. Furthermore, we continued with the development of our “Agro Riego” farm in the province of San Luis, where we developed 210 hectares intended for agriculture including spray irrigation infrastructure, reaching 4,295 hectares in operation.

Our developments in Brazil, through our subsidiary Brasilagro, we developed 7,475 hectares of land intended for agriculture.

In connection with our business in Paraguay, we developed through CRESCA 2,367 hectares for agricultural production.

Results

The following table shows this segment's results for fiscal year 2015, compared to the two preceding fiscal years:

In millions of Ps.	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	YoY var 2015 vs. 2014
Revenues	-	-	-	-
Costs	(9.0)	(8.2)	(5.7)	9.4%
Gross Loss	(9.0)	(8.2)	(5.7)	9.4%
Gain from disposition of farmlands	569.5	91.4	149.6	523.4%
Profit from operations	551.4	78.0	132.6	606.6%
Segment Profit	551.4	78.0	132.6	606.6%

Agro-industrial Activities

This segment consists in the fattening of beef cattle in feedlots and the slaughtering and processing of beef in meat packing plants. Feedlot cattle breeding requires specific care and diets that differ from those applicable to natural grass-fed beef cattle breeding.

Our feedlot operations are developed through our subsidiary Cactus and take place in a 170-hectare farm located in Villa Mercedes, Province of San Luis, which started to operate in September 1999. Cactus has been a pioneer in feedlot services with 18,000 heads of cattle capacity, depending on the size of the cattle.

Towards the end of this fiscal year, given the closeness of the feedlot facility to the district of Villa Mercedes, we decided to discontinue our livestock fattening business there.

Moreover, through our subsidiary Sociedad Anónima Carnes Pampeanas S.A. ("Carnes Pampeanas") we own a meat packing plant in Santa Rosa, Province of La Pampa, with capacity to slaughter and process approximately 9,600 cattle heads per month.

During the last years, the smaller supply of beef cattle has adversely affected the value chain by reducing cold-storage plant utilization. This has left several plants struggling to remain operational in view of the poor returns and shortage of raw materials. Our investment in Carnes Pampeanas has not escaped unscathed of this situation.

Since December 2011, the packing plant had remained closed due to the difficult situation experienced by the industry. With the support of the Provincial Government of La Pampa and the Federal Government, combined with the Company's confidence that the business could be successfully resumed, in August 2012 the packing plant was reopened and restarted production.

During fiscal year 2015, this segment recorded a net loss of Ps. 35.9 million compared to net income of Ps. 1.9 million in the previous fiscal year, mainly explained by an increase in the number of employees to support the higher operational volumes and higher consulting and SOX testing expenses related to the SAP implementation project. In addition, average slaughtering was 6,398 heads per month, as compared to 5,472 in fiscal year 2014.

Results

The following table shows this segment's results for fiscal year 2015, compared to the two preceding fiscal years:

In millions of Ps.	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	YoY var 2015 vs. 2014
Revenues	806.0	554.1	208.9	45.5 %
Costs	(739.2)	(479.7)	(204.7)	54.1 %
Gross profit / (loss)	66.8	74.4	4.2	(10.2%)
General and administrative expenses	(25.3)	(16.9)	(11.0)	50.1 %
Selling expenses	(77.1)	(54.8)	(21.5)	40.9 %
Other operating results, net	(0.3)	(0.9)	(1.3)	(66.8%)
(Loss)/Profit from operations	(36.0)	1.9	(29.6)	-
Segment (Loss)/Profit	(36.0)	1.9	(29.6)	-

Other Segments

Futuros y Opciones.Com S.A.

In May 2000, we acquired 70% of the shares of FyO for Ps. 3.5 million. The site was launched in November 1999 and was aimed at becoming the most important agriculture business community in Latin America. FyO launched its e-commerce strategy in March 2001, in order to sell products, buy inputs, arrange loans, and obtain insurance, among other things. Currently, the main activity of FyO is grain broker.

The areas with the greatest potential for growth are: input commercialization and grain brokerage. Regarding input commercialization, the business volume was concentrated in a small number of suppliers, the agreements with the suppliers were improved in order to increase the margin of the business, and contracts of direct distribution were achieved. In terms of cereals, the grain trading unit was created, with the purpose of participating directly in the business by trading and offering services.

During fiscal year 2007, FyO started to trade futures and options: it acquired a share in the Buenos Aires futures and options exchange market (Mercado a Término de Buenos Aires) and has also become a dealer. The service consisting in hedging with futures has consolidated into an essential tool for our customers to manage their price risks.

FyO is committed to excellence through quality and continued improvement. For this reason, since 2008 all its business and administrative processes have been certified under ISO 9001:2008 standards.

As of June 30, 2015, our interest in FyO was 59.59 %.

As of the end of fiscal year 2015, the company's total revenues from its grains brokerage business unit were Ps. 36.2 million with a trading volume of 1.8 million tons, in line with the volume traded in the 2014 period despite the drop in prices. The main crops traded were corn and soybean.

At the closing of fiscal year 2013, FyO acquired Granos Olavarría S.A., by purchasing a 96.37% interest in it. This company is engaged in cereal storage and brokerage activities, and during its second year of business it traded approximately 0.7 million tons.

In turn, invoicing by the inputs business fell 9% as compared to the previous fiscal year, reflecting the Argentine context, since in light of the fall in grain prices, growers did not invest in technology and rather sought to preserve their margins.

FyO's Internet business is one of the most comprehensive and better positioned businesses in the sector, as it offers a full suite of products and services for customers and users. It has the leading portal in agricultural trading and in the social networks it has the largest community in the farming industry. Moreover, it leads the mobile sector through its two apps. From its onset, it has been adding to its customer portfolio leading international and domestic companies and reaching an increasing number of users and ascending presence in search engines such as Google. In August 2013, it revamped its site and launched new products, becoming one of the sites with the most advanced technology and innovations in the industry. At the closing of this fiscal year, it has reached over 600,000 visits per month and 95,000 registered users.

FyO's goal is to continue consolidating itself as a leading company in grain trading, standing out from its competitors by offering a full suite of advisory services to its clients and contributing its broad experience in the industry along with its staff's expertise.

Results

The following table shows this segment's results for fiscal year 2015, compared to the two preceding fiscal years:

In millions of Ps.	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	YoY var 2015 vs. 2014
Revenues	117.8	124.0	83.3	(5.0 %)
Costs	(96.8)	(100.3)	(71.2)	(3.4 %)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	-	-	(1.0)	-
Gross Profit	20.9	23.7	11.1	(11.7%)
General and administrative expenses	(7.4)	(10.6)	(7.1)	(30.4%)
Selling expenses	(12.7)	(10.7)	(6.9)	18.0 %
Other operating results, net	1.3	3.3	21.3	(59.4%)
Profit from operations	2.2	5.7	18.4	(60.6%)
Share of Profit of associates and joint ventures	-	0.4	1.1	-

Segment Profit	2.2	6.1	19.5	(63.5%)

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Farmland Portfolio

As of June 30, 2015, we owned, together with our subsidiaries, 31 farms, with a total surface area of 622,220 hectares.

The following table sets forth our farm portfolio as of June 30, 2015:

Use of Farmlands Owned and under Concession as of June 30, 2015

	Locality	Province	Date of Acquisition	Surface Area (has)	Main Business	Cattle (has)	Sheep (has)	Dairy (has)	Agriculture (has)	Cattle (has)
El Recreo	Recreo	Catamarca	May 95	12,395	Natural woodlands					
Los Pozos	JV González	Salta	May ’95	239,639	Cattle/ Agriculture/ Natural woodlands	43,276			15,012	43,136
San Nicolás (1)	Rosario	Santa Fe	May ‘97	1,432	Agriculture				1,409	
Las Playas (1)	Idiazabal	Córdoba	May ‘97	1,534	Agriculture/ Dairy				1,534	
La Gramilla/ Santa Bárbara	Merlo	San Luis	Nov ‘97	7,072	Agriculture Under irrigation				4,295	
La Suiza	Villa Angela	Chaco	Jun ‘98	36,380	Agriculture/ Cattle	30,200			3,692	18,853
La Esmeralda	Ceres	Santa Fe	Jun ‘98	9,370	Agriculture/ Cattle				8,491	
El Tigre	Trenel	La Pampa	Apr ‘03	8,360	Agriculture/ Dairy			2,864	4,803	5,658
El Invierno	Rancul	La Pampa	Jun ‘05	1,946	Agriculture				1,839	
San Pedro	Concepción de Uruguay	Entre Rios	Sep ‘05	6,022	Agriculture	1,143			4,216	
8 De Julio/ Estancia Carmen	Puerto Deseado	Santa Cruz	May ‘07/ Sep ‘08	100,911	Sheep		85,000			
Administración Cactus	Villa Mercedes	San Luis	Dec ‘97	171	Natural woodlands	171				
Las Vertientes	Las Vertientes	Cordoba	-	4	Silo					
La Esperanza	Rancul	La Pampa	Mar ‘08	980	Agriculture				334	
Las Londras	Santa Cruz	Bolivia	Nov ‘08	4,566	Agriculture				3,735	
San Rafael	Santa Cruz	Bolivia	Nov ‘08	2,969	Agriculture				2,735	
La Primavera	Santa Cruz	Bolivia	Jun ‘11	2,340	Agriculture				1,099	
Cuatro Vientos	Santa Cruz	Bolivia	Jun ‘11	2,658	Agriculture				790	

Jeroviá/Marangatú/Udra (2)	Mariscal Estigarribia	Paraguay	Feb ‘09	58,754	Agriculture/ Natural woodlands	626			5,562	1,697
Finca Mendoza	Lujan de Cuyo	Mendoza	Mar ‘11	389	Natural woodlands					
Establecimiento Mendoza	Finca Lavalle	Mendoza	Nov '03	9	Natural woodlands					
Jatoba	Jaborandi/BA	Brazil	Oct '06	31,606	Agriculture				10,731	
Alto Taquari	Alto Taquari/MT	Brazil	Aug '07	5,395	Agriculture				3,622	
Araucaria	Mineiros/GO	Brazil	Mar '07	8,124	Agriculture				4,844	
Chaparral	Correntina/BA	Brazil	Nov '07	37,183	Agriculture				13,075	
Nova Buruti	Januária/MG	Brazil	Dec '07	24,212	Forestry					
Preferencia	Barreiras/BA	Brazil	Sep '08	17,799	Cattle	6,554				
Subtotal Own Farms				622,220		81,970	85,000	2,864	91,816	69,344
Agropecuaria Anta SA (3)	Las Lajitas	Salta		132,000		869			23,547	1,316
Subtotal Farms under Concession				132,000		869			23,547	1,316
Total				754,220		82,839	85,000	2,864	115,363	70,660

(1) Hectares in proportion to our 35.72% interest in Agro-Uranga S.A.
(2) Hectares in proportion to our 50.0% interest in CRESCA through Brasilagro.
(3) Hectares under concession. Includes 2,000 hectares operated by third parties.

Additional information about our Farmlands

El Recreo

“El Recreo” farm, located 970 kilometers northwest of Buenos Aires, in the Province of Catamarca, was acquired in May 1995. It has semi-arid climate and annual rainfall not in excess of 400 mm. This farm is maintained as a productive reserve.

Los Pozos

The “Los Pozos” farm, located 1,600 kilometers northwest of Buenos Aires, in the Province of Salta, was acquired in May 1995. This property is located in a semi-arid area with average annual rainfall of 500 mm. The area is naturally suited to cattle raising and forestry activities (poles and fence posts), and it has agricultural potential for summer crops such as sorghum and corn, among others. For the fiscal year ended June 30, 2015, we used 15,012 hectares in agricultural production. We completed the development of tropical pastures in almost 45,000 hectares. As of June 30, 2015, there were 40,274 heads of cattle in this farm.

San Nicolás

“San Nicolás” is a 4,005 hectares farm owned by Agro-Uranga S.A., and is located in the Province of Santa Fe, approximately 45 kilometers from the Port of Rosario. As of June 30, 2015, 7,032 hectares were planted for agricultural production, including double crops. The farm has two plants of silos with a storage capacity of 14,950 tons.

Las Playas

The “Las Playas” farm has a surface area of 4,294 hectares and is owned by Agro-Uranga S.A. It is located in the Province of Córdoba, and it is used for agricultural purposes. As of June 30, 2015, the farm had a sown surface area, including double crops, of 7,761 hectares for grain production.

La Gramilla and Santa Bárbara

These farms have a surface area of 7,072 hectares in Valle de Conlara, in the Province of San Luis. Unlike other areas in the Province of San Luis, this valley has a high quality underground aquifer which makes these farms well suited for agricultural production after investments were made in the development of lands, wells and irrigation equipment. In the course of the 2014/2015 farm season, a total of 4,295 hectares were sown, 569 hectares of which were sown under contractual arrangements with seed producers. We leased, in turn, 1,267 hectares to third parties. The remaining hectares are kept as land reserves.

La Suiza

The “La Suiza” farm has a surface area of 36,380 hectares and is located in Villa Ángela in the Province of Chaco. It is used for raising cattle. As of June 30, 2015, “La Suiza” had a stock of approximately 18,853 heads of cattle. During the 2014/15 season, we used 3,692 hectares for agricultural production and 200 hectares for timber production.

La Esmeralda

The “La Esmeralda” farm has a surface area of 9,370 hectares and is located in Ceres in the Province of Santa Fe. This farm was acquired in June 1998. During the 2014/15 farm season, we used 8,491 hectares for production of corn, soybean, wheat, sunflower and sorghum.

El Tigre

The “El Tigre” farm was acquired on April 30, 2003 and has a surface area of 8,360 hectares. This farm has a high-tech dairy facility where we develop our milk production business in compliance with the highest quality standards. It is located in Trenel in the Province of La Pampa. As of June 30, 2015, 4,803 hectares were assigned to crop production, including double crops, and 2,864 hectares were assigned to milk production. This farm produced 17.52 million liters of milk in the fiscal year ended June 30, 2015, with an average of 2,189 cows being milked and an average daily production of 21.48 liters per cow.

El Invierno

The “El Invierno” farm was acquired on June 24, 2005 and has a surface area of 1,946 hectares. It is located in Rancul in the Province of La Pampa, 621 kilometers to the west of Buenos Aires. During the fiscal year ended June 30, 2015, we used the land exclusively for crop production and planted 1,839 hectares.

San Pedro

The “San Pedro” farm was purchased on September 1, 2005. It has a surface area of 6,022 hectares and is located in Concepción del Uruguay, Province of Entre Ríos, which is 305 kilometers north of Buenos Aires. In the course of the 2014/2015 farm season, 4,216 hectares were used for agricultural production, including double crops, and 1,143 hectares were leased to third parties for livestock activities.

8 de Julio and Estancia Carmen

The “8 de Julio” farm was acquired on May 15, 2007 and has a surface area of 90,000 hectares. It is located in the department of Deseado in the Province of Santa Cruz. Due to its large surface area, this farm offers excellent potential for sheep production. In addition, we believe the land has potential for future tourism and recreational activities, as the southeast border of the farm stretches over 20 kilometers of coast. "Estancia Carmen" was acquired on September 5, 2008 and has a surface area of 10,911 hectares. It is located in the Province of Santa Cruz, next to our "8 de Julio" farm.

Cactus

The feedlot has a surface area of 171 hectares. It is located in Villa Mercedes, Province of San Luis. Given its degree of urban development and closeness to the city, we decided to discontinue fattening activities in this facility.

Las Vertientes

The “Las Vertientes” storage facility has a surface area of 4 hectares and 10,000 tons capacity, and is located in Las Vertientes, Río Cuarto, in the Province of Córdoba.

La Esperanza

In 2008 we acquired “La Esperanza” farm located in the Province of La Pampa with a surface area of 980 hectares. The transaction was agreed for a price of US$ 1.3 million that has been paid in full. During the year ended June 30, 2015, we used this farm solely for crop production.

Finca Mendoza

On March 2, 2011, the Company purchased, jointly with Zander Express S.A., a rural property composed of thirteen plots of land located in the District of Perdriel, Luján de Cuyo Department, in the Province of Mendoza. As a result of this acquisition, CRESUD has become owner of a 40% undivided estate in all and each of the properties, while Zander Express S.A. holds the remaining 60%. The total agreed price for this transaction was US$ 4.0 million; therefore, the amount of US$ 1.6 million was payable by CRESUD.

Bolivia

Las Londras

On January 22, 2009, the bill of purchase for "Las Londras" farm was cast into public deed; it has a surface area of 4,566 hectares, and is located in the Province of Guarayos, Republic of Bolivia. During the 2014/2015 farm season it was used for crop production.

San Rafael

On November 19, 2008, the bill of purchase for "San Rafael" farm was cast into public deed. This farm is located in the Province of Guarayos, Republic of Bolivia, and has a surface area of 2,969 hectares, which were used for crop production during the 2014/2015 farm season.

Cuatro Vientos

On June 3, 2011, we executed the purchase agreement for the “Cuatro Vientos” farm, with a surface area of approximately 2,658 hectares, allocated to sugarcane production. Its purchase price was US$ 8.4 million.

La Primavera

On June 7, 2011 we acquired “La Primavera” farm, with a surface area of approximately 2,340 hectares. During the 2014 season, this farm was used for crop production.

Brazil (through our subsidiary Brasilagro)

Jatobá

Jatobá is a farm in the northeastern region of Brazil, with a total surface area of 31,606 hectares, 10,731 of which are intended for agriculture. Jatobá was acquired in March 2007 for BRL 33 million. We consider that this farm is in a very advantageous location for the movement of crops, as it is close to the Candeias Port, in the State of Bahia.

Araucária

Araucária is a farm located in the municipal district of Mineiros, in the State of Goiás, and it has a total surface area of 8,124 hectares, 4,844 of which are used for agriculture. Araucaria was acquired in 2007 for BRL 70.4 million. Before we purchased it, Araucária had been used for grain planting. The farm was transformed, and at present it is planted with sugarcane.

Alto Taquarí

Alto Taquarí is located in the municipal district of Alto Taquarí, State of Mato Grosso, and it has a total surface area of 5,396 hectares, 3,622 of which are used for agriculture. The farm was acquired in August 2007 for BRL 33.2 million. Before we purchased it, the farm had been used for agriculture and Cattle raising. Following its transformation, it is being used for sugarcane production.

Chaparral

Chaparral is a 37,183-hectare farm, with 13,073 hectares used for agriculture. It is located in the municipal district of Correntina, State of Bahia. The farm was acquired in November 2007 for BRL 47.9 million.

Nova Buriti

Located in the municipal district of Januária, State of Minas Gerais, Nova Buriti has a surface area of 24,212 hectares, 19,004 of which are suitable for agriculture. Nova Buriti was acquired in December 2007 for BRL 21.6 million. It is located in the southeastern region of Brazil and it is close to the large iron industries. At present, it is undergoing proceedings for obtaining the environmental licenses required for starting operations.

Preferencia

Preferencia is located in the municipal district of Barreiras, in the State of Bahia. It has a total surface area of 17,799 hectares, 6,554 of which are used for cattle activities. It was acquired for R$ 9.6 million in September 2008. The farm is being transformed into a pasturing area and will be later developed for agricultural purposes.

Paraguay (through our subsidiary Brasilagro)

Jeroviá / Marangatú /Udra

Cresud, through Brasilagro, who is in turn shareholder of CRESCA, holds a 50% undivided interest in the “Jeroviá”, “Marangatú” and “UDRA” farms and related undeveloped plots of land, all of them located in Mariscal José Félix Estigarribia, Department of Boquerón, Paraguayan Chaco, Republic of Paraguay, totaling 117,508 hectares.

Silos

As of June 30, 2015, we had a storage capacity of approximately 27,341 tons (including 35.723% of the storage capacity of over 14,950 tons available at Agro-Uranga S.A.).

The following table shows, for the fiscal years presented, our storage facilities:

	As of year ended June 30,			
	2015(2)	2014(2)	2013(2)	2012(2)
Las Vertientes (1)	10,000	10,000	10,000	10,000
San Nicolás (1)	5,341	5,341	5,341	5,341
Brasilagro	12,000	74,000	74,000	74,000
Total	27,341	89,341	89,341	89,341

(1) Owned by us through Agro-Uranga (which represents 35.723% of the total capacity).
(2) Includes Brasilagro.

Land Management

In contrast to traditional Argentine farms, run by families, we centralize policy making in an Executive Committee that meets on a weekly basis in Buenos Aires. Individual farm management is delegated to farm managers who are responsible for farm operations. The Executive Committee lays down commercial and production rules based on sales, market expectations and risk allocation.

We rotate the use of our pasture lands between agricultural production and cattle feeding and the frequency depends on the location and characteristics of the farmland. The use of preservation techniques (including exploitation by no till sowing) frequently allows us to improve farm performance.

Subsequent to the acquisition of the properties, we make investments in technology in order to improve productivity and increase the value of the property. It may be the case that upon acquisition, a given extension of the property is under-utilized or the infrastructure may be in need of improvement. We have invested in traditional fencing and in electrical fencing, watering troughs for cattle herds, irrigation equipment and machinery, among other things.

Principal Markets

Crops

Our crop production is mostly sold in the domestic market. The prices of our grains are based on the market prices quoted in Argentine grains exchanges such as the Buenos Aires Grains Exchange (Bolsa de Cereales de Buenos Aires) and the cereal exchanges in each country, that take as reference the prices in international grains markets. The largest part of this production is sold to exporters who offer and ship this production to the international market. Prices are quoted in relation to the month of delivery and the port in which the product is to be delivered. Different conditions in price, such as terms of storage and shipment, are negotiated between the end buyer and ourselves.

Cattle

Our beef cattle production is sold in the local market. The main buyers are slaughterhouses and supermarkets.

Prices in the beef cattle market in Argentina are basically fixed by local supply and demand. The Liniers Market (on the outskirts of the Province of Buenos Aires) provides a standard in price formation for the rest of the domestic market. In this market live animals are sold by auction on a daily basis. At Liniers Market, prices are negotiated by kilogram of live weight and are mainly determined by local supply and demand. Prices tend to be lower than in industrialized countries. Some supermarkets and meat packers establish their prices by kilogram of processed meat; in these cases, the final price is influenced by processing yields.

Dairy

During fiscal year 2015 we sold our entire milk production to the largest Argentine dairy company, Mastellone S.A., which in turn manufactures a range of mass consumption dairy products sold in Argentina and abroad. The price of the milk we sell is mainly based on the percentage of fat and protein that it contains and the temperature at which it is cooled. The price we obtain from our milk also rises or drops based on the content of bacteria and somatic cells.

Customers

For the fiscal year 2015 our sales from the agribusiness segment (excluding sales of farms) were made to approximately 300 customers. Sales to our ten largest customers represented approximately 45% to 50% of our net sales. Of these customers, our biggest three customers were, Mastellone Hnos. S.A., Brenco Companhia Brasileira de Energia Renovável and Molinos Río de la Plata S.A. We have signed non-binding letters of intent with some of our largest customers that allow us to estimate the volume of the demand for certain products and to plan production accordingly. We generally enter into short-term agreements with a term of less than a year.

Marketing Channels and Sales Methods

Crops

We normally work with grains brokers and other intermediaries to trade in the exchanges. We sell part of our production in advance through futures contracts and buy and sell options to hedge against a drop in prices. Approximately 87% of the futures and options contracts are closed through the Buenos Aires Grains Exchange and 13% in the Chicago Board of Trade for hedging purposes.

Our storage capabilities allow us to condition and store grains with no third-party involvement and thus to capitalize the fluctuations in the price of commodities. Our largest storage facilities in Argentina, with capacity for 10,000 tons, are located in “Las Vertientes”, close to Río Cuarto, Province of Córdoba. In addition, we store grains in silo bags. On the other hand, in Brazil we have a total storage capacity of 90,200 tons.

Cattle

We have several marketing channels. We sell directly to local meat processors and supermarkets, as well as in markets and auctions. Our customers include Arre Beef S.A., Frigorífico Bermejo, Quickfood S.A., Frigorífico Forres Beltrán S.A., Madelán S.A., Colombo y Colombo S.A., Iván O’Farrell S.R.L. and Colombo y Magliano S.A., for prices based on the price at Liniers Market.

We usually are responsible for the costs of the freight to the market and, in general, we pay commissions on our transactions.

Inputs

The current direct cost of our production of grains varies in relation to each crop and normally includes the following costs: tillage, seeds, agrochemicals and fertilizers. We buy in bulk and store seeds, agrochemicals and fertilizers to benefit from discounts offered during off-season sales.

Competition

The agricultural and livestock sector is highly competitive, with a huge number of producers. We are one of the leading producers in Argentina and the region. However, if we compare the percentage of our production to the country’s total figures, our production would appear as extremely low, since the agricultural market is highly atomized. Our leading position improves our bargaining power with suppliers and customers. In general, we obtain discounts in the region in the acquisition of raw materials and an excess price in our sales.

Historically, there have been few companies competing for the acquisition and leases of farmlands for the purpose of benefiting from land appreciation and optimization of yields in the different commercial activities. However, we anticipate the possibility that new companies, some of them international, may become active players in the acquisition of farmlands and the leases of sown land, which would add players to the market in coming years.

Seasonality

As is the case with any company in the agro-industrial sector, our business activities are inherently seasonal. Harvest and sales of corn and soybean in general take place from March to September. Sunflower is harvested from December to May. Wheat is harvested from October to January. Peanut is harvested from April to July. With respect to our international market, in Bolivia climate conditions allow a double season of soybean, corn and sorghum production and, accordingly, these crops are harvested in March and October, while wheat and sunflower are harvested between August and September. Other segments of our activities, such as our sales of cattle and milk and our forestry activities tend to be more of a successive character than of a seasonal character. However, the production of beef and milk is generally higher during the second quarter, when pasture conditions are more favorable. In consequence, there may be significant variations in results from one quarter to the other.

For information about main indicators for the fiscal years ended in June 30, 2015, 2014 and 2013, please see Section "B. Business Overview."

Regulation and Government Supervision of our Agricultural Business

Farming and Animal Husbandry Agreements

Agreements relating to farming and animal husbandry activities are regulated by Argentine law, the Argentine Civil and Commercial Code and local customs.

According to Law No. 13,246, as amended by Law No. 22,298, all lease agreements related to rural properties and land are required to have a minimum duration of 3 years. Upon death of the tenant farmer, the agreement may continue with his successors. Upon misuse of the land by the tenant farmer or default on payment of the rent, the land owner may initiate an eviction proceeding.

Law No. 13,246, amended by Law No. 22,298, also regulates agreements for crop sharing pursuant to which one of the parties furnishes the other with farmland animals or land with the purpose to share benefits between tenant farmer and land owner. These agreements are required to have a minimum term of duration of 3 years. The tenant farmer must perform the obligations under the agreement himself and may not, assign it under any circumstances. Upon death, incapacity of the tenant farmer or other impossibility, the agreement may be terminated.

Quality control of Crops and Cattle

The quality of the crops and the health measures applied on the cattle are regulated and controlled by the Servicio Nacional de Sanidad y Calidad Agroalimentaria ("SENASA"), which is an entity within the Ministry of Economy and Public Finance that over sees the farming and animal sanitary activities.

Argentine law establishes that the brands should be registered with each provincial registry and that there cannot be brands alike within the same province.

Sale and Transportation of Cattle

Even though the sale of cattle is not specifically regulated, general contract provisions are applicable. Further, every province has its own rural code regulating the sale of cattle.

Argentine law establishes that the transportation of cattle is lawful only when it is done with the respective certificate that specifies the relevant information about the cattle. The required information for the certificate is established by the different provincial regulations, the inter-provinces treaties and the regulations issued by the SENASA.

Export Restriction of Beef

In addition, the Secretary of Agriculture, Livestock, Fishing and Food Products, within the orbit of the Ministry of Economy and Public Finance, oversees the farming and animal sanitary activities.

The Secretary of Agriculture, Livestock, Fishing and Food Products is in charge of distributing the annual regular quota of top quality chilled beef without bones, the "Cuota Hilton." The destination of the Cuota Hilton is the European Union.

The Secretary of Agriculture, Livestock, Fishing and Food Products granted to our subsidiary Sociedad Anónima Carnes Pampeanas up to 1,175.85 tons to export beef under the Cuota Hilton for the July 2014-June 2015 period.

Environment

The development of our agribusiness activities depends on a number of federal, provincial and municipal laws and regulations related to environmental protection.

We may be subject to criminal and administrative penalties, including taking action to reverse the adverse impact of our activities on the environment and to reimburse third parties for damages resulting from contraventions of environmental laws and regulations. Under the Argentine Criminal Code, persons (including directors, officers and managers of corporations) who commit crimes against public health, such as poisoning or dangerously altering water, food or medicine used for public consumption and selling products that are dangerous to health, without the necessary warnings, may be subject to fines, imprisonment or both. Some courts have enforced these provisions in the Argentine Criminal Code to sanction the discharge of substances which are hazardous to human health. At the administrative level, the penalties vary from warnings and fines to the full or partial suspension of the activities, which may include the revocation or annulment of tax benefits, cancellation or interruption of credit lines granted by state banks and a prohibition against entering into contracts with public entities.

The Forestry Legislation of Argentina prohibits the devastation of forests and forested lands, as well as the irrational use of forest products. Landowners, tenants and holders of natural forests require an authorization from the Forestry Competent Authority for the cultivation of forest land. The legislation also promotes the formation and conservation of natural forests in properties used for agriculture and farming purposes.

As of June 30, 2015, we owned land reserves extending over 356,907 hectares, which are located in under-utilized areas where agricultural production is not yet fully developed. We also have 107,584 hectares under concession as reserves for future developments. We believe that technological tools are available to improve the productivity of such land and enhance its long-term value. However, existing or future environmental regulations may prevent us from developing our land reserves, requiring us to maintain a portion of such land as unproductive land reserves.

In accordance with legislative requirements, we have applied for approval to develop certain parts of our land reserves and were authorized to develop them partially and to maintain other areas as land reserves. We cannot assure you that current or future development applications will be approved, and if so, to what extent we will be allowed to develop our land reserves. We intend to use genetically modified organisms in our agricultural activities. In Argentina, the development of genetically modified organisms is subject to special laws and regulations and special permits.

On November 28, 2007, Argentine Congress passed a law known as the Forest Law which sets minimum standards for the conservation of native forests and incorporates minimum provincial expenditures to promote the protection, restoration, conservation and sustainable use of native forests. The Forest Law prevents landowners, including owners of native forests, from deforesting or converting forested areas into non-forested land for other commercial uses without prior permission from each local government that gives the permit and requires the preparation, assessment and approval of an environmental impact report. The Forest Law also provides that each province should adopt its own legislation and regional regulation map within a term of one year. Until such provincial implementation is carried into effect, no new areas may be deforested. In addition, the Forest Law also establishes a national policy for sustainable use of native forests and includes the recognition of native communities and aims to provide preferential use rights to indigenous communities living and farming near the forest. In case a project affects such communities, the relevant provincial authority may not issue permits without formal public hearings and written consent of the communities.

In addition, the Rules issued by the CNV provide that publicly traded companies whose corporate purpose includes environmentally hazardous activities should report to their shareholders, investors and the general public their compliance with the applicable environmental laws and risks inherent to such activities, so as to be able to reasonably assess such hazards.

Our activities are subject to a number of national, provincial and municipal environmental regulations. Section 41 of the Argentine Constitution, as amended in 1994, provides that all Argentine inhabitants have the right to a healthy and balanced environment fit for human development and have the duty to preserve it. Environmental damage shall bring about primarily the obligation to redress it as provided by applicable law. The authorities shall protect this right, the rational use of natural resources, the preservation of the natural and cultural heritage and of biodiversity, and shall also provide for environmental information and education. The National Government shall establish minimum standards for environmental protection and Provincial and Municipal Governments shall determine specific standards and issue the applicable regulations.

On November 6, 2009, the Argentine Congress passed Law No. 25,675. This law regulates the minimum standards for the achievement of a sustainable environment and the preservation and protection of biodiversity and sets environmental policy goals. Moreover, Law No. 25,675 establishes the activities that will be subject to an environmental impact assessment procedure and certain requirements applicable thereto. In addition, the Law sets forth the duties and obligations that will be triggered by any damage to the environment and imposes the obligation to restore it to its former condition or, if that is not technically feasible, to pay a compensation in lieu thereof. The Law also fosters environmental education and provides for certain minimum obligations to be fulfilled by natural and artificial persons.

The new Argentine Civil and Commercial Code has introduced as a novel feature the acknowledgement of collective rights, including the right to a healthy and balanced environment. Accordingly, the Argentine Civil and Commercial Code expressly sets forth that the law does not protect an abusive exercise of individual rights if such exercise could have an adverse impact on the environment and the rights with a collective impact in general.

Other Regulations

Consumer Relationship. Consumer or End User Protection. The Argentine Constitution expressly establishes in Article 42 that consumers and users of goods and services have a right to protection of health, safety and economic interests in a consumer relationship. Consumer Protection Law No. 24,240, as amended, regulates several issues concerning the protection of consumers and end users in a consumer relationship, in the arrangement and execution of contracts.

The Consumer Protection Law, and the applicable sections of the Argentine Civil and Commercial Code are intended to regulate the constitutional right conferred under the Constitution on the weakest party of the consumer relationship and prevent potential abuses deriving from the stronger bargaining position of vendors of goods and services in a mass-market economy where standard form contracts are widespread.

As a result, the Consumer Protection Law and the Argentine Civil and Commercial Code deem void and unenforceable certain contractual provisions included in consumer contracts entered into with consumers or end users, including those which:

· deprive obligations of their nature or limit liability for damages;

· imply a waiver or restriction of consumer rights and an extension of seller rights; and

· impose the shifting of the burden of proof against consumers.

In addition, the Consumer Protection Law imposes penalties ranging from warnings to the forfeiture of concession rights, privileges, tax regimes or special credits to which the sanctioned party was entitled, including closing down of establishments for a term of up to 30 days.

The Consumer Protection Law and the Argentine Civil and Commercial Code define consumers or end users as the individuals or legal entities that acquire or use goods or services free of charge or for a price for their own final use or benefit or that of their family or social group. In addition, both laws provide that those who though not being parties to a consumer relationship as a result thereof acquire or use goods or services, for consideration or for non-consideration, for their own final use or that of their family or social group are entitled to such protection rights in a manner comparable to those engaged in a consumer relationship.

In addition, the Consumer Protection Law defines the suppliers of goods and services as the individuals or legal entities, either public or private, that in a professional way, even occasionally, produce, import, distribute or commercialize goods or supply services to consumers or users.

The Argentine Civil and Commercial Code defines a consumer agreement as such agreement that is entered into between a consumer or end user and an individual or legal entity that acts professionally or occasionally or a private or public company that manufactures goods or provides services, for the purpose of acquisition, use or enjoyment of goods or services by consumers or users for private, family or social use.

It is important to point out that the protection under the laws afforded to consumers and end users encompasses the entire consumer relationship process (from the offering of the product or service) and it is not only based on a contract, including the consequences thereof.

In addition, the Consumer Protection Law establishes a joint and several liability system under which for any damages caused to consumers, if resulting from a defect or risk inherent in the thing or the provision of a service, the producer, manufacturer, importer, distributor, supplier, seller and anyone who has placed its trademark on the thing or service shall be liable.

The Consumer Protection Law excludes the services supplied by professionals that require a college degree and registration in officially recognized professional organizations or by a governmental authority. However, this law regulates the advertisements that promote the services of such professionals.

The Consumer Protection Law determines that the information contained in the offer addressed to undetermined prospective consumers, binds the offeror during the period in which the offer takes place and until its public revocation. Further, it determines that specifications included in advertisements, announcements, prospectuses, circulars or other media bind the offeror and are considered part of the contract entered into by the consumer.

Pursuant to Resolution No. 104/05 issued by the Secretariat of Technical Coordination reporting to the Argentine Ministry of Economy, the Consumer Protection Law adopted Resolution No. 21/2004 issued by the Mercorsur's Common Market Group which requires that those who engage in commerce over the Internet (E-Business) shall disclose in a precise and clear manner the characteristics of the products and/or services offered and the sale terms. Failure to comply with the terms of the offer is deemed an unjustified denial to sell and gives rise to sanctions.

On September 17, 2014, the Consumer Protection Law was modified by the enactment of Law Nº 26,993, which is called "System for Conflict Resolution in Consumer Relationships" as it provides for the creation of new administrative and judicial procedures for this field of Law. It has created a two-instance administrative system: the Preliminary Conciliation Service for Consumer Relationships (Servicio de Conciliación Previa en las Relaciones de Consumo, COPREC) and the Consumer Relationship Audit, and a number of courts assigned to resolution of conflicts between consumers and producers of goods and services (Fuero Judicial Nacional de Consumo). In order to file a claim, the amount so claimed should not exceed a fixed amount equivalent to 55 adjustable minimum living wages, which are determined by the Ministry of Labor, Employment and Social Security. The claim is required to be filed with the administrative agency. If an agreement is not reached between the parties, the claimant may file the claim in court. The administrative system known as Preliminary Conciliation Service for Consumer Relationships (COPREC) is currently in full force and effect. However, the court system (fuero judicial nacional de consumo) is not in force yet, therefore, any court claims should be currently filed with the existing applicable courts. A considerable volume of claims filed against us are expected to be settled pursuant to the system referred to above, without disregarding the full force and effect of different instances for administrative claims existing in the provincial sphere and the City of Buenos Aires, which remain in full force and effect, where potential claims related to this matter could also be filed.

Antitrust Law

Law No. 25,156, as amended, prevents trust practices and requires administrative authorization for transactions that according to the Antitrust Law constitute an economic concentration. According to this law, mergers, transfers of goodwill, acquisitions of property or rights over shares, capital or other convertible securities, or similar operations by which the acquirer controls or substantially influences a company, are considered as an economic concentration. Whenever an economic concentration involves a company or companies and the aggregate volume of business of the companies concerned exceeds in Argentina the amount of Ps. 200.0 million, in such case the respective concentration should be submitted for approval to the CNDC. The request for approval may be filed, either prior to the transaction or within a week after its completion.

When a request for approval is filed, the CNDC may (i) authorize the transaction, (ii) subordinate the transaction to the accomplishment of certain conditions, or (iii) reject the authorization.

The Antitrust Law provides that economic concentrations in which the transaction amount and the value of the assets absorbed, acquired, transferred or controlled in Argentina, do not exceed Ps. 20.0 million each are exempted from the administrative authorization. Notwithstanding the foregoing, when the transactions effected by the companies concerned during the prior 12-month period exceed in the aggregate Ps. 20.0 million or Ps. 60.0 million in the last 36 months, these transactions must be notified to the CNDC.

As our consolidated annual sales volume and our parent's consolidated annual sales volume exceed Ps. 200.0 million, we should give notice to the CNDC of any concentration provided for by the Antitrust Law.

Taxes on the Transfer of Property and Sale of Meat and Grains

Value Added Tax. This tax is applicable to the sale of personal property, the hiring of works, the rendering of services and the import of goods and services operated in Argentina. The general tax rate is 21%.

The value added tax law imposes a reduced rate, equal to 10.5% on the sale price of live animals (including cattle, sheep, camels and goats) as well as their meat and edible remains, fruits and vegetables, all of which whether fresh, chilled, or frozen, which have not undergone any cooking or manufacturing process turning them into a manufactured product. This 10.5% reduced rate is also applicable to the sale of grains (cereals and oilseeds, excluding rice), and dry pulses (beans, peas, and lentils). In the case of milk, the sale is subject to a 21% rate (except for sales to final consumers, the federal government, the provinces, municipalities or the City of Buenos Aires or any subordinate agencies, school or university kitchens, health funds or entities under the scope of paragraphs e), f), g) and m) of Section 20 of the Income Tax Law, which are exempt).

The sale of land and immovable property is not subject to this tax.

Gross Sales Tax. This is a local tax (collected by the provinces and the City of Buenos Aires) that levies gross revenues derived from the ordinary development of a given business for profit. When the same business is developed in more than one jurisdiction, the tax is applicable pursuant to the regulations set forth in the Multilateral Agreement, which establishes the proportions allocable to each of the jurisdictions involved, so as to prevent double or multiple taxation. In the City of Buenos Aires, gross revenues derived from livestock raising and milk production are subject to this tax at a general rate of 1%. In certain provinces, the sale or primary goods is not taxable.

Stamp Tax. This is a local tax that 23 provinces and the City of Buenos Aires collect based on similar rules regarding subject matter, tax base and rates. In general, this tax is levied on instrumented acts, i.e. executed and delivered by means of documents (e.g. acts related to the constitution, transmission, or expiration of rights, contracts, contracts for sales of stock and company shares, public deeds relating to real property, etc.).

Both in the Province and the City of Buenos Aires (federal district) the stamp tax rate applicable to the transfer by public deed of real property is 3.6%. The purchase and sale of real estate through public deed, however, is not taxable –up to a certain value of the property- if the real estate is used for permanent dwelling purposes, and provided that it is the only property owned by the purchaser.

IRSA's Segments – Urban properties and investments

As of June 30, 2015, our investment in IRSA's common shares amounts to 64.30%.

The following information corresponds to data of the segments extracted from our subsidiary IRSA Inversiones y Representaciones S.A.'s Annual Report and Financial Statements as of June 30, 2015.

The revenue figures for fiscal year 2015 described in the different tables correspond to the twelfth-month period reported in IRSA's Financial Statements.

Offices

IRSA, through IRSA Commercial Properties, is engaged in the acquisition and management of office buildings and other rental properties in Argentina. As of June 30, 2015, IRSA directly and indirectly owned interests in office and other rental properties in Argentina, which comprised 254,730 square meters of gross leasable area. Out of these properties, 9 were office properties, which comprised 111,679 square meters of gross leasable area. For fiscal year 2015, we had revenues from Offices and other non-shopping center rental properties of Ps. 332.7 million.

All our office rental properties in Argentina are located in the City of Buenos Aires. For the year ended June 30, 2015, the average occupancy rate for all our properties in the Offices segment was approximately 91.7%.

On December 22, 2014, IRSA Commercial Properties acquired from IRSA, 83,789 m2 of its premium office portfolio including the buildings República, Bouchard 710, Della Paolera 265, Intercontinental Plaza and Suipacha 652 and the "Intercontinental II" plot of land in order to consolidate a vehicle which main corporate purpose is to develop and operate commercial properties in Argentina.

The purcase price of the transaction was US$308 million based on third party appraisals, US$61.6 million of which have already been paid,and the balance of US$246.4 million has been financed by IRSA at an annual effective rate of 8.5% maturing on January 23, 2017 and July 13, 2020.

Management

IRSA generally acts as the managing agent of the office properties in which we own an interest. These interests consist primarily of the ownership of entire buildings or a substantial number of floors in a building. The buildings in which we own floors are generally managed pursuant to the terms of a condominium agreement that typically provides for control by a simple majority of the interests (based on the area owned) in the building. As the managing agent of operations, we are responsible for handling services, such as security, maintenance and housekeeping. These services are generally outsourced. The cost of the services is passed-through and paid for by the tenants, except in the case of our units not rented, in which case we absorb the cost. Our leasable space is marketed through commissioned brokers, the media and directly by us.

Leases

IRSA usually leases our offices and other rental properties by using contracts with an average term of three years, with the exception of a few contracts with terms of five years. These contracts are renewable for two or three years at the tenant's option. Contracts for the rental of office buildings and other commercial properties are generally stated in U.S. Dollars, and in accordance with Argentine law they are not subject to inflation adjustment. Rental rates for renewed periods are negotiated at market value.

Properties

The following table sets forth certain information regarding our direct and indirect ownership interest in offices and other non-shopping center rental properties:

	Date of Acquisition	Gross Leasable Area (sqm) (1)	Occupancy (2)	IRSA's Effective Interest	Monthly Rental Income (in thousands of Ps.) (3)	Annual accumulated rental income over fiscal years Ps./000(4) 2015	2014	2013	Book Value (in thousands of Ps.)
Offices									
Edificio República	04/28/08	19,885	93.6 %	100.0 %	4,919	61,934	45,676	32,721	195,539
Torre BankBoston	08/27/07	14,873	100.0 %	100.0 %	3,954	41,932	34,744	25,146	134,924
Bouchard 551	03/15/07	-	-	100.0 %	135	10,176	23,519	30,008	8,226
Intercontinental Plaza(8)	11/18/97	22,535	100.0 %	100.0 %	-	55,973	40,108	30,178	48,783
Bouchard 710	06/01/05	15,014	100.0 %	100.0 %	4,170	48,327	34,606	26,025	82,044
Dique IV, Juana Manso 295	12/02/97	11,298	99.5 %	100.0 %	2,634	32,171	25,195	18,282	56,266
Maipú 1300 (9)	09/28/95	4,759	90.9 %	100.0 %	1,020	15,848	15,499	15,147	18,366
Libertador 498	12/20/95	620	100.0 %	100.0 %	372	1,952	3,184	2,946	4,511
Suipacha 652/64	11/22/91	11,453	96.7 %	100.0 %	1,385	16,023	12,636	8,689	13,711
Madero 1020	12/21/95	-	-	100.0 %	2	26	24	24	120
Dot Building (5)	11/28/06	11,242	100.0 %	80.0 %	2,067	27,416	18,985	12,924	126,365
Subtotal Offices		111,679	98.1 %	N/A	20,658	311,778	254,176	202,090	688,855
Other Properties									
Nobleza Picardo (6)	05/31/11	106,610	74.8 %	50.0 %	144	7,960	8,238	7,117	4,297
Other Properties (7)	N/A	36,441	45.3 %	N/A	659	6,960	2,792	2,000	82,264
Subtotal Other Properties		143,051	67.4 %	N/A	803	14,920	11,030	9,117	86,561
Total Offices (7)		254,730	80.7 %	N/A	21,461	326,698	265,206	211,207	775,416

(1) Corresponds to the total leasable surface area of each property as of June 30, 2015. Excludes common areas and parking spaces.
(2) Calculated by dividing occupied square meters by

leasable area as of June 30, 2015.
(3) The lease agreements in effect as of June 30, 2015 were computed for each property.
(4) Corresponds to total consolidated lease agreements.
(5) Through IRSA Commercial Properties.
(6) Through Quality Invest S.A.
(7) Includes the following properties: Anchorena 665, Zelaya 3102, 3103 y 3105, Rivadavia 2768, Constitución 1111, Santa Maria del Plata, Puerto Retiro Plots 50%, Rio Parcel 50%, Libertador Parcel 50%.
(8) During May, 2015, IRSA reported that, through IRSA Commercial Properties, has signed an agreement to transfer to a non related party 8,470 sqm corresponding to nine office floors and the sign of the deed

and the delivery of the units was on June 30, 2015. During September, 2015, IRSA sold through IRSA Commercial Properties seven floors of Intercontinental Plaza, for more information please see "Item 4. Recent Developments."
(9) During November, 2015, IRSA sold two office floors and four units of parking space of Maipú 1300, for more information please see "Item 4. Recent Developments."

The following table shows a schedule of the lease expirations of our office and other properties for leases outstanding as of June 30, 2015, assuming that none of the tenants exercise renewal options or terminate their lease early. Most tenants have renewal clauses in their leases.

Year of expiration	Number of Leases (1)	Surface area subject to expiration (sqm) (2) (3)	Percentage subject to expiration	Amount (Ps. '000)	Percentage of Leases
2015	21	36,077	11 %	34,851	10 %
2016	44	39,579	12 %	101,819	30 %
2017	61	70,084	22 %	147,468	44 %
2018+	26	171,372	54 %	54,468	16 %
Total	152	317,112	100 %	338,606	100 %

(1) Includes Offices, the lease agreement of which has not yet been renewed as of June 30, 2015.
(2) Does not include vacant leased square meters.
(3) Does not include square meters or revenues from parking spaces.

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The following table shows our offices occupancy percentage (1) as of the end of fiscal years ended June 30, 2015 and 2014:

	Occupancy Percentage(1)	
	2015	2014
Offices		
Edificio República	93.6 %	94.0 %
Torre BankBoston	100.0%	100.0%
Bouchard 551	-	100.0%
Intercontinental Plaza(2)	100.0%	100.0%
Bouchard 710	100.0%	99.8 %
Dique IV, Juana Manso 295	99.5 %	94.4 %
Maipú 1300 (3)	90.9 %	87.3 %
Libertador 498	100.0%	100.0%
Suipacha 652/64	96.7 %	100.0%
DOT Building	100.0%	100.0%
Subtotal Offices	98.1 %	97.7 %

(1) Leased surface area in accordance with agreements in effect as of June 30, 2015 and 2014 as applicable.
(2) During May, 2015, we reported that, through IRSA Commercial Properties, we have signed an agreement to transfer to a non related party 8,470 sqm corresponding to nine office floors and the sign of the deed and the delivery of the units was on June 30, 2015. During September, 2015, we sold through IRSA Commercial Properties seven floors of Intercontinental Plaza, for more information please see “Item 4. Recent Developments.
(3) During November, 2015, IRSA sold two office floors and four units of parking space of Maipú 1300, for more information please see “Item 4. Recent Developments.”

The following table sets forth the annual average income per square meter for our offices during fiscal years ended June 30, 2015, 2014 and 2013.

	Annual average income per square meter (ps./sqm) (1)		
	2015(2)	2014(2)	2013(2)
Offices			
Edificio República	3,115	2,297	1,646
Torre BankBoston	2,819	2,336	1,691
Bouchard 557	-	-	2,484
Intercontinental Plaza(4)	2,484	1,780	1,339
Bouchard 710	3,219	2,305	1,733
Dique IV, Juana Manso 295	2,847	2,230	1,618
Maipú 1300(5)	3,330	3,257	1,612
Libertador 498	3,149	5,137	4,752
Suipacha 652/64	1,399	1,103	759
DOT Building	2,439	1,689	1,150
Others(3)	61	47	96

(1) Calculated by dividing annual rental income by the gross leasable area of offices based on our interest in each building as of June 30 for each fiscal year.
(2) Leasable square meters vary depending on availability for rent of land reserves (Nobleza Piccardo, Ferro etc.).
(3) Includes the following properties: Nobleza Piccardo, Ferro, Dot Adjoining Plot and Chanta 4, Constitución 1111 and Rivadavia 2774.
(4) During May, 2015, we reported that, through IRSA Commercial Properties, we have signed an agreement to transfer to a non related party 8,470 sqm corresponding to nine office floors and the sign of the deed and the delivery of the units was on June 30, 2015. During September, 2015, we sold through IRSA Commercial Properties seven floors of Intercontinental Plaza, for more information please see "Item 4. Recent Developments."
(5) During November, 2015, IRSA sold two office floors and four units of parking space of Maipú 1300, for more information please see "Item 4. Recent Developments."

New agreements and renewals

The following table sets forth certain information on lease agreements as of June 30, 2015:

Property	Number of Agreements(1)(5)	Annual Rental Income (2) (Ps. '000)	Rental Income per sqm New and Renewed(3) (Ps.)	Previous Rental Income per sqm(3) (Ps.)	No. of Non-Renewed Agreements	Non-Renewed Agreements Annual Rental Income (4)
Maipú 1300 (7)	7.0	6,862	179.1	125.0	-	-
Av. Libertador 498	1.0	1,109	149.1	-	-	-
Intercontinental Plaza(6)	17.0	40,828	191.6	-	-	-
Bouchard 710	7.0	33,005	234.2	333.3	-	-
Bouchard 557	2.0	5,997	253.3	-	-	-
Della Paolera 265	4.0	20,997	178.4	-	-	-
Edificio República	6.0	25,356	250.9	260.5	-	-
Juana Manso 295	4.0	27,770	211.6	-	-	-
DOT Building	1.0	3,885	218.1	-	-	-
Suipacha 664	2.0	2,493	75.4	34.6	-	-
Total Offices	51.0	168,302	205.5	97.5	-	-

(1) Includes new and renewed agreements executed in fiscal year 2015.
(2) Agreements stated in US Dollars converted into Pesos at the exchange rate prevailing in the initial month of the agreement multiplied by 12 months.
(3) Monthly value.
(4) Agreements stated in US Dollars converted into Pesos at the exchange rate prevailing in the last month of the agreement, multiplied by 12 months.
(5) Does not include agreements of parking spaces, antennas or terrace space.
(6) During May, 2015, we reported that, through IRSA Commercial Properties, we have signed an agreement to transfer to a non related party 8,470 sqm corresponding to nine office floors and the sign of the deed and the delivery of the units was on June 30, 2015. During September, 2015, we sold through IRSA Commercial Properties seven floors of Intercontinental Plaza, for more information please see "Item 4. Recent Developments."
(7) During November, 2015, IRSA sold two office floors and four units of parking space of Maipú 1300, for more information please see "Item 4. Recent Developments."

Additional information about our Offices

Edificio República, City of Buenos Aires

Edificio República was designed by the renowned architect César Pelli (the designer of the World Trade Center in New York and the Petronas Towers in Kuala Lumpur). It is a unique premium office building in downtown Buenos Aires with approximately 19,885 gross leasable square meters and 178 parking spaces. The main tenants include Apache Energía, Estudio Beccar Varela, BASF Argentina S.A., ENAP Sipetrol Argentina S.A., Facebook Argentina S.R.L., BACS Banco de Crédito y Securitización S.A., among other.

Torre BankBoston, City of Buenos Aires

The Bank Boston tower is a modern office building located at Carlos Maria Della Paolera 265 in the City of Buenos Aires. It was designed by the renowned architect Cesar Pelli and has 27 floors and 60 parking spaces and 31,670 square meters of gross leasable area. We have a 47% ownership interest in the building. At present, its main tenants include Exxon Mobile and Kimberly Clark de Argentina, among other.

Bouchard 551, City of Buenos Aires

Bouchard 551, known as “Edificio La Nación”, is an office building we acquired in March 2007, located in the Retiro area close to the intersection of the Leandro N. Alem and Córdoba avenues and opposite Plaza Roma. The building is a 23-story tower covering a surface area of 2,900 square meters in the low floors that becomes smaller as it goes higher up to 900 square meters approximately, and parking for 116 units.

Intercontinental Plaza, City of Buenos Aires

Intercontinental Plaza is a modern 24-story building located next to the Intercontinental Hotel in the historic neighborhood of Montserrat in downtown City of Buenos Aires. We own 61% of the building, which has a surface averaging 22,535 square meters of gross leasable area and 321 parking spaces. The principal tenants currently include Danone Argentina S.A., Cresud, IRSA Commercial Properties, and Industrias Pugliese S.A., among other. Until June 30, 2015, our main tenants included Total Austral S.A. During May, 2015, IRSA reported that, through IRSA Commercial Properties, has signed an agreement to transfer to a non related party 8,470 sqm corresponding to nine office floors and the sign of the deed and the delivery of the units was on June 30, 2015. During September, 2015, IRSA sold through IRSA Commercial Properties seven floors of Intercontinental Plaza, for more information please see “Item 4. Recent Developments.”

Dique IV, Juana Manso 295, Puerto Madero, City of Buenos Aires

About mid-May 2009 we completed an office building located in Puerto Madero’s Dock IV. It is a luxury building with a leasable area of approximately 11,298 square meters composed of large and versatile spaces. Its lay-out is optimum both for companies that require smaller office space at an average 200 square meters and for corporations that need the entire floor. The building has nine office stories and retail stores in the first story. The main tenant in the building is Exxon Mobile.

Bouchard 710, City of Buenos Aires

Bouchard 710 is an office building located in the Retiro area. The building is a 12-story tower, with an average area per floor of 1,251 square meters, with 165 units for car parking. Tenants include Sibille S.C. (KPMG), and Microsoft de Argentina S.A., Samsung Electronics Argentina S.A., Energy Consulting Services S.A., Chubb Argentina de Seguros S.A and Booking.com S.A., among other. It has 15,014 square meters of gross leasable area.

Maipú 1300, City of Buenos Aires

Maipú 1300 is a 23-story office tower opposite Plaza San Martín, a prime office zone facing Avenida del Libertador, an important north-to-south avenue. The building is also located within walking distance of the Retiro commuter train station, the city's most important public transportation hub, connecting rail, subway and bus transportation. We own 4,758 sqm, with an average area per floor of 440 square meters. The building's principal tenants currently include PPD Argentina S.A., TV Quality SRL, El Surco Compañía de Seguros and Petrolera San José. During November, 2015, IRSA sold two office floors and four units of parking space of Maipú 1300, for more information please see "Item 4. Recent Developments."

Suipacha 652/64, City of Buenos Aires

Suipacha 652/64 is a 7-story office building located in the office district of the city. We own the entire building and 62 parking spaces. The building has unusually large floors, most measuring 1,580 square meters. The building's principal tenants currently include Gameloft Argentina S.A., Monitor de Medios Publicitarios S.A, Organización de Servicios Directos Empresarios (OSDE) and Tarshop S.A., among other. It has 11,453 square meters of gross leasable area.

Libertador 498, City of Buenos Aires

Libertador 498 is a 27-story office tower at the intersection of three of the most important means of access to the city. This location allows for easy access to the building from northern, western and southern Buenos Aires. We are owners of 1 floor with an average area per floor of 620 sqm and approximately 100 parking spaces. This building features a unique design in the form of a cylinder and a circular view of the entire city. The main tenants include Sideco Americana S.A., Goldman Sachs Argentina LLC, Empresa Argentina de Soluciones Satelitales S.A., Japan Bank for the International Cooperation, Gates Argentina S.A., Kandiko S.A. and Allergan Productos Farmacéuticos S.A.

Dot Building, City of Buenos Aires

Panamerican Mall S.A., our subsidiary, developed an office building with a gross leasable area of 11,242 sqm adjacent to Dot Baires Shopping. This building was opened in July 2010, which meant our landing in the booming rental office corridor in the northern area of the City of Buenos Aires. The principal tenants include General Electric International Inc., Mallinckrodt Medical Arg. Limited, Carrier and Boston Scientific Argentina S.A., Astrazeneca S.A., Covidien S.A., etc.

Other Office Properties

We also have interests in other office properties, all of which are located in the City of Buenos Aires. These properties are either entire buildings or floors in buildings.

Retail and Other Properties

Our portfolio of rental properties as of June 30, 2015 includes 4 non-shopping center leasable properties that may be leased as shops on streets, a lot in industrial premises, land reserves or other properties for various uses. Most of these properties are located in the City of Buenos Aires, although some are located in other cities in Argentina. These properties include Constitución 1111, Solares de Santa María, Madero 1020, Zelaya 3102 and Rivadavia 2774.

Catalinas Norte Plot

On May 26, 2010, jointly with the Government of the City of Buenos Aires, we executed a deed of conveyance of title whereby we acquired a property located at Avenida Eduardo Madero 150, between Av. Córdoba and San Martín. The total price of the transaction was fixed in the amount of Ps. 95 million, Ps. 19 million of which were paid upon the execution of the preliminary sales agreement (on December 17, 2009), whereas the balance of Ps. 76 million was paid upon the execution of the deed on May 26, 2010.

Shopping Center Properties

We are engaged in purchasing, developing and managing shopping centers through our subsidiary, IRSA Commercial Properties. As of June 30, 2015, IRSA Commercial Properties operated and owned a majority interest in fifteen shopping centers in Argentina, seven of which are located in the City of Buenos Aires (Abasto, Alcorta Shopping, Alto Palermo, Patio Bullrich, Buenos Aires Design, Dot Baires Shopping and Distrito Arcos), two of which are located in the greater Buenos Aires metropolitan area (Alto Avellaneda and Soleil Premium Outlet) and the other ones located in different Argentine provinces: Alto NOA in the City of Salta, Alto Rosario in the City of Rosario, Mendoza Plaza in the City of Mendoza, Córdoba Shopping Villa Cabrera in the City of Córdoba, La Ribera Shopping in the City of Santa Fe, and Alto Comahue in the City of Neuquén.

As of June 30, 2015, we owned, through IRSA, 95.80% of IRSA Commercial Properties. The remaining shares are held by the public investor and traded on the Bolsa de Comercio de Buenos Aires and the related ADRs are listed and traded on the NASDAQ (USA) under the ticker “IRCP.”

As of June 30, 2015, IRSA Commercial Properties’s shopping centers comprised a total of 333,911.5 square meters of gross leasable area (“GLA”) (excluding certain space occupied by hypermarkets which are not our tenants). For fiscal year 2015, the occupancy rate of IRSA Commercial Properties’s shopping center portfolio was approximately 98.7%.

During fiscal year 2015 we opened two new shopping centers: “Distrito Arcos,” located in the area of Palermo, City of Buenos Aires, in December 2014 and “Alto Comahue,” located in the City of Neuquén, Argentine Patagonian region, in March 2015. Income from these new developments, were Ps. 22.9 million and Ps. 11.7 million, respectively.

We centralized management of our shopping centers in IRSA Commercial Properties, which is responsible for providing common area electrical power, a main telephone switchboard, central air conditioning and other basic common area services.

The following table shows certain information concerning our IRSA Commercial Properties subsidiary's shopping centers as of June 30, 2015:

	Date of Acquisition	Leasable Area sqm (1)	IRSA Commercial Properties' Interest (3)	Occupancy Rate (2)	Accumulated Annual Rental Income as of fiscal year ended (4)			Book Value (in thousands of Ps.) (5)
					2015	2014	2013	
Shopping Centers (6)								
Alto Palermo	Nov-97	19,545.0	100.00 %	99.7 %	295,285	244,214	196,001	221,506
Abasto Shopping (7)	Jul-94	36,669.1	100.00 %	100.0 %	301,685	238,021	192,495	271,860
Alto Avellaneda	Nov-97	36,728.6	100.00 %	99.9 %	199,920	160,894	128,114	131,850
Alcorta Shopping	Jun-97	15,432.9	100.00 %	100.0 %	140,533	105,791	82,470	115,950
Patio Bullrich	Oct-98	11,636.2	100.00 %	100.0 %	98,359	79,374	66,424	106,248
Alto NOA	Mar-95	19,072.9	100.00 %	100.0 %	50,669	38,746	31,150	31,316
Buenos Aires Design	Nov-97	13,888.2	53.70 %	94.6 %	35,320	27,360	23,145	12,930
Alto Rosario (7)	Nov-04	28,395.6	100.00 %	97.9 %	137,639	100,072	78,743	115,908
Mendoza Plaza	Dec-94	42,039.5	100.00 %	96.1 %	91,694	74,110	61,928	102,781
Dot Baires Shopping	May-09	49,847.9	80.00 %	99.7 %	199,474	158,306	128,196	382,624
Córdoba Shopping Villa Cabrera	Dec-06	15,328.0	100.00 %	99.8 %	54,445	39,763	32,314	56,451
Soleil Premium Outlet	Jul-10	13,993.1	100.00 %	99.4 %	59,366	44,178	27,927	84,301
La Ribera Shopping (8)	Aug-11	9,750.3	50.00 %	99.3 %	13,068	9,360	7,236	21,185
Distrito Arcos (9)	Dec-14	12,127.3	90.00 %	97.3 %	22,934	-	-	229,800
Alto Comahue (10)	Mar-15	9,456.9	90.10 %	94.2 %	11,690	-	-	309,959
TOTAL GENERAL		333,911.5		98.7 %	1,712,081	1,320,189	1,056,143	2,194,669

(1) Total 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 fiscal year.
(3) IRSA Commercial Properties' effective interest in each of its business units. IRSA has a 95.80% interest in IRSA Commercial Properties.
(4)Corresponds to total leases, consolidated according to IFRS. Does not include income relating to common maintenance expenses and collective promotion fund.
(5) Cost of acquisition plus improvements, less accumulated depreciation, plus adjustment for inflation, if applicable.
(6) Through IRSA Commercial Properties.

(7) Excludes Museo de los Niños (3,732 square meters in Abasto and 1,261 square meters in Alto Rosario).
(8) We jointly own La Ribera Shopping through a joint venture and therefore its results of operations are not consolidated with ours.
(9) Opening was on December 18, 2014.
(10) Opening was on March 17, 2015.

Tenant Retail Sales(1)

The following table contains a breakdown of approximate total tenant retail sales in million Pesos at the shopping centers in which we had an interest for the fiscal years shown:

	As of June 30		
	2015	2014	2013
	(In Ps.)		
Abasto	3,150.2	2,447.0	1,939.0
Alto Palermo	2,662.1	2,111.2	1,609.8
Alto Avellaneda	2,895.1	2,333.8	1,868.8
Alcorta Shopping	1,474.7	1,120.4	822.7
Patio Bullrich	888.5	689.3	548.3
Alto NOA	1,068.6	766.1	609.2
Buenos Aires Design	326.0	272.2	241.5
Mendoza Plaza	1,906.7	1,514.7	1,206.7
Alto Rosario	1,951.8	1,378.3	1,060.2
Córdoba Shopping- Villa Cabrera	756.0	546.6	432.9
Dot Baires Shopping	2,570.6	2,008.3	1,566.6
Soleil Premium Outlet	938.4	664.0	366.4
La Ribera Shopping	398.1	280.8	209.9
Distrito Arcos (2)	339.9	0.0	0.0
Alto Comahue (3)	182.1	0.0	0.0
Total Sales	21,508.7	16,132.8	12,482.0

(1) Retail sales based upon information provided to us by tenants and past owners. The amounts shown reflect 100% of the retail sales of each shopping center, although in certain cases we own less than 100% of such shopping centers. Excludes sales from the booths and spaces used for special exhibitions.
(2) Opening December 18, 2014.
(3) Opening March 17, 2015.

Expiration of lease agreements

The following table shows a schedule of lease expirations for our shopping center properties for leases in place as of June 30, 2015, assuming that none of the tenants will exercise renewal options or terminate their lease earlier:

Leases Agreements Expiration as of June 30	Number of Leases Agreements to Expire (1)	Square Meters of Leases to Expire	Square Meter Percentage of Leasses to Expire		Amount of Lease Agreement to Expire (Ps.) (3)	Percentage of Leases Agreements to Expire	
2016	633	105,333.7	31	%	321,158,626.4	38	%
2017	413	62,978.6	19	%	209,324,015.3	25	%
2018	393	66,763.5	20	%	205,918,292.3	24	%
2019 and subsequent years	215	98,835.7	30	%	106,729,754.2	13	%
Total (2)	1,654	333,911.5	100	%	843,130,688.2	100	%

(1)

Includes vacant stores relating to leases expired as of June 30, 2015. A lease agreement may be associated to one or more premises.

(2) Includes the base rent and does not reflect our ownership interest in each property.

(3) Annual basic rent as of June 30, 2015 under leases subject to expiration.

New Agreements and Renewals

The following table shows certain Information about lease agreements as of June 30, 2015:

				Average Annual Base Rent per sqm (Ps.)	Average Annual Base Rent per sqm (Ps.)		
Type of Business	Number of Agreements	Annual Base Rent Amount (Ps.)	Annual Admission Rights Amount (Ps.)	New and renewed	Former agreements	Number of non-renewed agreements (1)	Non-renewed agreements (1) Annual Base Rent Amount (Ps.)
Clothes and footwear	391	223,614,392.90	61,844,417.00	5,314.50	4,036.40	581	307,355,562.50
Miscellaneous	90	47,196,397.60	19,970,450.30	3,160.80	2,415.70	137	49,714,790.90
Restaurant	88	35,261,497.90	6,666,073.80	3,848.60	2,698.70	125	53,098,038.70
Home	42	15,560,441.90	4,102,247.30	2,822.10	2,815.30	50	20,824,495.80
Services	27	7,061,303.30	978,818.40	1,541.90	1,155.50	42	9,410,003.90
Technology	23	15,404,643.00	1,849,358.60	2,500.70	2,122.50	31	35,472,465.20
Entertainment	5	1,636,560.00	5,000.00	150.4	86.2	22	21,520,094.60
Total	666	345,735,236.60	95,416,365.40	3,705.50	2,841.70	988	497,395,451.60

(1) Includes vacant stores as of June 30, 2015. Leasable Area with respect to such vacant stores is included under the type of business of the last tenant to occupy such stores

Occupancy Rate

The following table shows the occupancy rate as a percentage of gross leasable area as of the closing dates of the fiscal years set forth below:

	As of June 30		
	2015	2014	2013
Abasto	100.0%	99.4 %	99.8 %
Alto Palermo	99.7 %	98.9 %	98.4 %
Alto Avellaneda	99.9 %	99.5 %	99.9 %
Alcorta Shopping	100.0%	99.8 %	99.8 %
Patio Bullrich	100.0%	99.6 %	99.7 %
Alto NOA	100.0%	99.7 %	99.7 %
Buenos Aires Design	94.6 %	92.3 %	99.0 %
Mendoza Plaza	96.1 %	95.0 %	97.7 %
Alto Rosario	97.9 %	97.0 %	97.1 %
Córdoba Shopping Villa Cabrera	99.8 %	99.8 %	100.0%
Dot Baires Shopping	99.7 %	99.7 %	99.4 %
Soleil Premium Outlet	99.4 %	100.0%	100.0%
La Ribera Shopping	99.3 %	99.6 %	97.7 %
Distrito Arcos (1)	97.3 %	-	-

Alto Comahue (2)	94.2 %	-	-
Weighted Average	98.7 %	98.4 %	99.1 %

(1) Opening December 18, 2014.
(2) Opening March 17, 2015.

Rental Price

The following table shows the annual average accumulated rental price per square meter for the fiscal years ended June 30, 2015, 2014 and 2013:

	Fiscal Year ended June 30,(1)		
	2015	2014(4)	2013
	(in Ps.)		
Abasto	8,227.2	6,254.6	5,104.9
Alto Palermo	15,107.9	12,618.5	10,487.1
Alto Avellaneda	5,443.2	4,400.3	3,467.9
Alcorta Shopping	9,106.1	7,000.2	5,832.0
Patio Bullrich	8,452.8	6,762.3	5,685.5
Alto NOA	2,656.6	2,022.5	1,627.3
Buenos Aires Design	2,543.2	1,874.9	1,683.7
Mendoza Plaza	2,181.1	1,802.8	1,466.2
Alto Rosario	4,847.2	3,390.4	2,843.6
Córdoba Shopping Villa Cabrera	3,552.0	2,503.8	2,139.2
Dot Baires Shopping	4,001.7	3,389.3	2,578.4
Soleil Premium Outlet Shopping	4,242.5	2,908.4	2,052.1
La Ribera Shopping	1,340.3	1,129.7	863.7
Distrito Arcos (2)	1,891.1	-	-
Alto Comahue (3)	1,236.1	-	-

(1) Corresponds to consolidated annual accumulated rental prices according to the IFRS divided by gross leasable square meters. Does not include income from Fibesa or Patio Olmos.
(2) Opening December 18, 2014.
(3) Opening March 17, 2015.
(4) Does not include income relating to common maintenance expenses and collective promotion fund.

Depreciation

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives.

Principal Terms of the Leases

Under Argentine Law, which was substantially amended upon enactment of the Argentine Civil and Commercial Code ("ACCC"), effective as of August 1, 2015, terms of commercial leases must be between two to fifty years, with most leases in the shopping center business having terms of no more than five years. The Company's lease agreements are generally denominated in Pesos.

Leaseable space in the Company's shopping centers is marketed through an exclusive arrangement with its real estate broker, Fibesa S.A. ("Fibesa"). The Company has a standard lease agreement, the terms and conditions of which are described below, which it uses for most tenants. However, the Company's largest tenants generally negotiate better terms for their respective leases. No assurance can be given that lease terms will be as set forth in the standard lease agreement.

The Company charges its tenants a rent which consists of the higher of (i) a monthly base rent (the “Base Rent”) and (ii) a specified percentage of the tenant’s monthly gross sales in the store (the “Percentage Rent”), which generally ranges between 4% and 10% of tenant’s gross sales. Furthermore, pursuant to the rent escalation clause in most leases, a tenant’s Base Rent generally increases between 7% and 24% each year on an annual and cumulative basis from the thirteenth month of the lease effective term. Although many of our lease agreements contain readjustment clauses, these are not based on an official index nor do they reflect the inflation index.

Sources of Shopping Center Revenues

Set forth below is a breakdown of the sources of sales by tenants of the shopping centers stated in millions of Pesos for our fiscal years ended June 30, 2015, 2014 and 2013:

	2015	2014	2013
Anchor Store	1,299.3	1,098.4	869.5
Clothes and footwear	11,124.8	7,940.1	6,149.9
Entertainment	722.3	546.5	461.5
Home	617.1	486.4	401.4
Technology	2,994.2	2,526.5	1,921.1
Restaurant	1,938.4	1,476.8	1,161.5
Miscellaneous	2,589.4	1,922.3	1,438.2
Services	223.2	135.8	78.9
Total	21,508.7	16,132.8	12,482.0

Additional Information about our Shopping Center Properties

Set forth below is information regarding our subsidiary IRSA Commercial Properties’ principal shopping centers.

Alto Palermo Shopping, City of Buenos Aires

Alto Palermo Shopping is a 146-store shopping center that opened in 1990 and is located in the densely populated middle-income neighborhood of Palermo in the City of Buenos Aires. Alto Palermo Shopping is located only a few minutes from downtown Buenos Aires and with nearby subway access at the intersection of Avenues Santa Fe and Coronel Díaz. Alto Palermo Shopping has a total constructed area of 65,029 square meters (including parking lot) that consists of 19,545.0 sqm of gross leasable area. The shopping center has an entertainment area and a food court with 18 stores. Alto Palermo Shopping is spread out over four levels and its parking lot may accommodate 654 cars for a fee over an area of 32,405 square meters. The shopping center target customer is a middle-income shopper aged 28 to 40.

In the fiscal year ended on June 30, 2015, the public visiting the shopping center generated nominal retail sales totaling approximately Ps. 2,662.1 million, 26.1% higher than the invoiced amount in the same period of the previous fiscal year. Sales per square meter reached Ps. 136,203.1. Total rental income increased from about Ps. 244.2 million for fiscal year ended June 30, 2014 to Ps. 295.3 million for fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 12,618.5 in 2014 and Ps. 15,107.9 in 2015. As of June 30, 2015, the occupancy rate of Alto Palermo Shopping was 99.7%.

Alto Avellaneda, Avellaneda, Greater of Buenos Aires

Alto Avellaneda is a 139-store shopping center that opened in October 1995 and is located in the densely populated neighborhood known as Avellaneda, on the southern border of the City of Buenos Aires. This shopping center is located near a railway station and close to downtown Buenos Aires City. Alto Avellaneda has a total constructed area of 108,598.8 square meters (including parking lot) that includes 36,728.6 sqm of gross leasable area. Alto Avellaneda has a six-screen multiplex movie theatre, the first Walmart megastore in Argentina, an entertainment center, a 19-restaurant food court and starting in April 28, 2008, it also hosts a Falabella department store. Walmart (whose occupied area is not included in the gross leasable area) acquired the space it occupies, but it pays a share of the common expenses of Alto Avellaneda's parking lot. This shopping center offers free-of-charge parking space for 2,700 cars over an area of 47,856 square meters. Alto Avellaneda's target customer is a middle-income shopper aged 16 to 30.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 2,895.1 million, which represents a year-on-year growth of 24.1%. Sales per square meter were Ps. 78,823.1. Total rental income increased from Ps. 160.9 million for fiscal year ended June 30, 2014 to Ps. 199.9 million for fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 4,400.3 in 2014 and Ps. 5,443.2 in 2015. As of June 30, 2015, the occupancy rate of Alto Avellaneda was 99.9%.

Alcorta Shopping, City of Buenos Aires

Alcorta Shopping is a 106-store shopping center that opened in 1992 and is located in the residential neighborhood of Palermo Chico, one of the most exclusive areas in the City of Buenos Aires, within a short drive from downtown Buenos Aires. Alcorta Shopping has a total constructed area of approximately 87,553.8 square meters (including parking lot) that consists of 15,432.9 square meters of gross leasable area. Alcorta Shopping has a 12-restaurant food court and a Carrefour hypermarket on the ground floor. Carrefour purchased the space it now occupies but it pays a share of the expenses of the shopping center's parking lot. It is a three-level shopping center that includes a parking lot that charges a fee (from June 2008) with approximately 1,300 spaces. Alcorta Shopping´s targeted clientele consists of high income individuals between the ages of 34 and 54.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 1,474.7 million, which represents fiscal year sales for approximately Ps. 95,554.7 per square meter and a year-on-year growth of 31.6%. Total rental income increased from approximately Ps. 105.8 million in fiscal year ended June 30, 2014 to Ps. 140.5 million in fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 7,000.2 in 2014 and Ps. 9,106.1 in 2015. As of June 30, 2015, the occupancy rate of Alcorta Shopping was 100%.

Abasto Shopping, City of Buenos Aires

Abasto Shopping is a 169-store shopping center located in the City Buenos Aires. Abasto Shopping is directly accessible by Carlos Gardel subway station; it is six blocks away from Once railway station and near the highway to Ezeiza International Airport. Abasto Shopping opened on November 10, 1998. Our investment in Abasto amounted to US$ 111.6 million. The principal building is a landmark building, which during the period 1889 to 1984 operated as the primary fresh produce market for the City of Buenos Aires. The property was converted into a 116,646 square meter shopping center (including parking lot and common areas), with approximately 36,669.1 square meters of gross leasable area (40,401.4 sqm including Museo de los Niños). Abasto is ranked #4 in terms of gross leasable area in Argentina. The shopping center is near Torres de Abasto, our apartment complex, and Coto supermarket.

Abasto Shopping has a 26-restaurant food court, a 12-screen movie theatre complex seating approximately 3,100 people, covering a surface area of 8,021 sqm, entertainment area and Museo de los Niños with a surface area of 3,732.3 sqm (the latter is not included within the gross leasable area). The shopping center is distributed in five levels and includes a parking lot for 1,200 vehicles with a surface area of 40,169 sqm.

Abasto Shopping's target customer is a middle-income shopper aged 25 to 45 that, in our opinion, represents an important portion of the population in this area of Buenos Aires.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 3,150.2 million, 28.7% higher than the sales recorded in the same period of the previous fiscal year. Sales per square meter were approximately Ps. 85,909.2. Total rental income increased from approximately Ps. 238.0 million in fiscal year ended June 30, 2014 to Ps. 301.7 million in fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 6,254.6 in 2014 and Ps. 8,227.2 in 2015. As of June 30, 2015, the occupancy rate of Abasto Shopping was 100%.

Patio Bullrich, City of Buenos Aires

Patio Bullrich is an 87-store shopping center which opened in 1988 and the first shopping center to start operations in the City of Buenos Aires. We acquired Patio Bullrich on October 1, 1998 for US$ 72.3 million.

Patio Bullrich is located in the Recoleta neighborhood, one of the most prosperous areas of the City of Buenos Aires. This neighborhood is a residential, cultural and tourist center that includes distinguished private homes, historical sites, museums, theatres and embassies. The shopping center is located within walking distance of the most prestigious hotels of the City of Buenos Aires and the subway, bus and train systems. Additionally, the shopping center is only 10 minutes by car from the downtown area of the city.

Patio Bullrich has a total constructed area of 29,982 square meters (including parking lot) that consists of 11,636.2 sqm of gross leasable area and common areas consisting of 12,472 square meters. The shopping center includes a four-screen multiplex movie theatre seating 1,381 people and an 11-store food court. The four-story shopping center has a parking lot that charges a fee with 215 spaces over an area of 4,825 square meters.

Patio Bullrich is one of the most successful shopping centers in Argentina in terms of sales per square meter. Its targeted clientele consists of high-income individuals.

In the fiscal year ended June 30, 2015, the shopping center generated nominal retail sales of approximately Ps. 888.5 million, which represents annual sales for approximately Ps.76,353.1 per square meter and a year-on-year growth of 28.9% compared to fiscal 2014. Total rental income increased from approximately Ps. 79.4 million in fiscal year ended June 30, 2014 to Ps. 98.4 million in fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 6,762.3 in 2014 and Ps. 8,452.8 in 2015. As of June 30, 2015, the occupancy rate of Patio Bullrich was 100%.

Alto NOA, Salta, City of Salta

Alto Noa is a 89-store shopping center that opened in 1994. Alto Noa is located in the City of Salta, the capital of the Province of Salta, in the northwestern region of Argentina. The province of Salta has a population of approximately 1.2 million inhabitants with approximately 0.6 million inhabitants in the City of Salta. The shopping center has a total constructed area of approximately 30,876 square meters (including parking) which consists of 19,072.9 square meters of gross leasable area. Alto Noa has a food court with 14 restaurants, a large entertainment center, a supermarket and a multiplex cinema with eight screens. The shopping center occupies one floor and has a free parking lot for 551 cars. Alto Noa’s target customer is a middle-income shopper aged 28 to 40.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 1,068.6 million, which represents period sales for approximately Ps. 56,027.2 per square meter and a year-on-year growth of 39.5%. Total rental income increased from approximately Ps. 38.7 million in fiscal year ended June 30, 2014 to Ps. 50.7 million in fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 2,022.5 in 2014 and Ps. 2,656.6 in 2015. As of June 30, 2015, the occupancy rate of Alto Noa was 100%.

Buenos Aires Design, City of Buenos Aires

Buenos Aires Design is a shopping center with 63 stores specialized in home decoration which opened in 1993. We own a 53.68% interest in Emprendimientos Recoleta S.A. (“ERSA”), the company which has the concession to operate Buenos Aires Design. The other shareholder of ERSA is Hope Funds S.A., which has a 46.32% interest.

As a result of a public auction, in February 1991, the City of Buenos Aires granted to ERSA a 20-year concession to use a plot of land in the Centro Cultural Recoleta, pursuant to an agreement executed in June 1993. The concession effective date was scheduled for November 19, 1993 and was set to expire on November 18, 2013. In 2010 the Government of the City of Buenos Aires, pursuant to Decree No. 867, extended the concession term for an additional five-year period, and the expiration date under the agreement became due on November 17, 2018. The concession agreement provides for ERSA to pay the City of Buenos Aires a monthly amount of Ps. 49,029. The concession may be terminated for any of the following reasons, among others: material breach of the obligations of the parties, which with regard to ERSA include: (i) breach of applicable law, (ii) change of the purpose of the area under concession; (iii) non payment of the monthly fee for two consecutive periods; (iv) destruction or abandonment of the area under concession; (v) bankruptcy or liquidation; (vi) restitution of the plot of land under concession, which shall only take place for public interest reasons.

In June 1991, we entered into an agreement with the shareholders of ERSA providing administration by us of Buenos Aires Design for a monthly administration fee of 10% of the net expenditures of expenses.

Buenos Aires Design is located in an exclusive neighborhood named Recoleta in the City of Buenos Aires, near Libertador Avenue and downtown Buenos Aires. Buenos Aires Design is located in one of Buenos Aires' most popular tourist attraction areas as the most exclusive hotels and restaurants are located in this area and due to its closeness to the National Museum of Fine Arts, the Museum of Modern Art and other popular cultural institutions.

Buenos Aires Design has a total constructed area of 26,131.5 sqm (including parking) that consists of 13,888.2 sqm of gross leasable area. The shopping center has 10 restaurants anchored by the Hard Rock Café and a terrace that covers 3,700 square meters. The shopping center is divided into two floors and has a 174-car pay parking lot.

Buenos Aires Design's targeted clientele consists of upper-middle income individuals between the ages of 25 and 45.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 326.0 million, which represents approximately Ps. 23,474.2 per square meter. Total rental income increased from approximately Ps. 27.4 million in fiscal year ended June 30, 2014 to Ps. 35.3 million in fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 1,874.9 in 2014 and Ps. 2,543.2 in 2015. As of June 30, 2015, the occupancy rate of Buenos Aires Design was 94.6%.

Alto Rosario, Santa Fe, City of Rosario

Alto Rosario is a 145-store shopping center located in the city of Rosario, the third largest city in Argentina in terms of population. It has a total constructed area of approximately 100,750 square meters (including parking), which consists of 28,395.6 square meters of gross leasable area (excluding Museo de los Niños). Alto Rosario has a food court with 17 restaurants, a large entertainment center, a supermarket and a Showcase cinema with 14 state-of-the-art screens. The shopping center occupies one floor and has a free parking lot for 1,736 cars. Alto Rosario's targeted clientele consists of middle-income individuals between the ages of 28 and 40.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 1,951.8 million, which represents a year-on-year growth of 41.6%. Sales per square meter were approximately Ps. 68,735.0 million. Total rental income increased from approximately Ps. 100.1 million in fiscal year ended June 30, 2014 to Ps. 137.6 million in fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 3,390.4 in 2014 and Ps. 4,847.2 in 2015. As of June 30, 2015, the occupancy rate of Alto Rosario was 97.9%.

Mendoza Plaza Shopping, Mendoza, City of Mendoza

Mendoza Plaza is a 144-store shopping center which opened in 1992 and is in the City of Mendoza, the capital of the Province of Mendoza. The city of Mendoza has a population of approximately 1.0 million inhabitants, making it the fourth largest city in Argentina. Mendoza Plaza Shopping consists of 42,039.5 square meters of gross leasable area and has a multiplex cinema covering an area of approximately 3,659 square meters with ten screens, the Chilean department store Falabella, a food court with 18 restaurants, an entertainment center and a supermarket, which is also a tenant. The shopping center has two levels and has a free parking lot for 2,600 cars. Mendoza Plaza's targeted clientele consists of middle-income individuals between the ages of 28 and 40.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 1,906.7 million, which represents a year-on-year growth of 25.9%. Sales per square meter were approximately Ps. 45,354.3. Total rental income increased from approximately Ps. 74.1 million in fiscal year ended June 30, 2014 to Ps. 91.7 million in fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 1,802.8 in 2014 and Ps. 2,181.1 in 2015. As of June 30, 2015, the occupancy rate of Mendoza Plaza Shopping was 96.1%.

Córdoba Shopping, Villa Cabrera, City of Córdoba

Córdoba Shopping Villa Cabrera is a 107-store shopping center with a covered area of 35,000 square meters, consisting of 15,328.0 square meters of GLA located in Villa Cabrera, City of Córdoba. It has a 12-screen movie theatre complex and a parking lot for 1,500 vehicles.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 756.0 million, which represents a year-on-year growth of 38.3%. Sales per square meter were approximately Ps. 49,323.6. Total rental income increased from Ps. 39.7 million in fiscal year ended June 30, 2014 to Ps. 54.4 million in fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 2,503.8 in 2014 and Ps. 3,552.0 in 2015. As of June 30, 2015, the occupancy rate of Córdoba Shopping was 99.8%.

Dot Baires Shopping, City of Buenos Aires

Dot Baires Shopping is a shopping center that was opened in May 2009. It has 4 floors and 3 underground levels, a covered surface area of 173,000 square meters, out of which 49,847.9 constitute Gross Leasable Area, 156 retail stores, a hypermarket, a 10-screen multiplex movie theater and parking space for 2,200 vehicles.

Dot Baires Shopping is located in the Saavedra neighborhood, at the spot where Av. General Paz meets the Panamerican Highway and it is the largest shopping center in the City of Buenos Aires in terms of square meters. As of June 30, 2015, our equity interest in Panamerican Mall S.A. was 80%.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 2,570.6 million, which represents fiscal year sales for approximately Ps. 51,568.8 per square meter and a year-on-year growth of 28.0%. Total rental income increased from approximately Ps. 158.3 million in fiscal year ended June 30, 2014 to Ps. 199.5 million in fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 3,389.3 in 2014 and Ps. 4,001.7 in 2015. As of June 30, 2015, the occupancy rate of Dot Baires Shopping was 99.7%.

Soleil Premium Outlet, Greater Buenos Aires

In December 2007, we entered into an agreement with INC S.A. ("INCSA"), a non-related company, for the acquisition of Soleil Premium Outlet for an amount of US$ 20.7 million.

On July 1, 2010, we executed the final deed for partial conveyance of title of the going concern and closing minutes with INCSA, whereby INCSA transferred to us the shopping center's going concern, which we started to operate on the referred date. The transaction was exclusive of any debt or credit prior to the transaction with respect to INCSA's business, as well as the real property where a hypermarket currently operates located in the premises. On April 12, 2011, the Argentine Antitrust Authority ("CNDC") granted its consent to the transaction.

From April 2013, as a result of its refurbishment and reengineering works, and a strong advertising campaign, it was renamed Soleil Premium Outlet. At present, it has a surface area of 48,313 square meters, 13,993.1 square meters of which are gross leasable area. It comprises 78 stores and 2,335 parking spaces. Soleil Premium Outlet is located in San Isidro, Province of Buenos Aires. It opened in Argentina more than 25 years ago and it is the first Premium Outlet in the country.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 938.4 million, which represents period average sales for approximately Ps. 67,063.3 per square meter and a year-on-year growth of 41.3%. Total rental income increased from approximately Ps. 44.2 million in fiscal year ended June 30, 2014 to Ps. 59.4 million for fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 2,908.4 in 2014 and Ps. 4,242.5 in 2015. As of June 30, 2015, the occupancy rate of Soleil Premium Outlet was 99.4%.

La Ribera Shopping, City of Santa Fe

We hold fifty percent of Nuevo Puerto Santa Fe S.A.'s (NPSF) shares, a corporation that is tenant of a building in which "La Ribera" shopping center was built and currently operates, which has a surface area of 43,219 square meters, comprising 60 retail stores and a seven 2D and 3D-screen multiplex cinema. It also comprises a 510-square meter Cultural Center and 24,553 square meters in outdoor areas and free parking space. Its gross leasable area is approximately 9,750.3 square meters.

The shopping center is strategically located within the Port of Santa Fe, the most developed area in terms of real estate in the City of Santa Fe, 27 km away from the City of Paraná (Province of Entre Ríos) and 96 km away from the City of Rafaela (Province of Santa Fe). Its influence area represents a potential market consisting of over one million people.

In the fiscal year ended June 30, 2015, the public visiting the shopping center generated nominal retail sales that totaled approximately Ps. 398.1 million, which represents period average sales for approximately Ps. 40,828.4 per square meter and a year-on-year growth of 41.7%. Total rental income increased from Ps. 9.4 million in fiscal year ended June 30, 2014 to Ps. 13.1 million for the fiscal year ended June 30, 2015, which represents annual revenues per gross leasable square meter of Ps. 1,129.7 in 2014 and Ps. 1,340.3 in 2015. As of June 30, 2015, the occupancy rate of La Ribera Shopping was 99.3%.

Distrito Arcos, City of Buenos Aires

Distrito Arcos is a shopping center we inaugurated on December 18, 2014, and it is our shopping center number 14. Distrito Arcos is a premium outlet located in the neighborhood of Palermo, City of Buenos Aires. It has 12,127.3 square meters of gross leasable area and its first stage consists of 63 stores, 115 parking spaces y 15 selling stands.

During a second stage, we plan to build a fitness center, a houseware store and a great cultural offer with 66 stores and 20 selling stands, covering approximately 2,000 square meters of additional gross leasable area. Since its opening, visitors to the shopping center generated nominal retail sales that totaled approximately Ps. 339.9 million, which represent sales per square meter of approximately Ps. 28,026.3. Total rental income was approximately Ps. 22.9 million, which represents total revenues for the period per gross leasable area of Ps. 1,891.1. As of June 30, 2015, the occupancy rate of Distrito Arcos was 97.3%.

Alto Comahue, City of Neuquén

Alto Comahue is a shopping center we inaugurated on March 17, 2015. Alto Comahue is our shopping center number 15 and is located in the City of Neuquén, in the Patagonian region of Argentina. It has a total footage of 35,000 square meters and 9,456.9 square meters of gross leasable area, approximately 1,000 roof-covered and open-air parking spaces and a large entertainment and leisure area. Alto Comahue offers 102 retail stores that house the most prestigious brands in Argentina, and will have a 6-screen multiplex movie theater and a theme restaurant, which will open in the upcoming months. It is a three-storey building consisting of a basement where the parking lot and service area are located; the ground floor consisting of 5,100 square meters for retail stores, and the first floor consisting of 720 square meters for restaurants with unique views of the city and 2,700 square meters of retail stores.

The development is a part of a mixed-use complex that further includes a supermarket that is currently in operation and 2 additional parcels of land. One of these parcels is assigned to development of a hotel and the other, which extends over 18,000 sqm -owned by the company-, to future development of houses. Since its opening, visitors to the shopping center generated nominal retail sales that totaled approximately Ps. 182.1 million, which represent sales per square meter of approximately Ps. 19,254.4. Total rental income was approximately Ps. 11.7 million, which represents total revenues for the period per gross leasable area of Ps. 1,236.1. As of June 30, 2015, the occupancy rate of Alto

Comahue was 94.2%.

Competition

Because most of our shopping centers are located in densely populated areas, there are competing shopping centers within, or in close proximity to, our targeted areas. The number of shopping centers in a particular area could have a material effect on our ability to lease space in our shopping centers and on the amount of rent that we are able to charge. We believe that due to the limited availability of large plots of land and zoning restrictions in the City of Buenos Aires, it will be difficult for other companies to compete with us in areas through the development of new shopping center properties. Our principal competitor is Cencosud S.A. which owns and operates Unicenter shopping center and the Jumbo hypermarket chain, among others.

The following table sets forth certain information relating to the most important owners and operators of shopping centers in Argentina:

Company	Shopping Center	Location (1)	Gross Leasable Area	Stores	National GLA Percentage (2)		Stores Percentage (2)	
IRSA Commercial Properties S.A.								
	Dot Baires Shopping	CABA	49,848	156	2.67	%	2.25	%
	Mendoza Plaza Shopping	Mendoza	42,040	144	2.25	%	2.07	%
	Abasto de Buenos Aires	CABA	40,401	170	2.17	%	2.45	%
	Alto Avellaneda	GBA	36,729	139	1.97	%	2.00	%
	Alto Rosario	Rosario	29,656	146	1.59	%	2.10	%
	Alto Palermo Shopping	CABA	19,545	146	1.05	%	2.10	%
	Alto Noa	Salta	19,073	89	1.02	%	1.28	%
	Alcorta Shopping	CABA	15,433	106	0.83	%	1.53	%
	Córdoba Shopping	Córdoba	15,328	107	0.82	%	1.54	%
	Soleil Premium Outlet	GBA	13,993	78	0.75	%	1.12	%
	Buenos Aires Design	CABA	13,888	63	0.74	%	0.91	%
	Distrito Arcos	CABA	12,127	63	0.65	%	0.91	%
	Patio Bullrich	CABA	11,636	87	0.62	%	1.25	%
	La Ribera Shopping	Santa Fe	9,750	60	0.52	%	0.86	%
	Alto Comahue	Neuquen	9,457	102	0.51	%	1.47	%
	Subtotal		338,904	1,656	18.16	%	23.84	%
Cencosud S.A.								
Subtotal			651,105	1,465	34.90	%(3)	21.08	%
Other Operators								
Subtotal			875,557	3,827	46.95	%	55.10	%
Total			1,865,566	6,948	100	%	100	%

(1) "GBA" means Greater Buenos Aires, the Buenos Aires metropolitan area, and "CABA" means the Autonomous City of Buenos Aires.
(2) Percentage over all shopping centers in Argentina. The results may not add up to 100% due to rounding.
(3) Includes supermarkets.

Source: Argentine Chamber of Shopping Centers

Seasonality

Our business is directly affected by seasonality, affecting the level of our tenants' sales. During summer holidays in Argentina (January and February) our tenants' sales reach their minimum level, whereas during winter holidays (July) and in December (Christmas) they reach their maximum level. Clothing stores generally change their collections in spring and autumn, positively affecting our shopping centers' sales. Sales at discount prices at the end of each season have an adverse impact on our business.

Sales and Development of Properties and Land Reserves

Residential Development Properties

The acquisition and development of residential apartment complexes and residential communities for sale is one of our core activities. Our development of residential apartment complexes consists of the new construction of high-rise towers or the conversion and renovation of existing structures such as factories or warehouses. In connection with our development of residential communities, we frequently acquire vacant land, develop infrastructure such as roads, utilities and common areas, and sell plots of land for construction of single-family homes. We may also develop or sell portions of land for others to develop complementary facilities such as shopping areas within residential developments.

In fiscal year ended June 30, 2015, revenues from the development and sale of properties segment amounted to Ps. 15.1 million, compared to Ps. 85.5 million posted in the fiscal year ended June 30, 2014.

Construction and renovation works on our residential development properties are currently performed, under our supervision, by independent Argentine construction companies that are selected through a bidding process. We enter into turnkey contracts with the selected company for the construction of residential development properties pursuant to which the selected company agrees to build and deliver the development for a fixed price and at a fixed date. We are generally not responsible for any additional costs based upon the turnkey contract. All other aspects of the construction, including architectural design, are performed by third parties.

Another modality for the development of residential transactions is the exchange of land for finished residential units. In these barter transaction, we deliver undeveloped plots of land and another firm is in charge of developing the residential the project. In this case, we receive finished square meters for commercialization, without taking part in the construction works.

The following table shows certain information and gives an overview regarding our sales and development properties as of June 30, 2015, 2014 and 2013:

Development	As of June 30, 2015	2014	2013
Residential apartments			
Caballito Nuevo (5)	2,139	986	6,983
Condominios I and II (1)	6,616	51,917	4,262
Horizons (4)	5,225	22,890	117,090
Other residential apartments (2)	-	44	811
Subtotal residential apartments	13,980	75,837	129,146
Residential Communities			
Abril (3)	644	1,750	1,113
El Encuentro (5)	461	7,944	11,698
Subtotal Residential Communities	1,105	9,694	12,811
Land Reserve			
Canteras Natal Crespo	-	-	39
Neuquén(1)	-	13,390	-
Subtotal Land Reserves	-	13,390	39
Total	15,085	98,921	141,996

(1) Through IRSA Commercial Properties.
(2) Includes the following properties: Torres Jardín, Alto Palermo Park (fully sold), and San Martín de Tours.
(3) Includes the sales of Abril’s shares.
(4) Owned by Cyrsa.
(5) Through IRSA.

Development	Company	Interest	Date of Acquisition	Surface sqm	Area intended for sale sqm	Area intended for Construction sqm	Sold	Title deed executed	Location	Accumulated income as of June 2015	Accumulated income as of June 2014	Acc inc as o Jun 201
Residential												
Available for sale (4)												
Condominios del Alto I	IRSA Commercial Properties	100%	04/30/1999	-	2,082	-	71 %	67 %	Santa Fe	6,314	2,614	4,2
Condominios del Alto II	IRSA Commercial Properties	100%	04/30/1999	-	5,009	-	96 %	93 %	Santa Fe	302	49,303	-
Caballito Nuevo	IRSA	100%	11/03/1997	-	8,173	-	98 %	98 %	CABA	2,139	986	6,9
San Martin de Tours	IRSA	100%	03/01/2003	-	3,492	-	99 %	99 %	CABA	-	-	-
El Encuentro	IRSA	100%	11/18/1997	-	127,795	-	100 %	99 %	Buenos Aires	461	7,944	11
Abril Club de Campo – Plot division	IRSA	100%	01/03/1995	-	5,135	-	99 %	99 %	Buenos Aires	644	1,75	1,1
Abril Club de Campo - Casona (5)	IRSA	100%	01/03/[illegible]	[illegible]	34,605	-	-	-	Buenos Aires	-	-	-
Torres Jardín	IRSA	100%	07/18/1996	-	-		-	-	CABA	-	44	81
Apartment Entre Ríos 465/9	IRSA Commercial Properties	100%	-	-	-		-	-	Buenos Aires	-	-	-
Horizons	IRSA	50 %	01/16/2007	-	71,512	-	100 %	98 %	Buenos Aires	5,225	22,89	11
Units to be received					-					-	-	-
Beruti (Astor Palermo) (1)	IRSA Commercial Properties	100%	06/24/2008		2,632	-	-	-	CABA	-	-	-
Caballito Manzana 35	IRSA	100%	10/22/1998	-	8,258	-	-	-	CABA	-	-	-
Canteras Natal Crespo (2 commercial parcels)	IRSA	-	-	40,333	-	60,499	-	-	Buenos Aires	-	-	39
CONIL - Güemes 836 - Mz 99 and Güemes 902 - Mz 95 and Retail	IRSA Commercial Properties	100%	07/19/[illegible]	[illegible]	-	-	-	-	Buenos Aires	-	-	-

Stores												
Subtotal Residential				71,557	308,327	60,499				15,085	85,531	14
Land Reserves												
Isla Sirgadero	IRSA	100%	02/16/2007	8,360,000	-	-	-	-	Santa Fe	-	-	-
San Luis Plot of Land	IRSA	100%	05/29/1997	74,828	-	-	-	-	Buenos Aires	-	-	-
Pontevedra	IRSA	100%	02/28/1998	730,994	-	-	-	-	Buenos Aires	-	-	-
Mariano Acosta	IRSA	100%	02/28/1998	967,290	-	-	-	-	Buenos Aires	-	-	-
Merlo	IRSA	100%	02/28/1998	1,004,987	-	-	-	-	Buenos Aires	-	-	-
Pilar R8 Km 53	IRSA	50%	03/31/2008	1,250,523	-	-	-	-	San Luis	-	-	-
Subtotal Land Reserves				14,388,622	-	-					-	-
Future Developments												
Mixed Used												
UOM Lujan (7)	IRSA Commercial Properties	100%	05/31/2008	1,160,000	-	-	N/A	N/A	Buenos Aires	-	-	-
Nobleza Picardo (8)	IRSA Commercial Properties	50%	05/31/2011	159,995	-	127,996	N/A	N/A	Buenos Aires	-	-	-
Puerto Retiro	IRSA	50%	05/18/1997	82,051	-	-	N/A	N/A	CABA	-	-	-
Solares Santa María (9)	IRSA	100%	07/10/1997	716,058	-	-	N/A	N/A	CABA	-	-	-
La Adela		100%	08/01/2014	10,580,000	-	-	N/A	N/A	Buenos Aires	-	-	-
Residential							-	-		-	-	-
Coto Abasto Air Space	IRSA Commercial Properties	100%	09/24/1997		-	21,536	N/A	N/A	CABA	-	-	-
Neuquén – Housing Plots of Land	IRSA Commercial Properties	100%	07/06/1999	13	-	18	N/A	N/A	Neuquén	-	13,39	-
Uruguay Zetol	IRSA	90%	06/01/2007	152,977	62,756	-	N/A	N/A	Uruguay	-	-	-
Pereirairaola (Greenville)	IRSA	100%	04/21/2010	-	39,634	-			Buenos Aires			
Uruguay Vista al Muelle	IRSA	90%	06/01/2006	102,016	62,737	-	N/A	N/A	Uruguay	-	-	-
Retail												
Caballito Shopping Plot of Land(10)	IRSA Commercial Properties	100%	-	23,791	-	-	N/A	N/A	CABA	-	-	-
Potential Dot Expansion	IRSA Commercial Properties	80%	-	15,881	-	47,643	N/A	N/A	CABA	-	-	-
Offices												
		80%	11/28/2006	12,800	-	38,4	N/A	N/A	CABA	-	-	-

Philips Adjoining Plots Offices 1 and 2	IRSA Commercial Properties											
Baicom	IRSA	50 %	12/23/2009	6,905	-	34,5	N/A	N/A	CABA	-	-	-
Intercontinental Plaza II (11)	IRSA Commercial Properties	100%	02/28/1998	6,135	-	19,598	N/A	N/A	CABA	-	-	-
Catalinas Norte Plot of Land	IRSA	100%	12/17/2009	3,649	-	35,3	N/A	N/A	CABA	-	-	-
Subtotal Future Developments				13,035,458	165,127	342,973				-	13,390	-
Total Land Reserves				27,495,637	435,209	403,472				15,085	98,921	14

(1) Area intended for sale means own square meters of residential apartments, including parking spaces and storage spaces. Stated at 100%, before any sale.
(2) Sold % comprises such sale transactions for which a Purchase Agreement (Boleto) has been executed, for which Possession has been taken or a Title Deed has been signed. Includes square meters of residential apartments, parking and storage spaces.
(3) The Title Deed executed % comprises such sale transactions for which a Title Deed has been executed. Includes the square meters of residential apartments, parking and storage spaces.
(4) In such case where IRSA/IRSA Commercial Properties received units under a barter agreement, the "Area intended for sale" corresponds to such area received rather than the entire development.
(5) The Area intended for sale includes 31,224 sqm of land and 4,712.81 sqm in the aggregate of La Casona (deducting 1,331.76 sqm of ground floor).
(6) The Area intended for sale does not include 171 commercial parking spaces to be received or rebate units.
(7) The Feasibility of Mixed Uses Permit has been applied for and provincial approval is pending.
(8) The 127,996 square meters derive from the current regulations, we are working on a preliminary project of 479,415 square meters intended for construction (pending approval).
(9) The Feasibility permit has been applied for 716,058 square meters intended for construction, and approval is pending from the Legislature of the City of Buenos Aires.
(10) Preliminary project of 71,374 square meters intended for construction, approval of urban parameters is pending.
(11) The 6,135 square meters of Land are those of the parcel, which includes Inter I and II. During May, 2015, we reported that, through IRSA Commercial Properties, we have signed an agreement to transfer to a non related party 8,470 sqm corresponding to nine office floors and the sign of the deed and the delivery of the units was on June 30, 2015. During September, 2015, we sold through IRSA Commercial Properties seven floors of Intercontinental Plaza, for more information please see “Item 4. Recent Developments.”
(12) On September 3, 2015, we signed the transfer deed for the sale of “Isla Sirgadero” plot of land. The price of the transaction was Ps. 10.7 million.

Additional information about our Properties and Land Reserves

Residential Apartments and Lofts

In the residential market, we acquire undeveloped properties strategically located in densely populated areas of the City of Buenos Aires, particularly properties located near shopping centers and hypermarkets or those to be constructed. We then develop multi-building high-rise complexes targeting the middle- and high- income market. These are equipped with modern comforts and services, such as open “green areas,” swimming pools, sports and recreation facilities and 24-hour security. In the loft buildings market, our strategy is to acquire old buildings no longer in use located in areas with a significant middle and upper-income population. The properties are then renovated into unfinished lofts allowing buyers the opportunity to design and decorate them according to their preferences.

Residential Properties (available for Sale)

Condominios del Alto I – City of Rosario, Province of Santa Fe (IRSA Commercial Properties)

As of June 30, 2015, the project has been completed, and one parking space is available for sale.

Condominios del Alto II –City of Rosario, Province of Santa Fe (IRSA Commercial Properties)

As of June 30, 2015, works in parcel H have been completed; all units under the barter agreement have been received and 13 parking spaces and two storage spaces are available for sale.

San Martín de Tours – City of Buenos Aires

This is a unique Project located in Barrio Parque, an exclusive residential area in the City of Buenos Aires. During May 2006, the commercialization of the project was launched with successful results. The image of the product was originally developed under the name “Barrio Chico” through advertisements in the most important media. As of June 30, 2015, the project is completed and there are 2 parking spaces pending sale.

El Encuentro - Benavidez, Tigre – Province of Buenos Aires

In the district of Benavidez, Municipality of Tigre, 35 kilometers north of downtown Buenos Aires, there is a 110-hectare gated residential complex known as “El Encuentro”, consisting of a total of 527 lots and a total saleable area of 610,785.15 sqm with two privileged front accesses: the main one to Vía Bancalari and the service one to Highway No. 9, allowing an easy way to and from the city. As of June 30, 2015, all the units have been sold.

Abril – Hudson – Province of Buenos Aires

Abril is a 312-hectare private residential community located near Hudson City, approximately 34 kilometers south of the City of Buenos Aires. We have developed this property into a private residential community for the construction of single-family homes targeting the upper-middle income market. The project includes 20 neighborhoods subdivided into 1,273 lots of approximately 1,107 square meters each. Abril also includes an 18-hole golf course, 130 hectares of woodlands, a 4,000-square meter mansion and entertainment facilities. A bilingual school, horse stables and sports centers and the construction of the shopping center were concluded in 1999. The project is highly consolidated, and as of June 30, 2015 there is one lot pending execution of the relevant title deed.

"La Casona Abril" is located in the heart of the project. It is the antique manor of "Estancia Pereyra Iraola," which was built in the decade of the thirties by architect José Mille. This little French-style palace of the XIX century has 4,700 sqm distributed over four floors and a garden of around 30,000 sqm.

Horizons, Vicente López, Olivos, Province of Buenos Aires

The IRSA-CYRELA Project, developed over two adjacent blocks, was launched in March last under the name Horizons. Horizons is one of the most significant developments in Greater Buenos Aires, featuring a new concept in residential complexes given its emphasis on the use of common spaces. This project includes two complexes with a total of six buildings: one complex faces the river and consists of three 14-floor buildings, the "Río" complex, and the other one, facing Libertador Avenue, consists of three 17-floor buildings, the "Parque" complex, thus totaling 59,000 square meters built of saleable area distributed in 467 units (excluding the units to be delivered as consideration for the purchase of the lands). Horizons is a unique and style-innovating residential complex offering 32 amenities, including a meeting room, work zone, heated swimming pools, mansion with spa, sauna, gym, children room, teen room, thematically landscaped areas, and aerobic trail. The showroom was opened to the public in March 2008 with great success. As of June 30, 2015, the project was fully built and 3 apartments, 3 parking spaces and 1 storage space are pending execution of the title deed. The stock available for sale consists of 8 parking spaces and 52 storage spaces.

Units to be received under barter agreements

Beruti Plot of Land – City of Buenos Aires (IRSA Commercial Properties)

On October 13, 2010, the Company, through its subsidiary IRSA Commercial Properties, and TGLT S.A. ("TGLT") entered into a barter agreement in connection with a plot of land located at Beruti 3351/59 in the City of Buenos Aires for cash and future residential apartments to be constructed by TGLT in the plot. The transaction value was agreed on US$18.8 million, of which US$10.7 million has already been paid. TGLT is currently building an apartment building with residential and commercial parking spaces, in which, in accordance with the terms of the agreement, TGLT will transfer to IRSA Commercial Properties (i) certain units to be determined, representing 17.33% of the aggregate surface of the residential space, (ii) a number of parking spaces to be determined, representing 15.82% of the aggregate surface of the parking spaces, (iii) all the commercial parking spots in the future building. To ensure performance of the obligations assumed by TGLT under the deed of sale, a mortgage was granted in favor our subsidiary.

An organization called "Asociación Amigos Alto Palermo" filed a write of relief in order to prevent the construction works and obtained a precautionary measure for the suspension of the construction works. The Contentious-Administrative and Tax Appellate Court for the City of Buenos Aires ordered the release of the precautionary measure that suspended the works. At present, the write of relief is in the discovery stage, and no judgment has been rendered in that regard. On December 4, 2013, the term for the delivery of the units involved was extended for 11 months and on November 4, 2014 a new 11 month extension was signed. On June 11, 2015 final judgment was rendered in favor of us and TGLT.

Caballito Plot – City of Buenos Aires (IRSA)

On June 29, 2011, the Company and TGLT, a residential developer, entered into an agreement to barter a plot of land located in Mendez de Andes street in the neighborhood of Caballito in the Autonomous City of Buenos Aires for cash and future residential apartments to be constructed by TGLT on the mentioned land. The transaction was agreed upon at US$ 12.8 million. TGLT plans to construct an apartment building with parking spaces. In consideration, TGLT paid US$ 0.2 million (US$ 159,375) in cash and will transfer to IRSA: (i) a number of apartments to be determined representing 23.10% of total square meters of residential space; (ii) a number of parking spaces to be determined representing 21.10% of total square meters of parking space; and (iii) in case TGLT builds complementary storage rooms, a number to be determined, representing 21.10% of square meters of storage space. TGLT is committed to build, finish and obtain authorization for the three buildings making up the project within 36 to 48 months. TGLT mortgaged the land in favor of IRSA as guarantee.

A neighborhood association named Asociación Civil y Vecinal SOS Caballito secured a preliminary injunction which suspended the works to be carried out by TGLT in the abovementioned property. Once said preliminary injunction was deemed final, the Government of the City of Buenos Aires and TGLT were served notice of the complaint.

CONIL – Avellaneda, Province of Buenos Aires (IRSA Commercial Properties)

These plots of the Company face Alto Avellaneda shopping center, totaling 2,398 sqm distributed in two opposite corners and according to urban planning standards, around 6,000 sqm may be built. Its intended use, either through an own development or sale to a third party, is residential with the possibility of a retail space as well. In November 2014, a barter deed was executed for the purpose of developing a residential project and as consideration for it, IRSA Commercial Properties will receive 1,365 sqm of retail stores located on the ground floors of blocks 99 and 95, on Güemes 836 and Güemes 902, respectively. Delivery of the consideration for block 95 is expected to take place in January 2018, and that corresponding to block 99 is scheduled for September 2018. The barter price was US$ 0.7 million.

Canteras Natal Crespo, La Calera – Province of Córdoba

On June 26, 2013, we sold 100% of our interest in Canteras Natal Crespo S.A. representing 50% of its capital stock, to Euromayor S.A. de Inversiones for US$ 4,215,000 according to the following payment schedule: US$ 3,815,000 in cash and US$ 400,000 through the transfer of almost 400,000 sqm for business purposes within the project to be developed in the site known as Laguna Azul. Delivery of the non-monetary consideration is expected for March 2017.

Land Reserves and development properties

Other Land Reserves – Isla Sirgadero, Pilar, Pontevedra, Mariano Acosta, Merlo and San Luis Plot

We grouped here those plots of land with a significant surface area the development of which is not feasible in the short term either due to their current urban and zoning parameters, their legal status or the lack of consolidation of their immediate environment. This group totals around 14 million sqm.

Future Developments

Mixed Uses

Ex UOM – Luján, Province of Buenos Aires (IRSA Commercial Properties)

This 115-hectare plot of land is located in the 62 Km of the West Highway, in the intersection with Route 5 and was originally purchased by Cresud on May 31, 2008 from Birafriends S.A. for US$ 3 million. In May 2012, IRSA Commercial Properties acquired the property through a purchase and sale agreement entered into between related parties, thus becoming the current owner. Our intention is to carry out a mixed-use project, taking advantage of the environment consolidation and the strategic location of the plot. IRSA Commercial Properties is seeking to change the zoning parameters, to enable the consummation of the project.

La Adela (IRSA)

"La Adela" farmland is located 60 kilometers northwest of the City of Buenos Aires, and it is one of our original farmlands. In December 2001, the dairy facility was closed down, using its total surface area for crop production. Between March 2005 and December 2007 we bought 72 additional hectares which were added to the existing 982 hectares. During the fiscal year ended June 30, 2014, 837 hectares were used for corn and soybean crops. In July 2014 we sold to our subsidiary IRSA the "La Adela" farm.

Ex Nobleza Piccardo Plant – San Martín, Province of Buenos Aires (IRSA Commercial Properties)

On March 31, 2011, Quality Invest S.A. (a subsidiary of IRSA Commercial Properties, with a 50% equity interest) and Nobleza Piccardo S.A.I.C. y F. (Nobleza) executed the title deed for the purchase of a plot of land extending over

160,000 square meters located in the District of San Martín, Province of Buenos Aires, currently used for industrial purposes and suitable in terms of characteristics and scales for mixed-use developments. The price for the property was US$ 33 million, 30 % of which was paid at such time. A first-priority mortgage was created for the balance of the price on the property, in favor of Nobleza. The balance plus interest at a nominal annual rate of 7.5% on the outstanding balance were paid in full –principal plus interest- in March 2013, by advancing payments.

Simultaneously with the execution of the title deed the parties entered into a lease agreement whereby Nobleza leased the whole property to Quality Invest S.A. for a term of up to 36 months from May 2011. This lease agreement contained a clause providing for partial return of the property from month 8 (eight) to month 14 (fourteen) after the date of execution thereof. Prior to expiration, an extension was executed for 2 (two) to 6 (six) months due to expire in December 2012, and Quality Invest obtained usufructuary rights to over half the plot of land. The return of the remaining area set forth in the agreement and due to occur in May 2014 was once again extended until December 31, 2014. On March 2, 2015 a Certificate was executed by Nobleza and Quality Invest for full return of the property, and the contractual relationship between the parties came to an end.

On May 16, 2012 the Municipality of San Martín granted a pre-feasibility permit for commercial use, entertainment, events, offices, etc., which would enable performance of a mixed-use development thereon.

Pursuant to an Ordinance enacted on December 30, 2014, a process was initiated to obtain a rezoning permit for the plot of land to be used mainly for Commercial Purpose, which considerably expands the uses and potential buildable square meters through new urban indicators; such process is pending approval of the enacted Ordinance by the Government of the Province of Buenos Aires pursuant to a Decree.

As approved in the Ordinance, on January 20, 2015 Quality Invest entered into a Zoning Agreement with the Municipality of San Martín which governs various issues related to applicable regulations and provides for a mandatory assignment of square meters in exchange for monetary contributions subject to fulfillment of certain administrative milestones of the rezoning process.

Solares de Santa María – City of Buenos Aires

Solares de Santa María is a 70-hectare property facing the Río de la Plata in the south of Puerto Madero, 10 minutes from downtown Buenos Aires. Through our subsidiary Solares de Santa María S.A. we are owners of this property. We intend to develop this property for mixed purposes, i.e. our development project involves residential complexes as well as offices, stores, hotels, sports and sailing clubs, services areas with schools, supermarkets and parking lots.

In the year 2000, we filed a master plan for the Santa María del Plata site, which was assessed by the Environmental Urban Plan Council (Consejo del Plan Urbano Ambiental, “COPUA”) and submitted to the Town Treasurer’s Office for its consideration. In 2002, the Government of the City of Buenos Aires issued a notice of public hearing and in July 2006, the COPUA made some recommendations about the project, and in response to the recommendations made by COPUA to the project on December 13, 2006, we filed an amendment to the project to adjust it to the recommendations made by COPUA, making material amendments to our development plan for the Area, which amendments included the donation of 50% of the site to the City of Buenos Aires for public use and convenience and a perimetrical pedestrian lane along the entire site on the river bank.

In March 2007, a committee of the Government of the City of Buenos Aires, composed of representatives from the Legislative and Executive Branches issued a report stating that such Committee had no objections to our development plan and requested that the General Treasury render a decision concerning the scope of the development plan submitted for the project. In November 2007, 15 years after the Legislative Branch of the City of Buenos Aires granted the general zoning standards for the site, the Government Chief of the City of Buenos Aires executed

Decree No. 1584/07, which passed the specific ruling, set forth certain rules for the urban development of the project, including types of permitted constructions and the obligation to assign certain spaces for public use and convenience.

Notwithstanding the approval of Decree No. 1584/07 in 2007, several municipal approvals are still pending and in December 2007, a municipal court rendered a decision restricting the implementation of our proposed development plan, due to objections made by a legislator of the City of Buenos Aires, alleging the suspension of Decree No. 1584/07, and each construction project and/or the municipal permits granted for business purposes. Notwithstanding the legality and validity of the Decree No. 1584/07, we entered into an agreement 5/10 that was executed with the Government of the City of Buenos Aires, which has been sent with a legislative bill to the Legislature of the City of Buenos Aires under number 976-J-2010, for approval.

On October 30, 2012 a new agreement was executed with the Government of the City of Buenos Aires, replacing all those already executed, whereby new obligations were agreed upon between the parties for the consummation of the project. To that end, such Agreement – as well as the previous ones – shall be countersigned and approved by the Legislative Branch of the City of Buenos Aires by enacting a bill that is attached to the project. As of to date, the project is pending such legislative treatment.

Puerto Retiro – City of Buenos Aires

Puerto Retiro is an 8.2 hectare undeveloped riverside property bounded by the Catalinas and Puerto Madero office zones to the west, the Retiro railway station to the north and the Río de la Plata to the south and east. One of the only two significant privately owned waterfront properties in the City of Buenos Aires, Puerto Retiro may currently be utilized only for port activities, so we have initiated negotiations with municipal authorities in order to rezone the area. We own a 50% interest in Puerto Retiro.

On April 18, 2000, Puerto Retiro S.A. was served notice of a filing made by the Argentine Government, through the Ministry of Defense, seeking to extend the bankruptcy of Inversora Dársena Norte S.A. ("Indarsa") to the Company. Upon filing of the complaint, the bankruptcy court issued an order restraining the ability of Puerto Retiro to dispose of, in any manner, the real property it had purchased in 1993 from Tandanor.

Indarsa had acquired 90% of the capital stock in Tandanor from the Argentine Government in 1991. Tandanor's main business involved ship repairs performed in a 19-hectare property located in the vicinity of La Boca neighborhood and where the Syncrolift is installed.

As Indarsa failed to comply with its payment obligation for acquisition of the shares of stock in Tandanor, the Ministry of Defense filed a bankruptcy petition against Indarsa, seeking to extend it to the Company.

The evidentiary stage of the legal proceedings has already concluded. The Company lodged an appeal from the injunction order, and such order was confirmed by the Court of Appeals on December 14, 2000. The parties filed the arguments in due time and proper manner. After the case was set for judgment, the judge ordered the suspension of the judicial order requesting the case records for issuance of a decision based on the alleged existence of pre-judgmental status in relation to the criminal case against former officials of the Ministry of Defense and former directors of the Company, for which reason the case will not be adjudicated until a final judgment is entered in respect of the criminal case.

It has been made known to the commercial court that the expiration of the limitation period has been declared in the criminal action and the criminal defendants have been acquitted. However, this decision was reversed by the Criminal Court of Cassation (Cámara de Casación Penal). An extraordinary appeal was filed and rejected, therefore an appeal was directly lodged with the Argentine Supreme Court for improper refusal to permit the appeal, and a decision is still pending.

Management and legal counsel to the Company believe that there are sufficient legal and technical arguments to consider that the petition for an extension of the bankruptcy will be dismissed by the court. However, in view of the particular features and progress of the case, this position cannot be held to be conclusive.

In turn, Tandanor filed a civil action against Puerto Retiro S.A. and the other defendants in the criminal case for violation of Section 174 (5) based on Section 173 (7) of the Criminal Code. Such action seeks -on the basis of the nullity of the decree that approved the bidding process involving the Dársena Norte property- a reimbursement in favor of Tandanor for all such amounts it has allegedly lost as a result of a suspected fraudulent transaction involving the sale of the property disputed in the case.

In July 2013 the answer to the civil action was filed, which contained a number of defenses. Tandanor requested the intervention of the National Government as third party co-litigant in this case, which petition was granted by the Court. In March 2015 both the National Government and the criminal complainant answered the asserted defenses. As of the date hereof no resolution has been issued in such regard. While the court does not issue a decision on the asserted defenses, it is hard to foresee whether Puerto Retiro will succeed or not in this case.

Residential

Coto Residential Project (IRSA Commercial Properties)

IRSA Commercial Properties owns approximately 23,000 sqm in air space over the top of the Coto hypermarket that is near to the Abasto Shopping Center in the heart of the City of Buenos Aires. IRSA Commercial Properties and Coto Centro Integral de Comercialización S.A. (Coto) executed and delivered a deed dated September 24, 1997, whereby IRSA Commercial Properties acquired the rights to receive parking units and the rights to build on top of the premises located in the block formed by the streets Agüero, Lavalle, Guardia Vieja and Gallo, in the Abasto neighborhood.

Neuquén Parcela Viviendas – Neuquén, Province of Neuquén (IRSA Commercial Properties)

Through Shopping Neuquén SA, we own a plot of 13,000 sqm and a construction capacity per FOT of 18,000 sqm of residential properties in an area with significant potential. This area is located close to the recently opened shopping center Alto Comahue, the hypermarket and a hotel to be constructed in months to come.

Zetol S.A. and Vista al Muelle S.A. – District of Canelones – Uruguay

In the course of fiscal year 2009 we acquired a 100% ownership interest in Liveck S.A., a company organized under the laws of Uruguay. In June 2009, Liveck had acquired a 90% stake in the capital stock of Vista al Muelle S.A. and Zetol S.A., two companies incorporated under the laws of Uruguay, for US$ 7.8 million. The remaining 10% ownership interest in both companies is in the hands of Banzey S.A. These companies have undeveloped lands in Canelones, Uruguay, close to the capital city of Uruguay, Montevideo.

We intend to carry out an urban project consisting in the development and commercialization of 13 apartment buildings. Such project has the “urban feasibility” status for the construction of approximately 200,000 sqm for a term of 10 years, which was granted by the Mayor’s Office of the Canelones department and by its Local Legislature. Zetol S.A. and Vista al Muelle S.A. agreed to carry out the infrastructure works for US$ 8 million as well as minimum amount of sqm of properties. The satisfaction of this commitment under the terms and conditions agreed upon will grant an additional 10-year effective term to the urban feasibility status.

The total purchase price for Zetol S.A. was US$ 7.0 million; of which US$ 2.0 million were paid. Sellers may opt to receive the balance in cash or through the delivery of units in the buildings to be constructed in the land owned by Zetol S.A. equivalent to 12% of the total marketable meters to be constructed.

In addition, Vista al Muelle S.A. owned since September 2008 a plot of land purchased for US$ 0.83 million. Then, in February 2010, plots of land were acquired for US$ 1 million, the balance of which as of to date amounts to US$ 0.28 plus interest and will be repaid in December 2014. In December 2010, Vista al Muelle S.A. executed the title deed of other plots for a total amount of US$ 2.66 million, of which US$ 0.3 million were paid. The balance will be repaid by delivering 2,334 sqm of units and/or retail stores to be constructed or in cash.

On June 30, 2009, the Company sold a 50% stake in Liveck S.A. to Cyrela Brazil Realty S.A for US$ 1.3 million. On December 17, 2010, together with Cyrela Brazil Realty S.A. we executed a stock purchase agreement pursuant to which we repurchased from Cyrela Brazil Realty S.A. a 50% shareholding in Liveck S.A. for US$ 2.7 million. Accordingly, as of June 30, 2015, our stake, through Tyrus, in Liveck is 100%.

As a result of the plot barter agreements executed in due time between the Intendencia Municipal de Canelones ("IMC"), Zetol S.A. and Vista al Muelle S.A. in March 2014, the parcel redistribution dealing was concluded. This milestone, as set forth in the amendment to the Master Agreement executed in 2013, initiates the 10-year term for the investment in infrastructure and construction of the buildings mentioned above. At present, the urban project and the design of the first tower are being developed.

Pereiraola (Greenville), Hudson – Province of Buenos Aires

In April de 2010 we sold Pereiraola S.A., a company owner of certain lands adjacent to Abril Club de Campo that comprised 130 hectares, for US$ 11.7 million. The purchaser would develop a project that included the fractioning into lots, a condo-hotel, two polo fields, and apartment buildings. The delivery to the Company of 39,634 square meters of lots amounting to approximately US$ 3 million was included in the sale price. At present the project is at an advanced stage, and the 52 lots are expected to be received in 2016.

Retail

Caballito Plot – City of Buenos Aires (IRSA Commercial Properties)

This is a property of approximately 23,791 sqm in the City of Buenos Aires, neighborhood of Caballito, one of the most densely populated of the city, which IRSA Commercial Properties purchased in November 1997. This plot would allow developing a shopping center having 30,000 sqm, a hypermarket, a cinema complex, and several recreation and entertainment activity areas. At present, the legislature of the City of Buenos Aires has received a legislative bill to approve the zoning parameters corresponding to this property which already has the consent of the Executive Branch.

Dot Adjoining Plot – City of Buenos Aires (IRSA Commercial Properties)

On May 3, 2012, the Government of the City of Buenos Aires, through the General Office of Zoning Interpretation (Dirección General de Interpretación Urbanística) approved, through a pre-feasibility study, the parcel subdivision of the ex-Philips plot contingent upon the observance of the applicable building regulations in each of the resulting parcels. In addition, all the uses and parameters established under the municipal ordinance previously issued by the above mentioned authority are being observed.

On June 3, 2013, we were given notice that the Government of the City of Buenos Aires had approved the requested parcel subdivision of the ex-Philips plot. As a result, the property was divided into three parcels: 2 parcels of approximately 6,400 sqm and a parcel adjoining DOT Baires Shopping of 15,900 sqm intended for the future extension of the shopping center in 47,000 sqm.

Offices

Philips Adjoining Plots 1 and 2 – City of Buenos Aires (IRSA Commercial Properties)

These two parcels of 6,400 sqm with construction capacity of 19,200 sqm each, are at present a significant land reserve jointly with a plot where the extension of Dot Baires Shopping is planned. As a result of major developments, the intersection of Av. General Paz and the Panamerican Highway has experienced a significant growth in recent years. The project of theses parcels will conclude the consolidation of this area.

Baicom Plot - City of Buenos Aires

On December 23, 2009, we acquired 50% of a parcel located in the surroundings of the Buenos Aires Port, for a purchase price of Ps. 4.5 million. The property's total surface area is 6,905 square meters and there is a construction permit associated for 34,500 square meters in accordance with the City of Buenos Aires urban construction rules and regulations.

Catalinas Norte Plot - City of Buenos Aires

Facing the River Plate, this plot is in a privileged location. Having been witness to one of the largest vertical developments in the city, the Catalinas district has consolidated itself as the paramount office real estate area in the city. The project, featuring 35,300 square meters to be built on the ground floor comprises a tower of 37 floors including 4 ground floors, an open ground floor, mezzanine, dining and multipurpose room on the first floor, 28 office floors, 2 terrace floors and one mechanical room.

Intercontinental Plaza II Plot - City of Buenos Aires (IRSA Commercial Properties)

The Intercontinental Plaza complex is located in the heart of the Montserrat district, situated a few meters away from the most important avenue in the city and the financial district. It comprises an office tower and the exclusive Intercontinental Hotel. In the 6,135 square meter plot, it would be feasible to develop a second office tower, including 19,600 square meters and 25 floors, that would supplement the one already erected in the intersection of Moreno and Tacuarí streets.

Hotels

During fiscal year 2015, we kept our 76.34% interest in Intercontinental hotel, 80.00% interest in Sheraton Libertador hotel and 50.00% interest in Llao Llao. We observed a decrease in the occupancy of our hotels due to a lower inflow of foreign and corporate tourists.

The following chart shows certain information regarding our luxury hotels:

						Fiscal Year Sales as of June 30,			
Hotels	Date of Acquisition	IRSA's Interest	Number of rooms	Occupancy(1)	Average Price per Room Ps.(2)	2015	2014	2013	Book Value
Intercontinental (3)	11/01/1997	76.34 %	309	68.74 %	1,276	143,281	123,925	87,081	56,140
Sheraton Libertador (4)	03/01//1998	80.00 %	200	75.75 %	1,142	93,801	74,178	52,089	31,690
Llao Llao (5)	06/01/1997	50.00 %	205	51.37 %	2,746	159,215	133,459	86,666	84,047
Total	-	-	714	65.69 %	1,564	396,297	331,562	225,836	171,877

(1) Accumulated average in the twelve-month period.
(2) Accumulated average in the twelve-month period.

(3) Through Nuevas Fronteras S.A. (Subsidiary of IRSA).
(4) Through Hoteles Argentinos S.A.
(5) Through Llao Llao Resorts S.A.

Additional information about our Hotels

Hotel Llao Llao, San Carlos de Bariloche, Province of Rio Negro

In June 1997 we acquired the Hotel Llao Llao from Llao Llao Holding S.A. Fifty percent is currently owned by the Sutton Group. The Hotel Llao Llao is located on the Llao Llao peninsula, 25 kilometers from San Carlos de Bariloche and is one of the most important tourist hotels in Argentina. Surrounded by mountains and lakes, this hotel was designed and built by the famous architect Bustillo in a traditional alpine style and first opened in 1938. The hotel was renovated between 1990 and 1993 and has a total constructed surface area of 15,000 sqm and 158 original rooms. The hotel-resort also includes an 18-hole golf course, tennis courts, health club, spa, game room and swimming pool. The hotel is a member of The Leading Hotels of the World, Ltd., a prestigious luxury hospitality organization representing 430 of the world's finest hotels, resorts and spas. The Hotel Llao Llao is currently being managed by Compañía de Servicios Hoteleros S.A., operator, among others, of the Alvear Palace Hotel, a luxury hotel located in the Recoleta neighborhood of Buenos Aires. During 2007, the hotel was subject to an expansion and the number of suites in the hotel rose to 201 rooms. The occupancy of the hotel decreased in the April-June quarter due to eruption of the Calbuco volcano which resulted in a significant reduction of bookings for stays for such period.

Hotel Intercontinental, City of Buenos Aires

In November 1997, we acquired 51% of the Hotel Intercontinental from Pérez Companc S.A. The Hotel Intercontinental is located in the downtown City of Buenos Aires neighborhood of Montserrat, near the Intercontinental Plaza office building. Intercontinental Hotels Corporation, a United States corporation, currently owns 24% of the Hotel Intercontinental. The hotel's meeting facilities include eight meeting rooms, a convention center and a divisible 588 sqm ballroom. Other amenities include a restaurant, a business center, a sauna and a fitness facility with swimming pool. The hotel was completed in December 1994 and has 309 rooms. The hotel is managed by the Intercontinental Hotels Corporation. During this year the hotel remodeled floors 6, 7 and 8, totaling 61 remodeled rooms that required an investment of Ps. 8.8 million.

Hotel Sheraton Libertador, City of Buenos Aires

In March 1998 we acquired 100% of the Hotel Sheraton Libertador from Citicorp Equity Investment for an aggregate purchase price of US$ 23 million. This hotel is located in downtown Buenos Aires. The hotel contains 193 rooms and 7 suites, eight meeting rooms, a restaurant, a business center, a spa and fitness facilities with a swimming pool. In March 1999, we sold 20% of our interest in the Sheraton Libertador Hotel for US$ 4.7 million to Hoteles Sheraton de Argentina. The hotel is currently managed by Sheraton Overseas Management Corporation, a United States corporation. During this year the hotel lobby was remodeled. The investment amounted to Ps. 5.0 million.

Bariloche Plot, "El Rancho," San Carlos de Bariloche, Province of Río Negro

On December 14, 2006, through our hotel operator subsidiary, Llao Llao Resorts S.A., we acquired a land covering 129,533 sqm of surface area in the City of San Carlos de Bariloche in the Province of Río Negro. The total price of the transaction was US$ 7.0 million, of which US$ 4.2 million were paid in cash and the balance of US$ 2.8 million was financed by means of a mortgage to be paid in 36 monthly, equal and consecutive installments of US$ 0.086 million each. The land is in the border of the Lago Gutiérrez, close to the Llao Llao Hotel in an outstanding natural environment and it has a large cottage covering 1,000 sqm of surface area designed by the architect Ezequiel Bustillo.

Savoy Hotel

On February 5, 2015, the Company indirectly sold 100% of its equity interest in Bitania 26 S.A., owner of Hotel "Savoy" in the city of Rosario (Province of Santa Fe), which accounts for 49% of its capital stock, for US$ 4.2 million. The income from the transaction amounted to approximately Ps. 13.3 million.

International

Lipstick Building, New York, United States

The Lipstick Building is a landmark building in the City of New York, located on Third Avenue and 53rd Street, in Midtown Manhattan, New York. It was designed by architects John Burgee and Philip Johnson (Glass House and Seagram Buildings among other remarkable works) and it has been named after its original elliptic form and the reddish color of its façade. Its gross leasable area is around 57,500 sqm distributed in 34 stories.

As of June 30, 2015, this building had an occupancy rate of 91.86% generating average revenues of US$ 64.74 per sqm.

Lipstick Building	Fiscal year ended June 30, 2015	Fiscal year ended June 30, 2014	YoY Var
Gross Leasable Area (sqm)	58,094	58,092	-
Occupancy	91.86 %	88.94 %	2.92pp
Rent (US$./sqm)	64.74	63.69	1.65 %

As of June 30, 2015, 2 additional lease agreements had been executed totaling an aggregate surface area of 22,585 additional square meters, to be actually occupied during the next fiscal year, causing its occupancy rate to rise to 95.47% and its average rental price to US$ 65.09 per sqm.

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

Sale of 183 Madison Ave, New York, NY

In September 2014, the Company, acting through its subsidiary Rigby 183 LLC ("Rigby") closed the sale of the Madison 183 building, located in the city of New York, United States of America, for US$ 185 million, and discharged the mortgage on this asset for US$ 75 million. In December 2010 we had acquired a 49% stake in Rigby, owner of the building, which we valued at US$ 85.1 million. In November 2012 we increased our interest by 25.5%, and thus became holders of a 74.50% stake in Rigby's stock capital. At the time of this purchase the building was valued at US$ 147.5 million. The building's sale price, of US$ 185 million, implies an appreciation of 117% during the investment period. During the second quarter of 2015 we recorded a balance of Ps. 188.3 million due to reversal of the conversion reserve generated in Rigby resulting from the partial repayment of principal.

Sale of remaining interest in Hersha Hospitality Trust

Hersha is a REIT listed on the New York Stock Exchange under the ticker “HT”. Hersha mainly invests in institutional hotels located in shopping centers, suburban commercial areas and secondary destinations and markets mainly located in the northeastern region of United States and in selected markets of the western coast of the United States. Hersha acquires properties in areas where it believes there is a developing market and has a proactive management that seeks to create and add value in the long term.

In the first quarter of 2015, IRSA indirectly held 1,000,000 common shares in Hersha, which were sold at an average price of US$ 6.74 per share. As a result, IRSA holds no share interest in Hersha.

Investment in Condor

We hold 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 and is focused on middle-class and long-stay hotels, in 21 states in the United States of America, which are operated by various operators and franchises such as Comfort Inn, Days Inn, Hampton Inn, Holiday Inn, Sleep Inn and Super 8, among others. In March 2015 a new CEO was appointed, who is working in relaunching the REIT. The REIT’s name has been changed from Supertel Hospitality Inc. to Condor Hospitality Trust, and its ticker in Nasdaq has been changed from “SPPR” to “CDOR”. The strategy is based on selective disposition of hotels within a lower category range and replace them with hotels in higher categories. The company’s results for the first six months of 2015 show an improvement in its rental and hotel occupancy operating ratios and sales of assets for attractive prices.

Investment in IDB Development Corporation

For this information, see “Item A. History and Development of the Company—Significant acquisitions, dispositions and development of business—Fiscal year ended June 30, 2015— Investment in IDBD” and “—Recent Developments.”

Financial Operation and Others

Our interest in Banco Hipotecario S.A.

As of June 30, 2015, IRSA held a 29.99% interest in Banco Hipotecario, which represented 14.08% of IRSA's consolidated assets as of such date. Established in 1886 by the Argentine government and privatized in 1999, Banco Hipotecario has historically been Argentina’s leading mortgage lender, provider of mortgage-related insurance and mortgage loan services. All of its operations are located in Argentina where it operates a nationwide network of 60 branches in the 23 Argentine provinces and the City of Buenos Aires, and 15 additional sales offices. Additionally, its subsidiary Tarshop S.A. has 27 sales offices.

Banco Hipotecario is an inclusive commercial bank that provides universal banking services, offering a wide variety of banking products and activities, including a wide range of individual and corporate loans, deposits, credit and debit cards and related financial services to individuals, small-and medium-sized companies and large corporations. As of June 30, 2015, Banco Hipotecario ranked thirteenth in the Argentine financial system in terms of shareholders’ equity and thirteenth in terms of total assetsAs of June 30, 2015, Banco Hipotecario’s shareholders’ equity was Ps. 4,700.7 million, its consolidated assets were Ps. 33,321.4 million, and its net income for the twelve-month period ended June 30, 2015 was Ps. 537.2 million. Since 1999, Banco Hipotecario’s shares have been listed on the Buenos Aires Stock Exchange in Argentina, and since 2006 it has had a Level I ADR program.

Banco Hipotecario continues its business strategy of diversifying its loan portfolio. As a result, non-mortgage loans to the non-financial private sector increased from Ps. 7,676.1 million as of December 31, 2012 to Ps. 10,708.0 million as of December 31, 2013, Ps. 14,845.9 million as of December 31, 2014 and Ps. 16,551.9 million as of June 30, 2015, increasing the interest in the aggregate loan portfolio to the non-financial private sector from 80.4% as of December 31, 2012 to 87.0% as of June 30, 2015. Non-performing loans represented 2.3% of its total portfolio as of June 30, 2015.

Furthermore, Banco Hipotecario has diversified its funding sources; it has reduced its international financing and has become one of the most frequent issuers of debt in Argentina by developing its presence in the local capital market and increasing its deposit base. Its financial debt represented 21.8% of the total financing as of June 30, 2015.

Its subsidiaries include BACS Banco de Crédito y Securitización S.A., a bank specialized in investment banking and securitization which consolidates with BACS Administradora de Activos S.A. S.G.F.C.I. a company specialized in asset management; BHN Inversión S.A. which consolidates with: BHN Vida S.A., a life insurance company, BHN Seguros Generales S.A., a fire insurance company for home owners; and Tarshop S.A., a company specialized in the sale of consumer financing products and cash advances to non-banking customers.

On October 10, 2012, Banco Hipotecario paid dividends for Ps.100 million, as approved in April 2011 by the Shareholders' Meeting. Furthermore, on August 23, 2013, the General Shareholders' Meeting resolved upon the distribution of Ps. 30 million on account of cash dividends on common shares, which were paid on September 20, 2013. In addition, the General Shareholders' Meeting held on April 24, 2014 approved the distribution of cash dividends on common shares for Ps. 42 million that were made available to the shareholders in January 2015.

The following table shows Banco Hipotecario's financing sources(1) as from the dates indicated:

	At June 30,		% Change
	2015	2014	2015 vs.2014
	(in millions of Pesos, except for percentages)		
Bonds	Ps. 4,926.7	Ps. 3,501.7	40.7 %
Subordinated Bonds	100.0	-	NM
Borrowings from Central Bank.	0.1	0.1	42.0 %
Borrowings from banks and international entities	297.4	558.4	-46.8 %
Deposits	18,191.2	13,691.3	32.9 %
Total	Ps. 23,515.4	Ps. 17,751.5	32.5 %

(1) Excludes accrued interest.

IRSA's Regulation and Government Supervision of its Real Estate Business

Legal Framework

Regulation and Governmental Supervision

The laws and regulations governing the acquisition and transfer of real estate, as well as municipal zoning ordinances are applicable to the development and operation of our properties.

Currently, Argentine law does not specifically regulate shopping center lease agreements. Since our shopping center leases generally differ from ordinary commercial leases, we have created provisions which govern the relationship with our shopping center tenants.

Leases

Argentine law imposes certain restrictions on property owners, including:

- a prohibition to include automatic price adjustment clauses based on inflation increases in lease agreements; and
- the imposition of a two-year minimum lease term for all purposes, except in particular cases such as embassy, consulate or international organization venues, room with furniture for touristic purposes for less than three months, custody and bailment of goods, exhibition or offering of goods in fairs or in cases where due to the circumstances, the subject matter of the lease agreement requires a shorter term.

Rent Increase

In addition, there are contradictory court rulings with respect to whether the rent price can or cannot be increased during the term of the lease agreement. For example, Section 10 of the Public Emergency Law prohibits the adjustment of rent under lease agreements subject to official inflation rates, such as the consumer price index or the wholesale price index. Most of our lease agreements have incremental rent increase clauses that are not based on any official index. As of the date of this document no tenant has filed any legal action against us challenging incremental rent increases, but we cannot assure that such actions will not be filed in the future and, if any such actions were successful, that they will not have an adverse effect on our company.

Limits on lease terms

Under the Argentine Civil and Commercial Code lease terms may not exceed fifty years, except for leases regulated by Law No. 25,248 (which provides that real estate leases containing purchase options–leasing inmobiliario- are not subject to term limitations). Generally, terms in our lease agreements go from 3 to 10 years.

Right to Termination

The Argentine Civil and Commercial Code provides that tenants of properties may rescind lease agreements earlier after the first six months of the effective date. Such rescission is subject to penalties which range from one to one and a half months of rent. If the tenant rescinds during the first year of the lease the penalty is one and a half month's rent and if the rescission occurs after the first year of lease the penalty is one month's rent.

It should be noted that the Argentine Civil and Commercial Code became effective on August 1, 2015 and that, among other rules, it repealed the Urban Lease Law (No. 23,091), which provided for a rule similar to the one described above, but established the obligation to give at least 60 days' prior notice of exercise of the unilateral right to termination by the tenant. There are no court rulings yet with respect to the new regulations related to: (i) unilateral right to termination by tenant; i.e. whether the parties may waive the tenant's right to terminate the agreement unilaterally; or in relation to (ii) the possibility of establishing a penalty different from the penalty described above in the event of termination.

Other

While current Argentine government policy discourages government regulation of lease agreements, there can be no assurance that additional regulations will not be imposed in the future by the Argentine Congress, including regulations similar to those previously in place. Furthermore, most of our leases provide that the tenants pay all costs and taxes related to the property in proportion to their respective leasable areas. In the event of a significant increase in the amount of such costs and taxes, the Argentine government may respond to political pressure to intervene by regulating this practice, thereby adversely affecting our rental income. The Argentine Civil and Commercial Procedure Code enables the lessor to pursue what is known as an "executory proceeding" upon lessees' failure to pay rent. In executory proceedings debtors have fewer defenses available to prevent foreclosure, making these proceedings substantially shorter than ordinary ones. In executory proceedings the origin of the debt is not under discussion; the trial focuses on the formalities of debt instrument itself. The aforementioned code also permits special eviction proceedings, which are carried out in the same way as ordinary proceedings. The Argentine Civil and Commercial Code requires that a notice be given to the tenant demanding payment of the amounts due in the event of breach prior to eviction, of no less than ten days for leases for residential purposes, and establishes no limitation or minimum notice for leases for other purposes. However, historically, large court dockets and numerous procedural hurdles have resulted in significant delays to eviction proceedings, which generally last from six months to two years from the date of filing of the suit to the time of actual eviction.

Development and Use of the Land

Buenos Aires Urban Planning Code. Our real estate activities are subject to several municipal zoning, building, occupation and environmental regulations. In the city of Buenos Aires, where the vast majority of our real estate properties are located, the Buenos Aires Urban Planning Code (Código de Planeamiento Urbano de la Ciudad de Buenos Aires) generally restricts the density and use of property and controls physical features of improvements on property, such as height, design, set-back and overhang, consistent with the city's urban landscape policy. The administrative agency in charge of the Urban Planning Code is the Secretary of Urban Planning of the City of Buenos Aires.

Buenos Aires Building Code. The Buenos Aires Building Code (Código de Edificación de la Ciudad de Buenos Aires) complements the Buenos Aires Urban Planning Code and regulates the structural use and development of property in the city of Buenos Aires. The Buenos Aires Building Code requires builders and developers to file applications for building permits, including the submission to the Secretary of Work and Public Services (Secretaría de Obras y Servicios Públicos) of architectural plans for review, to assure compliance therewith.

We believe that all of our real estate properties are in material compliance with all relevant laws, ordinances and regulations.

Sales and Ownership

Buildings Law. Buildings Law No. 19,724 (Ley de Pre horizontalidad) was repealed by the new Argentine Civil and Commercial Code which became effective on August 1, 2015. The new regulations provide that for purposes of execution of agreements with respect to built units or units to be built, the owner is required to purchase insurance in favor of prospective purchasers against the risk of frustration of the operation pursuant to the agreement for any reason. A breach of this obligation prevents the owner from exercising any right against the purchaser–such as demanding payment of any outstanding installments due – unless he/she fully complies with their obligations, but does not prevent the purchaser from exercising its rights against seller.

Protection for the Disabled Law. The Protection for the Disabled Law No. 22,431, enacted on March 20, 1981, as amended, provides that in connection with the construction and renovation of buildings, obstructions to access must be eliminated in order to enable access by handicapped individuals. In the construction of public buildings, entrances, transit pathways and adequate facilities for mobility impaired individuals must be provided for.

Buildings constructed before the enforcement of the Protection for the Disabled Law must be adapted to provide accesses, transit pathways and adequate facilities for mobility-impaired individuals.

Those pre-existing buildings, which due to their architectural design may not be adapted to the use by mobility-impaired individuals, are exempted from the fulfillment of these requirements.

The Protection for the Disabled Law provides that residential buildings must ensure access by mobility impaired individuals to elevators and aisles. Architectural requirements refer to pathways, stairs, ramps and parking.

Real Estate Installment Sales Law. The Real Estate Installment Sales Law No. 14,005, as amended by Law No. 23,266 and Decree No. 2015/85, imposes a series of requirements on contracts for the sale of subdivided real estate property regarding, for example, the sale price which is paid in installments and the deed, which is not conveyed until final payment of such price. The provisions of this law require, among other things:

- The registration of the intention to sell the property in subdivided plots with the Real Estate Registry (Registro de la Propiedad Inmueble) corresponding to the jurisdiction of the property. Registration will only be possible with regard to unencumbered property. Mortgaged property may only be registered where creditors agree to divide the debt in accordance with the subdivided plots. However, creditors may be judicially compelled to agree to the division.

- The preliminary registration with the Real Estate Registry of the purchase instrument within 30 days of execution of the agreements.

Once the property is registered, the installment sale may not occur in a manner inconsistent with the Real Estate Installment Sales Act, unless seller registers its decision to desist from the sale in installments with the Real Estate Registry. In the event of a dispute over the title between the purchaser and third-party creditors of the seller, the installment purchaser who has duly registered the purchase instrument with the Real Estate Registry will obtain the deed to the plot. Further, the purchaser can demand conveyance of title after at least 25% of the purchase price has been paid, although the seller may demand a mortgage to secure payment of the balance of the purchase price.

After payment of 25% of the purchase price or the construction of improvements on the property equal to at least 50% of the property value, the Real Estate Installment Sales Act prohibits the rescission of the sales contract for failure by the purchaser to pay the balance of the purchase price. However, in such event the seller may take action under any mortgage on the property.

Other Regulations

Consumer Relationship. Consumer or End User Protection. The Argentine Constitution expressly establishes in Article 42 that consumers and users of goods and services have a right to protection of health, safety and economic interests in a consumer relationship. Consumer Protection Law No. 24,240, as amended, regulates several issues concerning the protection of consumers and end users in a consumer relationship, in the arrangement and execution of contracts.

The Consumer Protection Law, and the applicable sections of the Argentine Civil and Commercial Code are intended to regulate the constitutional right conferred under the Constitution on the weakest party of the consumer relationship and prevent potential abuses deriving from the stronger bargaining position of vendors of goods and services in a mass-market economy where standard form contracts are widespread.

As a result, the Consumer Protection Law and the Argentine Civil and Commercial Code deem void and unenforceable certain contractual provisions included in consumer contracts entered into with consumers or end users, including those which:

· deprive obligations of their nature or limit liability for damages;

· imply a waiver or restriction of consumer rights and an extension of seller rights; and

· impose the shifting of the burden of proof from the consumer to the seller in order to protect the consumers.

In addition, the Consumer Protection Law imposes penalties ranging from warnings to the forfeiture of concession rights, privileges, tax regimes or special credits to which the sanctioned party was entitled, including closing down of establishments for a term of up to 30 days.

The Consumer Protection Law and the Argentine Civil and Commercial Code define consumers or end users as the individuals or legal entities that acquire or use goods or services free of charge or for a price for their own final use or benefit or that of their family or social group. In addition, both laws provide that those who though not being parties to a consumer relationship as a result thereof acquire or use goods or services, for consideration or for non-consideration, for their own final use or that of their family or social group are entitled to such protection rights in a manner comparable to those engaged in a consumer relationship.

In addition, the Consumer Protection Law defines the suppliers of goods and services as the individuals or legal entities, either public or private that in a professional way, even occasionally, produce, import, distribute or commercialize goods or supply services to consumers or users.

The Argentine Civil and Commercial Code defines a consumer agreement as such agreement that is entered into between a consumer or end user and an individual or legal entity that acts professionally or occasionally either with a private or public company that manufactures goods or provides services, for the purpose of acquisition, use or enjoyment of goods or services by consumers or users for private, family or social use.

The protection under the laws afforded to consumers and end users encompasses the entire consumer relationship process (from the offering of the product or service) and it is not only based on a contract, including the consequences thereof.

In addition, the Consumer Protection Law establishes a joint and several liability system under which for any damages caused to consumers, if resulting from a defect or risk inherent in the thing or the provision of a service, the producer, manufacturer, importer, distributor, supplier, seller and anyone who has placed its trademark on the thing or service shall be liable.

The Consumer Protection Law excludes the services supplied by professionals that require a college degree and registration in officially recognized professional organizations or by a governmental authority. However, this law regulates the advertisements that promote the services of such professionals.

The Consumer Protection Law determines that the information contained in the offer addressed to undetermined prospective consumers, binds the offeror during the period in which the offer takes place and until its public revocation. Further, it determines that specifications included in advertisements, announcements, prospectuses, circulars or other media bind the offeror and are considered part of the contract entered into by the consumer.

Pursuant to Resolution No. 104/05 issued by the Secretariat of Technical Coordination reporting to the Argentine Ministry of Economy, the Consumer Protection Law adopted Resolution No. 21/2004 issued by the Mercorsur's Common Market Group which requires that those who engage in commerce over the Internet (E-Business) shall disclose in a precise and clear manner the characteristics of the products and/or services offered and the sale terms. Failure to comply with the terms of the offer is deemed an unjustified denial to sell and gives rise to sanctions.

On September 17, 2014, a new Consumer Protection Law was enacted by the Argentine Congress –Law No. 26,993. This law, known as “System for Conflict Resolution in Consumer Relationships,” provided for the creation of new administrative and judicial procedures for this field of Law. It created a two-instance administrative system: the Preliminary Conciliation Service for Consumer Relationships (Servicio de Conciliación Previa en las Relaciones de Consumo, COPREC) and the Consumer Relationship Audit, and a number of courts assigned to resolution of conflicts between consumers and producers of goods and services (Fuero Judicial Nacional de Consumo). In order to file a claim, the amount so claimed should not exceed a fixed amount equivalent to 55 adjustable minimum living wages, which are determined by the Ministry of Labor, Employment and Social Security. The claim is required to be filed with the administrative agency. If an agreement is not reached between the parties, the claimant may file the claim in court. The administrative system known as Preliminary Conciliation Service for Consumer Relationships (COPREC) is currently in full force and effect. However, the court system (fuero judicial nacional de consumo) is not in force yet, therefore, any court claims should be currently filed with the existing applicable courts. A considerable volume of claims filed against us are expected to be settled pursuant to the system referred to above, without disregarding the full force and effect of different instances for administrative claims existing in the provincial sphere and the City of Buenos Aires, which remain in full force and effect, where potential claims related to this matter could also be filed.

Antitrust Law. Law No. 25,156, as amended, prevents monopolistic practices and requires administrative authorization for transactions that according to the Antitrust Law constitute an economic concentration. According to this law, mergers, transfers of goodwill, acquisitions of property or rights over shares, capital or other convertible securities, or similar operations by which the acquirer controls or substantially influences a company, are considered as an economic concentration. Whenever an economic concentration involves a company or companies and the aggregate volume of business of the companies concerned exceeds in Argentina the amount of Ps. 200.0 million, in such case the respective concentration should be submitted for approval to the Argentine Antitrust Authority (“Comisión Nacional de Defensa de la Competencia”, “CNDC”). The request for approval may be filed, either prior to the transaction or within a week after its completion.

When a request for approval is filed, the CNDC may (i) authorize the transaction, (ii) subordinate the transaction to the accomplishment of certain conditions, or (iii) reject the authorization.

The Antitrust Law provides that economic concentrations in which the transaction amount and the value of the assets absorbed, acquired, transferred or controlled in Argentina, do not exceed Ps. 20.0 million each are exempted from the administrative authorization. Notwithstanding the foregoing, when the transactions effected by the companies concerned during the prior 12-month period exceed in the aggregate Ps. 20.0 million or Ps. 60.0 million in the last 36 months, these transactions must be notified to the CNDC.

As our consolidated annual sales volume and our parent’s consolidated annual sales volume exceed Ps. 200.0 million, we should give notice to the CNDC of any concentration provided for by the Antitrust Law.

Credit Card Law. Law No. 25,065, as amended by Law No. 26,010 and Law No. 26,361, governs certain aspects of the business activity known as “credit card system.” Regulations impose minimum contract contents and approval thereof by the Argentine Ministry of Industry, as well as limitations on chargeable interest by users and commissions charged by the retail stores that adhere to the system. The Credit Card Law applies both to banking and non-banking cards, such as “Tarjeta Shopping,” issued by Tarshop. Pursuant to Communication “A” 5477 issued by the Central Bank, loans granted under credit cards by non-financial entities cannot exceed 25% of the monthly interest rate published by the Central Bank for loans to individuals without security interests.

Environment. Our activities are subject to a number of national, provincial and municipal environmental provisions.

Article 41 of the Argentine Constitution, as amended in 1994, provides that all Argentine inhabitants have the right to a healthy and balanced environment fit for human development and have the duty to preserve it. Environmental damage shall bring about primarily the obligation to restore it as provided by applicable law. The authorities shall control the protection of this right, the rational use of natural resources, the preservation of the natural and cultural heritage and of biodiversity, and shall also provide for environmental information and education. The National Government shall establish minimum standards for environmental protection whereas Provincial and Municipal Governments shall fix specific standards and regulatory provisions.

On November 6, 2009, the Argentine Congress passed Law No. 25,675. Such law regulates the minimum standards for the achievement of a sustainable environment and the preservation and protection of biodiversity and fixes environmental policy goals.

Law No. 25,675 establishes the activities that will be subject to an environmental impact assessment procedure and certain requirements applicable thereto. In addition, such Law sets forth the duties and obligations that will be triggered by any damage to the environment and mainly provides for restoration of the environment to its former condition or, if that is not technically feasible, for payment of compensation in lieu thereof. Such Law also fosters environmental education and provides for certain minimum reporting obligations to be fulfilled by natural and legal entities.

In addition, the CNV Rules require the obligation to report to the CNV any events of any nature and fortuitous acts that seriously hinder or could potentially hinder performance of our activities, including any events that generate or may generate significant impacts on the environment, providing details on the consequences thereof.

The new Argentine Civil and Commercial Code has introduced as a novel feature the acknowledgement of collective rights, including the right to a healthy and balanced environment. Accordingly, the Code expressly sets forth that the law does not protect an abusive exercise of individual rights if such exercise could have an adverse impact on the environment and the rights with a collective impact in general.

C. ORGANIZATIONAL STRUCTURE

Subsidiaries and associated companies

The following table includes a description of our subsidiaries and associated companies as of June 30, 2015:

Subsidiaries	Effective Ownership and Voting Power Percentage		Property/Activity
Agro Managers S.A	46.84	%	Agro Managers S.A. is engaged in doing by itself or on behalf of third parties investments in the country or overseas through long and short term loans with or without warranties, derivatives, stocks and commodities as well as any kind of debentures or credit notes.
Agro-Uranga S.A	35.72	%	Agro-Uranga S.A. is an agricultural company which owns 2 farmlands (Las Playas and San Nicolás) that have 8.299 hectares on the state of Santa Fe and Córdoba.
Agropecuaria Acres del Sud S.A.	100	%(1)	Agropecuaria Acres del Sud SA is principally engaged in the trading of agricultural products and by-products, and the acquisition/sales, leasing and construction of urban and rural properties.
Alafox	100	%(2)	Alafox S.A. is involved in investments in entities organized in Uruguay or abroad through the purchase and sale of bonds, shares, debentures and any kind of securities and commercial paper under any of the systems or forms created or to be created, and in the management and administration of the capital stock it owns on companies controlled by it.
Brasilagro Companhia Brasileira de Propiedades Agrícolas	39.76	%(3)	Brasilagro is mainly involved in four areas: sugar cane, crops and cotton, forestry activities, and livestock.
Codalis	100	%(2)	Codalis S.A. is involved in investments in entities organized in Uruguay or abroad through the purchase and sale of bonds, shares, debentures and any kind of securities and commercial paper under any of the systems or forms created or to be created, and in the management and administration of the capital stock it owns on companies controlled by it.
Doneldon	100	%	Doneldon S.A. is involved in investments in entities organized in Uruguay or abroad through the purchase and sale of bonds, shares, debentures and any kind of securities and commercial paper under any of the systems or forms created or to be created, and in the management and administration of the capital stock it owns on companies controlled by it.
Futuros y Opciones.Com S.A.	59.59	%	A leading agricultural web site which provides information about markets and services of economic and financial consulting through the Internet. The company has begun to expand the range of commercial services offered to the agricultural sector by developing direct sales of supplies, crops brokerage services and cattle

			operations.
FyO Trading S.A.	59,63	%	FyO Trading S.A.'s purpose is to engage, in its own name or on behalf of or associated with third parties, in activities related to the production of agricultural products and raw materials, export and import of agricultural products and national and international purchases and sales of agricultural products and raw materials.
Granos Olavarria S.A.	59,63	%(4)	Granos Olavarría S.A. is principally engaged to the warehousing of cereals and brokering of grains.
Helmir S.A.	100	%	Helmir S.A. is involved in investments in entities organized in Uruguay or abroad through the purchase and sale of bonds, shares, debentures and any kind of securities and commercial paper under any of the systems or forms created or to be created, and to the management and administration of the capital stock it owns on companies controlled by it.
IRSA Inversiones y Representaciones Sociedad Anónima	64.30	%(3)	It is a leading Argentine company devoted to the development and management of real estate.
Ombú Agropecuaria S.A	100	%(5)	Ombú Agropecuaria S.A is principally engaged in the trading of agricultural products and by-products, and the acquisition/sales, leasing and construction of urban and rural properties.
Sedelor	100	%(2)	Sedelor S.A. is involved in investments in entities organized in Uruguay or abroad through the purchase and sale of bonds, shares, debentures and any kind of securities and commercial paper under any of the systems or forms created or to be created, and in the management and administration of the capital stock it owns on companies controlled by it.
Sociedad Anónima Carnes Pampeanas S.A. (formerly known as Exportaciones Agroindustriales Argentinas S.A.)	100	% (6)	Sociedad Anónima Carnes Pampeanas, a company that owns a cold storage plant in Santa Rosa, Province of La Pampa, with capacity to slaughter and process approximately 9,500 cattle head per month.
Yatay Agropecuaria S.A	100	%(7)	Yatay Agropecuaria S.A is principally engaged in the trading of agricultural products and by-products, and the acquisition/sales, leasing and construction of urban and rural properties.
Yuchán Agropecuaria S.A	100	%(8)	Yuchán Agropecuaria S.A is principally engaged in the trading of agricultural products and by-products, and the acquisition/sales, leasing and construction of urban and rural properties.

(1) Includes Doneldon's, Alafox´s Sedelor´s and Helmir's interest.
(2) Corresponds to Doneldon´s interest.
(3) Excludes effect of treasury stock.
(4) Includes Futuros y Opciones.Com S.A.'s interest.
(5) Includes Codalis's, Alafox´s and Sedelor´s interest.
(6) Includes Helmir's interest.
(7) Includes Doneldon's, Sedelor's, Codalis's and Helmir's interest.
(8) Includes Doneldon's, Alafox's and Codalis's interest.

D. PROPERTY, PLANTS AND EQUIPMENT

Overview of Agricultural Properties

As of June 30, 2015, we owned, together with our subsidiaries, 31 farmlands, which have a total surface area of 622,220 hectares.

The following table sets forth our properties' size (in hectares), primary current use and book value. The market value of farmland is generally higher the closer a farmland is located to Buenos Aires:

Owned Farmlands as of June 30, 2015

	Facility	Province	Country	Gross Size (in hectares)	Date of Acquisition	Primary Current Use	Net Book Value (Ps. Millions) (1)
1	El Recreo	Catamarca	Argentina	12,395	May 95	Natural woodlands	1.3
2	Los Pozos	Salta	Argentina	239,639	May '95	Cattle/ Agriculture/ Natural woodlands	152.6
3/4	San Nicolás/Las Playas (2)	Santa Fe/Córdoba	Argentina	2,966	May '97	Agriculture/ Dairy	20.0
5/6	La Gramilla/ Santa Bárbara	San Luis	Argentina	7,072	Nov '97	Agriculture Under irrigation	44.9
7	La Suiza	Chaco	Argentina	36,380	Jun '98	Agriculture/ Cattle	43.7
8	La Esmeralda	Santa Fe	Argentina	9,370	Jun '98	Agriculture/ Cattle	16.3
9	El Tigre	La Pampa	Argentina	8,360	Apr '03	Agriculture/ Dairy	34.2
10	El Invierno	La Pampa	Argentina	1,946	Jun '05	Agriculture	9.2
11	San Pedro	Entre Rios	Argentina	6,022	Sep '05	Agriculture	49.0
12/13	8 De Julio/ Estancia Carmen	Santa Cruz	Argentina	100,911	May '07/ Sep '08	Sheep	11.0
14	Administración Cactus	San Luis	Argentina	171	Dec '97	Natural woodlands	1.5
15	Las Vertientes	Cordoba	Argentina	4	-	Silo	0.7
16	La Esperanza	La Pampa	Argentina	980	Mar '08	Agriculture	4.3
17	Finca Mendoza	Mendoza	Argentina	389 (5)	Mar '11	Natural woodlands	0.1
18	Establecimiento Mendoza	Mendoza	Argentina	9	Nov'03	Natural woodlands	6.8
19/20/21/22	Las Londras/San Rafael/ Cuatro Vientos/ La	Santa Cruz	Bolivia	12,533	Nov-08/Jan-11	Agriculture	281.9

	Primavera						
23/24/25	Jeroviá/Marangatú/Udra (3)	Mariscal Estigarribia	Paraguay	58,754	Feb-09	Agriculture /Natural Woodlands	214.2
26/31	Brasilagro(4)		Brazil	124,319		Agriculture /Forestry /Cattle	968.0
	Subtotal			622,220			1,859.7

(1) Acquisition costs plus improvements and furniture necessary for the production, less depreciation.
(2) Hectares and carrying amount in proportion to our 35.72% interest in Agro-Uranga S.A.
(3) Hectares and carrying amount in proportion to our 50.00% interest in Cresca through Brasilagro.
(4) See the section "Overview of Brasilagro's Properties".
(5) Corresponds to our 40% ownership of Establecimiento Mendoza.

Overview of Brasilagro's Properties

As of June 30, 2015, we owned, together with our subsidiaries, 6 farmlands, which have a total surface area of 124.319 hectares, acquired at a highly convenient value compared to the average of the region, all of them with a great appreciation potential.

Properties	Place	Total Area (ha)	Use	Net Book Value (Ps. Millions)
Jatobá Farmland	Jaborandi/BA	31,606	Agriculture	227.5
Alto Taquari Farmland	Alto Taquari/MT	5,395	Agriculture	110.7
Araucária Farmland	Mineiros/GO	8,124	Agriculture	190.6
Chaparral Farmland	Correntina/BA	37,183	Agriculture	259.9
Nova Buriti Farmland	Januária/MG	24,212	Forestry	72.7
Preferência Farmland	Barreiras/BA	17,799	Cattle	106.6
	Subtotal Brazil	124,319		968.0
Jeroviá/Marangatú/Udra	Mariscal Estigarribia, Paraguay	58,754	Agriculture /Natural Woodlands	214.2
	Total	183,073		1,182.1

Overview of Urban properties and investment business

As of June 30, 2015, most of our property was located in Argentina. We lease our headquarters, located at Bolívar 108, (C1066AAB) Ciudad Autónoma de Buenos Aires. We do not currently lease any material properties other than our headquarters.

The following table sets forth certain information about our properties as of June 30, 2015:

Property (6)	Date of Acquisition	Leasable/ Sale m2(1)	Location	Net Book Value Ps.(2)	Encumbrance	Outstanding principal amount Ps./000	Maturity Date	Balance due at maturity Ps./000	Rate	Use	Occupancy rate (7)
Intercontinental Plaza(9)	18/11/1997	22,535	City of Buenos Aires	48,783	-	-	-	-	-	Office Rental	100.0 %
Bouchard 710	01/06/2005	15,014	City of Buenos Aires	82,044	-	-	-	-	-	Office Rental	100.0 %
Bouchard 551	15/03/2007	-	City of Buenos Aires	8,226	-	-	-	-	-	Office Rental	100.0 %
Libertador 498	20/12/1995	620	City of Buenos Aires	4,511	-	-	-	-	-	Office Rental	100.0 %
Maipú 1300 (10)	28/09/1995	4,759	City of Buenos Aires	18,366	-	-	-	-	-	Office Rental	90.9 %
Madero 1020	21/12/1995	-	City of Buenos Aires	120	-	-	-	-	-	Office Rental	100.0 %
Suipacha 652	22/11/1991	11,453	City of Buenos Aires	13,711	-	-	-	-	-	Office Rental	96.7 %
República Building	28/04/2008	19,885	City of Buenos Aires	195,539	-	-	-	-	-	Office Rental	93.6 %
Dique IV, Juana Manso 295	02/12/1997	11,298	City of Buenos Aires	56,266	-	-	-	-	-	Office Rental	99.5 %
Torre Bank Boston	27/08/2007	14,873	City of Buenos Aires	134,924	-	-	-	-	-	Office Rental	100 %
Terreno Catalinas Norte	17/12/2009	N/A	City of Buenos Aires	109,496	-	-	-	-	-	Other Rentals	N/A
Dot Building (3)	28/11/2006	11,242	City of Buenos Aires	126,365	-	-	-	-	-	Office Rental	100.0 %
Other Properties (5)	N/A	N/A	City of Buenos Aires	83,105	-	-	-	-	-	Other Rentals	N/A
Alto Palermo Shopping (3)	23/11/1997	19,545.0	City of Buenos Aires	221,506	-	-	-	-	-	Shopping Center	99.7 %

Abasto Shopping (3)	17/07/1994	36,669.1	City of Buenos Aires	271,860	-	-	-	-	-	Shopping Center	100	%
Alto Avellaneda (3)	23/11/1997	36,728.6	Province of Buenos Aires	131,850	-	-	-	-	-	Shopping Center	99.9	%
Paseo Alcorta (3)	06/06/1997	15,432.9	City of Buenos Aires	115,950	-	-	-	-	-	Shopping Center	100	%
Patio Bullrich (3)	01/10/1998	11,636.2	City of Buenos Aires	106,248	-	-	-	-	-	Shopping Center	100	%
Alto Noa (3)	29/03/1995	19,072.9	City of Salta	31,316	-	-	-	-	-	Shopping Center	100	%
Buenos Aires Design (3)	18/11/1997	13,888.2	City of Buenos Aires	12,930	-	-	-	-	-	Shopping Center	94.6	%
Alto Rosario(3)	09/11/2004	28,395.6	City of Rosario	115,908	-	-	-	-	-	Shopping Center	97.9	%
Mendoza Plaza Shopping (3)	02/12/2004	42,039.5	City of Mendoza	102,781	-	-	-	-	-	Shopping Center	96.1	%
Córdoba Shopping – Villa Cabrera (3)	31/12/2006	15,328.0	City of Cordoba	56,451	Hipoteca -Anticresis	1.4	Ene-13	7.3	Libor+1.5%+CER	Shopping Center	99.8	%
Dot Baires Shopping (3)	01/05/2009	49,847.9	City of Buenos Aires	382,624	-	-	-		-	Shopping Center	99.7	%
Soleil Factory (3)	01/07/2010	13,993.1	Province of Buenos Aires	84,301	-	-	-	-	-	Shopping Center	99.4	%
Alto Comahue (3)	06/07/1999	9,456.9	Province of Neuquen	309,959	-	-	-	-	-	Shopping Center (in construction)	94.2	%
Distrito Arcos (3)	01/12/2011	12,127.3	City of Buenos Aires	229,800	-	-	-	-	-	Shopping Center (in construction)	97.3	%
Santa María del Plata	10/07/1997	716,058	Province of Buenos Aires	222,787	-	-	-	-	-	Land Reserve	N/A	
Patio Olmos (3)	25/09/2007	5,147	City of Cordoba	27,319	-	-	-	-	-	Land Reserve	N/A	
Caballito Plot of Land	11/03/1997	8,173	City of Buenos Aires	49,697	-	-	-	-	-	Land Reserve	N/A	
Other Land Reserve (4)	N/A	14,388,622	City and Province of Buenos Aires.	38,868	-	-	-	-	-	Land Reserve	N/A	
Luján (3)	31/05/08	1,160,000	Province of Buenos Aires.	24,291	-	-	-	-	-	Land Reserve	N/A	

Hotel Llao Llao	01/06/1997	24.000	Ciudad de Bariloche	84,047	-	-	-	-	-	Hotel	51.37 %
Hotel Intercontinental	01/11/1997	37.600	City of Buenos Aires	56,140	-	-	-	-	-	Hotel	68.74 %
Hotel Libertador	01/03/1998	17.463	City of Buenos Aires	31,690	-	-	-	-	-	Hotel	N/A

(1) Total leasable area for each property. Excludes common areas and parking spaces.
(2) Cost of acquisition or development plus improvements, less accumulated depreciation, less allowances.
(3) Through IRSA Commercial Properties.
(4) Includes the following land reserves: Pontevedra plot; Isla Sirgadero; Mariano Acosta, San Luis and Merlo (through IRSA) and Intercontinental Plot (through IRSA Commercial Properties).
(5) Includes the following properties: Anchorena 665, Zelaya 3102, 3103 y 3105, Rivadavia 2768, Constitución 1111, Santa Maria del Plata, Puerto Retiro Plots 50%, Rio Parcel 50%, Libertador Parcel 50%.
(6) All assets are owned by us or through any our subsidiary.
(7) Percentage of occupation of each property. The land reserves are assets that the company remains in the portfolio for future development.
(8) During May, 2015, IRSA reported that, through IRSA Commercial Properties, has signed an agreement to transfer to a non related party 8,470 sqm corresponding to nine office floors and the sign of the deed and the delivery of the units was on June 30, 2015. During September, 2015, IRSA sold through IRSA Commercial Properties seven floors of Intercontinental Plaza, for more information please see "Item 4. Recent Developments."
(9) Includes Ps. 21,900 thousand of Book Value that corresponds to "Terreno Bariloche."
(10)During November, 2015, IRSA sold two office floors and four units of parking space of Maipú 1300, for more information please see "Item 4. Recent Developments."

Insurance

Agricultural Business

We carry insurance policies with insurance companies that we consider to be financially sound.

We employ multi-risk insurance for our farming facilities and industrial properties, which covers property damage, negligence liability, fire, falls, collapse, lightning and gas explosion, electrical and water damages, theft, and business interruption.

Such insurance policies have specifications, limits and deductibles which we believe are customary. Nevertheless, they do not cover damages to our crops.

We carry directors and officer's insurance covering management's civil liability, as well as legally mandated insurance, including employee personal injury.

We also provide life or disability insurance for our employees as benefits.

We believe our insurance policies are adequate to protect us against the risks for which we are covered. Nevertheless, some potential losses are not covered by insurance and certain kinds of insurance coverage may become prohibitively expensive.

The types of insurance used by us are the following:

Insured Property	Risk Covered	Amount Insured (in Thousand of Ps.)	Book Value (in Thousand of Ps.)
Buildings, machinery, silos, installation and furniture and equipment	Theft, fire and technical insurance	327,729	475,346
Vehicles	Theft, fire and civil and third parties liability	17,546	6,387

Urban properties and investment business

IRSA carries insurance for directors and officers covering management's civil liability, as well as legally mandated insurance, including employee personal injury. IRSA does not provide life or disability insurance for its employees as benefits. IRSA believes its insurance policies are adequate to protect it against the risks for which it is covered. Nevertheless, no assurances can be given that the insurance amount purchased by IRSA will be enough to protect itself from significant losses. See "Risk Factors - Risks Relating to IRSA's Business."

IRSA carries all-risk insurance for its shopping centers and other buildings covering damages to the property caused by fire, explosion, gas leak, hail, storm and winds, earthquakes, vandalism, theft and business interruption. IRSA also has civil liability insurance covering all potential damages to third parties or goods arising from the development of its businesses throughout the whole Argentine territory. IRSA is in compliance with all the legal requirements relating to mandatory insurance, including statutory coverage under the Occupational Risk Law, life insurance required under collective bargaining agreements and other insurance required by the laws and decrees. Its history of damages is limited to only one claim made as a result a fire in Alto Avellaneda Shopping in March 2006, in which the loss was substantially recovered from its insurers. These insurance policies have all the specifications, limits and deductibles that are customary in the market and which IRSA believes are adequate for the risks to which it is exposed in its daily operations. IRSA also has purchased civil liability insurance to cover its directors' and officers' liability.

Control Systems

IRSA Commercial Properties has a computer systems to monitor tenants' sales in all of our shopping centers (except stands). IRSA Commercial Properties also conduct regular manual audits of its tenants accounting sales records in all of our shopping centers. Almost every store in those shopping centers has a point of sale that is linked to a main computer server in the administrative office of such shopping center. Likewise, it uses the information generated from the computer monitoring system for statistics regarding total sales, average sales, peak sale hours, etc., for marketing purposes and as a reference for the processes of internal audit. The lease contracts for tenants in Alto Avellaneda, Alto Palermo, Alcorta Shopping, Patio Bullrich, Buenos Aires Design, Abasto, Alto Rosario, Alto NOA, Dot Baires Shopping, Córdoba Shopping, Soleil Premium Outlet, La Ribera Shopping and Mendoza Plaza Shopping contain a clause requiring tenants to be linked to the computer monitoring system, there being certain exceptions to this requirement.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

A. CONSOLIDATED OPERATING RESULTS

The following management's discussion and analysis of our financial condition and results of operations should be read together with "Selected Consolidated Financial Data" and our Audited Consolidated Financial Statements and related notes appearing elsewhere in this annual report. This discussion and analysis of our financial condition and results of operations contains forward-looking statements that involve risks, uncertainties and assumptions. These forward-looking statements include such words as, "expects", "anticipates", "intends", "believes" and similar language. Our actual results may differ materially and adversely from those anticipated in these forward-looking statements as a result of many factors, including without limitation those set forth elsewhere in this annual report. See Item 3 "Key Information – D. Risk Factors" for a more complete discussion of the economic and industry-wide factors relevant to us.

For purposes of the following discussion and analysis, unless otherwise specified, references to fiscal years 2015, 2014 and 2013 relate to the fiscal years ended June 30, 2015, 2014, and 2013 respectively.

We maintain our accounting books and records in Pesos. Our Audited Consolidated Financial Statements as of June 30, 2015 and 2014 have been prepared in accordance with the accounting policies based on the IFRS issued by the IASB and the interpretations issued by the IFRIC applicable as of such date.

For more information plase see Note 41 to our Audited Consolidated Financial Statements, "Foreign currency assets and liabilities".

Revenue Recognition

We derive our revenues primarily from:

(i) the production and sale of crops, sugarcane, cattle and dairy,

(ii) leasing of our farmlands from third parties;

(iii) commodity brokerage activities; and

(iv) through the consolidation of our financial statements with IRSA's, we record revenue from the rental and operation of services at offices and shopping centers in Argentina, the development and sale of properties, consumer finance transactions, and hotel operations.

Revenues from sales of goods are recognized when: (a) any significant risks and rewards of ownership of such goods have been transferred; (b) the entity is no longer related to the management of the assets sold and neither does the entity retain control over them; (c) the amount of the revenues and costs associated with the transaction can be reliably measured; and (d) there is a likelihood that the entity will receive the economic benefits associated with the transaction.

The revenues arising from the supply of services are recognized when (a) the amount of the revenues and costs associated with the services can be reliably measured; (b) there is a likelihood that the entity will receive the economic benefits associated with the transaction, and (c) the degree of progress of the service can be reliably measured.

Agricultural business

The revenues from the agriculture and livestock business activities originate mainly in sales of both agricultural and livestock products and biological assets, in the supply of different services related to agribusiness and in the lease of agricultural land.

Revenues from sales are accounted for when the agricultural products or the biological assets are delivered and the customers acquire ownership and assume the associated risks, all of which habitually happens when the products are either received, or directly picked up by customers, the collection of receivables is likely and the value of revenues may be reliably measured. Net sales of agricultural products represent the amount billed, net of discounts and bonuses, if any.

In addition, there is the supply of different services associated with the agricultural and livestock breeding business (including, though not limited to, irrigation and feedlot services) as well as brokerage services. Revenues from services are accounted for when the services are rendered.

We also lease land to third parties in the framework of operating leases. Revenues from leases are accounted for using the straight-line method throughout the lease period.

Urban Properties and Investments Business

Our revenues derive basically from leasing and operating space at offices and shopping centers in Argentina, developing and selling properties, financing consumption and operating hotels. This section reflects our policies concerning revenue recognition as well as the policies of our subsidiaries, both those in which we have a controlling stake and those in which we have joint control.

Development and Sale of Properties

Revenues from the development and sales of real estate include mainly the revenues from the sale of properties held for sale. The revenues from the sale of real estate are booked when the significant risks and rewards of ownership have been transferred to the buyer. This usually happens when the purchase and sale deeds are signed and when the transaction is not subject to conditions (except when the expectation is that the payment or completion will significantly occur after such exchange). When sales are subject to conditions, it is only when the conditions are satisfied that the sales are booked.

We apply the IFRIC 15 "Agreements for the Construction of Real Estate"". The IFRIC 15 lays down the guidelines to decide which standard to apply when accounting for the construction of real estate, that is the IAS 11 "Construction Contracts " or the IAS 18 "Revenue". IFRIC 15 interprets that an agreement satisfies the requirements to be considered a construction contract under IAS 11 when the buyer is in a position to specify the main structural elements of the design of the property before or during the works. In addition, IFRIC 15 interprets that an agreement is for the sale of goods within the scope of IAS 18 when the construction works is conducted independently from the agreement and the buyer only has limited influence on the design. The Company analyzed the nature of its agreements and determined that they fall within the scope of IAS 18. Therefore, the Company recognizes revenues associated with the sale of residential homes and commercial units when the legal conveyance takes place according to IAS 18.

We also enter into barter transactions where the Company normally exchanges undeveloped parcels of land with third-party developers for future property to be developed on the bartered land. In certain circumstances, the Company also receives cash as part of these transactions. The legal title together with all risks and rewards of ownership to the land are transferred to the developer upon sale. The Company generally requires the developer of the subject parcel to issue surety insurance or to mortgage the land in favor of the Company as performance guarantee. If the developer does not fulfill its obligations, the Company forecloses on the land through the execution of the mortgage or the surety insurance policy, in addition to imposing a cash penalty for breach.

The Company determines that its barter transactions have commercial substance and that the conditions for revenue recognition on the transfer of land are met at the time the transaction is consummated. Revenue is then recognized at the fair value of the goods delivered, adjusted by the amount of cash received, if any. In exchange for delivery of the land, the Company receives cash, if any, and an in-kind receivable. Such receivable is initially recognized at fair value but is not subsequently re-measured. In exchange for delivering the parcel, the Company receives cash and/or a right to receive future units to be developed on the subject parcels. The in-kind receivable is initially recognized at cost (being the fair value of the transferred land) as an intangible asset in the statement of financial position in the line item "Right to receive future units (Barter transactions)". The mentioned intangible asset is not adjusted in subsequent years unless there are indicia of impairment.

The Company may sell residential units to third-party buyers once they are finished and have been transferred by the developer. In these cases, the revenues from these transactions are recognized when the significant risks and rewards of ownership have been actually transferred to the buyer. This normally happens when the title deed to the property is drawn up.

However, the Company may start to sell the residential units during the construction period or even before the construction period starts. In these cases, buyers generally make an initial payment to the Company, with the outstanding balance being paid at the time when the unit sold to the buyer is actually delivered. In these cases, it is only when the units have been transferred to the buyers and the title deeds are signed, in other words, at the time of the legal closing, that the revenues from these sales are booked. And the reason for this is that in the event of the developer failing to complete the residential units, and thus, failing to deliver them to the buyer, the Company will be contractually bound to reimburse the buyer for any initial payment received plus a fine. The Company may then institute legal proceedings against the developer on grounds of defaulting on the agreement. The Company considers that the most significant risk associated with the asset held by the Company (that is, the right to receive the units) is non-performance by the developer (that is, failure to complete the construction of the units) which risk is not been transferred to the buyers at the moment when the initial payment is received.

Office Buildings and Other Leases and Services

Revenues from office and other property rentals include mainly the revenues from office rentals in the form of operating leases, revenues from services and the expenses recovered from lessees.

Revenues from the rental of offices and other properties assigned in lease under operating leases are recognized in the statement of income using the straight-line method for the duration of such operating leases. When incentives are conferred, these are accounted for as a part of consideration for the use of the property and are therefore recognized by application of the straight-line method.

Contingent leases are booked as income in the periods in which they are collected. Rental increases are booked when they are agreed upon with the lessees.

Lease agreements also stipulate that the common area maintenance expenses associated with the Company's buildings and other rental properties are to be borne by the lessees, generally in a percentage proportion. Common area maintenance expenses comprise all those expenses that are necessary or advisable to operate, maintain, manage, safeguard, preserve, repair, supervise, cover with insurance and perfect the Company's rental buildings and properties. It is the Company who carries out management functions over its rental properties. The Company assumes responsibility for initially paying these expenses, which are subsequently recovered from lessees. The Company considers that it acts as principal in these cases. Revenues for these items are recognized when the services are supplied and are included within revenues from rentals and services, though separate from common area maintenance expenses. These expenses are charged to the statement of income as soon as they are incurred.

Shopping Center Properties

The revenues derived from the businesses conducted in the Company's shopping centers mainly comprise revenues from retail store rentals in the form of operating leases, admission fees, commissions and revenues from the different services rendered to the Company's lessees.

All lease agreements in Argentina are cancelable pursuant to Argentine Law 23,091 "Lease law" as amended by Law 24,808 "Lease Law". Under the law, a lease is not cancelable within the first six months of the agreement, but provides that after that initial non-cancelable period, tenants may rescind agreements at any time upon giving prior written notice to lessors. Cancellations are subject to one-and-a-half month's rent if rescinded during the first year of the lease and one month's rent if rescinded after the first year of the lease.

The Company analyzed the definition of the lease term under IAS 17, which lays down that a noncancellable lease is a lease that can be cancelled only (a) in the event of any remote contingency, (b) when the lessor has given permission, (c) if the lessee enters into a new lease with the same lessor, or (d) when the lessee pays an additional amount at the inception of the lease that results in assuming that lease continuity is reasonably certain.

The Company has determined that in all operating leases, the term of the lease for accounting purposes coincides with the lease term. The Company concluded that in spite of the ability to cancel leases contemplated by the law, lessees would incur significant economic penalties and other setbacks if their leases were cancelled prior to their expiration dates. The Company considers that the scope of these setbacks is such that lease continuity on the part of lessees is reasonably certain at the inception of the lease. The Company drew this conclusion in view of factors such as (i) the strategic geographical location of the Company's investment properties; (ii) the characteristics of lessees (most of whom are locally and internationally renowned chain stores), (iii) the limited availability of similar spaces in areas where the Company has its investment properties; (iv) lessees' brand images and other competition-related aspects; (v) the significant expenses incurred by lessees to renew, maintain and improve the spaces rented for them to reflect the lessee's own image; and (vi) that most of the Company's lessees only have shopping center outlets with only a few, or sometimes without, stores at the street level.

Lessees at shopping centers are generally bound to pay a lease that consists in the highest of: (i) a basic monthly rental (the "Base Rent"), and (ii) a specific percentage of monthly gross retail sales of the lessee (the "Percentage Rent") (which generally ranges from 4% to 10% of gross sales of the lessee). In addition, pursuant to the rental indexation clause in most leases, the lessee's Base Rent is generally increased between 7% and 12% per year during the term of the lease.

In addition, certain lease agreements include provisions that set forth variable rentals based on specific sales volumes or some other type of index.

The revenues derived from rentals of stores and other spaces in shopping centers in the form of operating leases with scheduled rental increases are recognized on a straight-tine basis over the term of those leases. Any incentives conferred by the Company to the lessees, if any, are recognized as reductions in the revenues from rentals on a straight-line basis over the term of the lease.

Contingent rentals, that is, the rentals whose prices are not pre-established and may not be determined at the inception of the lease, are recognized as revenues in the periods in which they are known and can be determined. The increases in rentals are accounted for at the time they are agreed upon with the lessees.

Lessees at the Company's shopping centers generally pay a non-reimbursable admission fee at the time they sign a lease agreement or when they renew an existing agreement. These admission fees are considered as additional revenues from rentals and are recognized in the statement of income on a straight-line basis over the term of the respective lease agreements.

The Company also acts as a real estate broker in negotiating and entering into the lease agreements for its shopping centers: it therefore receives commissions when acting in such capacity. A transaction is deemed to have been successful when both parties have signed the respective lease agreement. Commissions are considered to be additional revenues from rentals and are recognized in the statement of income on a straight-line basis over the term of the respective lease agreement.

Lease agreements also stipulate that the common area maintenance expenses associated with the Company's shopping centers are to be borne by the lessees, generally in a percentage proportion. Common area maintenance expenses comprise all those expenses that are necessary or advisable to operate, maintain, manage, safeguard, preserve, repair, supervise, cover with insurance and perfect the Company's shopping centers. It is the lessor who determines whether it is necessary or advisable to incur a given common area maintenance expense. The Company assumes responsibility for initially paying these expenses, which are subsequently recovered from lessees. The Company considers that it acts as principal in these cases.

Revenues for these items are included within revenues from rentals and services, though separate from common area maintenance expenses. These expenses are charged to the statement of income as soon as they are incurred.

Pursuant to the lease agreements, lessees are also obligated to participate in Common Advertising Funds ("FPC") aimed at providing for the Company's advertising and promotional activities. Participation in these funds generally comprises a percentage calculated over the lease prices accrued every month. Revenues for these items are equally included within revenues from rentals and services, though separate from advertising and promotional expenses. These expenses are charged to the statement of income as soon as they are incurred.

In addition, revenues from shopping centers also include revenues from management and other services, such as parking lots. In addition, revenue includes income from property management fees. These revenues are recognized in profit and loss for the year when the services are rendered.

Hotels

Revenues from hotel operations include mainly room services, catering and other services. Revenues from the sale of products at hotels are accounted for when the products are delivered and any significant risks and rewards of ownership are transferred to the buyer. Any revenues derived from sales of services are recognized at the time of rendering the service. All other revenues are booked on an accrual basis.

Argentine Macroeconomic Environment

The table below shows Argentina's GDP growth, inflation, Dollar exchange rates and the appreciation (devaluation) of the Peso against the U.S. Dollar for the indicated periods.

	Fiscal year ended June 30,		
	2015	2014	2013
GDP growth	1.2 %	0.0 %	5.5 %
Inflation (IPIM)(1)	13.4%	27.7 %	13.5 %
Inflation (CPI)(2)	15.0%	15.0 % (4)	10.5 %
Appreciation (depreciation) of the Peso against the U.S. Dollar	(12 %)	(50.6 %)	(19.1 %)
Average exchange rate per US$1.00(3)	Ps.8.6098	Ps.6.9333	Ps.4.9339

(1) IPIM is the wholesale price index as measured by the Argentine Ministry of Economy and Production.
(2) CPI is the consumer price index as measured by the Argentine Ministry of Economy and Production.
(3) Represents average of the selling and buying exchange rate.
(4) In January 2014 the Argentine government established IPCNu, which more broadly reflects consumer prices by considering price information from the 23 provinces of Argentina and the City of Buenos Aires. Therefore, the consumer price index for the fiscal year ended June 30, 2014 only takes into account the six month period starting on January 1, 2014.

Sources: INDEC, Argentine Ministry of Economy and Production, Banco de la Nación Argentina.

According to the IMF, Argentina's growth projections for 2016 show that GDP expected to contract by 0.3%. This decrease is based largely on the mismatch in the balance of payments and deterioration in the availability of external financing due largely to the poor state of negotiations with the holdouts of Argentina's sovereign bonds.

Consumption continues to be the main driver of economic activity: sales in shopping centers and supermarkets grew 33.3% and 26,1%, respectively, in nominal terms as of June 2015 compared with the same period of 2014, mainly due to higher salaries in nominal terms.

Argentine GDP grew in 2015, compared to GDP contraction in 2014. Consumption was the primary driver of economic activity, as shopping center sales grew 36.6% in 2015 compared to 2014, driven by the increase in nominal salaries. As of June 2015, the unemployment rate was at 6.6% of the country's economically active population, a year on year decrease of 12 percentage points.

Argentina's country risk, measured by the Emerging Market Bond Index, decreased 93 basis points for the 12 months ended June 30, 2015, maintaining a high spread vis-à-vis the rest of the countries in the region. The debt premium paid by Argentina was at 631 points in June 2015, compared to 304 paid by Brazil and 194 paid by Mexico.

Changes in short- and long-term interest rates, unemployment and inflation may reduce the availability of consumer credit and the purchasing power of individuals who frequent shopping centers. These factors, combined with low GDP growth, may reduce general consumption rates in our shopping centers. Since most of the lease agreements in our shopping centers, our main source of revenue, require tenants to pay a percentage of their total sales as rent, a general reduction in consumption may reduce our revenue. A reduction in the number of shoppers in our shopping centers and consequently, in the demand for parking, may also reduce our revenues from services rendered.

Factors that Affect our Results

Effects of the Argentine macroeconomic environment

Most of our assets are located in Argentina, where we conduct our operations. Therefore, our financial condition and the results of our operations are significantly dependent upon the economic conditions prevailing in Argentina.

Changes in short- and long-term interest rates, unemployment and inflation may reduce the availability of consumer credit and the purchasing power of individuals who frequent shopping centers. These factors, combined with low GDP growth, may reduce general consumption rates in our shopping centers. Since most of the lease agreements in our shopping centers, our main source of revenue, require tenants to pay a percentage of their total sales as rent, a general reduction in consumption may reduce our revenue. A reduction in the number of shoppers in our shopping centers and consequently, in the demand for parking, may also reduce our revenues from services rendered.

Effects of inflation

From 1997 until the end of 2001, the Argentine government's policies substantially reduced the level of inflation. Therefore, during that period inflation did not significantly affect our financial condition and results of operations. The following are annual inflation rates since 2002, published by the Argentine Ministry of Economy and Production:

Year ended June 30,	Consumer Price Index	Wholesale Price Index
2002	28.4%	88.2%
2003	10.2%	8.1%
2004	4.9%	8.6%
2005	9.0%	7.7%
2006	11.0%	12.1%
2007	8.8%	9.4%
2008	9.3%	13.8%
2009	5.3%	5.6%
2010	11.0%	15.5%
2011	9.7%	12.5%
2012	9.9%	12.8%
2013	10.5%	13.5%
2014	15.0%(1)	27.7%
2015	15.0%	13.4%

(1) In January 2014 the Argentine government established IPCNu, which more broadly reflects consumer prices by considering price information from the 23 provinces of Argentina and the City of Buenos Aires. Therefore, the consumer price index for the fiscal year ended June 30, 2014 only takes into account the six month period starting on January 1, 2014.

Continuing increases in inflation are likely to have an adverse effect on our operations. Additionally, the minimum lease amounts paid by tenants in our shopping centers are generally adjusted in accordance with the CER, an inflation index published by the Central Bank. Although higher inflation rates in Argentina may increase the minimum lease amount, given that tenants tend to pass on any increases in their own expenses to consumers, higher inflation may lead to increased sale prices charged by tenants for their products, which will ultimately reduce their sales volumes and consequently the portion of rent we receive based on their total sales.

Since the INDEC modified its methodology used to calculate the consumer price index in January 2007, there have been concerns about the accuracy of Argentina's official inflation statistics, which led to the creation of the IPCNu in February 2014 in order to address the quality of official data. However, despite the changes adopted by the INDEC to the measurement procedure with the IPCNu, there are still some differences between the figures resulting from this indicator and those recorded by private consultants, the Argentinian Congress and the provincial statistic agencies. See "Risk Factors—There are concerns about the accuracy of Argentina's official inflation statistics."

Critical Accounting Policies and Estimates

Our Audited Consolidated Financial Statements are prepared in accordance with and compliance with IFRSs as issued by the IASB, and the accounting policies employed are set out in our Company's Accounting Policies section in the financial statements. In applying these policies, we make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. The actual outcome could differ from those estimates. Some of these policies require a high level of judgment because the areas are especially subjective or complex.

The discussion below should also be read in conjunction with our disclosure of significant IFRSs accounting policies, included in Note 2 to our Audited Consolidated Financial Statements, "Summary of significant accounting policies".

We believe that the most critical accounting policies and significant areas of judgment and estimation are in:

· Business combinations – purchase price allocation;

· Fair value of financial instruments;

· Allowance for doubtful accounts;

· Taxation;

· Trading properties;

· Impairment testing of goodwill and other non-current assets;

· Venture capital organization;

· Aquisition of assets carried out between entities under common control;

· Biological assets and agricultural produce at the point of harvest;

Business combinations – purchase price allocation

We account for the acquisition of subsidiaries using the acquisition method. Accounting for business combinations requires us the determination of the fair value of the various assets and liabilities of the acquired business. We use all available information to make these fair value determinations, and for major acquisitions, may hire an independent appraisal firm to assist us in making these fair value estimates. In some instances, assumptions with respect to the timing and amount of future revenues and expenses associated with an asset might have to be used in determining its fair value.

Actual timing and amount of net cash flows from revenues and expenses related to that asset over time may differ materially from those initial estimates, and if the timing is delayed significantly or if the net cash flows decline significantly, the asset could become impaired.

During the fiscal year ended June 30, 2015, we did not acquire new businesses.

Fair Value of Financial Instruments

Fair values of derivative financial instruments are computed with reference to quoted market prices on trade exchanges, when available. The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. We use our judgment to select a variety of methods and make assumptions that are based on market conditions existing at statement of financial position. When no quoted prices in an active market are available, fair values (particularly with derivatives) are based on recognized valuation methods.

The Company developed an internal valuation model to determine the fair value of the IDBD shares under these circumstances. This model is principally based and is sensitive to the number of shares eligible to be tendered. In one end of the spectrum, all of the shares outstanding may be tendered, and on the opposite end, only the Creditors' shares are eligible for tendering as per the judge's ruling. The objective of the methodology is to arrive at a fair value of the IDBD's share by subtracting from the quoted market price the value of the right to participate in the tender offer embedded in such quoted price. The relative weight of the "right to participate in the tender offer" embedded in IDBD's quoted market price is sensitive and varies depending on the number of shares deemed eligible for tendering. Each scenario reflects a different number of shares eligible for tendering. A probability of occurrence has been assigned to each scenario based on available evidence. This methodology results in a weighted-probability value representing the fair value of IDBD's shares recognized in the financial statements. The Company considers this value as a reasonable proxy for the fair value of the IDBD share.

We use a range of valuation models for the measurement of Level 2 and Level 3 instruments, details of which may be obtained from the following table:

Description	Pricing model	Pricing method	Parameters	Range
Foreign currency-contracts	Present value method	Theoretical price	Money market curve, interest-rate curve; Foreign exchange curve.	-
Commitment to tender offer IDBD	Black-Scholes	Theoretical price	Underlying asset price; share price volatility (historical) and interest-rate curve (NIS rate curve).	Underlying asset price 3.5 to 4.7 Share price volatility 30% to 40% Money market interest rate 0.7% to 1%
Other Borrowings	Weighted probability of the difference between market price and the Commitment to tender offer of shares in IDBD	Theoretical price	Underlying asset price; share price volatility (historical) and interest-rate curve (NIS rate curve). IRSA 2017 interest-rate and scenario weights.	Underlying asset price 1.55 to 2.35

				Share price volatility 60% to 80% Money market interest rate 0.02% to 0.9%
IDBD Shares	Weighted probability of the difference between market price and the Commitment to tender offer of shares in IDBD	Theoretical price	Underlying asset price; share price volatility (historical) and interest-rate curve (NIS rate curve). IRSA 2017 interest-rate and scenario weights.	Underlying asset price 1.55 to 2.35 Share price volatility 60% to 80% Money market interest rate 0.02% to 0.9%
Call option of Arcos	Discounted cash flow	-	Projected income and discounted interest rate.	-
Interest rate swaps	Cash flow	Theoretical price	Interest rate and cash flow forward contract.	-
Preferred shares of Condor	Binomial tree	Theoretical price	Underlying asset price (market price), share price volatility (historical) and money market interest-rate curve (Libor rate).	Underlying asset price 1.96 to 2.65 Share price volatility 56% to 76% Money market interest rate 0.67% to 0.83%
Warrants of Condor	Black-Scholes	Theoretical price	Underlying asset price (market price), share price volatility (historical) and money market interest-rate curve (Libor rate).	Underlying asset price 1.96 to

2.65
Share price volatility
56% to 76%
Money market interest rate
0.67% to 0.83%

Allowance for Doubtful Accounts

We maintain an allowance for trade receivables to account for estimated losses resulting from the inability of customers to make required payments. When evaluating the adequacy of an allowance for trade receivables, we base our estimates on the aging of accounts receivable balances and historical write-off experience, customer credit worthiness and changes in customer payment terms.

If the financial condition of customers were to deteriorate, actual write-offs might be higher than expected.

Taxation

We are subject to income taxes in numerous jurisdictions. Our tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment may not be always determined with certainty due to interpretation. The final resolution of some of these items may give rise to material profits, losses and/or cash flows. The complexity of our structure makes the estimation and judgment more challenging. The resolution of issues may not always be within our control and may depend on the efficiency of legal action, if necessary. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the consolidated income statement and tax payments.

We recognize deferred tax assets only to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized. We assess the realizability of deferred tax assets by considering whether it is probable that some portion or all of the deferred tax assets will not be realized. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

The amounts recognized in our Audited Consolidated Financial Statements in respect of each matter are derived from our best estimate and judgment as described in Note 5 to our Audited Consolidated Financial Statements.

Trading Properties

Trading properties include land and work in progress in respect of development sites with a view to sale. Trading properties are carried at the lower of cost or net realizable value. On each development, judgment is required to assess whether the cost of land and any associated construction work in progress is in excess of its net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs to completion and estimated selling costs.

The estimation of the net realizable value of our trading properties under development is inherently subjective due to a number of factors, including their complexity, unusually large size, the substantial expenditure required and long timescales to completion. In addition, as a result of these timescales to completion, the plans associated with these developments could be subject to significant variation. As a result, the net realizable values of our trading properties are subject to a degree of uncertainty and are made on the basis of assumptions, which may not prove to be accurate.

If actual results differ from the assumptions upon which the external valuer has based its valuation, this may have an impact on the net realizable value of our trading properties, which would in turn have an effect on our financial condition.

Impairment Testing of Goodwill and Other Non-current Assets

IFRS requires us to undertake an annual test for impairment of its property, plant and equipment, investment property and finite-lived intangible assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, we are required to make certain assumptions in respect of highly uncertain matters including management's expectations of estimates of future cash flows, market rents for similar properties in the same location and condition, and discount rates.

For purposes of the impairment testing, we group assets at the lowest levels for which there are separately identifiable cash flows, known as cash generating units or CGUs. Given the nature of our assets and activities, most of our individual assets do not generate independent cash flows that are independent of those from CGUs. Therefore, we estimate the recoverable amount of the CGU to which the asset belongs, except where the fair value less costs to sell of the individual asset is higher than its book value; or the value in use of the asset can be estimated as being close to its fair value less costs to sell, where fair value can be reliably determined.

Generally, we consider each shopping center, office building and undeveloped property as a separate CGU. Details of the methods, estimates and assumptions we make in our annual impairment testing of goodwill are included in Note 6 in the Consolidated Financial Statements. No impairment of goodwill was identified.

Venture Capital Organization

We generally account for our investments in associates under the equity method. However, IAS 28 "Investments in Associates" provides an exemption from applying the equity method where investments in associates are held through "Venture Capital Organizations" (VCO) or venture capital entities, as defined in Spanish, even when we are not a VCO. This type of investment may be accounted for at fair value with changes in net income for the years because such measure proves to be more useful to users of financial statements than the equity method.

Acquisition of Assets Carried Out Between Entities Under Common Control

The Company has elected to recognize acquisition of assets or groups of assets carried out between entities under common control who also qualify as "Business Combination" according to IFRS 3, using the acquisition method.

Biological Assets and Agricultural Produce at the Point of Harvest

We measure biological assets, which include unharvested crops, beef and dairy cattle, sheep, and sugarcane plantations (at initial recognition, when the biological asset has attained significant biological growth, and at each subsequent measurement reporting date) and agricultural produce, which include harvested crop, raw meat, raw milk, wool and others, at fair value less costs to sell. We measure biological assets that have not attained significant biological growth or when the impact of biological transformation on price is not expected to be material, at cost less any impairment losses, which approximates fair value.

When an active market exists for biological assets, we use the quoted market price in the most relevant market as a basis to determine the fair value of our biological assets, as in the case of cattle. For other biological assets where there is neither an active market or market-determined prices during the growth cycle, we determine their fair value through the use of discounted cash flow ("DCF") valuation.

The DCF method requires us to populate the models with highly subjective assumptions, including observable and unobservable inputs. The models we use to estimate the fair value of our biological assets are generally based on data not observable in the market, and the use of unobservable inputs is significant to the overall valuation of the assets.

The key assumptions used in our models include future market prices, estimated yields at the point of harvest, and estimated costs of harvesting and other costs.

The market prices used in our DCF models are determined by reference to observable data in the relevant market for the agricultural produce. We estimate our harvesting costs and other costs based on historical and statistical data. We estimate yields based on several factors, including the location of the farmland, soil type, environmental conditions, infrastructure and other restrictions and growth at the time of measurement. Yields are subject to a high degree of uncertainty and may be affected by several factors out of our control, including but not limited to extreme or unusual weather conditions, plagues and other diseases.

All of these assumptions are highly sensitive. Reasonable shifts in assumptions including but not limited to increases or decreases in prices, costs and discount factors used may result in a significant increase or decrease to the fair value of biological assets recognized at any given time. Cash flows are projected based on estimated production. Estimates of production in themselves are dependent on various assumptions, in addition to those described above, including but not limited to several factors such as location, environmental conditions and other restrictions. Changes in these estimates could materially impact on estimated production, and could therefore affect estimates of future cash flows used in the assessment of fair value (the valuation models and their assumptions are reviewed annually, and, if necessary, adjusted).

Further details on valuation methods, sensitivity analysis and other factors is included in Note 5 to our Audited Consolidated Financial Statements.

Business Segment Information

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"). Such function is carried out by the Company's Executive Committee in deciding how to allocate resources and in assessing performance, without prejudice of the powers and responsibilities of the management body, that is to say, the Board of Directors. CODM evaluates the business based on the differences in the nature of its products, operations and risks. The amount reported for each segment item is the measure reported to the CODM for these purposes. In turn, the Board of Directors' management is assessed by the Shareholders' Meeting, which is the governance body.

Operating segments identified are disclosed as reportable segments if they meet any of the following quantitative thresholds:

- The operating segment's reported revenue, including both sales to external customers and inter-segment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments;

- The absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of:

- the combined reported profit of all operating segments that do not report a loss; and

- the combined reported loss of all operating segments that report a loss.

· Its assets are 10% or more of the combined assets of all operating segments.

As well as this, the operating segments that do not meet any of the quantitative thresholds can be considered as reportable segments if the management estimates that this information could be useful for the users of the financial statements.

If, after determining reportable segments in accordance with the preceding quantitative thresholds, the total external revenue attributable to those segments amounts to less than 75% of the total Company's consolidated external revenue, additional segments are identified as reportable segments, even if they do not meet the thresholds described above, until at least 75% of the Company's consolidated external revenue is included in reportable segments. Once the 75% of the Company's consolidated external revenue is included in reportable segments, the remaining operating segments may be aggregated in the "All other segments" column.

Segment information has been prepared and classified according to different types of businesses in which the Company conducts its activities. The Company operates in two businesses areas, namely, Agricultural business and Investment and Development Properties business.

The Company's Agricultural business is further comprised of eight reportable segments: (the reporting segments of crops, cattle, dairy, sugarcane, agricultural rentals and services and other segments are included within "Agriculture" activities):

· The "Crops" Segment consists of planting, harvesting and sale of crops as wheat, corn, soybeans, cotton, and sunflowers. The Company is focused on the long-term performance of the land and seeks to maximize the use of the land through crop rotation; the use of technology and techniques. In this way, the type and quantity of harvested crops change in each agricultural campaign.

· The "Cattle" Segment consists of breeding, purchasing and/ or fattening of free-range beef cattle for sale to meat processors and local livestock auction markets.

· The "Dairy" Segment consists of breeding and/ or purchasing dairy cows for the production of raw milk for sale to local milk and milk-related products producers.

· The "Sugarcane" Segment consists of planting, harvesting and sale of sugarcane.

· The "Agriculture Rentals and Services" Segment consists of services (for example: irrigation) and leasing of the Company's farms to third parties.

· The "Land Transformation and Sales" Segment comprises gains from the disposal and development of farmlands activities.

· The "Agro-industrial" Segment consists of feedlot farming and the slaughtering and processing in the meat refrigerating plant. Feedlot farming is distinctive and requires specific care and diets which differ from those provided to free-range cattle. This activity represents a separate operating segment due to the distinctive characteristics of the cattle feedlot system and the industrialized meat processing in the packing plant.

· The "Other Segments" column consists of the aggregation of the remaining operating segments, which do not meet the quantitative thresholds for disclosure includes the brokerage and sale of inputs activities.

The Company's Urban Properties and Investments business is further comprised of six operative segments:

·

The “Shopping Center Properties” Segment includes results from the commercial exploitation and development of shopping centers. Such results originate mainly from the lease and the delivery of services related to the lease of commercial facilities and other spaces in the Company’s shopping centers.

· The “Offices” Segment includes the operating results of our lease of office space and other rental properties and service revenues related to this activity.

· The “Development and Sale of Properties” Segment includes the operating results of the sales of undeveloped parcels of land and/or trading properties, as the results related with its development and maintenance. Also included in this segment are the results of the sales of real property intended for rent, sales of hotels and other properties included in the International segment.

· The “Hotels” Segment includes the operating results of the Company’s hotels principally comprised of room, catering and restaurant revenues.

· The “International” Segment includes the return on investments in subsidiaries and/or associates that mainly operate in the United States in relation to the lease of office buildings and hotels in that country and the return on investment in IDBD at fair value.

· The "Financial Operations and Others" Segment primarily includes the financial activities carried out by the Company's associates, Banco Hipotecario S.A. and Tarshop S.A. and consumer finance residual financial operations of APSAMedia S.A. (currently merged with IRSA Commercial Properties). The e-commerce activities conducted through the associate Avenida Inc. are also included until the first quarter of the current fiscal year. This investment began to be considered a financial asset from the second quarter of this fiscal year.

For ease of presentation, the following table present summarized information for the two lines of business of the Company, i.e. agriculture and Urban Properties and Investments activities. The following tables represent the reportable segments of each of the Company’s lines of business.

Below is a summarized analysis of the lines of business of the Company for the years ended June 30, 2015, 2014 and 2013.

	Year ended June 30, 2015		
	Agricultural business (I)	Urban properties and investments (II)	Total
Revenues	2,361,010	2,547,062	4,908,072
Costs	(3,385,675)	(633,467)	(4,019,142)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	1,347,447	-	1,347,447
Changes in the net realizable value of agricultural produce after harvest	(34,471)	-	(34,471)
Gross Profit	288,311	1,913,595	2,201,906
Gain from disposal of investment properties	-	1,150,230	1,150,230
Gain from disposal of farmlands	569,521	-	569,521
General and administrative expenses	(246,470)	(378,125)	(624,595)
Selling expenses	(284,830)	(195,866)	(480,696)
Other operating results, net	(18,123)	28,679	10,556
Profit from operations	308,409	2,518,513	2,826,922
Share of profit / (loss) of associates and joint ventures	846	(1,036,256)	(1,035,410)
Segment Profit	309,255	1,482,257	1,791,512
Investment properties	77,202	3,493,645	3,570,847
Property, plant and equipment	2,078,497	256,891	2,335,388
Trading properties	-	136,084	136,084
Goodwill	8,395	24,440	32,835
Units to be received under barters	-	90,486	90,486
Biological assets	586,847	-	586,847
Inventories	495,919	23,134	519,053
Interests in associates and joint ventures	33,343	2,381,670	2,415,013
Total segment assets	3,280,203	6,406,350	9,686,553

	Year ended June 30, 2014		
	Agricultural business (I)	Urban properties and investments (II)	Total
Revenues	1,812,108	2,155,760	3,967,868
Costs	(2,617,972)	(648,279)	(3,266,251)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	1,172,739	-	1,172,739
Changes in the net realizable value of agricultural produce after harvest	(17,447)	-	(17,447)
Gross Profit	349,428	1,507,481	1,856,909
Gain from disposal of investment properties	-	230,918	230,918
Gain from disposal of farmlands	91,356	-	91,356
General and administrative expenses	(239,630)	(300,066)	(539,696)

Selling expenses	(208,932)	(150,109)	(359,041)
Other operating results, net	(29,540)	(47,922)	(77,462)
(Loss) / Profit from operations	(37,318)	1,240,302	1,202,984
Share of profit / (loss) of associates and joint ventures	11,479	(436,766)	(425,287)
Segment (Loss) / Profit	(25,839)	803,536	777,697
Investment properties	51,432	3,540,437	3,591,869
Property, plant and equipment	2,417,078	237,860	2,654,938
Trading properties	-	143,059	143,059
Goodwill	10,428	24,784	35,212
Units to be received under barters	-	85,077	85,077
Assets held for sale	-	1,357,866	1,357,866
Biological assets	651,582	-	651,582
Inventories	432,634	17,220	449,854
Interests in associates and joint ventures	37,226	1,966,019	2,003,245
Total segment assets	3,600,380	7,372,322	10,972,702

	Year ended June 30, 2013		
	Agricultural business (I)	Urban properties and investments (II)	Total
Revenues	1,355,430	1,728,248	3,083,678
Costs	(2,045,779)	(601,236)	(2,647,015)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	888,493	-	888,493
Changes in the net realizable value of agricultural produce after harvest	11,756	-	11,756
Gross Profit	209,900	1,127,012	1,336,912
Gain from disposal of investment properties	-	177,999	177,999
Gain from disposal of farmlands	149,584	-	149,584
General and administrative expenses	(153,675)	(198,773)	(352,448)
Selling expenses	(173,976)	(117,230)	(291,206)
Other operating results, net	3,345	92,425	95,770
Profit from operations	35,178	1,081,433	1,116,611
Share of profit / (loss) of associates and joint ventures	9,191	(20,864)	(11,673)
Segment Profit	44,369	1,060,569	1,104,938
Investment properties	25,317	4,306,984	4,332,301
Property, plant and equipment	1,675,420	231,734	1,907,154
Trading properties	-	129,677	129,677
Goodwill	6,438	75,852	82,290
Units to be received under barters	-	93,225	93,225
Biological assets	402,594	-	402,594
Inventories	239,010	16,428	255,438
Interests in associates and joint ventures	31,223	1,154,830	1,186,053
Total segment assets	2,380,002	6,008,730	8,388,732

(I) Agriculture line of business:

The following tables present the reportable segments of the agriculture line of business of the Company for the years ended June 30, 2015, 2014 and 2013:

	June 30, 2015 Agriculture					
	Crops	Cattle	Dairy	Sugarcane	Agricultural Rental and services	Agricultur Subtotal
Revenues (i)	986,717	143,562	71,940	197,828	37,175	1,437,222
Costs	(1,795,443)	(224,556)	(133,259)	(368,172)	(19,201)	(2,540,63
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	918,319	166,734	74,919	187,475	-	1,347,447
Changes in the net realizable value of agricultural produce after harvest	(34,474)	3	-	-	-	(34,471
Gross Profit / (Loss)	75,119	85,743	13,600	17,131	17,974	209,567
Gain from disposal of farmlands	-	-	-	-	-	-
General and administrative expenses	(159,036)	(25,753)	(4,920)	(19,821)	(2,140)	(211,670
Selling expenses	(160,378)	(20,109)	(3,667)	(7,770)	(717)	(192,641
Other operating results, net	(8,636)	(3,158)	(773)	(1,669)	(336)	(14,572
Profit / (Loss) from Operations	(252,931)	36,723	4,240	(12,129)	14,781	(209,316
Share of profit of associates	845	1	-	-	-	846
Segment Profit / (Loss)	(252,086)	36,724	4,240	(12,129)	14,781	(208,470
Investment properties	-	-	-	-	77,202	77,202
Property, plant and equipment	1,420,781	187,100	21,951	293,386	28,681	1,951,899
Goodwill	5,352	-	-	2,400	-	7,752
Biological assets	57,813	375,357	40,555	113,122	-	586,847
Inventories	307,853	58,529	1,010	2,418	-	369,810
Interests in associates	30,530	20	-	-	-	30,550
Total segment assets (ii)	1,822,329	621,006	63,516	411,326	105,883	3,024,060

(i) Of all of the Company's revenues corresponding to the agricultural business, Ps. 1,668.86 million is originated in Argentina and Ps. 692.15 million in other countries, principally Brazil which accونts for Ps. 553.97 million.
(ii) Of all of the Company's assets included in the segment corresponding to the agricultural business, Ps. 1,378.99 million is located in Argentina and Ps. 1,902.36 million in other countries, principally Brazil for Ps. 1,187.37 million.

	June 30, 2014 Agriculture					
	Crops	Cattle	Dairy	Sugarcane	Agricultural Rental and services	Agricultura Subtotal
Revenues (i)	836,822	90,315	53,935	123,851	29,142	1,134,065
Costs	(1,540,681)	(160,660)	(104,334)	(206,751)	(17,374)	(2,029,80

Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	868,351	145,321	62,840	96,227	-	1,172,739
Changes in the net realizable value of agricultural produce after harvest	(17,624)	177	-	-	-	(17,447
Gross Profit / (Loss)	146,868	75,153	12,441	13,327	11,768	259,557
Gain from disposal of farmlands	-	-	-	-	-	-
General and administrative expenses	(147,193)	(27,183)	(5,746)	(28,261)	(2,669)	(211,052
Selling expenses	(117,829)	(13,854)	(2,249)	(4,871)	(779)	(139,582
Other operating results, net	(29,355)	(1,999)	(417)	104	(222)	(31,889
Profit / (Loss) from Operations	(147,509)	32,117	4,029	(19,701)	8,098	(122,966
Share of profit of associates	11,029	7	-	-	-	11,036
Segment Profit / (Loss)	(136,480)	32,124	4,029	(19,701)	8,098	(111,930
Investment properties	-	-	-	-	51,432	51,432
Property, plant and equipment	1,701,388	158,507	19,451	423,902	9,794	2,313,042
Goodwill	6,745	-	-	3,025	-	9,770
Biological assets	154,630	312,068	37,263	142,873	-	646,834
Inventories	302,052	28,881	651	1,702	-	333,286
Interests in associates	34,395	23	-	-	-	34,418
Total segment assets (ii)	2,199,210	499,479	57,365	571,502	61,226	3,388,782

(i) Of all of the Company's revenues corresponding to the agricultural business, Ps. 1,277.62 million is originated in Argentina and Ps. 534.49 million in other countries, principally Brazil which accounts for Ps. 415.02 million.
(ii) Of all of the Company's assets included in the segment corresponding to the agricultural business, Ps. 1,252.06 million is located in Argentina and Ps. 2,348.32 million in other countries, principally Brazil which accounts for Ps. 1,727.36 million.

	June 30, 2013					
	Agriculture					
	Crops	Cattle	Dairy	Sugarcane	Agricultural Rental and services	Agricultural Subtotal
Revenues (i)	750,376	82,939	38,818	160,259	30,834	1,063,226
Costs	(1,227,832)	(147,290)	(74,826)	(302,206)	(12,052)	(1,764,206)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	572,081	79,336	40,741	197,317	-	889,475
Changes in the net realizable value of agricultural produce after harvest	11,801	(45)	-	-	-	11,756
Gross Profit / (Loss)	106,426	14,940	4,733	55,370	18,782	200,251
Gain from disposal of farmlands	-	-	-	-	-	-
General and administrative expenses	(89,585)	(13,719)	(3,125)	(24,163)	(4,416)	(135,008)
Selling expenses	(115,923)	(11,482)	(1,842)	(4,006)	(1,711)	(134,964)
Other operating results, net	(11,014)	(3,545)	(803)	(27)	(1,135)	(16,524)
Profit / (Loss) from Operations	(110,096)	(13,806)	(1,037)	27,174	11,520	(86,245)
Share of profit of associates	8,117	-	-	-	-	8,117

Segment Profit / (Loss)	(101,979)	(13,806)	(1,037)	27,174	11,520	(78,128)
Investment properties	-	-	-	-	25,317	25,317
Property, plant and equipment	1,115,211	136,824	21,440	303,283	456	1,577,214
Goodwill	4,443	-	-	1,995	-	6,438
Biological assets	56,395	197,136	28,134	111,063	-	392,728
Inventories	154,730	23,184	433	939	-	179,286
Interests in associates	28,858	-	-	-	-	28,858
Total segment assets (ii)	1,359,637	357,144	50,007	417,280	25,773	2,209,841

(i) Of all of the Company's revenues corresponding to the agricultural business, Ps. 803.9 million is originated in Argentina and Ps. 551.6 million in other countries, principally Brazil which accounts for Ps. 453.2 million.
(ii) Of all of the Company's assets included in the segment corresponding to the agricultural business, Ps. 883.1 million is located in Argentina and Ps. 1,496.9 million in other countries, principally Brazil which accounts for Ps. 1,190.1 million.

(II) Urban properties and investments

The following tables present the reportable segments of the Urban Properties and Investments line of business of the Company for the years ended June 30, 2015, 2014 and 2013:

June 30, 2015

	Shopping Center Properties	Offices	Sales and developments	Hotels	International	Financ operat and ot
Revenues (i)	1,778,310	332,728	13,707	396,297	25,873	147
Costs	(291,183)	(36,368)	(19,457)	(278,672)	(7,121)	(666
Gross Profit / (Loss)	1,487,127	296,360	(5,750)	117,625	18,752	(519
Gain from disposal of investment properties	-	-	1,150,230	-	-	-
General and administrative expenses	(136,151)	(58,971)	(49,690)	(77,567)	(55,746)	-
Selling expenses	(112,825)	(21,130)	(9,146)	(52,386)	-	(379
Other operating results, net	(48,810)	(117,610)	13,093	(461)	184,886	(2,41
Profit / (Loss) from Operations	1,189,341	98,649	1,098,737	(12,789)	147,892	(3,31
Share of profit / (loss) of associates and joint ventures	-	(2,570)	(1,712)	1,254	(1,191,116)	157,8
Segment Profit / (Loss)	1,189,341	96,079	1,097,025	(11,535)	(1,043,224)	154,5
Investment properties	2,320,845	978,125	187,824	-	-	6,851
Property, plant and equipment	48,345	30,599	1,242	175,386	1,319	-
Trading properties	1,484	-	134,600	-	-	-
Goodwill	13,719	6,180	4,541	-	-	-
Units to be received under barters	-	-	90,486	-	-	-
Inventories	15,711	-	497	6,926	-	-
Investments in associates and joint ventures	-	20,746	46,555	-	909,911	1,404
Total segment assets (ii)	2,400,104	1,035,650	465,745	182,312	911,230	1,411

(i) Of all of the Company's revenues corresponding to urban properties and investment business, Ps. 2,522 million is originated in Argentina and Ps. 26 million in United States.
(ii) Of all of the Company's assets included in urban properties and investment business, Ps. 5,389 million is located in Argentina and Ps. 1,639 million in other countries, principally in Israel for Ps. 907.0 million and Uruguay for Ps. 106.0 million, respectively.

June 30, 2014

	Shopping Center Properties	Offices	Sales and developments	Hotels	International	Financial operations and others
Revenues (i)	1,383,008	271,159	85,531	331,562	83,926	574
Costs	(296,688)	(45,367)	(34,963)	(216,768)	(53,510)	(983
Gross Profit / (Loss)	1,086,320	225,792	50,568	114,794	30,416	(409
Gain from disposal of investment properties	(82)	-	231,000	-	-	-
General and administrative expenses	(101,538)	(41,945)	(37,466)	(59,585)	(59,476)	(56
Selling expenses	(73,427)	(20,751)	(13,706)	(42,335)	-	110
Other operating results, net	(46,568)	(3,060)	8,137	(2,680)	(895)	(2,856
Profit / (Loss) from Operations	864,705	160,036	238,533	10,194	(29,955)	(3,211
Share of profit / (loss) of associates and joint ventures	-	(895)	6,368	789	(616,313)	173,285
Segment Profit / (Loss)	864,705	159,141	244,901	10,983	(646,268)	170,074
Investment properties	2,275,053	834,480	423,442	-	-	7,462
Property, plant and equipment	20,455	36,415	3,744	175,745	1,501	-
Trading properties	1,484	-	141,575	-	-	-
Goodwill	8,582	11,661	4,541	-	-	-
Units to be received under barters	-	-	85,077	-	-	-
Assets held for sale (iii)	-	-	-	-	1,357,866	-
Inventories	10,625	-	584	6,011	-	-
Investments in associates and joint ventures	-	23,208	38,289	22,129	628,658	1,253,735
Total segment assets (ii)	2,316,199	905,764	697,252	203,885	1,988,025	1,261,197

(i) Of all of the Company’s revenues corresponding to urban properties and investment business, Ps. 2,072 million is originated in Argentina and Ps. 84 million in United States.
(ii) Of all of the Company’s assets included in urban properties and investment business, Ps. 5,273 million is located in Argentina and Ps. 2,099 million in other countries, principally in United States for Ps. 1,988 million.
(iii) See Note 44 to the Audited Consolidated Financial Statements for details.

	June 30, 2013						
	Shopping Center Properties	Offices	Sales and developments	Hotels	International	Financial operation and others	Total Urban Properties and Investments
Revenues (i)	1,103,044	217,171	141,996	225,836	38,998	1,203	1,728,248
Costs	(245,528)	(46,975)	(106,558)	(169,071)	(31,587)	(1,517)	(601,236)
Gross Profit / (Loss)	857,516	170,196	35,438	56,765	7,411	(314)	1,127,012
Gain from disposal of investment properties	-	-	177,999	-	-	-	177,999
General and administrative expenses	(67,597)	(34,984)	(32,901)	(49,883)	(13,158)	(250)	(198,773)
Selling expenses	(58,907)	(11,360)	(16,456)	(28,919)	-	(1,588)	(117,230)
Other operating results, net	(45,020)	(247)	6,342	(369)	135,082	(3,363)	92,425
Profit / (Loss) from Operations	685,992	123,605	170,422	(22,406)	129,335	(5,515)	1,081,433
Share of profit / (loss) of associates and joint ventures	-	(2,514)	1,569	83	(82,552)	62,550	(20,864)
Segment Profit / (Loss)	685,992	121,091	171,991	(22,323)	46,783	57,035	1,060,569
Investment properties	2,249,180	857,782	447,363	-	744,587	8,072	4,306,984
Property, plant and equipment	17,385	29,830	3,972	180,348	199	-	231,734
Trading properties	1,484	106	128,087	-	-	-	129,677
Goodwill	8,582	11,661	4,540	-	51,069	-	75,852
Units to be received under barters	-	-	93,225	-	-	-	93,225
Inventories	10,003	-	463	5,962	-	-	16,428
Investments in associates and joint ventures	-	23,385	32,759	21,339	802	1,076,545	1,154,830
Total segment assets (ii)	2,286,634	922,764	710,409	207,649	796,657	1,084,617	6,008,730

(i) Of all of the Company’s revenues corresponding to urban properties and investment business, Ps. 1,689 million is originated in Argentina and Ps. 39 million in United States, respectively.

(ii) Of all of the Company’s assets included in the urban properties and investment business, Ps. 5,131 million is located in Argentina and Ps. 877 million in other countries, principally in United States for Ps. 797 million.

The agricultural business, which includes cattle, dairy cattle and agroindustrial activities are mainly concentrated in Argentina. The crop activities of the Company are primarily concentrated in Argentina, Brazil, Bolivia and Paraguay, while sugar cane production is developed in Brazil and Bolivia.

The shopping center properties of the Company are all located in Argentina, the country of domicile of the Company. Substantially, offices and other rental properties of the Company are located in Argentina. Properties of the Company located in the United States, are disclosed in column "International". Hotels of the Company are located in Argentina and the United States. The trading properties of the Company are also located in Argentina and Uruguay.

During the fiscal years ended as of June 30, 2015, 2014 and 2013, the “Office” segment revenues include Ps.52,693 million, Ps.44,067 million and Ps.34,229 million, which represent 16% of the segment’s total revenues in the three fiscal years and are derived from activities of a single tenant.

Starting in the fourth quarter of the 2015 fiscal year, the Company modified the presentation of the income statement with respect to the financial information by segments, for better alignment and consistency with the current business model and metrics used by the CODM and how they consider and analyse segment information for purposes of assessing operating performance by segment. This change in segment information presentation affected the presentation of information relating to the shopping centers and offices segments. This revised form of presentation excludes from the income statement by segment the common maintenance expenses and expenses relating to the collective promotion fund as well as any revenues relating to the recovery of such expenses. Only the surplus or deficit represented by the net amount between such expenses and related revenues is included in the income statement by segment.

The Company has used this revised segment presentation in the comparative discussion of the results of operations for the fiscal years included below.

In addition, in the fourth quarter of the 2015 fiscal year, the Company has modified how it presents the gain/loss on the sale of investment property in segment information, which is revised by CODM. The information revised by CODM includes the gain/loss on the sale of investment properties within sales and development segment, regardless of the segment where the property would have been originally located. These modifications affected the segments of sales and development and international. Considering that in the comparative periods presented there were not sales of investment properties in the international segment, it was not necessary to retroactively adjust the amounts pertaining to prior fiscal years.

The CODM regularly reviews the following categories of assets: investment properties; property, plant and equipment; trading properties; goodwill; rights to receive future units under barter agreements; inventories; biological assets; investments in associates; and the investment in the Entertainment Holding S.A. joint venture. The aggregate of these assets are disclosed in these financial statements as “operating segment assets”. The measurement principles for the operating segment assets are based on the IFRS principles adopted in the preparation of the consolidated financial statements, except for the Company’s share of assets of the joint ventures Cresca S.A., CYRSA S.A., Nuevo Puerto Santa Fe S.A., Puerto Retiro S.A., Baicom Networks S.A., and Quality Invest S.A., which are all reported to the CODM under the proportionate consolidation method. Under this method, each of the operating segment assets reported to the CODM includes the proportionate share of the Company in the same operating assets of these joint ventures. As an example, the investment properties amount reported to the CODM includes (i) the investment property balance as per the statement of financial position plus (ii) the Company’s share of the investment properties of these joint ventures. Under IFRS 11, the investment properties of these joint ventures are included together with all other of the joint ventures’ net assets in the single line item titled “Investments in associates and joint ventures” in the statement of financial position.

The CODM evaluates performance of business segments based on segment profit, defined as profit or loss from operations before financing and taxes. The measurement principles for the Company's segment reporting structure are based on the IFRS principles adopted in the Consolidated Financial Statements, except for the Company's share of profit or loss of joint ventures.

At the time of assessing the performance of business segments and deciding upon the allocation of resources, the Executive Committee uses information on operating income assets and liabilities of each such segment In the Consolidated Financial Statements, the transactions and balances between related parties which may affect more than one segment are eliminated.

Goods and services exchanged between segments are calculated on the basis of market prices. Intercompany transactions between segments, if any, are eliminated.

The following tables present a reconciliation between the total results of segment operations and the results of operations as per the income statements. The adjustments relate to the presentation of the results of operations of joint ventures accounted for under the equity method under IFRS.

	June 30, 2015				
	Total segment information	Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	Common maintenance expenses and collective promotion fund	Total Income Statements
Revenues	4,908,072	(53,473)	(90,002)	887,208	5,651,805
Costs	(4,019,142)	62,335	88,375	(901,283)	(4,769,715)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	1,347,447	(23,295)	-	-	1,324,152
Changes in the net realizable value of agricultural produce after harvest	(34,471)	-	-	-	(34,471)
Gross Profit / (Loss)	2,201,906	(14,433)	(1,627)	(14,075)	2,171,771
Gain from disposal of investment properties	1,150,230	-	-	-	1,150,230
Gain from disposal of farmlands	569,521	(19,059)	-	-	550,462
General and administrative expenses	(624,595)	4,173	2,602	-	(617,820)
Selling expenses	(480,696)	6,217	321	-	(474,158)
Other operating results, net	10,556	2,949	(1,296)	-	12,209
Profit/(Loss) from Operations before share of Profit / (Loss) of Associates and Joint Ventures	2,826,922	(20,153)	-	(14,075)	2,792,694
Share of profit / (loss) of associates and joint ventures	(1,035,410)	10,438	-	-	(1,024,972)
Profit/(Loss) from operations before Financing and Taxes	1,791,512	(9,715)	-	(14,075)	1,767,722

	June 30, 2014				
	Total segment information	Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	Common maintenance expenses and collective promotion fund	Total Income Statements
Revenues	3,967,868	(62,085)	(38,074)	736,302	4,604,011
Costs	(3,266,251)	58,857	36,505	(743,703)	(3,914,592)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	1,172,739	(20,086)	-	-	1,152,653
Changes in the net realizable value of agricultural produce after harvest	(17,447)	-	-	-	(17,447)
	1,856,909	(23,314)	(1,569)	(7,401)	1,824,625

Gross Profit / (Loss)					
Gain from disposal of investment properties	230,918	-	-	-	230,918
Gain from disposal of farmlands	91,356	-	-	-	91,356
General and administrative expenses	(539,696)	3,423	2,334	-	(533,939)
Selling expenses	(359,041)	5,949	366	-	(352,726)
Other operating results, net	(77,462)	3,585	(1,131)	-	(75,008)
Profit/(Loss) from Operations before share of Profit / (Loss) of Associates and Joint Ventures	1,202,984	(10,438)	-	(7,401)	1,185,226
Share of profit / (loss) of associates and joint ventures	(425,287)	16,636	-	-	(408,651)
Profit/(Loss) from operations before Financing and Taxes	777,697	6,279	-	(7,401)	776,575

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	June 30, 2013				
	Total segment information	Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	Common maintenance expenses and collective promotion fund	Total Income Statements
Revenues	3,083,678	(137,889)	(11,528)	594,290	3,528,551
Costs	(2,647,015)	116,004	10,296	(599,780)	(3,120,495)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	888,493	(1,749)	-	-	886,744
Changes in the net realizable value of agricultural produce after harvest	11,756	-	-	-	11,756
Gross Profit / (Loss)	1,336,912	(23,634)	(1,232)	(5,490)	1,306,556
Gain from disposal of investment properties	177,999	-	-	-	177,999
Gain from disposal of farmlands	149,584	-	-	-	149,584
General and administrative expenses	(352,448)	4,291	1,774	-	(346,383)
Selling expenses	(291,206)	11,631	112	-	(279,463)
Other operating results, net	95,770	2,952	(654)	-	98,068
Profit/(Loss) from Operations before share of Profit / (Loss) of Associates and Joint Ventures	1,116,611	(4,760)	-	(5,490)	1,106,361
Share of profit / (loss) of associates and joint ventures	(11,673)	1,855	-	-	(9,818)
Profit/(Loss) from operations before Financing and Taxes	1,104,938	(2,905)	-	(5,490)	1,096,543

Total segment assets are allocated based on the operations of the segment and the physical location of the asset. According to the analysis above, segment assets include the proportionate share of the assets of joint ventures. The statement of financial position under IFRS shows the net investment in these joint ventures as a single item.

The following tables present a reconciliation between total segment assets as per segment information and total assets as per the statement of financial position. Adjustments are mainly related to the filing of certain classes of assets in segment information and to the proportional consolidation of joint ventures mentioned previously.

	June 30, 2015	June 30, 2014	June 30, 2013
Total Operating Assets as per Segment Information	9,686,553	10,972,702	8,388,732
Less:			
Proportionate share in reportable assets per segment of certain joint ventures (*)	(478,107)	(442,360)	(256,962)
Plus:			
Investments in joint ventures (**)	357,673	372,034	300,809

Other non-reportable assets	5,709,324	4,881,312	3,978,146
Total Consolidated Assets as per Statement of financial position	15,275,443	15,783,688	12,410,725

(*) The following amounts related to the proportionate share of operating segment assets of certain of The Company´s joint ventures are reported as part of the total operating segment assets by segment.

	June 30, 2015	June 30, 2014	June 30, 2013
Investment properties	95,888	137,253	160,900
Property, plant and equipment	358,193	272,982	65,700
Trading properties	3,130	5,908	20,160
Goodwill	5,223	5,235	5,238
Biological assets	7,970	10,899	1,902
Inventories	7,703	10,083	3,062
Total proportionate share in assets per segment of joint ventures	478,107	442,360	256,962

(**) Represents the equity-accounted amount of those joint ventures, which were proportionate-consolidated for segment information purposes.

Comparability of information

During the fiscal year ended June 30, 2015, the Real Brasileño (Rs.) has depreciated against the Argentine Peso and other currencies by around 20.0%, which affects the comparability of the figures reported in the current financial statements given its negative impact on the financial position and results of operations of the Company, due mainly to the foreign exchange rate exposure to net assets and liabilities denominated in foreign currency and investments in joint ventures with a functional currency different from the Real.

During this fiscal year ended June 30, 2014 Argentina's Peso devalued against the U.S. Dollars and other currencies by approximately 51%, which causes an impact on the comparability of the figures disclosed in the financial statements stemming from exposure to the exchange rate, above all in our revenues from office rentals and our net assets and liabilities, denominated in foreign currency; as well as the Income/(loss) from our International segment.

Shopping Center Properties

During fiscal year 2015 we inaugurated two new shopping centers: “Distrito Arcos,” located in the area of Palermo, City of Buenos Aires, in December 2014 and “Alto Comahue,” located in the City of Neuquén, Argentine Patagonian region, in March 2015. Income from these new developments, were Ps. 22.9 million and Ps. 11.7 million, respectively.

Offices

In December 2014, there was a transfer within the Company of 83,789 sqm of rental buildings from IRSA Inversiones y Representaciones S.A. to IRSA Commercial Properties This transaction, though at the consolidated level it did not have effects because it was a related party transaction, was considered a business Combination for the Company, and therefore, costs related to this transaction for Ps. 110.5 million were recognized as income during fiscal year 2015 in “Other operating results, net”.

During fiscal year 2015, the revenues and costs from our Offices segment saw their comparability affected by partial sales of properties intended for lease allocated to that segment. In this respect, during fiscal years 2015 and 2014, there were sales for 10,792 sqm of leasable surface area (approximately 8.8% of total leasable area at the beginning of the fiscal year), and 8,744 sqm of leasable surface area (approximately 6.2% of total leasable area at the beginning of the fiscal year), respectively (See Note 3).

International

The revenues and costs from the international segment were mainly affected by the only 3-month consolidation in the year 2015, compared to the 12-month consolidation in the year 2014, of the results of Rigby 183 LLC (“Rigby 183”), owner of the Madison 183 building, located in the City of New York, which was sold in September 2015, and to a lesser extent, by the effect of devaluation described above.

Financial Operations and Others

The operating result of the Financial Operations and Others segment primarily reflects the residual consumer financing activities of the Company, which have been decreasing progressively during fiscal years under discussion.

During fiscal year 2015, the results of this segment were affected by different transactions performed by the Company in relation to the investment in Avenida, including the exercise of warrants, the dilution of part of our interest in this company in view of the entry of a new investor and the sale of 5% of our shareholding. As a result of all these transactions, from the second quarter of fiscal year 2015, we ceased to have significant influence on Avenida and therefore, we ceased to recognize it as an investment in an associate, accounted for under the equity method, and we started to recognize it as a financial asset valued at fair value through profit or loss, which are recognized in financial and holding results, net and are excluded in the segment reporting.

Cresud's Results of Operations for the fiscal years ended on June 30, 2015, 2014 and 2013

The following terms used herein have the meanings specified below:

Agricultural Business

Revenues

Sales: Our sales consist of revenue on the sales of crops, milk and cattle. Sales are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable and collectibility is reasonably assured. Revenue from cattle feeding operations, primarily comprised of feeding, animal health and yardage, and revenue from operating leases and brokerage activities are recognized as services are performed.

Costs.

Cost of Production: Our cost of production consists of costs directly related to the transformation of biological assets and agricultural produce.

Cost of Sales: Our cost of sales consists of:

(i) the book value of the product sold at the time of sale; and

(ii) certain direct costs related to the sales of agricultural produce and other selling expenses.

Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest.

Biological assets and agricultural produce at the point of harvest are accounted for at fair value, less the cost of sales, upon their initial recognition and as of each balance sheet date, except where their fair value cannot be reliably measured. Biological assets and agricultural produce at the point of harvest are measured at their approximate cost where few or no transformations have taken place since costs were originally incurred or where the impact on the biological transformation price is not expected to be material. Changes in fair value less the cost of sales are charged to income as incurred.

Changes in the net realizable value of agricultural produce after harvest

Our gain (loss) from holding inventories consists of changes in their carrying amount.

Urban Properties and Investments Business

Shopping Center Properties

Revenues derived from our shopping center development activities are mostly comprised by revenues from operation leases, admission fees, commissions and revenues from several services rendered to our lessees. In addition, certain lease agreements include provisions that set forth variable rentals based on specific sales volumes or some other type of index.

Revenues include revenues from managed operations, such as, parking lots. Revenues also include revenues from property management.

Offices

Revenues from office and other property rentals include rental income from offices under operating leases, revenues from the recovery of services and expenses paid by tenants.

Sale and Development of Properties

Revenues from the sale and development of properties include the gains derived from the developments and the proceeds from the sale of commercial properties.

Hotels

Revenues from hotel operations include mainly room services, catering and other services.

Fiscal year ended June 30, 2015 compared to fiscal year ended June 30, 2014

Operating Results
REVENUES

Total sales revenues of the Company increased 23.7%, from Ps. 3,967.9 million for fiscal year 2014 to Ps. 4,908.1 million for fiscal year 2015. This was mainly due to a 30.3% increase in the Agricultural business, from Ps.1,812.1 million in fiscal year 2014 to Ps. 2,361.0 million in fiscal year 2015 and a 18.2% increase in the Urban Properties and Investments business, from Ps. 2,155.8 million in fiscal year 2014 to Ps. 2,547.1 million in fiscal year 2015.

Agricultural Business

	Fiscal year ended on June 30, 2015			
Revenues	Income statement	Interests in joint ventures	Inter-segment eliminations	Segment reporting
Crops	963,300	23,417	-	986,717
Cattle	56,650	2,524	84,388	143,562
Dairy	71,940	-	-	71,940
Sugarcane	197,828	-	-	197,828
Agricultural rental and services	37,048	-	127	37,175
Agricultural Subtotal	1,326,766	25,941	84,515	1,437,222
Land transformation and sales	-	-	-	-
Agro-industrial	806,018	-	-	806,018
Other segments	117,770	-	-	117,770
Total Agricultural Business Revenues	2,250,554	25,941	84,515	2,361,010

	Fiscal year ended on June 30, 2014			
Revenues	Income statement	Interests in joint ventures	Inter-segment eliminations	Segment reporting
Crops	817,702	19,120	-	836,822
Cattle	61,691	2,242	26,382	90,315
Dairy	53,935	-	-	53,935
Sugarcane	123,851	-	-	123,851
Agricultural rental and services	29,044	-	98	29,142
Agricultural Subtotal	1,086,223	21,362	26,480	1,134,065
Land transformation and sales	-	-	-	-
Agro-industrial	548,740	-	5,344	554,084
Other segments	123,872	87	-	123,959
Total Agricultural Business Revenues	1,758,835	21,449	31,824	1,812,108

Sales revenues increased 28%, from Ps. 1,758.8 million in fiscal year 2014 to Ps. 2,250.6 in fiscal year 2015. This was due to an increase of Ps. 149.9 million in the Crops segment, an increase of Ps. 53.2 million in the Cattle segment, an increase of Ps. 18.0 million in the Dairy segment, an increase of Ps. 74 million in the Sugarcane segment, an increase of Ps. 8 million in the Agricultural rental and services segment, an increase of Ps. 251.9 million in the Agroindustrial segment, offset by a decrease of Ps. 6.2 million in Other segments.

In turn, revenues from our interests in joint ventures increased 20.9% from Ps. 21.4 million in fiscal year 2014 to Ps. 25.9 million in fiscal year 2015, mainly as a result of a 22.5% increase in Crops sold to Cresca, from Ps. 19.1 million in fiscal year 2014 to Ps. 23.4 million in fiscal year 2015.

Similarly, inter-segment revenues increased 165.6%, from Ps. 31.8 million in fiscal year 2014 to Ps. 84.5 million in fiscal year 2015, mainly as a result of livestock sales during the year to our subsidiary Sociedad Anónima Carnes Pampeanas which was reclassified from the Cattle segment to the Agroindustrial segment.

Hence, according to business segment reporting and considering all our joint ventures and inter-segment eliminations, sales revenues increased 30.3%, from Ps. 1,812.1 million in fiscal year 2014 to Ps. 2,361.0 million in fiscal year 2015.

Crops

Total sales revenues from the Crops segment increased 17.9%, from Ps. 836.8 million in fiscal year 2014 to Ps. 986.7 million in fiscal year 2015, mainly as a result of:

· an increase of 102,129 tons in the volume of Crops sold during fiscal year 2015 compared to the previous fiscal year; and

· partially offset by a reduction of 4.6% in the average price of sold Crops, from Ps. 1,931 per ton in fiscal year 2014 to Ps. 1,843 per ton in fiscal year 2015 mainly due to lower prices of wheat and sunflower.

The following table shows the sales of Crops in detail:

	Sale of Crops (in tons)		
	Fiscal year ended June 30,		
	2015	2014	Variation
Corn	269,701	179,893	89,808
Soybean	250,125	222,051	28,074
Wheat	7,083	11,359	(4,276)
Sorghum	1,569	3,843	(2,274)
Sunflower	5,181	9,745	(4,564)
Other	1,872	6,509	(4,637)
Total Sales	535,531	433,400	102,129

Cattle

Total sales revenues from the Cattle segment increased 59.0%, from Ps. 90.3 million in fiscal year 2014 to Ps. 143.6 million in fiscal year 2015, mainly as a result of:

· a 59% increase in the average price per kilogram sold, from Ps. 10.1 per kilogram in fiscal year 2014 to Ps. 16 per kilogram in fiscal year 2015.

· a 0.3% in the cattle sales volume, from 8,842 tons in fiscal year 2014 to 8,871 tons in fiscal year 2015.

Dairy

Total sales revenues from the Dairy segment increased 33.4%, from Ps. 53.9 million in fiscal year 2014 to Ps. 71.9 million in fiscal year 2015, mainly as a result of:

·

a 42.8% increase in the average price of milk, from Ps. 2.49 per liter in fiscal year 2014 to Ps. 3.55 per ton in fiscal year 2015;

· a 149% increase in the average price per kilogram sold of milking cows from Ps. 5.24 per kilogram in fiscal year 2014 to Ps. 13.06 per kilogram in fiscal year 2015;

· a 94.3% increase in the volume of sales of milking cows, from 465 tons in fiscal year 2014 to 903 tons in fiscal year 2015;

· partially offset by a 9.9% decrease in the volume of sales of milk, from 18.7 million liters in fiscal year 2014 to 16,9 million liters in fiscal year 2015.

Sugarcane

Total sales revenues from the Sugarcane segment increased 59.7%, from Ps. 123.9 million in fiscal year 2014 to Ps. 197.8 million in fiscal year 2015, mainly as a result of:

· 248,808 (36.8%) more tons of sugarcane sold in fiscal year 2015 as compared to the previous fiscal year, mainly by BrasilAgro; and

· a 16,7% increase in the average price of sugarcane sold, from Ps. 183.3 per ton in fiscal year 2014 to Ps. 214 per ton in fiscal year 2015.

Agricultural rental and services

Total revenues from the Agricultural rental and services segment increased by 27.6%, from Ps. 29.1 million in fiscal year 2014 to Ps. 37.2 million in fiscal year 2015, mainly as a result of:

· a 58% increase in leases, due to machinery rentals from Brasilagro and new lease agreements from Bolivia;

· a 3.7 % increase in revenues from production of seeds mainly due to an increase in the production volume of soybean; and

· a decrease of 2.6 % in revenues from irrigation services due to a decrease of 136 % in total milliliters sold compared to fiscal year 2014.

Agro-industrial

Total revenues from the Agro-industrial increased 45.5%, from Ps. 554.1 million in fiscal year 2014 to Ps. 806.0 million in fiscal year 2015, mainly as a result of:

- a 17% increase in slaughtering volumes and the differential resulting from the higher price of beef and sub-products; and

· a 50% increase in sales to the domestic market with upward price trend, offset by

· a 3.18% reduction in exports.

Other Segments

Total revenues from Other segments decreased 5.0%, from Ps. 124.0 million in fiscal year 2014 to Ps. 117.8 million in fiscal year 2015, mainly as a result of:

· an increase of Ps. 21.1 million in sales on consignment, offset by

· a reduction of Ps. 15.1 million in commodity brokerage services.

Urban Properties and Investments Business

	Fiscal year ended on June 30, 2015				
Revenues	Income Statement(1)	Interests in joint ventures	Inter-segment eliminations	Common maintenance expenses and collective promotion fund	Segment reporting
Shopping Center Properties	2,570,868	13,069	-	(805,627)	1,778,310
Offices	397,326	9,238	5,487	(79,323)	332,728
Sales and Developments	8,482	5,225	-	-	13,707
Hotels	396,297	-	-	-	396,297
International	28,131	-	-	(2,258)	25,873
Financial operations and Others	147	-	-	-	147
Total Urban Properties and Investments Business Revenues	3,401,251	27,532	5,487	(887,208)	2,547,062

(1) Includes revenues from sales, leases and services (Ps. 2,514.0 million) and revenues from expenses and collective promotion funds (Ps. 887.2 million).

	Fiscal year ended on June 30, 2014				
Revenues	Income statement(1)	Interests in joint ventures	Inter-segment eliminations	Common maintenance expenses and collective promotion fund	Segment reporting
Shopping Center Properties	2,031,625	9,280	1,808	(659,705)	1,383,008
Offices	327,954	8,466	4,442	(69,703)	271,159
Sales and Developments	62,641	22,890	-	-	85,531
Hotels	331,562	-	-	-	331,562
International	90,820	-	-	(6,894)	83,926

Financial operations and Others	574	-	-	-	574
Total Urban Properties and Investments Business Revenues	2,845,176	40,636	6,250	(736,302)	2,155,760

(1) Includes revenues from sales, leases and services (Ps. 2,108.9 million) and revenues from expenses and collective promotion funds (Ps. 736.3 million)

Total revenues from the Urban Properties and Investments business increased 19.5%, from Ps. 2,845.2 million in fiscal year 2014 to Ps. 3,401.3 million in fiscal year 2015. This was due to an increase of Ps. 395.3 million in the Shopping Center Properties segment, an increase of Ps. 61.6 million in the Offices segment, and an increase of Ps. 64.7 million in the Hotel segment, offset by a decrease of Ps. 0.4 million in the Financial Operations and Others segment, a decrease of Ps. 58.1 million in the International segment, and a decrease of Ps. 71.8 million in the Sales and Developments segment.

In turn, revenues from our interests in joint ventures decreased by 32.2%, from Ps. 40.6 million in fiscal year 2014 to Ps. 27.5 million in fiscal year 2015, mainly attributable to a reduction in sales revenues derived from the Horizons development, from our joint venture with CYRSA S.A.

Similarly, inter-segment revenues decreased 12.2%, from Ps. 6.2 million in fiscal year 2014 (of which Ps. 4.4 million is attributable to the Offices segment) to Ps. 5.5 million in fiscal year 2015 (attributable to the Offices segment).

On the other hand, revenues from expenses and collective promotion fund increased by 20.5%, from Ps. 736.3 million in fiscal year 2014 (of which Ps. 659.7 million is attributable to the Shopping Center Properties segment) to Ps. 887.2 million in fiscal year 2015 (of which Ps. 805.6 million is attributable to the Shopping Center Properties segment).

Hence, according to business segment reporting and considering all our joint ventures, inter-segment eliminations, and maintenance fee and common advertising funds, sales revenues increased 18.1%, from Ps. 2,155.8 million in fiscal year 2014 to Ps. 2,547.1 million in fiscal year 2015.

Shopping Center Properties

Revenues from the Shopping Center Properties segment increased 28.6%, from Ps. 1,383.0 million in fiscal year 2014 to Ps. 1,778.3 million in fiscal year 2015. Such variation was mostly attributable to:

· an increase of Ps. 317.7 million in revenues from base and contingent rent as a result of a 33.3% rise in our tenants' sales, from Ps. 16,132.8 million in fiscal year 2014 to Ps. 21,508.7 million in fiscal year 2015;

· an increase of Ps. 30.0 million in revenues from admission fees;

· an increase of Ps. 30.6 million in parking fees; and

· an increase of Ps. 17.0 million in revenues from property letting fees, management fees and other.

Offices

Revenues from the Offices segment increased 22.7%, from Ps. 271.2 million in fiscal year 2014 to Ps. 332.7 million in fiscal year 2015. Such revenues were impacted by the partial sale of investment properties in fiscal year 2015, which resulted in a reduction of the segment total leasable area.

Considering comparable properties in both fiscal years, rental revenues from properties which did not experience a decrease in their leasable area increased by 30.6%, from Ps. 214.0 million in fiscal year 2014 to Ps. 279.6 million in fiscal year 2015, mostly as a result of the currency devaluation and improved occupancy, whereas rental revenues from properties which leasable area was reduced went down by 45%, from Ps. 45.5 million in fiscal year 2014 to Ps. 25.0 million in fiscal year 2015.

As of year-end, the 2015 average occupancy rate of premium offices stood at 98.1% and the average rent was around US$ 26 per m2.

Sales and Developments

Without considering our joint ventures, revenues from the Sales and Developments segment decreased by 86.4% from Ps. 62.6 million in fiscal year 2014 to Ps. 8.5 million in fiscal year 2015. Such reduction was mainly attributable to reduced revenues from the sale of the Condominios I and II (Ps. 45.3 million) and El Encuentro (Ps. 7.5 million) developments. On the other hand, revenues from our joint ventures (Horizons) fell by 77.2%, accounting for a decrease of Ps. 17.7 million. Hence, total revenues derived from this segment fell by 84.0%, from Ps. 85.5 million in fiscal year 2014 to Ps. 13.7 million in fiscal year 2015.

Hotels

Revenues from our Hotels segment increased by 19.5% from Ps. 331.6 million in fiscal year 2014 to Ps. 396.3 million in fiscal year 2015, mainly as a result of a 34.2% increase in the average room rate of our hotels (in terms of Argentine Pesos), partially offset by a 67.2% decrease in the average occupancy rate in fiscal year 2014 to 65.7% in fiscal year 2015 (mainly at our Llao Llao hotel).

International

Revenues from the International segment decreased by 69.2% from Ps. 83.9 million in fiscal year 2014 to Ps. 25.9 million in fiscal year 2015, mostly due to the fact that the results of Rigby 183 LLC – owner of the rental Madison 183 building - were consolidated for 3 months only in fiscal year 2015 because it was sold in September 2014, whereas such results were consolidated for 12 months in fiscal year 2014.

Financial operations and Others

Revenues from the Financial Operations and Others segment decreased from Ps. 0.6 million in fiscal year 2014 to Ps. 0.1 million in fiscal year 2015, as a result of reduced revenues from the Company's personal financing residual activity.

COSTS

Total costs of the Company increased 23.1%, from Ps. 3,266.3 million in fiscal year 2014 to Ps. 4,019.1 million in fiscal year 2015. This was mainly as a result of a 29.3% increase in costs associated with the Agricultural business, from Ps. 2,618.0 million in fiscal year 2014 to Ps. 3,385.7 million in fiscal year 2015 and a 2.3% decrease in costs associated with the Urban Properties and Investments business from Ps. 648.3 million in fiscal year 2014 to Ps. 633.5 million in fiscal year 2015.

Agricultural Business

	Fiscal year ended on June 30, 2015			
Costs	Income Statement	Interests in joint ventures	Inter-segment eliminations	Segment reporting
Crops	(1,752,576)	(42,867)	-	(1,795,443)
Cattle	(135,452)	(4,716)	(84,388)	(224,556)
Dairy	(133,259)	-	-	(133,259)

Sugarcane	(368,172)	-	-	(368,172)
Agricultural rental and services	(19,201)	-	-	(19,201)
Agricultural Subtotal	(2,408,660)	(47,583)	(84,388)	(2,540,631)
Land transformations and sales	(9,002)	-	-	(9,002)
Agro-industrial	(739,074)	-	(127)	(739,201)
Other Segments	(96,841)	-	-	(96,841)
Total Agricultural Business Costs	(3,253,577)	(47,583)	(84,515)	(3,385,675)

	Fiscal year ended on June 30, 2014			
Costs	Income Statement	Interests in joint ventures	Inter-segment eliminations	Segment reporting
Crops	(1,509,500)	(31,181)	-	(1,540,681)
Cattle	(150,810)	(4,408)	(5,442)	(160,660)
Dairy	(104,334)	-	-	(104,334)
Sugarcane	(206,751)	-	-	(206,751)
Agricultural rental and services	(17,374)	-	-	(17,374)
Agricultural Subtotal	(1,988,769)	(35,589)	(5,442)	(2,029,800)
Land transformations and sales	(8,228)	-	-	(8,228)
Agro-industrial Activities	(453,307)	-	(26,382)	(479,689)
Other Segments	(100,170)	(85)	-	(100,255)
Total Agricultural Business Costs	(2,550,474)	(35,674)	(31,824)	(2,617,972)

Total costs increased by 27.6% from Ps. 2,550.5 million in fiscal year 2014 to Ps. 3,253.6 million in fiscal year 2015. This was caused mainly by an increase of Ps. 254.8 million in the Crops segment, an increase of Ps. 63.9 million in the Cattle segment, an increase of Ps. 28.9 million in the Dairy segment, an increase of Ps. 161.4 million in the Sugarcane segment, an increase of Ps. 1.8 million in the Agricultural rental and services segment, an increase of Ps. 0.8 million in the Land transformations and sales segment, and an increase of Ps. 259.5 million in the Agro-industrial segment, offset by a decrease of Ps. 3.4 million in the Other segments.

In turn, the cost of our joint ventures experienced a net increase of Ps. 11.9 million, from 35.6 million in fiscal year 2014 to Ps. 47.6 million in fiscal year 2015, mainly as a result of an increase of Ps. 11.7 million in the cost of Cresca's Crops, from Ps. 31.2 million in fiscal year 2014 to Ps. 42.9 million in fiscal year 2015.

Similarly, inter-segment costs rose by Ps. 52.7 million from Ps. 31.8 million in fiscal year 2014 to Ps. 84.5 million in fiscal year 2015, mainly as a result of the cost of Cattle sales during the year to our subsidiary Sociedad Anónima Carnes Pampeanas which was reclassified from the Cattle segment to the Agro-industrial segment.

Hence, according to business segment reporting and considering all our joint ventures and inter-segment eliminations, costs increased by 29.3%, from Ps. 2,618.0 million in fiscal year 2014 to Ps. 3,385.7 million in fiscal year 2015.

Crops

Costs from the Crops segment increased by 16.5%, from Ps. 1,540.7 million in fiscal year 2014 to Ps. 1,795.4 million in fiscal year 2015. Costs from the Crops segment are detailed in the following table:

	Fiscal year 2015	Fiscal year 2014
	Thousands of Ps.	
Cost of sales	873,118	778,362
Cost of production	922,325	752,319
Total Costs	1,795,443	1,540,681

The cost of sales from the Crops segment increased by 10.8%, from Ps. 778.4 million in fiscal year 2014 to Ps. 873.1 million in fiscal year 2015, mainly as a result of:

- a 23.6% increase in the volume of tons sold as compared to the previous fiscal year; and

- partially offset by a 10.4% decrease in the average cost per ton of crops sold in fiscal year 2015, from Ps. 1,819 per ton in fiscal year 2014 to Ps. 1,630 per ton in fiscal year 2015, due to an increase in the average crops domestic market price.

The cost of sales as a percentage of sales was 93.0% in fiscal year 2014 and 88.5% in fiscal year 2015.

The cost of production from the Crops segment increased by 22.6%, from Ps. 752.3 million in fiscal year 2014 to Ps. 922.3 million in fiscal year 2015, mainly as a result of:

- a 14.3% increase in direct production costs during this fiscal year as compared to the previous one, mainly affected by the inflationary context that impacts both on the prices of leases and supplies used (agrochemicals and seeds);

- higher production volumes in fiscal year 2015 as compared to fiscal year 2014; and

- a larger number of hectares in operation in our own farms in fiscal year 2015 as compared to fiscal year 2014.

Total cost of production per ton increased 3.0%, from Ps. 1,863 per ton in fiscal year 2014 to Ps. 1,808 per ton in fiscal year 2015, mainly as a result of higher yields in fiscal year 2015 as compared to fiscal year 2014, exceeding the increase in costs.

Cattle

Costs of the Cattle segment increased 39.8%, from Ps. 160.7 million in fiscal year 2014 to Ps. 224.6 million in fiscal year 2015. Costs from the Cattle segment are detailed in the following table:

	Fiscal year 2015	Fiscal year 2014
	Thousands of Ps.	

Cost of sales	121,580	76,734
Cost of production	102,976	83,926
Total Costs	224,556	160,660

The cost of sales increased by 58.4%, from Ps. 76.7 million in fiscal year 2014 to Ps. 121.6 million in fiscal year 2015, mainly as a result of:

· a 57.3% increase in the cost per kilogram sold in fiscal year 2015; and

· a 0.7% increase in cattle sales volumes in fiscal year 2015.

The cost of production from the Cattle segment rose by 22.7%, from Ps. 83.9 million in fiscal year 2014 to Ps. 103.0 million in fiscal year 2015. The higher cost of production from the Cattle segment in fiscal year 2015 was mainly attributable to:

· an in increase of Ps. 13.5 million in feeding costs due to the rise in prices and higher feed costs due to the increase of animals in our own farms fattened in feedlots;

· an increase of Ps. 3.9 million in payroll expense.

Dairy

Costs of the Dairy segment increased 27.7%, from Ps. 104.3 million in fiscal year 2014 to Ps. 133.3 million in fiscal year 2015. Costs from the Dairy segment are detailed in the following table:

	Fiscal year 2015	Fiscal year 2014
	Thousands of Ps.	
Cost of sales	68,359	51,686
Cost of production	64,900	52,648
Total Costs	133,259	104,334

The cost of sales from the Dairy segment increased by 32.3%, from Ps. 51.7 million in fiscal year 2014 to Ps. 68.4 million in fiscal year 2015, mainly as a result of:

· an increase of 32% and 119% in milk and milking cows price levels, respectively; and

· a 94.3% increase in the sales volume of milking cows, partially offset by

· a 9.9% reduction in milk sales volume.

Cost of production of the Dairy segment increased 23%, from Ps. 52.6 million in fiscal year 2014 to Ps. 64.9 million in fiscal year 2015. This increase was mainly due to the impact of increased feeding, health and payroll costs.

Sugarcane

Costs of the Sugarcane segment increased 78.1%, from Ps. 206.8 million in fiscal year 2014 to Ps. 368.2 million in fiscal year 2015. Costs from the Sugarcane segment are detailed in the following table:

	Fiscal year 2015	Fiscal year 2014
	Thousands of Ps.	
Cost of sales	188,432	105,618
Cost of production	179,740	101,133
Total Costs	368,172	206,751

The cost of sales from the Sugarcane segment increased by 78.4%, from Ps. 105.6 million in fiscal year 2014 to Ps. 188.4 million in fiscal year 2015, mainly as a result of:

- an increase of 248,808 tons of sugarcane sold in fiscal year 2015 compared to the previous fiscal year, mainly in our subsidiary Brasilagro; and

- an increase in the average cost per ton of sugarcane sold in fiscal year 2015, from Ps. 156 per ton in fiscal year 2014 to Ps. 204 per ton in fiscal year 2015.

The cost of sales as a percentage of sales was 85.3% in fiscal year 2014 and 95.3% in fiscal year 2015.

The cost of production of the Sugarcane segment increased 77.7%, from Ps. 101.1 million in fiscal year 2014 to Ps. 179.7 in fiscal year 2015, mainly as a result of a higher production volume in fiscal year 2015 compared to fiscal year 2014.

The total cost of production per ton increased 25.9%, from Ps. 154 per ton in fiscal year 2014 to Ps. 184 per ton in fiscal year 2015.

Agricultural rental and services

The cost of sales from the Agricultural rental and services segment increased by 10.5%, from Ps. 17.4 million in fiscal year 2014 to Ps. 19.2 million in fiscal year 2015, mainly as a result of:

- higher lease costs in Brasilagro, due to the amortization of new soil improvement works and structural expenses in the Preferencia, Chaparral, Jatobá and Araucaria lands;

- lower costs from seed production services by 2.8%; and

- a 3.9% increase in irrigation service costs.

Land transformations and sales

Cost of sales from the Land transformations and sales segment increased 9.4%, from Ps. 8.2 million in fiscal year 2014 to Ps. 9.0 million in fiscal year 2015. Such increase is mainly attributable to a reclassification due to discontinued activities at the feedlot land and, to a lesser extent, to increases in salary-related items, in particular the share incentive plan.

Agro-industrial

Costs of the Agro-industrial segment increased 54.1%, from Ps. 479.7 million in fiscal year 2014 to Ps. 739.2 million in fiscal year 2015, due to an inflationary context that hindered the increase in the gross marginal contribution:

Other Segments

The cost of sales of the Other segments decreased 3.4%, from Ps. 100.3 million in fiscal year 2014 to Ps. 96.8 million in fiscal year 2015, mainly as a result of a 16% reduction in the costs from the brokerage business related to commodity trading transactions through our subsidiary FyO and lower costs generated by the resale of supplies and others by 8%.

Urban Properties and Investments Business

	Fiscal year ended on June 30, 2015				
Costs	Income Statement	Interests in joint ventures	Inter-segment eliminations	Common maintenance expenses and collective promotion funds	Segment reporting
Shopping Center Properties	(1,103,042)	(3,983)	(3,860)	819,702	(291,183)
Offices	(110,443)	(5,248)	-	79,323	(36,368)
Sales and Developments	(13,936)	(5,521)	-		(19,457)
Hotels	(278,672)	-	-		(278,672)
International	(9,379)	-	-	2,258	(7,121)
Financial operations and Others	(666)	-	-		(666)
Total Urban Properties and Investments Business Costs	(1,516,138)	(14,752)	(3,860)	901,283	(633,467)

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	Fiscal year ended on June 30, 2014				
Costs	Income Statement	Interests in joint ventures	Inter-segment eliminations	Common maintenance expenses and collective promotion funds	Segment reporting
Shopping Center Properties	(956,719)	(2,754)	(4,321)	667,106	(296,688)
Offices	(110,273)	(4,437)	(360)	69,703	(45,367)
Sales and Developments	(18,971)	(15,992)			(34,963)
Hotels	(216,768)				(216,768)
International	(60,404)			6,894	(53,510)
Financial operations and Others	(983)				(983)
Total Urban Properties and Investments Business Costs	(1,364,118)	(23,183)	(4,681)	743,703	(648,279)

Cost of sales from our Urban Properties and Investments business increased 11.1%, from Ps. 1,364.1 million in fiscal year 2014 to Ps. 1,516.1 million in fiscal year 2015. This was mainly due to an increase of Ps. 61.9 million in the Hotel segment, slightly offset by a decrease of Ps. 9.0 million in the Offices segment, a decrease of 5.5 million in the Shopping Center Properties segment, a decrease of Ps. 15.5 million in the Sales and Developments segment, a decrease of Ps. 0.3 million in the Financial Operations and Others segment, and a decrease of Ps. 46.4 million in the International segment.

On the other hand, expenses and collective promotion funds costs increased 21.2%, from Ps. 743.7 million in fiscal year 2014 to Ps. 901.3 million in fiscal year 2015, mainly due to expenses and collective promotion funds expenses from Shopping Center Properties, which increased by 22.9%, from Ps. 667.1 million in fiscal year 2014 to Ps. 819.7 in fiscal year 2015, as a result of: (i) an increase of Ps. 59.8 million in maintenance, security, cleaning, repair and similar expenses (mainly attributable to increases in security and cleaning services and utility rates), (ii) an increase of Ps. 27.9 million in advertising expenses, (iii) an increase of Ps. 30.1 million in salaries and wages, social security contributions and other payroll expenses; (iv) an increase of Ps. 20.8 million in taxes, rates and contributions and other expenses, and (v) an increase of Ps. 14.0 million in other items (mostly as a result of travel and office supplies expenses).

In addition, costs from our joint ventures experienced a net decrease of 36.6%, from Ps. 23.2 million in fiscal year 2014 to Ps. 14.7 million in fiscal year 2015, mainly as a result of lower costs resulting from reduced sales of the Horizons development.

Finally, costs from inter-segment operations decreased by 17.0%, from Ps. 4.7 million in fiscal year 2014 to Ps. 3.9 million in fiscal year 2015, mainly as a result of a change in the cost allocation of our Shopping Center Properties.

Hence, according to business segment reporting and considering all our joint ventures and inter-segment eliminations, costs decreased by 2.3%, from Ps. 648.3 million in fiscal year 2014 to Ps. 633.5 million in fiscal year 2015.

Shopping Center Properties

Costs from the Shopping Center Properties segment decreased by 1.9%, from Ps. 296.7 million in fiscal year 2014 to Ps. 291.2 million in fiscal year 2015. This reduction is mainly attributable to:

· a reduction of Ps. 35.9 million in costs from a deficit in expenses and collective promotion funds from our Shopping Centers Properties; and

· a decrease of Ps. 4.2 million in our depreciation and amortization expense;

· partially offset by increased costs resulting from: an increase of Ps. 12.9 million in maintenance, security, cleaning, repair and similar expenses (mainly attributable to increases in security and cleaning services and utility rates); an increase of Ps. 10.0 million in salaries and wages, social security contributions and other payroll expenses; an increase of Ps. 8.7 million in taxes, rates and contributions and other expenses (mostly attributable to an increase in provincial property taxes and municipal utility rates, among other things), and an increase of Ps. 5.6 million in fees and compensation from services.

Costs from the Shopping Center Properties segment, as a percentage of revenues derived from this segment, decreased from 21.5% in fiscal year 2014 to 16.4% in fiscal year 2015.

Offices

Costs from the Offices segment decreased by 19.8%, from Ps. 45.4 million in fiscal year 2014 to Ps. 36.4 million in fiscal year 2015. Such decrease was attributable to the partial sales of investment property for rental completed in fiscal year 2015.

Costs attributable to non-comparable properties decreased by 44.3%, from Ps. 5.5 million to Ps. 3.0 million, mainly as a result of the above mentioned sales.

In the absence of partial sales, costs - considering comparable properties in both fiscal years - decreased by 19.3%, from Ps. 36.6 million to Ps. 30.4 million, mainly as a result of a lower amortization and depreciation expense.

Costs from the Offices segment, as a percentage of revenues derived from this segment, decreased from 16.7% in fiscal year 2014 to 10.9% in fiscal year 2015.

Sales and Developments

Costs attributable to this segment often vary significantly period over period, given that the several sales completed by the Company over the time are not recurring. Without considering our joint ventures, costs from our Sales and Developments segment decreased by 22.3% from Ps. 17.5 million in fiscal year 2014 to Ps. 13.6 million in fiscal year 2015. Such reduction was mainly attributable to lower costs from the sale of units of Condominios I and II (Ps. 6.8 million), partially offset by higher costs from maintenance of land reserves and real property for sale (Ps. 4.7 million).

On the other hand, costs from our joint ventures (Horizons) went down by 78.1%, accounting for a decrease of Ps. 11.0 million. Hence, total costs from this segment fell by 44.3%, from Ps. 35.0 million in fiscal year 2014 to Ps. 19.5 million in fiscal year 2015.

Costs from the Sales and Developments segment, as a percentage of revenues derived from this segment, increased by 40.9% in fiscal year 2014 to 141.9% in fiscal year 2015.

Hotels

Costs from the Hotels segment increased by 28.6%, from Ps. 216.8 million in fiscal year 2014 to Ps. 278.7 million in fiscal year 2015, mainly as a result of:

- an increase of Ps. 41.1 million in salaries and wages, social security contributions and other payroll expenses;
- an increase of Ps. 11.1 million in the cost of food, beverages and other hotel-related expenses; and
- an increase of Ps. 7.7 million in maintenance and repair expenses, among other items.

Costs from the Hotels segment, as a percentage of revenues derived from this segment, increased from 65.4% in fiscal year 2014 to 70.3% in fiscal year 2015.

International

Costs from the International segment decreased by 86.7%, from Ps. 53.5 million in fiscal year 2014 to Ps. 7.1 million in fiscal year 2015 mostly due to the fact that the results of Rigby 183 LLC – owner of the rental Madison 183 building - were consolidated for only 3 months in fiscal year 2015 whereas such results were consolidated for 12 months in fiscal year 2014. This building was sold in September 2014. In addition, the three-month period in fiscal year 2015 does not include amortization and depreciation since the property had been classified as available for sale as of June 30, 2014.

Costs from the International segment, as a percentage of revenues derived from this segment, decreased from 63.8% in fiscal year 2014 to 27.5% in fiscal year 2015.

Financial Operations and Others

Costs from the Financial Operations and Others segment decreased by 32.2% from Ps. 1.0 million in fiscal year 2014 to Ps. 0.7 million in fiscal year 2015, as a result of lower costs from the Company's personal financing residual activity. As a percentage of revenues derived from this segment, it increased from 171.3% in fiscal year 2014 to 453.1% in fiscal year 2015.

Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest.

	Fiscal year ended on June 30, 2015			
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	Income Statement	Interests in joint ventures	Inter-segment eliminations	Segment reporting
Crops	897,498	20,821	-	918,319
Cattle	164,260	2,474	-	166,734
Dairy	74,919	-	-	74,919
Sugarcane	187,475	-	-	187,475
Agricultural rental and services	-	-	-	-
Agricultural Subtotal	1,324,152	23,295	-	1,347,447
Land transformations and sales	-	-	-	-
Agro-industrial	-	-	-	-
Other Segments	-	-	-	-
Total Agricultural Business	1,324,152	23,295	-	1,347,447

Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	Fiscal year ended on June 30, 2014 Income Statement	Interests in joint ventures	Inter-segment eliminations	Segment reporting
Crops	848,578	19,773	-	868,351
Cattle	145,008	313	-	145,321
Dairy	62,840	-	-	62,840
Sugarcane	96,227	-	-	96,227
Agricultural rental and services	-	-	-	-
Agricultural Subtotal	1,152,653	20,086	-	1,172,739
Land transformations and sales	-	-	-	-
Agro-industrial	-	-	-	-
Other Segments	-	-	-	-
Total Agricultural Business	1,152,653	20,086	-	1,172,739

The Company's revenues from initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest increased 14.9%, from Ps. 1,152.7 million in fiscal year 2014 to Ps. 1,324.2 million in fiscal year 2015.

In turn, the Company's revenues from initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest derived from our interests in joint ventures increased 16.0%, from Ps. 20.1 million in fiscal year 2014 to Ps. 23.3 million in fiscal year 2015.

On the other hand, there were no inter-segment eliminations in connection with revenues from initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest.

Hence, according to business segment reporting and considering all our joint ventures, revenues from initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest increased by 14.9%, from Ps. 1,172.7 million in fiscal year 2014 to Ps. 1,347.4 million in fiscal year 2015.

Crops

Production income from the Crops segment increased by 5.8%, from Ps. 868.4 million in fiscal year 2014 to Ps. 918.3 million in fiscal year 2015, mainly as a result of:

· a 17.8% increase in the total production volume from 351,759 tons in fiscal year 2014 to 414,331 tons in fiscal year 2015;

· partially offset by a 3.3% decrease in crops production average price; and

· a 68.5% decrease in expected revenues.

As of June 30, 2015, the harvested area was 98.3% of our total sown area, compared to 95.7% as of June 30, 2014.

The following table shows the number of tons produced and total production income as of June 30, 2015 and 2014:

	Crops Production Income (in tons and thousands of Ps.) Fiscal year ended on June 30,			
	2015		2014	
	Tons	Ps.	Tons	Ps.
Corn	100,543	83,565	86,300	79,475
Soybean	279,356	625,511	241,205	563,639
Wheat	16,211	12,688	12,373	11,929
Sorghum	1,202	694	4,058	1,468
Sunflower	11,720	26,967	5,883	15,657
Other	5,300	20,420	1,940	3,390
Total	414,331	769,846	351,759	675,559

Estimated results from the valuation of our crops in progress at fair value decreased 68.5%, from Ps. 168.0 million in fiscal year 2014 to Ps. 52.9 million in fiscal year 2015, mainly due to a reduction of 65.4% in corn crops.

Cattle

Production income from the Cattle segment increased by 14.7%, from Ps. 145.3 million in fiscal year 2014 to Ps. 166.7 million in fiscal year 2015, mainly as a result of:

· a 51.8% increase in the average price per kilogram produced, from Ps. 9.7 per kilogram in fiscal year 2014 to Ps. 14.8 per kilogram in fiscal year 2015; and

· a 12.1% increase in cattle production volume from 6,948 tons in fiscal year 2014 to 7,905 tons in fiscal year 2015;

· offset by a 36% reduction in holding gains.

The calving rate decreased slightly (3.6%), whereas the death rate decreased by 27.2% during fiscal year 2015 as compared to fiscal year 2014. This variation in the death rates of calves was mainly due to a 73.7% reduction in sheep deaths, partially offset by 21.6% increase in death of beef cattle.

The number of hectares devoted to cattle production decreased from 95,160 hectares in fiscal year 2014 to 88,643 hectares in fiscal year 2015 due to a smaller number of leased land devoted to cattle production.

Dairy

Production income from the Dairy segment increased by 19.2%, from Ps. 62.8 million in fiscal year 2014 to Ps. 74.9 million in fiscal year 2015, mainly as a result of:

· the result from holding of milking cows, which increased 3.0%, from a gain of Ps. 8.6 million in fiscal year 2014 to a gain of Ps. 8.9 million in fiscal year 2015, as the inflationary context led to a significant rise in prices;

· a 31.9% increase in the average price of milk, from Ps. 2.59 per liter in fiscal year 2014 to Ps. 3.42 per liter in fiscal year 2015; and

· an increase of 7.1% in milk production volumes and a 41.6% increase in the average price, partially offset by

· a 9.3% decrease in the milk production volume, from 19.3 million of liters in fiscal year 2014 to 17.5 million of liters in fiscal year 2015. This reduction in production volume was mainly due to a lower average number of milking cows per day, from 2,439 in fiscal year 2014 to 2,189 in fiscal year 2015, partially offset by a 9.1% increase in the efficiency level of average daily milk production per cow, from 19.7 liters in fiscal year 2014 to 21.5 liters in fiscal year 2015.

Sugarcane

Production income from the Sugarcane segment increased by 94.8%, from Ps. 96.2 million in fiscal year 2014 to Ps. 187.5 million in fiscal year 2015, mainly as a result of:

· a 41.2% increase in total production volume from 657,547 tons in fiscal year 2014 to 928,273 tons in fiscal year 2015; and

· an 8.0% increase in the average production price of sugarcane.

The 41.2% increase in the production volume from the Sugarcane segment was attributable to a 12.3% increase in our average yield from 81.2 ton/ha to 91.2 ton/ha mainly due to higher harvested hectares in fiscal year 2015.

The following table shows the actual tons produced and income as of June 30, 2015 and 2014:

	Sugarcane Production Income (in tons and thousands of Ps.)			
	Fiscal year ended on June 30,			
	2015		2014	
	Tons	Ps.	Tons	Ps.
Sugarcane	928,273	178,802	657,547	117,250

Estimated results from the valuation of our sugarcane crops in progress at fair value increased significantly from a loss of 10.3 million in fiscal year 2014 to a gain of Ps. 8.7 million in fiscal year 2015 mainly generated by Brasilagro. This variation originated mainly in Brazil, and was caused by the following factors:

- an increase in the number of estimated hectares from a year-on-year decrease of 13% in fiscal year 2014 to a year-on-year increase of 25% in fiscal year 2015;
- an increase in the estimated yields from a from a year-on-year decrease of 2% in fiscal year 2014 to a year-on-year increase of 2% in fiscal year 2015; and
- a decrease in the estimated unit costs from a year-on-year increase of 15% in fiscal year 2014 to a year-on-year increase of 9% in fiscal year 2015.

Changes in the net realizable value of agricultural produce after harvest

	Fiscal year ended on June 30, 2015			
Changes in the net realizable value of agricultural produce after harvest	Income statement	Interests in joint ventures	Inter-segment eliminations	Segment reporting
Crops	(34,474)	-	-	(34,474)
Cattle	3	-	-	3
Dairy	-	-	-	-
Sugarcane	-	-	-	-
Agricultural rental and services	-	-	-	