

CRESUD INC  
Form 6-K  
December 11, 2017

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Financial Statements as of September 30, 2017 and June 30, 2017 and for the three-month periods ended September 30, 2017 and 2016



Legal Information

Denomination: Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Fiscal year N°: 85, beginning on July 1, 2017

Legal address: Moreno 877, 23rd floor – Autonomous City of Buenos Aires, Argentina

Company activity: Real estate, agricultural, commercial and financial activities

Date of registration of the by-laws in the Public Registry of Commerce: February 19, 1937

Date of registration of last amendment of the by-laws in the Public Registry of Commerce: October 31, 2014 and its reinstatement on November 14, 2014

Expiration of Company charter: June 6, 2082

Registration number with the Supervisory Board of Companies: 26, folio 2, book 45, Stock Companies.

Stock: 501,642,804 common shares

Common Stock subscribed, issued and paid up (millions of Ps.): 502

Parent Company: Inversiones Financieras del Sur S.A.

Legal address: Road 8, km 17,500, Zonamérica Building 1, store 106, Montevideo, Uruguay

Parent Company Activity: Investment

Direct ownership interest: 154,462,983 shares

Voting stock (direct and indirect equity interest): 30.94% (i)

Type of stock	CAPITAL STATUS	
	Authorized to be offered publicly (Shares)	Subscribed, Issued and Paid-in (millions of Ps.)
Ordinary certified shares of Ps. 1 face value and 1 vote each	501,642,804 (*)	502

(\*) Company not included in the Optional Statutory System of Public Offer of Compulsory Acquisition.

(i) For computation purposes, Treasury shares have been subtracted.





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Business Overview



## Glossary of terms

The followings are not technical definitions, but help the reader to understand certain terms used in the wording of the notes to the Group's Financial Statements.

Terms	Definitions
Acres	Agropecuaria Acres del Sud S.A.
Adama	Adama Agricultural Solutions Ltd.
Agropecuarias SC	Agropecuarias Santa Cruz de la Sierra S.A.
BACS	Banco de Crédito y Securitización S.A.
Baicom	Baicom Networks S.A.
BASE	Buenos Aires Stock Exchange
BCRA	Central Bank of the Argentine Republic
BHSA	Banco Hipotecario S.A.
Brasilagro	Brasilagro-Companhia Brasileira de Propriedades Agrícolas
CAMSA	Consultores Assets Management S.A.
Carnes Pampeanas	Sociedad Anónima Carnes Pampeanas S.A.
Cellcom	Cellcom Israel Ltd.
Clal	Clal Holdings Insurance Enterprises Ltd.
CNV	National Securities Commission
Condor	Condor Hospitality Trust Inc.
Cresud, "the Company", "us"	Cresud S.A.C.I.F. y A.
Cyrsa	Cyrsa S.A.
DIC	Discount Investment Corporation Ltd.
Dolphin	Dolphin Fund Ltd. and Dolphin Netherlands B.V.
Financial Statements	Unaudited Condensed Interim Consolidated Financial Statements
Annual Financial Statements	Consolidated Financial Statements as of June 30, 2017
ETH	C.A.A. Extra Holdings Ltd.
CPF	Collective Promotion Funds
IASB	International Accounting Standards Board
IDB Tourism	IDB Tourism (2009) Ltd.
IDBD	IDB Development Corporation Ltd.
IFISA	Inversiones Financieras del Sur S.A.
IRSA	IRSA Inversiones y Representaciones S.A.
IRSA CP	IRSA Propiedades Comerciales S.A.
Isair	Isair Airlines & Tourism Ltd.
Lipstick	Lipstick Management LLC
LRSA	La Rural S.A.
Metropolitan	Metropolitan 885 Third Avenue Leasehold LLC
New Lipstick	New Lipstick LLC
IAS	International Accounting Standards
IFRS	International Financial Reporting Standard
NIS	New Israeli Shekel
NPSF	Nuevo Puerto Santa Fe S.A.
Ombú	Ombú Agropecuaria S.A.
NCN	Non-convertible notes
PBC	Property & Building Corporation Ltd.
PBEL	PBEL Real Estate Ltd.
Quality	Quality Invest S.A.
Shufersal	Shufersal Ltd.



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Tarshop  
Yuchan  
Yatay

Tarshop S.A.  
Yuchán Agropecuaria S.A.  
Yatay Agropecuaria S.A.

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Cresud Sociedad Anónima  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position  
as of September 30, 2017 and June 30, 2017

(All amounts in millions, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for publication in Argentina

	Note	09.30.17	06.30.17
<b>ASSETS</b>			
Non-current assets			
Investment properties	9	103,322	100,189
Property, plant and equipment	10	31,464	31,150
Trading properties	11	3,206	4,534
Intangible assets	12	12,115	12,443
Biological assets	13	724	671
Investment in associates and joint ventures	8	8,390	8,227
Deferred income tax assets	21	1,673	1,631
Income tax credit		229	229
Restricted assets	15	823	528
Trade and other receivables	16	5,593	5,456
Financial assets held for sale	15	6,287	6,225
Investment in financial assets	15	1,207	1,772
Derivative financial instruments	15	1	31
Total Non-current assets		175,034	173,086
Current assets			
Trading properties	11	3,333	1,249
Biological assets	13	453	559
Inventories	14	4,459	5,036
Restricted assets	15	988	541
Income tax credit		396	340
Financial assets held for sale	15	2,366	2,337
Groups of assets held for sale	31	2,819	2,681
Trade and other receivables	16	17,964	18,336
Investment in financial assets	15	16,054	11,853
Derivative financial instruments	15	55	65
Cash and cash equivalents	15	26,389	25,363
Total Current assets		75,276	68,360
<b>TOTAL ASSETS</b>		<b>250,310</b>	<b>241,446</b>
<b>SHAREHOLDERS' EQUITY</b>			
Capital and reserves attributable to equity holders of the parent			
Share capital		499	499
Treasury shares		3	3
Inflation adjustment of share capital and treasury shares		65	65
Share premium		659	659
Additional paid-in capital from treasury shares		20	20
Legal reserve		83	83
Special reserve		1,516	1,516
Other reserves		2,470	2,496
Retained earnings		11,285	11,064
Total capital and reserves attributable to equity holders of the parent		16,600	16,405
Non-controlling interest		32,441	32,768

TOTAL SHAREHOLDERS' EQUITY	49,041	49,173
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The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

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Alejandro G. Elsztain  
Vice president II acting as  
President



Cresud Sociedad Anónima  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position  
as of September 30, 2017 and June 30, 2017 (Continued)  
(All amounts in millions, except shares and per share data and as otherwise indicated)  
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	Note	09.30.17	06.30.17
<b>LIABILITIES</b>			
Non-current liabilities			
Trade and other payables	18	2,137	3,988
Income tax and minimum presumed income tax liabilities		62	-
Borrowings	20	122,769	112,025
Deferred income tax liabilities	21	24,360	23,125
Derivative financial instruments	15	86	86
Payroll and social security liabilities		86	140
Provisions	19	757	955
Employee benefits		749	763
Total Non-current liabilities		151,006	141,082
Current liabilities			
Trade and other payables	18	21,817	21,970
Income tax and minimum presumed income tax liabilities		581	817
Payroll and social security liabilities		2,196	2,254
Borrowings	20	22,622	23,287
Derivative financial instruments	15	106	114
Provisions	19	919	894
Group of liabilities held for sale	31	2,022	1,855
Total Current liabilities		50,263	51,191
<b>TOTAL LIABILITIES</b>		<b>201,269</b>	<b>192,273</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>250,310</b>	<b>241,446</b>

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Cresud Sociedad Anónima  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Income  
for the three-month periods beginning on July 1, 2017 and 2016  
and ended September 30, 2017 and 2016  
(All amounts in millions, except shares and per share data and as otherwise indicated)  
Free translation from the original prepared in Spanish for publication in Argentina

	Note	09.30.17	09.30.16 (recast)
Revenues	22	21,676	18,850
Costs	23	(14,912)	(13,233)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	75		38
Changes in the net realizable value of agricultural products after harvest		52	(98)
Gross profit		6,891	5,557
Net gain from fair value adjustment of investment properties		3,453	1,436
Gain from disposal of farmlands		-	73
General and administrative expenses	24	(1,105)	(940)
Selling expenses	24	(3,713)	(3,304)
Other operating results, net	25	31	(28)
Management fees		(30)	(3)
Profit from operations		5,527	2,791
Share of profit / (loss) of associates and joint ventures	8	389	(3)
Profit from operations before financing and taxation		5,916	2,788
Finance income	26	367	303
Finance cost (i)	26	(5,358)	(2,203)
Other financial results	26	315	320
Financial results, net	26	(4,676)	(1,580)
Profit before income tax		1,240	1,208
Income tax	21	(1,225)	(579)
Profit for the period from continuing operations		15	629
Profit / (loss) from discontinued operations after income tax	32	13	(351)
Profit for the period		28	278
Attributable to:			
Equity holders of the parent		221	23
Non-controlling interest		(193)	255
Profit for the period per share attributable to equity holders of the parent:			
Basic		0.445	0.045
Diluted		0.443	0.044
Profit / (loss) from continuing operations attributable to:			
Equity holders of the parent		216	188
Non-controlling interest		(201)	441
Profit per share from continuing operations attributable to equity holders of the parent:			
Basic		0.433	0.380



Diluted		0.431	0.375
Profit / (Loss) from discontinued operations attributable to:			
Equity holders of the parent	5	(165)	
Non-controlling interest	8	(186)	
Profit from discontinued operations attributable to equity holders of the parent:			
Basic		0.010	0.045
Diluted		0.010	0.044

The previous period has been recast due to the change in the accounting policy for investment properties described in Note 2.2.a.

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

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Cresud Sociedad Anónima  
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Unaudited Condensed Interim Consolidated Statements of Comprehensive (Operations) / Income for the three-month periods beginning on July 1, 2017 and 2016 and ended September 30, 2017 and 2016

(All amounts in millions, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for publication in Argentina

	09.30.17	09.30.16 (recast)
Profit for the period	28	278
Other comprehensive (loss) / income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustment	(5)	1,000
Change in the fair value of hedging instruments net of income taxes	(9)	56
Items that may not be reclassified subsequently to profit or loss:		
Actuarial loss from defined benefit plans	(13)	(22)
Others	-	(3)
Other comprehensive (loss) / income for the period from continuing operations	(27)	1,031
Other comprehensive loss for the period from discontinued operations	(86)	-
Total other comprehensive (loss) / income for the period	(113)	1,031
Total comprehensive (loss) / income for the period	(85)	1,309
Total comprehensive (loss) / income from continuing operations	(12)	1,660
Total comprehensive loss from discontinued operations	(73)	(351)
Total comprehensive (loss) / income for the period	(85)	1,309
Attributable to:		
Equity holders of the parent	214	386
Non-controlling interest	(299)	923
Total comprehensive income / (loss) from continuing operations attributable to:		
Equity holders of the parent	261	645
Non-controlling interest	(273)	1,015
Total comprehensive loss from discontinued operations attributable to:		
Equity holders of the parent	(47)	(259)
Non-controlling interest	(26)	(92)

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Cresud Sociedad Anónima  
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Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity  
for the three-month periods ended September 30, 2017 and 2016

(All amounts in millions, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for publication in Argentina

	Attributable to equity holders of the parent											Total
	Share capital	Treasury shares	Inflation adjustment of share capital and treasury shares (i)	Share premium	Additional paid-in capital from treasury shares	Legal reserve	Special reserve (ii)	Other reserves (iii)	Retained earnings	Subtotal	Non-controlling interest	Total Share equity
Balance as of June 30, 2017	499	3	65	659	20	83	1,516	2,496	11,064	16,405	32,768	49,173
Profit / (loss) for the period	-	-	-	-	-	-	-	-	221	221	(193)	28
Other comprehensive loss for the period	-	-	-	-	-	-	-	(7)	-	(7)	(106)	(113)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	-	(7)	221	214	(299)	(85)
Reserve shared-based compensation	-	-	-	-	-	-	-	1	-	1	16	17
Issuance of capital	-	-	-	-	-	-	-	-	-	-	2	2
Dividends distribution	-	-	-	-	-	-	-	-	-	-	1	1
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	(11)	(11)
Changes in non-controlling interest	-	-	-	-	-	-	-	(20)	-	(20)	(36)	(56)
Balance as of September 30, 2017	499	3	65	659	20	83	1,516	2,470	11,285	16,600	32,441	49,041

(i) Includes Ps. 1 and Ps. 1 of inflation adjustment of treasury shares as of September 30, 2017 and June 30, 2017, respectively.

(ii) Corresponding to General Resolution 609/12 of the National Securities Commission. Note 19 to the Consolidated Financial Statements as of June 30, 2017.

(iii) Group's Other reserves at September 30, 2017 are comprised as follows:

Reserve	Reserve	Total
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	Cost of treasury shares	Changes in non-controlling interest	Reserve for currency translation adjustment	shared-based compensation	for defined benefit plans	Hedging instruments	Reserve for the acquisition of securities issued by the Company	Other reserves
Balance as of June 30, 2017	(24)	243	2,123	103	(23)	49	25	2,496
Other comprehensive loss for the period	-	-	20	-	(25)	(2)	-	(7)
Total comprehensive loss for the period	-	-	20	-	(25)	(2)	-	(7)
Reserve shared-based compensation	-	-	-	1	-	-	-	1
Changes in non-controlling interest	-	(20)	-	-	-	-	-	(20)
Balance as of September 30, 2017	(24)	223	2,143	104	(48)	47	25	2,470

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

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 Vice president II acting as  
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Cresud Sociedad Anónima  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity  
for the three-month periods ended September 30, 2017 and 2016

(All amounts in millions, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for publication in Argentina

Attributable to equity holders of the parent

	Share capital	Treasury shares	Inflation adjustment of share capital and treasury shares (i)	Share premium	Additional paid-in capital from treasury shares	Legal reserve (ii)	Special reserve (iii)	Other reserves (iii)	Retained earnings	Subtotal	Non-controlling interest	Total Share equity
Balance as of June 30, 2016	495	7	65	659	16	83	1,516	1,299	9,521	13,661	23,539	37,199
Profit for the period	-	-	-	-	-	-	-	-	23	23	255	278
Other comprehensive income for the period	-	-	-	-	-	-	-	363	-	363	668	1,046
Total comprehensive income for the period	-	-	-	-	-	-	-	363	23	386	923	1,324
Reserve shared-based compensation	-	-	-	-	-	-	-	3	-	3	32	35
Cash dividends	-	-	-	-	-	-	-	-	-	-	(7)	(7)
Incorporation by business combination	-	-	-	-	-	-	-	-	-	-	19	19
Capital reduction	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Other comprehensive loss subsidiaries	-	-	-	-	-	-	-	-	-	-	(3)	(3)
Changes in non-controlling interest	-	-	-	-	-	-	-	(207)	-	(207)	437	230
Balance as of September 30, 2016 (recast)	495	7	65	659	16	83	1,516	1,458	9,544	13,843	24,939	38,782

(i)  
Includes Ps. 1 and Ps. 1 of inflation adjustment of treasury shares as of September 30, 2016 and June 30, 2016, respectively.

(ii)  
Corresponding to General Resolution 609/12 of the National Securities Commission. Note 19 to the Consolidated Financial Statements as of June 30, 2017.

(iii)  
Group's Other reserves at September 30, 2016 are comprised as follows:

	Cost of treasury shares	Changes in non-controlling interest	Reserve for currency translation adjustment	Reserve shared-based compensation	Reserve for future dividends	Reserve for defined benefit plans	Hedging instruments	Reserve for the acquisition of securities issued by the Company	Total Other reserves
Balance as of June 30, 2016	(32)	118	1,040	95	31	(6)	21	32	1,299
Other comprehensive income for the period	-	-	353	-	-	10	-	-	363
Total comprehensive income for the period	-	-	353	-	-	10	-	-	363
As resolved by Ordinary Shareholders' Meeting held on October 30 and November 26, 2015:									
Reserve shared-based compensation	-	-	-	3	-	-	-	-	3
Changes in non-controlling interest	-	(207)	-	-	-	-	-	-	(207)
Balance as of September 30, 2016 (recast)	(32)	(89)	1,393	98	31	4	21	32	1,458

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

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Vice president II acting as  
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Cresud Sociedad Anónima  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Cash Flows  
for the three-month periods ended September 30, 2017 and 2016  
(All amounts in millions, except shares and per share data and as otherwise indicated)  
Free translation from the original prepared in Spanish for publication in Argentina

	Note	09.30.17	09.30.16 (recast)
Operating activities:			
Cash generated from continuing operating activities before income tax	17	2,579	2,484
Income tax paid		(195)	(197)
Net cash generated from continuing operating activities		2,384	2,287
Net cash generated from discontinued operating activities		66	98
Net cash generated from operating activities		2,450	2,385
Investing activities:			
Payment for subsidiary acquisition, net of cash acquired		-	(30)
Increase of equity interest in associates and joint ventures		(30)	(312)
Acquisition of investment properties		(630)	(657)
Proceeds from sales of investment properties		26	41
Acquisition of trading properties		-	3
Acquisition of property, plant and equipment		(1,125)	(642)
Proceeds from sales of property, plant and equipment		4	-
Advance payments		(110)	-
Advanced proceeds from sales of farmlands		69	-
Proceeds from sales of farmlands		6	71
Acquisition of intangible assets		(185)	(103)
Acquisition of investments in financial instruments		(6,908)	(2,423)
Proceeds from disposals of investments in financial instruments		3,776	2,766
Increase in restricted assets, net		(223)	-
Loans granted to associates and joint ventures		(229)	(22)
Loans		(88)	-
Dividends received		98	27
Proceeds from sale of equity interest in associates and joint ventures		-	10
Net cash used in continuing investing activities		(5,549)	(1,271)
Net cash (used in) / generated from discontinued investing activities		(18)	148
Net cash used in investing activities		(5,567)	(1,123)
Financing activities:			
Proceeds from borrowings		16,721	9,599
Repayment of borrowings		(11,245)	(7,449)
Borrowings from joint ventures and associates		-	4
Payment of seller financing		1	-
Contributions from non-controlling interest		129	-
Acquisition of non-controlling interest in subsidiaries		(48)	(586)
Proceeds from sale of equity interest in subsidiaries to non-controlling interest		18	810
Dividends paid		(130)	(366)
Acquisition of derivative financial instruments		-	27
Proceeds from derivative financial instruments		26	-
Payment of derivative financial instruments		(9)	(4)
Distribution of minority interest in subsidiaries		(18)	-

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Proceeds from the issue of shares and other equity instruments in subsidiaries	276	-
Interest paid	(1,628)	(1,264)
Net cash generated from continuing financing activities	4,093	771
Net cash used in discontinued financing activities	(48)	(452)
Net cash generated from financing activities	4,045	319
Net increase in cash and cash equivalents from continuing activities	928	1,787
Decrease in cash and cash equivalents from discontinued activities	-	(206)
Net increase in cash and cash equivalents	928	1,581
Cash and cash equivalents at beginning of the period	15 25,363	14,096
Cash and cash equivalents reclassified to held for sale	4	(12)
Foreign exchange gain on cash and cash equivalents	94	59
Cash and cash equivalents at the end of the period	26,389	15,724

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

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 Vice president II acting as  
 President



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Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
(All amounts in millions, except shares and per share data and as otherwise indicated)  
Free translation from the original prepared in Spanish for publication in Argentina

1.  
The Group's business and general information

Cresud was founded in 1936 as a subsidiary of Credit Foncier, a Belgian company primarily engaged in providing rural and urban loans in Argentina and administering real estate holdings foreclosed by Credit Foncier. Credit Foncier was liquidated in 1959, and as part of such liquidation, the shares of Cresud were distributed to Credit Foncier's shareholders. From the 1960s through the end of the 1970s, the business of Cresud shifted exclusively to agricultural activities.

In 2002, Cresud acquired a 19.85% interest in IRSA, a real estate company related to certain shareholders of Cresud. In 2009, Cresud increased its ownership percentage in IRSA to 55.64% and IRSA became Cresud's directly principal subsidiary.

Cresud and its subsidiaries are collectively referred to hereinafter as the Group.

IFISA is the parent company and is a corporation established and domiciled in Uruguay, and IFIS Limited is the ultimate parent company.

These Financial Statements have been approved for issue by the Board of Directors on November 10, 2017.

As of September 30, 2017, the Group operates in two major lines of business: (i) agricultural business and (ii) urban properties and investments business, which is divided into two operations centers: (a) Operations Center in Argentina and (b) Operations Center in Israel. They are developed through several operating companies and the main ones are listed below:





Cresud Sociedad Anónima,  
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1.  
The Group's business and general information (Continued)

- (i)  
Remains in current and non-current assets, as financial assets held for sale.
- (ii)  
Corresponds to Group's associates, which are hence excluded from consolidation.
- (iii)  
Disclosed in Groups of assets and liabilities held for sale.

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Within the operations center in Israel and in relation with IDBD's financial position, its cash flow and its ability to meet its financial commitments, the following should be taken into consideration:

Since September 2016, after the sale of Adama and the increase in its subsidiaries' market value, IDBD considers that it is possible to obtain new financing or refinance its actual debts. In this regard, IDBD has recently successfully completed issuance of debentures, as mentioned in Note 22 to these Consolidated Financial Statements as of June 30, 2017. Additionally, it has made early repayments of its financial debt and has managed to renegotiate the related financial restrictions.

As mentioned in Note 7 to the Consolidated Financial Statements as of June 30, 2017, DIC declared dividends, out of which IDBD received approximately NIS 271 (approximately equivalent to Ps. 1,219), net of the exercise of warrants mentioned in Note 3.c. to the Consolidated Financial Statements as of June 30, 2017.

In February 2017, Standard & Poor's Maalot (S&P Maalot) upgraded the rating of IDBD debentures, from CCC to BB. Subsequently, in July 2017, S&P Maalot increased the rating again to BBB with stable outlook

As mentioned in Note 16 to the Consolidated Financial Statements as of June 30, 2017, IDBD sold part of its stake in Clal and signed a swap agreement for the future sale.

Given the reasons above described, IDBD considers that it has enough resources to continue operating for at least 12 months after the date of these Financial Statements.

It should be noted that the IDBD's Board of Directors has in place a cash flow forecast to June 30, 2019. This forecast presumes that IDBD will receive cash from the realization of private investments that are directly held by IDBD. As a result, IDBD expects to honor all its liabilities until the second quarter of 2019. Even though consummation of such plans does not depend entirely on factors under its control, IDBD believes it will succeed in finalizing these or other plans.

Based on the reasons described above, IDBD's management estimates that there are currently no significant uncertainties regarding its ability to operate as a going concern, given its current financial position and its ability to pay its financial commitments in time and in due form and its capacity to carry out its business plan.

Notwithstanding the foregoing, IDBD should pay financial liabilities for NIS 1,413 (approximately equivalent to Ps. 6,740 as of the closing date of these Financial Statements) in November 2019, that payment would be affected by factors that are out of control of IDBD, such as, its ability to carry out its plans to sell its equity interest in Clal considering the scheme determined by the "Capital Market, Insurance and Saving Commission of Israel" ("the Commissioner"), the requirements of the "Act to Promote Competition and Reduce Concentration" ("Concentration Act") and its ability to deal with the implications of the Concentration Act and to abide by the restrictions specified therein concerning the control of companies by means of a pyramidal structure (Note 7 to the Consolidated Financial Statements as of June 30, 2017), among others.

IDBD expects that the consideration from the sale of Clal pursuant to the Commissioner's scheme, namely the sale of 5% tranches payable every four months, to the extent it is implemented – to be low and even significantly low with respect to a block sale of its controlling interest in Clal. However, even if Clal's shares will continued to be sold in accordance to the scheme established by the Commissioner, IDBD's management considers that it would as well have additional sources of cash flows available to obtain funds to pay its commitments in November 2019. IDBD's management considers that it will be able to pay timely its commitments and continue with its operations.

It should be noted that the position of IDBD and its subsidiaries at the operations center in Israel does not affect the financial position of Cresud and subsidiaries at the operations center in Argentina.

In addition, the commitments and other covenants resulting from the loan granted to IDBD do not have impact on Cresud and IRSA since such indebtedness has no recourses against Cresud or IRSA and it is not secured by Cresud or IRSA's assets.



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2.  
Summary of significant accounting policies

2.1.  
Basis of preparation of the Unaudited Financial Statements

The current Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", therefore, should be read together with the Annual Financial Statements of the Group as of June 30, 2017, prepared in accordance with IFRS in force. Furthermore, these Financial Statements include supplementary information required by Law N° 19,550 and/or regulations of CNV. Such information is included in notes to the Financial Statements according to IFRS.

These Financial Statements corresponding to the three-month periods ended as of September 30, 2017 and 2016 have not been audited. The management considers they include all necessary adjustments to fairly present the results of each period. Results for the three-month periods ended as of September 30, 2017 and 2016 do not necessarily reflect the proportion of the Group's full year results.

Under IAS 29 "Financial Reporting in Hyperinflationary Economies", the Financial Statements of an entity whose functional currency belongs to a hyperinflationary economy, regardless of whether they apply historic cost or current cost methods, should be stated at the current unit of measure as of the date of this Consolidated Financial Statements. For such purpose, in general, inflation is to be computed in non-monetary items from the acquisition or revaluation date, as applicable. In order to determine whether an economy is to be considered hyperinflationary, the standard lists a set of factors to be taken into account, including an accumulated inflation rate near or above 100% over a three year period.

For the Group's business in Argentina, considering the released inflation data, the declining inflation trend and in view that all other indicators do not lead to a final conclusion, the Board of Directors understands that there is no enough evidence to conclude that Argentina is a hyperinflationary economy. Therefore, no restatement has been applied on financial information, as set forth by IAS 29, for the reported periods. However, over the last years, certain macroeconomic variables, such as payroll costs and input prices, have experienced significant annual changes, which should be taken into consideration in assessing and interpreting the financial situation and results of operations of the Company in these Financial Statements.

The consolidated financial statements are presented in millions of Argentine Pesos. Unless otherwise stated or the context otherwise requires, references to 'Peso amounts' or 'Ps.', are in Argentine Pesos, references to 'US\$' or 'US Dollar' are in millions of United States dollars, references to 'Rs.' are in millions of Brazilian Reais and references to "NIS" are in millions of New Israeli Shekel.

2.2  
Significant accounting policies

The accounting policies applied in the presentation of these Financial Statements are consistent with those applied in the preparation of the Annual Financial Statements under IFRS as described in Note 2 to the Annual Financial Statements as of June 30, 2017, except for what is mentioned in Note 2.2.b).

2.2.a) Changes to financial statements previously issued due to change in accounting policies

As mentioned in Note 2 to the Consolidated Financial Statements as of June 30, 2017, during the fiscal year ended June 30, 2017 the Group's Board of Directors decided to change the accounting policy for investment property from cost model to fair value model, as permitted under IAS 40. Therefore, the previously issued Interim Financial Statements were retroactively changed as required by IAS 8.

The table below includes the reconciliation between the Statements of Income and of the Statements of Comprehensive Income / (operations) for the three-month period ended September 30, 2016 as they were originally issued, and the statements included in these Financial Statements for comparative purpose. There is no impact on the relevant total amounts in the Consolidated Statement of Cash Flows.





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	09.30.16 (as originally issued)	09.30.16 (adjustment)	09.30.16 (other reclassifications) i)	09.30.16 (recast)
Sales, rental and services income	19,750	-	(900)	18,850
Costs	(14,519)	607	a) 679 and h)	(13,233)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	382	(344)	h)	38
Changes in the net realizable value of agricultural products after harvest	(98)	-	-	(98)
Gross profit	5,515	263	(221)	5,557
Gain from disposal of investment properties	19	(19)	b)	-
Gain from disposal of farmlands	73	-	-	73
Net gain from fair value adjustment of investment properties	-	1,436	c)	1,436
General and administrative expenses	(1,022)	-	82	(940)
Selling expenses	(3,431)	-	127	(3,304)
Other operating results, net	(21)	-	(7)	(28)
Management fees	-	(3)	f)	(3)
Profit from operations	1,133	1,677	(19)	2,791
Share of (loss) / profit of associates and joint ventures	(55)	25	d)	(3)
Profit before financing and taxation	1,078	1,702	8	2,788
Finance income	411	-	(108)	303
Finance cost	(2,296)	-	93	(2,203)
Other financial results	320	-	-	320
Financial results, net	(1,565)	-	(15)	(1,580)
(Loss) / Profit before income tax	(487)	1,702	(7)	1,208
Income tax	(28)	(551)	e)	(579)
(Loss) / Profit from continuing operations	(515)	1,151	(7)	629
(Loss) / Profit from discontinued operations	(358)	-	7	(351)
(Loss) / Profit for the period	(873)	1,151	-	278
Attributable to:				
Equity holders of the parent:	(485)	508	-	23
Non-controlling interest:	(388)	643	-	255
	09.30.16 (as originally issued)	09.30.16 (adjustment)	09.30.16 (other reclassifications) i)	09.30.16 (recast)
(Loss) / Profit for the period	(873)	1,151	-	278
Other comprehensive income): Items that may be reclassified subsequently to profit or loss:				
Currency translation adjustment	924	76	g) -	1,000
Change in the fair value of hedging instruments net of income taxes	56	-	-	56

Items that may not be reclassified subsequently to profit or loss, net of income tax

Actuarial loss from defined contribution plans	(22)	-	-	(22)
Other loss generated in associates	(3)	-	-	(3)
Other comprehensive income for the period from continuing operations	955	76	-	1,031
Other comprehensive income for the period from discontinued operations	-	-	-	-
Total comprehensive income for the period	82	1,227	-	1,309
Attributable to:				
Equity holders of the parent:	(145)	531	-	386
Non-controlling interest:	227	696	-	923

- a)  
It corresponds to the elimination of depreciation expense for investment properties, and the adjustment, if applicable, to the depreciation of property, plant and equipment to adjust the value of transfers from investment property to that item.
- b)  
It corresponds to the elimination of the gain/loss on the sale of investment properties, for such property is accounted for at its fair value on the date of sale, which generally coincides with the transaction price (see point d).
- c)  
It represents the net change in the fair value of investment properties.
- d)  
It corresponds to changes in share of profit / (loss) in associates and joint ventures, as per the equity method, after applying the change to equity method valuation implemented by the Group.
- e)  
It reflects the tax effect on the items indicated above, as applicable.
- f)  
It pertains to re-measurement of management fees, as indicated in Note 32 to the Annual Financial Statements.
- g)  
It pertains to exchange differences related to the change in the accounting policy implemented by the Group in subsidiaries, associates and joint ventures with functional currency other than the peso.
- h)  
It corresponds to changes in presentation of cost of production. See Note 2.2.(b).
- i)  
See Note 2.26 and 32 to the Annual Financial Statements.



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#### 2.2.b) Changes in the presentation of financial statements previously issued due to change in accounting policies

Expenses relating to the agricultural activity include items as planting, harvesting, irrigation, agrochemicals, fertilizers, veterinary services and others. The Group chose not to continue to charge these costs to income as they are incurred; instead, it capitalized them as part of the cost of biological assets. The Group believes this change will help to better understand the performance of the agribusiness activity and therefore provides more relevant information to Management, users of the Financial Statements and others.

The Group has therefore retroactively changed the previously issued Consolidated Financial Statements as required by IAS 8. There is no impact on the total and subtotal amounts of the financial statements.

#### 2.3

##### Use of estimates

The preparation of financial statements at a certain date requires the Management of the Group to make estimations and evaluations affecting the amount of assets and liabilities recorded and contingent assets and liabilities disclosed at such date, as well as income and expenses recorded during the period. Actual results might differ from the estimates and evaluations made at the date of preparation of these financial statements.

In the preparation of these Unaudited Financial Statements, the significant judgments made by Management in applying the Group's accounting policies and the main sources of uncertainty were the same applied by the Group in the preparation of the annual financial statements for the year ended as of June 30, 2017, as described in Note 5 to those financial statements.

#### 2.4

##### Comparability of information

Amounts as of June 30, 2017 and September 30, 2016 which are disclosed for comparative purposes have been taken from financial statements then ended, except for changes described in Notes 2.2.a) and 2.2.b).

#### 3.

##### Seasonal effects on operations

##### Agricultural business

Some of the Group's businesses are more affected by seasonal effects than others. The operations of the Group's agricultural business are subject to seasonal effects. The harvests and sale of grains in Argentina generally take place each year since March in the case of corn and soybean, since October in the case of wheat, and since December in the case of sunflower. In Brazil, the harvest and sale of soybean take place since February, and in the case of corn weather conditions make it possible to have two seasons, therefore the harvest take place between March and July. In Bolivia, weather conditions also make it possible to have two soybean, corn and sorghum seasons and, therefore, these crops are harvested in July and May, whereas wheat is harvested in August and September, respectively. In the case of sugarcane, harvest and sale take place between April and November of each year. Other segments of the agricultural business, such as beef cattle and milk production tend to be more stable. However, beef cattle and milk production is generally larger during the second quarter, when conditions are more favorable. As a result, there may be material fluctuations in the agricultural business results across quarters.





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Urban properties and investments business

Operations Center in Argentina

The operations of the Group's shopping malls are subject to seasonal effects, which affect the level of sales recorded by lessees. During summer time in Argentina (January and February), the lessees of shopping malls experience the lowest sales levels in comparison with the winter holidays (July) and Christmas and year-end holidays celebrated in December when they tend to record peaks of sales. Apparel stores generally change their collections during the spring and the fall, which impacts positively on shopping mall sales. Sale discounts at the end of each season also impact the business. As a consequence, for shopping mall operations, a higher level of business activity is expected in the period ranging between July and December, compared to the period between January and June.

Operations Center in Israel

The operations of the Shufersal supermarket chain are subject to fluctuations of quarterly sales and income due to the increase in activity during religious holidays in different quarters throughout the year. For instance, in Pesaj (Passover) between March and April, and Rosh Hashaná (Jewish New Year), sometime between September and October each year.

The results of operations of Cellcom and IDBD Tourism are also usually affected by seasonality in summer months in Israel and by the Jewish New Year, given a higher consumption due to internal and external tourism.

4.

Acquisitions and disposals

Below are detailed the significant acquisitions and disposals for the three-month period ended September 30, 2017. The significant acquisitions and disposals for the fiscal year ended June 30, 2017, are detailed in Note 3 to the Annual Financial Statements

Sale of farmlands

On July 20, 2017, the Company executed a purchase-sale agreement for all of "La Esmeralda" establishment consisting of 9,352 hectares devoted to agricultural and cattle raising activities in the 9 de Julio district, Province of Santa Fe, Argentina. The total amount of the transaction was fixed at US\$ 19 (US\$/ha. 2,031), US\$ 4 (equivalent to Ps. 69) of which have already been paid. As for the remaining balance of US\$ 15, US\$ 3 will be collected upon execution of conveyance deed and deliver of possession in June 2018, with the remaining balance being secured with a mortgage on real property, payable in 4 equal installments, with maturity in April 2022; the balances will accrue interest at a rate of 4%.

Ispro

In August 2017, PBC's Board of Directors, decided to start a process to examine the potential sale of its interest in Ispro. In this respect, it has received several offers.

Agreement for New Pharm acquisition



As mentioned in Note 3.G to the Consolidated Financial Statements as of June 30, 2017, Shufersal entered into an agreement (the "agreement") for the purchase of the shares of New Pharm Drugstores Ltd. ("New Pharm"), representative of 100% of that Company's share capital. On September 6, 2017, the Antitrust Commission approved the merger between Shufersal and New Pharm subject to certain conditions. On September 28, 2017, the parties signed an Addendum to such agreement whereby they agreed to sell 9 New Pharm stores to a third party and one Shufersal store to another party. The proceeds from the sale of New Pharm stores will be collected by this company before the merger, thus changing the transaction price, albeit not significantly. The deadline for the execution of the sale agreement has been set on November 30, 2017 and the formalization execution date on December 31, 2017.



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#### Tender offer of DIC

As mentioned in Note 7 to the Consolidated Financial Statements as of June 30, 2017, after June 30, 2017, Dolphin Netherlands B.V. made a non-binding tender offer for the acquisition of all DIC shares held by IDBD.

For purposes of the transaction, a committee of independent directors has been set up to assess the tender offer and negotiate the terms and conditions. In response to an inquiry, the Audit Committee has issued an opinion without reservations as to the transaction in accordance with the terms of section 72 et al. of the Capital Markets Act N° 26,831.

In September 2017, IDBD informed that the Company and Dolphin signed a letter of intent. The transaction's completion is dependent upon the execution of the definitive transaction documents (the "Definitive Documents") by the parties on or before November 16, 2017, as well as upon approval of the transaction by the parties' respective Boards of Directors and compliance with additional guarantees until December 10, 2017 (the "Transaction Closing Date"). The main items of the letter of intent are the following:

The buyer will acquire all of DIC shares held by IDBD at a stated price of NIS 16.6 per share (equal to approximately Ps. 80 per share as of the date of these Financial Statements).

The buyer will issue a promissory note, maturing five years from the effective transaction date which shall accrue interest at an annual rate of 5.5%. Until the promissory note is fully paid, any dividend payment made by DIC shall be paid through an Israeli bank and will be pledged in favor of the seller.

All DIC shares that are currently securing debt, shall continue to be collateral for that debt, and those shares that are currently unencumbered will be pledged to secure payment of the promissory note.

IDBD is currently analyzing the next steps to continue controlling its subsidiaries in 2019.

#### Tender offer for Clal

In July 2017, IDBD received a non-binding offer from an international group for the potential acquisition of its entire interest in Clal. For consideration that will be based on the equity value of Clal, in accordance with Clal Financial Statement at the time of specifying the transaction and is subject to the performance of a due diligence and the execution of an agreement, as well as getting the approvals required by law. IDBD is analyzing the offer. On June 30, 2017, this value amounted to NIS 4,880 (equivalent to approximately Ps. 23,278 as of the date of these Financial Statements). There is no certainty that the offer will go forward under the terms offered, or that the transaction will be completed.

#### 5. Financial risk management and fair value estimates

These financial statements do not include all the information and disclosures of the risk management, so they should be read together with Note 4 to the Annual Financial Statements as of June 30, 2017. There have been no changes in the risk management or risk management policies applied by the Group since the fiscal year-end.

Since June 30, 2017, as of the date of these Financial Statements, there have been no significant changes in business or economic circumstances affecting the fair value of the Group's assets and liabilities (either measured at fair value or amortized cost). Neither have been transfers between the several tiers used in estimating the fair value of the Group's financial instruments.



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6.  
Segment information

As explained in Note 6 to the Consolidated Financial Statements as of June 30, 2017, segment information is reported from the perspective of products and services: (i) agricultural business and (ii) urban properties and investment business. In addition, this last segment is reported divided from the geographic point of view in two Operations Centers to manage its global interests: Argentina and Israel. Below is a summary of the lines of business of the Group for the periods ended September 30, 2017 and 2016:

	Agricultural business (I)	Urban Properties and Investment business (II) Operations Center in Argentina	Operations Center in Israel	Subtotal	Total
Revenues	1,499	1,219	18,594	19,813	21,312
Costs	(1,197)	(249)	(13,064)	(13,313)	(14,510)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	52	-	-	-	52
Changes in the net realizable value of agricultural products after harvest	52	-	-	-	52
Gross profit	406	970	5,530	6,500	6,906
Net gain from fair value adjustment of investment properties	52	2,518	922	3,440	3,492
General and administrative expenses	(100)	(207)	(813)	(1,020)	(1,120)
Selling expenses	(152)	(93)	(3,470)	(3,563)	(3,715)
Management fees	(1)	(17)	(12)	(29)	(30)
Other operating results, net	7	(26)	36	10	17
Profit from operations	212	3,145	2,193	5,338	5,550
Share of (loss) / profit of associates and joint ventures	(5)	487	(101)	386	381
Segment profit	207	3,632	2,092	5,724	5,931
Reportable assets	7,545	48,241	180,774	229,015	236,560
Reportable liabilities	-	-	(159,846)	(159,846)	(159,846)
Net reportable assets	7,545	48,241	20,928	69,169	76,714

Below is a summarized analysis of the lines of business of the Group for the three-month period ended September 30, 2016 (recast):

	Agricultural business (I)	Urban properties and investments business (II) Operations Center in Argentina	Operations Center in Israel	Subtotal	Total
Revenues	1,120	957	16,499	17,456	18,576
Costs	(948)	(201)	(11,780)	(11,981)	(12,929)

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Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	21	-	-	-	21
Changes in the net realizable value of agricultural products after harvest	(98)	-	-	-	(98)
Gross profit	95	756	4,719	5,475	5,570
Gain from disposal of farmlands	73	-	-	-	73
Net gain from fair value adjustment of investment properties	-	1,110	336	1,446	1,446
General and administrative expenses	(77)	(165)	(702)	(867)	(944)
Selling expenses	(135)	(87)	(3,083)	(3,170)	(3,305)
Management fees	-	-	(3)	(3)	(3)
Other operating results, net	40	(12)	(56)	(68)	(28)
(Loss) / Profit from operations	(4)	1,602	1,211	2,813	2,809
Share of (loss) / profit of associates and joint ventures	(8)	49	(47)	2	(6)
Segment (loss) / profit	(12)	1,651	1,164	2,815	2,803
Reportable assets	5,354	40,365	149,755	190,120	195,474
Reportable liabilities	-	-	(134,526)	(134,526)	(134,526)
Net reportable assets	5,354	40,365	15,229	55,594	60,948





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(I)  
Agriculture line of business:

The following tables present the reportable segments of the agriculture line of business:

	09.30.17			Total
	Agricultural production	Land transformation and sales	Others	Agricultural business
Revenues	924	-	575	1,499
Costs	(684)	(4)	(509)	(1,197)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	52	-	-	52
Changes in the net realizable value of agricultural products after harvest	52	-	-	52
Gross Profit / (Loss)	344	(4)	66	406
Net gain from fair value adjustment of investment properties	-	52	-	52
General and administrative expenses	(72)	-	(28)	(100)
Selling expenses	(115)	-	(37)	(152)
Management fees	(1)	-	-	(1)
Other operating results, net	5	-	2	7
Profit from operations	161	48	3	212
Share of loss of associates	(2)	-	(3)	(5)
Segment profit	159	48	-	207
Investment properties	416	-	-	416
Property, plant and equipment	4,853	15	104	4,972
Goodwill	14	-	1	15
Biological assets	1,177	-	-	1,177
Inventories	582	-	344	926
Investments in associates	38	-	1	39
Total operating assets	7,080	15	450	7,545
	09.30.16 (recast)			
	Agricultural production	Land transformation and sales	Others	Total Agricultural business
Revenues	642	-	478	1,120
Costs	(555)	(3)	(390)	(948)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	21	-	-	21
Changes in the net realizable value of agricultural products after harvest	(98)	-	-	(98)
Gross profit / (loss)	10	(3)	88	95
Gain from disposal of farmlands	-	73	-	73
General and administrative expenses	(55)	-	(22)	(77)
Selling expenses	(103)	-	(32)	(135)
Other operating results, net	39	-	1	40

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(Loss) / Profit from operations	(109)	70	35	(4)
Share of loss of associates	(5)	-	(3)	(8)
Segment (loss) / profit	(114)	70	32	(12)
Investment properties	94	-	-	94
Property, plant and equipment	3,551	18	52	3,621
Goodwill	13	-	-	13
Biological assets	827	-	-	827
Inventories	543	-	213	756
Investments in associates	43	-	-	43
Total operating assets	5,071	18	265	5,354

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(II)  
Urban properties and investments line of business

The following tables present the reportable segments from the Operations Center in Argentina:

	09.30.17						
	Shopping Malls	Offices and others	Sales and developments	Hotels	International	Financial operations, corporate and others	Total
Revenues	850	122	33	214	-	-	1,219
Costs	(85)	(7)	(10)	(147)	-	-	(249)
Gross profit	765	115	23	67	-	-	970
Net gain from fair value adjustment of investment properties	2,044	276	198	-	-	-	2,518
General and administrative expenses	(66)	(9)	(19)	(39)	(21)	(53)	(207)
Selling expenses	(49)	(8)	(3)	(29)	-	(4)	(93)
Management fees	(14)	(2)	(1)	-	-	-	(17)
Other operating results, net	(9)	6	(18)	(1)	(3)	(1)	(26)
Profit / (Loss) from operations	2,671	378	180	(2)	(24)	(58)	3,145
Share of profit of associates and joint ventures	-	12	2	-	113	360	487
Segment profit / (loss)	2,671	390	182	(2)	89	302	3,632
Investment properties	30,912	8,031	4,939	-	-	-	43,882
Property, plant and equipment	56	41	-	170	54	-	321
Trading properties	1	-	614	-	-	-	615
Goodwill	8	39	5	-	-	-	52
Rights to receive future units under barter agreements	-	-	44	-	-	-	44
Inventories	25	1	-	11	-	-	37
Investment in associates and joint ventures	-	126	141	-	705	2,318	3,290
Total operating assets	31,002	8,238	5,743	181	759	2,318	48,241
	09.30.16 (recast)						
	Shopping Malls	Offices and others	Sales and developments	Hotels	International	Financial operations, corporate and others	Total
Revenues	682	101	1	173	-	-	957
Costs	(74)	(8)	(5)	(114)	-	-	(201)

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Gross profit / (loss)	608	93	(4)	59	-	-	756
Net gain from fair value adjustment of investment properties	886	187	37	-	-	-	1,110
General and administrative expenses	(49)	(6)	(11)	(31)	(23)	(45)	(165)
Selling expenses	(42)	(15)	(3)	(22)	-	(5)	(87)
Management fees	-	-	-	-	-	-	-
Other operating results, net	(9)	5	(3)	-	(4)	(1)	(12)
Profit / (Loss) from operations	1,394	264	16	6	(27)	(51)	1,602
Share of profit / (loss) of associates and joint ventures	-	13	7	-	(24)	53	49
Segment profit / (loss)	1,394	277	23	6	(51)	2	1,651
Investment properties	27,479	5,950	3,830	-	-	-	37,259
Property, plant and equipment	50	35	2	165	2	-	254
Trading properties	1	-	617	-	-	-	618
Goodwill	14	89	4	-	-	-	107
Rights to receive future units under barter agreements	-	-	90	-	-	-	90
Inventories	21	-	1	9	-	-	31
Investment in associates and joint ventures	-	53	69	-	116	1,768	2,006
Total operating assets	27,565	6,127	4,613	174	118	1,768	40,365



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The following table presents the reportable segments of the Operations Center in Israel:

	09.30.17					
	Real Estate	Supermarkets	Telecommunications	Insurance	Others	Total
Revenues	997	13,182	4,226	-	189	18,594
Costs	(250)	(9,813)	(2,991)	-	(10)	(13,064)
Gross profit	747	3,369	1,235	-	179	5,530
Net gain from fair value adjustment of investment properties	922	-	-	-	-	922
General and administrative expenses	(83)	(202)	(382)	-	(146)	(813)
Selling expenses	(26)	(2,600)	(826)	-	(18)	(3,470)
Management fees	(8)	(3)	(1)	-	-	(12)
Other operating results, net	22	(78)	145	-	(53)	36
Profit / (Loss) from operations	1,574	486	171	-	(38)	2,193
Share of (loss) / profit of associates and joint ventures	(210)	4	-	-	105	(101)
Segment profit	1,364	490	171	-	67	2,092
						-
Operating assets	83,752	37,486	32,601	8,652	18,283	180,774
Operating liabilities	(66,424)	(26,196)	(25,996)	-	(41,230)	(159,846)
	17,328	11,290	6,605	8,652	(22,947)	20,928
	09.30.16 (recast)					
	Real Estate	Supermarkets	Telecommunications	Insurance	Others	Total
Revenues	1,049	11,467	3,841	-	142	16,499
Costs	(411)	(8,716)	(2,565)	-	(88)	(11,780)
Gross profit	638	2,751	1,276	-	54	4,719
Net gain from fair value adjustment of investment properties	336	-	-	-	-	336
General and administrative expenses	(63)	(149)	(355)	-	(135)	(702)
Selling expenses	(19)	(2,202)	(851)	-	(11)	(3,083)
Management fees	(2)	(1)	-	-	-	(3)
Other operating results, net	-	(15)	(7)	-	(34)	(56)
Profit / (Loss) from operations	890	384	63	-	(126)	1,211
Share of (loss) / profit of associates and joint ventures	(101)	-	-	-	54	(47)
Segment profit / (loss)	789	384	63	-	(72)	1,164
Operating assets	59,901	29,121	27,455	4,793	28,485	149,755
Operating liabilities	(48,387)	(23,034)	(21,780)	-	(41,325)	(134,526)
	11,514	6,087	5,675	4,793	(12,840)	15,229





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The following tables present a reconciliation between the total results of operations as per the segment information and the profit from operation as per the Statement of Income. The adjustments relate to the presentation of the results of operations of joint ventures accounted for under the equity method under IFRS and the non-elimination of the inter-segment transactions.

09.30.17					
	Total segment information	Adjustment for share of profit / (loss) of joint ventures	Expenses and collective promotion funds	Adjustment to income / (operations) for elimination of intersegment transactions	Total Statement of Income
Revenues	21,312	(11)	413	(38)	21,676
Costs	(14,510)	5	(419)	12	(14,912)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	52	1	-	22	75
Changes in the net realizable value of agricultural products after harvest	52	-	-	-	52
Gross profit / (loss)	6,906	(5)	(6)	(4)	6,891
Net gain from fair value adjustment of investment properties	3,492	(39)	-	-	3,453
General and administrative expenses	(1,120)	12	-	3	(1,105)
Selling expenses	(3,715)	1	-	1	(3,713)
Management fees	(30)	-	-	-	(30)
Other operating results, net	17	14	-	-	31
Profit / (Loss) from operations before share of profit of associates and joint ventures	5,550	(17)	(6)	-	5,527
Share of profit of associates and joint ventures	381	8	-	-	389
Profit / (Loss) from operations before financing and taxation	5,931	(9)	(6)	-	5,916
09.30.16 (recast)					
	Total segment information	Adjustment for share of profit / (loss) of joint ventures	Expenses and collective promotion funds	Adjustment to income / (operations) for elimination of intersegment transactions	Total Statement of Income
Revenues	18,576	(20)	341	(47)	18,850
Costs	(12,929)	14	(348)	30	(13,233)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	21	2	-	15	38

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Changes in net realizable value of agricultural products after harvest	(98)	-	-	-	(98)
Gross profit / (loss)	5,570	(4)	(7)	(2)	5,557
Gain from disposal of farmlands	73	-	-	-	73
Net gain from fair value adjustment of investment properties	1,446	(10)	-	-	1,436
General and administrative expenses	(944)	2	-	2	(940)
Selling expenses	(3,305)	1	-	-	(3,304)
Management fees	(3)	-	-	-	(3)
Other operating results, net	(28)	-	-	-	(28)
Profit / (Loss) from operations before share of (loss) / profit of associates and joint ventures	2,809	(11)	(7)	-	2,791
Share of (loss) / profit of associates and joint ventures	(6)	3	-	-	(3)
Profit / (Loss) from operations before financing and taxation	2,803	(8)	(7)	-	2,788



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The following tables present a reconciliation between total segment assets 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.

	09.30.17				Total	09.30.16 (recast)				Total
	Agricultural business	Urban properties and investments	Operations Center in Argentina	Operations Center in Israel		Agricultural business	Urban properties and investments	Operations Center in Argentina	Operations Center in Israel	
Total Assets per segment	7,545	48,241	180,774	229,015	236,560	5,354	40,365	149,755	190,120	195,474
Less:										
Proportionate share in reportable assets per segment of joint ventures (*)	(660)	(1,020)	-	(1,020)	(1,680)	(598)	(767)	-	(767)	(1,365)
Plus:										
Investments in joint ventures (**)	290	683	-	683	973	271	625	-	625	896
Other non-reportable assets (***)	4,052	10,405	-	10,405	14,457	3,831	7,069	-	7,069	10,900
Total Consolidated assets as per Statement of Financial Position	11,227	58,309	180,774	239,083	250,310	8,858	47,292	149,755	197,047	205,905

(\*) Below is a detail of the proportionate share in assets by segment of joint ventures included in the information reported by segment.

	09.30.17				Total	09.30.16 (recast)				Total
	Agricultural business	Urban properties and investments	Operations Center in Argentina	Operations Center in Israel		Agricultural business	Urban properties and investments	Operations Center in Argentina	Operations Center in Israel	
Investment properties	1	1,018	-	1,018	1,019	2	681	-	681	683
Property, plant and equipment	659	(4)	-	(4)	655	583	(3)	-	(3)	580

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Trading properties	-	-	-	-	-	-	89	-	89	89
Goodwill	-	6	-	6	6	-	-	-	-	-
Biological assets	-	-	-	-	-	7	-	-	-	7
Inventories	-	-	-	-	-	6	-	-	-	6
Total proportionate share in assets per segment of joint ventures	660	1,020	-	1,020	1,680	598	767	-	767	1,365

(\*\*)  
Represents the equity-accounted amount of those joint ventures, which were proportionate-consolidated for segment information purposes.

(\*\*\*)  
Includes deferred income tax assets, income tax and minimum presumed income tax receivables, trade and other receivables, investments in financial assets, cash and cash equivalents, and intangible assets except for right to receive future units under barter agreements, net of investment in associates with negative equity which are included in provisions in the amount of Ps. 27, as of September 30, 2016.



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7.  
Information about principal subsidiaries

The Group conducts its business through several operating subsidiaries and holdings. The Group considers that the subsidiaries below are the ones with non-controlling interests to the Group.

		As of September 30, 2017						Period ended September 30, 2017		
	Non-controlling shareholders' interest %	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Book value of non-controlling shareholders	Revenues	Net (loss) / income	Total contribution (loss)
Elron (1)	49.68%	1,450	1,111	143	14	2,404	1,793	-	(145)	(61)
PBC (1)	35.56%	18,273	62,451	10,507	54,395	15,822	12,354	997	(171)	(35)
Cellcom (1)	57.74%	12,444	17,925	8,595	16,446	5,328	3,720	4,226	53	-
Shufersal (1)	45.81%	11,634	23,549	13,442	13,055	8,686	5,366	13,182	312	(22)
Brasilagro	56.71%	940	3,598	750	282	3,506	1,988	423	102	363
IRSA	36.24%	72,209	167,145	44,038	148,410	46,906	20,799	20,213	74	(37)
		As of June 30, 2017						Year ended June 30, 2017		
	Non-controlling shareholders' interest %	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Book value of non-controlling shareholders	Revenues	Net (loss) / income	Total contribution income
Elron (1)	49.68%	1,669	1,183	162	9	2,681	1,975	-	(60)	45
PBC (1)	35.56%	15,391	64,345	10,197	53,713	15,826	11,161	1,049	97	142
Cellcom (1)	57.74%	12,163	18,273	8,171	16,928	5,337	3,706	3,841	(19)	-
Shufersal (1)	39.33%	14,124	23,482	16,256	12,984	8,366	3,840	11,467	220	(19)
Brasilagro	56.57%	804	3,347	739	276	3,136	1,774	693	134	822
IRSA	36.24%	65,492	165,750	46,434	137,472	47,336	21,472	74,172	5,220	9,700

(1) Corresponds to the Group's direct interest.





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8.  
Investment in associates and joint ventures

Changes in the Group's investments in associates for the three-month period ended as of September 30, 2017 and for the year ended as of June 30, 2017 were as follows:

	09.30.17	06.30.17
Beginning of the period / year	4,620	14,479
Share-holding increase in associates	35	1,100
Capital contribution	44	57
Share of profit	422	92
Currency translation adjustment	(31)	(210)
Cash dividends (i)	(15)	(207)
Sale of associates	-	1
Capital reduction	(97)	(32)
Hedging instruments	-	56
Defined benefit plans	-	(7)
Reclassification to held for sale	(44)	(10,709)
End of the period / year (ii)	4,934	4,620

(i)  
During the period ended September 30, 2017 the balance of corresponds Ps. 11 to Condor and Ps. 4 to Agro-Uranga. During the fiscal year ended June 30, 2017 the balance corresponds in Ps. 101 to Emco, Ps. 36 to Aviareps AG, Ps. 22 to Condor, Ps. 19 to Manibil and Ps. 7 to Millenium.

(ii)  
As of June 30, 2017 includes a balance of Ps. (72) reflecting investments in companies with negative equity which was included in "Provisions" (see Note 19).

Changes in the Group's investments in joint ventures for the three-month period ended September 30, 2017 and for the year ended June 30, 2017 were as follows:

	09.30.17	06.30.17
Beginning of the period / year	3,535	2,649
Decrease for the control obtainment	-	(59)
Capital contribution	12	115
Incorporation by business combination (Note 4)	-	107
Share of (loss) / profit of subsidiaries, associates and joint ventures	(33)	273
Currency translation adjustment	7	515
Cash dividends (i)	-	(65)
Liquidation distribution (ii)	(65)	-
End of the period / year	3,456	3,535

(i)  
During the fiscal year ended June 30, 2017 corresponds in Ps. 36 to Manaman, Ps. 12 to NPSF, Ps. 9 to LRSA, Ps. 7 to Cyrsa S.A. and Ps. 1 to Baicom.

(ii)  
It corresponds to the distribution following the partial liquidation of Baicom.





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The table below lists additional information about the Group's investments in associates:

Name of the entity	Place of business / Country of incorporation	Main activity	Common shares 1 vote	Value of Group's interest in equity		Group's interest in comprehensive income		% of ownership interest held		Last financial statement issued	
				09.30.17	06.30.17	09.30.17	09.30.16 (recast)	09.30.17	06.30.17	Share capital (nominal value)	Income / (loss) for the year
New Lipstick (1)	United States	Real Estate	N/A	39	(72)	111	(46)	49.90%	49.90%	N/A	(*) (24)
BHSA	Argentina	Financing	448,689,072	2,064	1,693	371	39	29.90%	29.90%	(***) 1,500	(***) 625
Condor	United States	Hotel	3,314,453	657	634	30	25	28.60%	28.70%	N/A	(**) 5
PBEL	India	Real Estate	450,000	663	768	(60)	(42)	45.40%	45.40%	(**) 1	(**) (40)
Others associates			-	1,511	1,597	(61)	298	-	-	N/A	N/A
				4,934	4,620	391	274				

(1) Metropolitan, a subsidiary of New Lipstick, has renegotiated its non-recourse debt with IRSA, which amounted to US\$ 113.1, and obtained a debt reduction of US\$ 20 by the lending bank, an extension to April 30, 2020 and an interest rate reduction from LIBOR + 4 b.p. to 2 b.p. upon payment of US\$ 40 in cash (US\$ 20 in September 2017 and US\$ 20 in October 2017), of which IRSA has contributed with US\$ 20. Following the renegotiation, Metropolitan's debt amounts to US\$ 53.1. Additionally, Metropolitan has agreed to exercise on or before February 1, 2019 the purchase option on part of the land where the property is constructed and to deposit the sum of money corresponding to 1% of the purchase price. Furthermore, Metropolitan has agreed to cause IRSA and other shareholders to furnish the bank, on or before February 1, 2020, with a payment guarantee with financial ratios acceptable to the Bank for the outstanding balance of the purchase price, or a letter of credit in relation to the loan balance then outstanding.

(\*) Amounts presented in millions of US dollars under USGAAP. Condor's year-end falls on December 31, so the Group estimates their interest will a three-month lag including any material adjustments, if any.

(\*\*) Amounts presented in millions of NIS.

(\*\*\*) Information as of June 30, 2017 according to BCRA's standards. For the purpose of the valuation of the investment in the Company, preliminary figures as of September 30, 2017 have been considered with the necessary IFRS adjustments.

The table below lists additional information about the Group's investments in joint ventures:

Main	Value of Group's interest in equity		Group's interest in comprehensive income		% ownership interest held		Last financial statement issued
	09.30.17	06.30.17	09.30.17	09.30.16	09.30.17	06.30.17	

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Name of the entity	Place of business / Country of incorporation	activity	Common shares 1 vote	(recast)						Share capital (nominal value)	Income / (loss) for the year
Quality	Argentina	Real State Event	81,814,342	507	482	17	4	50%	50%	164	36
La Rural	Argentina	organization and others	714,498	124	113	11	11	50%	50%	1	32
Cresca S.A.	Paraguay	Agricultural	138,154	289	279	9	41	50%	50%	145	(i) (47)
Mehadrin Others joint ventures	Israel	-	1,509,889	1,245	1,312	(67)	(38)	45.41%	45.41%	(*) 3	(*) (9)
			-	1,291	1,349	4	-	-	-	N/A	N/A
				3,456	3,535	(26)	18				

(\*) Amounts presented in millions of NIS.



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9.  
Investment properties

Changes in the Group's investment properties for the three-month period ended September 30, 2017 and for the year ended June 30, 2017 were as follows:

	Leased out farmland	Rental properties	Underdeveloped parcels of land	Properties under development	Total as of 09.30.17	Total as of 06.30.17
Fair value at the beginning of the period / year	304	89,313	7,647	2,925	100,189	82,505
Reclassifications of previous periods	-	-	-	-	-	(175)
Currency translation adjustment	28	(596)	(47)	(61)	(676)	10,461
Additions	-	415	4	277	696	2,652
Additions of capitalized leasing costs	-	7	-	-	7	23
Depreciation of capitalized leasing costs (i)	-	(1)	-	-	(1)	(1)
Reclassification to assets held for sale	-	-	-	-	-	(71)
Reclassification to trading properties	-	(351)	-	-	(351)	(14)
Transfers	-	(4)	4	-	-	-
Capitalized borrowing costs	-	-	-	-	-	3
Reclassification to property, plant and equipment	-	-	-	-	-	(38)
Reclassification of property, plant and equipment	31	-	-	-	31	62
Disposals	-	(26)	-	-	(26)	(220)
Net gain from fair value adjustment	52	3,898	(36)	(461)	3,453	5,002
Fair value at the end of the period / year	415	92,655	7,572	2,680	103,322	100,189

(i)  
Depreciation charges of Capitalized leasing costs were included in "Costs" in the Statement of Income (Note 24).

The following amounts have been recognized in the Statement of Income:

	09.30.17	09.30.16 (recast)
Rental and services income	2,458	1,949
Direct operating expenses	(676)	(639)
Development expenses	(40)	(4)
Net gain from fair value of realized and unrealized investment property	3,404	1,396

No finance costs were capitalized during the three-month periods ended September 30, 2017 and 2016.







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10.

Property, plant and equipment

Changes in the Group's property, plant and equipment for the three-month period ended September 30, 2017 and for the year ended June 30, 2017 were as follows:

	Owner occupied farmland	Bearer plant	Buildings and facilities	Machinery and equipment	Communication networks	Others	Total as of 09.30.17	Total as of 06.30.17
Costs	4,011	362	17,495	4,390	7,713	2,162	36,133	28,890
Accumulated depreciation	(382)	(146)	(1,233)	(928)	(1,551)	(743)	(4,983)	(2,089)
Net book amount	3,629	216	16,262	3,462	6,162	1,419	31,150	26,801
Opening net book amount	3,629	216	16,262	3,462	6,162	1,419	31,150	26,801
Assets incorporated by business combination								
Currency translation adjustment	237	18	6	-	(6)	5	260	5,460
Additions	68	29	201	173	273	246	990	3,769
Reclassifications of investment properties	-	-	-	-	-	-	-	38
Reclassification to group of assets held for sale (Note 33)	-	-	-	-	-	-	-	(1,557)
Reclassifications to investment properties	(31)	-	-	-	-	-	(31)	(62)
Disposals	-	-	-	-	(39)	(9)	(48)	(417)
Impairments / Recoveries	-	-	(31)	-	-	-	(31)	12
Depreciation charge (i)	(20)	(27)	(175)	(168)	(299)	(137)	(826)	(2,894)
Closing net book amount	3,883	236	16,263	3,467	6,091	1,524	31,464	31,150
Costs	4,305	319	17,946	4,801	8,409	2,407	38,187	36,133
Accumulated depreciation	(422)	(83)	(1,683)	(1,334)	(2,318)	(883)	(6,723)	(4,983)
Net book amount	3,883	236	16,263	3,467	6,091	1,524	31,464	31,150

(i)

As of September 30, 2017 and June 30, 2017 Depreciation charges were included in "Costs" for an amount of Ps. 504 and Ps. 1,599, "General and administrative expenses" for an amount of Ps. 39 and Ps. 251 and "Selling expenses" for an amount of Ps. 273 and Ps. 893, respectively, in the Statements of Income (Note 24) and Ps. 10 and Ps. 55 were capitalized as part of biological assets costs. In addition, a depreciation charge in the amount of Ps. 96, was recognized in "discontinued operations" as of June 30, 2017.

11.

## Trading properties

Changes in the Group's trading properties for the three-month period ended September 30, 2017 and for the year ended June 30, 2017 were as follows:

	Completed properties	Properties under development	Undeveloped properties	Total as of 09.30.17	Total as of 06.30.17
Opening net book amount	801	3,972	1,010	5,783	4,974
Additions	-	347	26	373	1,229
Currency translation adjustment	40	24	(3)	61	969
Transfers	141	(83)	(57)	1	-
Transfers of intangible assets	3	-	-	3	13
Reclassification of investment properties	351	-	-	351	14
Capitalized borrowing costs	-	1	-	1	1
Disposals	(34)	-	-	(34)	(1,417)
Closing net book amount	1,302	4,261	976	6,539	5,783

	09.30.17	06.30.17
Non-current	3,206	4,534
Current	3,333	1,249
Total	6,539	5,783

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12.

Intangible assets

Changes in the Group's intangible assets for the three-month period ended as of September 30, 2017 and for the year ended as of June 30, 2017 were as follows:

	Goodwill business	Trademarks	Licenses	Customer relations	Information systems and software	Contracts and others	Total as of 09.30.17	Total as of 06.30.17
Costs	2,806	4,029	1,002	4,746	2,122	1,679	16,384	13,036
Accumulated depreciation	-	(75)	(210)	(2,184)	(821)	(651)	(3,941)	(1,222)
Net book amount	2,806	3,954	792	2,562	1,301	1,028	12,443	11,814
Opening net book amount	2,806	3,954	792	2,562	1,301	1,028	12,443	11,814
Assets incorporated by business combination	-	-	-	-	(1)	-	(1)	26
Currency translation adjustment	(7)	(1)	(2)	(18)	1	(14)	(41)	2,290
Transfers to assets held for sale	-	-	-	-	-	-	-	(182)
Transfers to trading properties	-	-	-	-	-	(3)	(3)	(13)
Reclassification of previous periods	-	-	-	-	-	-	-	31
Additions	-	-	-	21	120	40	181	618
Disposals	-	-	-	-	-	-	-	(52)
Depreciation charge (i)	-	(9)	(18)	(228)	(115)	(94)	(464)	(2,089)
Closing net book amount	2,799	3,944	772	2,337	1,306	957	12,115	12,443
Costs	2,799	4,029	1,000	4,770	2,248	1,708	16,554	16,384
Accumulated depreciation	-	(85)	(228)	(2,433)	(942)	(751)	(4,439)	(3,941)
Net book amount	2,799	3,944	772	2,337	1,306	957	12,115	12,443

(i)

As of September 30, 2017 and June 30, 2017 depreciation charge was recognized in the amount of Ps. 106 and Ps. 488 under "Costs", in the amount of Ps. 99 and Ps. 339 under "General and administrative expenses" and Ps. 259 and Ps. 1,231 under "Selling expenses", respectively in the Statement of Income (Note 24).

13.

Biological assets

Changes in the Group's biological assets for the three-month period ended as of September 30, 2017 and for the year ended as of June 30, 2017 were as follows:

## Agricultural business

	09.30.17	06.30.17
Beginning of the period / year	1,230	1,049
Purchases	27	49
Initial recognition and changes in the fair value of biological assets (i)	53	104
Addition	-	108
Decrease due to harvest	(698)	(1,900)
Sales	(46)	(178)
Consumes	(1)	(2)
Costs incurred during the period / year	589	1,995
Foreign exchange gain	23	5
End of the period / year	1,177	1,230

(i)

Biological assets with a production cycle of more than one year (that is, cattle) generated “Initial recognition and changes in fair value of biological assets” amounting to Ps. (25) and Ps. 4 for the three-month periods ended September 30, 2017 and for the fiscal year ended June 30, 2017, respectively. For the three-month period ended September 30, 2017 and for the fiscal year ended June 30, 2017, amounts of Ps. 22 and Ps. 92, was attributable to price changes, and amounts of Ps. (47) and Ps. (88), was attributable to physical changes, respectively.



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The following tables present the Group's biological assets measured at fair value September 30, 2017 and June 30, 2017 and their allocation to the fair value hierarchy:

		09.30.17			
	Classification	Level 1	Level 2	Level 3	Total
Dairy cattle	Production	-	41	-	41
Breeding cattle	Production	-	659	-	659
Other cattle	Production	-	14	-	14
Others biological assets	Production	10	(i) -	-	10
Total non-current biological assets		10	714	-	724
Breeding cattle and cattle for sale	Consumable	-	94	-	94
Other cattle	Consumable	-	1	-	1
Sown land-crops	Production	147	(i) -	43	190
Sugarcane fields	Production	-	-	168	168
Total current biological assets		147	95	211	453
Total biological assets		157	809	211	1,177

		06.30.17			
	Classification	Level 1	Level 2	Level 3	Total
Dairy cattle	Production	-	40	-	40
Breeding cattle	Production	-	607	-	607
Other cattle	Production	-	14	-	14
Others biological assets	Production	10	(i) -	-	10
Total non-current biological assets		10	661	-	671
Breeding cattle and cattle for sale	Consumable	-	98	-	98
Sugarcane fields	Production	-	-	175	175
Other cattle	Production	-	1	-	1
Sown land-crops	Production	42	(i) -	243	285
Total current biological assets		42	99	418	559
Total biological assets		52	760	418	1,230

(i)  
Biological assets that have no significant growth, are valued at cost, since it is considered that this value is similar to fair value.

During the three-month period ended September 30, 2017 and the year ended June 30, 2017 there have been no transfers between the several tiers used in estimating the fair value of the Group's biological assets, or reclassifications among their respective categories.

The fair value less estimated point of sale costs of agricultural produce at the point of harvest (which have been harvested during the period) amount to Ps. 714 and Ps. 1,975 for the period ended September 30, 2017 and for the year ended June 30, 2017, respectively.

The following table presents the changes in Group's Level 3 biological assets for the three-month period ended September 30, 2017 and for the year ended June 30, 2017:

Agricultural business



	Sown land-crops with significant biological growth	Sugarcane fields
As of June 30, 2016	355	97
Initial recognition and changes in the fair value of biological assets	53	59
Harvest	(1,529)	(371)
Addition	-	96
Costs incurred during the year	1,361	297
Foreign exchange gain / loss	3	(3)
As of June 30, 2017	243	175
Initial recognition and changes in the fair value of biological assets	15	64
Harvest	(358)	(338)
Costs incurred during the period	142	251
Foreign exchange gain	1	16
As of September 30, 2017	43	168



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See information on valuation processes used by the entity in Note 14 to the Consolidated Financial Statements as of June 30, 2017 and 2016.

As of September 30, 2017 and June 30, 2017, the better and maximum use of biological assets shall not significantly differ from the current use.

14.  
Inventories

Breakdown of Group's inventories as of September 30, 2017 and June 30, 2017 are as follows:

	09.30.17	06.30.17
Good for resale and supplies	3,164	3,907
Crops	452	379
Materials and supplies	364	221
Seeds and fodders	115	135
Beef	49	41
Telephones and others communication equipment	315	353
Total inventories	4,459	5,036

As of September 30, 2017 and June 30, 2017 the cost of inventories recognized as expense amounted to Ps. 1,207 and Ps. 1,268, respectively and they have been included in "Costs" in the Statements of Income.

15.  
Financial instruments by category

Determining fair values

The following note shows the carrying amount of financial assets and financial liabilities by category of financial instrument and a reconciliation to the corresponding line item in the Consolidated Statements of Financial Position, as appropriate. Financial assets and liabilities measured at fair value are assigned based on their different levels in the fair value hierarchy. For further information about fair value hierarchy, see Note 16 to the Consolidated Financial Statements as of June 30, 2017. Financial assets and financial liabilities as of September 30, 2017 and June 30, 2017 were as follows:

	Financial assets at amortized cost	Financial assets at fair value through profit or loss		Subtotal financial assets	Non-financial assets	Total
		Level 1	Level 2			
			Level 3			
September 30, 2017						
Assets as per Statement of Financial Position						
Trade and other receivables (excluding the allowance for doubtful accounts and other receivables) (Note 16)	17,377	-	-	2,251	4,283	23,911
Investment in financial assets:						

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- Equity securities in public companies	-	2,174	-	110	2,284	-	2,284
- Equity securities in private companies	-	-	-	787	787	-	787
- Deposits	1,316	14	-	-	1,330	-	1,330
- Bonds	-	7,500	363	-	7,863	-	7,863
- Mutual funds	-	4,878	-	-	4,878	-	4,878
- Others	-	119	-	-	119	-	119
Derivative financial instruments:							
- Crops futures	-	1	-	-	1	-	1
- Swaps	-	1	4	-	5	-	5
- Foreign-currency future contracts	-	-	23	-	23	-	23
- Crops options	-	3	-	-	3	-	3
- Foreign-currency options	-	5	-	-	5	-	5
- Others	-	-	19	-	19	-	19
Financial assets held for sale	-	8,653	-	-	8,653	-	8,653
Restricted assets	1,811	-	-	-	1,811	-	1,811
Cash and cash equivalents (excluding bank overdrafts):							
- Cash on hand and at bank	8,146	-	-	-	8,146	-	8,146
- Short-term bank in deposits	71	-	-	-	71	-	71
- Mutual funds	-	157	-	-	157	-	157
- Short-term investments	-	18,015	-	-	18,015	-	18,015
Total assets	28,721	41,520	409	3,148	73,798	4,283	78,081



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	Financial liabilities at amortized cost	Financial liabilities at fair value			Subtotal financial liabilities	Non-financial liabilities	Total
		Level	Level	Level			
		1	2	3			
September 30, 2017							
Liabilities as per Statement of Financial Position							
Trade and other payables (Note 18)	19,077	-	-	-	19,077	4,877	23,954
Borrowings (excluding finance lease liabilities) (Note 20)	145,259	-	-	-	145,259	-	145,259
Finance lease obligations	132	-	-	-	132	-	132
Derivative financial instruments:							
- Crops futures	-	5	-	-	5	-	5
- Forward contracts	-	-	110	-	110	-	110
- Foreign-currency contracts	-	-	27	-	27	-	27
- Crops options	-	10	-	-	10	-	10
- Foreign-currency options	-	6	-	-	6	-	6
- Swaps	-	1	14	-	15	-	15
- Others	-	5	-	14	19	-	19
Total liabilities	164,468	27	151	14	164,660	4,877	169,537

	Financial assets at amortized cost	Financial assets at fair value through profit or loss			Subtotal financial assets	Non-financial assets	Total
		Level	Level	Level			
		1	2	3			
June 30, 2017							
Assets as per statement of financial position							
Trade and other receivables (excluding the allowance for doubtful accounts and other receivables) (Note 16)	17,819	-	-	2,156	19,975	4,153	24,128
Investment in financial assets:							
- Equity securities in public companies	-	1,665	-	82	1,747	-	1,747
- Equity securities in private companies	-	16	-	964	980	-	980
- Deposits	1,235	13	-	-	1,248	-	1,248
- Bonds	-	4,490	425	-	4,915	-	4,915
- Mutual funds	-	3,986	-	-	3,986	-	3,986
- Others	-	749	-	-	749	-	749
Derivative financial instruments:							
- Crops options	-	10	-	-	10	-	10
- Swaps	-	-	29	-	29	-	29
- Warrants	-	-	26	-	26	-	26

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- Foreign-currency options	-	4	-	-	4	-	4
- Foreign-currency future contracts	-	-	27	-	27	-	27
Financial assets held for sale	-	8,562	-	-	8,562	-	8,562
Restricted assets	1,069	-	-	-	1,069	-	1,069
Cash and cash equivalents (excluding bank overdrafts)							
- Cash on hand and at bank	8,731	-	-	-	8,731	-	8,731
- Short-term bank deposits	5	-	-	-	5	-	5
- Mutual funds	-	302	-	-	302	-	302
- Short term investments	-	16,325	-	-	16,325	-	16,325
Total assets	28,859	36,122	507	3,202	68,690	4,153	72,843

	Financial liabilities at amortized cost	Financial liabilities at fair value			Subtotal financial liabilities	Non-financial liabilities	Total
		Level 1	Level 2	Level 3			
June 30, 2017							
Liabilities as per statement of financial position							
Trade and other payables (Note 18)	20,557	-	-	-	20,557	5,401	25,958
Borrowings (excluding finance lease liabilities) (Note 20)	135,180	-	-	-	135,180	-	135,180
Finance lease obligations	132	-	-	-	132	-	132
Derivative financial instruments:							
- Crops futures	-	11	-	-	11	-	11
- Forwards	-	5	152	10	167	-	167
- Foreign-currency future contracts	-	9	5	-	14	-	14
- Crops options	-	4	-	-	4	-	4
- Foreign-currency options	-	4	-	-	4	-	4
Total liabilities	155,869	33	157	10	156,069	5,401	161,470





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The valuation models used by the Group for the measurement Level 2 and Level 3 instruments are no different from those used as of June 30, 2017.

As of September 30, 2017, there are no changes in the economic or business conditions affecting the fair value of the group's financial assets and liabilities.

The Group uses 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. When no quoted prices are available in an active market, fair values (particularly derivatives) are based on recognized valuation methods.

Description	Pricing model / method	Parameters	Fair value hierarchy	Range
Trade and other receivables - Cellcom	Discounted cash flows	Discount rate:	Level 3	3.3
Interest-rate swaps	Cash flows - theoretical price	Interest rate futures contract and cash flow forward contract.	Level 2	-
Preferred shares of Condor	Binomial tree - Theoretical price I	Underlying asset price (market price) and share price volatility (historical) and market interest rate (Libor rate curve).	Level 3	Price of underlying assets 1.8 to 2.2 Share price volatility 58% to 78% Market interest-rate 1.7% to 2.1%
Promissory note	Discounted cash flows - Theoretical price	Market interest-rate (Libor rate curve).	Level 3	Market interest-rate 1.8% to 2.2% Price of underlying assets 1.8 to 1.7
Warrants of Condor	Black-Scholes – Theoretical price	Underlying asset price (market price) and share price volatility (historical) and market interest rate (Libor rate curve).	Level 2	Share price volatility 58% to 78% Market interest-rate 1.7% to 2.1%
Call option of Arcos	Discounted cash flows	Projected revenues and discounting rate.	Level 3	-
Investments in financial assets - Other private companies securities	Cash flows / NAV – Theoretical price	Projected revenue discounted at the discount rate / The value is calculated in accordance with the company's shares in the equity funds on the basis of their Financial Statements, based on fair value or investment assessments.	Level 3	1 - 3.5

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Investments in financial assets - Others	Discounted cash flows – Theoretical price	Projected revenue discounted at the discount rate / The value is calculated in accordance with the company’s shares in the equity funds on the basis of their Financial Statements, based on fair value or investment assessments.	Level 3	1 - 3.5
Derivative financial instruments - Forwards	Theoretical price	Underlying asset price and volatility	Level 2 and 3	-



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The following table presents the changes in Level 3 instruments as of September 30, 2017 and June 30, 2017:

	Investments in financial assets - Public companies securities	Derivative financial instruments - Forwards	Investments in financial assets - Others	Trade and other receivables	Total as of 09.30.17	Total as of 06.30.17
Balances at beginning of the period / year	82	(10)	964	2,156	3,192	(7,105)
Additions and acquisitions	-	-	9	572	581	1,761
Transfer to level 1 (i)	-	-	(110)	-	(110)	-
Transfer to current trade and other receivables	-	-	-	(477)	(477)	(1,874)
Currency translation adjustment	4	(4)	(28)	-	(28)	875
Reclassification to liabilities held for sale	-	-	-	-	-	11,272
Disposal	-	-	-	-	-	(782)
Gains and losses recognized in the year (ii)	24	-	(48)	-	(24)	(955)
Balances at the end of the period / year	110	(14)	787	2,251	3,134	3,192

(i)

The group transferred a financial assets measured at fair value from level 3 to level 1, because it began trading in the stock exchange.

(ii)

Included within “Financial results, net” in the Statement of Income.

Clal

As mentioned in Note 16 to the Annual Financial Statements, IDBD is subject to a judicial process on the sale of its equity interest in Clal. On August 30, 2017, IDBD sold an additional 5% of its equity interest in Clal through a swap transaction, based on the same principles that were applied to the swap transaction mentioned in Note 16 to the Consolidated Financial Statements as of June 30, 2017. The consideration for the transaction amounted to around NIS 152.5 (or approximately Ps. 762 on the transaction date). Following completion of the transaction, IDBD’s interest in Clal was reduced from 49.9% to 44.9% of its capital stock.

16.

Trade and other receivables

The table below shows trade and other receivables of the Group as of September 30, 2017 and June 30, 2017:

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	09.30.17			06.30.17		
	Non-current	Current	Total	Non-current	Current	Total
Trade, leases and services receivable	2,449	13,272	15,721	2,366	14,095	16,461
Less: allowance for doubtful accounts	-	(354)	(354)	(4)	(332)	(336)
Total trade receivables	2,449	12,918	15,367	2,362	13,763	16,125
Prepayments	1,685	2,046	3,731	1,668	1,946	3,614
Guarantee deposits	9	7	16	8	9	17
Tax credits	327	225	552	280	259	539
Borrowings granted, deposits, and other balances	1,027	2,310	3,337	1,066	1,899	2,965
Others	96	458	554	72	460	532
Total other receivables	3,144	5,046	8,190	3,094	4,573	7,667
Total trade and other receivables	5,593	17,964	23,557	5,456	18,336	23,792

The fair value of current trade and other receivables approximate their respective carrying amounts due to their short-term nature, as the impact of discounting is not considered significant. Fair values are based on discounted cash flows (Level 2 of fair value hierarchy).

The evolution of the Group's provision for impairment of trade receivables were as follows:

	09.30.17	06.30.17
Beginning of the year	336	191
Recoveries	(7)	(13)
Receivables written off during the period / year as uncollectable	(32)	(265)
Additions	56	241
Currency translation adjustment	1	182
End of the period / year	354	336



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The addition and release of allowance for doubtful accounts have been included in "Selling expenses" in the Statement of Income (Note 24).

17.  
Cash flow information

Following is a detailed description of cash flows generated by the Group's operations for the three-month periods ended as of September 30, 2017 and 2016.

	09.30.17	09.30.16 (recast)
Profit for the period	28	278
(Loss) / Profit from discontinued operations	(13)	351
Adjustments for:		
Income tax expense	1,225	579
Depreciation and amortization	1,280	1,164
Gain from disposal of farmlands	-	(73)
Profit on the revaluation of receivables arising from the sale of farmland	(4)	(9)
Loss from disposal of property, plant and equipment	22	7
Share based payments	19	26
Unrealized gain on derivative financial instruments	(5)	(34)
Changes in fair value of financial assets	(12)	(45)
Release of intangible assets due to TGLT agreement	(7)	-
Financial results, net	5,092	1,436
Unrealized initial recognition and changes in fair value of biological assets and agricultural products at the point of harvest	(103)	(242)
Changes in net realizable value of agricultural products after harvest	(52)	98
Provisions	45	61
Net gain from fair value adjustment of investment properties	(3,453)	(1,436)
Share of (profit) / loss of associates and joint ventures	(389)	3
Gain from disposal of subsidiaries and joint ventures	(136)	-
Loss / (Profit) from repurchase of Non-convertible Notes	8	(1)
Other operating results	(8)	(4)
Changes in operating assets and liabilities:		
Decrease in biological assets	184	492
Decrease in inventories	580	282
Increase in trading properties	99	63
Decrease / (Increase) in trade and other receivables	699	(347)
Increase / (Decrease) in derivative financial instruments	14	(2)
Decrease in trade and other payables	(2,298)	(86)
Decrease in employee benefits	(76)	(78)
(Decrease) / Increase in provisions	(160)	1
Net cash generated by continuing operating activities before income tax paid	2,579	2,484
Net cash generated by discontinued operating activities before income tax paid	66	98
Net cash generated by operating activities before income tax paid	2,645	2,582

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The following table shows a detail of non-cash transactions occurred in the three-month periods ended as of September 30, 2017 and 2016:

	09.30.17	09.30.16 (recast)
Increase in investment properties through an increase in trade and other payables	(66)	-
Increase in trade and other receivables through a decrease in property, plant and equipment	(115)	-
Increase in property, plant and equipment through an increase in trade and other payables	135	-
Increase of interest in subsidiaries, associates and joint venture by exchange differences on translating foreign operations	(20)	-
Increase of investment in associates and joint ventures through a decrease in trade and other receivables	-	12
Decrease in trade and other payables through a decrease in financial assets	-	13
Increase in trade and other receivables through a decrease in property, plant and equipment	-	(15)
Increase in investment properties through an increase in trade and other payables	-	85
Increase in restricted assets through an increase in borrowings	-	1,322





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Balances incorporated as result of business combination / reclassification of assets and liabilities held for sale:

	09.30.16
	(recast)
Property, plant and equipment	12
Intangible assets	4
Investments in associates and joint ventures	11,401
Deferred income tax	(18)
Trade and other receivables	(56)
Income tax and minimum presumed income tax credits	(1)
Group of assets held for sale	(11,494)
Trade and other payables	(17)
Payroll and social security liabilities	(8)
Borrowings	(11,256)
Provisions	2
Income tax and minimum presumed income tax liabilities	2
Group of liabilities held for sale	11,369
Net amount of non-cash assets incorporated / held for sale	(60)
Cash and cash equivalents	5
Non-controlling interest	36
Goodwill not yet allocated	(82)
Net amount of assets incorporated / held for sale	(101)
Interest held before acquisition	59
Seller financed amount	17
Cash and cash equivalents incorporated / held for sale	(5)
Net outflow of cash and cash equivalents / assets and liabilities held for sale	(30)

18.

Trade and other payables

Group's trade and other payables as of September 30, 2017 and June 30, 2017 were as follows:

	09.30.17			06.30.17		
	Non-current	Current	Total	Non-current	Current	Total
Trade	1,333	12,416	13,749	2,063	13,298	15,361
Construction obligations	658	558	1,216	873	353	1,226
Accrued invoices	-	1,002	1,002	-	849	849
Sales, rent and services payments received in advance	-	4,248	4,248	-	4,377	4,377
Total trade payables	1,991	18,224	20,215	2,936	18,877	21,813
Deferred incomes	73	-	73	73	-	73
Construction provisions	-	320	320	-	343	343
Dividends payable to non-controlling shareholders	-	53	53	-	251	251
Taxes payable	11	206	217	12	577	589
Management fees	-	1,050	1,050	935	85	1,020
Others	62	1,964	2,026	32	1,837	1,869
Total other payables	146	3,593	3,739	1,052	3,093	4,145
Total trade and other payables	2,137	21,817	23,954	3,988	21,970	25,958





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19.  
Provisions

The table below shows the movements in the Group's provisions categorized by type:

	Legal claims (i)	Investments in associates and joint ventures (ii)	Sited dismantling and remediation	Onerous contracts	Other provisions	Total as of 09.30.17	Total as of 06.30.17
Beginning of the period / year	837	72	140	220	580	1,849	1,588
Additions	61	-			(31)	30	515
Unused amounts reversed	(37)		(48)	(14)	-	(99)	(551)
Used during the period / year	-	-		-	-	-	
Share of loss in associates and joint ventures	-	(72)		-	-	(72)	(3)
Liabilities incorporated by business combination	-	-		-	-	-	2
Currency translation adjustment	4	-	(4)	(1)	(31)	(32)	298
End of the period / year	865	-	88	205	518	1,676	1,849

	09.30.17	06.30.17
Non-current	757	955
Current	919	894
Total	1,676	1,849

(i)  
Additions and recoveries are included in "Other operating results, net".

(ii)  
Corresponds to equity interests in associates with negative equity, mainly New Lipstick. Additions and recoveries are included in "Share of profit / (loss) of joint ventures and associates".

20.  
Borrowings

Group's borrowings as of September 30, 2017 and June 30, 2017 were as follows:

	09.30.17			06.30.17		
	Non-current	Current	Total	Non-current	Current	Total
Non-convertible notes	105,127	16,598	121,725	93,944	17,115	111,059
Bank loans and others	15,801	5,245	21,046	10,804	4,213	15,017

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Non-recourse loan	-	-	-	7,025	-	7,025
Bank overdrafts	-	589	589	-	126	126
Other borrowings	1,841	190	2,031	252	1,833	2,085
Total borrowings	122,769	22,622	145,391	112,025	23,287	135,312

Fair value of borrowings as of September 30, 2017 and June 30, 2017, was as follows:

	09.30.17				06.30.17					
	Agricultural business	Urban properties and investments business Operations Center in Argentina	Operations Center in Israel	Subtotal	Total	Agricultural business	Urban properties and investments business Operations Center in Argentina	Operations Center in Israel	Subtotal	Total
Non-convertible notes	2,769	14,714	107,040	121,754	124,523	2,702	10,647	99,517	110,164	112,8
Bank loans	703	1,062	17,539	18,601	19,304	167	1,030	11,018	12,048	12,21
Bank overdrafts -	-	452	-	452	452	-	77	14	91	91
Non-recourse loans	-	-	-	-	-	-	-	6,930	6,930	6,930
Other borrowings	-	226	1,622	1,848	1,848	-	204	1,624	1,828	1,828
Total borrowings	3,472	16,454	126,201	142,655	146,127	2,869	11,958	119,103	131,061	133,9



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Urban properties and investment business of the operations center in Argentina

IRSA CP: On September 5, 2017 Class III and IV NCN were tendered under the Program approved for up to US\$ 500 for a nominal value of US\$ 140 to be matured 36 months after the issuing date, paid in and payable in US Dollars, which will accrue interest at an annual fixed interest rate of 5.0%, interest payable on a quarterly basis. Principal will be amortized in only one installment due on September 14, 2020. The settlement took place on September 12, 2017. The offering of Class III bonds was declared vacant.

Urban properties and investment business of the operations center in Israel

IDBD

In July 2017, IDBD made a public offering of approximately NIS 642.1 nominal value of corporate notes (Series N), the corporate notes accrue interest at a 5% annual rate. Taking into account the issue costs, the net consideration reflects an effective interest rate of 5.3% per year. Principal will be canceled in only one installment due on December 30, 2022 and interest will be payable on a quarterly basis. IDBD is entitled to redeem corporate notes, in whole or in part, through an early redemption in accordance with the provisions of the issue prospectus. To secure full compliance with all commitments, IDBD has pledged around 60.4 million of shares of DIC with a single first lien and in guarantee by means of the lien, in an unlimited amount, in favor of the trustee for the benefit of corporate note-holders.

DIC

On September 28, 2017 DIC offered the holders of NCN Series F to swap their notes for NCN Series J. NCN Series J terms and conditions differ substantially from those of Series F. Therefore, DIC recorded the payment of NCN Series F and recognized a new financial commitment at fair value for NCN Series J. As a result of the swap, DIC recorded a loss resulting from the difference between the NCN Series F cancellation value and the value of the new debt value in an amount of approximately NIS 461 (equal to approximately Ps. 2,228 as of that date), which was accounted for under "Financial costs" (Note 26).

21.

Taxation

The details of the provision for the Group's income tax is as follows:

	09.30.17	09.30.16 (recast)
Current income tax	(212)	(212)
Deferred income tax	(1,013)	(367)
Income tax	(1,225)	(579)

The statutory tax rate in the countries where the Group operates for all of the periods presented are:

Tax jurisdiction	Income tax rate
Argentina	35%
Brazil	between 25% - 34%
Uruguay	between 0% - 25%



Bolivia	25%
United States	between 0% - 45%
Bermudas	0%
Israel	24% (i)

(i)

In December 2016, the Israeli government modified the income tax rate thus generating a reduction from the 25% to 24% for 2016 and 2017 calendar years, and to 23% for 2018 calendar year onwards. The change of interest rate for fiscal year 2016 became effective on December 29, 2016. The effect from the rate change is recorded as part of deferred tax expense.

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Below is a reconciliation between the income tax recognized and that which would result of applying the prevailing tax rate, applicable in the respective countries, on the income/loss before income tax for the three-month periods ended September 30, 2017 and 2016:

	09.30.17	09.30.16 (recast)
Tax calculated at the tax rates applicable to profits in the respective countries	(565)	(718)
Permanent differences:		
Share of profit of associates and joint ventures	62	247
Unrecognized tax losses (i)	(809)	(122)
Rate change	-	65
Non-taxable profit / (loss), non-deductible expenses and others	87	(51)
Income tax from continuing operations	(1,225)	(579)

(i) Corresponds principally to the Operations Center in Israel.

No charges have been reported for tax associated to discontinued operations.

The gross movements on the deferred tax account were as follows:

	09.30.17	06.30.17 (recast)
Beginning of the period / year	(21,494)	(17,955)
Currency translation adjustment	4	(1,440)
Reclassification of previous periods	-	59
Use of tax loss carry-forwards	(184)	(171)
Reclassification to liabilities held for sale	-	(12)
Business combinations	-	(6)
Rate change	-	529
Charged / Credited to the Statements of Income	(1,013)	(2,498)
End of the period / year	(22,687)	(21,494)

22.

Revenues

	09.30.17	09.30.16 (recast)
Revenue from supermarkets	13,187	11,535
Sale of communication equipment	1,059	959
Sale of trading properties	63	221
Crops	443	316

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Cattle	42	30
Dairy	19	20
Sugarcane	373	162
Supplies	42	35
Beef	441	330
Sales revenues	15,669	13,608
Consignment revenues	42	127
Rental and services income	2,454	1,947
Income from communication services	3,224	2,942
Income from hotel operations and tourism services	225	184
Agricultural rental and services	4	2
Advertising and brokerage fees	36	30
Others	22	10
Services income	6,007	5,242
Total revenues	21,676	18,850

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23.  
Costs

	09.30.17	09.30.16 (recast)
Other operative costs	4	3
Cost of property operations	4	3
Crops	330	329
Cattle	44	44
Dairy	17	20
Sugarcane	292	150
Supplies	38	31
Beef	409	294
Brokerage costs	22	19
Agricultural rental and services	-	2
Consignment costs	5	3
Commissions	2	3
Others	22	10
Costs of agricultural sales and services	1,181	905
Costs of supermarkets	9,818	8,720
Costs of communication services	2,306	1,966
Costs of leases and services	652	613
Costs of trading properties and developments	40	5
Costs of sale of communication equipment	716	642
Costs of sales and development	-	220
Costs from hotel operations and tourism services	195	159
Total costs	14,912	13,233

24.  
Expenses by nature

The Group discloses expenses in the Statement of Income by function of as part of the line items “Costs”, “General and administrative expenses” and “Selling expenses”.

The following tables provide additional disclosure regarding expenses by nature and their relationship to the function within the Group.

For the three-month periods ended September 30, 2017 and 2016:

	Costs (i)	General and administrative expenses	Selling expenses	Total as of 09.30.17	09.30.16 (recast)
Leases, services charges and vacant property costs	34	4	33	71	1
Depreciation and amortization	610	138	532	1,280	1,164
Doubtful accounts	-	4	45	49	47
Advertising, publicity and other selling expenses	74	-	389	463	433

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Taxes, rates and contributions	70	18	227	315	258
Maintenance and repairs	406	33	204	643	534
Fees and payments for services	1,103	191	463	1,757	1,038
Director's fees	-	63	-	63	51
Payroll and social security liabilities	1,216	467	1,329	3,012	2,500
Cost of sale of goods and services	9,950	-	-	9,950	9,144
Changes in biological assets and agricultural products	407	-	-	407	697
Supplies and labors	423	-	2	425	41
Freights	-	-	79	79	71
Bank commissions and expenses	4	4	2	10	9
Conditioning and clearance	-	-	22	22	14
Travel, library expenses and stationery	12	1	-	13	4
Others	603	182	386	1,171	1,471
Total expenses by nature as of 09.30.17	14,912	1,105	3,713	19,730	-
Total expenses by nature as of 09.30.16 (recast)	13,233	940	3,304		17,477

(I)  
 Include Ps. 4 and Ps. 3 of other agricultural operating costs as of September 30, 2017 and 2016, respectively.





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25.

Other operating results, net

	09.30.17	09.30.16 (recast)
Gain from commodity derivative financial instruments	12	52
Gain from disposal of subsidiaries	136	-
Contingencies (i)	(10)	(8)
Donations	(17)	(11)
Others	(90)	(61)
Total other operating results, net	31	(28)

(i)

Including legal costs and expenses.

26.

Financial results, net

	09.30.17	09.30.16 (recast)
Financial income		
Interest income	232	197
Foreign exchange gains	112	59
Dividends income	23	24
Other financial income	-	23
Financial income	367	303
Financial costs		
Interest expenses	(2,075)	(1,793)
Foreign exchange losses	(864)	(272)
Other financial costs (i)	(2,419)	(138)
Total financial costs	(5,358)	(2,203)
Other financial results:		
Fair value gains of financial assets and liabilities at fair value through profit or loss	317	277
(Loss) / Gain from repurchase of Non-convertible notes	(8)	1
Gain from derivative financial instruments (except commodities)	2	33
Gain on the revaluation of receivables arising from the sale of farmland	4	9
Total other financial results	315	320
Total financial results, net	(4,676)	(1,580)

(i)

Ps. (2,228) correspond to debt swap of DIC.



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27.

Related party transactions

See description of the main transactions carried out with related parties in Note 32 to the Annual Consolidated Financial Statements as of June 30, 2017.

The following is a summary of the balances with related parties as of September 30, 2017:

Related party	Description of transaction	Non-Current -Investments in Financial Assets	Non-Current Trade and other receivables	-Current - Trade and other receivables	Non-current Trade and other payables	-Current - Trade and other payables	Current – Borrowings
Associates							
Tarshop S.A.	Leases and/or rights of use	-	-	4	-	(1)	-
New Lipstick	Reimbursement of expenses	-	-	4	-	-	-
Condor	Borrowings	-	-	174	-	-	-
	Borrowings	-	-	9	-	-	-
	Equity securities in public companies	110	-	-	-	-	-
Lipstick	Reimbursement of expenses	-	-	2	-	-	-
Manibil	Contributions in advance	-	43	-	-	-	-
Agro-Uranga S.A.	Dividends receivables	-	-	11	-	-	-
Agrofy	Other receivables	-	4	19	-	-	-
BHSA	Reimbursement of expenses	-	-	-	-	(1)	-
	Borrowings	-	-	-	-	-	(1)
	Leases and/or rights of use	-	-	2	-	-	-
Total Associates		110	47	225	-	(2)	(1)
Joint Ventures							
Cresca S.A.	Loans granted	-	168	-	-	-	-
Baicom Networks S.A.	Contributions pending	-	-	65	-	-	-
NPSF	Borrowings	-	-	-	-	-	(4)
	Share based payments	-	-	1	-	-	-
		-	-	-	-	(1)	-

	Advertising spaces						
Quality	Management fees	-	-	5	-	-	-
Mehadrin	Commissions	-	-	-	-	(5)	-
Cyrsa	Borrowings	-	-	-	-	-	(5)
Total Joint Ventures		-	168	71	-	(6)	(9)



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Related party	Description of transaction	Non-Current -Investments in Financial Assets	Non-Current Trade and other receivables	-Current - Trade and other receivables	Non-current Trade and other payables	-Current - Trade and other payables	Current – Borrowings
Other related parties							
CAMSA and its subsidiaries	Reimbursement of expenses	-	-	4	-	-	-
	Management fees	-	-	-	-	(1,050)	-
Estudio Zang, Bergel & Viñes	Legal services	-	-	-	-	(1)	-
La Rural S.A.	Leases and/or rights of use	-	27	16	-	(1)	-
	Reimbursement of expenses	-	-	1	-	-	-
Museo de los Niños	Leases and/or rights of use	-	-	1	-	-	-
Taaman	Leases and/or rights of use	-	-	-	-	(24)	-
Willifood	Financial operations	-	-	-	-	(33)	-
Total Other related parties		-	27	22	-	(1,109)	-
Parent company							
IFISA	Financial operations	-	-	1,366	-	-	-
Total Parent Company		-	-	1,366	-	-	-
Directors and Senior Management							
Directors and Senior Management	Director's fees	-	-	-	(8)	(74)	-
Total Directors and Senior Management		-	-	-	(8)	(74)	-
Total		110	242	1,684	(8)	(1,191)	(10)



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The following is a summary of the balances with related parties as of June 30, 2017:

Related party	Description of transaction	Non-current – Trade and other receivables	Current - Trade and other receivables	Non-current - Trade and other payables	Current - Trade and other payables	Current – Borrowings
<b>Associates</b>						
Tarshop	Leases and/or rights of use	-	2	-	(1)	-
New Lipstick	Reimbursement of expenses	-	5	-	-	-
Lipstick	Reimbursement of expenses	-	2	-	-	-
Condor	Borrowings	-	8	-	-	-
Agro-Uranga S.A	Dividends receivables	-	8	-	-	-
Agrofy Gobal	Other receivables	3	-	-	-	-
Agrofy S.A.	Other receivables	-	13	-	-	-
Manibil	Contributions to be paid in	83	1	-	-	-
	Reimbursement of expenses	-	-	-	(1)	-
BHSA	Leases and/or rights of use	-	2	-	-	-
	Borrowings	-	-	-	-	(2)
<b>Total Associates</b>		<b>86</b>	<b>41</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>
<b>Joint Ventures</b>						
Cresca S.A.	Loans granted	168	-	-	-	-
	Reimbursement of expenses	-	1	-	-	-
	Borrowings	-	-	-	-	(4)
NPSF	Advertising spaces	-	-	-	(1)	-
	Share based payments	-	1	-	-	-
	Management fees	-	1	-	-	-
Quality	Reimbursement of expenses	-	5	-	-	-
Cyrsa	Borrowings	-	-	-	-	(5)
Mehadrin	Commissions	-	-	-	(5)	-
<b>Total Joint Ventures</b>		<b>168</b>	<b>8</b>	<b>-</b>	<b>(6)</b>	<b>(9)</b>
<b>Other related parties</b>						
La Rural	Leases and/or rights of use	1	28	-	-	-
		-	5	-	(3)	-



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CAMSA and its subsidiaries	Reimbursement of expenses					
	Management fees	-	-	(935)	(85)	-
Estudio Zang, Bergel & Viñes	Legal services	-	-	-	(4)	-
Museo de los Niños	Leases and/or rights of use	-	1	-	-	-
Taaman	Leases and/or rights of use	-	-	-	(24)	-
Willifood	Financial operations	-	-	-	(29)	-
Total Other related parties		1	34	(935)	(145)	-



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Related party	Description of transaction	Non-current – Trade and other receivables	Current - Trade and other receivables	Non-current - Trade and other payables	Current - Trade and other payables	Current – Borrowings
Parent company						
IFISA	Financial operations	-	1,283	-	-	-
Total Parent company		-	1,283	-	-	-
Directors and Senior Management						-
Directors and Senior Management	Director's fees	-	-	-	(46)	-
Total Directors and Senior Management		-	-	-	(46)	-
Total		255	1,366	(935)	(199)	(11)



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The following is a summary of the transactions with related parties for the three-month period ended as of September 30, 2017:

Related party	Leases and/or rights of use	Administration and management fees	Sale of goods and/or services	Compensation of Directors and senior management	Corporate services	Legal services	Financial operations	Donations
Associates								
Tarshop S.A.	5	-	-	-	-	-	-	-
BACS	3	-	-	-	-	-	-	-
BHSA	(1)	-	-	-	-	-	-	-
Agro-Uranga S.A.	-	-	2	-	-	-	-	-
Agrofy	-	1	-	-	-	-	1	-
Condor	-	-	-	-	-	-	7	-
Total Associates	7	1	2	-	-	-	8	-
Joint Ventures								
ISPRO	-	1	-	-	31	-	-	-
Total Joint Ventures	-	1	-	-	31	-	-	-
Other related parties								
BHN Vida S.A	1	-	-	-	-	-	-	-
CAMSA and its subsidiaries	-	(30)	-	-	-	-	-	-
Austral Gold Argentina S.A.	-	1	-	-	-	-	-	-
Ramat Hanassi	-	4	-	-	-	-	-	-
Taaman	-	-	-	-	35	-	-	-
Willifood	-	-	-	-	70	-	-	-
Fundación IRSA	-	-	-	-	-	-	-	(4)
Estudio Zang, Bergel & Viñes	-	-	-	-	-	(3)	-	-
Total Other related parties	1	(25)	-	-	105	(3)	-	(4)
Parent company								
IFISA	-	-	-	-	-	-	47	-
Total Parent company	-	-	-	-	-	-	47	-
Directors and Senior Management								
Directors	-	-	-	(5)	-	-	-	-
Senior Management	-	-	-	(7)	-	-	-	-

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Total Directors and Senior Management Total	-	-	-	(12)	-	-	-	-
	8	(23)	2	(12)	136	(3)	55	(4)

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The following is a summary of the transactions with related parties for the three-month period ended as of September 30, 2016 (recast):

Related party	Leases and/or rights of use	Administration and management fees	Sale of goods and/or services	Compensation of Directors and senior management	Legal services	Financial operations	Donations
Associates							
Tarshop	4	-	-	-	-	-	-
BACS	2	-	-	-	-	8	-
BHSA	1	-	-	-	-	(1)	-
Agro-Uranga S.A.	-	-	3	-	-	-	-
Agrofy S.A.	-	1	-	-	-	1	-
Adama	-	-	51	-	-	-	-
Total Associates	7	1	54	-	-	8	-
Joint Ventures							
Cyrsa	-	-	-	-	-	(1)	-
NPSA	(1)	1	-	-	-	-	-
Total Joint Ventures	(1)	1	-	-	-	(1)	-
Other related parties							
CAMSA and its subsidiaries	-	(3)	-	-	-	-	-
Fundación IRSA	-	-	-	-	-	-	(2)
Estudio Zang, Bergel & Viñes	-	-	-	-	(3)	-	-
Condor	-	-	-	-	-	115	-
LRSA	5	-	-	-	-	-	-
Total Other related parties	5	(3)	-	-	(3)	115	(2)
Parent company							
IFISA	-	-	-	-	-	24	-
Total Parent company	-	-	-	-	-	24	-
Directors and Senior Management							
Directors	-	-	-	(51)	-	-	-
Senior Management	-	-	-	(5)	-	-	-
Total Directors and Senior Management	-	-	-	(56)	-	-	-
Total	11	(1)	54	(56)	(3)	146	(2)





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28.

CNV General Resolution N° 622

As required by Section 1°, Chapter III, Title IV of CNV General Resolution N° 622, below there is a detail of the notes to the Unaudited Condensed Interim Separate Financial Statements that disclosure the information required by the Resolution in Exhibits.

Exhibit A - Property, plant and equipment	Note 9 – Investment properties
	Note 10 – Property, plant and equipment
Exhibit B - Intangible assets	Note 12 – Intangible assets
Exhibit C - Equity investments	Note 8 – Investments in associates and joint ventures
Exhibit D - Other investments	Note 15 – Financial instruments by category
Exhibit E - Provisions	Note 19 – Provisions
Exhibit F – Cost of sales and services provided	Note 29 – Cost of sales and services provided
Exhibit G - Foreign currency assets and liabilities	Note 30 – Foreign currency assets and liabilities

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29.

Cost of sales and services provided

Description	Biological assets	Services and other operating costs	Trading properties	Agricultural stock	Materials and supplies	Telephones and others communication equipment	Good for resale and supplies	Total as of 09.30.17	Total as of 09.30.16 (recast)
Inventories as of 06.30.17	760	-	5,783	776	53	353	3,854	11,579	9,441
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	63	-	-	80	-	-	-	143	96
Changes in the net realizable value of agricultural products after harvest	-	-	-	41	-	-	-	41	(97)
Harvest	-	-	-	582	-	-	-	582	580
Acquisitions and classifications	17	-	347	645	2	687	8,476	10,174	8,939
Consume	-	-	-	(223)	-	-	-	(223)	(135)
Additions	-	-	27	-	-	-	-	27	3
Transfers	-	-	3	-	-	-	-	3	-
Expenses incurred	9	509	561	152	72	2,297	771	4,371	3,491
Currency translation adjustment	4	-	3	11	-	-	-	18	23
Inventories as of 09.30.17	(809)	-	(6,539)	(926)	(54)	(315)	(3,164)	(11,807)	(9,111)
Cost as of 09.30.17	44	509	185	1,138	73	3,022	9,937	14,908	-
Cost as of 09.30.16 (recast)	48	429	173	855	389	2,608	8,728		13,230





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30.

Foreign currency assets and liabilities

Book amounts of foreign currency assets and liabilities are as follows:

Item (3) / Currency	Amount of foreign currency (2)	Prevailing exchange rate (1)	Total as of 09.30.17	Amount of foreign currency (2)	Prevailing exchange rate (1)	Total as of 06.30.17
<b>Assets</b>						
<b>Restricted assets</b>						
US Dollar	-	-	-	2	16.530	41
Total restricted assets			-			41
<b>Trade and other receivables</b>						
US Dollar	72	16.53	1,188	60	16.53	995
Euros	8	20.29	160	9	18.85	172
Chilean Pesos	37	0.03	1	-	-	-
<b>Trade and other receivables related parties</b>						
US Dollar	50	16.53	821	45	16.53	747
Total Trade and other receivables			2,170			1,914
<b>Investment in financial assets</b>						
US Dollar	154	16.53	2,545	62	16.53	1,020
Pounds	1	23.04	19	1	21.49	18
Total Investment in financial assets			2,564			1,038
<b>Derivative financial instruments</b>						
US Dollar	1	16.53	18	2	16.53	31
Total Derivative financial instruments			18			31
<b>Cash and cash equivalents</b>						
US Dollar	281	16.53	4,648	326	16.53	5,387
Euros	2	20.29	41	3	18.85	49
Chilean Pesos	37	0.03	1	-	-	-
Total Cash and cash equivalents			4,690			5,436
<b>Liabilities</b>						
<b>Trade and other payables</b>						
US Dollar	94	16.63	1,555	78	16.53	1,300
Euros	18	20.46	363	1	19	19

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Chilean Pesos	37	0.03	1	-	-	-
Trade and other payables related parties						
US Dollar	2	16.63	28	-	-	-
Total Trade and other payables			1,947			1,319
Borrowings						
US Dollar	1,248	16.63	20,753	1,283	16.63	21,328
Total Borrowings			20,753			21,328

(1)  
Exchange votes of September 30, 2017 and June 30, 2017, respectively according to Banco Nación Argentina.

(2)  
Considering foreign currencies those that differ from each Group's functional currency at each year-end.

(3)  
The Company uses derivative instruments as a complement in order to reduce its exposure to exchange rate movements (Note 15).





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31.

Groups of assets and liabilities held for sale

As mentioned in Note 4.F to the Consolidated Financial Statements as of June 30, 2017, the Group has certain assets and liabilities classified as held for sale. The following table shows the main ones:

	09.30.17	06.30.17
Property, plant and equipment	1,646	1,712
Intangible assets	19	19
Investments in associates	77	33
Deferred income tax assets	57	57
Employee benefits	-	5
Income tax credit	-	10
Trade and other receivables	867	688
Cash and cash equivalents	153	157
Total group of assets held for sale	2,819	2,681
Trade and other payables	1,120	930
Payroll and social security liabilities	124	148
Employee benefits	110	52
Deferred income tax liability	24	10
Borrowings	644	715
Total group of liabilities held for sale	2,022	1,855
Total net financial assets held for sale	797	826

32.

Profit from discontinued operations

The results from operations of Israir, Open Sky and IDB Tourism operations, equity earnings in Adama and the finance costs associated to the non-recourse loan related to it, until its sale in November 2016 and have been reclassified in the Statements of Income of Discontinued Operations.

	09.30.17	09.30.16 (recast)
Revenues	1,362	900
Costs	(1,204)	(784)
Gross profit	158	116
General and administrative expenses	(57)	(52)
Selling expenses	(66)	(56)
Other operating results, net	(9)	7
Profit from operations	26	15
Share of profit of joint ventures and associates	9	164
Profit from operations before financing and taxation	35	179
Finance costs	(22)	(530)
Financial results, net	(22)	(530)
Profit / (Loss) before income tax	13	(351)
Income tax	-	-

Income / (Loss) for the period from discontinued operations 13 (351)

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Cresud Sociedad Anónima,  
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33.

CNV General Ruling N° 629/14 – Storage of documentation

On August 14, 2014, the CNV issued General Ruling N° 629 whereby it introduced amendments to rules related to storage and conservation of corporate books, accounting books and commercial documentation. In this sense, it should be noted that the Group has entrusted the storage of certain non-sensitive and old information to the following providers:

Documentation storage  
provider

Location

Bank S.A.

Gral. Rivas 401, Avellaneda, Province of Buenos Aires  
Ruta Panamericana Km 37,5, Garín, Province of Buenos Aires  
Av. Fleming 2190, Munro, Province of Buenos Aires  
Carlos Pellegrini 1401, Avellaneda, Province of Buenos Aires

Iron Mountain Argentina S.A.

Av. Amancio Alcorta 2482, Autonomous City of Buenos Aires  
Pedro de Mendoza 2143, Autonomous City of Buenos Aires  
Saraza 6135, Autonomous City of Buenos Aires  
Azara 1245, Autonomous City of Buenos Aires  
Polígono industrial Spegazzini, Autopista Ezeiza Km 45, Cañuelas, Province of Buenos Aires  
Cañada de Gomez 3825, Autonomous City of Buenos Aires

It is further noted that a detailed list of all documentation held in custody by providers, as well as documentation required in section 5 a.3) of section I, Chapter V, Title II of the RULES (N.T. 2013 as amended) are available at the registered office.

On February 5, 2014 there was a widely known fire in Iron Mountain's warehouse, which company is a supplier of the Group and where Group's documentation was being kept. Based on the internal review carried out by the Group, duly reported to the CNV on February 12, 2014, the information kept at the Iron Mountain premises that were on fire do not appear to be sensitive or capable of affecting normal operations.

34.

Subsequent events

Sale of ADS of IRSA CP

During October 2017, IRSA has completed the sale in the secondary market of 10,240,000 ordinary shares of IRSA CP, N.V. Ps. 1 per share, represented by American Depositary Shares ("ADSs"), representing 4 ordinary shares each, which represents approximately 8.1% of IRSA CP Company, after the transaction, IRSA's direct and indirect interest in IRSA CP amounts to approximately 86.5%.

IRSA CP Dividends

IRSA CP Shareholders' Meeting, held on October 31, 2017, approved among others, the distribution of a cash dividend in the amount of Ps. 680. In addition to the Ps. 310 of advanced dividends approved by the Shareholders' Meeting held

April 5, 2017. The authority to effect payment of such dividends was delegated to the Board of Directors, which on November 1, 2017 resolved to make it available to shareholders on November 14, 2017.

Furthermore, the Shareholders' Meeting decided to appropriate the remaining undistributed earnings in the amount of Ps. 2,270 to a special reserve, since the statutory reserve is fully funded as provided by section 70 of Act 19,550, and section 5, chapter III, Title IV of the Argentine Securities and Exchange Commission Rules. The special reserve will be used for future dividends, new projects or pipeline projects or for any other purpose that the Company may consider in the future fiscal years, as part of a prudent and reasonable administration of the Company.



Cresud Sociedad Anónima,  
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In addition, it decided to renew the empower onto the Board of Directors to expand the current US\$ 500 (five hundred million US Dollars) program by an additional amount of US\$ 100 (one hundred million US Dollars), in accordance with the resolutions adopted by the priors Shareholders' Meetings on October 30, 2015 and October 31, 2016.

#### IRSA Dividends

IRSA Shareholders' Meeting, held on October 31, 2017, approved among others, the distribution of a cash dividend in the amount of Ps. 1,400. The authority to effect payment of such dividends was delegated to the Board of Directors, who on November 1, 2017 resolved to make it available to shareholders on November 14, 2017.

Furthermore, the Shareholders' Meeting decided to appropriate the remaining undistributed earnings in the amount of Ps. 2,081 to a special reserve, since the statutory reserve is fully funded as provided by section 70 of Act 19,550, and section 5, chapter III, Title IV of the Argentine Securities and Exchange Commission Rules. The special reserve will be used for future dividends, new projects or pipeline projects or for any other purpose that the Company may consider in the future fiscal years, as part of a prudent and reasonable administration of the Company.

On the other hand, it resolved to empower on the Board of Directors for the creation of a new global program for the issuance of simple NCN, either secured or unsecured or guaranteed by third parties, for a total amount of up to US\$ 350 (three hundred and fifty million US Dollars) (or an equivalent amount in other currencies) before the expiration of the current program.

#### CRESUD Dividend

Cresud Shareholders' Meeting, held on October 31, 2017, approved among others, the distribution of a cash dividend in the amount of Ps. 395. The authority to effect payment of such dividends was delegated to the Board of Directors, who on November 1, 2017 resolved to submit the approved dividend to the consideration of the Shareholders' Meeting on November 14, 2017.

Furthermore, once the statutory reserve was set up in the amount of Ps. 30 to reach the 20% of the capital stock and the adjusted capital stock as provided by section 70 of Act 19,550 and the CNV Regulations, it resolved to appropriate the remaining balance in the amount of Ps. 1,371 to create a reserve for new projects.

On the other hand, it resolved to extend the Global Corporate Note Program for a maximum amount of US\$ 300 (three hundred million US Dollars) which had been approved by the Shareholders' Meeting on October 31, 2012 for a new term of five years as from the expiration date or else for any longer term as authorized by the CNV Regulations. It further ratified the extension of the issue amount by up to US\$ 200 (two hundred million US Dollars) as approved by the Shareholders' Meeting held on October 30, 2015.

#### Early cancellation of debt

On November 1, 2017, IDBD communicated its intention to cancel early on November 28, 2017, all of the corporate notes Series L in an amount of NIS 424 (equal to Ps. 2,022 as of the close date of these Financial Statements)

#### Sale of interest FyO

On November 9, 2017 Cresud sold to an unrelated third party the amount of 154,929 shares of its controlled company FyO representing 9.493% of its capital stock for a consideration of US\$ 3.04, which were fully paid. As a result of this



sale, Cresud reduced its shareholding from 59.6% to 50.1% of the capital stock. The proceeds from the transaction that amounts to approximately Ps. 42.6 will be recorded under reserve for changes in non-controlling interests in the second quarter of fiscal year 2018.



## REVIEW REPORT ON THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of  
Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria  
Legal address: Moreno 877 – 23° floor  
Autonomous City Buenos Aires  
Tax Code No. 30-50930070-0

### Introduction

We have reviewed the unaudited condensed interim consolidated financial statements of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria and its subsidiaries (hereinafter “the Company”) which included the unaudited condensed interim consolidated statement of financial position as of September 30, 2017 and the unaudited condensed interim consolidated statements of income and comprehensive income for the three-month period ended September 30, 2017, the unaudited condensed interim consolidated statements of changes in shareholders’ equity and the unaudited condensed interim consolidated statements of cash flows for the three-month period then ended and selected explanatory notes.

The balances and other information corresponding to the fiscal year ended June 30, 2017 and the interim periods within that fiscal year are an integral part of these financial statements and, therefore, they should be considered in relation to those financial statements.

### Management responsibility

The Board of Directors of the Company is responsible for the preparation and presentation of these unaudited condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and added by the National Securities Commission (CNV) to its regulations, as approved by the International Accounting Standard Board (IASB) and , for this reason, is responsible for the preparation and presentation of the unaudited condensed interim consolidated financial statements above mentioned in the first paragraph according to the International Accounting Standard No 34 "Interim Financial Reporting" (IAS 34).



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REVIEW REPORT ON THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Scope of our review

Our review was limited to the application of the procedures established in the International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as a review standard in Argentina in Technical Resolution No. 33 of the FACPCE, without modification as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of persons responsible for the preparation of the information included in the unaudited condensed interim consolidated financial statements, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income and consolidated statement of cash flows of the Company.

Conclusion

Nothing came to our attention as a result of our review that caused us to believe that these unaudited condensed interim consolidated financial statements above mentioned in the first paragraph of this report have not been prepared in all material respects in accordance with International Accounting Standard 34.

Report on compliance with current regulations

In accordance with current regulations, we report about Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria that:

- a) the unaudited condensed interim consolidated financial statements of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria are being processed for recording in the "Inventory and Balance Sheet Book", and comply, as regards those matters that are within our competence, with the provisions set forth in the Commercial Companies Law and in the corresponding resolutions of the National Securities Commission;
- b) the unaudited condensed interim separate financial statements of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria arise from accounting records carried in all formal respects in accordance with applicable legal provisions;
- c) we have read the Business Summary ("Reseña Informativa") on which, as regards those matters that are within our competence, we have no observations to make;



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REVIEW REPORT ON THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

d) as of September 30, 2017, the debt of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria owed in favor of the Argentina Integrated Pension System which arises from accounting records and submissions amounted to Ps. 21,763,589, which was not claimable at that date.

Autonomous City of Buenos Aires, November 10, 2017.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Dr. Mariano C. Tomatis





Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Separate Financial Statements as of September 30, 2017 and June 30, 2017 and for the three-month periods ended September 30, 2017 and 2016



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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Separate Statements of Financial Position  
as of September 30, 2017 and June 30, 2017

(All amounts in millions of Argentine Pesos, except shares and per share data, and as otherwise indicated)

Free translation from the original prepared in Spanish for publication in Argentina

	Note	09.30.17	06.30.17
<b>ASSETS</b>			
Non-current assets			
Investment properties	7	5	5
Property, plant and equipment	8	844	825
Intangible assets	9	18	18
Biological assets	10	639	608
Investments in subsidiaries, associates and joint ventures	6	19,926	19,498
Deferred income tax assets	18	1,319	1,222
Income tax and minimum presumed income tax credit		84	84
Trade and other receivables	13	95	76
Total Non-current assets		22,930	22,336
Current assets			
Biological assets	10	208	353
Inventories	11	694	549
Trade and other receivables	13	397	331
Derivative financial instruments	12	-	4
Restricted assets	12	2	35
Investment in financial assets	12	92	105
Cash and cash equivalents	12	44	41
Total Current assets		1,437	1,418
<b>TOTAL ASSETS</b>		<b>24,367</b>	<b>23,754</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		499	499
Treasury shares		3	3
Inflation adjustment of share capital and treasury shares		65	65
Share premium		659	659
Additional paid-in capital from treasury shares		20	20
Legal reserve		83	83
Special reserve		1,725	1,725
Other reserves		2,330	2,355
Retained earnings		11,652	11,388
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>17,036</b>	<b>16,797</b>
<b>LIABILITIES</b>			
Non-current liabilities			
Trade and other payables	15	-	936
Borrowings	17	2,425	2,368
Provisions	16	8	5
Total Non-current liabilities		2,433	3,309
Current liabilities			

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Trade and other payables	15	1,477	439
Payroll and social security liabilities		70	113
Borrowings	17	3,346	3,086
Derivative financial instruments	12	4	9
Provisions	16	1	1
Total Current liabilities		4,898	3,648
<b>TOTAL LIABILITIES</b>		<b>7,331</b>	<b>6,957</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>24,367</b>	<b>23,754</b>

The accompanying notes are an integral part of these Unaudited Condensed Interim Separate Financial Statements.

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Alejandro G. Elsztain  
 Vice President II  
 acting as President



Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Separate Statements of Income  
for the three-month periods beginning on July 1, 2017 and 2016  
and ended September 30, 2017 and 2016

(All amounts in millions of Argentine Pesos, except shares and per share data, and as otherwise indicated)  
Free translation from the original prepared in Spanish for publication in Argentina

	Note	09.30.17	09.30.16 (recast)
Revenues	19	453	427
Costs	20	(321)	(366)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	2		22
Changes in net realizable value of agricultural produce after harvest		48	(92)
Gross Profit / (Loss)		182	(9)
Gain from disposal of farmlands		-	73
General and administrative expenses	21	(48)	(41)
Selling expenses	21	(109)	(100)
Other operating results, net	22	(3)	15
Management fees		(30)	(3)
Loss from operations		(8)	(65)
Share of profit of subsidiaries, associates and joint ventures	6	447	144
Profit before financing and taxation		439	79
Finance income	23	8	12
Finance costs	23	(291)	(160)
Other financial results, net	23	11	25
Financial results, net	23	(272)	(123)
Profit / (Loss) before income tax		167	(44)
Income tax	18	97	65
Profit for the period		264	21
Profit per share attributable to equity holders of the parent during the period:			
Basic		0.532	0.043
Diluted		0.529	0.042

The accompanying notes are an integral part of these Unaudited Condensed Interim Separate Financial Statements.

)  
Alejandro G. Elsztain  
Vice President II  
acting as President





Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Separate Statements of Comprehensive Income  
for the three-month periods beginning on July 1, 2017 and 2016  
and ended September 30, 2017 and 2016

(All amounts in millions of Argentine Pesos, except shares and per share data, and as otherwise indicated)  
Free translation from the original prepared in Spanish for publication in Argentina

	09.30.17	09.30.16 (recast)
Profit for the period	264	21
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustment from subsidiaries, associates and joint ventures	-	353
Other comprehensive (loss) / income from share of changes in subsidiaries' equity	(27)	10
Other comprehensive (loss) / income for the period (i)	(27)	363
Total comprehensive income for the period	237	384

(i) Components of other comprehensive income / (loss) do not generate any impact on the income tax.

The accompanying notes are an integral part of these Unaudited Condensed Interim Separate Financial Statements.

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Alejandro G. Elsztain  
Vice President II  
acting as President



Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Separate Statements of Changes in Shareholders' Equity  
for the three-month periods ended September 30, 2017 and 2016

(All amounts in millions, except shares and per share data and as otherwise indicated)

Free translation from the original prepared in Spanish for publication in Argentina

	Share capital	Treasury shares	Inflation adjustment of share capital and treasury shares (i)	Share premium	Additional paid-in capital from treasury shares	Legal reserve	Special reserve (ii)	Other reserves (iii)	Retained earnings	Total Shareholders' equity
Balance as of June 30, 2017	499	3	65	659	20	83	1,725	2,355	11,388	16,797
Profit for the period	-	-	-	-	-	-	-	-	-	-