

CRESUD INC
Form 6-K
November 29, 2010
[Table of Contents](#)

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

**PURSUANT TO RULE 13a-16 OR 15b-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of November, 2010

CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA FINANCIERA Y AGROPECUARIA

(Exact name of Registrant as specified in its charter)

CRESUD INC.

(Translation of registrant's name into English)

Edgar Filing: CRESUD INC - Form 6-K

Republic of Argentina

(Jurisdiction of incorporation or organization)

Moreno 877, 23rd Floor, (C1091AAQ)

Buenos Aires, Argentina

(Address of principal executive offices)

Form 20-F T Form 40-F _____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes _____ No T

Table of Contents

CRESUD S.A.C.I.F. and A

(THE COMPANY)

REPORT ON FORM 6-K

Attached is a copy of the English translation of the Financial Statements for the nine-month period ended on September 30, 2010 and on September 30, 2009 filed by the Company with the *Bolsa de Comercio de Buenos Aires* and with the *Comisión Nacional de Valores*.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria,

Financiera y Agropecuaria

Free Translation of the Unaudited Financial Statements

Corresponding to the three-month periods

ended September 30, 2010 and 2009

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Unaudited Financial Statements**

Index

| | |
|--|-----|
| Presentation | 2 |
| <u>Consolidated Balance Sheet</u> | 3 |
| <u>Consolidated Statement of Income</u> | 4 |
| <u>Consolidated Statement of Cash Flow</u> | 7 |
| <u>Notes to the Consolidated Financial Statements</u> | 86 |
| <u>Balance Sheet</u> | 87 |
| <u>Statement of Income</u> | 88 |
| <u>Statement of Changes in Shareholders' Equity</u> | 89 |
| <u>Statement of Cash Flow</u> | 91 |
| <u>Notes to the Financial Statements</u> | 138 |
| <u>Schedules</u> | 149 |
| <u>Additional Information to the Notes to the Financial Statements required by section 68 of the Buenos Aires Stock Exchange Regulations</u> | 155 |
| <u>Business Highlights</u> | 175 |
| <u>Report of Independent Auditors</u> | |

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria,
Financiera y Agropecuaria
Free Translation of the Unaudited
Consolidated Financial Statements**
corresponding to the three-month periods
ended September 30, 2010 and 2009

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Fiscal year No. 76 started on July 1, 2010

Unaudited Financial Statements for the period ended September 30, 2010

In comparative format with previous fiscal year (Note 1- Consolidated Statements)

(in thousands of pesos)

Legal Address: Moreno 877, 23 Floor
Ciudad Autónoma de Buenos Aires

Principal Activity: Agriculture, livestock and real-estate
DATES OF REGISTRATION AT THE PUBLIC REGISTRY OF COMMERCE

Free translation from the original prepared in spanish

for publication in Argentina

Of the by-laws: February 19th, 1937

Of the latest amendment: July 28th, 2008

Duration of the Company: June 6th, 2082

Information on controlled companies in Note 2 to the Consolidated Financial Statements

CAPITAL STATUS (Note 3 of basic financial statements)

SHARES

| Type of stock | Authorized to be offered publicly | Subscribed | Paid-in |
|---|--------------------------------------|-------------|-------------|
| Ordinary certified shares of Ps. 1 face value and 1 vote each | 501,560,508 | 501,560,508 | 501,560,508 |

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Unaudited Consolidated Balance Sheet as of September 30, 2010 and 2009 and June 30, 2010****(in thousands of pesos)**

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

| | September 30, 2010 (Notes 1 and 2) | June 30, 2010 (Notes 1 and 2) | September 30, 2009 (Notes 1 and 2) |
|---|---|--|---|
| ASSETS | | | |
| Current Assets | | | |
| Cash and banks (Note 4.a.) | 95,711 | 80,919 | 95,263 |
| Investments (Note 4.b.) | 539,908 | 278,968 | 325,687 |
| Trade accounts receivable, net (Note 4.c.) | 265,177 | 441,065 | 269,445 |
| Other receivables (Note 4.d.) | 195,696 | 251,908 | 246,225 |
| Inventories (Note 4.e.) | 447,728 | 400,521 | 133,815 |
| Total Current Assets | 1,544,220 | 1,453,381 | 1,070,435 |
| Non-Current Assets | | | |
| Trade accounts receivable (Note 4.c.) | 16,774 | 42,123 | 18,361 |
| Other receivables (Note 4.d.) | 319,674 | 248,315 | 212,508 |
| Inventories (Note 4.e.) | 202,490 | 204,218 | 268,952 |
| Investments on controlled and related companies (Note 4.b.) | 2,044,240 | 1,881,135 | 1,563,716 |
| Other investments (Note 4.b.) | 1,257 | 18,935 | 8,974 |
| Property and Equipment, net (Note 4.f.) | 3,315,952 | 3,290,221 | 3,287,352 |
| Intangible assets, net (Note 4.g.) | 75,342 | 88,585 | 53,505 |
| Subtotal Non-Current Assets | 5,975,729 | 5,773,532 | 5,413,368 |
| Goodwill, net (Note 4.h.) | (384,157) | (389,025) | (414,513) |
| Total Non-Current Assets | 5,591,572 | 5,384,507 | 4,998,855 |
| Total Assets | 7,135,792 | 6,837,888 | 6,069,290 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade accounts payable (Note 4.i.) | 271,882 | 403,743 | 313,600 |
| Mortgages payable (Note 4.j.) | | | |
| Short-term debt (Note 4.k.) | 681,973 | 1,059,736 | 583,167 |
| Salaries and social security payable (Note 4.l.) | 43,142 | 61,484 | 37,521 |
| Taxes payable (Note 4.m.) | 78,791 | 108,558 | 145,834 |
| Advances from customers (Note 4.n.) | 226,586 | 216,464 | 116,507 |
| Other liabilities (Note 4.o.) | 58,674 | 73,253 | 54,517 |
| Provisions for lawsuits and contingencies (Note 4.p.) | 1,347 | 5,479 | 2,434 |

Edgar Filing: CRESUD INC - Form 6-K

| | | | |
|---|-----------|-----------|-----------|
| Total Current Liabilities | 1,362,395 | 1,928,717 | 1,253,580 |
| Non-Current Liabilities | | | |
| Trade accounts payable (Note 4.i.) | 24,458 | 23,368 | 79,810 |
| Mortgages payable (Note 4.j.) | | | 985 |
| Advances from customers (Note 4.n.) | 89,112 | 90,393 | 162,095 |
| Long-term debt (Note 4.k.) | 1,594,135 | 853,166 | 878,519 |
| Taxes payable (Note 4.m.) | 292,019 | 273,963 | 211,702 |
| Other liabilities (Note 4.o.) | 75,661 | 65,372 | 82,231 |
| Provisions for lawsuits and contingencies (Note 4.p.) | 9,620 | 9,708 | 8,455 |
| Total Non-Current Liabilities | 2,085,005 | 1,315,970 | 1,423,797 |
| Total Liabilities | 3,447,400 | 3,244,687 | 2,677,377 |
| Minority interest | 1,644,254 | 1,625,008 | 1,491,629 |
| SHAREHOLDERS EQUITY | 2,044,138 | 1,968,193 | 1,900,284 |
| Total Liabilities and Shareholders Equity | 7,135,792 | 6,837,888 | 6,069,290 |

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

Alejandro G. Elsztain

Vicepresident II

acting as President

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statements of Income

Corresponding to the three-month periods beginning on July 1, 2010 and 2009

and ended September 30, 2010 and 2009

(in thousands of pesos)

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

| | September 30, 2010 | September 30, 2009 |
|--|--------------------|--------------------|
| Agricultural production income (Note 5) | 35,143 | 13,206 |
| Cost of agricultural production (Note 5) | (35,345) | (22,388) |
| Production loss - Agricultural | (202) | (9,182) |
| Sales - crops, beef cattle, milk and others (Note 5) | 90,580 | 62,631 |
| Sales of farm (Note 5) | 71,096 | |
| Cost of sales - crops, beef cattle, milk and others (Note 5) | (80,770) | (56,734) |
| Cost of sales of farms (Note 5) | (21,652) | |
| Sales profit - Agricultural business | 59,254 | 5,897 |
| Sales and development of properties (Note 5) | 10,979 | 36,339 |
| Income from lease and service of offices, shopping centers, hotels, consumer financing and others (Note 5) | 296,298 | 230,711 |
| Cost of sales and development of properties (Note 5) | (5,972) | (14,887) |
| Cost of lease and service offices, shopping centers, hotels, consumer financing and others (Note 5) | (100,925) | (97,211) |
| Sales profit - Real estate business | 200,380 | 154,952 |
| Gross profit (loss) - Agricultural business | 59,052 | (3,285) |
| Gross profit - Real estate business | 200,380 | 154,952 |
| Gross profit | 259,432 | 151,667 |
| Selling expenses | (46,178) | (50,922) |
| Administrative expenses | (60,206) | (47,212) |
| Gain from recognition of inventories at net realizable value | 13,453 | 10,946 |
| Unrealized gain (Note 4.q.) | 11,935 | 2,287 |
| Net gain from retained interest in consumer finance trusts | 5,213 | 23,509 |
| Operating gain | 183,649 | 90,275 |
| Amortization of goodwill | 9,599 | 10,127 |
| Financial results | | |

Edgar Filing: CRESUD INC - Form 6-K

| | | |
|---|-----------------|-----------------|
| Generated by assets: | | |
| Exchange gains | 10,277 | 7,418 |
| Interest income (Note 4.r.) | 8,580 | 1,511 |
| Other unrealized (loss) gain (Note 4.r.) | (18,055) | 7,995 |
| Subtotal | 802 | 16,924 |
| Generated by liabilities: | | |
| Exchange loss | (12,710) | (12,424) |
| Loans and convertible notes | (63,220) | (44,440) |
| Other unrealized gain (loss) (Note 4.r.) | 779 | (2,508) |
| Subtotal | (75,151) | (59,372) |
| Financial results, net | (74,349) | (42,448) |
| Gain on participation in equity investees | 15,233 | 93,576 |
| Other income and expenses, net (Note 4.s.) | (5,236) | (6,098) |
| Management fee | (5,761) | (6,803) |
| Net income before income tax and minority interest | 123,135 | 138,629 |
| Income tax and minimum presumed income tax | (23,946) | (15,376) |
| Minority interest | (47,339) | (61,426) |
| Net income for the period | 51,850 | 61,827 |
| Earnings per share : | | |
| Basic net gain per share (Note 9 to the basic financial statements) | 0.10 | 0.13 |
| Diluted net gain per share (Note 9 to the basic financial statements) | 0.09 | 0.12 |

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

Alejandro G. Elsztain

Vicepresident II

acting as President

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statements of Cash Flows

Corresponding to the three-month periods beginning on July 1, 2010 and 2009

and ended September 30, 2010 and 2009

(in thousands of pesos)

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

| | September 30, 2010 | September 30, 2009 |
|---|--------------------|--------------------|
| <u>Changes in cash and cash equivalents</u> | | |
| Cash and cash equivalents at the beginning of the year | 175,653 | 211,676 |
| Cash and cash equivalents at the end of the period | 503,338 | 198,340 |
| Increase (decrease) net in cash and cash equivalents | 327,685 | (13,336) |
| <u>Causes of changes in cash and cash equivalents</u> | | |
| <u>Operating activities</u> | | |
| Income for the period | 51,850 | 61,827 |
| Income tax | 23,946 | 15,376 |
| Adjustments made to reach net cash flow from operating activities | | |
| Gain on equity investees | (15,233) | (93,576) |
| Minority interest | 47,339 | 61,426 |
| Increase in allowances and provisions | 25,272 | 16,861 |
| Depreciation and amortization | 44,978 | 44,525 |
| Unrealized gain on Inventories | (11,935) | (2,287) |
| Financial results | 45,879 | (18,610) |
| (Gain) loss from sales of fixed assets and undeveloped parcels of land | (3,941) | 1,491 |
| Adjustment valuation to net realizable value in other assets | (13,453) | (10,946) |
| Amortization of goodwill | (9,599) | (10,127) |
| Changes in operating assets and liabilities | | |
| (Increase) decrease in current investments | (47,529) | 18,014 |
| (Increase) decrease in trade accounts receivable, leases and services | (62,672) | 22,156 |
| (Increase) decrease in other receivables | (91,523) | 40,147 |
| (Increase) decrease in inventories | (21,563) | 10,205 |
| Increase in intangible assets | (1,117) | (612) |
| Decrease in social security payables, taxes payable and advances from customers | (28,970) | (5,439) |
| Increase (decrease) in trade accounts payable | 39,578 | (50,083) |
| Dividends collected | 2,116 | 117 |
| Increase (decrease) in accrued interest | 39,183 | (2,930) |
| Increase (decrease) in other liabilities | 18,907 | (59,689) |
| Cash flows provided by operating activities | 31,513 | 37,846 |
| <u>Investing activities</u> | | |
| Decrease in non-current investments | 384 | |
| Increase in interest on equity investees (except IRSA) | (42,468) | (56,189) |
| Acquisition and upgrading of fixed assets | (25,669) | (31,678) |

Edgar Filing: CRESUD INC - Form 6-K

| | | |
|--|-----------------|-----------------|
| Trade receivables of fixed assets collected | 2,652 | 2,429 |
| Gain on the sales of fixed assets | 17,918 | |
| Income for the acquisition of equity investees, net of cash disposed | 67,477 | |
| Payment for subsidiary acquired, net of cash acquired | (9,969) | |
| (Sale) purchase of undeveloped parcels of lands and other non-current investments | (34,932) | 5,467 |
| Collection (increase) of loans granted | 41 | (1,326) |
| Collection of receivables of Subsidiaries, related companies Law No. 19,550 Section 33 and related parties | 15,362 | |
| Advances for purchase of Arcos del Gourmet S.A. shares | (29,438) | |
| Payment of financed purchase | (3,950) | |
| Cash flows applied to investing activities | (42,592) | (81,297) |

Alejandro G. Elsztain

Vicepresident II

acting as President

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statements of Cash Flows (continued)

Corresponding to the three-month periods beginning on July 1, 2010 and 2009

and ended September 30, 2010 and 2009

(in thousands of pesos)

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

| | September 30, 2010 | September 30, 2009 |
|---|--------------------|--------------------|
| <u>Financing activities</u> | | |
| Issuance of non-convertible notes | 712,373 | 49,469 |
| Increase in loans | 113,874 | 20,074 |
| Decrease in loans | (430,850) | (45,891) |
| Decrease in mortgages payable | (25,366) | |
| Payment of financial interest | (31,741) | |
| Acquisition of minority interest | | 6,463 |
| Contributions from minority shareholders | 474 | |
| Cash flows provided by financing activities | 338,764 | 30,115 |
| Net increase (decrease) in cash and cash equivalents | 327,685 | (13,336) |

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

| | September 30, 2010 | September 30, 2009 |
|--|--------------------|--------------------|
| <u>Items not involving changes in cash and cash equivalents</u> | | |
| Inventory transferred to property and equipment | 290 | 244 |
| Increase in non-current investments through an increase in long-term debts | | 34,243 |
| Increase in fixed assets through an increase in trade accounts payable | 5,352 | 174 |
| Increase in non-current investments by transitory conversion differences | 24,817 | 26,447 |
| Financial costs capitalized in fixed assets | | 1,963 |
| Undeveloped parcels of land transferred to inventory | 3,030 | |
| Increase in fixed assets through an increase in long term debts | 53,896 | |
| Increase in Inventories through a decrease in fixed assets | | 8,644 |
| Issuance of certificates of participation | 18,786 | 4,580 |
| Decrease in inventories through a decrease in advances from customer | 1,920 | |
| Increase in related parties interest through a decrease in other receivables | 36,036 | 8,838 |
| Increase in non-current investments through an increase in other liabilities | 6,053 | |
| <u>Complementary information</u> | | |
| Interest paid | 44,005 | 41,341 |
| Income tax paid | 6,857 | 4,026 |

Edgar Filing: CRESUD INC - Form 6-K

Alejandro G. Elsztain

Vicepresident II

acting as President

5

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Statements of Cash Flows (continued)

Corresponding to the three-month periods beginning on July 1, 2010 and 2009

and ended September 30, 2010 and 2009

(in thousands of pesos)

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

| | September 30, 2010 | September 30, 2009 |
|---|--------------------|--------------------|
| <u>Acquisition of subsidiaries companies</u> | | |
| Other receivables | (36,036) | |
| Investments | 17,952 | |
| Acquired assets that do not affect cash, net value | (18,084) | |
| Minority interest | 31,369 | |
| Goodwill generated by the purchase | (3,316) | |
| Purchase value of subsidiaries companies, net of cash acquired | 9,969 | |
| | | |
| | September 30, 2010 | September 30, 2009 |
| <u>Sale of Subsidiaries</u> | | |
| Receivables, leases and services | 278,805 | |
| Other receivables | 29,108 | |
| Investment | 143,646 | |
| Fixed assets | 2,829 | |
| Financial loans | (91,173) | |
| Trade account payables | (204,255) | |
| Salaries and social security payable | (11,221) | |
| Tax payables | (14,654) | |
| Other debts | (62) | |
| Net value of sale assets not affecting cash | 133,023 | |
| Advance funds | (21,252) | |
| Impairment and sale of investment | (12,119) | |
| Remaining investment | (32,175) | |
| Income from sale of companies, net of funds transferred | 67,477 | |

Alejandro G. Elsztain

Edgar Filing: CRESUD INC - Form 6-K

Vicepresident II

acting as President

6

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

Notes to the Consolidated Financial Statements

For the fiscal years beginning on July 1, 2010 and 2009

and ended June 30, 2010 and 2009

(in thousands of pesos)

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

NOTE 1: BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Basis of consolidation

The company consolidated on a line by line basis the Balance Sheet as of September 30, 2010 and 2009 and the Statements of Income and the Statements of Cash Flows for the periods ended as of September 30, 2010 and 2009 with the financial statements of subsidiaries, following procedures established by Technical Resolution No. 21 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE), approved by Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires and Comisión Nacional de Valores.

Significant transactions and balances with subsidiaries have been eliminated from the consolidation.

During the semester ended December 31, 2008, Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries (Cresud , or the Entity or the Company) acquired directly and indirectly 68,712,008 additional shares of IRSA Inversiones y Representaciones Sociedad Anónima (IRSA). Thus, the Company s direct and indirect interest in IRSA through its affiliates amounted to 54.01%, therefore, from October 1, 2008, the Company began to consolidate the financial statements of IRSA in accordance with Technical Resolution No. 21.

The financial statements as of September 30, 2010 and 2009 of the subsidiary companies Northagro S.A. (Northagro), Futuros y Opciones.Com S.A. (FyO.Com), Agrotech S.A. (Agrotech), Pluriagro S.A. (Pluriagro), FyO Trading S.A. (FyO Trading), Agrology S.A. and IRSA have been used in order to determine line by line consolidation.

These Financial Statements and the corresponding notes are presented in thousand of Argentine Pesos.

On September 13, 2010, APSA sold its 80% interest in Tarshop S.A. Consequently, the unaudited consolidated balance sheet as of this closing does not include Tarshop and the unaudited statements of income and the unaudited statement of cash flows include such company only for the two-month period when Alto Palermo S.A. (APSA) held control over it. Therefore, the compatibility of consolidated financial statements is affected.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 1: (Continued)

Relevant totals from the Company's consolidated financial statements assuming that the sale of share of Tarshop S.A. had taken place on June 30, 2010 and September 30, 2009 disclosed comparatively are shown in the following chart:

Balance Sheet as of June 30, 2010

| Item | Published Financial Statement as of June 30, 2010 (in pesos) | Tarshop SA as of June 30, 2010 (in pesos) | Financial Statements in the event of sale as of June 30, 2010 (in pesos) |
|-----------------------------|---|--|--|
| Currents assets | 1,453,381 | (268,982) | 1,184,400 |
| Non-current assets | 5,384,507 | 28,881 | 5,413,388 |
| Total assets | 6,837,888 | (240,101) | 6,597,788 |
| Current liabilities | (1,928,717) | 242,802 | (1,685,915) |
| Non-current liabilities | (1,315,970) | (2,701) | (1,318,672) |
| Total liabilities | (3,244,687) | 240,101 | (3,004,587) |
| Minority Interest | (1,625,008) | | (1,625,008) |
| Shareholders' Equity | (1,968,193) | | (1,968,193) |

Balance Sheet as of September 30, 2009

| Item | Published Financial Statement as of September 30, 2009 (in pesos) | Tarshop SA as of September 30, 2009 (in pesos) | Financial Statements in the event of sale as of September 30, 2009 (in pesos) |
|-----------------------------|---|---|---|
| Currents assets | 1,070,435 | (208,522) | 861,913 |
| Non-current assets | 4,998,855 | 1,537 | 5,000,392 |
| Total assets | 6,069,290 | (206,985) | 5,862,305 |
| Current liabilities | (1,253,580) | 182,255 | (1,071,325) |
| Non-current liabilities | (1,423,797) | 23,290 | (1,400,507) |
| Total liabilities | (2,677,377) | 205,545 | (2,471,832) |
| Minority Interest | (1,491,629) | 1,440 | (1,490,189) |
| Shareholders' Equity | (1,900,284) | | (1,900,284) |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 1: (Continued)

Statement of income as of September 30, 2009

| Item | Published Financial Statement as of September 30, 2009 (in pesos) | Tarshop SA as of September 30, 2009 (in pesos) | Financial Statements in the event of sale as of September 30, 2009 (in pesos) |
|-----------------------------------|---|---|--|
| Production loss Agricultural | (9,182) | | |
| Sale profit Agricultural Business | 5,897 | | |
| Sale profit Real State Business | 154,952 | (14,617) | 140,335 |
| Gross profit | 151,667 | (14,617) | 140,335 |
| Operating gain | 90,275 | (4,550) | 85,725 |
| Net income for the period | 61,827 | | 61,827 |

Statement of cash flows as of September 30, 2009

| Item | Published Financial Statement as of September 30, 2009 (in pesos) | Tarshop SA as of September 30, 2009 (in pesos) | Financial Statements in the event of sale as of September 30, 2009 (in pesos) |
|---|---|---|--|
| Net cash provided by (used in) operating activities | 37,846 | (20,123) | 17,723 |
| Net cash provided by (used in) investing activities | (81,297) | (22,765) | (104,062) |
| Net cash provided by (used in) financing activities | 30,115 | 42,187 | 72,302 |

b) Comparative information

Certain reclassifications have been made on the Financial Statements as of June 30, 2010 and September 30, 2009 and originally issued for the purpose of your presentation with comparative figures as of September 30, 2010.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 2: CORPORATE CONTROL

The Company's interest in other companies is shown in the following table:

| Company | Consolidated direct and indirect percentage of voting shares owned |
|----------------|---|
| IRSA | 57.49(1) |
| FyO.Com | 65.85 |
| Agrology S.A. | 100.00 |
| FyO Trading | 67.09(2) |
| Agrotech S.A. | 100.00(3) |
| Pluriagro S.A. | 100.00(3) |
| Northagro S.A. | 100.00(3) |

- (1) Includes interests of 6.89% of Agrology S.A.
- (2) Includes interests of 63.46% of FyO.Com
- (3) Includes interests of 3% of Agrology S.A.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the Subsidiaries mentioned in Note 2 have been prepared based on accounting principles consistent with those followed by the Company for the preparation of its financial statements, as detailed in Note 2 of the basic financial statements.

High relevant valuation and disclosure criteria applied in preparing the financial statements of consolidated companies and not explained in the valuation criteria note of the holding company are as follows:

a) Inventories

Real Estate Business

A property is classified as inventories upon determination by the Board of Directors that the property is to be marketed for sale in the normal course of business over the next several years.

Edgar Filing: CRESUD INC - Form 6-K

Properties classified as inventories have been valued at acquisition or construction cost restated as mentioned in Note 1.b. to the basic financial statements or estimated market value, whichever is lower. Costs include land and land improvements, direct construction costs, construction overhead costs, financial costs and real estate taxes.

Inventories on which advance payments that establish price have been received, and the operation's contract terms and conditions assure that the sale will be effectively accomplished and that the income will be realized, are valued at net realizable value. Profits arising from such valuation are shown in the Gain from valuation of assets at net realizable value caption of the Statements of Income.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 3: (continued)

Properties held for sale are classified as current or non-current based on the estimated date of sale and the time at which the related receivable is expected to be collected by the Company.

The amount recorded in inventories, net of allowances set up, does not exceed their estimated recoverable value at the end of the period/year.

Property units to receive:

IRSA has rights to receive certain property units to be built. The units have been valued according to the accounting measuring standards corresponding to inventories receivables (the price established in the deed or net realizable value, as applicable) and there have been disclosed under Inventories .

b) Current investments

Real Estate Business

As of June 30, 2010, current investments included retained interests in securitized receivables pursuant to the securitization programs of Tarshop S.A. and Metroshop S.A. with a realization term not exceeding twelve months, which have been accounted for under the equity method, net of the corresponding allowances for impairment.

As of the date of issuance of these financial statements, this includes participation certificates in the framework of the program for the securitization of receivables arising from the credit card transactions conducted by Metroshop S.A. (a company proportionally controlled by APSA) maturing within a term of up to 12 months and measured by application of the equity method.

c) Non-current investments

Real Estate Business

Investments in debt securities:

Investments in debt securities were valued based on the best estimate of the discounted amount receivable, applying the corresponding internal rate of return estimated at the time of incorporation to assets, as IRSA will hold them to maturity.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 3: (continued)

Investments on controlled and related companies and other non-current investment

As of June 30, 2010, included retained interests in securitized receivables of Tarshop S.A., which have been accounted for under the equity method, net of the corresponding allowances for impairment, if applicable. In addition, the interests held in entities over which the Company does not exert control, joint control or significant influence have been measured for accounting purposes at cost plus any declared dividends.

Given the sale of 80% of Tarshop S.A.'s shares described in Note 8 B.2.b, as of the date of issuance of these financial statements, APSA maintains a 20% investment in Tarshop S.A. which has been recognized by application of the equity method on account of the economic group being able to exercise significant influence on its decisions and of the economic group's intention to maintain it as a long-term investment.

Banco Hipotecario S.A. and Banco de Crédito y Securitización S.A.:

The Financial Statements of Banco Hipotecario S.A. and Banco de Crédito y Securitización S.A. are prepared in accordance with the Central Bank of the Argentine Republic (BCRA) standards. For the purpose of the valuation of the investment in IRSA, adjustments necessary to adequate the financial statements to the professional accounting standards have been considered.

In accordance with the regulations of the BCRA, there are certain restrictions on the distribution of profits by Banco Hipotecario S.A. to IRSA.

Tyrus S.A. and Torodur S. A.:

Uruguay-based Tyrus S.A. and Torodur S.A. have been classified as not integrated into the IRSA's operations in relation to its subsidiaries whose operations are carried out fully abroad. IRSA does not control foreign operations, which are conducted with a significant degree of autonomy respect to the IRSA's own operations. Besides, such operations are mainly financed with funds originating in its own transactions or with local loans.

The Tyrus's and Torodur's assets and liabilities were converted into Pesos at the exchange rate in force at the close of the fiscal period/year. The Statement of Income accounts have been converted into Pesos at the exchange rates in force at the time of each transaction. Foreign exchange gains/losses arising from the conversion have been charged to the Shareholders' equity caption in the line Translation Differences.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 3: (continued)

Undeveloped parcels of lands:

IRSA acquires undeveloped land in order to provide an adequate and well-located supply for its residential and office building operations. IRSA's strategy for land acquisition and development is dictated by specific market conditions where IRSA conducts its operations.

Land held for development and sale and improvements are stated at cost restated as mentioned in Note 1.b. to the basic financial statements or market value, whichever is lower.

Land and land improvements are transferred to inventories or fixed assets when construction commences or their trade is decided.

The values thus obtained, do not exceed their respective estimated recoverable values at the end of the period/year.

d) Business combinations

Real Estate Business

Significant entities on net asset acquired by the Company were recorded in line with the purchased method set forth in Technical Resolution No. 18. and Technical Resolution No. 21. All assets and liabilities acquired to third independent parties were adjusted to show their fair value. IRSA identified the assets and liabilities acquired including intangible assets such as: lease agreements acquired for prices and terms that are either higher or lower than in the market; costs of executing and delivering the lease agreements in force (costs that IRSA avoids incurring as a result of acquiring effective lease agreements); the value of acquired brands, the value of any deposits associated to the investment and the intangible value inherent in customer relations.

The process of identification and the determination of the purchased price paid is a matter that requires complex judgments and significant estimates.

IRSA uses the information contained in valuations estimated by independent appraisers as primary base for assigning the price paid for the land, the building and the shopping centers. The amounts assigned to all the other assets and liabilities are based on independent valuations or on the IRSA's own analysis on comparable assets and liabilities. The current value of tangible assets acquired considers the property value as if it was empty.

If the price paid is larger than the value of tangible and intangible assets and liabilities as identified, the excess is considered to be goodwill.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 3: (continued)

e) **Property and equipment, net**

Real Estate Business

Fixed assets comprise primarily of rental properties and other properties and equipment held for use by IRSA.

Fixed assets value, net of allowances set up, does not exceed estimated recoverable value at the end of the period/year.

Rental properties

Rental properties are carried at acquisition and/or construction cost, restated as mentioned in Note 1.b. to the basic financial statements, less accumulated depreciation and allowance for impairment at the end of the period/year. IRSA capitalizes the financial accrued costs associated with long-term construction projects.

Accumulated depreciation had been computed under the straight-line method over the estimated useful lives of each asset, applying annual rates in order to extinguish their values at the end of its useful life.

IRSA has allowances for impairment of certain rental properties.

Significant renewals and improvements, which improve or extend the useful life of the asset are capitalized and depreciated over its estimated remaining useful life. At the time depreciable assets are retired or otherwise disposed of, the cost and the accumulated depreciation of the assets are eliminated from the accounts and the resulting gain or loss is disclosed in the Statement of Income.

Other properties and equipment

Other properties and equipment properties are carried at cost, restated as mentioned in Note 1.b. to the basic financial statements, less accumulated depreciation at the end of the period/year. Accumulated depreciation is computed under the straight-line method over the estimated useful lives of the assets.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 3: (continued)

| Assets | Estimated useful life (years) on contract basis |
|-------------------------|--|
| Leasehold improvements | According to the duration of the lease |
| Furniture and fixtures | 10 |
| Vehicles | 5 |
| Machinery and equipment | 10 |
| Computer equipment | 3 |

The cost of maintenance and repairs is charged to expense as incurred.

The cost of significant renewals and improvements are added to the carrying amount of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts.

f) Intangible assets

Real Estate Business

Intangible assets are carried at restated cost as mentioned in Note 1.b. to the basic financial statements, less accumulated amortization and corresponding allowances for impairment in value, if it applicable. Included in the Intangible assets caption are the following:

Concession

Intangible assets include Arcos del Gourmet S.A.'s concession right, which is amortized over the concession life. (see Note 8.B.2.d.).

Trademarks

Trademarks include the expenses and fees related to their registration.

Pre-operating expenses

Those expenses were amortized by the straight-line method in 3 years, beginning as from the date of opening.

Edgar Filing: CRESUD INC - Form 6-K

The value of the intangible assets does not exceed their estimated recoverable value at the end of the period/year.

Non-Compete Agreement

These expenses were amortized by the straight-line method in 28 months period starting upon December 1st, 2009.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 3: (continued)

In the framework of the agreement executed with Banco Hipotecario S.A. for the sale of Tarshop S.A.'s shares, APSA has signed a non-compete agreement in favor of BHSA and has thus considered this intangible asset to be non-recoverable.

g) Goodwill, net

Real Estate Business

Amortizations were calculated through the straight line method on the basis of an estimated useful life considering the weighted average of the remaining useful life of the assets acquired.

The residual value of goodwill arising from the acquisition of net assets and shares in companies has been shown in the Goodwill, net caption. Amortizations were classified in the Amortization of goodwill caption of the statement of income. Goodwills related to the acquisition of interests in subsidiaries is included in non-current investments.

Values thus obtained do not exceed the respective estimated recoverable values at the end of the period/year.

h) Customer advances

Real Estate Business

Customer advances represent payments received in connection with the sale and rent of properties and has been valued according to the amount of money received.

i) Allowances

Real Estate Business

Allowance for doubtful accounts: IRSA allows for losses relating to trade receivables, leases and other accounts receivable. The allowance for losses is recognized when, based on current information and events, it is probable that IRSA will be unable to collect all amounts due according to the terms of the agreements. The allowance is determined on a one-by-one basis considering the present value of expected future cash flows.

Edgar Filing: CRESUD INC - Form 6-K

While Management uses the information available to make assessments, future adjustments to the allowance may be necessary if future economic conditions differ substantially from the assumptions used in making the assessments. Management has considered all events and/or transactions that are subject to reasonable and normal methods of estimations.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 3: (continued)

For impairment of assets: IRSA regularly assesses its non-current assets for recoverability at the end of every period.

IRSA has estimated the recoverable value of rental properties based on their economic use value, which is determined based on estimated future cash flows discounted. For the rest of the assets (inventories and undeveloped parcels of land) IRSA makes a comparison with market values based on values of comparable properties. If the recoverable value of assets, which had been impaired in prior years, increases, IRSA records the corresponding reversals of impairment loss as required by accounting standards.

For lawsuits: IRSA has certain contingent liabilities with respect to existing or potential claims, lawsuits and other proceedings, including those involving labor issues. IRSA accrues liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated. Such accruals are based on developments to date, IRSA's estimates of the outcomes of these matters and IRSA's lawyers' experience in contesting, litigating and settling other matters.

As the scope of the liabilities becomes better defined, there may be changes in the estimates of future costs, which could have an effect on IRSA's future results of operations and financial condition or liquidity.

At the date of issuance of these financial statements, IRSA's Management understands that there are no elements to foresee other potential contingencies having a negative impact on these financial statements.

j) **Liabilities in kind related to barter transactions**

Real Estate Business

Liabilities in kind corresponding to obligations to deliver units to be built are valued considering the cost of the assets received or the cost of construction of the units to deliver plus necessary additional costs to transfer the assets to the creditor, the major. Liabilities in kind have been shown in the Trade accounts payable .

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 3: (continued)

k) Revenue recognition

Real Estate Business

1) Revenue recognition of IRSA

Sales of properties

IRSA records revenue from the sale of properties when all of the following criteria are met:

The sale has been consummated.

There is sufficient evidence to demonstrate the buyer's ability and commitment to pay for the property.

The Company's receivable is not subject to future subordination.

The Company has transferred the property to the buyer.

IRSA uses the percentage-of-completion method of accounting with respect to sales of development properties under construction. Under this method, revenue is recognized based on the ratio of costs incurred to total estimated costs according to budgeted costs. IRSA does not commence gain or loss such time as the decision to proceed with the project is made and construction activities have begun. The percentage-of-completion method of accounting requires the IRSA's Management to prepare budgeted costs in connection with sales of properties/units. All changes to estimated costs of completion are incorporated into revised estimates during the contract period.

Revenues from leases

Revenues from leases are recognized on a straight line basis over the life of the related lease contracts.

Hotel operations

IRSA recognizes revenues from its rooms, catering and restaurant facilities as accrued on the close of each business day.

Net operating results from each business unit are disclosed in Note 5.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 3: (continued)

2) Revenue recognition of Alto Palermo S.A. (APSA)

Revenues for admission rights and rental of stores and stands

Leases with tenants are accounted for as operating leases. Tenants are generally charged a rent, which consists of the higher of (i) a monthly base rent (the **Base Rent**) and (ii) a specified percentage of the tenant's monthly revenues (the **Percentage Rent**) (which generally ranges between 4% and 10% of tenant's gross revenues).

Furthermore, pursuant to the rent escalation clause in most leases, the tenant's Base Rent generally increases between 7% and 12% each year during the term of the lease. Minimum rental income is recognized following on the accrued criteria.

Certain lease agreements contain provisions, which provide for rents based on a percentage of revenues or based on a percentage of revenues volume above a specified threshold. APSA determines the compliance with specific targets and calculates the additional rent on a monthly basis as provided in the contracts. Thus, these contingent rents are not recognized until the required thresholds are exceeded.

Generally, APSA's lease agreements vary from 36 to 120 months. Law No. 24,808 provides that tenants may rescind commercial lease agreements after the initial six months, upon not less than 60 days' written notice, subject to penalties which vary from one to one and a half months rent if the tenant rescinds after the first year of its lease, and one month of rent if the tenant rescinds after the first year of its lease.

Additionally, APSA charges its tenants monthly administration fees related to the administration and maintenance of the common area and the administration of contributions made by tenants to finance promotional efforts for the overall shopping centers operations. The administration fees are prorated among the tenants according to their leases which vary from shopping center to shopping center. Administration fees are recognized monthly when earned.

In addition to rent, tenants are generally charged admission rights, a non refundable admission fee, that tenants may be required to pay upon entering into a lease or upon lease renewal. Admission right is normally paid in one lump sum or in a small number of monthly installments. Admission rights are recognized in earnings using the straight-line method over the life of the respective lease agreements.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 3: (continued)**Credit card operations Consumer Financing**

Revenues derived from credit card transactions consist of commissions and financing income, charges to clients for life and disability insurance and for statements of account, among other. Commissions are recognized at the time the merchants' transactions are processed, while the rest financial income is recognized when accrued. Income generated from granting consumer loans mainly includes financial interests, which are recognized by the accrued method during the period whether collection has or has not been made.

Lease agent operations

Fibesa S.A., company in which APSA has an interest of 99,99996%, acts as the leasing agent for APSA bringing together the Company and potential lessees for the retail space available in certain of APSA's shopping centers. Fibesa S.A.'s revenues are derived primarily from collected commissions calculated as a percentage of the final rental income value and admission's rights. Revenues are recognized at the time that the transaction is successfully concluded.

NOTE 4: Details of consolidated balance sheet and consolidated statement of income accounts

As of September 30, 2010 and 2009, and as of June 30, 2010 the principal items of the financial statements are as follows:

a. Cash and banks

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---------------------------|-----------------------|------------------|-----------------------|
| Cash | 2,459 | 5,005 | 3,665 |
| Foreign currency | 80 | 77 | 1,261 |
| Banks in local currency | 69,505 | 64,435 | 19,912 |
| Banks in foreign currency | 20,335 | 5,458 | 66,487 |
| Checks to be deposited | 3,332 | 5,944 | 3,938 |
| | 95,711 | 80,919 | 95,263 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)**b. Investments**

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| Current | | | |
| Investments | | | |
| Mutual Funds (2) | 523,331 | 153,699 | 142,525 |
| Time deposits | | | |
| Government Bonds, Bonds and Notes (1) | | | |
| - Pre 2009 bonds | | | |
| - Pro 2012 bonds | | | |
| - Participation trust certificates | | 2,846 | 10,467 |
| - Certificates of participation - Tarshop Trust | 4,550 | 124,671 | 182,442 |
| - Allowance for impairment of investments | | (7,423) | (11,444) |
| - Global 2010 bonds | 162 | 132 | 133 |
| - Mortgage Bonds | 480 | 918 | 1,511 |
| Public shares (1) | 11,369 | 4,075 | |
| Others investments (1) | 16 | 50 | 53 |
| | 539,908 | 278,968 | 325,687 |

(1) Not considered as cash equivalents in Cash Flow Statements.

(2) As of September 30, 2010 and June 30, 2010 includes Ps. 115,704 and Ps. 58,965 respectively, related to mutual funds not considered as cash equivalents in Cash Flow Statement.

Non-current**Investments on controlled and related companies****Law No. 19,550 Section 33 and related parties:**

Edgar Filing: CRESUD INC - Form 6-K

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Agro-Uranga S.A. | | | |
| Shares | 10,706 | 10,191 | 8,682 |
| Higher property value | 11,179 | 11,179 | 11,179 |
| | 21,885 | 21,370 | 19,861 |
| Cactus Argentina S.A. (Cactus) | | | |
| Shares | | 2,071 | 18,553 |
| Goodwill | 4,978 | 4,978 | 4,015 |
| Allowance for impairment of Cactus goodwill | (4,978) | (4,978) | |
| | | 2,071 | 22,568 |
| Exportaciones Agroindustriales Argentinas S.A. | | | |
| Shares | | 5 | 99 |
| | | 5 | 99 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| BrasilAgro Companhia Brasileira de Propriedades Agrícolas (BrasilAgro) | | | |
| Shares | 313,616 | 290,832 | 245,759 |
| Higher values (1) | 6,887 | 6,887 | 6,887 |
| Goodwill | 6,965 | 6,965 | 3,841 |
| Negative Goodwill | (13,240) | (14,765) | (18,035) |
| | 314,228 | 289,919 | 238,452 |
| Banco Hipotecario | | | |
| Shares | 850,693 | 791,632 | 647,224 |
| Higher values (2) | 9,883 | 10,570 | 12,370 |
| Goodwill | 10,914 | 13,278 | 20,824 |
| | 871,490 | 815,480 | 680,418 |
| Banco Crédito y Securitización S.A. | | | |
| Shares | 6,094 | 5,996 | 5,611 |
| | 6,094 | 5,996 | 5,611 |
| Manibil S.A. | | | |
| Shares | 27,093 | 27,228 | 26,176 |
| Goodwill | 10 | 10 | 10 |
| | 27,103 | 27,238 | 26,186 |
| Hersha Hospitality Trust | | | |
| Shares | 211,557 | 204,553 | 60,003 |
| | 211,557 | 204,553 | 60,003 |

- (1) Corresponds to Ps. 10,596 of higher value property and equipment and Ps. (3,709) of higher tax effect value.
- (2) Corresponds to Ps. 258 of higher value intangible assets, Ps. 20,367 of lower value trade account payables and (Ps.15,629) of higher value trade account receivable which belongs to the business combinations of Cresud and Agrology S.A., and Ps. 4,887 of IRSA.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|-------------------------------------|-----------------------|------------------|-----------------------|
| Tarshop S.A. | | | |
| Shares | 33,492 | | |
| Higher values (6) | 355 | | |
| | 33,847 | | |
| Advances for shares purchases | 53,361 | 23,735 | 6,277 |
| | 53,361 | 23,735 | 6,277 |
| Undeveloped parcels of land: | | | |
| - Santa Maria del Plata | 222,372 | 204,420 | 204,097 |
| - Puerto Retiro (1) | 66,486 | 66,551 | 66,409 |
| - Plot of Land Berutti (2) | 54,287 | 54,237 | 14,491 |
| - Plot of Land Caballito | 40,823 | 40,630 | 40,626 |
| - Patio Olmos (3) | 33,218 | 33,218 | 33,218 |
| - Pereiraola | | | 24,157 |
| - Torres de Rosario plot of land | 13,975 | 14,230 | 19,048 |
| - Coto Air Space (5) | 14,672 | 14,672 | 14,770 |
| - Zetol Plot of Land (4) | 14,469 | 14,348 | 1,774 |
| - Canteras Natal Crespo | 6,479 | 6,465 | 6,466 |
| - Pilar | 4,066 | 4,066 | 4,066 |
| - Torres Jardin IV | | 3,038 | 3,038 |
| - Vista al Muelle Plot of Land (4) | 9,900 | 8,292 | 52,794 |
| - Other undeveloped parcels on land | 23,928 | 26,601 | 19,287 |
| | 504,675 | 490,768 | 504,241 |
| | 2,044,240 | 1,881,135 | 1,563,716 |
| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
| Other Investments | | | |

The breakdown for this item is as follow:

Edgar Filing: CRESUD INC - Form 6-K

| | | | |
|--|-------|---------|-------|
| Certificates of participation - Tarshop S.A. Trust | | 18,458 | 9,413 |
| Allowance for impairment of investments | | (1,165) | (645) |
| MAT | 90 | 90 | 90 |
| Coprolán | 21 | 21 | 21 |
| Other investments | 1,146 | 1,531 | 95 |
| | 1,257 | 18,935 | 8,974 |

- (1) Note 7 B.1.a. to the consolidated financial statements.
- (2) Note 9.B.2.c. to the consolidated financial statements.
- (3) Note 9.B.2.a. to the consolidated financial statements.
- (4) Note 8.B.1.e. to the consolidated financial statements.
- (5) Note 9.B.2.d. to the consolidated financial statements.
- (6) Corresponds only to the higher value of intangible assets

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)**c. Trade accounts receivable**

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| Current | | | |
| Debtors from consumer financing | 44,975 | 245,538 | 93,661 |
| Leases, services and real estate receivables | 74,995 | 76,565 | 82,820 |
| Checks to be deposited | 65,858 | 67,920 | 69,666 |
| Debtors from expenses and collective promotion fund | 21,231 | 19,917 | 31,376 |
| Leases, services and real estate receivables under legal proceedings | 43,432 | 42,117 | 38,150 |
| Trade accounts receivable agricultural business | 61,837 | 73,399 | 46,951 |
| Trade accounts receivable real estate agricultural business | 3,920 | 3,162 | |
| Debtors from hotel activities | 13,469 | 11,186 | 10,172 |
| Documents receivable | 4,054 | 4,207 | 8,797 |
| Debtors from consumer financing collection agents | 2,351 | 4,532 | 2,098 |
| Credit cards receivable | 402 | 877 | 1,375 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (note 4.t.) | 8,083 | 6,500 | 4,811 |
| Less: | | | |
| Allowance for doubtful accounts | (79,430) | (114,855) | (120,432) |
| | 265,177 | 441,065 | 269,445 |
| Non-current | | | |
| Debtors from consumer financing | | 25,824 | 13,842 |
| Leases, services and real estate receivables | 16,774 | 15,553 | 6,454 |
| Documents receivable | | 399 | |
| Trade accounts receivable real estate agricultural business | | 1,597 | |
| Less: | | | |
| Allowance for doubtful accounts | | (1,250) | (1,935) |
| | 16,774 | 42,123 | 18,361 |

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 4: (continued)**d. Other receivables**

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| Current | | | |
| Call Option Metropolitan 885 Third Ave. LLC | | 48,461 | 45,909 |
| Receivables from the sale of shares (1) | | 35,772 | 34,971 |
| VAT receivables, net | 65,930 | 50,994 | 44,719 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.t.) | 14,137 | 10,876 | 10,273 |
| Prepaid expenses | 42,510 | 41,003 | 26,979 |
| Income tax advances and tax credit (net of provision for income tax) | 8,538 | 9,992 | 17,940 |
| Guarantee deposits re. securitization programs | 692 | 5,427 | 6,565 |
| Loans granted | 1,158 | 859 | 7,693 |
| Guarantee of defaulted credits | | | 3,883 |
| Gross sales tax credit and others | 10,748 | 9,013 | 4,077 |
| Receivable for services of consumer financing | | 4,880 | 2,847 |
| Guarantee deposits | 3,160 | 2,611 | 2,369 |
| Pre-paid insurance | | 79 | 81 |
| Minimum presumed income tax | 473 | 1,056 | 7,438 |
| Premiums collected | 154 | | 212 |
| Financial operations to liquidate | 770 | 512 | |
| Other tax credits | 132 | 745 | 202 |
| Prepaid leases | 28,907 | 4,823 | 15,176 |
| Expenses to be recovered | 28 | 235 | 4,633 |
| Receivables from stock holders in related companies | 1,371 | | |
| Others | 16,988 | 24,570 | 10,258 |
| | 195,696 | 251,908 | 246,225 |

- (1) In June 2007, IRSA sold 10% of the shareholding in Solares Santa María S.A. for US\$ 10.6 million (on that such date IRSA collected US\$ 1.5 million of such amount). The balance will become due in December 2010 and it is supported by a pledge in favor of IRSA.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| Non-current | | | |
| Deferred tax | 38,203 | 66,245 | 60,959 |
| Minimum presumed income tax | 93,144 | 97,025 | 57,715 |
| VAT receivables, net | 59,237 | 65,088 | 63,051 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (note 4.t.) | 14,102 | 15,010 | 23,189 |
| Prepaid expenses | 2,094 | 2,609 | 3,684 |
| Mortgages receivables under legal proceeding | 2,208 | 2,208 | |
| Allowance for doubtful accounts | (2,208) | (2,208) | |
| Gross sales tax credit and others | 1,506 | 935 | 2,067 |
| Guarantee deposits re. securitization programs | | | 78 |
| Loans granted | 96 | 195 | |
| Tax on bank account operations | 139 | 92 | |
| Income tax advances and tax credit (net of provision for income tax) | 1,643 | | |
| Escrow Fidelity National Title | 59,400 | | |
| Call Option Metropolitan 885 Third Ave. LLC | 49,322 | | |
| Others | 788 | 1,116 | 1,765 |
| | 319,674 | 248,315 | 212,508 |

e. Inventories

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2009 | September 30, 2009 |
|-----------------------|-----------------------|------------------|-----------------------|
| Current | | | |
| Agricultural business | | | |
| Crops | 35,024 | 51,660 | 21,513 |
| Materials and others | 68,115 | 37,619 | 47,078 |
| Beef cattle | 21,774 | 16,053 | 21,753 |
| Unharvested crops | 21,564 | 26,807 | 12,966 |
| Seeds and fodder | 2,356 | 3,664 | 2,111 |

Edgar Filing: CRESUD INC - Form 6-K

| | | | |
|--|---------|---------|---------|
| Real estate business | | | |
| Credit from barter transaction of Terreno Caballito (Koad) | 28,031 | 27,115 | 19,758 |
| Abril | 1,675 | 1,839 | 2,112 |
| Inventories (hotel business) | 3,210 | 3,141 | 2,660 |
| El Encuentro | 5,487 | 5,777 | 2,141 |
| Horizons | 245,718 | 211,397 | |
| Credit from barter transaction of Terreno Rosario | 9,828 | 3,379 | |
| Other inventories | 1,448 | 2,841 | 1,222 |
| San Martin de Tours | 433 | 433 | 433 |
| Torres Jardin | 3,065 | 68 | 68 |
| Torres Rosario | | 8,728 | |
| | 447,728 | 400,521 | 133,815 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Non-Current | | | |
| Agricultural Business | | | |
| Beef cattle | 140,739 | 141,602 | 72,174 |
| Real estate business | | | |
| Horizons | | | 131,315 |
| Credit from barter transaction of Terreno Caballito (Cyrsa) (Note 4.t) | 25,155 | 25,155 | 23,138 |
| Credit from barter of transaction of Terreno Caballito (Koad) | 7,227 | 6,991 | 15,080 |
| Credit from barter transaction of Terreno Rosario | 7,742 | 7,742 | 11,121 |
| Credit from barter transaction of Terreno Benavidez | | | 9,611 |
| El Encuentro | 5,045 | 6,222 | |
| Caballito land | 6,830 | 6,794 | 4,429 |
| Pereiraola lots | 8,200 | 8,200 | |
| Abril | | | 824 |
| Cruceros Buildings | | | 6 |
| San Martin de Tours | | | 4 |
| Other inventories | 1,552 | 1,512 | 1,250 |
| | 202,490 | 204,218 | 268,952 |

f. Property and equipment, net

The breakdown for this item is as follows:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|-----------------------|-----------------------|------------------|-----------------------|
| Agricultural business | 454,137 | 464,164 | 441,648 |
| Real estate business | | | |
| Shopping Center | 1,547,557 | 1,505,363 | 1,603,485 |
| Office buildings | 974,618 | 979,778 | 988,109 |
| Hotels | 203,353 | 204,721 | 213,912 |
| Other fixed assets | 136,287 | 136,195 | 40,198 |
| | 3,315,952 | 3,290,221 | 3,287,352 |

g. Intangible assets, net

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| Concession rights | 21,136 | 41,483 | 21,888 |
| Saving expenses of contracts in acquired leases | 9,984 | 10,625 | 13,108 |
| Pre-operating expenses | 23,924 | 24,040 | 15,400 |
| Tarshop s customers | | 2,610 | 2,829 |
| Non-compete agreement | | 9,131 | |
| Trademarks | 361 | 646 | 280 |
| Arcos del Gourmet S.A. grant | 19,891 | | |
| Others | 46 | 50 | |
| | 75,342 | 88,585 | 53,505 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)**h. Goodwill, net**

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|-------------------------------------|-----------------------|------------------|-----------------------|
| Goodwill | | | |
| IRSA | 40,108 | 13,040 | 41,529 |
| APSA | 18,888 | 10,866 | 20,313 |
| Torre BankBoston | 5,638 | 5,033 | 5,846 |
| Della Paolera 265 and Museo Renault | 3,073 | 2,755 | 3,235 |
| Fibesa S.A. | | 47 | 1,882 |
| Conil S.A. | 507 | 506 | |
| Negative goodwill | | | |
| IRSA | (352,566) | (360,477) | (391,511) |
| APSA | (42,579) | (25,635) | (45,585) |
| Palermo Invest S.A. | (43,113) | (24,503) | (41,816) |
| Empalme S.A.I.C.F.A. y G. | (8,291) | (4,757) | (8,926) |
| Mendoza Plaza Shopping S.A. | (5,579) | (5,002) | (5,905) |
| Emprendimiento Recoleta S.A. | (243) | (90) | (318) |
| Tarshop S.A. | | (808) | 6,743 |
| | (384,157) | (389,025) | (414,513) |

i. Trade accounts payable

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| Current | | | |
| Suppliers | 101,896 | 224,236 | 171,021 |
| Provisions for inputs and other expenses | 87,304 | 99,593 | 101,862 |
| Debt related to purchase of farms | 26,062 | 25,181 | 36,363 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.t.) | 3,986 | 2,815 | 3,153 |

Edgar Filing: CRESUD INC - Form 6-K

| | | | |
|---------------------------------|---------|---------|---------|
| Liabilities in kind Horizons | 49,438 | 46,451 | |
| Provisions for harvest expenses | 725 | 3,284 | 164 |
| Others | 2,471 | 2,183 | 1,037 |
| | 271,882 | 403,743 | 313,600 |

Non-Current

| | | | |
|---|--------|--------|--------|
| Suppliers | 10,022 | 11,210 | 10,677 |
| Liabilities in kind Horizons | | | 46,451 |
| Debt related to purchase of farms | | | 22,682 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.t.) | 14,436 | 12,158 | |
| | 24,458 | 23,368 | 79,810 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)**j. Mortgage payable**

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Non-Current | | | |
| Mortgage payable Bariloche plots of land | | | 985 |
| | | | 985 |

k. Short-term and long-term debts

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Current | | | |
| Bank loans | 244,410 | 253,990 | 293,619 |
| Bank Overdrafts | 295,915 | 609,075 | 135,671 |
| Short-term debt | | 23,019 | |
| Foreign financial entities | 5,578 | 4,921 | 1,297 |
| Seller financing | 8,262 | 15,920 | 59,546 |
| Non-convertible Notes IRSA 2017 (1) | 5,680 | 15,393 | 5,486 |
| Non-convertible Notes Class I | | | 15,468 |
| Non-convertible Notes Class II | | 35,324 | 34,245 |
| Non-convertible Notes Class III | 768 | | |
| Non-convertible Notes Class IV | 754 | | |
| Non-convertible Notes IRSA 2020 | 12,572 | | |
| Non-convertible Notes APSA US\$ 120 M. | 8,210 | 2,702 | 7,831 |
| Convertible Notes APSA 2014 US\$ 50 M. (Note 4.t.) | 1,227 | 2,719 | 1,174 |
| Non-convertible Notes APSA 2011 Ps. 55 M. | 44,358 | 44,165 | |
| Non-convertible Notes APSA 2011 US\$ 6 M. | 26,068 | 25,813 | |
| Non-convertible Notes APSA 2012 Ps. 154 M. | 28,171 | 26,695 | 28,830 |
| | 681,973 | 1,059,736 | 583,167 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Non-Current | | | |
| Non-convertible Notes Class III | 35,532 | | |
| Non-convertible Notes Class IV | 70,422 | | |
| Non-Convertible Notes IRSA 2017 (1) | 444,791 | 440,670 | 428,045 |
| Convertible Notes APSA US\$ 120 M. | 264,254 | 261,663 | 254,333 |
| Bank loans | 53,157 | 52,767 | 77,488 |
| Non-Convertible Notes IRSA 2020 | 574,925 | | |
| Convertible Notes APSA 2014 US\$ 50 M. (Note 4.t.) | 61,237 | 60,782 | 59,399 |
| Non-convertible Notes APSA 2012 154 M. | 25,067 | 24,848 | 50,607 |
| Seller financing | 64,750 | 12,436 | 8,647 |
| | 1,594,135 | 853,166 | 878,519 |

l. Salaries and social security payable

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Provisions for vacation and annual bonus | 22,137 | 47,967 | 22,110 |
| Social security taxes payable | 18,212 | 11,994 | 12,857 |
| Salaries payable | 423 | 1,019 | 529 |
| Others | 2,370 | 504 | 2,025 |
| | 43,142 | 61,484 | 37,521 |

m. Taxes payable

The breakdown for this item is as follow:

Edgar Filing: CRESUD INC - Form 6-K

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| Current | | | |
| VAT payable, net | 8,068 | 17,308 | 46,374 |
| Tax payment facilities plan for VAT | | 13,235 | 37,428 |
| Minimum presumed income tax | 8,273 | 14,127 | 15,296 |
| Income tax provision, net | 36,354 | 38,213 | 6,070 |
| Tax on shareholders' personal assets | 6,199 | 4,360 | 5,822 |
| Provisions - Gross sales tax payable | 6,359 | 4,729 | 4,350 |
| ABL moratorium | 142 | 815 | |
| Minimum presumed income tax moratorium | | | 883 |
| Tax payment facilities plan for income tax | 1,609 | 1,559 | 13,083 |
| Tax payment facilities plan for minimum presumed income tax | | | 482 |
| Tax withholdings | 5,200 | 12,482 | 9,296 |
| Property tax payable | 1 | 82 | 212 |
| Gross revenue tax moratorium | 1,279 | 485 | 458 |
| Others | 5,307 | 1,163 | 6,080 |
| | 78,791 | 108,558 | 145,834 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| Non-current | | | |
| Deferred income tax | 242,088 | 248,722 | 179,736 |
| Income tax | 20,858 | | 1,492 |
| Income tax payable moratorium | 16,374 | 19,145 | 20,333 |
| Tax on shareholders' personal assets moratorium | 2,315 | 2,392 | 2,620 |
| Gross sales tax payable | | | 1,138 |
| Gross revenue tax moratorium | 1,628 | 1,320 | 2,234 |
| Tax moratorium - ABL | | 2,372 | |
| Minimum presumed income tax | 8,756 | 12 | 4,149 |
| | 292,019 | 273,963 | 211,702 |

n. Advances from customers

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|----------------------------------|-----------------------|------------------|-----------------------|
| Current | | | |
| Admission rights | 52,434 | 51,194 | 47,234 |
| Advanced payments from customers | 148,461 | 141,375 | 47,439 |
| Leases and service advances (1) | 25,691 | 23,895 | 21,834 |
| | 226,586 | 216,464 | 116,507 |
| Non-current | | | |
| Admission rights | 59,199 | 59,469 | 61,463 |
| Advanced payments from customers | | | 64,419 |
| Leases and service advances (1) | 29,913 | 30,924 | 36,213 |
| | 89,112 | 90,393 | 162,095 |

Edgar Filing: CRESUD INC - Form 6-K

- (1) See note 12.B.2.a to the consolidated financial statements.
 - (a) Includes balances owed to NAI INTERNATIONAL II. INC., due to the financing agreement enclosed by Empalme S.A.I.C.F.A. y G.
 - (b) As of September 30, 2010 and June 30, 2010 includes advances of Ps.8,882 and Ps. 9,501 respectively, received from Wall - Mart Argentina S.R.L. in the context of a rent contract entered into with Panamerican Mall S.A. (APSA's Subsidiary), for a 30 years term.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)**o. Other liabilities**

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|--------------------------|------------------|--------------------------|
| Current | | | |
| Lower value of acquired contracts | 378 | 1,929 | 14,544 |
| Payables to Nationals Park Administration | 2,608 | 2,589 | 10,175 |
| Debt to purchase of investments | | | 4,658 |
| Guarantee deposits | 6,440 | 5,243 | 4,739 |
| Additional capital contribution payable | | | 2,298 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.t.) | 26,987 | 26,117 | 5,826 |
| Loans with shareholders of related parties | | | 2,265 |
| Premiums collected | 4,001 | 595 | 362 |
| Debt to former minority shareholder of Tarshop S.A. | 3,556 | 3,529 | |
| Management agreement provision (Note 4.t.) | 8,028 | 7,267 | 586 |
| Operations to liquidate | 319 | 178 | |
| Contributed leasehold improvements to be accrued and unrealized gains | 451 | 516 | 524 |
| Advance from sale of Tarshop S.A. s shares (Note 4.t) | | 21,070 | |
| Loan with FyO.Com s minority shareholder | 47 | 134 | 134 |
| Others | 5,859 | 4,086 | 8,406 |
| | 58,674 | 73,253 | 54,517 |
| | | | |
| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
| Non-current | | | |
| Loans with shareholders of related parties | 20,564 | 19,989 | 63,315 |
| Contributed leasehold improvements to be accrued and unrealized gains | 9,396 | 9,687 | 10,073 |
| Guarantee deposits | 2,667 | 4,073 | 4,711 |
| Debt to the former minority shareholders of Tarshop S.A. | 2,531 | 3,322 | |
| Debts for the purchase of investments | | | |
| Hersha s Option payable | 18,814 | 16,693 | |
| Additional capital contribution payable | 5,940 | 5,897 | |
| Advance for concession of rights | 3,222 | 3,166 | |
| Lowest value of acquired contracts | | | 378 |

Edgar Filing: CRESUD INC - Form 6-K

| | | | |
|--|--------|--------|--------|
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.t.) | 4,125 | 20 | 20 |
| Interest in Subsidiaries, related companies Law No. 19,550 Section 33 and related parties | 624 | | |
| Others | 7,778 | 2,525 | 3,734 |
| | 75,661 | 65,372 | 82,231 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)**p. Provisions for lawsuits and contingencies**

The breakdown for this item is as follow:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|----------------------------|-----------------------|------------------|-----------------------|
| Current | | | |
| Lawsuits and contingencies | 1,347 | 5,479 | 2,434 |
| | 1,347 | 5,479 | 2,434 |
| Non-current | | | |
| Lawsuits and contingencies | 9,620 | 9,708 | 8,455 |
| | 9,620 | 9,708 | 8,455 |

q. Unrealized gain

The breakdown for this item is as follow:

| | September 30, 2010 | September 30, 2009 |
|--|-----------------------|-----------------------|
| Unrealized gain on inventories - Beef cattle | 16,127 | 28 |
| Unrealized (loss) gain on inventories - Crops, raw materials and MAT | (4,192) | 2,259 |
| Total unrealized gain | 11,935 | 2,287 |

r. Financial results, net

The breakdown for this item is as follow:

Edgar Filing: CRESUD INC - Form 6-K

| | September 30, 2010 | September 30, 2009 |
|-------------------------------------|-----------------------|-----------------------|
| Generated by assets | | |
| Income interest | | |
| Income interest | 5,173 | 3,171 |
| Interest for asset discount | 3,407 | (1,660) |
| Sub-total | 8,580 | 1,511 |
| Other Unrealized gain (loss) | | |
| Conversion differences | 551 | 683 |
| Gain on hedging operations | 324 | 2.808 |
| Tax on bank account operations | (2.059) | (1.731) |
| (Loss) gain on financial operations | (320) | 6.230 |
| Others | (16.551) | 5 |
| Sub-total | (18.055) | 7.995 |
| Generated by Liabilities | | |
| Other Unrealized gain (loss) | | |
| Others | 779 | (2.508) |
| Sub-total | 779 | (2.508) |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)**s. Other income and expenses, net**

The breakdown for this item is as follow:

| | September 30, 2010 | September 30, 2009 |
|---|-----------------------|-----------------------|
| Other incomes: | | |
| Recovery of allowances | 9 | 73 |
| Lawsuits and contingencies | 97 | 28 |
| Management fee | 139 | |
| Others | 453 | 569 |
| Sub-total Other Income | 698 | 670 |
| Other Expenses: | | |
| Tax on shareholders' personal assets | (3.436) | (3.439) |
| Lawsuits and contingencies | (388) | |
| Unrecoverable VAT receivable | (445) | (130) |
| Donations | (1.539) | (1.532) |
| Loss on the sale of other fixed assets | (21) | |
| Others | (105) | (1.667) |
| Sub-total Other Expenses | (5.934) | (6.768) |
| Total Other income and expenses, net | (5.236) | (6.098) |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)**t. Subsidiaries related companies Law No. 19,550 Section 33 and others related parties:**

Balances as of September 30, 2010, compared to the balances as of June 30, 2010 and September 30, 2009, held with related companies, persons and shareholders are as follows:

As of September 30, 2010

| | Current Trade accounts receivable | Current Other receivables | Non current Other receivables | Inventories Receivable caballito plot of/and barter | Current Trade accounts payable | Non-current Trade accounts payable | Short term debt | Long term debt | Current Other liabilities | Non-current Other liabilities |
|---|--|---------------------------------|--|---|---|---|-----------------------|----------------------|---------------------------------|-------------------------------------|
| Agro Uranga S.A. (2) | | | | | | | | | (101) | |
| Banco Hipotecario S.A. (2) | 217 | | | | (12) | | | | | |
| Baicom Networks S.A. (2) | | 7 | 387 | | | | | | | |
| BrasilAgro (2) | 256 | | | | | | | | | |
| Cactus (2) | 623 | 14 | | | (226) | | | | | |
| Canteras Natal Crespo S.A. (4) | 332 | 35 | | | | | | | | |
| Consorcio Dock del Plata S.A. (3) | 693 | 161 | | | (113) | | | | (3) | |
| Consorcio Libertador S.A. (3) | | 69 | | | (157) | | | | (4) | |
| Consorcio Torre Boston S.A. (3) | 1,533 | 710 | | | (1,158) | | | | | |
| Consultores Asset Management S.A. (3) | 929 | 19 | | | (7) | | | | (8,028) | |
| Cresca S.A. (4) | 267 | 6,392 | | | | | | | | |
| Cyrsa S.A. (4) | 1,671 | | | 25,155 | (1,006) | | | | | |
| Directors (3) | 2 | 360 | | | (36) | | | | (25,755) | (4,125) |
| Elsztain Managing Partners Lim (3) | | | | | | | | | (35) | |
| Estudio Zang, Bergel & Viñes (3) | | 29 | | | (1,110) | | | | | |

Edgar Filing: CRESUD INC - Form 6-K

| | | | | | | | | | | | |
|--|-------|--------|--------|--------|---------|----------|----------|----------|----------|---------|--|
| Fundación | | | | | | | | | | | |
| IRSA (3) | 43 | 1 | | | | | | | | (1,073) | |
| Inversiones Financieras del Sur S.A. (5) | | 298 | | | | | | | | | |
| IRSA Developments LP (3) | | | | | | | | | | (8) | |
| IRSA Real Estate Strategies LP (3) | | | | | | | | | | (8) | |
| Hersha Hospitality Trust (2) | | 2,102 | | | | | | | | | |
| Metroshop S.A. (1) | | 350 | | | | (14,436) | | | | | |
| Museo de los niños S.A. (3) | 929 | | | | (5) | | | | | | |
| Military S.A. | | 9 | | | | | | | | | |
| Parque Arauco S.A. (3) | | | | | | (1,225) | (31,271) | | | | |
| Credits to employees (3) | 111 | 2,875 | | | (150) | | | | | | |
| Puerto Retiro S.A. (2) | 60 | 31 | | | (6) | | | | | | |
| Tarshop S.A. (3) | 417 | 675 | 13,715 | | | | | | | | |
| Total | 8,083 | 14,137 | 14,102 | 25,155 | (3,986) | (14,436) | (1,225) | (31,271) | (35,015) | (4,125) | |

- (1) Direct or indirect Subsidiary
- (2) Related companies
- (3) Related parties
- (4) Direct or Indirect common control
- (5) Shareholder

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)

As of June 30, 2010

| | Current Trade accounts receivable | Current Other receivables | Non current Other receivables | Inventories Receivable caballito plot of/and barter | Current Trade accounts payable | Non-current Trade accounts payable | Short term debt | Long term debt | Current Other liabilities | Non-current Other liabilities |
|---|--|---------------------------------|-------------------------------------|--|---|---|-----------------------|----------------------|---------------------------------|-------------------------------------|
| Agro Uranga S.A. (2) | 7 | 39 | | | (36) | | | | | |
| Banco Hipotecario S.A. (2) | 354 | | | | (168) | | | | (21,070) | |
| Baicom Networks S.A. (2) | | 1 | 323 | | | | | | | |
| BrasilAgro (2) | | | | | (8) | | | | | |
| Cactus (2) | 304 | | | | (632) | | | | | |
| Canteras Natal Crespo S.A. (4) | 318 | 50 | | | | | | | | |
| Consorcio Dock del Plata S.A. (3) | 883 | 2 | | | (10) | | | | (3) | |
| Consorcio Libertador S.A. (3) | | 20 | | | (66) | | | | (4) | |
| Consorcio Torre Boston S.A. (3) | 595 | 205 | | | | | | | | |
| Consultores Asset Management S.A. (3) | 918 | 29 | | | (7) | | | | (7,267) | |
| Cresca S.A. (4) | 182 | 5,219 | | | | | | | | |
| Cyrsa S.A. (4) | 1,669 | 8 | | 25,155 | (1,006) | | | | | |
| Directors (3) | 2 | 169 | | | (36) | | | | (24,994) | (20) |
| Estudio Zang, Bergel & Viñes (3) | | 22 | | | (708) | | | | | |
| Fundación IRSA (3) | 41 | 5 | | | | | | | (1,073) | |
| Inversiones Financieras del Sur S.A. (5) | | 95 | | | | | | | | |
| Hersha Hospitality Trust (2) | | 2,087 | | | | | | | | |
| Metroshop S.A. (1) | | | 14,687 | | | (12,158) | | | | |
| Museo de los niños S.A. (3) | 1,111 | | | | (5) | | | | | |

Edgar Filing: CRESUD INC - Form 6-K

| | | | | | | | | | | |
|------------------------------------|-------|--------|--------|--------|---------|----------|---------|----------|----------|------|
| Parque Arauco S.A. (3) | | | | | | | (2,716) | (60,822) | | |
| Credits to employees (3) | 57 | 2,894 | | | (128) | | | | | |
| Puerto Retiro S.A. (2) | 59 | 31 | | | (5) | | | | | |
| IRSA Developments LP (3) | | | | | | | | | (8) | |
| IRSA Real Estate Strategies LP (3) | | | | | | | | | (8) | |
| Elsztain Managing Partners Lim (3) | | | | | | | | | (27) | |
| Total | 6,500 | 10,876 | 15,010 | 25,155 | (2,815) | (12,158) | (2,716) | (60,822) | (54,454) | (20) |

- (1) Direct or indirect Subsidiary
- (2) Related companies
- (3) Related parties
- (4) Direct or Indirect common control
- (5) Shareholder

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)

As of September 30, 2009

| | Current Trade accounts receivable | Current Other receivables | Non current Other receivables | Inventories Credit form barter transaction of Terreno Caballito | Current Trade accounts payable | Short term debt | Long term debt | Current Other liabilities | Non-current Other liabilities |
|--|--|---------------------------------|-------------------------------------|---|---|-----------------------|----------------------|---------------------------------|-------------------------------------|
| Agro Uranga S.A. (2) | | | | | (246) | | | | |
| Banco Hipotecario S.A. (2) | 131 | | | | | | | | |
| BrasilAgro (2) | 17 | | | | | | | | |
| Cactus (2) | 21 | 11 | | | (722) | | | | |
| Canteras Natal Crespo S.A. (4) | 208 | 939 | | | | | | | |
| Consorcio Dock del Plata S.A. (3) | 514 | 50 | | | | | | | |
| Consorcio Libertador S.A. (3) | 452 | 17 | | | (90) | | | | |
| Consultores Asset Management S.A. (3) | 701 | 3 | | | (10) | | | | |
| Cresca S.A. (4) | | 2,013 | | | | | | | |
| Cyrsa S.A. (4) | 1,615 | 19 | | 23,138 | (983) | | | | |
| Directors (3) | | 4,747 | | | | | | (4,751) | (20) |
| Estudio Zang, Bergel & Viñes (3) | | 29 | | | (1,058) | | | (3) | |
| Fundación IRSA (3) | 25 | 2 | | | | | | (1,072) | |
| Metroshop S.A. (1) | | 2,265 | 23,185 | | | | | | |
| Metroshop 885 Third Avenue LLC (3) | 67 | | | | | | | | |
| Museo de los niños S.A. (3) | 914 | | | | (5) | | | | |
| Parque Arauco S.A. (3) | | | | | | (2,716) | (60,822) | | |
| Credits to employees (3) | 6 | 156 | 4 | | (26) | | | | |
| Puerto Retiro S.A. (2) | 39 | 13 | | | | | | | |
| Rummaala (2) | 101 | 1 | | | (13) | | | | |
| Vanker Hills S.A. (2) | | 8 | | | | | | | |
| Total | 4,811 | 10,273 | 23,189 | 23,138 | (3,153) | (2,716) | (60,822) | (5,826) | (20) |

- (1) Direct or indirect Subsidiary
- (2) Related companies
- (3) Related parties
- (4) Direct or Indirect common control
- (5) Shareholder

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)

The results for the fiscal years ended September 30, 2010 and 2009, held with related companies, persons and shareholders are as follows:

As of September 30, 2010

| | Gain from leases | Beef cattle expenses | Fees | Interest Gain (loss) | Other income and expenses and current personal asset s tax | Administration services | Sales and fees for shared services | Donations |
|--|------------------------|----------------------------|-----------------|----------------------------|--|----------------------------|---|--------------|
| Shareholders In general (5) | | | | | (83) | | | |
| Agro Uranga S.A. (2) | | | | | 14 | | | |
| Cactus (2) | | (928) | | | 10 | 26 | | |
| Canteras Natal Crespo S.A. (4) | | | | | | | 12 | |
| Consorcio Torre Boston (3) | | | | | | | 80 | |
| Consorcio Libertador S.A. (3) | 3 | | | | | | 31 | |
| Consorcio Dock del Plata S.A. (3) | | | | | | | 39 | |
| Consultores Asset Management S.A. (3) | | | (1,250) | | | | | |
| Cresca S.A. (4) | | | | | | 116 | | |
| Cyrsa S.A. (4) | 1 | | | | | | | |
| Directors (3) | | | (11,576) | | | | | |
| Estudio Zang, Bergel & Viñes (3) | | | (2,886) | | | | | |
| Fundación IRSA (3) | | | | | | | | (496) |
| Parque Arauco S.A. (3) | | | | (1,978) | | | | |
| Credits to employees (3) | | | | 34 | | | | |
| Tarshop S.A | 686 | | | 80 | | | 121 | |
| Total | 690 | (928) | (15,712) | (1,864) | (59) | 142 | 283 | (496) |

- (1) Direct or indirect Subsidiary
- (2) Related companies
- (3) Related parties
- (4) Direct or Indirect common control
- (5) Shareholder

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 4: (continued)

As of September 30, 2009

| | Gain from leases | Beef cattle expenses | Fees | Interest Gain/ (loss) | Other income and expenses and current tax on shareholders personal assets | Administration services | Salaries and wages | Sales and fees for shared services | Donations |
|---|------------------------|----------------------------|-----------------|-----------------------------|---|----------------------------|--------------------------|--|------------|
| Shareholders in general (5) | | | | | (116) | | | | |
| Agro Uranga S.A. (2) | | | | | 7 | | | | |
| Cactus (2) | | (851) | | 9 | 7 | 42 | | | |
| Canteras Natal Crespo S.A. (4) | | | | 25 | | | | 12 | |
| Consorcio Libertador S.A. (3) | 3 | | | | | | | 6 | |
| Consultores Asset Management S.A. (3) | | | (6,803) | | | | | | |
| Cyrsa S.A. (4) | 39 | | | | | | | | |
| Directors (3) | | | (3,041) | (2) | | | (132) | | |
| Estudio Zang, Bergel & Viñes (3) | | | (818) | | | | | | |
| Fundación IRSA (3) | | | | | | | | | 645 |
| Inversiones Financieras del Sur S.A. (5) | | | | 151 | | | | | |
| Credits to employees (3) | | | | 35 | | | | | |
| Total | 42 | (851) | (10,662) | 218 | (102) | 42 | (132) | 18 | 645 |

- (1) Direct and indirect Subsidiary
- (2) Related companies
- (3) Related parties
- (4) Direct or Indirect common control
- (5) Shareholder

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 5: SEGMENT REPORTING

As of September 30, 2010 :

| | Crops International | Agricultural | | | | | Non Operating | Subtotal Agricultural business | Development and sale of properties | Office and others | Shopping Centers | Real estate | | Financial operations and others | Subsidiaries business |
|-----------|------------------------|--------------------|------------------|-------------|--------------------|--------------------|------------------|--------------------------------------|---|-------------------------|---------------------|---------------------|-----------------------|--|--------------------------|
| | | Beef cattle | Milk | Feed lot | Sale of farms | Others | | | | | | Hotel operations | Consumer financing | | |
| 95 | 2,789 | 2,758 | 9,301 | | | | | 35,143 | | | | | | | |
| 02) | (3,369) | (5,701) | (6,773) | | | | | (35,345) | | | | | | | |
| 93 | (580) | (2,943) | 2,528 | | | | | (202) | | | | | | | |
| 82 48) | 4,379 (4,225) | 15,192 (15,348) | 8,272 (8,272) | | 71,096 (21,652) | 13,655 (10,377) | | 161,676 (102,422) | 10,979 (5,972) | 40,551 (8,629) | 149,342 (42,616) | 48,565 (30,265) | 57,840 (19,415) | | 3 (1) |
| 34 | 154 | (156) | | | 49,444 | 3,278 | | 59,254 | 5,007 | 31,922 | 106,726 | 18,300 | 38,425 | | 2 |
| 27 | (426) | (3,099) | 2,528 | | 49,444 | 3,278 | | 59,052 | 5,007 | 31,922 | 106,726 | 18,300 | 38,425 | | 2 |
| 81) | (411) | (551) | (222) | | | (1,955) | | (11,520) | (696) | (971) | (8,575) | (5,128) | (19,288) | | (|
| 30) | (1,200) | (2,595) | (350) | | (2,163) | (778) | | (10,616) | (9,672) | (9,783) | (15,183) | (9,673) | (5,279) | | (|
| | | | | | | | | | 13,453 | | | | | | |
| 63) | 20 | 16,127 | | | | (149) | | 11,935 | | | | | | | |

5,213

Edgar Filing: CRESUD INC - Form 6-K

| | | | | | | | | | | | | | | | |
|-----|---------|---------|--------|-----|--------|--------|---------|-----------|---------|-----------|-----------|---------|--------|-----------|-----|
| 47) | (2,017) | 9,882 | 1,956 | | 47,281 | 396 | | 48,851 | 8,092 | 21,168 | 82,968 | 3,499 | 19,071 | | 1 |
| 32 | 490,267 | 263,573 | 46,467 | 617 | 3,920 | 17,458 | 279,746 | 1,466,580 | 731,114 | 1,135,980 | 1,931,219 | 236,368 | 17,485 | 1,617,046 | 5,6 |
| 73 | 26,526 | 356 | 1,072 | 223 | | 5,824 | 757,031 | 833,805 | 363,954 | 586,705 | 1,183,994 | 232,830 | 28,523 | 217,589 | 2,6 |
| 20 | 314,228 | 178 | 3,386 | | | | | 336,112 | 27,103 | | | | 33,847 | 1,089,142 | 1,1 |
| 58 | 2,433 | 4,506 | 201 | | | 138 | 680 | 9,816 | 14 | 356 | 14,760 | 2,040 | 90 | | |
| 25 | 117 | 429 | 174 | | | 58 | 191 | 2,194 | 97 | 7,485 | 30,878 | 3,764 | 560 | | |

- (1) The balance corresponds to equity interest in BrasilAgro, Agro Uranga S.A., Banco Hipotecario S.A., Banco Crédito and Securitización S.A., Manibil S.A., Tarshop S.A. and Hersha Hospitality Trust.
- (2) The balance corresponds to equity interest in Cactus; Exportaciones Agroindustriales S. A., included in other debts.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 5: (continued)

As of September 30, 2009 :

| Crops | Agricultural | | | | | Sale of Farms | Non Operating (1) | Subtotal Agricultural business | Development and sale of properties | Office and other | Real estate | | | Financial operations and others | Su e bu |
|-------|--------------|----------------|---------|-------------|----------|---------------------|-------------------------|--------------------------------------|---|------------------------|---------------------|---------------------|-----------------------|--|---------------|
| | Foreign | Beef cattle | Milk | Feed lot | Others | | | | | | Shopping Centers | Hotel operations | Consumer financing | | |
| 23 | 1,134 | 1,555 | 5,294 | | | | | 13,206 | | | | | | | |
| 31) | (1,567) | (6,574) | (5,416) | | | | | (22,388) | | | | | | | |
| 08) | (433) | (5,019) | (122) | | | | | (9,182) | | | | | | | |
| 41 | 2,218 | 6,035 | 4,693 | | 14,344 | | | 62,631 | 36,339 | 41,182 | 117,062 | 29,233 | 43,234 | | 2 |
| 50) | (1,711) | (5,669) | (4,693) | | (11,611) | | | (56,734) | (14,887) | (8,700) | (38,122) | (22,649) | (27,740) | | (3 |
| 91 | 507 | 366 | | | 2,733 | | | 5,897 | 21,452 | 32,482 | 78,940 | 6,584 | 15,494 | | 1 |
| 17) | 74 | (4,653) | (122) | | 2,733 | | | (3,285) | 21,452 | 32,482 | 78,940 | 6,584 | 15,494 | | 1 |
| 01) | (440) | (366) | (94) | | (457) | | | (7,058) | (1,938) | (2,707) | (7,586) | (3,402) | (28,231) | | |
| 54) | (1,135) | (3,390) | (598) | | (465) | | | (11,642) | (6,148) | (7,761) | (9,753) | (6,447) | (5,165) | (296) | |
| | | | | | | | | | 10,946 | | | | | | |
| 57) | (13) | 28 | | | (95) | | | 2,287 | | | | | | | |

23,509

Edgar Filing: CRESUD INC - Form 6-K

| | | | | | | | | | | | | | | | |
|-----|---------|---------|--------|--------|-------|-------|---------|-----------|---------|-----------|-----------|---------|---------|-----------|-----|
| 05) | (1,514) | (8,381) | (814) | | 1,716 | | | (19,698) | 24,312 | 22,014 | 61,601 | (3,265) | 5,607 | (296) | 1 |
| 07 | 278,729 | 194,153 | 46,477 | 22,576 | 7,880 | 7,382 | 121,642 | 1,114,646 | 552,732 | 1,030,511 | 1,860,496 | 238,076 | 127,475 | 1,145,354 | 4,9 |
| 87 | 93,133 | 1,873 | 642 | 716 | 6,089 | | 347,950 | 459,790 | 289,672 | 360,801 | 995,973 | 202,587 | 233,456 | 135,098 | 2,2 |
| 54 | 238,452 | | 2,697 | 22,568 | 0 | | 99 | 280,980 | 26,186 | | | | | 746,032 | 7 |
| 53 | 3,778 | 3,777 | 187 | | 201 | | 1 | 13,497 | | | 258,999 | | 3,635 | | 2 |
| 51 | 72 | 470 | 170 | | 140 | | 381 | 2,094 | 174 | 6,182 | 29,939 | 4,368 | 1,768 | | |

(1) The balance corresponds to equity interest in BrasilAgro, Cactus, Agro Uranga S.A., Exportaciones Agroindustriales Argentinas S.A., Banco Hipotecario S.A., Banco Crédito and Securitización S.A. Manibil S.A. and Hersha Hospitality Trust.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 6: LAWSUITS AND CLAIMS IN COURSE

A. Agricultural Business

1. Ongoing litigation with the city of Villa Mercedes.

The Misdemeanours Court Judge to the city of Villa Mercedes issued resolution No. 2980/08 about the situation of Cactus in such city, determining that the Company had a 36-month term to stop operating and transferring the establishment located on the Provincial Route 2B.

In such 36-month period, the Company shall not host over 18,500 head of cattle.

Such brief was appealed by Cactus before the Municipality, which was negatively answered on April 7, 2009, by means of Decree No. 0662/09, thus ratifying the Misdemeanour Court Judge's ruling. Under the administrative justice of the city of Villa Mercedes, Cactus would have until April 7, 2012 to conclude its operations and transfer the establishment.

Cactus has filed appeals with the High Court of Justice of the Province of San Luis, objecting the lawfulness of the rulings entered by the Misdemeanours Court Judge of Villa Mercedes. The appeals are pending and the High Court has not ruled on them.

The Company's legal advisors are optimistic about the possibilities of reversing the Misdemeanours Court Judge's ruling.

Irrespective of the above, Cactus is carrying out a plan to improve its relationship with the community of Villa Mercedes, seeking to strengthen the company's position as a valuable member in the social and economic activity in the region, whose purpose is that the scheduled moving be reconsidered by municipal authorities.

B. Real Estate Business

1. Provision for unexpired claims against Llao Llao Holding S.A.

The Llao Llao Holding S.A. (LLH) Company (in liquidation process following the merger with and into the Company), predecessor of Llao Llao Resorts S.A. (LLR) as operator of the Llao Llao Hotel, was sued in 1997 by the National Parks Administration seeking collection of the unpaid

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 6: (continued)

balance of the additional sale price, in Argentine External Debt Bond (EDB) amounting to US\$ 2.9 million. A ruling of the court of original jurisdiction sustained the claim. That ruling was appealed and the Court of Appeals confirmed the judgment of the court of original jurisdiction, demanding payment from the company of US\$ 3.8 million, plus interest accrued through payment, punitive interest and attorney's fees. In March 2004, LLH paid Ps. 9,156 in cash and EDB.

The plaintiff requested the court of original jurisdiction to initiate an incidental procedure for execution of sentence by performing a settlement through the Ministry of Economy, the procedure has been questioned by LLR. In view of the fact that the information provided was not sufficient to evaluate the amount settled by the Ministry of Economy, it was requested that the execution be suspended until there is a sentence on the complaint recourse filed to the National Supreme Court for the denial of the extraordinary recourse soliciting that the debt be converted to pesos.

In July 2008, the Court of Appeals notified LLR that by means of a resolution dated June 18, 2008 it had confirmed the settlement approved by the court of original jurisdiction.

On March 17, 2009, the National Supreme Court admitted the incidental procedure and decided to suspend the enforcement of the judgment in so far as the extraordinary appeal lodged by LLR is not resolved.

On February 23, 2010, the Supreme Court of Justice dismissed the action, which rendered the judgment final and compelled LLR to pay the amount calculated by the State. On April, 2010 LLR paid Ps. 13,122 in cash and bonds.

After LLR's filing was duly notified to the plaintiff, the latter in turn stated that the amounts deposited were in line with the settlement that, having taken place on June 30, 2007, was eventually approved in the framework of these proceedings on December 5, 2007. As a result, the Argentine Agency of National Parks argued that the interest accrued until actual payment were to be adjusted by application of the Argentine Central Bank's borrowing interest rate. As estimated by the Argentine Agency of National Parks, the outstanding balance, to be deposited by LLR would amount to US\$ 659.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 6: (continued)

On June 10, 2010, LLR was notified of the newly-performed settlement: LLR filed an objection against it in due time and manner. On June 17, 2010, the court ordered that the plaintiff was to be served notice of the objection.

On August 6, 2010, the plaintiff filed a response to the most recent service of process. On September 10, 2010, the trial court judge resolved that the amount deposited by Llao Llao Resorts S.A. is not sufficient to cover the amount of the payment order. An appeal against this resolution was filed on behalf of Llao Llao Resorts S.A. alleging that there has been a material error incurred by the trial court.

In addition, on September 22nd, 2010, the judge calculated that the fees payable to the auctioneer who took part in the proceedings amount to Ps. 1.8 million. As soon as Llao Llao Resorts S.A. is officially notified of the fees as calculated by the court, it is going to lodge an appeal against them for considering them excessively high.

Based on the information provided by the legal advisors litigating these proceedings, LLR has booked Ps. 2,608 under Other current liabilities Payables to National Parks Administration, that is, the amount in Pesos equivalent to the interest claimed by the plaintiff.

NOTE 7: RESTRICTED ASSETS

A. Agricultural Business

Mortgages on plots of land in the Republic of Bolivia

Due to the purchase of farms in the Republic of Bolivia, a mortgage was established on such properties as mentioned in Note 9.A.1. As of the date of these financial statements, the mortgage on the Las Londras farm amounts to US\$ 2.5 million, effective through November 11, 2010; the mortgage on the San Cayetano and San Rafael farms amount to US\$ 2.0 million, effective through November 11, 2010 and the mortgage on the La Fon Fon farm amounts to US\$ 1.9 million, effective through November 11, 2010.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 7: (continued)

B. Real Estate Business

1. IRSA

a. Puerto Retiro S.A.

On April 18, 2000, Puerto Retiro S.A (indirect subsidiary of IRSA) was notified of a filing made by the National Government, through the Ministry of Defense, to extend the petition in bankruptcy of Inversora Dársena Norte S.A. (Indarsa) to Puerto Retiro S.A. At the request of plaintiff, the bankruptcy court granted an order restraining the ability of Puerto Retiro S.A. to sell or dispose in any manner the acquired real estate property from Tandanor S.A. in June 1993.

Indarsa had acquired 90% of the capital stock of Tandanor S.A. to a formerly estate owned company privatized in 1991, engaged in the shipyard industry.

Indarsa did not comply with the payment of the outstanding price for the acquisition of the stock of Tandanor, and therefore the Ministry of Defense requested the bankruptcy of Indarsa, pursuing to extend the bankruptcy to Puerto Retiro S.A.

The evidence steps of the legal procedures have been completed. Puerto Retiro S.A. appealed the precautionary measure, being the same confirmed by the Court on December 14, 2000. The parties have submitted their claims in due time. The file was passed for the judge to issue a pronouncement, the judge issued a decree adjourning the summoning of decisions to pronouncement in the understanding that there exists pre-judgment in respect of the penal cause filed against ex-officers of the Ministry of Defense and ex-directors of the Company. Consequently, the matter will not be solved until there is final judgment in penal jurisdiction.

The Management and legal advisors of Puerto Retiro S.A. estimate that there are legal and technical issues sufficient to consider that the request for bankruptcy will be denied by the court. However, taking the circumstances into account and the progress of the legal action, this position cannot be considered final.

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 7: (continued)b. Mortgage guaranteed loan Hoteles Argentinos S.A.

In March 2005, Credit Suisse First Boston (CSFB) acquired the debt for US\$ 11.1 million of Hoteles Argentinos S.A. (HASA), which had been in non-compliance since January 2002. In April 2006 HASA made a payment reducing the capital amount payable to US\$ 6.0 million. The balance accrued interests at a LIBO rate 6 months plus 7.0%, being the last of US\$ 5.07 due in March 2010.

Jointly, IRSA subscribed a credit default swap for 80% of the restructured debt value in order to protect CSFB in case of non-compliance with HASA's obligations. As compensation, IRSA will receive a payment of a coupon on a periodical basis. In addition, to support the obligations assumed, IRSA deposited as guarantee the amount of US\$ 1.2 million.

With the last installment of the loan received having been repaid on March 15, 2010, CSFB reimbursed the deposit to IRSA. In connection with this matter, HASA borrowed funds from Standard Bank Argentina again, in the amount of Ps. 19,000, which will accrue interest at a fixed nominal 16.25% interest rate per annum, payable on a quarterly basis and with principal becoming due on March 15, 2011.

As a security interest for this transaction, IRSA entered into a put option agreement with Standard Bank whereby the Bank receives the right to sell to IRSA, which in turn agrees to purchase, 80% of the credit rights arising from the loan in the event of HASA's default.

c. IRSA and its subsidiaries has mortgaged on the following properties:

| Property | Book value as of September 30, 2010 |
|-------------------------|--|
| República Building | 218,602 |
| Terreno Caballito | 36,938 |
| Terreno Bariloche | 21,900 |
| Terreno Zetol | 14,469 |
| Suipacha 652 | 10,823 |
| Terreno Vista al Muelle | 9,900 |
| Terreno Caballito | 6,830 |

d. IRSA maintains a pledge over CYRSA's shares

e. To guarantee due compliance with all the covenants assumed by Liveck S.A., and the minority shareholder of Zetol S.A.'s and Vista al Muelle S.A.'s pursuant to the stock purchase agreement for Vista al Muelle S.A.'s shares executed on June 11, 2009 and the Addendums to the

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 7: (continued)

Agreement, as well as payment of any possible damages and associated expenses, the parties have reciprocally tendered a security interest consisting in a possessory pledge over the shares in Vista al Muelle S.A. and Zetol S.A.

- f. IRSA has raised a mortgage over the property designated as Suipacha 652 to secure compliance with its obligation to erect a building and to convey the units to be constructed in the building as this obligation represents the balance outstanding for the acquisition of a plot of land in Av. Del Libertador 1755.
- g. In May 2008, IRSA bought a 49% shareholding in Manibil S.A. from Land Group S.A.. Manibil S.A. had been created to transact business in real estate and construction and to carry out financial transactions and made contributions proportional to its shareholder possession for Ps. 23.9 million. By virtue of the contracts signed, IRSA agreed not to transfer its shares or any rights related thereto for a term of three years.
- h. IRSA carries a mortgage on the property designated as Edificio República in connection with the loan granted by Banco Macro for the acquisition of said property.

2. **APSA**

- a. The Property and equipment account included the multiplex cinema building in the Córdoba Shopping Villa Cabrera, which is encumbered by an antichresis to secure the financial payable carried by Empalme S.A.I.C.F.A. y G. (merged into Shopping Alto Palermo S.A. as from January 1st, 2009) had with NAI INTERNATIONAL II Inc..
- b. The accounts receivable guarantee deposits securitization programs included the contingency and expenses funds of financial trust as credit protection for investors that as of June 30, 2010 amounted to Ps. 4,749. They were restricted availability credits until settlement in accordance with the respective prospectus.
- c. As of September 30, 2010 under other current receivables, APSA has deposits that are restricted under due to different court attachments.

Edgar Filing: CRESUD INC - Form 6-K

- d. As regards the case Alto Palermo S.A. with Dirección General Impositiva in re: Appeal , Case file No. 25.030-I, currently heard by Room A, Office of the 3rd Nomination, the property located at Av. Olegario Andrade 367, Caballito, Buenos Aires City has been encumbered, and its value as of September 30, 2010 amounts to Ps. 36,938 (disclosed in other Non-current investments- Undeveloped parcels of land).

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 7: (continued)

- e. Other current investments account, as of June 30, 2010 included BONTE 2006 bonds for Ps. 34; which were deposited as rental guarantee.

- f. As of June 30, 2010, Tarshop S.A. had granted a pledge over Certificates of Participation related to the Fideicomisos Financieros Tarjeta Shopping, (CP) according to the following detail:

- To Standard Bank Argentina S.A., CP Al Standard Bank Argentina S.A., CP related to the Fideicomisos Financieros Tarjeta Shopping Series XLI, XLIV, XLVII, LVII and LIX (loan of Ps. 15,371).

- To Banco Itaú Buen Ayre S.A., CP related to the Fideicomisos Financieros Tarjeta Shopping Series XXXIX and XL (loan of Ps. 3,724).

- To Banco Supervielle S.A., CP related to the Fideicomisos Financieros Tarjeta Shopping Series XXXII, XXXVIII y L, (loan of Ps. 7).

- To Banco Hipotecario S.A., CP related to Fideicomisos Financieros Tarjeta Shopping Series XLVII, XLIX y LVI, (loan of Ps. 20,149).

- g. As regards the case styled Case File N° 88.390/03 with María del Socorro Pedano; for Tres Ce S.A. o Alto Palermo S.A. (APSA), the building located at Av. Virrey Toledo 702, Salta, has been encumbered for an amount of Ps. 180 (disclosed in Property and equipment).

- h. Guarantee Tarshop S.A.: On May 13, 2009, the Board of Directors of Alto Palermo S.A. resolved to approve that APSA stands as surety before Banco Itaú for the payment of emerging obligations for Tarshop S.A. as regards the organization of a new financial trust with such bank for up to a maximum amount equivalent to 10% of the face value of VDF s (trust debt securities) subscribed by Banco Itaú. The total maximum amount of this surety stands at Ps. 5,000 and extends through the actual settlement of VDF s. Likewise, it was resolved that APSA assumes the obligation to act as Substitute Manager in the eventual case that Tarshop were removed from its function as Manager under the trust agreement.

On September 30, 2010, the last payment of the VDF s issued by the Financial Trust was made. At present, such Financial Trust is in the process of liquidation.

- i. As regards the barter commitment described in Note 9.B.2.d.), the delivery and title deed of Air Space Coto is compromised.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 7: (continued)

- j. As of June 30, 2010, Tarshop S.A. has granted cash as guarantee for leases, related to the stores where its branches operate, which are included in other receivables and prepaid expenses for an amount of Ps. 217.

NOTE 8: ACQUISITION, CONSTITUTION AND RESTRUCTURING OF COMPANIES

A. Agricultural Business
Expanding business into the Republic of Paraguay

Under the framework of a series of transactions that constitute for Cresud a new expansion of the agricultural and livestock businesses in South America, on September 3, 2008, the Company executed jointly with Carlos Casado S.A., an Argentine company owning large stretches of land in southern

Paraguay, a framework agreement by which it was decided to generate synergy between both companies to do business on the real estate, agricultural and livestock, and forestry markets, as well as series of related agreements aiming at formalizing the productive coalition between both companies.

Within such context, Cresud participates together with Carlos Casado (with a 50% interest each) in Cresca S.A. a stock company organized under the law of the Republic of Paraguay, under which Cresud will assume the capacity of advisor under an advisory agreement, for the agricultural, livestock and forestry exploitation of an important rural area in Paraguay and possibly of up to 100,000 hectares also located in Paraguay, which are derived from the purchase option granted by Carlos Casado to Cresca S.A. It should be mentioned that this option was exercised on September 3rd, 2008.

The advisory agreement shall be valid for 10 year terms as from the date the framework agreement is executed and will automatically renewed for two additional 10-year period as from maturity date of the original period, in turn being able to be renewed after the expiration of the additional period.

Cresud has additionally executed a pre-purchase agreement as committed to acquire for a 50% interest in 41,931 hectares in Paraguay, owned by Carlos Casado S.A. for a total and agreed-upon amount of US\$ 5.2 million in turn, to be contributed in kind to the Company aiming at developing the agricultural and forestry business in the neighboring country.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 8: (continued)

On January 23, 2009, Agrology S.A. directly and indirectly controlled by 99.99% by Cresud made a contribution in kind to the Paraguayan company, Cresca S.A.. Such contribution is made up of undivided 50% of five plots of land with whatever they have on, located in Mariscal José Félix Estigarribia, Dept. of Boquerón, Chaco Paraguayo, Republic of Paraguay, for 41,931 hectares, acquired from the Company Carlos Casado S.A..

Consequently, together with Carlos Casado S.A.'s contribution, the total contribution to Cresca S.A. stands at US\$ 10.5 million.

On February 3, 2009, the previously called general shareholders' meetings were held at Cresca S.A. headquarters, whose agenda included among other matters, the capital increase and the issuance of shares of such company as well as the ratification of those agreements that are among the transactions that together with Carlos Casado S.A. had been planned and that at present Cresud will develop through its affiliate, Agrology S.A.

Likewise, on that date, the amount of US\$ 5.1 million was paid for the balance of the price originated by the capital contribution made by Carlos Casado S.A. to Cresca S.A. on behalf of Agrology S.A. and which resulted from the in-kind contribution of five plots of land located in The Republic of Paraguay, as it was mentioned opportunely.

On March 19, 2010 and in connection with the option already exercised related to the Option Property, Cresca S.A. required from Carlos Casado S.A. that 3,614 hectares (out of which 1,807 hectares belonging to Agrology S.A.) be transferred to it. This area will be confirmed when measured before executing the title deed.

As agreed in the Option Agreement, Cresca S.A. will pay Carlos Casado S.A. US\$ 350 per hectare or US\$ 1.3 million as follows: US\$ 0.3 million paid on March 23, 2010; US\$ 0.5 million were paid on December 1, 2010 and US\$ 0.5 million, on March 1, 2011.

Finally, on June 29, 2010, the title deed was executed for 3,646 hectares.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

B. Real Estate Business

1. IRSA

a. Constitution of CYRSA Horizons Project

In January 2007, IRSA acquired two adjacent plots of land adjacent located in Vicente López, Province of Buenos Aires (one of them through the acquisition of the total share of Rummaala S.A, actually merged with CYRSA). The purchase price was US\$ 36.2 million, from which US\$ 30.3 million will be canceled by handing over certain units of the building to be constructed. As security for compliance, Rummaala S.A. shares were pledged and the Building located in Suipacha 652 (owned property) was mortgaged.

In April, 2007, IRSA constituted CYRSA S.A. (CYRSA), and in August 2007, CYRELA was incorporated with the ownership of 50% of CYRSA capital stock. IRSA contributed with the plots of land and the liability in kind related in the amount of Ps. 21,495 and CYRELA contributed Ps. 21,495 in cash.

Then, a major real estate development known as Horizons was launched on the two plots of land mentioned.

From May 2008, CYRSA continued the marketing process of the building units to be constructed by executing the agreements to purchase reaching to date 100% of units to be marketed and received advances, which are disclosed in Customer advances .

The purchase-sale price set forth in these preliminary sales contracts are made of a fixed and determined portion and another portion to be determined in line with the future construction expenses.

The buyer can choose from the following purchase plans:

- The balance is cancelled in installments and is fully paid at the time of transfer and signature of deeds.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

- Partial cancellation will be on installments payable up to the time of transfer/signatures of deeds, the remaining balance to be financed during 90 months term with units having mortgaged guarantees.

Through preliminary sales agreements, CYRSA has committed to transfer the functional units before February 2011 to the latest.

As of September 30, 2010, the percentage of completion of the Horizons project was 86.98% considering the cost incurred in relation to the total estimated project costs.

b. Acquisition of shares in Hersha Hospitality Trust (Hersha)

On August 4, 2009, IRSA, through Real Estate Investment Group L.P. (REIG) acquired 5.7 million shares representing approximately 10.4% of Hersha's common stock and a call option that matures on August 4, 2014 to purchase an additional 5.7 million shares at an exercise price of US\$ 3.00 per share. Under the agreement, if starting on August 4, 2011 the quoted market price of Hersha's share were to exceed US\$ 5.00 per share during 20 consecutive trading sessions, Hersha may settle the call option by issuing and delivering a variable amount of shares to be determined in accordance with certain market values. The total purchase price paid was US\$ 14.3 million. As part of the agreement, IRSA's Chairman and CEO, Mr. Eduardo S. Elsztain, has been appointed to Hersha's Board of Trustees.

In January 2010 and March 2010, REIG purchased 8,653,917 additional shares of Hersha's common stock for an aggregate purchase price of US\$ 30.8 million. (4,789,917 for US\$ 3.00 per share and 3,864,000 for US\$ 4.25 per share).

As of September 30, 2010 IRSA's interest in Hersha represents 10.85%. On the other hand, upon exercise of the call option and assuming any Company's interest is not diluted due to newly issued shares, IRSA's interest in Hersha would be 14.34%. IRSA accounts for its investment in Hersha at cost while the call option has been accounted for at its fair value.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

Hersha is a Real Estate Investment Trust (REIT) listed in the New York Stock Exchange (NYSE) under the HT symbol that holds majority interests in 77 hotels throughout the United States of America totaling approximately 9,951 rooms. These hotels are rated as select service and upscale hotels and they are mainly located in the Northeast coast of the US, including New York, New Jersey, Boston, Washington D.C. and Philadelphia, whilst a few are located in northern California and some others in Arizona. These properties are operated under franchises that are leaders and enjoy widespread recognition in their markets, such as Marriot International, Intercontinental Hotel Group, Starwood Hotels, Hilton Hotels Corporation, Global Hyatt Corporation and Choice Hotels International.

c. Acquisition of Metropolitan 885 Third Ave. LLC (Metropolitan)

In July 2008, IRSA (through its subsidiaries) acquired a 30% interest in Metropolitan 885, a Delaware-based limited liability company, which main asset is a rental office building in New York City known as the Lipstick Building and debt related to that asset. The transaction included the acquisition of (i) a put right exercisable until July 2011 to sell a 50% of the interest acquired at the same value paid plus interest at 4.5% per annum and (ii) a right of first offer to acquire a 60% portion of the 5% interest of the shareholding. The total price paid was US\$ 22.6 million.

During 2009 and in the context of the financial crisis and shrinkage of the real estate market in New York, Metropolitan incurred significant losses, which resulted in negative equity mainly due to an impairment recognized in connection with the building. Since IRSA's share in Metropolitan's losses exceeded its equity interest, IRSA recognized a zero value on its investment although a liability of US\$ 1.5 million was booked representing its maximum commitment to fund Metropolitan's operations.

In addition, the put right has been adjusted to its value of US\$ 12.5 million as of September 30, 2010 and is included in Other receivables Non-Current.

To facilitate discussions in the framework of a debt renegotiation that Metropolitan 885 Third Ave. LLC aspires to obtain from Royal Bank of Canada, on August 4, 2010, IRSA entered into an Escrow Agreement with agent Fidelity National Title, Insurance Company, and transferred US\$ 15 million as a non-mandatory, good-faith deposit for the sole purpose of allowing discussions between the parties to move forward. IRSA has reserved the right to extend the term of the agreement for an indefinite period at its sole criterion.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

d. Acquisition of shares in Banco Hipotecario S.A.

In fiscal year ended as of June 30, 2009, IRSA (through its subsidiaries) acquired, in arm's length conditions, from Dolphin Fund PLC and from Inversiones Financieras del Sur S.A., the equivalent of 143,627,987 shares of Banco Hipotecario S.A. (BHSA) in exchange for Ps. 107.6 million of which 78.8 million were paid in July, 2009. The transaction was recognized by the acquisition method (see Note 2.j.2. to the Unaudited Basic Financial Statements) generating a gain of Ps. 133.0 million, each year. As a result of these acquisitions, as of June 30, 2009 IRSA had a 21.34% interest in BHSA's capital stock (excluding treasury shares).

During the year ended June 30, 2010, IRSA (through its subsidiaries) acquired the equivalent of 100,417,816 shares of BHSA for an amount of Ps. 118.7 million of which Ps. 112.6 million were paid as of June 30, 2010 and the balance was paid during this present period. The transaction was recorded by application of the acquisition method (See Note 2.j.2. to the Unaudited Basic Financial Statements), a gain in the year of Ps. 70.4 million. As result of this transaction, as of June 30, 2010, the Company's ownership interest in BHSA was 28.03% (without considering treasury shares).

During the present period, IRSA exercised its preemptive rights and took part in the offer mentioned in Note 12.B.1 acquiring 26,197,564 Class D shares totaling Ps. 36.2 million.

After the above mentioned purchases, as of September 30, 2010, IRSA's ownership interest in BHSA increased from the 28.03% to 29.78% of BHSA's capital stock (without considering treasury shares).

On July 26, 2010, in the framework of an offer launched by BHSA's Board of Directors for the sale to existing shareholders of 36.0 million of its treasury Class D shares in portfolio, Banco Hipotecario sold approximately 26.9 million of said shares.

Exercising its preemptive right, IRSA took part in the offer and acquired 4,352,243 Class D shares totaling Ps. 6.0 million. As a result of this transaction, as of the date of issuance of these Financial Statements, IRSA's ownership interest in BHSA increased from the 5% as of the end of the fiscal year, to 5.29% (excluding the treasury shares in portfolio).

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

By virtue of the provisions arising from the Bank's by-laws, the shares acquired do not entitle holders to vote or to collect dividends and/or any other distributions.

e. Acquisition of companies in the Oriental Republic of Uruguay

During the fiscal year ended June 30, 2009, IRSA (through Tyrus) acquired by a minimum payment a 100% stake in Liveck S.A. (Liveck), a company organized under the laws of the Oriental Republic of Uruguay. Later, IRSA sold 50% of its stake in Liveck to Cyrela Brazil Realty S.A. for a price of US\$ 1.3 million.

In June, 2009 Liveck acquired, a 90% interest over the shares of the companies Zetol S.A. (Zetol) and Vista al Muelle S.A. (Vista al Muelle), both property owners in Uruguay's Canelones Department. The remaining 10% ownership interest in the capital stock of both companies is held by Banzey S.A. (Banzey).

IRSA and its shareholders intend to develop an urban project that will consist in the construction of apartment buildings to be subsequently sold. The project has already been conferred the Urban Feasibility status by Canelones' Mayor's Office and its Legislative Council.

The total price for the purchase of Zetol was US\$ 7.0 million, of which US\$ 2.0 million were paid, the balance will be paid in 5 installments of US\$ 1.0 million each with an annual 3.5% compensatory interest calculated on the total outstanding amount tied to the consummation of the release to the market of the real estate projects or within a maximum term of 93 months counted as from the date of acquisition of IRSA. The sellers of the shares of Zetol may choose to receive, in lieu of the amounts outstanding in cash (capital plus interest) the ownership rights to the units to be built in the real estate owned by Zetol representative of 12% of the total marketable square meters to build.

The total price for the purchase and sale of all the shares in Vista al Muelle amounted to US\$ 0.83 million, and accrued an annual 8% interest on the total outstanding amount. As of September 10, 2010 this operation was completely paid.

To guarantee compliance with the duties agreed by Liveck in the above transactions, Ritelco S.A. has tendered a surety bond guaranteeing payment of 45% of the outstanding balance, interest thereon and the option rights of the sellers.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

In the framework of the agreement for the purchase and sale of Zetol and Vista al Muelle and their respective addenda, Liveck has agreed to buy the shares held by Banzey (or by Ernesto Kimelman or by a company owned by Ernesto Kimelman, as applicable), of Vista al Muelle and Zetol and the latter have agreed to sell them, in exchange for the amount of US Dollars or Uruguayan Pesos, as the case may be, that Banzey (or by Ernesto Kimelman or by a company owned by Ernesto Kimelman, as applicable), would have actually contributed to Zetol and Vista al Muelle until the execution of said purchase and sale.

Both parties have agreed that all the obligations mentioned above shall be rendered ineffectual if the parties entered into a shareholder agreement no later than September 1st, 2010. If no such shareholder agreement is signed, this sale shall be executed and delivered on December 13, 2010.

In December 2009, Vista al Muelle acquired other properties totaling US\$ 1.9 million in exchange for a US\$ 0.3 million down payment, with the balance to be cancelled through the delivery of home units and/or stores to be built and equivalent to 12% out of 65.54% of the sum of the prices of all of the units covered by the Launching Price List for Sector B (the parties have already signed a plat of subdivision to this end).

In February 2010, it acquired additional real estate for a total of US\$ 1.0 million in exchange for a down payment of US\$ 0.15 million with the balance to be paid in 3 consecutive and equal installments maturing on December 31, 2011, June 30, 2013 and December 31, 2014 and accruing an annual 3% interest rate on the outstanding balance, payable quarterly and on arrears as from December 31, 2009.

f. **Tender Offer for the acquisition of Telecom Argentina**

In the course of the fiscal year, IRSA (through Torodur S.A.) took part, together with other bidders, in a tender offer procedure for the acquisition of the 50% stake held by Telecom Italia SpA. and Telecom Italia International N.V. (Grupo Telecom Italia) in Sofora Telecomunicaciones S.A. (Sofora) and of a purchase option for the remaining 50% stake held by Sofora, a company that indirectly holds the majority shareholding in Telecom Argentina. To that end, on June 4, 2010, the Company submitted a binding offer and a letter of credit for US\$ 50,0 million for the benefit of Grupo Telecom Italia.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 8: (continued)

To guarantee performance of the reimbursement obligations under the above-mentioned letter of credit, a pledge was raised over the Company's shares in Hersha and approximately US\$ 43.5 million in negotiable obligations issued by Alto Palermo and acquired by the Company.

In late July 2010, Grupo Telecom Italia decided not to continue with the process to sell Telecom Argentina and concluded it. Therefore, the pledges raised to secure performance under the letter of credit as described above were lifted.

g. Merger and spin-off/merger between IRSA and Patagonian Investment S.A.; and spin-off/merger with Palermo Invest S.A. and Inversora Bolívar S.A. (IBOSA)

IRSA's shareholders' meeting held on November 27, 2009 approved, amongst other decisions, the corporate reorganization consisting in the merger by absorption of Patagonian Investment S.A. into the Company, and the spin-off of Palermo Invest S.A. to be subsequently merged with Inversora Bolívar S.A. as well as all the documentation concerning these transactions. Afterwards, on January 22, 2010, a public deed was drawn to formalize the Final Merger Agreement (the Merger Agreement) in due time filed with the oversight authorities.

h. Option to acquire an interest in APSA

In January, 2010, Parque Arauco S.A. accepted the bid submitted by IRSA, and acquired, through a purchase option, the 29.55% interest in APSA and the held of nominal value of US\$ 15.5 million of APSA's Convertible Note 2014.

The acceptance of the bid grants IRSA the right to exercise the purchase option mentioned above until August 31, 2010, which term may be extended until November 30, 2010 subject to compliance with certain conditions.

The strike price has been fixed at the total and final amount of US\$ 126 million. IRSA transferred US\$ 6 million to Parque Arauco S.A., non refundable, as payment in exchange for the option, to be computed towards cancellation of the final price.

On September 21, 2010 IRSA's Board of Directors decided to exercise the option, which was materialized after the closing date of these Financial Statements.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 8: (continued)

i. Sale of ownership interest in Pereiraola S.A.I.C.I.F. y A. (Pereiraola).

In June 2010, IRSA closed the sale and transfer of Pereiraola shares for US\$ 11.8 million, for which it has collected US\$ 1.94 million. The balance shall be paid through a transfer to the name of IRSA of the higher of 6% of the marketable lots, or 39,601 square meters in the gated neighborhood that the buyer has agreed to develop in the property owned by Pereiraola, equivalent to US\$ 2.1 million and four consecutive, half-yearly installments of US\$ 1.94 million each plus an annual 14% interest rate on the balances, which interest shall be paid in the same conditions as principal, with the first installment falling due in December 2010. As of September 30, 2010 the buyer had effected advanced payments on the first installment for US\$ 1.05 million.

j. Acquisition of Torodur S.A.

In May 2010 IRSA acquired a 100% stake in Torodur S.A.'s capital stock for US\$ 0.01 million. Later on, IRSA transferred a 2% ownership interest to CAM Communications LP, at cost.

k. Acquisition of Unicity S.A.

On September 1st, 2010, and through E-Commerce Latina S.A. (subsidiary of IRSA) acquired a 100% stake in Unicity for US\$ 2.53 million. Unicity's main asset consists in 31,491,932 shares representative of 10% of the capital stock of Solares de Santa María S.A. and for which it carries a liability to IRSA on the purchase price balance, which as of the date hereof is US\$ 9.1 million. On September 28, the debt was capitalized and IRSA received 36,036,000 shares representing 88.61% of Unicity, being held by E-Commerce the remaining 11.39%

2. APSA

a. Capital increase and capital contributions to Tarshop S.A.

On October 30, 2009, Tarshop S. A., capitalized irrevocable contributions made by APSA, thus APSA's participation amounted to 98.5878%.

During January 2010, APSA acquired the minority interest (1.4122%) property of the minority shareholder for US\$ 0.54 million, reaching the 100% of share interest.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

b. Agreement to sell the equity interest in Tarshop S.A.

On December 22, 2009, APSA reported the approval by its Board of Directors of the sale assignment and transfer of the 80% of the equity interest in Tarshop S.A. to Banco Hipotecario S.A. Such interest represents 80% of the capital stock issued and outstanding, this is 107,037,152 registered, nonendorsable shares of common stock with a face value of Ps. 1 and entitled to 1 vote each.

In this line of thought, on December 29, 2009, contractual documents related to the transaction were executed, which was subject to the approval by the Argentine Central Bank granted on August 30, 2010. Consequently, on September 13, 2010, the respective memorandum of closure was executed. The total price paid for the purchase of shares stood at US\$ 26.8 million. Under this transaction, APSA granted Banco Hipotecario S.A. a two-year security agreement over APSA Class III Notes, issued on November 13, 2009, for a face value of Ps. 5 million, which will work as guarantee upon any price adjustment that may result in favor of Banco Hipotecario S.A. as provided by the purchase agreement.

In compliance with the conditions defined in the agreement in question, APSA committed itself to not competing for 5 years in the credit card and/or consumer loan business in which Tarshop S.A. has a presence.

Additionally, under this transaction, receivables and payables between APSA and Tarshop S.A. have been compensated.

c. Merger between Shopping Alto Palermo S.A. (SAPSA), Mendoza Plaza Shopping S.A. and Empalme S.A.I.C.F.A. y G.

SAPSA's Extraordinary and Unanimous Shareholders Meeting held on February 16, 2009, resolved the merger of such company with Mendoza Plaza Shopping S.A. and Empalme S.A.I.C.F.A. y G.

As from July 1st, 2009 SAPSA merged into APSA.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

d. Acquisition of shares of Arcos del Gourmet S.A.

On November 27, 2009, Alto Palermo S.A. (APSA) acquired 7,916,488 shares of common stock with a face value of Ps. 1 each, entitled to 1 vote per share, representing 80% of the capital stock establishing the price for the shares representing 40% of the company's capital stock and votes at US\$ 4.3 million and for the remaining 40% at a fixed price of US\$ 0.84 million and a variable price equivalent to 20% of the investment required to develop the project until investing US\$ 6.9 million.

The remaining unpaid balance as of the date of these unaudited financial statements is made up as follows: (i) one US\$ 1 million installment, falling due on November 27, 2011 disclosed in Long-term debt and (ii) 20% of the investment required to carry out the project that will be paid off upon the possible increase of the capital required to develop the project, up to the amount of US\$ 6.9 million disclosed in Short-term debt.

A Consultative Opinion request was filed with the Argentine Competition Defense Commission, still pending resolution, seeking to issue an opinion on the obligation or lack thereof to notify the sale.

On February 17, 2010, Arcos del Gourmet S.A. held a shareholders' meeting that approved a capital increase of US\$ 2.7 million, equivalent to Ps. 10.4 million. Consequently, 3,515,596 registered nonendorsable shares of common stock will be issued, with a face value of Ps. 1 and entitled to one vote per share, with a subscription price of Ps. 2.9622 per share, of which Ps. 1 is the face value and Ps. 1.9622 is additional paid-in capital, of which APSA is entitled to 80% thereof.

On May 7, 2010, two share subscription agreements were executed establishing that such amount will be paid in as follows: (i) capitalizing of loans for Ps. 5.6 million, (ii) capitalizing receivables from APSA for Ps. 0.9 million, (iii) capitalizing irrevocable contributions for Ps. 2.5 million and (v) the amount of Ps. 1.4 million will be paid up in cash within three working days as from executing the agreements. On July 14, 2010, shares pending subscription were subscribed for a total price of Ps. 0,256, an amount that has been fully paid in. Thus, to date, total capital increase resolved by the Shareholders' Meeting of February 17, 2010, has been fully subscribed and paid in.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

On June 25, 2010, Alto Palermo S.A. (purchaser) and Eduardo Giana, Pablo Bossi, Patricio Tobal and Abuam S.A. (sellers) subscribed an agreement for the option to purchase shares of Arcos del Gourmet S.A., for the total number of shares owned by them, which represent at least 17.54% of capital stock and votes of Arcos del Gourmet S.A. The term to exercise the option expires on April 30, 2011. The option was subject to the condition that the grantor of the Use Concession Agreement calls a bidding process whose purpose will be the sale of the real estate properties involved, assumption under which Arcos del Gourmet S.A. holds the preemptive right. The price of the shares owned by the sellers was established at US\$ 1.4 million. The option price is US\$ 0.4 million, out of which Ps. 0.3 million has been paid as of September 30, 2010. The balance, which matures on October 30, 2010 had already been canceled. In the event, APSA exercised the option, its price will be considered towards the share price.

e. Merger between Comercializadora Los Altos S. A. and Fibesa S. A.

The Special and Unanimous Shareholders Meeting of Fibesa S.A. held on September 30, 2009, resolved the merger into Comercializadora Los Altos S.A. as from July 1, 2009. Thus, a capital increase of Ps. 1,686 in Fibesa's capital stock was generated.

Subsequently, on January 21, 2010, the Definitive Merger Agreement has been notarized into a public deed and filed with the enforcement agencies in due course. Finally, on August 23, 2010, IGJ (Argentine regulatory agency of business associations) approved the merger.

f. Acquisition of a commercial center goodwill

On December 28, 2007, APSA signed an agreement for Partial transfer of goodwill with INCSA for acquiring one of the parts of the net assets established by a Commercial Center where Soleil Factory currently develops activities. The transaction was being subject to certain conditions of precedent fulfillment. The total price of the operation is US\$ 20.7 million of which US\$ 7.1 million were paid at the time the preliminary purchase contract was entered into. Such disbursement was recorded as an Advance for the purchase of fixed assets.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

Once the definitive signature of the net assets transference has taken place, on July 1st, 2010, the remaining amount of US\$ 13.6 million will accrue 5% annual interest plus VAT. The interest will be paid in seven annual and consecutive installments, the first due on July 1st, 2011. The capital will be canceled upon paying the last interest installment or upon granting the title deed, whichever later.

On July 1, 2010, Alto Palermo S. A. (APSA) and INCSA executed the definitive instrument for the partial transfer of the goodwill and memorandum of closure by which INCSA transferred the goodwill of the commercial center known as Soleil Factory ; becoming operational on such date. The goodwill mainly includes a building, real properties, agreements, titles to the brand names and rights to build certain number of square meters. Possession thereof was handed over upon execution. Considering the goodwill value structure, the Company has booked in as fixed assets until the process to allocate the price paid for the assets and liabilities acquired is completed. Guidelines provide that INCSA does not transfer APSA its receivables or its payables originated before executing the agreement. Within 30 working days as from registering the co-ownership and administration regulations with the Argentine Real Property Registry, INCSA will grant APSA the title deed. It should be noted that the goodwill and the building related to the hypermarket transaction located on the same premises are excluded from the transaction.

The transaction was filed with the Argentine Competition Defense Commission that, thus far, has not ruled.

Furthermore, APSA signed an offering letter for acquiring, building and running a commercial centre in a real estate owned by INCSA located in the City of San Miguel de Tucumán, Province of Tucumán. This transaction is subject to certain conditions, one of these being that APSA partially acquires from INCSA the net assets established by the commercial center that develops activities in Soleil Factory . The price of this transaction is US\$ 1.3 million, of which US\$ 0.05 million were paid on January 2, 2008. Such disbursement was recorded as Suppliers advances.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 8: (continued)

This transaction was subject to certain conditions precedent, among which APSA should acquire from INCSA the goodwill constituted by the commercial center operating in Soleil Factory. Having complied with such condition, on July 1, 2010, APSA shall start the works i) 12 months after complying with such conditions, or ii) on May 2, 2011, whichever earlier. However, before starting with the works, INCSA should have: i) granted the title deeds to APSA's future units to APSA, and ii) transferred to APSA the rights to the registered architectural project and the effective permits and authorizations to be carried out in APSA's future units.

g. Merger between APSA and Shopping Alto Palermo S.A.:

On November 27, 2009, it was held APSA's shareholders' meeting that approved, among others, the corporate reorganization consisting in APSA's merger with Shopping Alto Palermo S.A. as from July 1, 2009, APSA being the absorbing or merging company and Shopping Alto Palermo S.A. the absorbed and merged company, with the ensuing dissolution without liquidation of Shopping Alto Palermo S.A.

Subsequently, on January 21, 2010, the Definitive Merger Agreement has been notarized into a public deed and filed with the enforcement agencies in due course.

h. Purchase-Sale of Fibesa S.A. (Fibesa)'s shares:

On August 3, 2009, a share transfer agreement was executed by which APSA sold to Shopping Alto Palermo S.A. 49,999 Fibesa S.A.'s shares, with a face value of Ps. 0.00000001 each and entitled to 5 votes per share, representing 4.9999% of the Fibesa's capital stock.

On August 3, 2009, a share transfer agreement was executed by which Ritelco S.A. sold to Shopping Alto Palermo S.A. one Fibesa S.A.'s share, with a face value of Ps. 0.00000001 each and entitled to 5 votes per share, representing 0.0001% of the Fibesa's capital stock.

Due to the previously mentioned agreements, APSA owns 95% of that company's capital stock and Shopping Alto Palermo S.A. owned the remaining 5%. Afterwards, due to the merger between APSA and Shopping Alto Palermo S.A., as mentioned in subsection f) of this note, APSA is the owner of 99.99996% of the Fibesa's shares.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 8: (continued)

i. Panamerican Mall S.A.

Panamerican Mall S.A., a company organized in November 2006 between APSA and Centro Comercial Panamericano S.A., with 80% and 20% interests, respectively, has developed a commercial venture in the Saavedra neighbourhood in Buenos Aires City.

During May 2009, the shopping mall Dot Baires and the hypermarket were opened while multiplex cinema opened in early July 2009. The office building is still at the construction stage. The project is being carried out by Constructora San José Argentina S.A., a company related to Centro Comercial Panamericano S.A.

j. Purchase-Sale of Conil S.A.'s shares

On October 21, 2009, it was executed the share purchase agreement by which APSA and Fibesa S.A. acquired 95% and 5% of the 50% of Conil S.A.'s shares, respectively. The agreed price amounted to US\$ 0.29 million which was completely cancelled at previous year end.

As a result of the previously mentioned agreement, APSA becomes the owner of 97.5% of such company's shares, while Fibesa S.A. owns the remaining 2.5%.

k. Acquisition of Metroshop S.A.'s shares

On May 21, 2010, Alto Palermo S. A. (APSA) and Tarshop S.A. executed an agreement to formalize the transfer of shares by which Tarshop S.A. has sold APSA 18,400,000 registered nonendorsable shares of common stock with a face value of Ps. 1 each and entitled to 1 vote per Class A share representing 50% of Metroshop S.A.'s capital stock. The transaction price was set at Ps. 0.001 for the total shares.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 9: PURCHASE, SALES AND BARTER OF PROPERTIES

A. Agricultural Business

1. Acquisitions of land in the Republic of Bolivia

a. On July 28, 2008, the Company acquired Las Londras farm, a 4,566 hectare property located in the Province of Guarayos, Bolivia for an aggregate purchase price of US\$ 11.4 million, of which US\$ 1.1 million was paid, US\$ 3.8 million on January 22, 2009 date in which the contracts protocol was signed and US\$ 4.0 million on November 9, 2009. The remainder balance will be paid without interests in November, 2010. For the outstanding balance of such real estate property, a mortgage was established in favor of the sellers effective through the last payment date.

b. On July 28, 2008, the Company acquired San Cayetano and San Rafael farms, a 883 hectare and a 2,969 hectare properties located in the Province of Guarayos, Bolivia for an aggregate purchase price of US\$ 8.9 million out of which US\$ 0.9 million was paid, US\$ 2.9 million in November 19, 2008 date in which the contracts protocol was signed and US\$ 3.1 million in November 9, 2009. The remainder balance will be paid without interests in November, 2010. For the outstanding balance of such real estate property, a mortgage was established in favor of the sellers effective through the last payment date.

c. On July 28, 2008, the Company acquired La Fon Fon farm, a 3,748 hectare property located in the Province of Obispo Santiesteban, Bolivia for an aggregate purchase price of US\$ 8.6 million out of which US\$ 1.4 million was paid, US\$ 2.3 million in November 19, 2008 date in which the contracts protocol was signed and US\$ 3.0 million in November 9, 2009. The remainder balance will be paid without interests in November 2010. For the outstanding balance of such real estate property, a mortgage was established in favor of the sellers effective through the last payment date.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 9: (continued)

B. Real Estate Business

1. IRSA

Acquisition of Catalinas Norte plots of land

On December 2009 IRSA acquired by public sale a plot of land of 3,649 square meters and located in the area known as Catalinas Norte in the Autonomous City of Buenos Aires.

The total amount paid was Ps. 95.0 million, of which: Ps. 19.0 million was paid together with the sing to the preliminary agreement and the outstanding balance of Ps. 76.0 million was paid at the time of executing and delivering the corresponding title deed, which took place during May, 2010.

Acquisition of the building located at 183 Madison Avenue, New York, NY

On August 26, 2010, IRSA and some American partners entered into a conditional purchase and sale agreement to acquire the property located at 183 Madison Avenue, New York, NY. The investment vehicle is a US-based company, Rigby 183 LLC, which, as soon as the transaction is consummated, will be controlling a 19-story building at 183 Madison Avenue, New York, NY, that spans 22,893 square meters of net leasable area. The price offered was US\$ 75.2 million.

The property is located in a Manhattan area known as Midtown South that also hosts other famous and prominent venues such as the Empire State Building, Macy's Herald Square and the Madison Square Garden and boasts one the most significant office and retail markets in addition to excellent commuting alternatives, restaurants, shops and entertainment options.

On August 30, 2010, IRSA transferred US\$ 7.3 million, in order to have that amount, together with the amount to be contributed by its partners at Rigby 183 LLC, held in a deposit in the name of the seller, for the agreement signed.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 9: (continued)

It must be clarified that the transaction has not yet been consummated and that it is subject to certain conditions. Given that the seller is going through bankruptcy proceedings, the requisite court approvals for considering the transaction to have been consummated are still pending. Additionally, Rigby 183 LLC has reserved the right to equal any competitive bid for acquiring the property that may be placed in the framework of the reorganization proceedings against the seller. If this were consummated, the Company would be holding a 49% stake in Rigby 183 LLC's capital stock.

2. APSA

a. Acquisition of the building known as Ex- Escuela Gobernador Vicente de Olmos (City of Córdoba)

In November 20, 2006, APSA acquired through a public bidding the building known as Ex Escuela Gobernador Vicente de Olmos, located in the city of Córdoba for the amount of Ps. 32,522.

The building is under a concession agreement, effective for 40 years, falling due in February 2032, which grants the concession holder the commercial exploitation of the property. Such agreement provides for paying a staggered fee in favor of the concession principal which shall be increased by Ps. 2.5 every 47 months. As of the issuance date of these financial statements, the concession is at the 223 month, with a current monthly fee of Ps. 12.6 while the next increase is scheduled for the 234 month.

On September 25, 2007, the transfer deed of the property was signed with the Government of the Province of Córdoba and the transference of the respective concession contract. This transaction is recorded as Non-current investments.

b. Barter with Condominios del Alto S.A.

On October 11, 2007, APSA subscribed with Condominios del Alto S.A. a barter contract in connection with an own plot of land (plot 2 G), located in the City of Rosario, Province of Santa Fe.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 9: (continued)

As partial consideration for such exchange contract, Condominios del Alto S.A. agreed to transfer the full property, possession and dominium in favor of APSA of the following future properties: (i) fifteen (15) Functional Housing Units (apartments), with an own constructed surface of 1,504.45 square meters, which represent and will further represent jointly 14.85% of the own covered square meters of housing (apartments) of the building that Condominios del Alto S.A. will build in Plot G, and (ii) fifteen (15) Garages, which represent and will further represent jointly 15% of the own covered square meters of garage in the same building.

On March 17, 2010, APSA and Condominios del Alto S.A. subscribed a supplementary deed specifically determining the units committed for bartering that will be transferred to APSA and the ownership title to 15 parking spaces.

The parties have determined that the value of each undertaking is of US\$ 1.1 million.

As a complementary consideration in favor of APSA, Condominios del Alto S.A. paid APSA US\$ 0.015 million and constituted certain guarantees in favor of it.

APSA also granted Condominios del Alto S.A. an acquisition option through barter of plot 2 H. On November 27, 2008, the title deed for the plot of land 2 H was executed for US\$ 2.3 million, a value that the parties have determined for each of their considerations.

As partial consideration for the above-mentioned barter, Condominios del Alto S.A. agreed to transfer the full property, possession and ownership in favor of APSA of the following future building: (i) forty two (42) Functional Housing Units (apartments), which represent and will further represent jointly 22% of the own covered square meters of housing (apartments) of the building that Condominios del Alto S.A. will construct in Plot H; and (ii) forty seven (47) garages, which represent and will further represent jointly 22% of the own covered square meters of garage units in the same building.

c. Beruti plot of land

On June 24, 2008, APSA acquired from Dowler Company S.A. a plot of land located at Beruti 3351/3359, between Bulnes street and Coronel Díaz avenue in Buenos Aires City.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 9: (continued)

The transaction was executed for a total price of US\$ 17.8 million, which were completely cancelled. Such plot of land is disclosed in Non-current investments - Undeveloped parcels of land.

On October 13, 2010, TGLT S.A. and APSA subscribed an agreement of purchase with a condition precedent by which APSA sells a plot of land located on Beruti 3351/59. The transaction was agreed upon at US\$ 18.8 million. TGLT plans to construct a department building with residential and commercial parking. In consideration, TGLT S.A. commits to transferring APSA: (i) a number to be determined of departments representing altogether 17.33% of proprietary square meters that may be sellable in departments in the building to be constructed; (ii) a number to be determined of complementary/functional parking units representing altogether 15.82% of square meters in parking in the same building; (iii) all units earmarked for commercial parking and the amount of US\$ 10.7 million payable upon granting the title deed.

On October 29, 2010, TGLT S.A. completed the initial public offering of its shares on the Buenos Aires Stock Exchange, thus complying with the condition to which the operation was subject.

On November 5, 2010 TGLT S.A. advanced payment of US\$ 10.7 million by means of a transfer to an APSA account, while it remains to be executed the title deed to the plot of land mentioned above which should be carried out within 30 days as from complying with the condition mentioned in the preceding paragraph.

d. Barter with CYRSA S.A.

On September 24, 1997, APSA and COTO Centro Integral de Comercialización S.A. (COTO) granted a title deed by which APSA, which then operated under the name of Sociedad Anónima Mercado de Abasto Proveedor (SAMAP), acquired the rights to receive the parking spaces and the rights to increase the height of the building located between the Agüero, Lavalle, Guardia Vieja and Gallo streets, in the Abasto neighborhood.

On July 31, 2008, a conditioned barter commitment was executed by which APSA would transfer CYRSA S.A. (CYRSA) 112 parking spaces and the rights to increase the height of the property to build a two tower buildings on the previously mentioned property, upon compliance with certain conditions.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 9: (continued)

In consideration, CYRSA would give APSA an amount to be determined in the future of units in the building that would be built equivalent to 25% of square meters, which as a whole will be total not less than the amount of 4,053.50 proprietary square meters to be built. Likewise, if any, CYRSA would deliver APSA a number of storing units equivalent to 25% of storing units in the future building.

Additionally and in the case of the conditions which the transaction is subject to are considered to have been met, CYRSA would pay APSA the amount of US\$ 0.1 million and would carry out the works at the parking spaces that APSA would receive from COTO.

In order for the barter to be effective, is condition the fulfillment of certain provisions essential by COTO.

Possession of the above mentioned assets will be simultaneously granted upon executing the title deed, which will be carried out within 30 running days as from the date on which APSA notifies CYRSA that conditions precedent.

The total amount of the transaction between CYRSA and APSA total US\$ 5.9 million.

Such investment is included in Non Current Investment Land Reserves

e. Plot of land Paraná:

On June 30, 2009, APSA subscribed a Letter of Intent . This Letter of Intent states its intention to acquire a plot of land of about 10,022 square meters located in Paraná, Province of Entre Ríos, to be used to build, develop and exploit a shopping center or mall.

On August 12, 2010, the agreement of purchase was executed. The purchase price stood at US\$ 0.5 million to be paid as follows:

- i) US\$ 0.05 million was settled as prepayment on July 14, 2009,
- ii) US\$ 0.1 million was settled upon executing such agreement, and
- iii) US\$ 0.35 million will be paid upon executing the title deed.

Advances are included in Property and Equipment, net.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 9: (continued)

The title deed, at the same time of surrendering ownership, will be executed within 60 days running as from: i) the date on which APSA obtains the municipal clearance, or ii) the date on which the seller obtain the lot subdivision, whichever later.

APSA will be the only party in charge of carrying out administrative formalities before the Municipality and/or other agency to obtain the municipal clearance for using the shopping mall. It will bear all costs and expenses related to obtaining the municipal clearance.

f. Plot of land Guaymallén

On March 26, 2010, APSA executed an agreement of purchase without possession by which the Company sells a building located in the district of Guaymallén, Province of Mendoza. The total agreed-upon price stood at US\$ 0.3 million, out of which US\$ 0.2 million was collected as prepayment while the remaining balance was settled together with the execution of the title deed on June 24, 2010.

g. Plot of land Rosario

On April 14, 2010, APSA subscribed an irrevocable offer subject to compliance with a condition precedent (passing the amendment to Ordinance 8080), by which it sells the lot designated as 2 A of the building located in the District of Rosario, City of Rosario, Province of Santa Fe, facing the streets Thedy, Junín and Caseros avenue. The transaction price was fixed at US\$ 4.2 million, out of which US\$ 1.05 million was collected. The remaining balance of the price will be settled upon executing the title deed.

On May 3, 2010, Alto Palermo S. A. (APSA) subscribed an irrevocable offer to sell the lot designated as 2 E of the building located in the District of Rosario, City of Rosario, Province of Santa Fe, facing the street Rotonda Ingeniero G. Venesia and Caseros Avenue. On September 29, 2010, the title deed was executed.

The transaction price stood at US\$ 1.4 million, payable as follows: US\$ 0.35 million on May 3, 2010; US\$ 0.35 million upon executing the title deed and US\$ 0.73 million on May 30, 2011, plus interest at 14% to be accrued as from the date the title deed is executed.

The lots subject to these transactions have been recorded under inventories.

To secure the outstanding price amount, the building will be mortgaged.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 10: GRANTED GUARANTEES OF FYO.COM

By means of brokerage of agreement with guarantee, FyO.Com assumes before the purchaser the obligation to comply with the agreement in the event the seller did not deliver the merchandise. This compliance is implemented by returning the amounts agreed upon by such transaction that may be pending delivery, as well as the price difference that may arise between the price at which the agreement was executed and the price of the merchandise on the date the agreement is cancelled.

As of September 30, 2010 and June 30, 2010, the balance of brokerage transactions carried out by means of such agreement with guarantee, which was pending delivery, within the established contractual terms, amounted to Ps. 10,368 and Ps. 9,498 respectively.

As of September 30, 2010 and June 30, 2010, there are no agreements that failed to be complied with for which FyO.Com may have been claimed in its capacity of guarantor.

NOTE 11: CONVERTIBLE AND NON CONVERTIBLE NOTES PROGRAM

A. Real Estate Business

1. IRSA

a. Convertible Notes Due date 2017

In February 2007, IRSA issued non-convertible Notes (Non convertible notes-2017) for US\$ 150 million to become due in February 2017 under the framework of the Global Program for Issuing Non convertible notes (the Program) in a nominal value of up to US\$ 200 million authorized by the National Securities Commission. Non convertible notes-2017 accrues an annual fixed interest rate of 8.5%, payable every six months, starting in August, 2007. The principal will be fully paid on maturity. Non convertible notes-2017 contains customary covenants including restrictions to pay dividends in accordance with certain limits.

On February 25, 2010, the IRSA s Board of Directors approved the extension of the maximum nominal value of the program by an additional US\$ 200 million, reaching a total amount of US\$ 400 million, as approved by the Ordinary Meeting of Shareholders held on October 29, 2009.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 11: (continued)

Within this framework, on July 20, 2010, IRSA issued non-convertible notes for a nominal value of US\$ 150 million (Non-convertible Notes Class II) maturing on July 20, 2020. The issuance price was 97.838% of par value and they accrue interest at a nominal interest rate of 11.5% per annum, to be paid semi-annually on January 20 and June 20 each year, starting on January 20, 2011. The expenses related to the issuance amounted to Ps. 7.1 million.

On November 2, 2010, the General Shareholders Meeting approved a new expansion of the Program in force for up to a further US\$ 50 million bringing it to US\$ 450 million.

2. APSA

b. Issuance of non-convertible notes

On July 19, 2002, APSA issued Series I of Convertible Notes (ONC) for up to US\$ 50 million with a face value of Ps. 0.1 each. That series was fully subscribed and paid-up.

This issuance was resolved at the Ordinary and Extraordinary Meeting of Shareholders held on December 4, 2001, approved by the National Securities Commission Resolution No. 14,196 dated March 15, 2002 and authorized to list for trading on the Buenos Aires Stock Exchange on July 8, 2002.

The main issue terms and conditions of the Convertible Notes are as follows:

- Issue currency: US dollars.
- Due date: On July 19, 2014,
- Interest: at a fixed nominal rate of 10% per annum. Interest is payable semi-annually.
- Payment currency: US dollars or its equivalent in pesos.
- Conversion right: the convertible notes can be converted at any time at the option of each holder into ordinary shares at a conversion price equivalent to the higher of the result from dividing the nominal value of the Company's shares (Ps. 0.1) by the exchange rate and US\$ 0.0324, which means that each note is potentially exchangeable for 30.864 shares of Ps. 0.1 par value each.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 11: (continued)

- Right to collect dividends: the shares underlying the conversion of the convertible notes will be entitled to the same right to collect any dividends to be declared after the conversion as the shares outstanding at the time of the conversion.

As of September 30, 2010, the holders of Convertible Notes into APSA ordinary shares, have exercised their right to convert them for a total amount of US\$ 2.8 million, leading to the issuing of ordinary shares of Ps. 0.1 face value each.

As of September 30, 2010 Convertible Notes amounted to US\$ 47.2 million.

On July 19, 2010, Alto Palermo S.A. settled the interest installment related to the Notes convertible into shares of US\$ 50 million, falling due in July 2014, for US\$ 2.4 million.

On October 7, 2010, the holders of Notes convertible into APSA's shares exercised the conversion right, issuing 477,544,197 shares of common stock, with a face value of Ps. 0.1 each and retiring Notes for a face value for US\$ 15.5 million. As from the conversion, the number of Company's shares goes from 782,064,214 to 1,259,608,411.

b. Issuance of non-convertibles notes

On May 11, 2007, APSA issued two series of notes for a total amount of US\$ 170 million.

Series I corresponds to the issuance of US\$ 120 million becoming due on May 11, 2017, which accrue interest at a fixed rate of 7.875% paid semi-annually on May 11 and November 11 of each year as from November 11, 2007.

Series II corresponds to the issuance of Ps. 154,020 (equivalent to US\$ 50 million). Principal will be settled in seven, equal and consecutive semi-annual installments as from June 11, 2009, and accrues interest at 11% per annum, maturing on June 11, and December 11 of each year as from December 11, 2007.

As of September 30, 2010 total Series I and Series II Notes repurchased by APSA amount to US\$ 5.0 million and US\$ 4.8 million, respectively. Such notes had been valued at face value and are disclosed netting the current and non-current capital and interest owed.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 11: (continued)

As of September 30, 2010, IRSA holds Series I Notes for US\$ 39.6 million in nominal value and Series II Notes for Ps. 33.2 million in nominal value. On October 12, 2010 IRSA sold its Non-Convertible Notes Serie I. Additionally, Cresud holds Series I Notes for US\$ 5.0 million in nominal value.

These issuances correspond to Classes 1 and 2 within the Global Program for Issuing Negotiable Obligations, having a face value of up to US\$ 200 million authorized by the National Securities Commission Resolution No. 15,614 dated April 19, 2007.

The APSA's Shareholders Meeting held on October 29, 2009 approved the increase in the amount of the Global Program for the Issuance of Notes in place up to US\$ 200 million. It also approved the creation of the Global Program for the issuance of securities representing short-term debt (VCP) in the form of simple notes not convertible into shares, denominated in pesos, US dollars or any other currency with unsecured, special, floating and/or any other guarantee, including third party guarantee, either subordinated or not, for a maximum outstanding amount at any time that may not exceed the equivalent in Ps. of US\$ 50 million.

Under such Global Issuance Program of Notes, on November 10, 2009, the placement of the Second Series of Notes for a total value of Ps. 80.7 million, was completed in two series.

Series III relates to the issuance of Ps. 55.8 million maturing on May 12, 2011, which accrue interest at variable BADLAR plus a 3% margin payable on a quarterly basis.

Series IV relates to the issuance of Ps. 24.9 million (equivalent to US\$ 6.6 million) maturing on May 12, 2011, which accrues interest at a fixed 6.75% rate applied to the principal in US dollars, payable on a quarterly basis.

As of September 30, 2010 Emprendimiento Recoleta S.A. holds Series III Notes for Fv. Ps. 12 million.

c. Issuance of securities representing short-term debt of Tarshop S.A.

During the current fiscal year ended as of June 30, 2010, Tarshop S.A. requested the National Securities Commission (CNV) to authorize the Global Program for the Issuance of Securities Representing Short-Term Debt (Program), for a maximum outstanding amount that may not exceed US\$ 25 million, or equivalent amount in other currencies.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 11: (continued)

On December 28, 2009, the Extraordinary General Shareholders Meeting of Tarshop S.A. approved the creation of the Program and its terms and conditions.

As of June 30, 2010, Class I was placed for a total nominal value of Ps. 22,720 and Class II for a total nominal value of Ps. 40,000. Class I and II VCPs accrue interest from the issuance date at a nominal annual rate equal to the BADLAR, plus cap-margin of 400 basic points.

Net funds resulting from placing Class I and II were earmarked for paying in working capital in Argentina in accordance with the corporate objective of Tarshop S.A.

NOTE 12: SIGNIFICANT EVENTS

A. Agricultural Business

1. Loan inventories

On August 6, 2008, Agrology S.A. executed a securities loan agreement with Inversiones Financieras del Sur S.A. (IFISA) by which 1,275,022 Global Depository Shares (GRDs) were granted, represented by GRDs representative of 10 shares of common shares with a face value of Ps. 1 per share of IRSA., Inversiones y Representaciones Sociedad Anónima (IRSA).

This loan does not imply transferring any political or economic rights related to the GDRs, which will be held by Agrology S.A. As regards exercising the political rights (vote), the Parties agreed that Agrology S.A. will grant a power of attorney to IFISA with the respective voting instructions. As regards dividends, IFISA commits itself to transferring forthwith to Agrology S.A. the funds related to this item.

This loan will accrue interest at a monthly rate equivalent to 3-month LIBOR, plus 150 basis points. They will be effective for 30 days and may be renewed for periods, up to a maximum of 360 days.

As of the closing date of these financial statements, Inversiones Financieras del Sur S.A. returned 21,080 Global Depository Shares (GDRs) to Agrology S.A., represented by Global Depository Receipts (GDR's) representative of 10 shares of common stock of Ps. 1 per share.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 12: (continued)

On July 30, 2009, Agrology S.A. made an offer to IFISA to extend the agreed-upon due date of the loan inventories for 360 days, modifying the amount of GDRS of IRSA investments and Representaciones Sociedad Anónima granted in loan from 1,275,022 to 1,253,942 million which are free of encumbrances and are freely available to Agrology S.A.

On July 25, 2010, Agrology S.A. made an offer that was accepted by IFISA to extend for 360 days the term agreed upon in the previously-mentioned loan of IRSA s 1,253,942 GDR s on loan.

On September 8, 2010, Agrology S.A. executed a new agreement with IFISA by which IRSA S 800,000 GDR s are granted under the same conditions as above.

B. Real Estate Business

1. IRSA

a. Investment in Banco Hipotecario S.A.

Compensation of the National Government to financial entities as a result of the asymmetric pesification

The National Government, through Decree 905, provided for the issuance of National Government Compensating Bonds , to compensate financial entities for the adverse equity effects generated due to the conversion into pesos, under various exchange ratios, of the credits and obligations denominated in foreign currency as established by Law 25,561, Decree 214 and addenda and entitled the BCRA to determine the pertinent rules.

After a series of presentations Banco Hipotecario S.A. submitted the final presentation, in September 2002 and October 2005, the Central Bank of Argentina credited US\$ 344,050 and US\$ 16,761 in BODEN 2012, respectively, for compensation.

In the period beginning in September 2005 and ended in January 2006, subscriptions were made for BODEN 2012 hedging bonds equivalent to US\$ 773,533. A supplementary subscription of hedging bonds and detached coupons took place on June 26, 2009, subscribing an original par value of US\$ 59,294 in exchange for a payment in cash of Ps. 211,947 as subscription price. In addition, US\$ 40,207 were received as matured coupons.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 12: (continued)

Exposure to the non-financial public sector

As of September 30, 2010, Banco Hipotecario S.A. has assets with the non-financial public sector for Ps. 1,561,157 booked in its financial statements.

The exposure of Banco Hipotecario S.A. to the Public Sector originated in compensations granted by the National Government as a result of year 2002 crisis, principally related to the asymmetric pesification of assets and liabilities, through Communication A 4546 of July 9, 2006, regarding the assistance to the Public Sector, it was established that as from July 1, 2007, such limit was 35% (average measured) of total Assets of the last day of the previous month.

As of September 30, 2010 and 2009 the assistance to the Public Sector reaches 13.0% and 21.4% from total Assets, respectively.

Banco Hipotecario S.A.'s Treasury Shares

In the course of fiscal year 2009 and with the Total Return Swap dated January 29, 2004 having expired, Banco Hipotecario S.A. received treasury shares Class D totaling 71.1 million.

On April 30, 2010, the Extraordinary General Shareholders Meeting of the Banco Hipotecario S.A. resolved to delegate upon the Board of Directors of the bank the decision to pay with the treasury shares in portfolio the DAA or StAR coupons resulting from the debt restructuring as advisable based on the contractually agreed valuation methods and their actual market value after allowing the shareholders to exercise their preemptive rights on an equal footing.

On June 16, 2010, the Board of Directors of Banco Hipotecario offered to sell 36 million of its treasury Class D shares to its existing shareholders. On July 26, 2010, in the framework of the offering, the Bank sold approximately 26.9 million of its treasury Class D shares. On August 3, 2010, the Bank applied the proceeds from the offering and the remaining Class D shares to the cancellation of the StAR coupons maturing on that date.

The Company's Banco Hipotecario treasury shares still in its portfolio amount to 37.4 million and entail an increase in the Company's ownership interest. As considered for valuation purposes, they have risen from 29.78% to 30.54%.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 12: (continued)

b. Transactions pending solution by the Argentine Antitrust Commission (CNDC)

On November 20, 2009, after the sale of the building Edificio Costeros (Dock II), IRSA applied to the CNDC for a consultative opinion on whether IRSA had to notify that transaction or not. The CNDC found that there was an obligation to notify the same, but IRSA appealed that decision. As of the date of issuance of these financial statements, the CNDC had not yet handed down a resolution.

In addition, as regards the acquisition of Torre Bank Boston, on August 30, 2007 IRSA applied to the CNDC for a consultative opinion as to whether IRSA had to notify the transaction. On November 22, 2007 the CNDC stated that there was indeed a duty to notify the transaction. IRSA filed an appeal against this decision. The resolution from the matter in court was favorable to the CNDC. As of the date of issuance of these financial statements, IRSA is in process of notifying the operation.

In May 2008 IRSA applied to the CNDC for a consultative opinion concerning to the obligation of notifying the acquisition of Edificio República. The CNDC decided that such notification was required and therefore, in February 2010 IRSA has presented the required documentation notifying the operation. On November 3, 2010, the CNDC authorized the operation.

2. APSA

a) Financing and occupation agreement with NAI INTERNATIONAL II, INC.

On August 12, 1996 Empalme S.A.I.C.F.A. y G. (merged into Shopping Alto Palermo S.A. as from January 1st, 2009) executed an agreement with NAI INTERNATIONAL II, INC. (subsequently transferred to NAI INTERNACIONAL II, INC. Branch Argentina) by means of which the latter granted a loan for an original principal of up to US\$ 8.2 million for the construction of a multiplex cinema and part of the parking lot located in the premises of Córdoba Shopping, which are disclosed in Property and Equipment, net.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 12: (continued)

According to the agreement of occupation related to the loan contract, the amounts due are set off against payments generated by the occupation held by NAI INTERNATIONAL II, INC. of the building and the area known as cinema. The agreement provides that if after October 2027, there still is an unpaid balance of the loan plus respective interest thereon, the agreement will be extended for a final term established as the shorter of the term required to fully repay the unpaid loan amount, or ten years.

If once the last term has elapsed and there still is an unpaid balance, APSA will be released from any and all obligation to pay the outstanding debt.

On July 1st, 2002 a new amendment to the agreement was established, whose most important resolutions are as follows:

The outstanding debt was de-dollarized (Ps. 1 = US\$ 1)

An antichresis right was created and it was established that all obligations assumed by Empalme S.A.I.C.F.A. y G. under the agreement by which the normal use and operation of the cinema center is warranted to NAI INTERNATIONAL II, INC., including those obligations involving restrictions on the use or title to property by Empalme S.A.I.C.F.A. y G. or third parties, shall be comprised in the previously mentioned real right.

Principal owed as of September 30, 2010 and interest accrued unpaid through that date, due to the original loan agreement and respective amendments are disclosed under Customers advances - Lease advances together with other advances not included in this agreement.

b) Neuquén Project

The main asset of Shopping Neuquén S.A., controlled by APSA, is a plot of land of 50,000 square meters approximately, in which a mixed use center would be built. The project includes the building of a shopping center, cinemas, a hypermarket, apartments, private hospital and other compatible purposes.

On December 13, 2006, Shopping Neuquén S.A. entered into an agreement with the Municipality and with the Province of Neuquén by which, mainly, the terms to carry out the commercial and residential venture were rescheduled and authorized Shopping Neuquén S.A. to transfer to third parties the title to the plots of land into which the property is divided, provided that it is not that one on which the shopping center will be built.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 12: (continued)

On June 12, 2009, Shopping Neuquén S.A. and the Municipality of Neuquén executed a new agreement by which Shopping Neuquén S.A. committed itself to presenting a new road project and to making those amendments that may be necessary to the general project. On October 19, 2009, the respective amendments to the previously mentioned projects were filed. Subsequently, the Municipality of Neuquén made some remarks to them, which were duly replied. On January 18, 2010, the Municipality of Neuquén requested changes to the plans filed, granting a 30-day term to be filed. Finally Shopping Neuquén S.A. was notified about the registration of the project, so on April 8, 2010 the term of 90 running days to commence the shared works has started. Shopping Neuquén S.A. submitted the working plans related to the first stage of the work (contemplating the construction of the shopping mall and the hypermarket), it obtained the authorizations to start such works and on July 5, 2010 and within the previously mentioned 90 day term, construction began.

The first work stage mentioned should be completed at a maximum 22 month terms starting upon beginning construction. In the case of failing to comply the conditions established in the agreement, the Municipality of Neuquén is entitled to terminate the agreement and carry out the actions that may be considered necessary for such respect, among them, to request the return of the Company's plots acquired to the Municipality of Neuquén.

On November 8, 2010, Shopping Neuquén S.A. was served notice of a resolution issued from the trial styled Shopping Neuquén S.A. vs. Municipalidad de Neuquén in re: Administrative Procedural Action lodged at the High Court of Justice of Neuquén, by which certain pending fees to be borne by Shopping Neuquén were established. Such resolution is not firm and Shopping Neuquén S.A. is currently evaluating the procedural recourse to be filed.

c) **Contributed leasehold improvements- Other liabilities**

In March 1996 Village Cinema S.A. inaugurated ten multiplex system cinema theatres, with an approximate surface of 4,100 square meters. This improvement of the building of Mendoza Plaza Shopping S.A. was capitalized with a balancing entry as a fixed asset, recognizing the depreciation charges and the profits over a 50-year period. The lease is for a time limit of 10 years to be renewed every four equivalent and consecutive periods, at the option of Village Cinema S.A.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)

(in thousands of pesos)

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

NOTE 12: (continued)

At the end of period/year the amount was pending of accrual and it was disclosed under Other liabilities Contributed leasehold improvements

d) Agreement with the former minority shareholder of Tarshop S.A.

During January 2010, APSA executed an agreement with Mr. León Halac (LH), by which the latter assumed the obligation to abstain during 28 running months from performing any role or developing and participating in any manner whatsoever in any new credit card companies other than those existing on the market, or in the regions in which at present Tarjeta Shopping is developed. Such agreement also contemplates the impossibility by the same period of time that LH participates in developing, under any method, shopping malls of over 20,000 square meters within the territory of Buenos Aires City, Argentine Republic. APSA, shall pay in consideration of the obligations assumed by the other party a total and definitive price of US\$ 2.2 million payable: (1) A down payment of US\$ 0.8 million upon executing the agreement and (2) the balance of the price of US\$ 1.4 million in 28 monthly consecutive installments, accruing no interest of US\$ 0.05 million each, to which income tax withholdings will be added. In all cases, income tax withholdings should also be added.

NOTE 13: SALES OF BUILDINGS

Real Estate Business

During the three-month period ended September 30, 2009, IRSA conducted several transactions for the sale of some office rental properties that made up its portfolio, representative of a gross leasable area of 2,751 for a total of Ps. 33.5 million. The gross income generated by these transactions amounted to Ps. 23.8 million.

During the three-month period ended September 30, 2010, there was no sale of office property.

NOTE 14: CAPITALIZATION PROGRAM FOR EXECUTIVE MANAGEMENT

As of September 30, 2010 Cresud and IRSA had made contributions to the capitalization program for executive management that amount Ps. 4,297.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 15: DERIVATIVE FINANCIAL INSTRUMENTS

Real Estate Business

Futures contracts Ritelco S.A.

In the course of the period, Ritelco S. A. conducted certain shorting and covering transactions involving futures. According to the Company's risk management policies, these deals are used for speculative purposes.

In connection with the futures transactions that took place during the fiscal year, the Company booked realized gains for US\$ 26 (equivalent to Ps. 103) in the Other holding results line of its Income statement.

As of September 30, 2010, Ritelco S. A. carries neither derivatives contracts nor guarantees associated thereto.

NOTE 16: SUBSEQUENT EVENTS

Real Estate Business

1. **IRSA**

a. **Option to acquire an ownership interest in Alto Palermo S.A. (APSA).**

On October 15, 2010 the exercise of the option discussed in Note 8.1.h. was consummated through payment of the price balance. As a result, IRSA became the holder of 94.89% of APSA's capital stock.

b. **Sale of Alto Palermo Notes**

On October 12, 2010 IRSA sold Alto Palermo's Series I Notes for a nominal value of US\$ 39.6 million that it had acquired in fiscal year 2009 for US\$ 38.1 million.

c. **Acquisition of shares of Hersha**

On October 22, 2010 and through REIG, IRSA acquired 2,952,625 ordinary shares in Hersha Hospitality Trust (Hersha) at a price of US\$ 5.80 per share, totaling US\$ 17.1 million. Following this acquisition, IRSA's ownership interest in Hersha amounts to 10.7% of Hersha's outstanding capital. Besides, if the purchase option mentioned in Note 8.B.1.b. were exercised and Hersha failed to issue new shares in favor of

third parties, IRSA's ownership interest in Hersha would amount to 13.63%.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Unaudited Consolidated Financial Statements (continued)**

(in thousands of pesos)

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

NOTE 16: (continued)

2. APSA

a. Acquisition of shares of TGLT S.A.

On November 4, 2010, APSA acquired 5,214,662 registered, nonendorsable shares of common stock, entitled to one vote per shares, issued by the company TGLT S.A. for a total amount equivalent to Ps. 47.1 million under the initial public offering of the latter.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria,

Financiera y Agropecuaria

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

Unaudited Basic Financial Statements

Corresponding to the three-month periods
ended September 30, 2010 and 2009

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria****Unaudited Balance Sheet as of September 30, 2010 and 2009 and June 30, 2010**

(in thousands of pesos)

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

| | September 30, 2010 (Notes 1 and 2) | June 30, 2010 (Notes 1 and 2) | September 30, 2009 (Notes 1 and 2) |
|---|---|--|---|
| ASSETS | | | |
| Current Assets | | | |
| Cash and banks (Note 8 a.) | 21,102 | 3,810 | 5,192 |
| Investments (Note 8 b.) | 75,099 | 24,631 | 5,282 |
| Trade accounts receivable, net (Note 8 c.) | 83,717 | 85,492 | 39,246 |
| Other receivables (Note 8 d.) | 116,655 | 61,916 | 65,771 |
| Inventories (Note 8 e.) | 127,688 | 100,454 | 83,562 |
| Total Current Assets | 424,261 | 276,303 | 199,053 |
| Non-Current Assets | | | |
| Other receivables (Note 8 d.) | 65,477 | 60,214 | 30,654 |
| Inventories (Note 8 e.) | 140,739 | 141,602 | 72,174 |
| Investments on equity investees (Note 8 b.) | 1,780,064 | 1,800,764 | 1,595,643 |
| Other investments (Note 8 b.) | 85,248 | 82,042 | 72,721 |
| Property and equipment, net (Schedule A) | 315,212 | 289,991 | 283,855 |
| Intangible assets, net (Schedule B) | 22,131 | 1,071 | 1,298 |
| Total Non-Current Assets | 2,408,871 | 2,375,684 | 2,056,345 |
| Total Assets | 2,833,132 | 2,651,987 | 2,255,398 |

| | September 30, 2010 (Notes 1 and 2) | June 30, 2010 (Notes 1 and 2) | September 30, 2009 (Notes 1 and 2) |
|--|---|--|---|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade accounts payable (Note 8 f.) | 76,156 | 83,126 | 54,277 |
| Short-term debt (Note 8 g.) | 406,275 | 449,311 | 226,271 |
| Salaries and social security payable (Note 8 h.) | 17,237 | 23,330 | 5,033 |
| Taxes payable (Note 8 i.) | 9,179 | 4,659 | 4,758 |
| Other liabilities (Note 8 j.) | 77,121 | 42,612 | 2,294 |
| Total Current Liabilities | 585,968 | 603,038 | 292,633 |
| Non-Current Liabilities | | | |

Edgar Filing: CRESUD INC - Form 6-K

| | | | |
|--|-----------|-----------|-----------|
| Long-term debt (Note 8.g.) | 105,954 | | |
| Taxes payable (Note 8 i.) | 91,383 | 75,822 | 60,710 |
| Other liabilities (Note 8 j.) | 4,018 | 3,166 | |
| Provisions (Schedule E) | 1,671 | 1,768 | 1,771 |
| Total Non-Current Liabilities | 203,026 | 80,756 | 62,481 |
| Total Liabilities | 788,994 | 683,794 | 355,114 |
| SHAREHOLDERS EQUITY | 2,044,138 | 1,968,193 | 1,900,284 |
| Total Liabilities and Shareholders Equity | 2,833,132 | 2,651,987 | 2,255,398 |

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

Alejandro G. Elsztain

Vicepresident II

acting as President

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria**

Unaudited Statement of Income

Corresponding to the three-month periods beginning as from July 1, 2010 and 2009

and ended September 30, 2010 and 2009

(in thousands of pesos)

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

| | September 30, 2010 | September 30, 2009 |
|-----------------------------------|--------------------|--------------------|
| Production income: | | |
| Crops | 20,295 | 4,236 |
| Beef cattle | 2,758 | 1,555 |
| Milk | 9,301 | 5,294 |
| Total production income | 32,354 | 11,085 |
| Cost of production (Schedule F.2) | | |
| Crops | (19,575) | (6,201) |
| Beef cattle | (5,701) | (6,574) |
| Milk | (6,773) | (5,416) |
| Total cost of production | (32,049) | (18,191) |
| Production gain (loss) | 305 | (7,106) |
| Sales | | |
| Crops | 49,082 | 33,547 |
| Beef cattle | 15,192 | 6,035 |
| Milk | 8,272 | 4,693 |
| Establishments | 71,096 | |
| Other | 4,237 | 1,893 |
| Total sales | 147,879 | 46,168 |
| Cost of sales | | |
| Crops (Schedule F.1) | (42,548) | (31,352) |
| Beef cattle (Schedule F.1) | (15,348) | (5,669) |
| Milk (Schedule F.1) | (8,272) | (4,693) |
| Establishments | (21,652) | |
| Other (Schedule F.1) | (1,938) | (403) |
| Total cost of sales | (89,758) | (42,117) |
| Sales profit | 58,121 | 4,051 |
| Gross (loss) profit | 58,426 | (3,055) |

Edgar Filing: CRESUD INC - Form 6-K

| | | |
|--|---------------|-----------------|
| Selling expenses (Schedule H) | (10,588) | (5,408) |
| Administrative expenses (Schedule H) | (8,998) | (9,834) |
| Unrealized gain on inventories-beef cattle (Schedules F.1 and F.2) | 16,127 | 28 |
| Unrealized (loss) gain on inventories-crops, raw materials and MAT | (4,153) | 2,020 |
| Operating gain (loss) | 50,814 | (16,249) |
| Financial results: | | |
| Generated by assets: | | |
| Exchange gains | 449 | 2,459 |
| Interest income (Note 8.k) | 4,255 | 4,426 |
| Other unrealized gain (Note 8.k) | 484 | 5,121 |
| | 5,188 | 12,006 |
| Generated by liabilities: | | |
| Exchange gains | 279 | (1,092) |
| Interest income (Note 8.k) | (11,594) | (7,682) |
| Other unrealized loss | (1,250) | (153) |
| | (12,565) | (8,927) |
| Other income and expenses, net: | | |
| Shareholders Personal asset tax | (2,200) | (2,032) |
| Others | 520 | 515 |
| | (1,680) | (1,517) |
| Gain on equity investees (Note 8 l.) | 30,595 | 75,613 |
| Management agreement fees (Note 5) | (5,761) | (6,803) |
| Net income before income tax | 66,591 | 54,123 |
| Income tax (Note 6) | (14,741) | 7,704 |
| Net income for the period | 51,850 | 61,827 |
| Earnings per share: | | |
| Basic (Note 9) | 0.10 | 0.13 |
| Diluted (Note 9) | 0.09 | 0.12 |

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

Alejandro G. Elsztain
Vicepresident II

acting as President

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Unaudited Statement of Changes in Shareholders' Equity

Corresponding to the three-month periods beginning as from July 1, 2010 and 2009

and ended September 30, 2010 and 2009 (Notes 1 and 2)

(in thousands of pesos)

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

| Items | Capital (Note 3) | | Shareholders' contributions | | | Subtotal | Retained earnings | | | Translation differences | Total as of September 30, 2010 |
|--|------------------|----------------|-----------------------------|----------------|---------------------|-----------|-------------------|----------------------|-------------------|-------------------------|--------------------------------|
| | Common stock | Treasury stock | Common stock | Treasury Stock | Paid-in capital (1) | | Legal Reserve | New Projects Reserve | Retained earnings | | |
| Balances as of June 30, 2009 | 471,539 | 30,000 | 156,276 | 9,942 | 879,218 | 1,546,975 | 16,792 | 85,543 | 126,893 | 36,681 | 1,812,884 |
| Transitory conversion differences for the period | | | | | | | | | | 25,573 | 25,573 |
| Net income for the period | | | | | | | | | 61,827 | | 61,827 |
| Balances as of September 30, 2009 | 471,539 | 30,000 | 156,276 | 9,942 | 879,218 | 1,546,975 | 16,792 | 85,543 | 188,720 | 62,254 | 1,900,284 |
| Balances as of June 30, 2010 | 496,560 | 5,001 | 164,561 | 1,657 | 879,331 | 1,547,110 | 23,023 | 143,928 | 187,683 | 66,449 | 1,968,193 |
| Transitory conversion differences for the period | | | | | | | | | | 24,095 | 24,095 |
| Net income for the period | | | | | | | | | 51,850 | | 51,850 |
| Balances as of September 30, 2010 | 496,560 | 5,001 | 164,561 | 1,657 | 879,331 | 1,547,110 | 23,023 | 143,928 | 239,533 | 90,544 | 2,044,138 |

(1) See notes 2.q. and 16.

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

Edgar Filing: CRESUD INC - Form 6-K

Alejandro G. Elsztain
Vicepresident II

acting as President

88

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Statement of Cash Flow

Corresponding to the three-month periods beginning as from July 1, 2010 and 2009

and ended September 30, 2010 and 2009

(in thousands of pesos)

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

| | September 30, 2010 | September 30, 2009 |
|---|--------------------|--------------------|
| <u>Changes in cash and cash equivalents</u> | | |
| Cash and cash equivalents at the beginning of the fiscal year | 18,364 | 15,991 |
| Cash and cash equivalents at the end of the period | 37,126 | 7,609 |
| Net Increase (decrease) in cash | 18,762 | (8,382) |
| <u>Causes of changes in cash and cash equivalents</u> | | |
| <u>Operating activities</u> | | |
| Net Income for the period | 51,850 | 61,827 |
| Income tax | 14,741 | (7,704) |
| Accrued interest during the period | 9,319 | 1,782 |
| Adjustments made to reach net cash flows from operating activities | | |
| Gain on equity investees | (30,595) | (75,613) |
| Increase in allowances and provisions | 12,263 | (251) |
| Depreciations of Property and Equipment | 1,761 | 1,478 |
| Depreciations of Intangible Assets | 188 | |
| Unrealized loss on Inventories | (11,974) | (2,048) |
| Financial results, net | (2,587) | (5,401) |
| Gain on the sale of fixed assets | (3,920) | |
| Changes in operating assets and liabilities | | |
| (increase) decrease in current investments | (46,503) | 5,398 |
| Decrease in trade accounts receivable | 7,312 | 7,528 |
| (Increase) decrease in other receivables | (51,193) | 6,368 |
| (Increase) decrease in inventories | (281) | 11,003 |
| Decrease in social security payable and taxes payable | (1,270) | (1,297) |
| Decrease in trade accounts payable | (18,278) | (6,367) |
| Increase in other debts | 24,050 | 450 |
| Dividends collected | 141 | 117 |
| Cash flows applied to operating activities | (44,976) | (2,730) |
| <u>Investing activities</u> | | |
| Increase in interest on equity method investees (except IRSA) | (2,777) | (35,412) |
| Acquisition and upgrading of fixed assets | (6,930) | (4,325) |
| Sale of fixed assets | 17,855 | |
| Incorporated cash by merger | 579 | 1,161 |
| Cash flows provided by (applied to) investing activities | 8,727 | (38,576) |

Financing activities

| | | |
|---|-----------|----------|
| Increase in financial loans | 113,208 | 10,065 |
| Decrease in financial loans | (163,121) | (26,610) |
| Issuance of Non-convertible Notes (Note 20) | 104,924 | 49,469 |

| | | |
|--|---------------|---------------|
| Cash flows provided by financing activities | 55,011 | 32,924 |
|--|---------------|---------------|

| | | |
|---|---------------|----------------|
| Net increase (decrease) in cash and cash equivalents | 18,762 | (8,382) |
|---|---------------|----------------|

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

Alejandro G. Elsztain
Vicepresident II

acting as President

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria**

Unaudited Statement of Cash Flow (Continued)

Corresponding to the three-month periods beginning as from July 1, 2010 and 2009

and ended September 30, 2010 and 2009

(in thousands of pesos)

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

| | September 30, 2010 | September 30, 2009 |
|---|-----------------------|-----------------------|
| <u>Operations not involving changes in cash and cash equivalents</u> | | |
| Inventories transferred to property and equipment | 290 | 244 |
| Increase in related companies interest by a decrease in trade account receivables | (3,541) | |
| Increase in related companies interest by an increase in other current liabilities | 926 | |
| (Increase) Decrease in non-current investments by transitory conversion differences | (24,095) | 25,573 |
| Increase in non-current investments through a decrease in other receivables | | 6,593 |
| | September 30, 2010 | September 30, 2009 |
| <u>Complementary information</u> | | |
| Interest paid | 4,858 | 5,604 |
| Income tax paid | 1,702 | 2,861 |
| | September 30, 2010 | September 30, 2009 |
| <u>Balances incorporated by merger (Note 14)</u> | | |
| - Trade account receivables | 9,134 | 1,632 |
| - Other receivables | 9,431 | 1,360 |
| - Inventories | 14,408 | 3,214 |
| - Property and equipment | 37,622 | 5,835 |
| - Intangible assets | 1,511 | |
| - Non-current Investments | (63,631) | (10,777) |
| - Trade account payables | (7,132) | (408) |
| - Salaries and social security payable | (111) | (37) |
| - Tax payables | (408) | (523) |
| - Provisions | (258) | (1,457) |
| - Loans | (1,145) | |
| Incorporated cash | (579) | 1,161 |

Alejandro G. Elsztain
Vicepresident II

acting as President

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria**

Notes to the Unaudited Financial Statements

Corresponding to the three-month periods beginning as from July 1, 2010 and 2009

and ended September 30, 2010 and 2009

(in thousands of pesos)

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

NOTE 1: ACCOUNTING STANDARDS

Below there is a description of the most relevant accounting standards used by the Company in the preparation of these Financial Statements, which have been applied on a consistent basis from the previous period.

a. **Presentation standards**

These financial statements are stated in Argentine Pesos (Ps.) and have been prepared in accordance with the disclosure and valuation accounting standards contained in the Technical Resolutions issued by the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE), as approved, with resolutions issued by the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (CPCECABA) and the Comisión Nacional de Valores (CNV).

b. **The effects of inflation**

The financial statements have been prepared in constant currency units recognizing the effects of inflation up to August 31, 1995. As from this date and under professional accounting standards and as required by the enforcement agency, financial statements as of December 31, 2001 were no longer restated. As from January 1st, 2002 and under professional accounting standards, effects for inflation restarted to be recognized considering that accounting measurements restated for the change in the currency purchasing power until August 31, 1995, as those whose original date fell between such date and December 31, 2001, were stated in pesos as of such last date.

On March 25, 2003, the Federal Executive issued Decree No. 664, which established that the financial statements for year ended after such date should be stated in nominal currency. Consequently, in conformity with Resolution No. 441/03 issued by the CNV, the Company discontinued the restatement of financial statements as from March 1, 2003. Such method does not agree with current professional accounting standards, which require that financial statements should be restated until September 30, 2003. However, given the little significance of inflation rates from March through September 2003, this departure has not generated a significant effect on the financial statements taken as a whole.

The rate used for restatement of items until February 28, 2003 was the domestic whole revenue price index published by the National Institute of Statistics and Census.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 1: (Continued)

c. Comparative Information

Amounts as of June 30, 2010 and September 30, 2009, which are disclosed in these financial statements for comparative purposes have been taken from the financial statements as of such dates.

These financial statements have been prepared giving effect to the spin-off merger mentioned in Note 14.2; consequently, the stand-alone financial statements as of September 30, 2010 are not comparable with those issued as of June 30, 2010 and September 30, 2009.

d. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assessments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at that date and the reported amounts of revenues and expenses during the period.

Estimates are used when accounting for the allowance for doubtful accounts, depreciations and amortizations, income taxes, deferred liabilities, translation differences, provisions for lawsuits and contingencies, accrual for expenses and assets recoverable value and classification of the current and non-current assets and the current value of the assets and liabilities acquired in business combinations. Actual results could differ from these estimates.

e. Adoption of the International Financial Reporting Standards

The National Securities Commission, through the Resolution 562, has mandated that the Technical Resolution No. 26 of the FACPCE is to be applied by the companies admitted to the public offering system under Law No. 17,811 in connection with either their capital stock and/or negotiable obligations, and/or by the companies that have applied for admission to the public offering system. FACPCE's Technical Resolution No. 26 adopts the International Financial Reporting Standards issued by the International Accounting Standards Board. The Company shall apply the IFRS as from the fiscal year beginning on July 1st, 2012. On April 29, 2010, the Company's Board of Director has approved the specific implementation plan to the application of IFRS.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 2: MORE RELEVANT ACCOUNTING POLICIES

a. Cash and banks

Cash on hand has been valued at face value.

b. Foreign currency assets and liabilities

Assets and liabilities denominated in foreign currency have been valued at the exchange rates prevailing at the end of the period/ fiscal year.

c. Temporary investments

The units of ownership of mutual funds, the mortgage certificates and bonds were valued at quotation value net of sales expenses as of the end of the period. Therefore, interests to collect corresponding to non-convertible notes of IRSA and APSA which are measured according to the mentioned in Note 2.k. are included. Temporary investments do not exceed their recoverable value at the date of the financial statements.

d. Trade accounts receivable and payable

Trade accounts receivable and payable have been valued at nominal value. Values obtained by this do not differ significantly from those that had been valued at their cash price estimated at the time of the transaction, plus interest and implied financial components accrued on the basis of the internal rate of return determined at such time.

e. Credits and short-term debts

Credits and short-term debts have been valued at nominal value plus accrued interest at the end of the period/fiscal year. Values obtained by this do not differ significantly from those obtained from the sum of money delivered and/or received, respectively, net of transaction costs, plus financial results accrued at the internal rate of return determined at the moment of the initial measurement.

f. Derivates financial instruments

Forwards relate to cereal commitments deliverable and receivable at a previously agreed price and to purchase and sale of US dollars and receivable.

Edgar Filing: CRESUD INC - Form 6-K

Premiums collected or paid correspond to options bought or written, respectively, and are included in Other debts and Other receivables, respectively, until its due date.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 2: (Continued)

The assets and liabilities originated in derivatives instruments have been valued at their market value at the date of the financial statements.

Differences generated by the application of the above mentioned valuation criteria to assets and liabilities and derivative instruments corresponding to crops have been recognized under net income of the period under Unrealized gain on inventories Crops, raw materials and MAT .

Results of purchases and sales of forward transactions with US dollars operations are included under the Financial Results.

g. Other receivables and liabilities

Other current receivables (except VAT receivables) have been valued at face value plus the financial results accrued at the end of the corresponding period/fiscal year. The figures thus obtained are not significantly different from those that would have been obtained if valued on the basis of the best possible estimate of the amounts receivable and payable, respectively, discounted by application of a rate that reflects the time value of money and the specific risks inherent in the transaction estimated at the time of recognizing the item in assets and liabilities, respectively.

The VAT receivables have been valued based on the best possible estimate of the discounted amount using a rate that reflects the time value of money and the specific risks inherent in the transaction estimated as of the date of these financial statements.

h. Balances corresponding to financial transactions and receivables and payables with related parties

Receivables and payables with related parties generated by financial transactions and other transactions were valued in accordance with the terms agreed by the parties.

i. Inventories

- 1) Biological Assets (under development): Unharvested crops and Cattle: have been measured at replacement cost of goods and services needed to obtain a similar asset, which does not exceed the net realization value as of each period/fiscal year-end.

Include:

Edgar Filing: CRESUD INC - Form 6-K

Unharvested crops

Calves

94

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 2: (Continued)

- 2) Biological Assets (in production): Cattle: Have been measured at the direct replacement cost of a similar asset, acquired to third parties in the markets in which the Company regularly operates, and do not exceed the net realization value as of each period/fiscal year-end.

Include:

Dairy cattle

Breeding cows

- 3) Biological Assets (finished): Cattle: have been measured at their net realization value (NRV) represented by the respective quotations as of each period/fiscal year-end in the markets in which the Company regularly operates, net of additional costs generated by marketing.

Include:

Steers and heifers

Cattle round-up and mares

- 4) Farming Products: Crops: have been measured at their net realization value, representing the different quotations as of each period/fiscal year-end in the markets in which the Company regularly operates, net of additional costs generated by marketing.

Include

Harvested crops

Edgar Filing: CRESUD INC - Form 6-K

- 5) Farming Products Raw material: Seeds and various goods: have been measured at reproduction or replacement cost as of each period/fiscal year-end, which does not exceed the net realization value.

Include:

Seeds

Agrochemicals

Semen Cattle raising and dairy

Food and by-products

Packs and bundles

Poles

Bags and blankets

Silos raw materials

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 2: (Continued)

- 6) The remaining inventories were valued at their replacement cost.

The carrying values of inventories, which are determined as discussed above, do not exceed their estimated recoverable values as of each period/fiscal year-end.

j. Long term investments in other companies

1. Investments in equity investees

The investments in subsidiaries and affiliates in which the Company has control or significant influence have been accounted under the equity method, as required by Technical Resolution No. 21 of the FACPCE approved by CNV.

The accounting standards used by the subsidiaries to prepare their financial statements are the same as those used by the Company.

The values thus obtained, do not exceed their respective estimated recoverable values at the end of the period/fiscal year.

Interests in subsidiaries and affiliates as of September 30, 2010 are as follows:

| Subsidiaries and affiliates | % Equity interest |
|--|--------------------------|
| Agrology S.A. (Nota 13.1.b) | 100.00 |
| FyO.Com (1) | 65.85 |
| Cactus (Nota 13.2.a) | 48.00 |
| Agro Uranga S.A. | 35.72 |
| IRSA (Nota 13.2.b) | 50.60 |
| BrasilAgro (Nota 13.1.a) | 23.24 |
| FyO Trading | 3.63 |
| Exportaciones Agroindustriales Argentinas S.A. (EAASA) | 0.44 |
| Agrotech S.A. (Nota 13.2.e) | 97.00 |
| Pluriagro S.A. (Nota 13.2.e) | 97.00 |
| Northagro S.A. (Nota 13.2.e) | 97.00 |

- (1) It is the owner of the 96.37% of the FyO Trading shares.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 2: (Continued)

2. Acquisitions of equity interests in companies

The significant acquisitions of companies are booked according to the acquisition method as established by Technical Resolution No. 18 and Technical Resolution No. 21. This implies identifying and determining the current values of assets and liabilities acquired, a process requiring complex judgments and significant estimations.

3. Goodwill

- Goodwill

The goodwill represents the excess acquisition cost above the market value of net assets from those subsidiaries acquired at the equity percentage.

The residual value of the goodwill generated by acquiring interests in the companies has been disclosed in the Investments on controlled and related companies account (Schedule C).

Upon defining the useful life, the following factors have been considered: (i) nature and expected life of acquired businesses; (ii) stability and expected life of the respective industry branch; (iii) effects that the obsolescence of products, changes in demand and other economic factors may have on the acquired business; (iv) feasibility of maintaining the required disbursement value to obtain future economic benefits from the acquired business and (v) the control period over the acquired business and legal or contractual provisions that may affect its useful life.

Based on these factors, the Company has estimated that it is not possible to estimate the specific useful life for the goodwill generated by applying the acquisition method provided by Technical Resolution No. 18, and it has therefore determined that they shall have an undefined useful life.

The values thus obtained, do not exceed their respective estimated recoverable values at the end of the period/fiscal year.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 2: (Continued)

- Negative goodwill

The negative goodwill represents the excess market value of net assets from those subsidiaries acquired at the equity percentage above the acquisition cost. Negative goodwill has been restated following the guidelines mentioned in Note 1.b. to the financial statements and amortization has been calculated by the straight-line method based on estimated useful life, considering the weighted-average of the remaining useful life of identifiable assets acquired subject to depreciation.

The useful lives of negative goodwill generated by IRSA acquisition was established between 20 to 30 years. The useful life for the negative goodwill generated by the acquisition of an interest in BrasilAgro was established at 5 years.

Amortizations have been classified in the account Gain on equity investees in the Statement of Income.

The residual value of the goodwill generated by acquiring interests in the companies has been disclosed in the Investments on controlled and related companies account (Schedule C).

k. Other investments

- Investments in debt securities

IRSA and APSA's non-convertible notes were valued based on the best estimate of the discounted amount receivable, applying the corresponding internal rate of return estimated at the time of incorporation to assets, as the Company intends to hold them to maturity.

l. Property and Equipment

Property and equipment were valued at its acquisition cost, restated as mentioned in Note 1.b., less accumulated depreciation.

Depreciations have been calculated by the straight-line method based on the estimated useful lives of each asset, applying annual rates sufficient to extinguish their values at the end of its useful life.

The tree plantations (wood) comprising this account has been valued at cost less respective accumulated depreciation as the Company has no intention to sell it, but use it in the production process.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 2: (Continued)

Its cost was calculated according to a Report on forestry mass increase carried out by a forestry engineer at the request of the preceding shareholders of ANTA incorporated by merge as mentioned in Note 14.2.

Depreciation for the fiscal year was calculated based on the remaining concession term.

The value of these assets does not exceed its economic use value as of period/fiscal year-end.

m. **Intangible assets**

Pre-operating expenses resulted from developing new activities in Bolivia and Paraguay. Such expenses were valued at acquisition cost less the respective accumulated amortization, as disclosed in Schedule B.

Amortizations were calculated through the straight-line method on the basis of an estimated useful life of five years.

Amortizations were classified in Gain on equity investees in the statement of income.

The company, through the merger into ANTA mentioned in Note 14.2. among other goods and rights, has the concession planning and execution of an integral development project including: biological, economical and social issues on several real estates located in the department of Anta, province of Salta. The company is also duly authorized to perform a significant agricultural, cattle farming and forestry project which was awarded under Resolution No. 190/99 and Bidding No. 58/98 of the Ministry of Production and Employment.

Such concession was granted for a 35 year term with a postponement option of 29 additional years by ANTA.

The amortization of the concession right of ANTA is calculated according to its duration, whose remaining time is 29 years.

Among other obligations ANTA has to invest Ps. 16,000 in agriculture, cattle farming, hydraulic resources, continuing education, forestry development, forest planting, fauna, natural reserve and eco-tourism.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 2: (Continued)

On July 2, 2008, a memorandum of understanding was executed by which the concession agreement mentioned in Note 22 was renegotiated.

The value of these assets does not exceed their estimated recoverable value at the end of the period/fiscal year.

n. Provisions

- Allowance for doubtful accounts: this allowance was booked on the basis of a case-by-case analysis of the receivables portfolio recoverability.

- Provision for lawsuits and contingencies: it was booked to cover possible labor and commercial contingencies and other risks that could generate obligations for the Company. The Company's external legal counsel's opinion was taken into account to estimate the amounts and possibility of occurrence. In addition, the insurance purchased by the Company has also been taken into account.

The evolution of provisions during the period/fiscal year is detailed in Schedule E.

At the date of issuance of these financial statements, the Company's Management understands that there are no elements to foresee other potential contingencies having a negative impact in these financial statements.

o. Shareholders' equity

Amounts of shareholders' equity accounts have been restated following the guidelines detailed in Note 1.b.

The Capital Stock account has been stated at historical nominal value. The difference between the value restated in constant pesos and the historical nominal value has been disclosed in the account inflation adjustment to capital stock in the shareholders' equity.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 2: (Continued)

p. Treasury stock

The acquisition cost of treasury stock has been debited from the account Reserve for new developments as provided by sec. 220, subsec. 2, Law No. 19,550.

Likewise, the Common stock account was debited for the face value of purchased shares and the Inflation adjustment of common stock account, for the proportional portion of the adjustment for inflation related to the shares acquired. In turn, the accounts Treasury stock and Inflation adjustment of treasury stock were respectively credited (Note 19).

q. Paid-in capital

- Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: Increases or decreases of the equity value of investments in IRSA and Cactus generated on the basis of changes in their shareholders' equity, arising from transactions of shareholders different from the Company and its subsidiaries, were included in this caption as established in caption 9 second part of Technical Resolution No. 17 of the FACPCE and Resolution CD No. 243/01 of the CPCECABA.

- Options issued: the value of options issued by the Company, which was determined as provided in Note 16, has been allocated to the account Paid-in Capital.

r. Conversion of financial statements of companies located abroad

- Not integrated companies

Assets and liabilities of the companies located abroad were converted to Argentine pesos using the exchange rate effective as of the period/year-end. Income statement accounts have been converted by using the average exchange rate for the period. Exchange differences have been appropriated to the shareholders' equity in the Translation differences account.

BrasilAgro and the indirect interests in companies located in Bolivia and Paraguay are considered to be not integrated.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 2: (Continued)

The foreign companies previously mentioned have been classified as not integrated to the Company's operations because they are engaged in agricultural exploitation, developing its operations entirely carried out abroad, with a considerable degree of autonomy from the Company.

Likewise, the conversion difference resulting from our indirect interest in foreign companies through our subsidiary IRSA is included.

- Integrated companies

Assets and liabilities denominated in foreign-currency at the closing date of the company located abroad were converted into Argentine pesos using the exchange rate prevailing as of the period/year-end. Assets and liabilities denominated in foreign currency prior-year end of the company located abroad were converted into Argentine pesos using the respective historical exchange rates. Income statement accounts have been converted by using the average exchange rate for the period. Translation differences have been allocated to the Gain on equity investees from the Statements of Income.

The indirect interest in the company located in Uruguay is considered to be integrated.

The foreign company previously mentioned has been qualified as integrated with the Company transactions because it conducts its operations with a considerable degree of dependence and they are financed by funds from the Company.

s. **Results for the period**

Production income has been determined based on quantitative and qualitative changes of stocks subject to the biological transformation process measured from the beginning of the year to the closing date of these financial statements.

Grain, cattle and milk production cost is calculated to reflect production income is reflected in Schedule F.2.

The sales revenues are booked when the products are liquidated by the customers.

Cost of sales is determined considering the NRV of products in the month in which they are sold.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 2: (Continued)

The adjustment for valuation to NRV of grain has been calculated as the difference between the production value at NRV upon harvesting and the value of the same production valued at NRV as of the closing date of these financial statements.

Unrealized gain (loss) on inventories – Beef Cattle is disclosed in a line of the Statements of Income and Schedules F.1 and F.2.

The results generated by futures and options on the Futures Market are recognized under – Unrealized gain (loss) on inventories – Crops, raw materials and MAT – on the Statements of Income. The results of closed positions are recognized as a difference between the exercise price and their close year; and the results of open positions are recognized at the period-end, as the difference between their exercise price and the market price for futures, and as a difference between the exercise premium and the market price for options in the same condition.

The charges for consumption of assets were determined based on the values of such assets. The rest of the results for the period is disclosed at incurred cost.

Financial results, segregated into that generated by assets and by liabilities, are disclosed in the Statements of Income.

t. Income tax

The Company has recognized the income tax on the basis of the deferred tax method, thus considering temporary differences between registration of assets and liabilities for accounting and tax purposes. The principal temporary differences originate in the valuation of beef cattle and the sale and replacement of fixed assets.

In order to determine deferred assets and liabilities the tax rate expected to be in effect at the temporary of reversal or use has been applied on the temporary differences identified and tax loss carryforwards, considering the laws enacted as of the date of issuance of these financial statements (35%) (Note 6).

Assets and liabilities generated by the application of the deferred tax method have been valued at face value.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 2: (Continued)u. Minimum presumed income tax

The Company determines the minimum presumed income tax applying the prevailing rate of 1% on computable assets at period-end. This tax is supplementary to the income tax. The Company's tax liability for each period/year will be the higher of these two taxes.

However, if the minimum presumed income tax exceeds the income tax in any fiscal year, such excess may be computed as payment on account of the income tax that may be payable in any of the following 10 (ten) fiscal years.

The Company has recognized the minimum presumed income tax accrued in the period and paid in previous years as a credit, because it considers that it may be computed as payment on account of income tax in future periods.

v. Issuance of debt expenses

Expenses incurred in connection with the issuance of debt are amortized over the life of the related issuances. In the case of redemption or conversion of these notes, the related expenses are amortized using the accelerated amortization method.

Amortizations have been recorded under Financial results, net in the Statements of Income as a greater financing expense

NOTE 3: COMMON AND TREASURY STOCK

The activity in the Company's shares during the last three financial years was as follows:

| | Authorized Face value | Subscribed Face value | Paid-in Face value |
|--|--------------------------|--------------------------|-----------------------|
| Common and treasury stock as of June 30, 2008 | 501,531,865 | 501,531,865 | 501,531,865 |
| Exercise of Options (Note 16) - Fiscal Year 2009 | 6,745 | 6,745 | 6,745 |
| Exercise of Options (Note 16) - Fiscal Year 2010 | 21,898 | 21,898 | 21,898 |
| Common and treasury stock as of September 30, 2010 (1) | 501,560,508 | 501,560,508 | 501,560,508 |

(1) As of September 30, 2010, there are 5,000,754 own treasury shares that were acquired during the previous fiscal year. As of September 30, 2010, the capital authorized to be publicly offered is formed of 501,560,508 common, book-entry shares of Ps. 1 par value each and entitled to one vote per share.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)
(in thousands of pesos)

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

NOTE 4: DERIVATIVE FINANCIAL INSTRUMENTS

As of September 30, 2010 the Company had arranged futures and options on the Futures Market as follows:

| Cereal / Currency | Tons | Margins | Premium paid or (collected) | Premium at fair value | Gain (loss) for valuation at period-end at fair value |
|-----------------------|---------------|--------------|-----------------------------------|-----------------------------|--|
| <u>Futures</u> | | | | | |
| Purchase | | | | | |
| Soybean | 816 | | | | 110 |
| US\$ | | | | (a) | (319) |
| Sell | | | | | |
| Corn | 11,600 | 318 | | | (622) |
| Soybean | 27,900 | 1,094 | | | (3,939) |
| Wheat | 1,000 | 27 | | | (98) |
| US\$ | | | | (b) | 700 |
| <u>Options</u> | | | | | |
| Purchase Call | | | | | |
| Soybean | 28,900 | 1,662 | (899) | (3,578) | (2,679) |
| Corn | 6,200 | 198 | (129) | (364) | (235) |
| Wheat | 500 | 6 | (13) | (4) | 9 |
| Sell Put | | | | | |
| Corn | 2,400 | (49) | 45 | 52 | 7 |
| Soybean | 5,500 | (93) | 175 | 89 | (86) |
| Wheat | 500 | (3) | 13 | 13 | |
| Total | 85,316 | 3,160 | (808) | (3,792) | (7,152) |

(a) Corresponds to a future of purchase of US\$ 7.1 million in Santander Río bank with mature date on December 15, 2010. Loss generated as of September 30, 2010 is included in Financial Results of the Statement of Income.

(b) Corresponds to a future of sell of US\$ 7.1 million in Santander Río bank with mature date on December 15, 2010. Gain generated as of September 30, 2010 is included in Financial Results of the Statement of Income.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 4: (Continued)

As of September 30, 2009 the Company had arranged futures and options on the Futures Market as follows:

| Cereal / Currency | Tons | Margins | Premium paid or (collected) | Premium at fair value | Gain (loss) for valuation at period-end at fair value |
|-----------------------|----------------|--------------|-----------------------------------|-----------------------------|---|
| <u>Futures</u> | | | | | |
| Sell | | | | | |
| Corn | 900 | 24 | | | 72 |
| Soybean | 36,200 | 1,377 | | | 3,246 |
| Wheat | 10,000 | 266 | | | (524) |
| US\$ | | | | (a) | 4,490 |
| <u>Options</u> | | | | | |
| Purchase Call | | | | | |
| Soybean | 10,880 | | 540 | 17 | (523) |
| Sell Call | | | | | |
| Soybean | 20,920 | 505 | (789) | (265) | 524 |
| Corn | 9,500 | 141 | (132) | (49) | 83 |
| Purchase Put | | | | | |
| Soybean | 10,880 | | 408 | 195 | (213) |
| Sell Put | | | | | |
| Soybean | 4,760 | | (76) | (48) | 28 |
| Total | 104,040 | 2,313 | (49) | (150) | 7,183 |

(a) Corresponds to: a future of Sell of US\$ 19.5 million composed of: (i) US\$ 5 million and US\$ 3.5 million with Standard Bank due on March 31, 2010 and April 30, 2010 respectively; (ii) US\$ 2 million with Itau Bank due on April 30, 2010; and (iii) two of US\$ 4.5 million with APSA due on December 31, 2009. Gain generated as of September 30, 2009 is shown within Financial results of the Statement of Income.

Crops: As of September 30, 2010 and 2009 the Company recognized results of Ps. 12,250 (loss) and Ps. 1,850 (income), respectively, to reflect the closing of the transactions carried out during such periods. This results are disclosed as part of the line Unrealized gain (loss) on inventories Crops, raw materials and MAT in the Statements of Income.

Edgar Filing: CRESUD INC - Form 6-K

US Dollars: As of September 30, 2010 and 2009 the Company recognized results Ps. 324 (income) and Ps. 4,366 (income), respectively, for those transactions carried out during such periods. These results are disclosed as part of the line Financial Results Generated by assets Other unrealized gain in the Statements of Income.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 5: MANAGEMENT AGREEMENT

The Company signed a management agreement with Dolphin Fund Management S.A. (now called Consultores Asset Management S.A.), for consulting in relation to livestock and farming activities, serving as an intermediary in transactions and investment consulting in relation to security investments.

In exchange for its services, such company will receive a payment equivalent to 10% of the net income resulting from the annual or the special financial statements.

Since certain directors of Cresud are also executive directors and shareholders of Dolphin Fund Management S.A., the above-mentioned agreement was approved by the Extraordinary Shareholders' Meeting held on October 25, 1994, in compliance with Section No. 271 of Law No. 19,550.

In November 2003, Dolphin Fund Management S.A. was divided into two companies: Consultores Asset Management S.A. and Dolphin Fund Management S.A. As from that moment the management agreement is held by Consultores Asset Management S.A.

The financial statements as of September 30, 2010 and 2009 include a charge in the Statements of Income by this concept for Ps. 5,761 and Ps. 6,803 respectively.

NOTE 6: INCOME TAX DEFERRED TAX

The evolution and composition of deferred tax assets and liabilities, during the three-month period ended September 30, 2010 are detailed in the following table:

| | Cumulative tax loss carryforwards | Cash in foreign currency | Investments | Fixed Assets | Inventories | Provisions | Total |
|------------------------------|--|---|--------------------|-------------------------|--------------------|-------------------|--------------|
| Balance as of June 30,2010 | 13,365 | (38) | | (49,091) | (42,214) | 4,548 | (73,430) |
| Incorporated by merger | 638 | 496 | | 161 | | | 1,295 |
| Gain (loss) recognized | 4,810 | (475) | | (19,086) | (2,962) | 2,972 | (14,741) |
| Balance as of September,2010 | 18,813 | (17) | | (68,016) | (45,176) | 7,520 | (86,876) |

As of September 30, 2010, net liabilities at period-end as per the information included in the preceding table amount to Ps. 86,876.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 6: (Continued)

The evolution and composition of deferred tax assets and liabilities, during the fiscal year ended June 30, 2010 are detailed in the following table:

| | Cumulative tax loss carryforwards | Cash in foreign currency | Investments | Fixed Assets | Inventories | Provisions | Total |
|------------------------|--|---|--------------------|-------------------------|--------------------|-------------------|--------------|
| Initial Balance | 261 | (437) | | (43,603) | (21,795) | 302 | (65,272) |
| Incorporated by merger | | | (8) | (95) | (929) | 510 | (522) |
| Gain (loss) recognized | 13,104 | 399 | 8 | (5,393) | (19,490) | 3,736 | (7,636) |
| Closing balance | 13,365 | (38) | | (49,091) | (42,214) | 4,548 | (73,430) |

As of June 30, 2010, net liabilities at year-end as per the information included in the preceding tables amount to Ps. 73,430.

The Company in accordance with the accounting standards has decided not to recognize the deferred income tax liability generated by the effect of the adjustment for inflation on the fixed assets and other non-monetary assets, which as of the end of the period amounts to Ps. 80,040. The above-mentioned liability would probably be reverted according to the detail that follows:

| Term | Total |
|--------------|---------------|
| 1 year | 4,559 |
| 2 years | 4,089 |
| 3 years | 4,088 |
| Over 3 years | 56,437 |
| No term | 10,867 |
| Total | 80,040 |

Cumulative tax loss carryforwards recorded by the Company which are pending of utilization at period-end amount to approximately Ps. 53,750 and may be offset by taxable income of future years, as follows:

| Origination year | Amount | Expiration year |
|-------------------------|---------------|------------------------|
| 2009 | 2,213 | 2014 |

Edgar Filing: CRESUD INC - Form 6-K

| | | |
|------|--------|------|
| 2010 | 37,796 | 2015 |
| 2011 | 13,741 | 2016 |

108

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)
(in thousands of pesos)

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

NOTE 6: (Continued)

Minimum presumed income tax credits booked by the Company, which were pending to use as of the period-end, amount to Ps. 34,354 and under current regulations, they may be offset by taxable income for future years according to the following detail:

| Origination year | Amount | Expiration Year |
|------------------|--------|-----------------|
| 2005 | 2 | 2015 |
| 2006 | 1,964 | 2016 |
| 2007 | 5,401 | 2017 |
| 2008 | 10,796 | 2018 |
| 2009 | 6,247 | 2019 |
| 2010 | 7,753 | 2020 |
| 2011 | 2,191 | 2021 |

Below there is a reconciliation between the income tax recognized and that which would result from applying the prevailing tax rate on the Net Income for accounting purposes:

| Description | September 30, 2010 | September 30, 2009 |
|---|-----------------------|-----------------------|
| Net income before income tax | 66,591 | 54,123 |
| Tax rate | 35% | 35% |
| Net income at tax rate | 23,307 | 18,943 |
| Permanent differences at tax rate: | | |
| Restatement into constant currency | 1,962 | 31 |
| Donations | 16 | 1 |
| Results from equity investees companies | (11,509) | (27,115) |
| Shareholders personal asset tax | 770 | 711 |
| Miscellaneous permanent differences | 195 | (275) |
| Income tax expense | 14,741 | (7,704) |

During this period the income tax rate was 35%.

A reconciliation between the tax recognized and that which was determined tax for fiscal purposes is as follows:

Edgar Filing: CRESUD INC - Form 6-K

| Description | September 30, 2010 | September 30, 2009 |
|------------------------------------|-----------------------|-----------------------|
| Total income tax expense | 14,741 | (7,704) |
| <u>Transitory differences</u> | | |
| - <u>Additions</u> | | |
| Cumulative tax loss carry-forwards | 4,810 | 6,823 |
| Cash in foreign currency | (475) | 492 |
| Investments | | 8 |
| Fixed assets | (19,086) | 78 |
| Inventories | (2,962) | 220 |
| Provisions | 2,972 | 83 |

Total income tax determined for fiscal purposes

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 7: BALANCES AND RESULTS WITH SUBSIDIARIES, RELATED COMPANIES LAW No. 19,550 SECTION 33 AND RELATED PARTIES:

a. Balances as of September 30, 2010 and 2009 and June 30, 2010 with subsidiaries, related companies and related parties are as follows:
As of September 30, 2010:

| | Current Investments | Non-current Investments | Current Trade accounts receivable | Current Other receivables | Non-Current Other receivables | Current Trade accounts payable | Current Other liabilities |
|---|------------------------|----------------------------|--|---------------------------------|-------------------------------------|--------------------------------------|------------------------------|
| Acres (1) | | | 262 | 6 | 264 | | |
| Agro Uranga S.A. (2) | | | | | | | (101) |
| APSA (1) | 606 | 10,283 | | 26,772 | | | (18,520) |
| Banco Hipotecario S.A. (2) | | | | | | (12) | |
| Cactus (2) | | | 322 | 14 | | (223) | |
| Consultores Asset Management S.A. (3) | | | 94 | | | | (8,028) |
| Cresca S.A. (4) | | | 533 | | | | |
| Cyrsa S.A. (4) | | | 21 | | | (46) | |
| Directors (3) | | | | 191 | | | (606) |
| Estudio Zang, Bergel & Viñes (3) | | | | | | (325) | |
| Fundación IRSA (3) | | | | | | | (1,073) |
| FyO.Com (1) | | | 35,133 | 46 | | (9,799) | (926) |
| Inversiones Financieras del Sur S.A. (3) | | | 5 | | | | |
| IRSA (1) | 1,860 | 74,944 | | 12,715 | | | (43,548) |
| Northagro S.A. (1) | | | | 317 | | | |
| Nuevas Fronteras S.A. (1) | | | | | | (3) | |
| Ombú (1) | | | | | 7,650 | | |
| Panamerican Mall (1) | | | | | | (5) | |
| Pluriagro S.A. (1) | | | | 317 | | | |
| Credits to employees (3) | | | | 785 | | | |
| Tarshop S. A. (1) | | | 167 | | | | |
| Yatay (1) | | | | | 3,935 | | |
| Yuchán (1) | | | | | 5,261 | | |
| Total | 2,466 | 85,227 | 36,537 | 41,163 | 17,110 | (10,413) | (72,802) |

- (1) Direct or indirect subsidiary
- (2) Related companies
- (3) Related parties
- (4) Direct or indirect common control

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 7: (Continued)

As of June 30, 2010:

| | Current Investments | Non-current Investments | Current Trade accounts receivable | Current Other receivables | Non-Current Other receivables | Current Trade accounts payable | Current Other liabilities |
|--|------------------------|----------------------------|--|---------------------------------|-------------------------------------|--------------------------------------|------------------------------|
| Acres (1) | | | 61 | | | | |
| Agro Uranga S.A. (2) | | | | 39 | | (3) | |
| Aguaribay (1) | | | | | 131 | | |
| ANTA (1) | | | 1,574 | | | (1) | |
| APSA (1) | 215 | 9,847 | | 16,230 | | (6,019) | |
| Banco Hipotecario S.A. (2) | | | | | | (9) | |
| BrasilAgro (2) | | | | | | (8) | |
| Cactus (2) | | | 286 | | | (542) | |
| Caldén (1) | | | | | 131 | | |
| Consultores Asset Management S.A. (3) | | | 101 | | | | (7,267) |
| Cresca S.A. (4) | | | 364 | | | | |
| Cyrsa S.A. (4) | | | 21 | | | (46) | |
| Directors (3) | | | | | | | (582) |
| Estudio Zang, Bergel & Viñes (3) | | | | | | (132) | |
| Fundación IRSA (3) | | | | | | | (1,073) |
| FyO.Com (1) | | | 28,645 | 24 | | (9,649) | |
| IGSA (1) | | | 30 | | | | |
| IRSA (1) | 4,616 | 72,174 | | 6,748 | | (3,604) | (32,917) |
| Itín (1) | | | | | 2,926 | | |
| Nuevas Fronteras S.A. (1) | | | | | | (3) | |
| Ñandubay (1) | | | | | 2,396 | | |
| Ombú (1) | | | | | 2,177 | | |
| Credits to employees (3) | | | | 551 | | | |
| Tarshop S. A. (1) | | | 678 | | | | |
| Yatay (1) | | | | | 3,857 | | |
| Yuchán (1) | | | | | 5,157 | | |
| Total | 4,831 | 82,021 | 31,760 | 23,592 | 16,775 | (20,016) | (41,839) |

(1) Direct or indirect subsidiary

- (2) Related companies
- (3) Related parties
- (4) Direct or indirect common control

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 7: (Continued)

As of September 30, 2009:

| | Current Investments | Non-current Investments | Current Trade accounts receivable | Current Other receivables | Current Trade accounts payable | Current Other liabilities |
|---------------------------------------|------------------------|----------------------------|--|---------------------------------|--------------------------------------|------------------------------|
| Agrology S.A. (1) | | | 189 | | | |
| Acres (1) | | | 1,969 | | | |
| ANTA (1) | | | | | (1,782) | |
| APSA (1) | 588 | 8,583 | | 1,801 | (604) | |
| BrasilAgro (2) | | | 17 | | | |
| Cactus (2) | | | | 11 | (716) | |
| Consultores Asset Management S.A. (3) | | | 105 | | | (586) |
| Cresca S.A. (4) | | | | 442 | | |
| Cyrsa S.A. (4) | | | | | (30) | |
| Directors (3) | | | | | | (273) |
| Estudio Zang, Bergel & Viñes (3) | | | | | (508) | |
| Fundación IRSA (3) | | | | | | (1,073) |
| FyO.Com (1) | | | 9,213 | 24 | | |
| Helmir S.A. (1) | | | 23 | | | |
| IBOSA (1) | | | | | (660) | |
| IRSA (1) | 1,805 | 64,117 | | | (471) | |
| Credits to employees (3) | | | | 135 | | |
| Shopping Alto Palermo | | | | | (2) | |
| Tarshop S. A. (1) | | | 204 | | | |
| Total | 2,393 | 72,700 | 11,720 | 2,413 | (4,773) | (1,932) |

- (1) Direct or indirect subsidiary
- (2) Related companies
- (3) Related parties
- (4) Direct or indirect common control

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 7: (Continued)

b. Gain and losses provided by subsidiaries, related companies and related parties corresponding to the periods ended September 30, 2010 and 2009 are as follows:

As of September 30, 2010:

| | Sales and fees for shared services | Salaries and wages | Fees | Beef cattle expenses | Interest Gain (loss) | Administration services | Others |
|---------------------------------------|--|-----------------------|----------------|-------------------------|----------------------------|----------------------------|--------------|
| Acres (1) | | | | | | 198 | |
| APSA (1) | 9,295 | | | | 389 | | |
| Cactus (2) | | | | (928) | | 26 | 3 |
| Consultores Asset Management S.A. (3) | | | (5,761) | | | | |
| Cresca S.A. (4) | | | | | | 231 | |
| Estudio Zang, Bergel & Viñes (3) | | | (433) | | | | |
| FyO.Com (1) | | | | | 51 | | (163) |
| IRSA (1) | 3,990 | | | | 2,330 | | (169) |
| Ombú (1) | | | | | 96 | | |
| Tarshop S.A. (1) | 142 | | | | | | |
| Yatay (1) | | | | | 50 | | |
| Yuchán (1) | | | | | 67 | | |
| Total | 13,427 | | (6,194) | (928) | 2,983 | 455 | (329) |

(1) Direct or indirect subsidiaries

(2) Related companies

(3) Related parties

(4) Direct or indirect common control

As of September 30, 2009:

| | Sales and fees for shared services | Salaries and wages | Fees | Beef cattle expenses | Interest Gain (loss) | Administration services | Others |
|--|--|-----------------------|------|-------------------------|----------------------------|----------------------------|--------|
|--|--|-----------------------|------|-------------------------|----------------------------|----------------------------|--------|

Edgar Filing: CRESUD INC - Form 6-K

| | | | | | | | |
|---------------------------------------|-------|---------|---------|-------|-------|----|---------|
| ANTA (1) | | | | | | | (3,527) |
| APSA (1) | (89) | | | 378 | | | 1,558 |
| Cactus (2) | | | (851) | 9 | 42 | | 1 |
| Consultores Asset Management S.A. (3) | | (6,803) | | | | | |
| Directors (3) | (132) | | | | | | |
| Estudio Zang, Bergel & Viñes (3) | | (129) | | | | | |
| FyO.Com (1) | | | | 123 | | | (139) |
| IBOSA (1) | | | | | (9) | | (462) |
| IRSA (1) | (229) | | | 2,706 | | | |
| Credits to employees (3) | | | | 1 | | | |
| Tarshop S.A. (1) | 33 | | | | | | |
| Total | (285) | (132) | (6,932) | (851) | 3,217 | 33 | (2,569) |

- (1) Direct or indirect subsidiaries
- (2) Related companies
- (3) Related parties

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 8: DETAILS OF BALANCE SHEET AND STATEMENT OF INCOME ACCOUNTS

As of September 30, 2010 and 2009, and June 30, 2010 the principal items of the financial statements are as follows:

a. Cash and banks

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| The breakdown for this item is as follows: | | | |
| Cash in local currency | 117 | 110 | 100 |
| Cash in foreign currency (Schedule G) | 44 | 55 | 67 |
| Local currency checking account | 2,444 | 2,884 | 2,951 |
| Foreign currency checking account (Schedule G) | 17,855 | 477 | 1,014 |
| Local currency saving account | 423 | 125 | 124 |
| Foreign currency saving account (Schedule G) | 219 | 159 | 204 |
| Checks to be deposited | | | 732 |
| | 21,102 | 3,810 | 5,192 |

b. Investments

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| The breakdown for this item is as follows: | | | |
| Temporary investments | | | |
| Temporary investments (Schedules C and G) | 75,099 | 24,631 | 5,282 |
| | 75,099 | 24,631 | 5,282 |
| Long term investments in other companies | | | |
| Investments on investees (Note 13 and Schedule C) | 1,780,064 | 1,800,764 | 1,595,643 |
| | 1,780,064 | 1,800,764 | 1,595,643 |
| Other investments | | | |
| Other investments (Schedules C and G) | 85,248 | 82,042 | 72,721 |
| | 85,248 | 82,042 | 72,721 |

c. Trade accounts receivable, net

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| The breakdown for this item is as follows: | | | |
| Current | | | |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 7 and Schedule G) | 36,537 | 31,760 | 11,720 |
| Trade accounts receivable (Schedule G) | 43,180 | 44,010 | 20,304 |
| Trade accounts receivable real estate (Schedule G) | 3,920 | 2,821 | 7,382 |
| Trade accounts receivable under legal proceedings | 322 | 341 | 341 |
| Checks to be deposited | 428 | 7,190 | |
| Less: | | | |
| Allowance for doubtful accounts (Schedule E) | (670) | (630) | (501) |
| | 83,717 | 85,492 | 39,246 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)
(in thousands of pesos)

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

NOTE 8: (Continued)**d. Other receivables**

The breakdown for this item is as follows:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Current | | | |
| VAT receivables, net | 24,031 | 15,506 | 32,732 |
| Income tax credit and advances | | 6,444 | 5,093 |
| Minimum presumed income tax credit | 8,266 | | 3,729 |
| Prepaid leases | 28,907 | 4,823 | 15,176 |
| Prepaid expenses | 5,941 | 3,816 | 355 |
| Guarantee deposits (Note 4 and Schedule G) | 3,160 | 2,611 | 2,369 |
| Subsidiaries, related companies Law No. 19,550 | | | |
| Section 33 and related parties (Note 7 and Schedule G) | 41,163 | 23,592 | 2,413 |
| Operations to liquidate | 770 | 512 | |
| Gross sales tax credit | 1,263 | 469 | 431 |
| Premiums paid (Note 4 and Schedule G) | 154 | | 212 |
| Others | 3,000 | 4,143 | 3,261 |
| | 116,655 | 61,916 | 65,771 |
| Non-current | | | |
| Minimum presumed income tax | 34,354 | 30,763 | 23,551 |
| Subsidiaries, related companies Law No. 19,550 | | | |
| Section 33 and related parties (Note 7) | 17,110 | 16,775 | |
| VAT receivables, net | 14,013 | 12,676 | 7,103 |
| | 65,477 | 60,214 | 30,654 |

e. Inventories

The breakdown for this item is as follows:

| September 30, 2010 | June 30, 2010 | September 30, 2009 |
|-----------------------|------------------|-----------------------|
|-----------------------|------------------|-----------------------|

Edgar Filing: CRESUD INC - Form 6-K

| | | | |
|----------------------|---------|---------|--------|
| Current | | | |
| Unharvested crops | 10,506 | 11,166 | 5,401 |
| Materials and others | 58,031 | 28,222 | 35,299 |
| Beef cattle | 21,774 | 16,053 | 21,753 |
| Crops | 35,021 | 41,566 | 19,041 |
| Seeds and fodder | 2,356 | 3,447 | 2,068 |
| | 127,688 | 100,454 | 83,562 |
| Non-Current | | | |
| Beef cattle | 140,739 | 141,602 | 72,174 |
| | 140,739 | 141,602 | 72,174 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 8: (Continued)**f. Trade accounts payable**

The breakdown for this item is as follows:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Current | | | |
| Suppliers (Schedule G) | 45,594 | 40,280 | 23,763 |
| Provisions for inputs and other expenses (Schedule G) | 19,424 | 20,503 | 25,585 |
| Subsidiaries, related companies Law No. 19,550 | | | |
| Section 33 and related parties (Note 7 and Schedule G) | 10,413 | 20,016 | 4,773 |
| Provision for harvest expenses | 725 | 2,327 | 156 |
| | 76,156 | 83,126 | 54,277 |

g. Short-term debts

The breakdown for this item is as follows:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|---|-----------------------|------------------|-----------------------|
| Current | | | |
| Bank loans (Schedule G) | 154,185 | 118,123 | 121,860 |
| Interests payable - Bank loans (Schedule G) | 437 | 2,054 | 774 |
| Bank overdrafts | 243,547 | 292,781 | 49,585 |
| Interests payable - Bank overdrafts | 6,584 | 1,029 | 4,339 |
| Non-convertible Notes Class I (Note 20 and Schedule G) | | | 15,500 |
| Non-convertible Notes Class II (Note 20 and Schedule G) | | 35,251 | 34,461 |
| Interest payable-Non-convertible Notes (Note 20 and Schedule G) | 1,991 | 153 | 252 |
| Expenses of Non-convertible Notes issuance (Note 20) | (469) | (80) | (500) |
| | 406,275 | 449,311 | 226,271 |

Edgar Filing: CRESUD INC - Form 6-K

| | |
|---|---------|
| Non Current | |
| Non-convertible Notes Class III (Note 20) | 35,650 |
| Non-convertible Notes Class IV (Note 20 and Schedule G) | 70,655 |
| Expenses of Non-convertible Notes issuance (Note 20) | (351) |
| | 105,954 |

h. Salaries and social security payable

The breakdown for this item is as follows:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Provision for vacations and annual bonus | 8,389 | 20,467 | 2,721 |
| Social security payable | 5,858 | 2,683 | 1,728 |
| Salaries payable | 72 | | |
| Health care payable | 2,918 | 180 | 584 |
| | 17,237 | 23,330 | 5,033 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)
(in thousands of pesos)

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

NOTE 8: (Continued)**i. Taxes payable**

The breakdown for this item is as follows:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Current | | | |
| Minimum presumed income tax, net (Note 2.u.) | 1,489 | 2,530 | |
| Moratorium - Minimum presumed income tax | | | 883 |
| Gross sale tax payable | 774 | 921 | 256 |
| Taxes withheld for income tax | 4,392 | 799 | 1,204 |
| Tax on shareholders' personal assets | 2,505 | 305 | 2,337 |
| Others | 19 | 104 | 78 |
| | 9,179 | 4,659 | 4,758 |
| Non-Current | | | |
| Deferred income tax (Note 6) | 86,876 | 73,430 | 58,090 |
| Minimum presumed income tax (Note 2.u.) | 2,192 | | |
| Moratorium- Tax on personal shareholder's assets | 2,315 | 2,392 | 2,620 |
| | 91,383 | 75,822 | 60,710 |

j. Other liabilities

The breakdown for this item is as follows:

| | September 30, 2010 | June 30, 2010 | September 30, 2009 |
|--|-----------------------|------------------|-----------------------|
| Current | | | |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties. (Note 7 and Schedule G) | 64,774 | 34,572 | 1,346 |

Edgar Filing: CRESUD INC - Form 6-K

| | | | |
|--|--------|--------|-------|
| Management fee provision (Notes 5 and 7) | 8,028 | 7,267 | 586 |
| Premiums collected (Note 4 and Schedule G) | 3,946 | 595 | 362 |
| Operations to liquidate | 319 | 178 | |
| Others | 54 | | |
| | 77,121 | 42,612 | 2,294 |

Non-Current

| | | | |
|---|-------|-------|--|
| Advances for concession rights (Note 13.1.a. and Schedule G) | 3,222 | 3,166 | |
| Interest in Subsidiaries, related companies Law No. 19,550 Section 33, and related parties (Schedule C) | 624 | | |
| Others | 172 | | |
| | 4,018 | 3,166 | |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)
(in thousands of pesos)

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

NOTE 8: (Continued)**k. Financial results**

The breakdown for this item is as follows:

| | September 30, 2010 Gain (loss) | September 30, 2009 Gain (loss) |
|---|--------------------------------------|--------------------------------------|
| Generated by assets | | |
| Interest Income | | |
| Interest income | 3,501 | 3,312 |
| Interest for discount of assets | 754 | 1,114 |
| | 4,255 | 4,426 |
| Other unrealized gain | | |
| Gain on hedging | 324 | 4,366 |
| Financial result of IRSA s and APSA s non-convertible notes | 2,156 | 2,059 |
| Tax on bank account operations | (2,057) | (1,417) |
| Unrealized gain and results of securities operations | 61 | 113 |
| | 484 | 5,121 |
| Generated by liabilities | | |
| Interest loss | | |
| Bank loans and other liabilities | (9,082) | (7,430) |
| Interest of non-convertible notes | (2,512) | (252) |
| | (11,594) | (7,682) |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)
(in thousands of pesos)

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

NOTE 8: (Continued)**I. Gain on equity investees**

The breakdown for this item is as follows:

| | September 30, 2010 Gain/(loss) | September 30, 2009 Gain/(loss) |
|--|---|---|
| IRSA | | |
| - Result equity method | 28,433 | 66,030 |
| - Amortization of negative goodwill | 7,519 | 9,053 |
| - Elimination of amortization of IRSA s and APSA s non- convertible notes issuance expenses (1) | 54 | 54 |
| - Accrued financial results of IRSA s and APSA s non-convertible notes (1) | (2,156) | (2,059) |
| - Elimination of exchange difference of IRSA s and APSA s non-convertible notes (1) | 57 | 450 |
| - Amortization of higher values | (4,455) | (2,915) |
| BrasilAgro | | |
| - Result equity method | 340 | 602 |
| - Amortization of negative goodwill | 1,525 | 1,128 |
| Cactus | | |
| - Result equity method | (2,675) | (343) |
| Agro-Uranga S.A. | | |
| - Result equity method | 515 | (342) |
| IGSA | | |
| - Result equity method | | (13) |
| ANTA | | |
| - Result equity method | | (853) |
| - Amortization of concession right | | (175) |
| - Amortization of three plantations (wood) | | (32) |
| FyO.Com | | |
| - Result equity method | (532) | (94) |
| Agrology S.A. | | |
| - Result equity method | 2,180 | 5,197 |
| - Amortization of pre-operative expenses | (76) | (75) |
| EAASA | | |
| - Result equity method | (25) | |
| Acres | | |
| - Result equity method | (57) | |

Edgar Filing: CRESUD INC - Form 6-K

| | | |
|------------------------|--------|--------|
| Ombú | | |
| - Result equity method | (15) | |
| Yatay | | |
| - Result equity method | (9) | |
| Yuchán | | |
| - Result equity method | (12) | |
| Northagro S.A. | | |
| - Result equity method | (8) | |
| Pluriagro S.A. | | |
| - Result equity method | (8) | |
| | 30,595 | 75,613 |

(1) Corresponds to the acquisition of IRSA s and APSA s non-convertible notes acquired during the fiscal year ended June 30, 2009.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 9: EARNINGS PER SHARE

Following is presented a reconciliation between the weighted average of outstanding shares of common stock and the diluted weighted average of shares of common stock. As of September 30, 2010 and 2009, it has been determined considering the possibility that the holders of options issued by the Company exercise them in shares of common stock of the Company (see Note 16).

| | September 30, 2010 | September 30, 2009 |
|--|-----------------------|-----------------------|
| Weight average of outstanding shares of common stock | 496,559,754 | 471,538,610 |
| Diluted weighted average of shares of common stock | 558,914,922 | 530,781,517 |
| | September 30, 2010 | September 30, 2009 |
| Earnings for the calculation of basic earnings per share | 51,850 | 61,827 |
| Earnings for the calculation of diluted earnings per share | 51,850 | 61,827 |
| | September 30, 2010 | September 30, 2009 |
| BASIC Earnings per share | | |
| Earnings | 51,850 | 61,827 |
| Number of shares | 496,559,754 | 471,538,610 |
| Earnings per share | 0.10 | 0.13 |
| | September 30, 2010 | September 30, 2009 |
| DILUTED Earnings per share | | |
| Earnings | 51,850 | 61,827 |
| Number of shares | 558,914,922 | 530,781,517 |
| Earnings per share | 0.09 | 0.12 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 10:Assets based on their estimated collection term

| | Current and Non-Current Investments | | | Trade accounts receivable | | | Other receivables | | |
|-----------------------------------|--|------------------|-----------------------|---------------------------|------------------|-----------------------|-----------------------|------------------|-----------------------|
| | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 |
| Estimated collection term | | | | | | | | | |
| 2nd quarter 2010/2009 | | | 588 | | | 31,864 | | | 17,472 |
| 3rd quarter 2010/2009 | | | 1,805 | | | | | | 15,753 |
| 4th quarter 2010/2009 | | | | | | 4,719 | | | 13,253 |
| 1st quarter 2011/2010 | | 24,148 | | | 85,151 | 2,663 | | 36,081 | 3,505 |
| 2nd quarter 2011/2010 | 73,076 | 215 | | 79,475 | | | 65,387 | 7,354 | |
| 3rd quarter 2011/2010 | 1,860 | | | 3,920 | | | 1,338 | 3,381 | |
| 4th quarter 2011/2010 | | | | | | | 7,167 | 10,214 | |
| 1 st quarter 2012/2011 | | | | | | | 13,156 | | |
| 2 nd quarter 2012/2011 | | | | | | | 17,110 | 16,775 | |
| 3rd quarter 2017/2016 | 74,944 | 72,174 | 64,117 | | | | | | |
| 4th quarter 2017/2016 | 10,283 | 9,847 | 8,583 | | | | | | |
| With no stated current term | 163 | 268 | 2,889 | 322 | 341 | | 29,607 | 4,886 | 15,788 |
| With no stated non-current term | 21 | 21 | 21 | | | | 48,367 | 43,439 | 30,654 |
| Total | 160,347 | 106,673 | 78,003 | 83,717 | 85,492 | 39,246 | 182,132 | 122,130 | 96,425 |

Assets classified according to interest rate that they accrue

| | Current and Non-Current Investments | | | Trade accounts receivable | | | Other receivables | | |
|--------------------------------|--|------------------|-----------------------|---------------------------|------------------|-----------------------|-----------------------|------------------|-----------------------|
| | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 |
| Interest rate that they accrue | | | | | | | | | |
| At fixed interest rate | 85,227 | 82,021 | 72,700 | | 2,696 | 7,359 | 785 | 551 | 135 |
| At variable interest rate | 72,633 | 19,800 | 2,889 | | | | 16,960 | 16,509 | 56 |
| Non-interest bearing | 2,487 | 4,852 | 2,414 | 83,717 | 82,796 | 31,887 | 164,387 | 105,070 | 96,234 |
| Total | 160,347 | 106,673 | 78,003 | 83,717 | 85,492 | 39,246 | 182,132 | 122,130 | 96,425 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)
(in thousands of pesos)

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

NOTE 10 (Continued):Liabilities based on their estimated payment term

| Estimated payment term | Trade accounts payable | | | Short-term debts | | | Salaries and social security payable | | |
|---------------------------------|------------------------|---------------|--------------------|--------------------|----------------|--------------------|--------------------------------------|---------------|--------------------|
| | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 |
| 2nd quarter 2010/2009 | | | 54,277 | | | 50,562 | | | 4,020 |
| 3rd quarter 2010/2009 | | | | | | 33,589 | | | |
| 4th quarter 2010/2009 | | | | | | 68,733 | | | |
| 1st quarter 2011/2010 | | 83,126 | | | 139,956 | 19,463 | | 21,337 | 1,013 |
| 2nd quarter 2011/2010 | 76,156 | | | 33,571 | | | 10,282 | | |
| 3rd quarter 2011/2010 | | | | 11,175 | | | 3,390 | 1,993 | |
| 4th quarter 2011/2010 | | | | 111,398 | 15,545 | | | | |
| 1st quarter 2012/2011 | | | | | | | 3,565 | | |
| 2nd quarter 2012/2011 | | | | 29,448 | | | | | |
| 3rd quarter 2012/2011 | | | | 29,449 | | | | | |
| 4th quarter 2012/2011 | | | | 29,450 | | | | | |
| 1st quarter 2013/2012 | | | | 17,607 | | | | | |
| With no stated current term | | | | 250,131 | 293,810 | 53,924 | | | |
| With no stated non-current term | | | | | | | | | |
| Total | 76,156 | 83,126 | 54,277 | 512,229 | 449,311 | 226,271 | 17,237 | 23,330 | 5,033 |

| Estimated payment term | Taxes payable | | | Other liabilities | | | Provisions | | |
|-----------------------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|
| | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 |
| 2nd quarter 2010/2009 | | | 4,309 | | | 948 | | | |
| 3rd quarter 2010/2009 | | | 297 | | | 1,346 | | | |
| 4th quarter 2010/2009 | | | 76 | | | | | | |
| 1st quarter 2011/2010 | | 1,901 | 76 | | 8,622 | | | | |
| 2nd quarter 2011/2010 | 8,951 | 2,606 | | 77,079 | 33,990 | | | | |
| 3rd quarter 2011/2010 | 76 | 76 | | 14 | | | | | |
| 4th quarter 2011/2010 | 76 | 76 | | 14 | | | | | |
| 1st quarter 2012/2011 | 76 | | | 14 | | | | | |
| 2nd quarter 2012/2011 | | | | | | | | | |
| 3rd quarter 2012/2011 | | | | | | | | | |
| 4th quarter 2012/2011 | | | | | | | | | |
| 1st quarter 2013/2012 | | | | | | | | | |
| With no stated current term | | | | | | | | | |

Edgar Filing: CRESUD INC - Form 6-K

| | | | | | | | | | |
|---------------------------------|---------|--------|--------|--------|--------|-------|-------|-------|-------|
| With no stated non-current term | 91,383 | 75,822 | 60,710 | 4,018 | 3,166 | | 1,671 | 1,768 | 1,771 |
| Total | 100,562 | 80,481 | 65,468 | 81,139 | 45,778 | 2,294 | 1,671 | 1,768 | 1,771 |

Edgar Filing: CRESUD INC - Form 6-K

Liabilities classified according to interest rate that they accrue

| Interest rate that they accrue | Trade accounts payable | | | Short-term debts | | | Salaries and social security payable | | |
|--------------------------------|------------------------|---------------|--------------------|--------------------|---------------|--------------------|--------------------------------------|---------------|--------------------|
| | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 |
| At fixed interest rate | | | | 441,431 | 415,413 | 145,931 | | | |
| At variable interest rate | | | | 61,786 | 30,662 | 74,975 | | | |
| Non-interest bearing | 76,156 | 83,126 | 54,277 | 9,012 | 3,236 | 5,365 | 17,237 | 23,330 | 5,033 |
| Total | 76,156 | 83,126 | 54,277 | 512,229 | 449,311 | 226,271 | 17,237 | 23,330 | 5,033 |

| Interest rate that they accrue | Taxes payable | | | Other liabilities | | | Provisions | | |
|--------------------------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|
| | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 | September 30, 2010 | June 30, 2010 | September 30, 2009 |
| At fixed interest rate | | | | 31,680 | 31,448 | | | | |
| At variable interest rate | | | | | | | | | |
| Non-interest bearing | 100,562 | 80,481 | 65,468 | 49,459 | 14,330 | 2,294 | 1,671 | 1,768 | 1,771 |
| Total | 100,562 | 80,481 | 65,468 | 81,139 | 45,778 | 2,294 | 1,671 | 1,768 | 1,771 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 11: RESTRICTIONS ON DISTRIBUTION OF PROFITS

In accordance with the Argentine Corporations Law, the Company's by-laws and Resolution N° 368/2001 of the CNV, 5% of the net and realized profit for the fiscal year plus (less) prior fiscal year adjustments must be appropriated by resolution of shareholders to a legal reserve until such reserve equals 20% of the Company's outstanding capital.

NOTE 12: PURCHASE AND SALE OF FARMS

- a) On May 30, 2008, IRSA signed, in commission, a purchase agreement with transfer of possession for the purchase of 115 hectares from an establishment located in the District of Lujan, Province of Buenos Aires. The transaction was agreed at US\$ 3.0 million, paying the amount of US\$ 1.2 million on such date.

On December 13, 2008, the Company was formalized as principal to the transaction, the balance of US\$ 1.8 million was paid by this one by granting the title deed for such property, on March 11, 2010.

- b) On September 30, 2009, the entire mortgage related to the purchase of the San Pedro farm was settled by paying US\$ 1.8 million including interest.

- c) On June 15, 2010, the title deed for the sale of the establishment TALI SUMAJ (12,701 has.) located in the Province of Catamarca was executed. The transaction was agreed upon at US\$ 4.8 million, which was fully collected.

As to the closing date of these financial statements, the attachment-in-aid-of-execution in the case EXAGRIND S.A. Estancia San Rafael c/Tali Sumaj y Otros s/Daños y Perjuicios (Exagrind S.A. Estancia San Rafael vs. Tali Sumaj et al, in re: damages) , had not been lifted (Note 17), the Company pledged to carry out all the formalities in its care to have the attachment lifted or replacement, assuming to carry out all obligations derived from the possible conviction, ensuing court expense and other procedural costs, once the ruling on the case is entered. For such purpose, the Company provided a performance bond to secure its obligations on behalf of the purchaser.

- d) On September 3, 2010, the title deed and conveyance of ownership related to selling the establishment La Juanita located in the district of Trenque Lauquen, Province of Buenos Aires, with a surface of 4,302 hectares, was executed. The transaction was agreed upon at US\$ 18.0 million which: US\$ 4.5 million was collected on August 6, 2010, upon executing the purchase agreement; US\$ 12.5 million was collected upon executing the title deed and, the outstanding balance of US\$ 1.0 million, secured by a first degree mortgage, will be paid on January 10, 2011.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 12: (Continued)

Under this transaction, a loan for use agreement was executed in favor of the Company through January 10, 2011, on certain portion of the building, seeking to continue until such date with the productive activities carried out at the establishment.

NOTE 13: INVESTMENTS IN COMPANIES

1. Cresud International

a) BrasilAgro

The Company values the investment in BrasilAgro according to the equity method taking into account its significant influence that derives from its capacity to affect the operative and financial decisions considering their participation in the Board of Directors.

BrasilAgro was founded for the purpose of replicating Cresud's Business in Brazil. The Company will be mainly involved in four business lines keeping its focus on agricultural real estate: (i) sugar cane, (ii) crops and cotton, (iii) forestry activities, and (iv) livestock.

The BrasilAgro founder partners are Cresud S.A.C.I.F. y A., Cape Town LLC, Tarpon Invetimentos S.A., Tarpon Agro LLC, Agro Managers S.A. and Agro Investment S.A.

The BrasilAgro shares started to be listed in the Novo Market of the Brazilian Stock Exchange (BOVESPA) under the symbol AGRO3 on May 2, 2006 in compliance with Brazil highest standards in terms of corporate governance.

As compensation for having founded the Company, Cresud received at no cost 104,902 purchase options to subscribe additional shares of BrasilAgro during 15 years at the same price as that offered at the initial public offering of shares, that is to say Rs. 1,000 as adjusted by the IPCA inflation rate.

In addition, Cresud received with no cost a second series of options expiring in 2021 and totaling 104,902, which can only be exercised at the option of Cresud whenever a transfer of control occurs or an offer to purchase the BrasilAgro shares is received. The exercise price of these options will be the same price as the purchase offer referred to in the previous paragraph. As of September 30, 2010, the Company has not registered any value for the holding of such options.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 13: (Continued)

Over fiscal year 2010, the Company acquired 2,395,400 additional shares from this company for the amount of US\$ 15.2 million, thus the equity interest increased to 23.24% as of June 30, 2010. Such participation remains unchanged at the end of the period.

Tarpon Agro LLC and Tarpon Inestimentos S.A. (Tarpon) s share Purchase Agreement

On April 28, 2010 the Company entered into an agreement (the agreement) with Tarpon by which once certain conditions have been complied with, Tarpon will transfer for valuable consideration to Cresud S.A.C.I.F. y A the following:

- (a) 9,581,750 shares of common stock issued by BrasilAgro (either in shares or ADR s, Shares), and
- (b) 64,000 first issue warrants from BrasilAgro and 64,000 second issue warrants from BrasilAgro.

Once the conditions established in the agreement have been complied with, the actual transfer of Tarpon s shares and warrants to the Company will take place within 10 days of implementing the ADR program that BrasilAgro is planning to launch.

The full price to be paid by the Company to Tarpon will be Rs. 131.4 million, payable within 180 days from the actual transfer of the previously mentioned shares and warrants. Assuming that the price is paid off within the established term, it will not be subject to any monetary adjustment.

To ensure the payment of the transaction, a first degree pledge commitment for Tarpon was made on 9,581,750 common shares and 64,000 warrants of Series 1 BrasilAgro held by the Company.

It should be noted that regardless of the departure of Tarpon from BrasilAgro Project , Mr Elie Horn and Cape Town LLC have expressed their intentions to remain as shareholder s of BrasilAgro.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 13: (Continued)

After the closing date of these financial statements the acquisition of shares was made under the agreement and the payment process was started. See Note 24 to the financial statements.

Concession of rights and pledge to sell shares

During last quarter of year 2010, an agreement was executed by which the Company assigned all equity and political rights related to 2,276,534 shares of BrasilAgro for two years. The agreement also provides a promise to sell, under which the assignee may at any time request the sale of BM&FBOVESPA's shares or the transfer of shares on its behalf.

In consideration for granting such rights, the Company was paid a fixed value of US\$ 0.8 million and additionally, in the event the assignee requested the sale or transfer of share, it should paid US\$ 7.15 per share sold or transferred.

b) **Agrology S.A.**

Under a series of transactions that constituted for Cresud a new expansion in the agricultural and livestock business in South America as designed in their business plan, the Company, jointly with IGSA, made over previous fiscal year, irrevocable capital contributions in proportion to their holdings for an amount of Ps. 37,208 in Agrology S.A. which were capitalized on January 19, 2010. In addition, as of June 30, 2010 irrevocable contributions and receivables were capitalized for Ps. 29,249 in Agrology S.A., 97% on its own account and 3% on account of IGSA.

2. **Cresud Local**

a) **Cactus**

On May 19, 2010, the Company acquired from Helmir S.A. 3,294,667 registered, non-endorsable shares of common stock with a face value of Ps. 1 each one, entitled to one vote per share of Cactus Argentina S.A., for US\$ 1.6 million.

On June 30, 2010, the Company had settled the payable to Helmir S.A. for such transaction. With this acquisition, our direct interest in Cactus as of that date increased from 36% to 48%. Such participation remains unchanged at the end of the period (Schedule C).

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 13: (Continued)

b) IRSA

During the fiscal year 2010, the Company acquired 2,114,360 shares amounting to US\$ 2.3 million, increasing our direct interest to 50.60% as of June 30, 2010. Such participation remains unchanged at the end of the period (Schedule C).

c) ANTA

During the fiscal year 2010, the Company made irrevocable contributions for Ps. 8,100, 90% on its own behalf and 10% on behalf of IGSA, which were capitalized on January 19, 2010. In addition, as of June 30, 2010, irrevocable contributions and receivables to ANTA for Ps. 10,228 were capitalized, 90% on its own behalf and 10% on behalf of IGSA. As from July 1st, 2010, the incorporation by merger into ANTA is effective as described in Note 14.2.

d) IGSA

On September 11, 2009, the Company and CAMSA executed an agreement for the purchase and transfer of shares for the only share that the latter carried in IGSA. Due to such transaction, as of September 30, 2009, the Company carried a 100% interest in IGSA's capital stock. As from July 1st, 2010, the incorporation by merger into IGSA is effective as described in Note 14.2.

After Company's the spin-off merger into IGSA, mentioned in Note 14.1, the capital stock decreased to Ps. 12,914. Afterwards, on December 31, 2009, a new share purchase and transfer agreement was executed between the Company and CAMSA for 1 share with a face value of Ps. 1. Consequently, from such date Cresud's interest in IGSA stands at 99.99%.

During the fiscal year 2010, Cresud made irrevocable contributions to IGSA for Ps. 1,926, which were capitalized on January 19, 2010. In addition, as of June 30, 2010, irrevocable contributions and receivables for Ps. 2,811 were capitalized in IGSA.

e) Northagro S.A., Agrotech S.A. and Pluriagro S.A.

On September 21, 2010, the articles of incorporations of the companies Northagro S.A., Agrotech S.A. and Pluriagro S.A. were signed, the contributions for each one of the companies were made by Cresud and Agrology by 97% and by 3%, respectively, totaling Ps. 50,000; equivalent to 50,000 registered non-endorsable shares of common stock with a face value of Ps. 1 each, entitled to one vote per share.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 13: (Continued)f) FyO.Com

On September 30, 2010, the Ordinary Shareholders Meeting of FyO.Com decided to approve a capital increase for up to Ps. 5,925, related to issuing 538,613 registered, non-endorsable shares of common stock with a face value of Ps. 1, plus an additional paid-in capital for Ps. 5,386. In such sense, the Company subscribed shares for Ps. 4,467, of which Ps. 3,541 was made by the conversion of debt into equity and the difference for Ps. 926 to be paid-in in cash. Due to such transaction, as of September 30, 2010, the Company's interest amounted to 65.85%.

NOTE 14: SPIN-OFFS AND MERGERS1. Spin-off of Inversiones Ganaderas S.A. (IGSA) and Merger into Cresud

On November 27, 2009, it was held the Company's shareholders meeting that approved, among others, the corporate reorganization consisting in the spin-off merger with IGSA, and all related documentation.

Subsequently, on January 21, 2010, the Definitive Merger Agreement (the Agreement) has been notarized into a public deed and filed with the enforcement agencies in due course. Under the Agreement, IGSA's spin-off was resolved for 48.92% so that such spun-off percentage after having been merged into the Company, and IGSA Residual or Spun-off Company holds, but not limited to, the following assets:

| Company | Number of shares of IGSA |
|---------------------------------|-----------------------------|
| ANTA | 4,315,811 |
| Agrology S.A. | 5,684,398 |
| Agropecuaria Acres del Sud S.A. | 2 |
| Aguaribay Agropecuaria S.A. | 2 |
| Calden Agropecuaria S.A. | 2 |
| Itín Agropecuaria S.A. | 2 |
| Ñandubay Agropecuaria S.A. | 2 |
| Ombú Agropecuaria S.A. | 2 |
| Yatay Agropecuaria S.A. | 2 |
| Yuchán Agropecuaria S.A. | 2 |

All of IGSA's remaining rights, duties, assets and liabilities are transferred under the merger by absorption to the Company's shareholders' equity.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 14: (Continued)

2. **Cresud's merger with IGSA and ANTA**

On September 3, 2010, the Company's Board of Directors resolved to merge with IGSA Residual and Anta, by which both companies merge into Cresud and are dissolved without liquidation. On September 25, a pre-merger agreement is executed, by which all assets, rights and obligations of Merged Companies (IGSA and ANTA) are transferred to the Merging Company (Cresud). Such assets and liabilities were transferred for the value at which they were registered in the Special Merger Financial Statements as of June 20, 2010, of IGSA and ANTA.

As from July 1, 2010, all transactions carried out by the merged companies will be understood as if they had been made by and for Cresud.

NOTE 15: NEGATIVE WORKING CAPITAL

At the end of the period, the Company carried a working capital deficit of Ps. 161,707 whose treatment is being considered by the Board of Directors and the respective Management.

NOTE 16: CAPITAL INCREASE

During March 2008, the capital increase by 180 million shares with face value of Ps. 1 entitled to one vote per share was concluded. This capital increase was approved by the Shareholders Meeting of October 10, 2007. Thus, 180 million shares offered at the subscription price of US\$ 1.60 or Ps. 5.0528 per share were fully subscribed, locally and internationally.

After this capital increase, the Company's outstanding shares amounted to 500,774,772.

Additionally, for each subscribed share, each shareholder received at no additional cost 1 option entitling the holder to purchase 0.33333333 new shares at a price of US\$ 1.68 per each share to be acquired. That is to say, 180 million options entitling holder to purchase a total of 60 million additional shares at the previously mentioned price were granted. Options fall due on May 22, 2015 and may be exercised between the 17th and the 22nd day of February, May, September and November. Options are listed on the Buenos Aires Stock Exchange under the symbol CREW2 and on the Nasdaq under the symbol CRESW .

Funds obtained from increasing capital, net of issuance expenses, amounted to Ps. 881.1 million, while the tax effect of issuance expenses amounted to Ps. 9.9 million. As stated in the section Allocation of funds in the capital increase issuance prospectus, the funds brought into the Company were mainly used to organize companies and acquire plots of land for agricultural production in Bolivia and Paraguay, the purchase of shares of our

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 16: (Continued)

subsidiaries IRSA and BrasilAgro, the acquisition of notes of our subsidiaries IRSA and APSA, the repurchase of proprietary shares, the settlement of payables and working capital. It should be considered that the allocation of net funds obtained from the offer has been and may continue occasionally to be influenced by current market conditions and, consequently, in the section "Allocation of funds" in the capital increase issuance prospectus, we have reserved the right to reallocate the whole or a portion of such anticipated uses to other uses that we consider consistent with our strategy.

Funds obtained were assigned to shares and options issued based on the current value estimated upon subscription.

As of June 30, 2009, 2,291,527 options were exercised; consequently, 763,838 shares of common stock were issued for Ps. 4,023.

During the fiscal year 2010, 21,898 shares entitled with the right to be converted into 62,559 options and such transaction yielded US\$ 135.

During the three-month period ended September 30, 2010, no shares for exercising the right to convert warrants were issued. As of the closing date of this period, there are 177,645,914 uncalled options.

The terms and conditions of outstanding options (warrants) to subscribe the Company's shares of common stock have been amended due to attributing proprietary shares on a prorata basis among its shareholders, made by the Company on November 23, 2009. Below are detailed the terms that have been modified:

- The number of shares to be issued for warrants is, as a ratio previous to assignment 0.33333333 and as ratio resolved after assignment (current) 0.35100598.
- The prices to call shares to be issued are: price previous to assignment US\$ 1.68, while the current price after assignment US\$ 1.5954.

The rest of terms and conditions of warrants remain unchanged.

NOTE 17: EXAGRIND S.A. LAWSUIT - SAN RAFAEL AGAINST TALI SUMAJ AND OTHER DAMAGES AND LOSSES

Because of the merge with IGSA, Note 14.1, the Company has been demanded by Exagrind S.A. on claims for damages and losses produced by a fire in Estancia San Rafael, which is close to Tali Sumaj farm, Province of Catamarca. The fire took place on September 6, 2000.

The estimated amount of the legal action is Ps. 2,915 at the date the claim was filed.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 17: (Continued)

In turn, the Company has filed an extraordinary appeal to the High Court of the Province of Catamarca, requesting for a remainder term to answer the lawsuit as, at the time of revoking the first instance judge decision that postponed the terms to answer until a new notice was dispatched, such period had not yet expired. The management of the Company is awaiting the decision of the High Court of the Province of Catamarca.

Additionally, in March 2007 -under the request of Exagrind S.A.- the court in charge of the case seized an inhibition of assets. This decision was lifted in June 2007 and Tali Sumaj farm on attachment has been accepted in replacement.

It should be noted that during the fiscal year 2010, it was executed the title deed for the sale of such establishment and because as of the closing date of these financial statement the attachment-in-aid-of-execution had not been lifted, the Company assumed certain obligations and provided a surety insurance to guarantee its obligation on behalf of the purchaser (Note 12).

NOTE 18: COUNTING AT ESTANCIA LOS POZOS

During the annual cattle count held at Estancia Los Pozos, it was detected that the number of head of cattle had decreased. As the Company had filed a report with Unidad Regional No. 5, in Joaquín V. González, Province of Salta, involving procedures by the Criminal Court No. 1, Metán, Province of Salta seeking to find out the reason for such decrease.

In this sense, the Company is currently providing the information and documentation requested by the judge hearing such case. Although such procedure is at the initial stage, the effects of the previously mentioned difference were recognized in the previous year.

NOTE 19: REPURCHASE OF TREASURY STOCK

On August 26, 2008, the Company's board of directors decided to acquire treasury stock under section 68, Law No. 17,811 and CNV regulations for a maximum amount of Ps. 30,000 and 10,000,000 shares of common book-entry shares of face value of Ps. 1 per share and entitled to 1 vote. Acquisitions were carried out in a term of 70 days running as from the date of publication of the information in the *Boletín de la Bolsa de Comercio de Buenos Aires* (Buenos Aires stock exchange bulletin) and a minimum of Ps. 3 and a maximum Ps. 3.5 per share were paid.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 19: (Continued)

This decision was taken to contribute to the decrease in the draw down and reduction of fluctuations in the listed price of the Company's shares aiming at contributing to strengthening the shares on the market, minimizing possible temporary imbalances that there may be between the supply and demand on the market, considering the excessive cost of capital that the current listed prices showed.

Later, the terms and conditions for the acquisitions were amended on many occasions by the Board of Directors due to the plummeting market and worsened in turn by the general context in international. Some amendments were:

- The maximum amount to be invested was increased to Ps. 82,000.
- The maximum amount of shares subject to acquisition to up to 30,000,000 shares of common stock, face value of Ps. 1 per share and entitled to 1 vote per share, in shares or American Depositary Shares (ADR's) representing 10 shares each as provided by applicable regulations.
- The price to be paid for the shares was established between a minimum Ps. 1 per share and up to Ps. 3.50 per share.
- The deadline to make acquisition was successively extended.

As of June 30, 2009, purchases of proprietary shares amounted to 2,935,641 ADRs and 643,590 shares of common stock paying an amount of US\$ 21 million and Ps. 1,745, respectively.

In accordance with the law of commercial companies, the board shall dispose of the shares acquired within a period of one year unless an extension is provided for a Shareholders meeting. On November 13, 2009, the Board of Directors seeking to comply with the mandate granted by the Shareholders meeting held on October 29, 2009, resolved to start attributing and assigning on a prorate basis 25,000,000 proprietary treasury shares with a face value of Ps. 1 entitled to 1 vote each. Such assignment was made as from November 23, 2009, at 0.5301792784 shares per share with a face value of Ps. 1 each and 0.5301792784 shares per ADR. As upon making the attribution calculation, it yielded the need to distribute fractions of shares, they were settled in cash under the Buenos Aires Stock Exchange Regulations. Therefore, 754 shares have not been attributed and they remain in the Company's treasury together with previously existing 5,000,000 shares.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 20: PRESENTATION OF THE GLOBAL PROGRAM FOR THE ISSUANCE OF NON-CONVERTIBLE NOTES FOR A FACE VALUE OF UP TO US\$ 50,000,000

In the framework of the Global Program to Issue Corporate Bonds for a face value of up to US\$ 50,000,000 (the Program), corporate bonds in one or more classes and/or series (the Corporate Bonds or CB) may be issued. Corporate Bonds will be simple not convertible into share, with or without guarantee or guaranteed by third parties, whose face value may not exceed US\$ 50,000,000 (or their equivalent in other currencies), with maturity dates not shorter than thirty days from the issuance date. The duration of the Program will be for five years as from its authorization by CNV (Argentine securities commission) on September 4, 2008, by means of resolution No. 15,972.

The issuance of Corporate Bonds was approved by the Shareholders Meeting on October 31, 2006 and by the Board of Directors Minutes on June 19, 2008, April 24, 2009, July 3, 2009, August 19, 2009 and July 1, 2010.

1. Issuance of Non-Convertible Notes Class I and II

On August 19, 2009, based on the powers granted by the shareholders to the Board of Directors, the Company approved the issuance of the Company's First Series of Non-convertible notes up to a face value of Ps. 50 million under the Global Program.

During the following months, the First Series of non-convertible notes was subscribed and issued for Ps. 50 million in two classes. Class I for Ps. 15.5 million at variable rate (average Badlar + 300 basis points) falling due 270 days from issuance date and Class II for Ps. 34.5 million at a fixed rate of 7.2% falling due 365 after issuance date.

The terms and conditions of such non-convertible notes required that the Company complies with certain obligations that had been specified in the respective price supplement. In this sense, the Company made quarterly interest and amortization installment payment related to both classes, as broken down below:

- On December 10, 2009, the first interest installments of Class I and Class II non-convertible notes were paid for Ps. 558 and US\$ 159,201, respectively.
- On March 10, 2010, the second interest installments of Class I and Class II non-convertible notes were paid for Ps. 487 and US\$ 159,201 respectively.
- On June 8, 2010, the third interest installments of Class I and Class II non-convertible notes were paid for Ps. 472 and US\$ 159,201, respectively. Likewise, on such same date, Ps. 15.5 million related to the only amortization installment of Class I Corporate Bonds was paid.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 20: (continued)

- On September 13, 2010, the last interest installment and the only amortization installment of Class II non-convertible notes were paid for US\$ 171,583 and US\$ 9.0 million, respectively.

2. Issuance of Non-Convertible Notes Class III and IV

On July 1, 2010, the Board of Directors approved the Price Supplement related to the issuance of Class III and Class IV Non-Convertible Notes, under the Program framework.

Later, between July 6 and 16, 2010, the Second Series of simple Corporate Bonds (not convertible into shares) was carried out for a total value of Ps. 105.9 million. The issue was finally carried out on July 21, 2010.

Class III Non-Convertible Notes, for a face value of Ps. 35.7 million and falling due 21 months after the issuance date will accrue interest at a variable date (Badlar privada plus 400 basis points). These will be paid on a quarterly basis in arrears while amortization will be made in three consecutive payments 15, 18 and 21 from the issuance date.

Class IV Non-Convertible Notes, for a face value of US\$ 17.8 million and falling due 24 months after the issuance date will accrue interest at fixed annual rate of 7.75%. These will be paid on a quarterly basis in arrears while amortization will be made in four equal and consecutive payments 15, 18, 21 and 24 from the issuance date.

After the closing of these financial statements, the first interest installments from both CB classes were paid. See note 24 to the Financial Statements.

NOTE 21: COMPLIANCE WITH THE CURRENT ENVIRONMENTAL REGULATIONS

One of the Company's ongoing objectives is the sustainable development of its business in compliance with current environmental regulations.

NOTE 22: MINUTE OF RENEGOTIATION OF CONCESSION AGREEMENT

On July 2, 2008, ANTA (incorporated by merge according to Note 14.2.) executed a memorandum of understanding renegotiating the concession agreements for the northern and southern areas of the real estate property of Salta Forestal S.A. The agreements establish that the concessionaire should pay as a concession fee the amount in US Dollars equivalent to a quintal of soybean per harvested hectare of any crop in the northern and southern areas per year. The concession fee is required to be paid on July 1st of each year starting in 2009.

For the purposes of determining the concession fee, 2,000 hectares in the southern area rented out to Compañía Argentina de Granos are excluded.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

NOTE 22: (continued)

On August 29, 2008, the Memorandum of Understanding was approved by Decree No. 3,766 of the Executive Power of the Province of Salta. Consequently, the disposals contained in the mentioned decree will have effect from the referred date.

Additionally, ANTA committed to reduce the concession area through the return of 30,000 hectares and its location will come up from a sketch agreed by the parties involved.

NOTE 23: CAPITALIZATION PROGRAM FOR EXECUTIVE MANAGEMENT

The Company together with its related Company IRSA has developed a capitalization program for executive management staff through contributions made by employees and by the Company (the Plan).

The Plan is addressed to employees selected by those Companies with the purpose of keeping them in the company and increasing their total compensation through an extraordinary reward, provided that certain specific conditions are complied with.

Participation and contributions to the Plan are on a voluntary basis. Once the beneficiary (the Participant) has accepted, he will be able to make two types of contributions: a monthly one (based on the salary) and an extraordinary one (based on the annual bonus). The suggested contribution is up to 2.5% of the salary and up to 15% of the annual bonus. On the other hand, the Company contribution will be 200% of the monthly contributions and 300% of the employee s extraordinary contributions.

Funds collected from participants contributions will initially be sent to an independent financial means especially created for such purpose and placed in Argentina as a Common Investment Fund, which will be approved by the C.N.V. Such funds will be freely redeemed under the requirement of the participants.

The funds arising from the Company contributions will flow to other independent financial means separated from the previous one.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 23: (Continued)

In the future, the participants or their successors will have access to 100% of the Program Benefits (that is, including Company contributions made in favor of the financial means especially created) under the circumstances that follow:

- ordinary retirement in line with the applicable working regulations
- total or permanent disability or inability
- death.

In case of resignation or discharge without legal justification, the participant will obtain the amounts contributed by the Company only if he has participated in the plan during a minimum term of 5 (five) years, provided certain conditions were complied with.

During the current period the Company had made contributions to the Plan that amount Ps. 2,068.

NOTE 24: SUBSEQUENT EVENTS

a) Non Convertible Notes Class III and Class IV

On October 19, 2010, the first interest installments of Class III and Class IV CB for Ps. 1,272 and US\$ 340,954, respectively, related to the period July 21 and October 19, 2010 were paid.

b) Executing the Addendum to the Agreement to Purchase of Shares from Tarpon Agro LLC and Tarpon Inestimentos S.A. (Tarpon).

On October 20, 2010, the Company and Tarpon executed an addendum to the Share Purchase Agreement of April 28, 2010, under which the Company either directly or indirectly acquired 9,581,750 shares of common stock of BrasilAgro Companhia Brasileira Propriedades Agrícolas (BrasilAgro), representing 16.40% of the outstanding stock. Consequently, Cresud paid Rs. 25,236,224.61 and the price remainder equivalent to Rs. 105,206,000.10 should be paid on April 27, 2011, which is guaranteed by a security interest over 8,298,150 shares and 37,325 warrants from the First Issue.

Consequently, Cresud is either directly or indirectly the owner of 20,883,916 shares or 35.75% of the Company's outstanding stock. It should be noted that acquiring shares does not imply a change in the control over BrasilAgro; and that BrasilAgro's Shareholders' Agreement will remain effective with the amendments that may be required to sell all shares owned by Tarpon and its affiliates.

Likewise, due to the transaction, Cresud owns 168,902 BrasilAgro's First Issuance Warrants and 168,902 BrasilAgro's Second Issuance Warrants.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Notes to the Unaudited Financial Statements (Continued)**

(in thousands of pesos)

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

c) **Meeting of Shareholders**

The Ordinary and Extraordinary Shareholders Meeting held on October 29, 2010, approved, among others issues, the following:

- Annual report and financial statements ended June 30, 2010;
- Ratification of the spin-off-merger between the Company and IGSA;
- Corporate reorganization by merger into IGSA residual and ANTA;
- Defer treatment until the next Shareholders Meeting that may consider the fiscal year that will end on June 30, 2011, of the destination of proprietary portfolio stock;
- Renewal for another period the delegations made in the Board by the Shareholders meeting from the previous period as regards paying a bonus to the Company's Managements of up to 1% of the outstanding capital stock; and
- Extending the amount of the Global Program to Issue Corporate Bonds in place for up to a further US\$ 100 million (or its equivalent in other currencies).

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria****Property and equipment**

Corresponding to the three-month periods ended September 30, 2010 and 2009

and fiscal year ended June 30, 2010

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

(in thousands of pesos - Notes 1 and 2)

Schedule A

| Principal Account | Depreciation | | | | | | | | | | | |
|------------------------------------|------------------------------------|----------------------------|---------------------------------|---------------------------------------|----------|--|-------------------------------|---------------------------|---|---|--|---|
| | Value at the beginning of the year | Additions and/or Transfers | Deductions and/or Transfers (2) | Value at the end of the period / year | Rate % | Accumulated at the beginning of the year | Decrease of the period / year | Current period / year (1) | Accumulated at the end of the period / year | Net carrying Value as of September 30, 2010 | Net carrying Value as of June 30, 2010 | Net carrying Value as of September 30, 2009 |
| Real estate | 201,831 | 3,964 | 9,029 | 196,766 | | | | | | 196,766 | 201,831 | 201,837 |
| Wire fences | 9,815 | 47 | 518 | 9,344 | 3 | 1,385 | 78 | 76 | 1,383 | 7,961 | 8,430 | 8,467 |
| Watering troughs | 8,072 | | 1,187 | 6,885 | 5 | 1,890 | 345 | 94 | 1,639 | 5,246 | 6,182 | 6,178 |
| Alfalfa fields and meadows | 9,255 | 25 | 3,069 | 6,211 | 12-25-50 | 4,068 | 1,217 | 356 | 3,207 | 3,004 | 5,187 | 4,463 |
| Buildings and constructions | 39,748 | 281 | 5,273 | 34,756 | 2 | 5,687 | 449 | 211 | 5,449 | 29,307 | 34,061 | 35,451 |
| Machinery | 12,692 | 559 | 91 | 13,160 | 10 | 9,458 | 68 | 91 | 9,585 | 3,575 | 3,234 | 3,395 |
| Vehicles | 3,725 | 81 | | 3,806 | 20 | 1,937 | 60 | 134 | 2,131 | 1,675 | 1,788 | 1,615 |
| Tools | 269 | 11 | | 280 | 10 | 177 | 2 | 4 | 183 | 97 | 92 | 99 |
| Furniture and equipment | 1,271 | 29 | | 1,300 | 10 | 901 | 8 | 11 | 920 | 380 | 370 | 377 |
| Feeder and drinking troughs | 238 | | 66 | 172 | 20 | 11 | 4 | 3 | 10 | 162 | 227 | 101 |
| Corral and leading lanes | 1,531 | | 200 | 1,331 | 3 | 241 | 56 | 11 | 196 | 1,135 | 1,290 | 1,085 |
| Roads | 3,105 | | 272 | 2,833 | 10 | 1,344 | 113 | 60 | 1,291 | 1,542 | 1,761 | 1,882 |
| Facilities | 18,224 | 240 | 761 | 17,703 | 10-20-33 | 9,882 | 33 | 294 | 9,902 | 7,801 | 8,342 | 7,886 |
| Computer equipment | 2,357 | 22 | | 2,379 | 20 | 2,142 | 1 | 31 | 2,174 | 205 | 215 | 227 |
| Silo plants | 1,350 | | 112 | 1,238 | 5 | 691 | 76 | 20 | 635 | 603 | 659 | 645 |
| Constructions in progress | 15,135 | 5,110 | 1,759 | 18,486 | | | | | | 18,486 | 15,135 | 9,185 |
| Advances to suppliers | 1,187 | 659 | | 1,846 | | | | | | 1,846 | 1,187 | 962 |
| Improvement in third s real estate | | 34,124 | | 34,124 | 3 | 2,330 | | 283 | 2,613 | 31,511 | | |
| Tree plantations (wood) | | 4,320 | | 4,320 | 3 | 432 | | 36 | 468 | 3,852 | | |
| Posts | | 58 | | 58 | | | | | | 58 | | |

Edgar Filing: CRESUD INC - Form 6-K

| | | | | | | | | | | |
|--------------------------------------|---------|--------|--------|---------|--------|-------|-------|-------|--------|---------|
| Total as of September 30, 2010 | 329,805 | 49,530 | 22,337 | 356,998 | 39,814 | 2,934 | 2,723 | 1,761 | 41,786 | 315,212 |
| Total as of June 30, 2010 | 309,468 | 30,548 | 10,211 | 329,805 | 34,540 | 2,234 | 2,702 | 5,742 | 39,814 | 289,991 |
| Total as of September 30, 2009 | 309,468 | 13,446 | 807 | 322,107 | 34,540 | 2,234 | | 1,478 | 38,252 | 283,855 |

- (1) Included in Schedule H.
- (2) It includes additions for Ps.40,555 incorporated by merger with ANTA.
- (3) Incorporated by merger.

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria****Intangible Assets**

Corresponding to the three-month periods ended September 30, 2010 and 2009

and fiscal year ended June 30, 2010

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

(in thousands of pesos - Notes 1 and 2)

Schedule B

| Principal Account | | | | | Depreciation | | | | | |
|--------------------------------------|--|---|--|-----------|---|---------------|--|--|---|--|
| | Values at the beginning of the year | Additions of the period / year | Value at the end of the period / year | Rate % | Accumulated at the beginning of the year | Additions (1) | Accumulated at the end of the period / year | Net carrying value as of September 30, 2010 | Net carrying value as of June 30, 2010 | Net carrying value as of September 30, 2009 |
| Pre-operative expenses (Bolivia) | 842 | | 842 | 20 | 252 | 42 | 294 | 548 | 590 | 716 |
| Pre-operative expenses (Paraguay) | 671 | | 671 | 20 | 190 | 34 | 224 | 447 | 481 | 582 |
| Concession Rights | (1) | 23,582 | 23,582 | 3 | | 2,258 | 188 | 2,446 | 21,136 | |
| Total as of September 30, 2010 | 1,513 | 23,582 | 25,095 | | 442 | 2,258 | 264 | 2,964 | 22,131 | |
| Total as of June 30, 2010 | 1,513 | | 1,513 | | 140 | | 302 | 442 | 1,071 | |
| Total as of September 30, 2009 | 1,513 | | 1,513 | | 140 | | 75 | 215 | | 1,298 |

(1) Incorporated by merger. See Note 14.2 to Financial Statements.

(2) Preoperative expenses are included in gain on equity investees in the Statements of Income in the Statement of Income. Concession Rights are included in Depreciation of Intangible Assets in Schedule H.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Investments

As of September 30, 2010 and 2009 and June 30, 2010

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

(in thousands of pesos - Notes 1 and 2)

Schedule C

| Securities <u>CURRENT</u> <u>ASSET</u> <u>Current</u> <u>Investments</u> | Amount | % of participation on the capital | Value as of September 30, 2010 | Value as of June 30, 2010 | Value as of September 30, 2009 | Market Value as of September 30, 2010 | Principal activity | INFORMATION ON THE ISSUER | |
|---|---------------|--|---------------------------------------|----------------------------------|---------------------------------------|--|---------------------------|-----------------------------------|-----------------------------------|
| | | | | | | | | Latest financial statement | Income (loss) for the year |
| Mutual Funds | | | | | | | | | |
| Bony Hamilton Fund (US\$) | 4,087,747 | | 16,024 | 14,554 | 2,331 | | | | |
| Deutsche Managed Euro Fund () (1) | | | | 53 | 61 | | | | |
| Deutsche Managed Dollar Fund (US\$) (1) | 14,399,487 | | 56,446 | 4,925 | 25 | | | | |
| Subtotal | | | 72,470 | 19,532 | 2,417 | | | | |
| Bonds and Notes (1) | | | | | | | | | |
| Non-Convertible Notes IRSA 2017 (US\$)-interests | 469,653 | | 1,860 | 4,616 | 1,805 | | | | |
| Non-Convertible Notes APSA 2017 (US\$)-Interests | 153,125 | | 606 | 215 | 588 | | | | |
| Global 2010 bonds | 110,000 | | 162 | 132 | 133 | 1.4687 | | | |
| Bocon Pro 1 bonds | 157,647 | | 1 | 1 | 1 | 0.0040 | | | |
| Mortgage bonds | | | | 135 | 338 | | | | |
| Subtotal | | | 2,629 | 5,099 | 2,865 | | | | |
| Total current investments | | | 75,099 | 24,631 | 5,282 | | | | |
| <u>NON-CURRENT</u> <u>ASSET</u> Investments on controlled and related companies | | | | | | | | | |

Edgar Filing: CRESUD INC - Form 6-K

| | | | | | | | | | |
|--------------------------|------------|----------|----------|--------|--------|----------|--|-------------|--------------|
| Agro-Uranga S.A. | | | | | | Unlisted | Agricultural livestock | 2,500 | 1,443 |
| Shares | 893,069 | 35.72 | 10,706 | 10,191 | 8,682 | | | | |
| Higher value of property | | | 11,179 | 11,179 | 11,179 | | | | |
| | | | 21,885 | 21,370 | 19,861 | | | | |
| IGSA (2) | | | | | | Unlisted | Raising and grazing cattle | | |
| Shares | | | | 14,860 | 11,177 | | | | |
| | | | | 14,860 | 11,177 | | | | |
| Cactus Shares | | | | | | | Exploitation and administration of agriculture products and raising cattle | | |
| | 22,158,362 | 48.00(3) | (604)(4) | 2,071 | 13,915 | Unlisted | | (10) 46,163 | (10) (5,573) |
| | | | (604) | 2,071 | 13,915 | | | | |
| FyO.Com | | | | | | | | | |
| Shares | | | | | | | Gives information about markets via internet, brokerage and intermediation on spot and future markets, | | |
| | 987,426 | 65.85 | 6,497 | 2,723 | 2,552 | Unlisted | | 1,500 | (294) |
| | | | 6,497 | 2,723 | 2,552 | | | | |
| ANTA (2) | | | | | | | | | |
| Shares | | | | 56,234 | 39,352 | Unlisted | Agricultural and forestal | | |
| Concession rights | | | | 19,813 | 20,337 | | | | |
| | | | | 76,047 | 59,689 | | | | |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Investments (continued)

As of September 30, 2010 and 2009 and June 30, 2010

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

(in thousands of pesos- Notes 1 and 2)

Schedule C (continued)

| Securities | Amount | % of the participation on the capital | Value as of September 30, 2010 | Value as of June 30, 2010 | Value as of September 30, 2009 | INFORMATION ON THE ISSUER | | | | |
|---------------------------|-------------|---------------------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------------------|------------------------------|-----------------------------|----------------------------|---------------------|
| | | | | | | Market Value as of September 30, 2010 | Principal activity | Latest financial statements | Income (loss) for the year | Shareholders Equity |
| Agrology S.A. | | | | | | Unlisted | Investing | 259,494 | 2,296 | 272,200 |
| Shares | 259,494,415 | 100.00 | 266,624 | 256,840 | 219,960 | | | | | |
| Irrevocable contributions | | | 3,557 | | | | | | | |
| | | | 270,181 | 256,840 | 219,960 | | | | | |
| FyO Trading | | | | | | Unlisted | Brokerage | 20 | | 20 |
| Shares | 726 | 3.63 | 1 | 1 | 1 | | | | | |
| | | | 1 | 1 | 1 | | | | | |
| EAASA | | | | | | Unlisted | Meat packing industry | (10) 54,691 | (10) (5,621) | (10) 4,505 |
| Shares | 240,000 | 0.44 | (3) (20) | (4) 5 | 99 | | | | | |
| | | | (20) | 5 | 99 | | | | | |
| IRSA | | | | | | 5.80 | Real Estate | 578,676 | 56,193 | 2,460,746 |
| Shares | | | 1,309,632 | 1,282,481 | 1,191,748 | | | | | |
| Higher values | | | | | | | | | | |
| (5) | 292,811,013 | 50.60 | 173,693 | 178,148 | 190,018 | | | | | |
| | | | 1,483,325 | 1,460,629 | 1,381,766 | | | | | |
| BrasilAgro | | | | | | (6) 9.85 | Agricultural and Real Estate | 875,381 | 1,462 | 1,349,318 |
| Shares | 13,578,700 | 23.24 | 313,616 | 290,832 | 245,759 | | | | | |
| Higher values | | | | | | | | | | |
| (7) | | | 6,887 | 6,887 | 6,887 | | | | | |
| | | | 320,503 | 297,719 | 252,646 | | | | | |
| Agrotech S.A. | | | | | | Unlisted | Investing | 50 | | 50 |
| Shares | 48,500 | 97.00 | 49 | | | | | | | |

49

| | | | | | | | | |
|----------------|--------|-------|----|----------|-----------|----|-----|----|
| Pluriagro S.A. | | | | Unlisted | Investing | 50 | (9) | 41 |
| Shares | 48,500 | 97.00 | 40 | | | | | |
| | | | 40 | | | | | |

| | | | | | | | | |
|----------------|--------|-------|-----------|-----------|-----------|----|-----|----|
| Northagro S.A. | | | | Unlisted | Investing | 50 | (9) | 41 |
| Shares | 48,500 | 97.00 | 40 | | | | | |
| | | | 40 | | | | | |
| | | | 2,101,897 | 2,132,265 | 1,961,666 | | | |

Investments (continued)

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

(in thousands of pesos- Notes 1 and 2)

Schedule C (continued)

- (1) Not considered as cash equivalents for Statement of Cash Flow purpose.
- (2) Since July 1st, 2010, is effective the merger of Cresud with IGSA and Anta (See Note 14.2 to the financial statements)
- (3) Included in Other liabilities.
- (4) Recovery estimated value as of June 30, 2010.
- (5) Consist of Ps. 11,732 higher value of inventory, Ps. 80,743 higher value of investments, Ps. 109,024 higher value of fixed assets, Ps. 28,186 higher value of intangible assets, Ps. 23,420 less value of loans, and Ps. (79,412) higher value of tax effect
- (6) Total in reais.
- (7) Consist of Ps. 10,596 higher value of fixed assets and Ps. (3,709) higher value of tax effect.
- (8) The change as regards the previous year corresponds to amortization for Ps. 1,525.

Edgar Filing: CRESUD INC - Form 6-K

- (9) The change as regards the previous year corresponds to amortization for Ps. 7,519.
- (10) Subject to board approval.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Allowances

Corresponding to the three-month periods

ended September 30, 2010 and 2009 and fiscal year ended June 30, 2010

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

(in thousands of pesos - Notes 1 and 2)

Schedule E

| Item | Balances at beginning of the fiscal year | Increases | Decreases | Value as of September 30, 2010 | Value as of June 30, 2010 | Value as of September 30, 2009 |
|---------------------------------------|---|------------------|------------------|---|--|---|
| Deducted from assets | | | | | | |
| For doubtful accounts | 630(1) | 59 | (19) | 670 | 630 | 501 |
| Included in liabilities | | | | | | |
| For pending lawsuits | 1,768(2) | (2) | (97) | 1,671 | 1,768 | 1,771 |
| Total as of September 30, 2010 | 2,398 | 59 | (116) | 2,341 | | |
| Total as of June 30, 2010 | 787 | 1,770 | (159) | | 2,398 | |
| Total as of September 30, 2010 | 787 | 1,485 | | | | 2,272 |

(1) Included in the Schedule H.

(2) Included in other income and expenses in the Statements of Income Others.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Cost of sales

Corresponding to the three-month periods

ended September 30, 2010 and 2009

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

(in thousands of pesos - Notes 1 and 2)

Schedule F.1

| | Crops | | Beef cattle | | Milk | | Others | | Total | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 |
| Inventories at the beginning of the fiscal year: | | | | | | | | | | |
| Beef cattle | | | 138,807 | 78,710 | | | | | 138,807 | 78,710 |
| Crops | 41,566 | 42,250 | | | | | | | 41,566 | 42,250 |
| Seeds and fodder | 758 | 705 | | | | | | | 758 | 705 |
| Materials and others | | | 614 | 579 | | | 873 | 932 | 1,487 | 1,511 |
| | 42,324 | 42,955 | 139,421 | 79,289 | | | 873 | 932 | 182,618 | 123,176 |
| Unrealized gain on inventories- Beef cattle | | | 14,011 | 648 | | | | | 14,011 | 648 |
| Unrealized gain (loss) on inventories | | | | | | | | | | |
| Crops and raw materials | 7,367 | (899) | | | | | | 6 | 7,367 | (893) |
| Production | 19,989 | 4,058 | 2,758 | 1,555 | 8,406 | 4,730 | | | 31,153 | 10,343 |
| Transfer of inventories to property and equipment | | | | | | | (207) | (194) | (207) | (194) |
| Transfer of inventories to expenses | (1,440) | (1,570) | (59) | (29) | (134) | (37) | (1,156) | (542) | (2,789) | (2,178) |
| Incorporated by merger with IGSA | | | | 3,171 | | | | 8 | | 3,179 |
| Incorporated by merger with ANTA | 10,073 | | | | | | 84 | | 10,157 | |
| Purchases | 21 | 6,547 | 1,161 | 958 | | | 1,776 | 696 | 2,958 | 8,201 |
| Operating expenses (Schedule H) | | | | | | | 1,970 | 427 | 1,970 | 427 |

Edgar Filing: CRESUD INC - Form 6-K

Inventories at the
end of the period:

| | | | | | | | | | | |
|-------------------------|----------|----------|-----------|----------|-------|-------|---------|-------|-----------|----------|
| Beef cattle | | | (141,312) | (79,914) | | | | | (141,312) | (79,914) |
| Crops | (35,021) | (19,041) | | | | | | | (35,021) | (19,041) |
| Seeds and fodder | (765) | (698) | | | | | | | (765) | (698) |
| Materials and others | | | (632) | (9) | | | (1,402) | (930) | (2,034) | (939) |
| Cost of Sales | 42,548 | 31,352 | 15,348 | 5,669 | 8,272 | 4,693 | 1,938 | 403 | 68,106 | 42,117 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Cost of Production

Corresponding to the three-month periods

ended September 30, 2010 and 2009

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

(in thousands of pesos - Notes 1 and 2)

Schedule F.2

| | Crops | | Beef cattle | | Milk | | Total | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 | September 30, 2010 | September 30, 2009 |
| Inventories at the beginning of the fiscal year: | | | | | | | | |
| Beef cattle | | | | | 18,848 | 14,226 | 18,848 | 14,226 |
| Unharvested crops and other unharvested | 11,166 | 5,160 | | | | | 11,166 | 5,160 |
| Seeds and fodder | | | 2,190 | 1,694 | 499 | 426 | 2,689 | 2,120 |
| Materials and others | 25,477 | 15,925 | 876 | 686 | 382 | 426 | 26,735 | 17,037 |
| | 36,643 | 21,085 | 3,066 | 2,380 | 19,729 | 15,078 | 59,438 | 38,543 |
| Unrealized gain (loss) on inventories | | | | | 2,116 | (620) | 2,116 | (620) |
| Beef cattle | | | | | | | | |
| Unrealized gain on inventories | | | | | | | | |
| Crops and raw materials | 730 | 1,063 | | | | | 730 | 1,063 |
| Production | | | 306 | 178 | 895 | 564 | 1,201 | 742 |
| Transfer of property and equipment | (84) | (50) | | | | | (84) | (50) |
| Transfer of inventories crops to expenses | | | | | | | | |
| Materials and others | (5,177) | (1,986) | (1,585) | (1,129) | (2,074) | (2,099) | (8,836) | (5,214) |
| Incorporated by merger of IGSA | | | | 35 | | | | 35 |
| Incorporated by merger of ANTA | 4,252 | | | | | | 4,252 | |
| Purchases / increase in | | | | | | | | |
| Unharvested crops by consume | 29,516 | 18,498 | 376 | 323 | 1,572 | 1,962 | 31,464 | 20,783 |
| Operating expenses (Schedule H) | 18,638 | 6,214 | 5,673 | 6,429 | 6,752 | 5,410 | 31,063 | 18,053 |
| Inventories at the end of the period: | | | | | | | | |
| Beef cattle | | | | | (21,201) | (14,013) | (21,201) | (14,013) |
| Unharvested crops and other unharvested | (10,506) | (5,401) | | | | | (10,506) | (5,401) |
| Seeds and fodder | | | (977) | (805) | (614) | (565) | (1,591) | (1,370) |
| Materials and others | (54,437) | (33,222) | (1,158) | (837) | (402) | (301) | (55,997) | (34,360) |
| Cost of Production | 19,575 | 6,201 | 5,701 | 6,574 | 6,773 | 5,416 | 32,049 | 18,191 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Foreign currency assets and liabilities

As of September 30, 2010 and 2009 and June 30, 2010

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

(in thousands of pesos -Notes 1 and 2)

Schedule G

| Item | September 30, 2010 | | | | June 30, 2010 | | | September 30, 2009 | | |
|--|-------------------------------------|-----------------------|--------------------------|--------|-------------------------------------|--------------------------|--------|-------------------------------------|--------------------------|-------|
| | Type and amount of foreign currency | Current exchange Rate | Amount in local currency | | Type and amount of foreign currency | Amount in local currency | | Type and amount of foreign currency | Amount in local currency | |
| CURRENT ASSETS | | | | | | | | | | |
| CASH AND BANKS | | | | | | | | | | |
| Cash and banks in Dollars | US\$ | 4,606 | 3.92 | 18,051 | US\$ | 167 | 649 | US\$ | 324 | 1,232 |
| Cash and banks in Brazilian Reais | Rs | 5 | 2.21 | 11 | Rs | 2 | 5 | Rs | 2 | 4 |
| Cash and banks in Euros | | 10 | 5.34 | 52 | | 8 | 37 | | 9 | 49 |
| Cash and banks in Yenes | JPY | 85 | 0.05 | 4 | JPY | | | JPY | | |
| INVESTMENTS | | | | | | | | | | |
| Mutual funds | US\$ | 18,487 | 3.92 | 72,470 | US\$ | 5,006 | 19,479 | US\$ | 620 | 2,356 |
| Mutual funds | | | | | | 11 | 53 | | 11 | 61 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: | | | | | | | | | | |
| Non-Convertible Notes IRSA 2017 (US\$) Interest | US\$ | 470 | 3.96 | 1,860 | US\$ | 1,174 | 4,616 | US\$ | 470 | 1,805 |
| Non-Convertible Notes APSA 2017 (US\$) Interest | US\$ | 153 | 3.96 | 606 | US\$ | 55 | 215 | US\$ | 153 | 588 |
| TRADE ACCOUNTS RECEIVABLE | | | | | | | | | | |
| Receivables | US\$ | 10,427 | 3.92 | 40,872 | US\$ | 4,017 | 15,629 | US\$ | 459 | 1,747 |
| Receivables Real estate | US\$ | 1,000 | 3.92 | 3,920 | US\$ | 725 | 2,821 | US\$ | 1,941 | 7,382 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties | | | | | | | | | | |
| | US\$ | 2,183 | 3.96 | 8,562 | US\$ | 349 | 1,370 | | | |
| OTHER RECEIVABLES | | | | | | | | | | |
| Guarantee deposits | US\$ | 806 | 3.92 | 3,160 | US\$ | 671 | 2,611 | US\$ | 623 | 2,369 |
| Premiums paid | US\$ | 39 | 3.92 | 154 | US\$ | | | US\$ | 55 | 212 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties | | | | | | | | | | |
| | US\$ | | | | US\$ | | | US\$ | 115 | 442 |
| NON-CURRENT ASSETS | | | | | | | | | | |
| OTHER RECEIVABLES | | | | | | | | | | |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties | | | | | | | | | | |
| | US\$ | 4,322 | 3.96 | 17,110 | US\$ | 4,267 | 16,775 | | | |
| INVESTMENTS | | | | | | | | | | |

Edgar Filing: CRESUD INC - Form 6-K

Subsidiaries, related companies Law
No. 19,550 Section 33 and related
parties:

| | | | | | | | | | | |
|---------------------------------|------|--------|------|--------|------|--------|--------|------|--------|--------|
| Non-Convertible Notes IRSA 2017 | US\$ | 18,925 | 3.96 | 74,944 | US\$ | 18,360 | 72,174 | US\$ | 16,684 | 64,117 |
| Non-Convertible Notes APSA 2017 | US\$ | 2,597 | 3.96 | 10,283 | US\$ | 2,505 | 9,847 | US\$ | 2,233 | 8,583 |

| | | | | | | | | | | |
|------------|------|--------|--|---------|------|--------|---------|------|--------|--------|
| Total US\$ | US\$ | 64,015 | | 251,992 | US\$ | 37,296 | 146,186 | US\$ | 23,677 | 90,833 |
|------------|------|--------|--|---------|------|--------|---------|------|--------|--------|

| | | | | | | | | | | |
|----------|----|---|--|----|----|---|---|----|---|---|
| Total Rs | Rs | 5 | | 11 | Rs | 2 | 5 | Rs | 2 | 4 |
|----------|----|---|--|----|----|---|---|----|---|---|

| | | | | | | | | | | |
|-------|--|----|--|----|--|----|----|--|----|-----|
| Total | | 10 | | 52 | | 19 | 90 | | 20 | 110 |
|-------|--|----|--|----|--|----|----|--|----|-----|

| | | | | | | | | | | |
|-----------|-----|----|--|---|-----|--|--|-----|--|--|
| Total JPY | JPY | 85 | | 4 | JPY | | | JPY | | |
|-----------|-----|----|--|---|-----|--|--|-----|--|--|

| | | | | | | | | | | |
|---------------------|--|--|--|---------|--|--|---------|--|--|--------|
| Total Assets | | | | 252,059 | | | 146,281 | | | 90,947 |
|---------------------|--|--|--|---------|--|--|---------|--|--|--------|

US\$: US Dollars

Rs: Brazilian Reais

: Euros

JPY: Yenes

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria****Foreign currency assets and liabilities (continued)**

As of September 30, 2010 and 2009 and June 30, 2010

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

(in thousands of pesos -Notes 1 and 2)

Schedule G (continued)

| September 30, 2010 | | | | | June 30, 2010 | | | September 30, 2009 | | |
|--|-------------------------------------|-----------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|--------------------|--------|---------|
| Item | Type and amount of foreign Currency | Current Exchange rate | Amount in local currency | Type and amount of foreign Currency | Amount in local currency | Type and amount of foreign Currency | Amount in local currency | | | |
| CURRENT LIABILITIES | | | | | | | | | | |
| TRADE ACCOUNT PAYABLE | | | | | | | | | | |
| Suppliers | US\$ | 3,093 | 3.96 | 12,250 | US\$ | 4,576 | 17,987 | US\$ | 5,689 | 21,864 |
| Accrual for inputs and other expenses | US\$ | 1,374 | 3.96 | 5,440 | US\$ | 1,629 | 6,404 | US\$ | 75 | 288 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: | US\$ | | | | US\$ | 28 | 109 | | | |
| SHORT-TERM DEBTS | | | | | | | | | | |
| Bank loans | US\$ | 38,936 | 3.96 | 154,185 | US\$ | 30,049 | 118,123 | US\$ | 20,000 | 76,860 |
| Interest payable Bank loans | US\$ | 110 | 3.96 | 437 | US\$ | 523 | 2,054 | US\$ | 115 | 442 |
| Non-convertible notes class II | US\$ | | | | US\$ | 8,967 | 35,251 | | 8,967 | 34,461 |
| Interest payable Non-convertible notes | US\$ | 269 | 3.96 | 1,065 | US\$ | 39 | 153 | | 34 | 129 |
| OTHER LIABILITIES | | | | | | | | | | |
| Premiums collected | US\$ | 996 | 3.96 | 3,946 | US\$ | 151 | 595 | US\$ | 94 | 362 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: | US\$ | 8,524 | 3.96 | 33,756 | US\$ | 8,374 | 32,917 | | | |
| NON-CURRENT LIABILITIES | | | | | | | | | | |
| LONG-TERM DEBTS | | | | | | | | | | |
| Non-convertible notes class iV | US\$ | 17,842 | 3.96 | 70.655 | US\$ | | | | | |
| OTHER LIABILITIES | | | | | | | | | | |
| Advances for concession of rights | US\$ | 813 | 3.96 | 3,222 | US\$ | 813 | 3,166 | | | |
| TOTAL LIABILITIES | US\$ | 71.957 | | 284.956 | US\$ | 55.149 | 216.759 | US\$ | 34.974 | 134.406 |

US\$: US Dollars

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria****Information submitted in compliance with Section 64, subsection B of Law No. 19,550**

Corresponding to the three-month periods

ended September 30, 2010 and 2009

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

(in thousands of pesos - Notes 1 and 2)

Schedule H

| | Operating Expenses | | | | | | | Total as of | Total as of |
|--|--------------------|-------------|-------|--------|--------|------------------|-------------------------|--------------------|--------------------|
| Items | Crops | Beef cattle | Milk | Others | Total | Selling Expenses | Administrative Expenses | September 30, 2010 | September 30, 2009 |
| Directors' fees | | | | | | | 391 | 391 | 199 |
| Fees and payments for services | | | | | | | 322 | 322 | 1,174 |
| Salaries, annual bonus and social security | 307 | 1,282 | 1,090 | | 2,679 | | 5,146 | 7,825 | 8,610 |
| Taxes, rates and contributions | 140 | 142 | 85 | | 367 | | 98 | 465 | 261 |
| Gross sales taxes | | | | | | 3,006 | | 3,006 | 907 |
| Doubtful accounts | | | | | | 59 | | 59 | |
| Office and administrative expenses | | | | | | | 1,614 | 1,614 | 1,571 |
| Bank commissions and expenses | | | | | | | 339 | 339 | 1 |
| Depreciation of property and equipment | 864 | 419 | 379 | 2 | 1,664 | | 97 | 1,761 | 1,478 |
| Depreciation of Intangible assets | | | | | | | 188 | 188 | |
| Vehicle and traveling expenses | 60 | 148 | 41 | | 249 | | 380 | 629 | 437 |
| Spare parts and repairs | 110 | 666 | 281 | | 1,057 | | 33 | 1,090 | 951 |
| Insurance | 30 | 72 | 16 | | 118 | | 116 | 234 | 134 |
| Benefits to Employees | 36 | 111 | 98 | | 245 | | 264 | 509 | 745 |
| Livestock expenses (1) | | 2,594 | | | 2,594 | 234 | | 2,828 | 3,348 |
| Dairy farm expenses (2) | | | 4,477 | | 4,477 | 62 | | 4,539 | 3,636 |
| Agricultural expenses (3) | 16,962 | | | 1,968 | 18,930 | 7,227 | | 26,157 | 9,317 |
| General expenses | 116 | 221 | 285 | | 622 | | | 622 | 919 |
| Others | 13 | 18 | | | 31 | | 10 | 41 | 34 |
| Total as of September 30, 2010 | 18,638 | 5,673 | 6,752 | 1,970 | 33,033 | 10,588 | 8,998 | 52,619 | |
| Total as of September 30, 2009 | 6,214 | 6,429 | 5,410 | 427 | 18,480 | 5,408 | 9,834 | | 33,722 |

(1) Includes cattle food and additives, lodging, animal health and others.

(2) Includes cattle food and additives, animal health and others.

(3) Includes seeds, agrochemical, irrigation, services hired, leases and others.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Additional Information to the Notes to the Financial Statements
(in thousands of pesos)

1. LEGAL FRAMEWORK

There are no specific significant legal regimes that would imply contingent suspension or application of the benefits included in these regulations.

2. RELEVANT MODIFICATONS IN THE COMPANY S ACTIVITIES

They are detailed in the Business Highlight, which is attached to the present financial statements.

3. CLASSIFICATION OF ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES ACCORDING TO THEIR MATURITY

- a. Trade accounts receivable and Other receivables without a due date as of September 30, 2010:

| | Trade accounts receivable | Other receivables | Cactus Other receivables | FyO.Com Other receivables | Law No. 19,550 Section 33 Acres Other receivables | Pluriagro S.A. Other receivables | Northagro S.A. Other receivables |
|-------------|---------------------------------|----------------------|--------------------------------|---------------------------------|--|--|--|
| Current | 322 | 28,907 | 14 | 46 | 6 | 317 | 317 |
| Non-current | | 48,367 | | | | | |

- b. Trade accounts receivable and Other receivables to fall due as of September 30, 2010:

| | Trade accounts receivable | FyO.Com Trade accounts receivable | CYRSA Trade accounts receivable | Law No. 19,550 Section 33 Tarshop S.A. Trade accounts receivable | Cactus Trade accounts receivable | Acres Trade accounts receivable | Cresca Trade accounts receivable |
|----------|---------------------------------|--|--|---|---|--|---|
| Maturity | | | | | | | |
| 12/31/10 | 43,037 | 35,133 | 21 | 167 | 322 | 262 | 533 |
| 03/31/11 | | 3,920 | | | | | |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Additional Information to the Notes to the Financial Statements
(in thousands of pesos)

3. (Continued)

| Maturity | Law No. 19,550 Section 33 | | | | | | |
|----------|---------------------------|------------------------|--------------------------|-------------------------|-------------------------|------------------------|------------------------|
| | Other receivables | Ombú Other receivables | Yuchan Other receivables | Yatay Other receivables | Acres Other receivables | IRSA Other receivables | APSA Other receivables |
| 12-31-10 | 25,900 | | | | | 12,715 | 26,772 |
| 03-31-11 | 1,338 | | | | | | |
| 06-30-11 | 7,167 | | | | | | |
| 09-30-11 | 13,156 | | | | | | |
| 12-31-11 | | 7,650 | 5,261 | 3,935 | 264 | | |

4. CLASSIFICATION OF DEBTS ACCORDING TO THEIR MATURITY

- a. There are no past due debts as of September 30, 2010.
- b. Debts without a due date as of September 30, 2010.

| | Law No. 19,550 Section 33 | | | | | | |
|-------------|---------------------------|-----------------|---------------|-------------------|--------------------------|-------------------------|------------|
| | Trade accounts payable | Short-term debt | Taxes payable | Other liabilities | Cactus Other liabilities | EAASA Other liabilities | Allowances |
| Current | | 250,131 | | | | | |
| Non-current | | | 91,383 | 3,394 | 604 | 20 | 1,671 |

- c. Debts to fall due as of September 30, 2010.

| Maturity | Law No. 19,550 Section 33 | | | | | | |
|----------|---------------------------|------------------------------|---|--|--|--------------------------------|-------------------------------|
| | Trade accounts payable | CYRSA Trade accounts payable | Banco Hipotecario S.A. Trade accounts payable | Nuevas Fronteras S.A. Trade accounts payable | Nuevas Fronteras S.A. Trade accounts payable | FyO.Com Trade accounts payable | Cactus Trade accounts payable |
| 12.31.10 | 66,068 | 46 | 12 | 3 | 5 | 9,799 | 223 |

Edgar Filing: CRESUD INC - Form 6-K

| | Salaries and social security payable | | | | IRSA Other liabilities | Law No. 19,550 Section 33 | | |
|----------|--------------------------------------|------------------|----------------|-------------------|------------------------|---------------------------|-------------------------------|---------------------------|
| Maturity | Short-term debt | security payable | Taxes payables | Other liabilities | liabilities | APSA Other liabilities | Agro-Uranga Other liabilities | FyO.Com Other liabilities |
| 12.31.10 | 33,571 | 10,282 | 8,951 | 13,984 | 43,548 | 18,520 | 101 | 926 |
| 03.31.11 | 11,175 | 3,390 | 76 | 14 | | | | |
| 06.30.11 | 111,398 | | 76 | 14 | | | | |
| 09.30.11 | | 3,565 | 76 | 14 | | | | |
| 12.31.11 | 29,448 | | | | | | | |
| 03.31.12 | 29,449 | | | | | | | |
| 06.30.12 | 29,450 | | | | | | | |
| 09.30.12 | 17,607 | | | | | | | |

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Additional Information to the Notes to the Financial Statements

(in thousands of pesos)

5. CLASSIFICATION OF ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES ACCORDING TO THEIR FINANCIAL EFFECTS

a.

| | | Law No. 19,550 Section 33 | | | | | | |
|---------------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | | FyO.Com | CYRSA | Tarshop S.A. | Cactus | Acres | Cresca |
| | | Trade accounts receivable | Trade accounts receivable | Trade accounts receivable | Trade accounts receivable | Trade accounts receivable | Trade accounts receivable | Trade accounts receivable |
| In Pesos | | 2,471 | 27,133 | 12 | 167 | 318 | 262 | |
| In US Dollars | | 44,808 | 8,000 | 9 | | 4 | | 533 |

| Law No. 19,550 Section 33 | | | | | | | | | | | |
|---------------------------|------------|------------|------------|------------|-------|----------|-----------|------------|------------|------------|------------|
| | | | | | | Norhagro | Pluriagro | | | | |
| | Other | FyO.Com | Cactus | Ombú | Acres | S.A. | S.A. | Yuchan | Yatay | APSA | IRSA |
| | accounts | Other | Other | Other | | | | Other | Other | Other | Othera |
| | receivable | accounts | accounts | accounts | | | | accounts | accounts | accounts | accounts |
| | receivable | receivable | receivable | receivable | | | | receivable | receivable | receivable | receivable |
| In Pesos | 121,521 | 46 | 14 | | 6 | 317 | 317 | | | 26,772 | 12,715 |
| In US Dollars | 3,314 | | | 7,650 | 264 | | | 5,261 | 3,935 | | |

b. All Accounts receivable and Other receivables are not subject to adjustment clauses.

c.

| | Law No. 19,550 Section 33 | | | | | | |
|---|---------------------------|-----------------------------|---------------------------|--------------------------|----------------------------|---------------------------|----------------------------|
| | | | | Tarshop | | | |
| | Accounts receivable | FyO.Com Accounts receivable | CYRSA Accounts receivable | S.A. Accounts receivable | Cactus Accounts receivable | Acres Accounts receivable | Cresca Accounts receivable |
| Outstanding balances accruing interests | | | | | | | |
| Outstanding balances not accruing interests | 47,279 | 35,133 | 21 | 167 | 322 | 262 | 533 |

| Law No. 19,550 Section 33 | | | | | | | | | |
|---------------------------|--------|------|------|------|-------|--------|-------|------|------|
| Northagro Pluriagro | | | | | | | | | |
| FyO.Com | Cactus | Ombú | S.A. | S.A. | Acres | Yuchan | Yatay | APSA | IRSA |

Edgar Filing: CRESUD INC - Form 6-K

| | Other accounts receivable | Other accounts receivable | Other accounts receivable | Other accounts receivable | Other accounts receivable | Other accounts receivable | Other accounts receivable | Other accounts receivable | Other accounts receivable | Other accounts receivable | Other accounts receivable |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Outstanding balances accruing interests | 1,555 | | | 7,312 | | | | 5,098 | 3,780 | | |
| Outstanding balances not accruing interests | 123,280 | 46 | 14 | 338 | 317 | 317 | 270 | 163 | 155 | 26,772 | 12,715 |

151

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Additional Information to the Notes to the Financial Statements
(in thousands of pesos)

6. CLASSIFICATION OF DEBTS ACCORDING TO THEIR FINANCIAL EFFECTS

a.

| Law No. 19,550 Section 33 | | | | | | | |
|---------------------------|------------------------------|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | | | Banco Hipotecario S.A. | Nuevas Fronteras | FyO.Com | Panamerican Mall S.A. | Cactus |
| | Trade accounts payable | CYRSA Trade accounts payable | Trade accounts payable | Trade accounts payable | Trade accounts payable | Trade accounts payable | Trade accounts payable |
| In Pesos | 48,378 | 46 | 12 | 3 | 9,799 | 5 | 223 |
| In US Dollars | 17,690 | | | | | | |

| Law No. 19,550 Section 33 | | | | | | | | | | | |
|---------------------------|--------------------|--|------------------|----------------------|------------------------------|------------------------------|---|---------------------------------|--------------------------------|-------------------------------|------------|
| | Short-term debt | Salaries and social security payable | Taxes payable | Other liabilities | IRSA Other liabilities | APSA Other liabilities | Agro- Uranga S.A. Other liabilities | FyO.Com Other liabilities | CACTUS Other liabilities | EAASA Other liabilities | Provisions |
| In Pesos | 250,588 | 17,237 | 100,562 | 10,252 | 9,792 | 18,520 | 101 | 926 | 604 | 20 | 1,671 |
| In US Dollars | 155,687 | | | 7,168 | 33,756 | | | | | | |

b. All outstanding debts are not subject to adjustment clauses.

c.

| Law No. 19,550 Section 33 | | | | | | |
|---|------------------------------|---------------------------------------|--|---|--|--|
| | Trade accounts payable | CYRSA Trade accounts payable | Banco Hipotecario S.A. Trade accounts payable | Nuevas Fronteras S.A. Trade accounts payable | Panamerican Mall S.A. Trade accounts payable | Cactus Trade accounts payable |
| Outstanding balances accruing interests | | | | | | |
| Outstanding balances not accruing interests | 66,068 | 46 | 12 | 3 | 5 | 223 |

| Short-term debt | Salaries and social security payable | Taxes payable | Other liabilities | Law No. 19,550 Section 33 | Provisions |
|--------------------|--|------------------|----------------------|---------------------------|------------|
|--------------------|--|------------------|----------------------|---------------------------|------------|

Edgar Filing: CRESUD INC - Form 6-K

| | payable | | | | IRSA | APSA | Agro- Uranga | FyO.Com | Cactus | EAASA | |
|---|---------|--------|---------|--------|----------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|-------|
| | | | | | Other liabilities | Other liabilities | S.A Other liabilities | Other liabilities | Other liabilities | Other liabilities | |
| Outstanding balances accruing interests | 503,217 | | | | 31,680 | | | | | | |
| Outstanding balances not accruing interests | 9,012 | 17,237 | 100,562 | 17,420 | 11,868 | 18,520 | 101 | 926 | 604 | 20 | 1,671 |

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Additional Information to the Notes to the Financial Statements

(in thousands of pesos)

7. INTEREST IN OTHER COMPANIES (Law No. 19,550 Section 33)

Interests in other companies' capital and the number of votes held in those companies governed by Law No. 19,550 Section 33 are explained in Note 2 to the consolidated financial statements and intercompany balances as of September 30, 2010 are described in captions 4 and 5 above.

8. RECEIVABLES FROM OR LOANS TO DIRECTORS AND STATUTORY AUDIT COMMITTEE MEMBERS

As of September 30, 2010 there were advance payments to directors for Ps. 763, and there were no receivables due from or loans to Statutory Auditors and relatives up to and including second degree, of directors and Statutory Auditors.

9. PHYSICAL INVENTORIES

The company conducts physical inventories once a fiscal year in each property, covering all the assets under such account. There is no relevant immobilization of inventory.

10. VALUATION OF INVENTORIES

We further inform the sources for the information used to calculate the fair value:

- a. Cattle for fattening, valued at the market value net of estimated sale expenses: quotation in Mercado de Hacienda de Liniers and other representative of the market.
- b. Cattle for raising and daily production valued at its replacement cost: according to specific appraisals made by renowned experts.
- c. Crops: official quotation of the Cámara Arbitral de Cereales for the port closest to the warehouse, published by media of wide circulation (Diario La Nación) net of estimated sale expenses.
- d. The remaining inventory stated at its replacement cost:
 - Seeds, forage and materials: replacement cost published by a well-known magazine (revista Márgenes Agropecuarios).
 - Unharvested crops: replacement cost of goods and services needed to obtain similar assets, which does not exceed the net realization value as of each period-end.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria
Additional Information to the Notes to the Financial Statements
(in thousands of pesos)

11. TECHNICAL REVALUATION OF FIXED ASSETS

There are no fixed assets subject to technical revaluation.

12. OBSOLETE FIXED ASSETS

There are no obsolete fixed assets with accounting value.

13. EQUITY INTERESTS IN OTHER COMPANIES

There are no equity interests in other companies in excess of the provisions of Law No. 19,550 Section 31.

14. RECOVERABLE VALUES

The recoverable value of the inventory under consideration is the higher between the net realizable value (selling price at the end of the year less estimated selling expenses) and the economic use value determined.

15. INSURANCES

The types of insurance used by the company are the following:

| Insured property | Risk covered | Amount insured Pesos | Book value Pesos |
|---|---|-------------------------------------|-----------------------------|
| Buildings, machinery, silos, installation and furniture and equipment | Theft, fire and technical insurance | 104,694 | 34,070 |
| Vehicles | Third parties, theft, fire and civil liability | 4,499 | 1,675 |

16. CONTINGENCIES

As of September 30, 2010 there are no contingent situations that have not been accounted for or adequately exposed in notes according to accounting standards.

17. IRREVOCABLE CONTRIBUTIONS TO CAPITAL ON ACCOUNT OF FUTURE SUBSCRIPTIONS

None.

18. DIVIDENDS ON PREFERRED STOCK

There are no cumulative dividends not paid on preferred stock.

19. LIMITATIONS OF PROFIT DISTRIBUTIONS

See Note 11 to the Financial Statements.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Comparative Shareholders Equity Structure

| | As of September 30, 2010 | As of September 30, 2009 | As of September 30, 2008 | As of September 30, 2007 | As of September 30, 2006 |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Current Assets | 1,544,220 | 1,070,435 | 544,873 | 157,154 | 104,526 |
| Non-current Assets | 5,591,572 | 4,998,855 | 1,383,173 | 924,748 | 788,999 |
| | 7,135,792 | 6,069,290 | 1,928,046 | 1,081,902 | 893,525 |
| Current Liabilities | 1,362,395 | 1,253,580 | 187,438 | 189,200 | 116,915 |
| Non-current Liabilities | 2,085,005 | 1,423,797 | 44,803 | 75,098 | 144,643 |
| | 3,447,400 | 2,677,377 | 232,241 | 264,298 | 261,558 |
| Minority Interest | 1,644,254 | 1,491,629 | 1,211 | 900 | 471 |
| Shareholders Equity | 2,044,138 | 1,900,284 | 1,694,594 | 816,704 | 631,496 |
| | 7,135,792 | 6,069,290 | 1,928,046 | 1,081,902 | 893,525 |

Comparative Income Structure

| | As of September 30, 2010 | As of September 30, 2009 | As of September 30, 2008 | As of September 30, 2007 | As of September 30, 2006 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Operating income (loss) | 183,649 | 90,275 | (8,032) | (7,168) | (2,789) |
| Financial and holding results | (74,349) | (42,448) | 6,175 | (1,916) | (3,100) |
| Other income and expenses, net and gain equity investees | 19,596 | 97,605 | (36,037) | (6,820) | 6,004 |
| Management agreement fees | (5,761) | (6,803) | | | (214) |
| Operating net income | 123,135 | 138,629 | (37,894) | (15,904) | (99) |
| Income tax (expense) benefit | (23,946) | (15,376) | 546 | 3,365 | 1,937 |
| Minority Interest | (47,339) | (61,426) | (51) | (63) | 89 |
| Net income | 51,850 | 61,827 | (37,399) | (12,602) | 1,927 |

Production volume

| Three-month period September 30, 2010 | Accumulated July 1, 2010 to September 30, 2009 | Three-month period September 30, 2009 | Accumulated July 1, 2009 to September 30, 2008 | Three-month period September 30, 2008 | Accumulated July 1, 2008 to September 30, 2007 | Three-month period September 30, 2007 | Accumulated July 1, 2007 to September 30, 2006 | Three-month period September 30, 2006 | Accumulated July 1, 2007 to September 30, 2006 |
|--|---|--|---|--|---|--|---|--|---|
|--|---|--|---|--|---|--|---|--|---|

Edgar Filing: CRESUD INC - Form 6-K

| | 2010 | | 2009 | | 2008 | | 2007 | | 2007 | |
|-----------------------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|
| Beef Cattle (in Kgs.) | 918,000 | 918,000 | 413,000 | 413,000 | 830,310 | 830,310 | 1,442,226 | 1,442,226 | 1,753,725 | 1,753,725 |
| Butyraceous (in Kgs.) | 230,845 | 230,845 | 208,165 | 208,165 | 201,890 | 201,890 | 182,040 | 182,040 | 142,933 | 142,933 |
| Crops (in quintals) | 509,636 | 509,636 | 151,415 | 151,415 | 157,000 | 157,000 | 91,847 | 91,847 | 26,185 | 26,185 |
| Sales volume | | | | | | | | | | |

| | Accumulated | | Accumulated | | Accumulated | | Accumulated | | Accumulated | |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Three-month | July 1, 2010 | Three-month | July 1, 2009 | Three-month | July 1, 2008 | Three-month | July 1, 2007 | Three-month | July 1, 2007 |
| | period | to | period | to | period | to | period | to | period | to |
| | September 30, | September 30, | September 30, | September 30, | September 30, | September 30, | September 30, | September 30, | September 30, | September 30, |
| | 2010 | 2010 | 2009 | 2009 | 2008 | 2008 | 2007 | 2007 | 2006 | 2007 |
| Beef Cattle (in Kgs.) | 2,483,546 | 2,483,546 | 2,081,841 | 2,081,841 | 1,923,201 | 1,923,201 | 4,668,848 | 4,668,848 | 4,578,436 | 4,578,436 |
| Butyraceous (in Kgs.) | 230,845 | 230,845 | 208,165 | 208,165 | 201,890 | 201,890 | 182,040 | 182,040 | 182,040 | 182,040 |
| Crops (in quintals) | 830,920 | 830,920 | 616,503 | 616,503 | 763,517 | 763,517 | 375,683 | 375,683 | 202,289 | 202,289 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Local Market

| | Three-month period September 30, 2010 | Accumulated July 1, 2010 to September 30, 2010 | Three-month period September 30, 2009 | Accumulated July 1, 2009 to September 30, 2009 | Three-month period September 30, 2008 | Accumulated July 1, 2008 to September 30, 2008 | Three-month period September 30, 2007 | Accumulated July 1, 2007 to September 30, 2007 | Three-month period September 30, 2006 | Accumulated July 1, 2007 to September 30, 2007 |
|--------------------------|--|--|--|--|--|--|--|--|--|--|
| Beef Cattle (in Kgs.) | 2,483,546 | 2,483,546 | 2,081,841 | 2,081,841 | 1,923,201 | 1,923,201 | 4,668,848 | 4,668,848 | 4,578,436 | 4,578,436 |
| Butyraceous (in Kgs.) | 230,845 | 230,845 | 208,165 | 208,165 | 201,890 | 201,890 | 182,040 | 182,040 | 182,040 | 182,040 |
| Crops (in quintals) | 830,920 | 830,920 | 616,503 | 616,503 | 763,517 | 763,517 | 375,683 | 375,683 | 202,289 | 202,289 |
| Export (not applicable) | | | | | | | | | | |

Ratios

| | As of September 30, 2010 | As of September 30, 2009 | As of September 30, 2008 | As of September 30, 2007 | As of September 30, 2006 |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Liquidity | 1.13 | 0.85 | 2.907 | 0.831 | 0.894 |
| Solvency | 0.59 | 0.71 | 7.297 | 3.090 | 2.414 |
| Non-current assets to assets | 0.78 | 0.82 | 0.717 | 0.855 | 0.883 |
| Return on Equity (1) | 0.03 | 0.03 | (0.022) | (0.015) | 0.003 |

(1) Result of the year divided average shareholder's equity.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Buenos Aires, November 11, 2010 - Cresud S.A.C.I.F. y A. (Nasdaq: CRESY BASE: CRES), one of the leading agricultural companies in Argentina, announces today its results for the first quarter of fiscal year 2011 ended September 30, 2010.

Consolidated agribusiness sales for the period amounted to Ps. 161.7 million, 158.1% higher than those posted for the same quarter of the previous fiscal year. This increase was caused mainly by the Sale of Farms account generating Ps. 71.1 million from the sale of La Juanita farm, a 42.3% rise in the sales of crops and a 151.7% increase in the sales of beef cattle compared to the same period of the previous fiscal year.

Agribusiness production revenues amounted to Ps. 35.1 million in the period ended September 30, 2010, 166.1% higher than those recorded in the same period of the previous fiscal year. The increase is explained mainly by a 263.1% rise in crop production.

Consolidated sales in the real estate business were Ps. 307.3 million for the three-month period ended September 30, 2010. This represents an improvement from the Ps. 267.0 million in sales for the same quarter of the previous fiscal year.

Gross profit during the first three months of fiscal year 2011 amounted to Ps. 259.4 million compared to Ps. 151.7 million during the same period of the previous year. The increase in gross profit amounting to Ps. 107.8 between both periods resulted from an improvement of Ps. 62.3 million recorded in the agribusiness and increased results amounting to Ps. 45.4 million in the real estate business.

Operating results for the period ended September 30, 2010 showed a Ps. 183.6 million profit, composed of operating income of Ps. 134.8 million in IRSA's segments for the first three months of fiscal year 2011 and a Ps. 48.9 million profit from Cresud's agribusiness activities for the same period. This represents an improvement from the Ps. 90.3 million profit recorded in the same period of the previous fiscal year. The rise is explained mainly by an increase of Ps. 68.5 million from the agribusiness operating results, prompted by higher prices and margins in the agribusiness segment, and the gain resulting from the sale of La Juanita farm.

Net income for the first three months of fiscal year 2011 amounted to Ps. 51.9 million, compared to a Ps. 61.8 million income posted in the same period of the previous fiscal year. This slight decrease in net income resulted mainly from a higher loss in net financial results and lower results from interests in related companies. This reduction was partially offset by the increase in operating results, which rose from Ps. 90.3 million profits in the first quarter of fiscal year 2010 to Ps. 183.6 million profits in the same quarter of fiscal year 2011.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Main Indicators

For the three-month period ended September 30, 2010 and 2009:

| Description | 3 months ended 09/30/2010 | 3 months ended 09/30/2009 | % |
|--|------------------------------|------------------------------|---------------|
| Sales | | | |
| Wheat | 2,657 | 3,159 | (15.9%) |
| Corn | 58,761 | 31,371 | 87.3% |
| Sunflower | 1,563 | 5,609 | (72.1%) |
| Soybean | 4,108 | 11,382 | (63.9%) |
| Other | 16,002 | 10,130 | 58.0% |
| Total Sales Crops (tons) | 83,091 | 61,650 | 34.8% |
| Sales - Cattle beef (tons) | 2,484 | 1,953 | 27.2% |
| Sales - Milk (thousands of liters) | 5,665 | 5,121 | 10.6% |
| Production | | | |
| Wheat | 1,680 | 1,346 | 24.8% |
| Corn | 42,291 | 13,725 | 208.1% |
| Sunflower | 860 | | 0.0% |
| Soybean | 368 | 11 | 3,247.4% |
| Other | 5,765 | 60 | 9,574.1% |
| Total Production - Crops (tons) | 50,964 | 15,142 | 236.6% |
| Production - Beef cattle (tons) | 918 | 413 | 122.3% |
| Production - Milk (thousands of liters) | 5,799 | 5,183 | 11.9% |
| Exploited Surface Area (in hectares) ¹ | | | |
| Crops | Own farms ² | 59,614 | (3.0%) |
| | Leased farms | 40,973 | 26.2% |
| | Farms under | | |
| | concession | 10,872 | 22.6% |
| Cattle beef | Own farms | 102,696 | (12.3%) |
| | Leased farms | 26,925 | (53.1%) |
| Milk farm | Own farms | 4,637 | 1.7% |
| Sheep | Own farms | 100,911 | 0.0% |
| Land reserves (in hectares) | | | |
| | Own farms | 223,785 | 0.7% |

Edgar Filing: CRESUD INC - Form 6-K

| | | | |
|---|---------------|---------------|----------------|
| Farms under concession | 111,540 | 115,992 | (3.8%) |
| Surface under irrigation (in hectares) | | | |
| Own farms | 3,762 | 3,762 | 0.0% |
| Leased farms | | | 0.0% |
| Storage capacity (tons) | | | |
| Own plants | 10,000 | 10,000 | 0.0% |
| Leased plants | | | 0.0% |
| Stock of cattle heads | | | |
| Breeding stock | 54,930 | 59,869 | (8.2%) |
| Winter grazing stock | 12,281 | 25,045 | (51.0%) |
| Milk farm stock | 8,776 | 8,386 | 4.7% |
| Total cattle (heads) | 75,987 | 93,300 | (18.6%) |
| Daily average milking cows (heads) | 3,331 | 3,138 | 6.2% |

Notes:

1 - Does not include Agro-Uranga S.A. (35.72% of 8,299 hectares).

2 - Includes the San Cayetano , San Rafael , La Fon Fon and Las Londras farms, located in Santa Cruz, Bolivia, and the Jerovia farm, located in the District of Boquerón, Paraguay.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria**

Business Highlight

Summary of Operations

Crops

Gross profit in the crops segment amounted to Ps. Ps. 6.9 million for the first quarter of fiscal year 2011, compared to a Ps. 1.2 million loss recorded in the same period of the previous fiscal year.

Agribusiness production results rose from a Ps. 4.0 million loss in the first quarter of fiscal year 2010 to a Ps. 0.2 million profit in the same quarter of this fiscal year.

During this quarter, harvesting of the previous crop season was completed, resulting in a higher amount of tons produced than in the 08/09 season: crop production increased 236.6% compared to the same quarter of the previous fiscal year.

The production margin rose from (63.6%) in the first quarter of fiscal year 2010 to 0.9% in the same period of fiscal year 2011. Such improvement in the margin resulted mainly from the decrease in production costs per ton, which fell 34.6%.

Sales volume increased 34.8%.

Sales revenues from the crops segment increased from Ps. 2.8 million profits in the first quarter of fiscal year 2010 to Ps. 6.7 million in the same period of fiscal year 2011.

The operating area is 57,853 hectares in our own farms, 51,695 hectares in leased farms and 13,324 hectares in farms under concession, totaling approximately 123,000 hectares.

In Argentina, we have already planted approximately 8,800 hectares of wheat and we are in process of starting corn and sunflower planting activities.

If we consider the exploited hectares operated by BrasilAgro and AgroUranga S.A., the aggregate planted surface area would stand at approximately 189,000 hectares, an increase of more than 24% compared to the hectares in operation in the previous season.

In this way, we plan to accelerate our production rhythm by taking advantage of higher volumes and capturing the rises in crop prices recorded during this last period.

Beef Cattle

Operating results of the beef cattle segment showed an income of Ps. 9.9 million in the first quarter of fiscal year 2011, compared to a Ps. 8.4 million loss recorded in the same period of the previous fiscal year.

This improvement was caused mainly by holding gains for Ps. 16.1 million, resulting from the strong appreciation of the stock experienced recently as a consequence of the improvement in beef cattle prices.

We increased beef cattle sales by 27.2% in the first quarter of fiscal year 2011, so as to capitalize on the higher prices recorded in the beef cattle market.

As of September 30, 2010, the stock of breeding cattle amounted to 54,930 heads, compared to 59,869 heads in the same quarter of the previous fiscal year.

Winter grazing stock decreased to 12,281 heads in the first quarter of fiscal year 2011, compared to 25,045 heads in the same quarter of the previous fiscal year.

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria**

Business Highlight

Milk
As of September 30, 2010 we allocated an aggregate of 102,709 hectares to beef cattle production.

Operating results in the milk segment amounted to an income of Ps. 2.0 million in the first quarter of fiscal year 2011, compared to a Ps. 0.8 million loss in the first quarter of the previous fiscal year.

This improvement is explained by higher production revenues, which were spurred by an 11.9% increase in the liters of milk produced and an improvement of approximately 60.0% in milk prices in this period.

In the first quarter of fiscal year 2011, we had 8,776 milking cows, compared to 8,386 heads in the same quarter of the previous fiscal year, and we allocated 4,717 hectares to the dairy segment in this period, compared to 4,637 hectares in the same quarter of the previous fiscal year.

At present we have one dairy facility known as El Tigre farm, and we have a lease agreement to continue operating until the end of 2010 the two dairy facilities at the La Juanita farm, which we sold as described below.

Sale of La Juanita

On September 3, 2010, Cresud signed the title deed whereby it sold and delivered possession of La Juanita farm.

The aggregate price for the sale amounted to U\$S 18.0 million, resulting in gains of approximately Ps. 49.4 million.

Within the framework of this transaction, a commodatum agreement has been executed in favor of Cresud to expire on January 10, 2011 in relation to certain fractions of real property for the purposes of continuing production operations in the farm until such date.

Development of marginal lands

During fiscal year 2010 the Company transformed 6,290 hectares in Los Pozos and 3,559 in Anta.

At present we have approximately 13,000 hectares ready for agriculture in Anta and 8,000 hectares in Los Pozos, which we expect to start planting in the 2010/2011 season.

On the other hand, we continued transforming non-productive hectares.

Edgar Filing: CRESUD INC - Form 6-K

We are in process of transforming 3,000 hectares in Los Pozos for agriculture purposes, 800 hectares of which were converted in the first quarter of this fiscal year.

In Anta we expect to transform 4,800 hectares for agriculture purposes, 2,200 hectares of which have been converted, representing a degree of progress of 45.8% only in the first quarter of fiscal year 2011.

In our La Esmeralda farm we had 4,970 hectares allocated to agriculture in the 2009/201 season. This amount increased to 6,798 hectares in the current 2010/2011 season; therefore, at present La Esmeralda has 72% of its surface area allocated to agriculture compared to 57% recorded in the previous season.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

In the international segment, the farms which we control jointly with our partners, through Cresca, have 6,000 hectares allocated to agricultural production, and we expect to allocate 6,000 further hectares in the following 2011/2012 season, 1,200 hectares of which have been already transformed, representing a 20% degree of progress.

International Expansion

BrasilAgro

| Property | Location | Total Surface Area (ha) | Sowable Area (ha) | Purchase | Price per |
|---------------|----------------------------------|----------------------------|----------------------|-------------------------------|----------------------------------|
| | | | | Price (Millions of R\$) | hectare (Thousands of R\$) |
| Sao Pedro | Chapadao do Ceu/GO | 2,443 | 1,700 | R\$ 9.9 | R\$ 4.1 |
| Cremaq | Baixa Grande Riberio/PI | 32,375 | 22,019 | R\$ 42.2 | R\$ 1.3 |
| Jatoba (1) | Jaborandi/BA | 31,602 | 24,600 | R\$ 35.4 | R\$ 1.1 |
| Alto Taquari | Alto Taquari/MT | 5,266 | 3,720 | R\$ 34.0 | R\$ 6.5 |
| Araucaria | Mineiros/GO | 9,682 | 7,007 | R\$ 70.5 | R\$ 7.3 |
| Chaparral | Correntina/BA | 37,129 | 28,000 | R\$ 45.9 | R\$ 1.2 |
| Nova Buriti | Januaria/MG | 24,185 | 19,935 | R\$ 21.9 | R\$ 0.9 |
| Preferencia | Barreiras/BA | 17,800 | 14,199 | R\$ 10.7 | R\$ 0.6 |
| Horizontalina | Tasso Fragoso/MA | 14,358 | 8,600 | R\$ 37.0 | R\$ 2.6 |
| | Total | 174,840 | 129,780 | R\$ 307.5 | |
| | Total Owned by BrasilAgro | 171,680 | 127,320 | R\$ 303.8 | |

⁽¹⁾ Jatoba is owned by an affiliate company, Jaborandi S.A., in which BrasilAgro holds a 90% equity interest.

BrasilAgro has started its 2010/2011 crop season. It expects to plant approximately 65,602 hectares, composed of soybean, corn, rice, sorghum, sugar cane, pastures and forestry. Adding the 794 hectares leased in Araucaria and Jatoba, the total planted area amounts to 66,396 hectares.

Continuing its development process, BrasilAgro plans to develop approximately 20,000 hectares, in line with the strong growth experienced in its planted area.

As concerns the 2010/2011 summer crops, BrasilAgro expects to plant 40,539 hectares of soybean, 5,343 of corn, 2,007 of rice and 4,745 of pastures in Araucaria, Chaparral, Cremaq, Horizontalina, Jatoba, Preferencia and Sao Pedro. Moreover, BrasilAgro expects to plant 973 hectares of sugar cane in addition to the 8,676 already planted, thus expanding its sugar cane planted area.

On September 20, 2010 BrasilAgro's Level I ADRs started to be traded under the BRCPY symbol.

At the shareholders' meeting dated October 4, 2010, the shareholders approved the termination of the consulting agreement dated March 15, 2006 between BrasilAgro and Paraná Consultora de Investimentos S.A.

Following the transfer of shares and warrants implemented on October 25, 2010 as a result of the transaction described below, Cresud's investment in BrasilAgro (excluding warrants) has reached 35.75%.

Execution of Addendum to Stock Purchase Agreement with Tarpon

On October 20, 2010, the Company and Tarpon executed an addendum to the Stock Purchase Agreement dated April 28, 2010, whereby the Company directly and indirectly purchased 9,581,750 common shares of BrasilAgro - Companhia Brasileira Propriedades Agrícolas (BrasilAgro), representing 16.40% of its outstanding capital stock. As consideration, Cresud paid R\$ 25,236,224.61 and the price balance, of R\$ 105,206,000.10, is payable on April 27, 2011. The price balance is secured by a pledge over 8,298,150 shares and 37,325 First Issue Warrants.

Therefore, Cresud is direct and indirect holder of 20,883,916 shares or 35.75% of the Company s stock capital. It should be noted that the purchase of the shares does not imply a change of control in BrasilAgro, and that BrasilAgro s Shareholders Agreement will remain in effect, as amended to reflect the sale of the entire equity interest held by Tarpon and its affiliates.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Therefore, as a result of the above mentioned transaction, Cresud is holder of 168,902 First Issue Warrants of BrasilAgro and 168,902 Second Issue Warrants of BrasilAgro.

IRSA Inversiones y Representaciones S.A.

In the first quarter of fiscal year 2011, Cresud did not acquire any shares in IRSA. Therefore, our equity interest as of September 30, 2010 was 57.5%.

Starting in the second quarter of fiscal year 2009, Cresud presents its financial statements consolidated with those of IRSA. The following information has been taken from the balance sheet of our controlled company IRSA as of September 30, 2010.

Offices and Other Rental Properties

During the last quarter, the market trend experienced in the last year has continued, resulting in stagnation in lease prices and a slight increase in office vacancy levels, mainly due to an increase in the surface area built in the northern area of Buenos Aires and Greater Buenos Aires, a market that is still settling down. On the other hand, IRSA has most of its portfolio in the Plaza Roma Zone, which shows a 7.6% vacancy level with an average lease price over US\$ 31/sqm according to CBRE.

IRSA increased its portfolio by more than 11,200 sqm when it opened the DOT Building in the North Area. This building is located in a zone that is still stabilizing; therefore, it has a low occupancy level that affects the portfolio's total occupancy level. However, the occupancy level of the rest of the portfolio has continued to improve and maintained high levels.

| | | Offices and Other Rental Properties | | | | | |
|------------------|--|-------------------------------------|---------|---------|-------------|---------|-------------|
| | | In Million of Ps. | IQ 11 | IQ 10 | var YoY (%) | FY 10 | FY 09 |
| | | | | | | | var YoY (%) |
| Financial | Revenues | | 40.6 | 40.7 | 0% | 154.2 | 147.7 |
| | Operating Income | | 22.5 | 22.3 | 1% | 73.5 | 76.5 |
| Results | <i>Depreciation and Amortization</i> | | 5.8 | 6.2 | -7% | 24.2 | 24.0 |
| | EBITDA | | 28.3 | 28.5 | -1% | 97.7 | 99.4 |
| | | | IQ 11 | IVQ 10 | IIIQ 10 | IIQ 10 | IQ 10 |
| | | | | | | | IVQ 09 |
| Office | Leaseable Area ¹ (sqm) | | 151,480 | 140,238 | 141,724 | 142,964 | 152,270 |
| | Occupancy ² | | 87.5% | 93.1% | 90.9% | 89.6% | 90.7% |
| Portfolio | Occupancy without Dot Building | | 93.5% | 93.1% | 90.9% | 89.6% | 90.7% |
| | Monthly Revenues ³ (Ps./Leased square meters) | | 98.0 | 97.1 | 93.3 | 91.4 | 95.0 |

u During this period, IRSA's portfolio increased by 8.0% with the incorporation of Dot Building, an office building with more than 11,200 leaseable sqm developed by IRSA and located next to Dot Baires Shopping Center.

u

Edgar Filing: CRESUD INC - Form 6-K

The incorporation of a new building into a still immature area has affected the portfolio's total occupancy level, causing it to drop to less than 88%. However, excluding Dot Building from the analysis, the portfolio's occupancy levels increased 93.5%.

- u The rent per leased surface area measured in Ps. / sqm increased by 1% accompanying the decrease in the exchange rate.
- u The growth in revenues and EBITDA lessened as a result of the smaller amount of leaseable properties resulting from sales of non-strategic assets made during fiscal year 2010.

¹ At period end.

² At period end. Percentage over the total leasable area.

³ Considering the contracts in effect, occupancy and leasable meters at the closing of each period.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Below is information on our office segment as of September 30, 2010:

| | | Leaseable | Occupancy | IRSA s | Monthly | Annual accumulated rental income | | | Book value |
|-------------------------------------|-------------|----------------|------------|------------|---------------|----------------------------------|---------------|---------------|------------------|
| | Date of | Area | Rate (2) | Effective | Rental | over fiscal periods, Ps./000 (4) | | | |
| | Acquisition | sqm (1) | Sep 09 | Interest | Income | 2011 | 2010 | 2009 | \$/000 (5) |
| | | | | | Ps./ | | | | |
| | | | | | 000 (3) | | | | |
| Offices | | | | | | | | | |
| Edificio República | 04/28/08 | 19,884 | 80% | 100% | 2,062 | 6,341 | 5,234 | 995 | 218,602 |
| Torre Bankboston | 08/27/07 | 14,873 | 96% | 100% | 1,676 | 6,177 | 5,300 | 4,690 | 154,521 |
| Bouchard 551 | 03/15/07 | 23,378 | 100% | 100% | 1,963 | 5,822 | 5,347 | 4,460 | 149,988 |
| Intercontinental Plaza | 11/18/97 | 22,535 | 100% | 100% | 1,934 | 5,397 | 5,817 | 3,730 | 81,404 |
| Dot Building (6) | 11/28/06 | 11,242 | 13% | 63% | 104 | 202 | | | 67,162 |
| Bouchard 710 | 06/01/05 | 15,014 | 88% | 100% | 1,375 | 3,920 | 4,979 | 3,866 | 65,006 |
| Dique IV. Juana Manso 295 (7) | 12/02/97 | 11,298 | 92% | 100% | 1,222 | 3,630 | 3,468 | | 64,056 |
| Maipú 1300 | 09/28/95 | 10,280 | 99% | 100% | 1,002 | 2,975 | 2,874 | 1,918 | 37,941 |
| Costeros Dique IV | 08/29/01 | 5,437 | 84% | 100% | 477 | 1,332 | 1,167 | 1,221 | 18,964 |
| Libertador 498 | 12/20/95 | 3,714 | 100% | 100% | 478 | 1,473 | 2,281 | 2,313 | 14,515 |
| Suipacha 652/64 | 11/22/91 | 11,453 | 95% | 100% | 597 | 1,487 | 1,156 | 652 | 10,823 |
| Madero 1020 | 12/21/95 | 101 | 100% | 100% | 3 | 8 | 8 | 10 | 213 |
| Other Offices (8) | N/A | 2,271 | 86% | N/A | 89 | 267 | 2,118 | 5,059 | 5,695 |
| Subtotal Offices | | 151,480 | 87% | N/A | 12,982 | 39,031 | 39,749 | 28,914 | 888,890 |
| Other Properties | | | | | | | | | |
| Terreno Catalinas Norte (9) | 12/17/09 | N/A | N/A | N/A | 106 | 370 | N/A | N/A | 100,863 |
| Santa María del Plata S.A. | 07/10/97 | 60,100 | 100% | 100% | 87 | 258 | 252 | 266 | 12,496 |
| Museo Renault | 12/06/07 | 1,275 | 100% | 100% | 30 | 90 | 89 | 89 | 4,761 |
| Thames | 11/01/97 | 33,191 | | 100% | | | 152 | 152 | 3,897 |
| Commercial Properties (10) | N/A | 312 | | N/A | | | | 52 | 3,563 |
| Other Properties (11) | N/A | 2,072 | 100% | N/A | 10 | 34 | 21 | 50 | 5,973 |
| Subtotal Other Properties | | 96,950 | 65% | N/A | 233 | 752 | 514 | 609 | 131,552 |
| Management Fees (12) | | N/A | N/A | N/A | | 815 | 408 | 444 | N/A |
| TOTAL OFFICES AND OTHER (13) | | 248,430 | 79% | N/A | 13,215 | 40,598 | 40,671 | 29,967 | 1,020,442 |

Notes:

- (1) Total leaseable area for each property as of 09/30/10. Excludes common areas and parking.
- (2) Calculated dividing occupied square meters by leaseable area as of 09/30/10.
- (3) Agreements in force as of 09/30/10 for each property were computed.
- (4) Total consolidated leases, according to the RT21 method.
- (5) Cost of acquisition, plus improvements, less accumulated depreciation, plus adjustment for inflation, less allowance for impairment in value.
- (6) Through Alto Palermo S.A. The building has revenues as from August 2010.

Edgar Filing: CRESUD INC - Form 6-K

- (7) The building was occupied in May 2009.
- (8) Includes the following properties: Madero 942 (fully sold), Av. de Mayo 595, Av. Libertador 602 (fully sold), Rivadavia 2774, Sarmiento 517, Dock del Plata (fully sold), Edificio Costeros (fully sold), Laminar (fully sold) and Reconquista 823/41 (fully sold).
- (9) Includes other income from lease of parking spaces.
- (10) Includes the following properties: Constitución 1111, Crucero I (fully sold), Locales de Abril (fully assigned) and Casona de Abril.
- (11) Includes the following properties: 1 unit in Alto Palermo Park, Constitución 1159 and Dique III (fully sold) and Canteras.
- (12) Income from building management fees.
- (13) Corresponds to the Offices and Other Rental Properties business unit mentioned in Note 3 to the Consolidated Financial Statements.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Alto Palermo S.A. (APSA): Shopping Centers and Consumer Finance

Since the first quarter of fiscal year 2010, ended in September 2009, and for the last 12 months, the shopping center segment has shown a substantial increase in all its levels. This was reflected on APSA's tenants' sales, the revenues generated by the segment and, mainly, its EBITDA generation, and it is the result of a significant improvement in economic activity and the increase in consumption levels.

Apart from leaving behind the shock of the 2009 global financial crisis, APSA's shopping centers experienced a significant increase in tenant sales during the month of July.

The following information relates to data extracted from the balance sheet of IRSA's subsidiary Alto Palermo S.A. (APSA), the company that operates our shopping center business, in which IRSA holds a 63.35% interest as of September 30, 2010. After this period end, IRSA's interest increased to 94.89% after acquiring Parque Arauco S.A.'s shareholding.

Shopping Centers

| | | Shopping Centers | | | | | |
|------------------|---|------------------|-------------|-------------|--------------|-------------|-------------|
| | In Millions of Ps. | IQ 11 | IQ 10 | var YoY (%) | FY 10 | FY 09 | var YoY (%) |
| Financial | Revenues | 148.8 | 113.8 | 31% | 518.4 | 396.7 | 31% |
| | Operating income | 84.7 | 60.0 | 41% | 268.0 | 214.9 | 25% |
| Results | <i>Depreciation and Amortization</i> | <i>28.1</i> | <i>27.6</i> | <i>2%</i> | <i>112.7</i> | <i>86.6</i> | <i>30%</i> |
| | EBITDA | 112.9 | 87.6 | 29% | 380.6 | 301.5 | 26% |
| | | IQ 11 | IVQ 10 | IIIQ 10 | IIQ 10 | IQ 10 | IVQ 09 |
| | Total Leaseable Area (sqm) ⁴ | 299,130 | 286,286 | 286,286 | 289,410 | 286,581 | 287,542 |
| | Tenants' Sales (Ps. Million, 12-month cumulative) | 6,277 | 5,776 | 5,229 | 4,807 | 4,400 | 4,194 |
| Shopping | Tenants' Sales in the same | | | | | | |
| Centers | Shopping Centers (Ps. Million, | | | | | | |
| | 12-month cumulative) ⁵ | 5,411 | 5,012 | 4,592 | 4,340 | 4,141 | 4,095 |
| | Occupancy ⁶ | 97.6% | 97.5% | 98.0% | 98.0% | 97.9% | 98.5% |

- u APSA has incorporated our 12th Shopping Center, Soleil, which has increased by 4.5% the size of our portfolio, bringing it to around 300,000 sqm of leaseable area.
- u 12-month cumulative tenant sales as of September 30, 2010 in the same shopping centers totaled Ps. 5,411 million, which accounts for a 30.7% increase compared to the same period of the previous year.
- u During the three-month period ended September 2010, shopping centers' tenants' sales reached Ps. 1,733 million (a 40.7% increase compared to the same period of the previous year). Cumulative sales totaled Ps. 1,471 million in the same shopping centers⁷ compared to the same quarter of the previous year (a 37.2% increase).
- u During July, August and September 2010 sales increased by 59%, 33% and 30%, respectively, compared to the same months of 2009. In the same shopping centers, they increased by 54%, 30% and 28%, respectively.
- u EBITDA/Sales margin for the three-month period stood at 76%.

- ⁴ At period end.
- ⁵ Does not include Dot Baires Shopping and Soleil
- ⁶ At period end. Percentage over the total leaseable area.
- ⁷ Does not include Dot Baires Shopping and Soleil

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Below is information on our shopping center segment as of September 30, 2010.

| | Date of Acquisition | Leaseable Area Sqm (1) | APSA's Effective Interest (3) | Occupancy Rate (2) | Accumulated Annual Rental Income as of September 30 for the fiscal periods (In Ps./000)(4) | | | Book Value (Ps. 000) (5) |
|--------------------------------|---------------------|------------------------|-------------------------------|--------------------|--|---------|--------|--------------------------|
| | | | | | 2011 | 2010 | 2009 | |
| Shopping Centers (6) | | | | | | | | |
| Alto Palermo | 11/97 | 18,701 | 100.0% | 100.0% | 27,200 | 20,971 | 21,323 | 129.661 |
| Abasto Shopping (7) | 07/94 | 37,592 | 100.0% | 99.7% | 26,547 | 19,810 | 19,481 | 161.187 |
| Dot Baires Shopping (8) | 05/09 | 49,526 | 80.0% | 99.7% | 17,046 | 14,742 | | 584.519 |
| Alto Avellaneda | 11/97 | 36,547 | 100.0% | 95.7% | 16,827 | 12,526 | 10,990 | 69.932 |
| Paseo Alcorta | 06/97 | 13,804 | 100.0% | 98.0% | 11,562 | 9,581 | 9,277 | 69.601 |
| Patio Bullrich | 10/98 | 11,741 | 100.0% | 99.7% | 10,870 | 8,669 | 7,708 | 87.661 |
| Alto Rosario Shopping (7) | 11/04 | 28,650 | 100.0% | 95.0% | 8,935 | 6,817 | 5,828 | 76.776 |
| Mendoza Plaza Shopping | 12/94 | 40,634 | 100.0% | 93.1% | 8,109 | 6,137 | 6,675 | 79.458 |
| Fibesa and Others (9) | | N/A | 100.0% | N/A | 6,814 | 5,224 | 4,911 | |
| Buenos Aires Design | 11/97 | 13,786 | 53.7% | 98.8% | 4,213 | 3,446 | 3,383 | 8.188 |
| Córdoba Shopping Villa Cabrera | 12/06 | 15,108 | 100.0% | 98.1% | 4,205 | 3,042 | 2,814 | 67.990 |
| Alto Noa Shopping | 03/95 | 19,001 | 100.0% | 99.6% | 3,887 | 2,785 | 2,738 | 21.084 |
| Soleil | 07/10 | 14,040 | 100.0% | 97.0% | 2,587 | | | 82.456 |
| Neuquén (10) | 07/99 | N/A | 98.1% | N/A | | | | 13.560 |
| TOTAL SHOPPING CENTERS | | 299,130 | 95.1% | 97.6% | 148,802 | 113,750 | 95,128 | 1,384,911 |

Notes:

- (1) Total leaseable area in each property. Excludes common areas and parking spaces.-
- (2) Calculated dividing occupied square meters by leaseable area on the last day of the period.-
- (3) APSA's effective interest in each of its business units. IRSA has a 63.35% interest in APSA.-
- (4) Corresponds to total leases, consolidated as per the RT21 method.-
- (5) Cost of acquisition plus improvements, less accumulated depreciation, plus adjustment for inflation, less allowance for impairment in value, plus recovery of allowances, if applicable. Excludes works in progress.
- (6) Through Alto Palermo S.A.
- (7) Excludes Museo de los Niños (3,732 in Abasto and 1,261 in Alto Rosario).-
- (8) During May 2009, a shopping center, a hypermarket and a movie theater complex were opened.
- (9) Includes revenues from Fibesa S.A., Comercializadora Los Altos S.A. (merged with Fibesa S.A.), and others.
- (10) Land for the development of a shopping center.

New Soleil Shopping Center

On July 1, 2010, APSA and INCESA executed the transfer of Soleil Factory Shopping Center's Going Concern. The total price for the transaction was US\$ 20.7 million plus VAT. A partial amount was paid on July 7, 2010. The balance amounts to US\$ 12.6 million and is payable on July 1, 2017 or upon the execution of the deed, whichever occurs last. As a result, APSA adds its 12th Shopping Center to its portfolio, which it plans to condition over the next months for it to reach the quality level of our portfolio. This addition implies a 4.5% increase in the size of the shopping center portfolio.

Acquisition of a Plot in Paraná, Entre Ríos for the future development of a Shopping Center

Edgar Filing: CRESUD INC - Form 6-K

On August 12, 2010, APSA and Wal-Mart Argentina executed a preliminary purchase agreement for a plot of land of 10,022 sqm in the City of Paraná, Entre Ríos. The purchase price was US\$ 0.5 million, US\$ 0.15 million of which have already been paid. APSA will pay the US\$ 0.35 million balance upon execution of the title deed and surrender of possession, which will take place 60 days after APSA receives the relevant approvals to construct and operate a shopping center in this plot.

Acquisition of Parque Arauco S.A.'s interest in Alto Palermo S.A.

After the end of this period, on October 15, 2010, IRSA announced the purchase of Parque Arauco S.A.'s direct and indirect equity interest in Alto Palermo S.A. (APSA), through the payment of US\$ 126 million, US\$ 6 million of which had already been paid at the time of purchase of the option announced in January 2010.

As a result, the fruitful relationship developed with an excellent strategic partner such as Parque Arauco S.A. has reached optimum results, that will probably allow us to delineate a future that joins us again in new challenges.

Table of Contents

Cresud Sociedad Anónima,
Commercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Following such acquisition, IRSA holds 94.89% of Alto Palermo S.A.'s stock capital, thus increasing, for the benefit of its shareholders, its leading position in the Shopping Center segment and consolidating the equity expansion strategy rolled out by it at national and international levels.

Consumer Financing Tarshop S.A.

| | | Consumer Finance | | | | | |
|--------------------|--|--------------------|------------|-------------|------------|------------|-------------|
| In Millions of Ps. | | IQ 11 ⁹ | IQ 10 | var YoY (%) | FY 10 | FY 09 | var YoY (%) |
| Financial | Revenues | 57.8 | 43.2 | 34% | 265.3 | 236.8 | 12% |
| | Operating Result | 19.1 | 5.9 | 224% | 53.3 | -125.4 | |
| Results | <i>Depreciation and Amortization</i> | <i>1.4</i> | <i>1.8</i> | <i>-19%</i> | <i>8.0</i> | <i>5.6</i> | <i>43%</i> |
| | EBITDA | 20.5 | 7.6 | 168% | 61.3 | -119.8 | |
| | | IQ 11 | IVQ 10 | IIIQ 10 | IIQ 10 | IQ 10 | IVQ 09 |
| Consumer | Loan Origination (in Millions of Ps.) | 334.7 | 319.6 | 278.9 | 293.2 | 278.9 | 293.2 |
| Finance | Loan Portfolio (in Millions of Ps.) | 629.3 | 605.3 | 531.0 | 529.7 | 531.0 | 529.7 |
| | In Arrears for 3 to 6 months ¹⁰ | 2.4% | 3.1% | 3.6% | 3.9% | 3.6% | 3.9% |

u Operating income and financial results of this segment reflect Tarshop's full recovery and the momentum in this sector's activity. Sale of Tarshop to Banco Hipotecario

Upon fulfillment of the conditions precedent, including the relevant authorization of the Argentine Central Bank, on September 13, 2010 APSA transferred to Banco Hipotecario 80% of Tarshop's stock capital, pursuant to the purchase and sale agreement executed on December 29, 2009. The purchase price was US\$ 26.8 million and was fully paid.

As from September 1, 2010, Tarshop is no longer consolidated with IRSA. APSA's interest (IRSA's subsidiary) in Tarshop S.A. was 100% until August 31, 2010 and 20% as from September 1, 2010. APSA's interest in Metroshop is 50%.

Sales and Developments

During this quarter no significant sales were made, which circumstance is reflected in the decrease in revenues and cash generation.

| | | Sales and Developments | | | | | |
|--------------------|--|------------------------|-------|-------------|-------|-------|-------------|
| In Millions of Ps. | | IQ 11 | IQ 10 | var YoY (%) | FY 10 | FY 09 | var YoY (%) |

| | | | | | | | |
|------------------|--------------------------------------|------------|------------|-------------|-------------|------------|--------------|
| Financial | Revenues | 11.0 | 36.3 | -70% | 225.6 | 280.4 | -20% |
| | Operating Result | 8.1 | 27.4 | -70% | 139.5 | 121.2 | 15% |
| Results | <i>Depreciation and Amortization</i> | <i>0.1</i> | <i>0.2</i> | <i>-38%</i> | <i>-0.4</i> | <i>0.8</i> | <i>-157%</i> |
| | EBITDA | 8.2 | 27.6 | -70% | 139.2 | 121.9 | 14% |

Horizons Project (CYRSA, partnered by IRSA and Cyrela)

It has been fully sold. Work progress is almost 86.98%. Completion and delivery of the units sold is expected to occur in the next months.

Nuevo Caballito Project (IRSA s barter)

Sales percentage is 73% and its construction is completed. In October 2010, the units sold started to be delivered.

⁹ It only corresponds to July and August 2010.

¹⁰ Percentage over Total Loan Portfolio

Table of Contents

**Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria**

Business Highlight

Torres Rosario Project (APSA's barter)

A barter was executed over 2 parcels (2-G and 2-H) for the construction of two condominiums, whose degree of progress is 100% and 53%, respectively. Completion of works in the 2-H parcel is scheduled for December 2011. The process of sale of the condominiums in parcel 2-G has started.

In addition, Parcel 2-A of Terreno Rosario has been sold. The purchase price was US\$ 4.2 million, US\$ 1.1 million of which were collected. The price balance shall be paid upon the execution of the deed of conveyance of title.

El Encuentro Project

The process of sale of the 110 functional units located in this residential community has started. The project is located in the district of Tigre, Province of Buenos Aires. As of the closing of this period 16.15% of the project had been sold.

Barter of Terreno Beruti

After the closing of this period, on October 13, 2010, TGLT S.A. and APSA executed a sale agreement whereby APSA sold Terreno Beruti. TGLT S.A. plans to construct in the Property an apartment building with both residential and commercial parking spaces. As consideration, TGLT S.A. will transfer to APSA:

- u 17.33% of the saleable square meters of the properties to be built,
 - u 15.82% of the square meters of the parking spaces of the same building;
 - u all the commercial parking spaces; and
 - u US\$ 10.7 million, payable simultaneously upon the execution of the title deed.
- Below is information on our sales and development segment as of September 30, 2010

Table of Contents

Cresud Sociedad Anónima,
Commercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Sales and Developments

| | | Estimated / Real Cost | Area intended for Sale | Total Units / Lots | IRSA s Effective Interest | Percentage Built | Percentage Sold (4) | Accumulated Sales, (Ps. 000) | Accumulated Sales as of September 30 of Fiscal Year | | | Book Value |
|---|------------------------|--------------------------|---------------------------|-----------------------|------------------------------|---------------------|------------------------|------------------------------------|--|-------|-------|----------------|
| DEVELOPMENT | Date of Acquisition | (Ps. 000) (1) | (sqm) (2) | (3) | | | | (5) | (Ps. 000) (6) | (6) | 2009 | Ps./000 (7) |
| <u>Residential Apartments</u> | | | | | | | | | | | | |
| Torres Renoir (15) | 09/09/99 | 22,861 | 5,383 | 28 | 100.00% | 100.00% | 100.00% | 53,940 | | 142 | | |
| Swap receivable Terreno Rosario (8) (16) | 04/30/99 | | 4,692 | 80 | 63.35% | 100.00% | 0.00% | | | | | 11,023 |
| Terrenos de Caballito (16) | 11/03/97 | 42,742 | 9,784 | 1 | 50.00% | 0.00% | 0.00% | | | | | 6,830 |
| Swap receivable Terreno Caballito (Cyrsa) (14) | 11/03/97 | | 7,451 | | 100.00% | 0.00% | 0.00% | | | | | 18,970 |
| Swap receivable Terreno Caballito (KOAD) (14) | 11/03/97 | | 6,833 | 118 | 100.00% | 100.00% | 73.00% | | | | | 33,614 |
| Libertador 1703 y 1755 (Horizons) (15) | 01/16/07 | 482,886 | 59,000 | 467 | 50.00% | 86.98% | 100.00% | | | | | 242,965 |
| Other Residential Apartments (9) | N/A | 234,615 | 115,259 | 1,401 | | | | 311,256 | | | 976 | 10,258 |
| Subtotal Residential Apartments | | | | | | | | | | | | |
| | | 783,104 | 208,402 | 2,095 | | | | 365,196 | | 142 | 976 | 323,660 |
| <u>Residential Communities</u> | | | | | | | | | | | | |
| Abril/Baldovinos (10) | 01/03/95 | 130,955 | 1,408,905 | 1273 | 100.00% | 100.00% | 99.40% | 237,528 | 466 | 2,363 | 1,200 | 1,605 |
| El Encuentro | 11/18/97 | | 125,889 | 110 | 100.00% | 100.00% | 16.15% | 6,494 | 3,012 | | | 8,805 |
| Villa Celina I, II y III | 05/26/92 | 4,742 | 75,970 | 219 | 100.00% | 100.00% | 100.00% | 14,028 | | | 76 | |
| Subtotal Residential Communities | | | | | | | | | | | | |
| | | 135,697 | 1,610,764 | 1,602 | | | | 258,050 | 3,478 | 2,363 | 1,276 | 10,410 |
| <u>Land Reserves</u> | | | | | | | | | | | | |
| Puerto Retiro | 05/18/97 | | 82,051 | | 50.00% | 0.00% | 0.00% | | | | | 54,535 |
| Santa María del Plata | 07/10/97 | | 715,951 | | 100.00% | 0.00% | 0.00% | 31,000 | | | | 158,536 |
| Pereiraola (11) | 12/16/96 | | 1,299,630 | | 100.00% | 0.00% | 100.00% | 46,311 | | | | |
| Terreno Rosario (8) | 04/30/99 | | 31,000 | | 63.35% | 0.00% | 44.95% | 16,741 | 5,669 | | | 17,615 |
| Caballito Mz 35 | 11/03/97 | | 9,784 | | 100.00% | 0.00% | 100.00% | 19,152 | | | | |
| Terreno Baicom | 12/23/09 | | 6,905 | | 50.00% | 0.00% | 0.00% | | | | | 4,459 |
| Canteras Natal Crespo | 07/27/05 | | 4,300,000 | | 50.00% | 0.00% | 0.00% | 283 | 10 | 3 | | 5,719 |
| Terreno Berutti (8) | 06/24/08 | | 3,207 | | 63.35% | 0.00% | 0.00% | | | | | 52,984 |
| Pilar | 05/29/97 | | 740,237 | | 100.00% | 0.00% | 0.00% | | | | | 3,408 |

Edgar Filing: CRESUD INC - Form 6-K

| | | | | | | | | | | | |
|------------------------|----------|------------|-------|---------|---------|---------|-----------|--------|--------|-------|---------|
| Espacio Aéreo | | | | | | | | | | | |
| Coto (8) | 09/24/97 | 24,000 | | 63.35% | 0.00% | 0.00% | | | | | 13,188 |
| Torres Jardín IV | 07/18/96 | 3,176 | | 100.00% | 0.00% | 0.00% | | | | | 3,030 |
| Terreno Caballito | | | | | | | | | | | |
| (8) | 10/22/98 | 23,389 | | 63.35% | 0.00% | 0.00% | | | | | 36,938 |
| Patio Olmos (8) | 09/25/07 | 5,147 | | 63.35% | 100.00% | 0.00% | | | | | 32,949 |
| Other Land | | | | | | | | | | | |
| Reserves (11) | N/A | 13,596,833 | | | | | 2,862 | 1,821 | | | 35,735 |
| Subtotal Land | | | | | | | | | | | |
| Reserves | | 20,841,310 | | | | | 116,348 | 7,499 | 3 | | 419,096 |
| Others | | | | | | | | | | | |
| Madero 1020 | 12/21/95 | 5,069 | N/A | 100.00% | 100.00% | 100.00% | 18,848 | | 71 | | |
| Della Paolera 265 | 08/27/07 | 472 | N/A | 100.00% | 100.00% | 100.00% | 6,850 | | | | |
| Madero 942 | 08/31/94 | 768 | N/A | 100.00% | 100.00% | 100.00% | 6,137 | | | | |
| Dock del Plata | 11/15/06 | 7,942 | N/A | 100.00% | 100.00% | 100.00% | 84,206 | | 11,174 | | |
| Libertador 498 | 12/20/95 | 6,819 | N/A | 100.00% | 100.00% | 100.00% | 82,958 | | 22,292 | | |
| Edificios Costeros | 03/20/97 | 6,389 | N/A | 100.00% | 100.00% | 100.00% | 68,580 | | | | |
| Libertador 602 | 01/05/96 | 677 | N/A | 100.00% | 100.00% | 100.00% | 10,948 | | | | |
| Laminar | 03/25/99 | 6,521 | N/A | 100.00% | 100.00% | 100.00% | 74,510 | | | | |
| Reconquista 823 | 11/12/93 | 5,016 | N/A | 100.00% | 100.00% | 100.00% | 31,535 | | | | |
| Locales Crucero I | | 192 | N/A | 100.00% | 100.00% | 100.00% | 2,006 | | | | |
| Others (12) | N/A | | N/A | N/A | N/A | N/A | 969 | 2 | 294 | 3 | |
| Subtotal Others | | | | | | | | | | | |
| | | 39,865 | | | | | 387,547 | 2 | 33,831 | 3 | |
| TOTAL (13) | | | | | | | | | | | |
| | 918,801 | 22,700,341 | 3,697 | | | | 1,127,141 | 10,979 | 36,339 | 2,255 | 753,166 |

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Notes:

- (1) Cost of acquisition plus total investment made and/or planned for apartments and residential communities projects developed or being developed (adjusted for inflation as of 02/28/03, if applicable).
 - (2) Total area devoted to sales upon completion of the development or acquisition and before the sale of any of the units (including parking and storage spaces though not including common areas). In the case of Land Reserves the land area was considered.
 - (3) Represents the total units or plots upon completion of the development or acquisition (excluding parking and storage spaces).
 - (4) The percentage sold is calculated dividing the square meters sold by the total saleable square meters, which includes sales as per the preliminary sales agreement for which no deed for the conveyance of title has yet been executed.
 - (5) Includes only the cumulative sales consolidated by the RT21 method adjusted for inflation up to 02/28/03.
 - (6) Corresponds to the company's total sales consolidated by the RT4 method adjusted for inflation as of 02/28/03. Excludes turnover tax deduction.
 - (7) Cost of acquisition plus improvements, plus capitalized interest of consolidated properties in portfolio as of September 30, 2010, adjusted for inflation as of 02/28/03.
 - (8) Through Alto Palermo S.A.
 - (9) Includes the following properties: Terreno Rosario, Torres de Abasto and Terreno Mendoza through APSA (fully sold), Proyecto Abasto through Cyrsa, Torres Jardín, Edificios Cruceros (fully sold), San Martin de Tours, Rivadavia 2768, Alto Palermo Park (fully sold), Torre Renoir II barter (fully sold), Minetti D (fully sold), Dorrego 1916 (fully sold), Padilla 902 (fully sold) and Lotes Pereiraola through IRSA.
 - (10) Includes the sales of Abril's shares.
 - (11) Includes the following land reserves: Terreno Pontevedra, Isla Sirgadero, Terreno San Luis, Mariano Acosta, Merlo and Intercontinental Plaza II through IRSA, Zetol and Vista al Muelle through Liveck, and C.Gardel 3134 (fully sold), C.Gardel 3128 (fully sold), Agüero 596 (fully sold), Zelaya 3102, Conil and Others APSA (through APSA).-
 - (12) Includes the following properties: Puerto Madero Dock XIII (fully sold). It also includes income from termination and income due to the reimbursement of common maintenance expenses, stamp tax and associated fees.
 - (13) Corresponds to the Sales and Developments business unit mentioned in Note 3 to the Consolidated Financial Statements.
 - (14) Corresponds to swap receivables disclosed as Inventories in the Consolidated Financial Statements.
 - (15) Owned by CYRSA S.A.
 - (16) Corresponds to swap receivables disclosed as Inventories in the Consolidated Financial Statements for parcels G and H. The degree of physical progress with parcel G at June 30, 2010 is 100% and with parcel H is 53%.
- Hotels

There has been an improvement in tourism during the first half of calendar 2010. According to data released by the Tourism Secretariat in its International Tourism Survey (ETI) during the first half of 2010, the number of tourists arriving in Argentina was 4.1% higher than in the same period for the previous year.

| | | Hotels | | | | | |
|-----------|--------------------------------|--------|--------|-------------|--------|-------|-------------|
| | In Millions of Ps. | IQ 11 | IQ 10 | var YoY (%) | FY 10 | FY 09 | var YoY (%) |
| Financial | Revenues | 48.6 | 29.2 | 66% | 159.9 | 158.9 | 1% |
| | Operating Income | 3.6 | -4.0 | | 5.4 | 8.6 | -37% |
| Results | Depreciation and Amortization | 3.6 | 4.4 | -18% | 16.1 | 18.0 | -11% |
| | EBITDA | 7.1 | 0.4 | 1645% | 21.6 | 26.6 | -19% |
| | | IQ 11 | IVQ 10 | IIIQ 10 | IIQ 10 | IQ 10 | IVQ 09 |
| Hotels | Average Occupancy ⁸ | 75.9% | 66.2% | 73.2% | 73.6% | 49.4% | 57.5% |
| | Average Rate per Room | 713 | 611 | 667 | 690 | 644 | 614 |

Edgar Filing: CRESUD INC - Form 6-K

(Ps./night)⁹

- u The occupancy trend has shown a sustained increase in the demand for IRSA's top-level hotels, which was 50% higher than during the same quarter of last year when this industry was affected by the international crisis and the H1N1 virus.
- u The improvement of the macroeconomic situation and the increase in demand of foreign and local tourists have led to an increase in the average fee per room to approximately US\$ 180 compared to US\$ 170 in the same quarter of the previous year.
- u A good level of cash generation has been observed which drove EBITDA margins over sales to 15%.

⁸ 12-month Cumulative

⁹ 12-month Cumulative

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

The following is information about our hotels as of September 30, 2010.

| Hotels | Date of Acquisition | IRSA s Effective Interest | Number of Rooms | Average Occupancy (1) | Average Price per room Ps. 000 (2) | Sales as of September 30 of fiscal period Ps./000 | | | Book value as of 09/30/10 (Ps.000) |
|-------------------------|---------------------|---------------------------|-----------------|-----------------------|------------------------------------|---|---------------|---------------|------------------------------------|
| | | | | | | 2011 | 2010 | 2009 | |
| Intercontinental (3) | 11/01/97 | 76.34% | 309 | 77.9% | 600 | 18,493 | 11,333 | 13,832 | 54,291 |
| Sheraton Libertador (4) | 03/01/98 | 80.00% | 200 | 92.8% | 433 | 9,397 | 7,014 | 9,462 | 40,898 |
| Llao Llao (5) | 06/01/97 | 50.00% | 201 | 57.7% | 1,348 | 20,675 | 10,885 | 18,947 | 77,964 |
| Terrenos Bariloche (5) | 12/01/06 | 50.00% | N/A | N/A | N/A | N/A | N/A | N/A | 21,900 |
| Total | | | 710 | 75.9% | 713 | 48,565 | 29,233 | 42,241 | 195,053 |

Notes:

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

Interest in Hersha Hospitality Trust (Hersha)

As of September 30, 2010, IRSA and its subsidiaries held 15,173,823 shares in Hersha Hospitality Trust amounting to an interest of 10.85%.

After the end of the period, in October 2010, Hersha Hospitality Trust opened a new process for the issuance of capital stock in which IRSA and its subsidiaries subscribed for 2,952,625 common shares for an approximate total amount of US\$ 17.1 million, at US\$ 5.8 per share. Accordingly, as of October 20, IRSA s and its subsidiaries interest in Hersha amounted to 10.72%

Additionally, IRSA, through its subsidiaries, holds an option for an initial term of 5 years over 5,700,000 additional common shares, at US\$ 3.00 each. Should it exercise such options, IRSA and its affiliates would have a 13.63% interest.

Hersha is a Real Estate Investment Trust (REIT) listed on the New York Stock Exchange (NYSE: HT), and is the holder of an indirect controlling interest in 77 hotels, mainly distributed in the northeastern coast of the United States, totaling approximately 9,951 rooms. IRSA s Chairman and CEO, Mr. Eduardo S. Elsztain, is member of the Board of Trustees since 2009.

Interest in Banco Hipotecario S.A.

During this period, in exercise of its preemptive right, IRSA participated in the preemptive offer to sell 36.0 million treasury shares resolved upon by the Board of Directors of Banco Hipotecario and acquired 26,197,564 Class D shares for a total amount of Ps. 36.2 million. As a result of these transactions, as of the end of the period, IRSA s interest in BHSA increased to 29.78% of BHSA s stock capital (without considering treasury shares).

Interest in Metropolitan

In July 2008, IRSA (through its subsidiaries) acquired a 30% equity interest in Metropolitan 885 Third Ave. LLC (Metropolitan), whose main asset is an office building known as Lipstick Building, and the debt related to this asset. The transaction included the acquisition of (i) put rights effective July 2011 over 50% of the interest purchased for a price equal to the amount invested plus interest at rate of 4.5% per annum and (ii) a right of first offering over 60% of the 5% interest. The price paid for the transaction was US\$ 22.6 million.

Table of Contents

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

During fiscal year 2009, Metropolitan recorded losses which turned negative its shareholders' equity, mainly due to the recognition of an allowance for impairment of the referred building. Accordingly, the Company's interest in Metropolitan's losses exceeded its interest in its equity and therefore, the Company recognized the investment as zero and recorded liabilities for US\$ 1.5 million, which represents the maximum amount it intends to contribute for the financing of Metropolitan's transactions, if required.

In addition, the put option was revalued at its estimated value as of September 30, 2010, which amounts to US\$ 12.5 million.

On August 4, 2010, and for purposes of facilitating the negotiations, within the framework of a debt renegotiation started by Metropolitan 885 Third Avenue LLC with the Royal Bank of Canada, IRSA, through a subsidiary, executed an Escrow Agreement with the broker Fidelity National Title, Insurance Company and transferred the amount of US\$ 15.0 million as non-binding bona fide deposit, for the sole purpose of allowing further negotiations between the parties. The Escrow Agreement expired on September 27, 2010 and was extended to January 14, 2011.

Offer to Purchase a building located at 183 Madison Ave, New York, NY

On August 26, 2010, IRSA and other U.S. partners entered into a conditional agreement for the purchase of Rigby 183 LLC, a company that is owner of a 19-story building located at 183 Madison Avenue, New York, NY, which has around 22,893 sqm of leasable area. The price for the transaction amounted to US\$ 75.2 million. IRSA transferred to the seller the amount of US\$ 7.3 million as down payment under the executed agreement. As the seller is under reorganization proceedings, judicial authorizations are still pending to consummate the transaction. Should it be consummated, IRSA would become holder of 49% of Rigby 183 LLC's stock capital.

Purchase of TLGT S.A.'s Interest:

After the end of the period, on November 4, 2010, APSA purchased 5,214,662 registered non-endorsable common shares, entitled to one vote each, issued by TLGT S.A., for an amount equivalent to Ps. 47.1 million.

Consolidated Financial Debt

Cresud

As of September 30, 2010 we had borrowed a total of US\$ 145.64 million equivalent. The following table contains a breakdown of Cresud's indebtedness.

| | Currency of issuance | Outstanding principal amount in US\$ MM equivalent | Rate | Maturity date |
|------------------------------|----------------------------|---|------------------------|----------------|
| CRESUD's debt | | | | |
| Short-term debt | Ps./US\$ | US\$ 73.06 | Variable | Up to 270 days |
| Crop production financing | US\$ | US\$ 39.05 | Variable | Up to 273 days |
| Serie I, III Notes | Ps. | US\$ 9.17 | Variable (Badlar+4.0%) | Apr-12 |
| Serie I, IV Notes | US\$ | US\$ 17.97 | Fixed (7.75%) | Jul-12 |
| Bolivia farms ⁽¹⁾ | US\$ | US\$ 6.39 | - | Nov-10 |
| Total debt | | US\$ 145.64 | | |

Note: The exchange rate considered for the loans was US\$ 1= Ps.3.96.

(1) Shown in the caption Other indebtedness in the Consolidated Balance sheet.

Table of Contents**Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria****Business Highlight**

As a consequence of the purchase of farms in the Republic of Bolivia, mortgages have been raised over them. As of September 30, 2010, the mortgage on the Las Londras farm amounts to U\$S 2.5 million and it is set to expire on November 11, 2010; the mortgage over the farms San Cayetano and San Rafael amounts to U\$S 2.0 million and it is set to expire on November 11, 2010 and the mortgage over the La Fon Fon farm amounts to U\$S 1.9 million and it is set to expire on November 11, 2010.

On July 1, 2010 the Board of Directors approved the Pricing Supplement relating to the issue of Series III and Series IV Notes under the Global Note Program. The Notes were issued on July 21, 2010.

The following table describes the features of each issue of Notes:

| | Series III Notes | Series IV Notes |
|--------------------------------|---|---|
| Issue Amount | Ps. 35,650,040 | The U\$S equivalent of Ps. 70,210,294 |
| Initial Exchange Rate | - | Ps. 3.9351 per U\$S |
| Interest Rate | Private Badlar plus 400 basis points | 7.75% |
| Issue Price | 100% of face value | 100% of face value |
| Issue Date | July 21, 2010 | July 21, 2010 |
| Maturity Date | 21 months after the issue date | 24 months after the issue date |
| Interest Payment Dates | October 19, 2010, January 17, 2011, April 18, 2011, July 18, 2011, October 17, 2011, January 16, 2012, April 23, 2012 | October 19, 2010, January 17, 2011, April 18, 2011, July 18, 2011, October 17, 2011, January 16, 2012, April 16, 2012 and July 23, 2012 |
| Principal Payment Dates | October 17, 2011, January 16, 2012, April 23, 2012 | October 17, 2011, January 16, 2012, April 16, 2012 and July 23, 2012 |

On September 13, the fourth interest installment under the Series II Notes was paid for the sum of U\$S 171,583. Also on that date, the sum of U\$S 8,967,328, corresponding to the balance of the Series II Notes, was repaid.

IRSA and APSA

The following table shows IRSA and APSA's consolidated financial debt as of September 30, 2010. The aggregate amount of consolidated debt was of U\$S 522.1 million as of such date.

| | | IRSA | | |
|----------------------------|-----------------------|---------------------------------------|-------------|-----------------|
| Description | Issue Currency | Outstanding Amount¹ | Rate | Maturity |
| Edificio República | U\$S | 20.1 | 12.00% | Apr-13 |
| IRSA Notes (International) | U\$S | 150.0 | 8.5 | Feb-17 |
| IRSA Notes (International) | U\$S | 150.0 | 11.50% | Jul-20 |
| Short term debt | Ps. | 17.5 | Float | <180 days |
| HASA ² | Ps. | 4.9 | 16.30% | Mar-11 |
| Total IRSA's | | 342.5 | | |

| | | APSA | | |
|---|-----------------------|---------------------------------------|-------------|-----------------|
| Description | Issue Currency | Outstanding Amount¹ | Rate | Maturity |
| Series IV Notes (Local) | U\$S | 6.6 | 6.75% | May-11 |
| Arcos del Gourmet | U\$S | 2.0 | | Nov-11 |
| Series I Notes (International) ³ | U\$S | 120.0 | 7.88% | May-17 |

Edgar Filing: CRESUD INC - Form 6-K

| | | | | |
|---|------|--------------|-------------|--------|
| Soleil / Tucumán Debt | U\$S | 14.9 | 5.00% | Jul-17 |
| Series III Notes (Local) ⁴ | Ps. | 14.0 | Badlar + 3% | May-11 |
| Series II Notes (International) ⁵ | Ps. | 22.1 | 11.00% | Jun-12 |
| Total APSA s Debt | | 179.6 | | |

1. Face value stated in U\$S at the exchange rate of 3.96 Ps. = 1 U\$S, without considering balances with equity investees (Section 33).
2. Hoteles Argentinos S.A.
3. As of September 30, 2010 IRSA held a face value of U\$S 39.6 million and APSA had repurchased a face value of U\$S 5.0 million.
4. As of September 30, 2010, our subsidiary Emprendimientos Recoleta S.A. held a face value of Ps. 12.0 million.
5. As of September 30, 2010, IRSA held a face value U\$S 15.1 million and APSA had repurchased a face value of U\$S 4.8 million.

Table of Contents

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

Issuance of Notes for U\$S 150 MM

On July 20, 2010, IRSA issued non-convertibles Notes for a principal amount of U\$S 150 million under its Global Note Program for up to U\$S 400 million in principal amount, maturing on July 20, 2020. The issue price was 97.838% of the face value and the notes accrue interest at a nominal rate of 11.5% per annum, payable semi-annually on January and June 20, each year, commencing on January 20, 2011.

Extension of the Note Program

After the end of the period, on November 2, 2010, IRSA's General Shareholders' Meeting approved a further increase in the amount of the current Global Note Program for up to an additional amount of U\$S 50 million, thus reaching a total amount of up to U\$S 450 million.

APSA's Dividend Payment for Ps. 113 MM

After the end of the period, on October 7, 2010, APSA made available to the shareholders an advance dividend in cash for the amount of Ps. 113 million equivalent to 89.71% of the Stock Capital, as from October 15, 2010. It was approved by the General Meeting of Shareholders on October 29, 2010.

Conversion of Notes

After the end of this period, on October 7, 2010, certain holders¹ of convertible Notes of APSA exercised their conversion rights, resulting in the issuance of 477,544,197 common shares of Ps. 0.1 par value each, and the cancellation of Notes for a face value of U\$S 15.5 million. Following such conversion, APSA's shares increased from 782,064,214 to 1,259,608,411.

Sale of APSA's Notes

After the end of the period, on October 12, 2010, IRSA sold in the over the counter market Alto Palermo SA's Fixed Rate Series I Notes due 2017, for a Face Value of U\$S 39.6 million. As a result of the referred sale, IRSA obtained a total income of U\$S 38.1 million.

IRSA's Dividend Payment for Ps. 120 M

After the end of this period, on October 29, 2010, IRSA's General Shareholders' Meeting made available to the shareholders a cash dividend for Ps. 120 million.

Prospects for next quarter

At global level, crop prices have increased sharply in the recent months. In Chicago, soybean rose 22.3% during the first quarter of this fiscal year, and it has gone up an additional 18.3% since September 30, 2010.

There is a correlation between these increases and the USDA's downward revisions of U.S. crop forecasts. The lower than expected supply and the firm demand prompted by the growth experienced in the large emerging economies have had a strong impact on prices. Grain inventory stocks relative to consumption levels are at historically lows, another factor that squeezes future supply even further, fueling price increases.

Edgar Filing: CRESUD INC - Form 6-K

On the other hand, the uncertainty related to the value of fiduciary currencies resulting from the various currency flexibilization programs implemented by central banks at world level boosts the potential for appreciation of the real assets in Cresud's portfolio: commodities and real estate.

At production level, prospects are promising. On the one hand we have good conditions for starting planting activities and a much favorable input-product ratio. In addition, we continue to increase our planted hectares, which have risen by 24% to 189 thousand in the current fiscal year, including Brasilagro. In this sense, the consummation of our purchase of Brasilagro's stake marks is a continuation in our strategy to penetrate in the region and increase production volumes, in line with our objective of forming a regional portfolio with significant development and appreciation potential.

¹ See Note 16.4 to IRSA's Basic Financial Statements.

Table of Contents

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Business Highlight

In Argentina, we are making progress in our strategy of supplementing agriculture in our own farms with agricultural activities in leased farms and farms under concession. As regards leases, we have focused on renting lands in nucleus areas, seeking to stabilize yields and supplement our development activities in our own farms.

As concerns transforming and adding value to our own hectares, we will continue developing our farms in Salta and Paraguay, where we expect to develop 14 thousand additional hectares to be placed into production in calendar year 2012.

Finally, as concerns our dairy business, following the sale of the La Juanita establishment we will focus on milk production in our state-of-the-art dairy facility in El Tigre, which we plan to operate at full capacity.

The actions described above related to the expansion of planted areas and the increase in Brasilagro's stake are aimed at obtaining higher volumes in a scenario of rising market prices.

Table of Contents

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

Report of Independent Auditors

To the Shareholders, President and Board of Directors of

Cresud Sociedad Anónima Comercial,

Inmobiliaria, Financiera y Agropecuaria

Legal address: Moreno 877 - floor 23

Autonomous City of Buenos Aires

CUIT 30-50930070-0

1. We have reviewed the balance sheets of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria at September 30, 2010 and 2009, and the related statements of income, of changes in shareholders' equity and of cash flows for the three-month periods ended September 30, 2010 and 2009 and the complementary notes 1 to 24 and schedules A, B, C, E, F.1, F.2, G and H. Furthermore, we have reviewed the consolidated financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria, at September 30, 2010 and 2009, and the related consolidated statements of income and of cash flows for the three-month periods ended September, 2010 and 2009 and notes 1 to 16, which are presented as complementary information. These financial statements are the responsibility of the Company's management.
2. We conducted our review in accordance with standards established by Technical Resolution No. 7 of the Argentine Federation of Professional Councils of Economic Sciences for limited reviews of financial statements. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.
3. Based on our work and our examinations of the financial statements of this Company and the consolidated financial statements for the years ended June 30, 2010 and 2009, on which we issued our unqualified report dated September 8, 2010, we report that:
 - a) The financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria at September 30, 2010 and 2009 and its consolidated financial statements at those dates, set out in point 1, prepared in accordance with accounting standards prevailing in the Autonomous City of Buenos Aires, include all significant facts and circumstances of which we are aware, and we have no observations to make on them.
 - b) The comparative information included in the basic and consolidated balance sheets and the supplementary notes and schedules to the attached financial statements arise from Company financial statements at June 30, 2010.
4. In accordance with current regulations, we report that:
 - a) the financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria and its consolidated financial statements were transcribed to the Inventory and Balance Sheet Book and comply, within the field of our competence, with the Corporations Law and pertinent resolutions of the National Securities Commission;

Table of Contents

- b) the financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria arise from official accounting records carried in all formal respects in accordance with legal requirements, that maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;
- c) we have read the business highlights, except for the chapter entitled Progress in the accomplishment of the IFRS implementation plan , and the additional information to the notes to the financial statements required by sect. 68 of the Buenos Aires Stock Exchange Regulations, on which, as regards those matters that are within our competence, we have no observations to make
- d) at September 30, 2010, the debt of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria accrued in favor of the Argentine Integrated Social Security System according to the accounting records amounted to Ps. 4,714,802 none of which was claimable at that date.

Autonomous City of Buenos Aires, November 11, 2010.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Norberto Fabián Montero

Public Accountant (U.B.A.)

C.P.C.E.C.A.B.A. T° 167 F° 179

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Buenos Aires, Argentina.

**CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA
FINANCIERA Y AGROPECUARIA**

By: /s/ Saúl Zang
Name: Saúl Zang
Title: Vice Chairman of the Board of Directors

Dated: November 29, 2010