

CRESUD INC  
Form 6-K  
March 07, 2017

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Financial Statements as of December 31, 2016 and June 30, 2016 and for the six-month periods ended December 31, 2016 and 2015



Legal Information

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

Fiscal year N°: 84, beginning on July 1, 2016

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

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

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

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

Expiration of Company charter: June 6, 2082

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

Stock: 501,642,804 common shares

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

Parent Company: Inversiones Financieras del Sur S.A.

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

Parent Company Activity: Investment

Ownership interest: 155,206,137 shares

Voting stock: 30.94%

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

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



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Glossary of terms

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

| Terms                       | Definitions   |
|-----------------------------|---|
| Acres                       | Agropecuaria Acres del Sud S.A.                               |
| Adama                       | Adama Agricultural Solutions Ltd.                             |
| Agropecuarias SC            | Agropecuarias Santa Cruz de la Sierra S.A.                    |
| BACS                        | Banco de Crédito y Securitización S.A.                        |
| Baicom                      | Baicom Networks S.A.  |
| Bartan                      | Bartan Holdings and Investments Ltd.                          |
| BASE                        | Buenos Aires Stock Exchange                                   |
| BCRA                        | Central Bank of the Argentine Republic                        |
| BHSA                        | Banco Hipotecario S.A.  |
| BMBY                        | Buy Me Buy You (Note 3.A.a)                                   |
| BNSA                        | Boulevard Norte S.A.  |
| Brasilagro                  | Brasilagro-Companhia Brasileira de Propriedades Agrícolas     |
| CAMSA                       | Consultores Assets Management S.A.                            |
| Carnes Pampeanas            | Sociedad Anónima Carnes Pampeanas S.A.                        |
| Cellcom                     | Cellcom Israel Ltd.   |
| Clal                        | Clal Holdings Insurance Enterprises Ltd.                      |
| CNV                         | Securities Exchange Commission                                |
| Condor                      | Condor Hospitality Trust Inc.                                 |
| Cresud, "the Company", "us" | Cresud S.A.C.I.F. y A.  |
| Cyrsa                       | Cyrsa S.A.  |
| DFL                         | Dolphin Fund Ltd.   |
| DIC                         | Discount Investment Corporation Ltd.                          |
| DN B.V.                     | Dolphin Netherlands B.V.                                      |
| Dolphin                     | Dolphin Fund Ltd. and Dolphin Netherlands B.V.                |
| EHSA                        | Entertainment Holdings S.A.                                   |
| Electra                     | Electra Consumer Products Ltd.                                |
| ENUSA                       | Entretenimiento Universal S.A.                                |
| Financial Statements        | Unaudited Condensed Interim Consolidated Financial Statements |
| Annual Financial Statements | Consolidated Financial Statements as of June 30, 2016         |
| ETH                         | C.A.A. Extra Holdings Ltd.                                    |
| CPF                         | Collective Promotion Funds                                    |
| GCBA                        | Autonomous City of Buenos Aires Government                    |
| Golan                       | Golan Telecom Ltd.  |
| IASB                        | International Accounting Standards Board                      |
| IDB Tourism                 | IDB Tourism (2009) Ltd.                                       |
| IDBD                        | IDB Development Corporation Ltd.                              |
| IDBGI                       | IDB Group Investment Inc.                                     |
| IFISA                       | Inversiones Financieras del Sur S.A.                          |
| IFRS                        | International Financial Reporting Standards                   |
| MPIT                        | Minimum Presumed Income Tax                                   |
| Indarsa                     | Inversora Dársena Norte S.A.                                  |
| IRSA                        | IRSA Inversiones y Representaciones Sociedad Anónima          |
| IRSA CP                     | IRSA Propiedades Comerciales S.A.                             |
| Israir                      | Israir Airlines & Tourism Ltd.                                |

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|               |  |
|---------------|--|
| Koor          | Koor Industries Ltd.   |
| Lipstick      | Lipstick Management LLC  |
| LRSA          | La Rural S.A.  |
| Metropolitan  | Metropolitan 885 Third Avenue Leasehold LLC                    |
| NASDAQ        | National Association of Securities Dealers Automated Quotation |
| NFSA          | Nuevas Fronteras S.A.  |
| New Lipstick  | New Lipstick LLC   |
| IAS           | International Accounting Standards                             |
| NIS           | New Israeli Shekel   |
| NPSF          | Nuevo Puerto Santa Fe S.A.                                     |
| NYSE          | New York Stock Exchange  |
| OASA          | Ogden Argentina S.A.   |
| Ombú          | Ombú Agropecuaria S.A.   |
| NCN           | Non-convertible Notes  |
| PAMSA         | Panamerican Mall S.A.  |
| PBC           | Property & Building Corporation Ltd.                           |
| PBEL          | PBEL Real Estate Ltd.  |
| Puerto Retiro | Puerto Retiro S.A.   |
| Quality       | Quality Invest S.A.  |
| Rock Real     | Rock Real Estate Partners Limited                              |
| Shufersal     | Shufersal Ltd.   |
| SRA           | Sociedad Rural Argentina                                       |
| Tarshop       | Tarshop S.A.   |
| Yuchan        | Yuchán Agropecuaria S.A.                                       |
| Yatay         | Yatay Agropecuaria S.A.  |





Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position  
as of December 31, 2016 and June 30, 2016

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

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|   | Note | 12.31.16       | 06.30.16       |
|---|------|----------------|----------------|
| <b>ASSETS</b>   |      |                |                |
| Non-current assets  |      |                |                |
| Investment properties   | 10   | 52,914         | 49,766         |
| Property, plant and equipment                                     | 11   | 26,233         | 26,392         |
| Trading properties  | 12   | 3,746          | 4,472          |
| Intangible assets   | 13   | 11,353         | 11,814         |
| Biological assets   | 14   | 528            | 497            |
| Investments in joint ventures and associates                      | 8, 9 | 6,071          | 16,534         |
| Deferred income tax assets  | 23   | 2,108          | 1,655          |
| Income tax credit   |      | 176            | 173            |
| Restricted assets   | 16   | 112            | 129            |
| Trade and other receivables                                       | 17   | 4,161          | 3,773          |
| Financial assets held for sale                                    | 16   | 3,351          | 3,346          |
| Investment in financial assets                                    | 16   | 2,307          | 2,226          |
| Derivative financial instruments                                  | 16   | 4              | 8              |
| Employee benefits   |      | 4              | 4              |
| Total non-current assets  |      | 113,068        | 120,789        |
| Current assets  |      |                |                |
| Trading properties  | 12   | 805            | 241            |
| Biological assets   | 14   | 641            | 552            |
| Inventories   | 15   | 3,906          | 3,900          |
| Restricted assets   | 16   | 1,228          | 748            |
| Income tax credit   |      | 164            | 541            |
| Financial assets held for sale                                    | 16   | 2,792          | 1,256          |
| Groups of assets held for sale                                    | 33   | 2,900          | -              |
| Trade and other receivables                                       | 17   | 16,027         | 14,158         |
| Investment in financial assets                                    | 16   | 8,943          | 9,673          |
| Derivative financial instruments                                  | 16   | 41             | 53             |
| Cash and cash equivalents   | 16   | 24,038         | 14,096         |
| Total current assets  |      | 61,485         | 45,218         |
| <b>TOTAL ASSETS</b>   |      | <b>174,553</b> | <b>166,007</b> |
| <b>SHAREHOLDERS' EQUITY</b>                                       |      |                |                |
| Capital and reserves attributable to equity holders of the parent |      |                |                |
| Share capital   |      | 499            | 495            |
| Treasury shares   |      | 3              | 7              |
| Inflation adjustment of share capital and treasury shares         |      | 65             | 65             |
| Share premium   |      | 659            | 659            |
| Additional paid-in capital from treasury shares                   |      | 20             | 16             |
| Legal reserve   |      | 83             | 83             |

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|   |    |        |         |
|---|----|--------|---------|
| Other reserves  | 19 | 1,386  | 1,086   |
| Accumulated deficit   |    | (436)  | (1,387) |
| Total capital and reserves attributable to equity holders of the parent |    | 2,279  | 1,024   |
| Non-controlling interest  |    | 19,043 | 14,214  |
| TOTAL SHAREHOLDERS'<br>EQUITY   |    | 21,322 | 15,238  |

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

)  
Alejandro G. Elsztain  
Vice President II  
acting as President



Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position  
as of December 31, 2016 and June 30, 2016 (Continued)

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

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|  | Note | 12.31.16       | 06.30.16       |
|--|------|----------------|----------------|
| <b>LIABILITIES</b>                                     |      |                |                |
| Non-current liabilities                                |      |                |                |
| Trade and other payables                               | 20   | 2,757          | 1,528          |
| Non-Current income tax                                 |      | 1              | -              |
| Borrowings   | 22   | 96,547         | 93,808         |
| Deferred income tax liabilities                        | 23   | 7,792          | 7,662          |
| Derivative financial instruments                       | 16   | 98             | 121            |
| Payroll and social security liabilities                |      | 43             | 21             |
| Provisions   | 21   | 1,585          | 1,341          |
| Employee benefits                                      |      | 680            | 689            |
| Total non-current liabilities                          |      | 109,503        | 105,170        |
| Current liabilities                                    |      |                |                |
| Trade and other payables                               | 20   | 18,663         | 18,443         |
| Income tax and minimum presumed income tax liabilities |      | 309            | 624            |
| Payroll and social security liabilities                |      | 1,509          | 1,856          |
| Borrowings   | 22   | 20,169         | 23,488         |
| Derivative financial instruments                       | 16   | 144            | 147            |
| Provisions   | 21   | 1,037          | 1,041          |
| Group of liabilities held for sale                     | 33   | 1,897          | -              |
| Total current liabilities                              |      | 43,728         | 45,599         |
| <b>TOTAL LIABILITIES</b>                               |      | <b>153,231</b> | <b>150,769</b> |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>      |      | <b>174,553</b> | <b>166,007</b> |

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Income / (Operations)  
for the six and three-month periods beginning on July 1 and October 1, 2016 and 2015  
and ended December 31, 2016 and 2015

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

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|   |      | Six months |          | Three months |          |
|---|------|------------|----------|--------------|----------|
|   | Note | 12.31.16   | 12.31.15 | 12.31.16     | 12.31.15 |
| Revenues  | 24   | 38,696     | 3,391    | 18,946       | 1,767    |
| Costs   | 25   | (28,447)   | (2,530)  | (13,928)     | (1,335)  |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest |      | 921        | 589      | 539          | 392      |
| Changes in the net realizable value of agricultural produce after harvest   |      | (77)       | 114      | 21           | 123      |
| Gross profit  |      | 11,093     | 1,564    | 5,578        | 947      |
| Gain from disposal of investment properties   | 10   | 103        | 1,022    | 84           | 638      |
| Gain from disposal of farmlands   |      | 72         | -        | (1)          | -        |
| General and administrative expenses   | 26   | (2,019)    | (399)    | (997)        | (205)    |
| Selling expenses  | 26   | (7,004)    | (284)    | (3,573)      | (137)    |
| Other operating results, net  | 27   | (115)      | 166      | (94)         | 155      |
| Management fees   |      | (104)      | -        | (104)        | -        |
| Profit from operations  |      | 2,026      | 2,069    | 893          | 1,398    |
| Share of loss of associates and joint ventures  | 8, 9 | (102)      | (403)    | (47)         | 94       |
| Profit from operations before financing and taxation  |      | 1,924      | 1,666    | 846          | 1,492    |
| Finance income  | 28   | 812        | 477      | 401          | 386      |
| Finance cost  | 28   | (5,307)    | (3,251)  | (3,011)      | (2,735)  |
| Other financial results   | 28   | 1,623      | (173)    | 1,303        | (151)    |
| Financial results, net  | 28   | (2,872)    | (2,947)  | (1,307)      | (2,500)  |
| Loss before income tax  |      | (948)      | (1,281)  | (461)        | (1,008)  |
| Income tax  | 23   | 495        | (11)     | 523          | 78       |
| (Loss) / Gain for the period from continuing operations   |      | (453)      | (1,292)  | 62           | (930)    |
| Gain from discontinued operations after income tax  | 34   | 4,273      | -        | 4,631        | -        |
| Gain / (Loss) for the period  |      | 3,820      | (1,292)  | 4,693        | (930)    |
| (Loss) / Gain from continuing operations attributable to:   |      |            |          |              |          |
| Equity holders of the parent  |      | (568)      | (771)    | (202)        | (480)    |
| Non-controlling interest  |      | 115        | (521)    | 264          | (450)    |
| Gain / (Loss) for the period attributable to:   |      |            |          |              |          |
| Equity holders of the parent  |      | 919        | (771)    | 1,404        | (480)    |
| Non-controlling interest  |      | 2,901      | (521)    | 3,289        | (450)    |
| Loss per share from continuing operations attributable to equity holder of the parent during the period:                |      |            |          |              |          |
| Basic   |      | (1.14)     | (1.56)   | (0.40)       | (0.98)   |

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|   |            |                 |                 |            |
|---|------------|-----------------|-----------------|------------|
| Diluted   | (1.14) (i) | (1.56)(i)       | (0.40) (i)      | (0.98) (i) |
| Gain / (Loss) per share attributable to equity holders of the parent during the period: |            |                 |                 |            |
| Basic   |            | 1.85 (1.56)     | 2.83 (0.98)     |            |
| Diluted   |            | 1.84 (1.56) (i) | 2.82 (0.98) (i) |            |

(i)

(i) Due to the loss for the period, there is no diluted effect on this result.

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

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Alejandro G. Elsztain  
Vice President II  
acting as President





Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of  
Comprehensive Income / (Operations)  
for the six and three-month periods beginning on July 1 and October 1, 2016 and 2015  
and ended December 31, 2016 and 2015

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

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

|   | Six months |          | Three months |          |
|---|------------|----------|--------------|----------|
|   | 12.31.16   | 12.31.15 | 12.31.16     | 12.31.15 |
| Gain / (Loss) for the period  | 3,820      | (1,292)  | 4,693        | (930)    |
| Other comprehensive income / (loss):                                      |            |          |              |          |
| Items that may be reclassified subsequently to profit or loss:            |            |          |              |          |
| Currency translation adjustment   | 1,439      | 2,385    | 515          | 2,705    |
| Change in the fair value of hedging instruments net of income taxes       | (10)       | -        | (66)         | -        |
| Items that may not be reclassified subsequently to profit or loss:        |            |          |              |          |
| Actuarial (loss) / gain from defined benefit plans                        | (19)       | -        | 3            | -        |
| Others  | -          | -        | 3            | -        |
| Other comprehensive income for the period (i)                             | 1,410      | 2,385    | 455          | 2,705    |
| Total comprehensive income for the period                                 | 5,230      | 1,093    | 5,148        | 1,775    |
| Attributable to:  |            |          |              |          |
| Equity holders of the parent  | 1,347      | (332)    | 1,492        | 73       |
| Non-controlling interest  | 3,883      | 1,425    | 3,656        | 1,702    |
| Attributable to equity holders of the parent from continuing operations   | (1,379)    | (332)    | (1,462)      | 73       |
| Attributable to equity holders of the parent from discontinued operations | 2,726      | -        | 2,954        | -        |
| Total attributable to equity holders of the parent                        | 1,347      | (332)    | 1,492        | 73       |

(i)

Components of other comprehensive income have no impact on income tax.

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Cresud Sociedad Anónima,  
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Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity  
for the six-month periods ended December 31, 2016 and 2015

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

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|   | Attributable to equity holders of the parent |                 |   |               |   |               |                          |                     | Subtotal |
|---|--|-----------------|---|---------------|---|---------------|--------------------------|---------------------|----------|
|   | Share capital                                | Treasury shares | Inflation adjustment of share capital and treasury shares (i) | Share premium | Additional paid-in capital from treasury shares | Legal reserve | Other reserves (Note 19) | Accumulated Deficit |          |
| Balances as of June 30, 2016  | 495  | 7               | 65  | 659           | 16  | 83            | 1,086                    | (1,390)             | 1,022    |
| Adjustment due to change to accounting standards (ii)   | -  | -               | -   | -             | -   | -             | -                        | 3                   | 3        |
| Adjusted balances as of June 30, 2016   | 495  | 7               | 65  | 659           | 16  | 83            | 1,086                    | (1,387)             | 1,022    |
| Gain for the period   | -  | -               | -   | -             | -   | -             | -                        | 919                 | 919      |
| Other comprehensive income for the period   | -  | -               | -   | -             | -   | -             | 428                      | -                   | 428      |
| Total comprehensive income for the period   | -  | -               | -   | -             | -   | -             | 428                      | 919                 | 1,347    |
| Appropriation of retained earnings resolved by Shareholders' Meetings held on October 31, 2016: |  |                 |   |               |   |               |                          |                     |          |
| - Share Distribution  | 4  | (4)             | -   | -             | -   | -             | -                        | -                   | -        |
| Incorporation by business combination (Note 4)  | -  | -               | -   | -             | -   | -             | -                        | -                   | -        |
| Reserve for share-based payments  | -  | -               | -   | -             | -   | -             | 7                        | -                   | 7        |
| Equity incentive plan granted   | -  | -               | -   | -             | 4   | -             | (5)                      | 1                   | -        |
| Changes in non-controlling interest   | -  | -               | -   | -             | -   | -             | (99)                     | -                   | (99)     |
| Release of reserve for future dividends   | -  | -               | -   | -             | -   | -             | (31)                     | 31                  | -        |
| Dividends distribution to non-controlling interest  | -  | -               | -   | -             | -   | -             | -                        | -                   | -        |
| Contributions from non-controlling interest   | -  | -               | -   | -             | -   | -             | -                        | -                   | -        |
| Share of changes in subsidiaries' equity  | -  | -               | -   | -             | -   | -             | -                        | -                   | -        |
| Capital reduction   | -  | -               | -   | -             | -   | -             | -                        | -                   | -        |
| Balances as of December 31, 2016  | 499  | 3               | 65  | 659           | 20  | 83            | 1,386                    | (436)               | 2,274    |

(i)

Includes Ps. 1 and Ps. 1 of inflation adjustment of treasury shares as of December 31, 2016 and June 30, 2016, respectively.

(ii)

See Note 2.2.1.

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

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Alejandro G. Elsztain  
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Cresud Sociedad Anónima,  
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Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity  
for the six-month periods ended December 31, 2016 and 2015

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

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|  | Share<br>capital | Treasury<br>shares | Inflation<br>adjustment<br>of share<br>capital and<br>treasury<br>shares (i) | Share<br>premium | Additional<br>paid-in<br>capital<br>from<br>treasury<br>shares | Legal<br>reserve<br>(Note<br>19) | Other<br>reserves<br>(Note<br>19) | Accumulated<br>Deficit | Subtotal |
|--|------------------|--------------------|--|------------------|--|----------------------------------|-----------------------------------|------------------------|----------|
| Balances as of June 30,<br>2015  | 495              | 7                  | 65   | 659              | 13   | -                                | 599                               | 118                    | 1,950    |
| Adjustment due to change to accounting<br>standards (ii)   | -                | -                  | -  | -                | -  | -                                | (3)                               | 6                      | 3        |
| Adjusted balances as of June 30, 2015  | 495              | 7                  | 65   | 659              | 13   | -                                | 596                               | 124                    | 1,950    |
| Loss for the<br>period   | -                | -                  | -  | -                | -  | -                                | -                                 | (771)                  | (771)    |
| Other comprehensive income for the<br>period   | -                | -                  | -  | -                | -  | -                                | 439                               | -                      | 439      |
| Total comprehensive income / (loss) for the<br>period  | -                | -                  | -  | -                | -  | -                                | 439                               | (771)                  | (332)    |
| Appropriation of retained earnings resolved<br>by Shareholders' Meetings held on October<br>31, and November 26, 2015: |                  |                    |  |                  |  |                                  |                                   |                        |          |
| - Legal<br>reserve   | -                | -                  | -  | -                | -  | 83                               | -                                 | (83)                   | -        |
| - Reserve for future<br>dividends  | -                | -                  | -  | -                | -  | -                                | 31                                | (31)                   | -        |
| Reserve for share-based<br>payments  | -                | -                  | -  | -                | -  | -                                | 8                                 | -                      | 8        |
| Equity incentive plan<br>granted   | -                | -                  | -  | -                | 3  | -                                | (4)                               | 1                      | -        |
| Changes in non- controlling<br>interest.   | -                | -                  | -  | -                | -  | -                                | 63                                | -                      | 63       |
| Tender offer to non-controlling<br>shareholders.....   | -                | -                  | -  | -                | -  | -                                | (121)                             | -                      | (121)    |
| Capital<br>reduction   | -                | -                  | -  | -                | -  | -                                | -                                 | -                      | -        |
| Acquisition of<br>subsidiaries   | -                | -                  | -  | -                | -  | -                                | -                                 | -                      | -        |
| Incorporation for business combination<br>(Note 4)   | -                | -                  | -  | -                | -  | -                                | -                                 | -                      | -        |
| Cash<br>dividends  | -                | -                  | -  | -                | -  | -                                | -                                 | -                      | -        |
| Cumulative translation adjustment of<br>interest held before business combination                                      | -                | -                  | -  | -                | -  | -                                | (92)                              | -                      | (92)     |

|                                  |     |   |    |     |    |    |     |       |       |
|----------------------------------|-----|---|----|-----|----|----|-----|-------|-------|
| Balances as of December 31, 2015 | 495 | 7 | 65 | 659 | 16 | 83 | 920 | (760) | 1,485 |
|----------------------------------|-----|---|----|-----|----|----|-----|-------|-------|

(i)  
Includes Ps. 1 and Ps. 1 of inflation adjustment of treasury shares as of December 31, 2015 and June 30, 2015, respectively.

(ii)  
See Note 2.2.1.

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

)  
Alejandro G. Elsztain  
Vice President II  
acting as President





Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Cash Flows  
for the six-month periods ended December 31, 2016 and 2015

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

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

|   | Note | 12.31.16 | 12.31.15 |
|---|------|----------|----------|
| Operating activities:   |      |          |          |
| Cash generated from operations                                  | 18   | 5,115    | 772      |
| Income tax paid   |      | (488)    | (496)    |
| Net cash generated from operating activities                    |      | 4,627    | 276      |
| Investing activities:   |      |          |          |
| Payment for subsidiary acquisition, net of cash acquired        |      | (46)     | 9,193    |
| Acquisition of associates and joint ventures                    |      | (253)    | -        |
| Capital contributions to joint ventures and associates          |      | (78)     | (45)     |
| Acquisition of investment properties                            |      | (1,355)  | (104)    |
| Proceeds from sale of investment properties                     |      | 171      | 1,075    |
| Acquisition of property, plant and equipment                    |      | (1,420)  | (48)     |
| Proceeds from sale of property, plant and equipment             |      | 1        | 2        |
| Suppliers advances  |      | (6)      | (25)     |
| Proceeds from sale of farmlands                                 |      | 69       | 14       |
| Acquisition of intangible assets                                |      | (212)    | (2)      |
| Acquisition of investments in financial instruments             |      | (1,947)  | (3,677)  |
| Proceeds from disposals of investments in financial instruments |      | 3,345    | 3,196    |
| Loans granted to associates and joint ventures                  |      | (12)     | (1,349)  |
| Dividends received  |      | 50       | 3        |
| Proceeds from sale of associates and joint ventures             |      | 3,619    | -        |
| Loans repayment received from associates and joint ventures     |      | 12       | 63       |
| Net cash generated from discontinued investing activities       |      | 408      | -        |
| Net cash used in investing activities                           |      | 2,346    | 8,296    |
| Financing activities:   |      |          |          |
| Repurchase of non-convertible notes                             |      | (235)    | (135)    |
| Proceeds from issuance of non-convertible notes                 |      | 7,089    | 803      |
| Repayment of non-convertible notes                              |      | (2,538)  | (192)    |
| Borrowings  |      | 7,700    | 728      |
| Repayment of borrowings   |      | (7,459)  | (940)    |
| Proceeds from exercise of shares granted                        |      | -        | 6        |

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|   |         |        |     |
|---|---------|--------|-----|
| Repayment of borrowings from joint ventures and associates          | (9)     | -      |     |
| Payment of seller financing   | -       | (72)   |     |
| Contributions from non-controlling interest                         | 22      | 384    |     |
| Acquisition of non-controlling interest in subsidiaries             | (1,024) | (27)   |     |
| Sale of equity interest in subsidiaries to non-controlling interest | 2,428   | 153    |     |
| Dividends paid  | (613)   | (210)  |     |
| Proceeds from derivative financial instruments                      | 83      | 987    |     |
| Payment of derivative financial instruments                         | (90)    | (25)   |     |
| Distribution of minority interest in subsidiaries                   | (43)    | -      |     |
| Interest paid   | (2,541) | (498)  |     |
| Net cash generated from discontinued financing activities           | (248)   | -      |     |
| Net cash used in discontinued financing activities                  | (267)   | -      |     |
| Net cash generated from financing activities                        | 2,255   | 962    |     |
| Net increase in cash and cash equivalents                           | 9,228   | 9,534  |     |
| Cash and cash equivalents at beginning of period                    | 16      | 14,096 | 634 |
| Foreign exchange gain on cash and cash equivalents                  | 714     | 3,666  |     |
| Cash and cash equivalents at end of period                          | 24,038  | 13,834 |     |

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

)  
 Alejandro G. Elsztain  
 Vice President II  
 acting as President



Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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

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1.

The Group's business and general information

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

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

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

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

These Financial Statements have been approved for issue by the Board of Directors on February 13, 2017.

As of December 31, 2016, the Group operates in two major lines of business: (i) agricultural business and (ii) urban properties and investments business, which is divided into two operations centers: (a) Operations Center in Argentina and (b) Operations Center in Israel. They are developed through several operating companies and the main ones are listed below:



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Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
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1.  
The Group's business and general information (Continued)

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

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Cresud Sociedad Anónima,  
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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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1.  
The Group's business and general information (Continued)

Within Operations center in Israel, IDBD has diverse debts containing restricted covenants, which have been successively negotiated, resulting in several waivers actually in force. IDBD estimates that if the original covenants of such debts were to become effective again, it would not be able to honor them. Non-compliance could have the effect of creditors requiring immediate repayment of the debt. Yet, there are restrictions as to the payment of dividends based on the indebtedness level in some of IDBD's subsidiaries. IDBD has projected future cash flows and expects to have the required liquidity to meet its commitments through the issuance of new debt in Israel, the sale of financial assets such as Clal and from dividend received from Clal and others. IDBD could also secure additional financing through the private issuance of equity securities.

On December 2013, was published in the Official Gazette of Israel the Promotion of Competition and Reduction of Concentration Law, 5774-2013 ("the Concentration Law") which has material implications for IDBD and its investments, including a potential delisting of IDBD or DIC so as to no longer trade its shares publicly or a merger between IDBD and DIC.

All factors mentioned above, mainly (i) IDBD's current financial position and need of financing to honor its financial debt and other commitments, (ii) the renegotiation underway with financial creditors, and (iii) the term set by Israel's governmental authorities to sell the equity interest in Clal and the potential effects of such sale, in particular, on its market value, raise significant uncertainties as to IDBD's capacity to continue as a going-concern. These financial statements do not include the adjustments or reclassifications related to the valuation of IDBD's assets and liabilities that would be required if IDBD were not able to continue as a going-concern.

The Group is and will continue working to address the uncertainties described above.

The financial position of IDBD and its subsidiaries at the operations center in Israel does not affect the financial position of Cresud and its subsidiaries at the operations center in Argentina.

Cresud and its subsidiaries are not facing financial constraints and are compliant with their financial commitments. In addition, the commitments and other covenants resulting from the loan granted to IDBD do not have impact on Cresud since such loan has no recourse against Cresud and it is not secured by Cresud's assets.

There are no significant uncertainties as to the capacity of the Group, as a whole, to operate as a going-concern perspective, with such uncertainties being limited to the operations in Israel.



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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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2.  
Summary of significant accounting policies

2.1.  
Basis of preparation of the Unaudited Financial Statements

The present Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", therefore, should be read together with the Annual Financial Statements of the Group as of June 30, 2016, prepared in accordance with IFRS in force. Furthermore, these Financial Statements include supplementary information required by Law N° 19,550 and/or regulations of CNV. Such information is included in notes to the Financial Statements according to IFRS.

These Financial Statements corresponding to the six-month periods ended as of December 31, 2016 and 2015 have not been audited. The management believes they include all necessary adjustments to fairly present the results of each period. Results for the six-month periods ended December 31, 2016 and 2015 do not necessarily reflect the proportion of the Group's full year results.

IDBD's fiscal year ends on December 31 each year and the Company's fiscal year ends on June 30. Furthermore, IDBD's quarterly and annual reporting follows the guidelines of Israeli standards, which means that the information is only available after the applicable statutory terms in Argentina. Therefore, the Company is not able to include IDBD's quarterly results in its financial statements to be filed with the CNV within the applicable statutory terms in Argentina. The Company consolidates IDBD's results of operations with a three-month lag, adjusted by the effects of material transactions that may have taken place during the reported period.

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

As of December 31, 2016, it is not possible to compute the accumulated inflation rate for the three year period ending on that date based on the official statistics of the INDEC (Argentina Statistics Office), because in October 2015, the INDEC ceased to compute the Wholesale Domestic Price Index (IPIM, as per its Spanish acronym), and started to compute it again as from January 2016.



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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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2.  
Summary of significant accounting policies (Continued)

As of the date of these Unaudited Condensed Interim Consolidated Financial Statements, the Argentine peso does not meet the conditions to be treated as the currency of a hyperinflationary economy, pursuant to the guidelines set forth by IAS 29. Therefore, these Unaudited Financial Statements have not been restated in constant currency.

However, over the last years, certain macroeconomic variables affecting business in the operations center Argentina, such as payroll costs, input prices and service rates, have experienced significant annual changes. This factor should be taken into consideration in assessing and interpreting the financial condition and results of operations of the Company in these financial statements.

2.2  
Significant accounting policies

The accounting policies applied in the presentation of these Financial Statements are consistent with those applied in the preparation of the Annual Financial Statements under IFRS as described in Note 2 to the Annual Financial Statements as of June 30, 2016, except for what is mentioned in Note 2.2.1.

2.2.1  
Adjustment due to change to accounting standards

During the reported period, the Group has adopted the changes to IAS 16 "Property Plant and Equipment" and to IAS 41 "Agriculture" in relation to production plants. These amendments imply changes in accounting policies and have the following impact on the financial situation and results of operations of the Group, already recognized in the financial statements.

On June, 2014 the International Accounting Standards Board issued the amendments to IAS 16 "Property, plant and equipment" and to IAS 41 "Agriculture" whereby it distinguished between bearer plants and other biological assets. Production plants are solely used for product development and its operation is similar to that of manufacturing machinery. As a result, amendments require bearer plants to be accounted for as property, plant and equipment and covered by IAS 16, rather than IAS 41. However, the produce growing on bearer plants will continued to be governed by IAS 41 and will continue to be valued at fair value minus selling costs.

Group's sugarcane fields are recognized as bearer plants under the new definition included in IAS 41. Under IAS 8, modifications are to be applied retrospectively; therefore, the sugarcane field will be reclassified under "Property, plant and equipment" and valued at depreciated cost as from July 1, 2016, with comparative balances being revised retrospectively. Sugarcane fields are depreciated over its useful life under the balance declining method based on the expected yield.



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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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2.  
Summary of significant accounting policies (Continued)

Amounts as of June 30, 2016 and December 31, 2015, which are disclosed for comparative purposes have been modified in order to present the mentioned adjustments. The following tables present the impact on the financial situation and results of operations of the Group.

| Statement of Income (summary)   | December 31, 2015<br>(Published) | Increase /<br>(Decrease) | December 31, 2015<br>(Adjusted) |
|---|----------------------------------|--------------------------|---------------------------------|
| Costs   | (2,531)                          | 1                        | (2,530)                         |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 580                              | 9                        | 589                             |
| Income tax  | (8)                              | (3)                      | (11)                            |
| (Loss) / Gain for the period  | (1,298)                          | 6                        | (1,292)                         |
| Attributable to:  |                                  |                          |                                 |
| Equity holders of the parent  | (776)                            | 5                        | (771)                           |
| Non-controlling interest  | (522)                            | 1                        | (521)                           |

| Statement of comprehensive income         | December 31, 2015<br>(Published) | Increase /<br>(Decrease) | December 31, 2015<br>(Adjusted) |
|---|----------------------------------|--------------------------|---------------------------------|
| (Loss) / Gain for the period              | (1,298)                          | 6                        | (1,292)                         |
| Other comprehensive income for the period | 2,380                            | 5                        | 2,385                           |
| Total comprehensive income for the period | 1,082                            | 11                       | 1,093                           |
| Attributable to:                          |                                  |                          |                                 |
| Equity holders of the parent              | (340)                            | 8                        | (332)                           |
| Non-controlling interest                  | 1,422                            | 3                        | 1,425                           |

| Statements of financial position (summary) | June 30, 2016<br>(Published) | Increase /<br>(Decrease) | June 30, 2016<br>(Adjusted) |
|--|------------------------------|--------------------------|-----------------------------|
| Biological assets                          | 1,132                        | (83)                     | 1,049                       |
| Property, plant and equipment              | 26,300                       | 92                       | 26,392                      |
| Deferred income tax assets                 | 1,658                        | (3)                      | 1,655                       |
| Total Assets                               | 166,001                      | 6                        | 166,007                     |
| Retained earnings                          | (1,390)                      | 3                        | (1,387)                     |
| Cumulative translation adjustment          | 808                          | -                        | 808                         |
| Non-controlling interest                   | 14,211                       | 3                        | 14,214                      |
| Total Shareholders' Equity                 | 15,232                       | 6                        | 15,238                      |

2.3  
Use of estimates

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





Cresud Sociedad Anónima,  
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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)  
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2.  
Summary of significant accounting policies (Continued)

In the preparation of these Unaudited Financial Statements, the significant judgments made by Management in applying the Group's accounting policies and the main sources of uncertainty were the same applied by the Group in the preparation of the financial statements for the year ended as of June 30, 2016, as described in Note 5 to those financial statements.

2.4  
Comparability of information

Amounts as of June 30, 2016 and December 31, 2015 which are disclosed for comparative purposes have been taken from financial statements then ended, except for changes described in Note 2.2.1.

As required by IFRS 3, the information of IDBD is included in the financial statements of the Group as from takeover was secured, that is from October 11, 2015 and the prior periods are not modified by this situation. In addition, due to the time lag in getting income data from IDBD as indicated in Note 2.1., income for the six months ended on December 31, 2015 are not included in the income derived from that subsidiary; therefore, the consolidated financial information as of December 31, 2015 is not comparative.

3.  
Seasonal effects on operations

Agricultural business

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



Cresud Sociedad Anónima,  
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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)  
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3.  
Seasonal effects on operations (Continued)

Urban Properties and Investments business

Operations Center in Argentina

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

Operations Center in Israel

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

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

4.  
Acquisitions and disposals

Below are detailed the significant acquisitions and disposals for the six-month period ended December 31, 2016. The significant acquisitions and disposals for the fiscal year ended June 30, 2016, are detailed in Note 3 to the Annual Financial Statements at that date.

A.  
Acquisition of equity interest in EHSA

On July 2016, the Group through IRSA Propiedades Comerciales acquired 20% of EHSA shares, a company of which it already owned 50%, and 1.25% of Entrenimiento Universal S.A. ("ENUSA"). The amount paid for the acquisition was Ps. 53. As a result of this, the Group holds 70% of the share capital and voting stock of EHSA. In addition, EHSA holds, both directly and indirectly, 100% of the shares of OGDEN Argentina S.A. ("OASA") and 95% of the shares of ENUSA.



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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)  
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4.  
Acquisitions and disposals (Continued)

Furthermore, OASA holds 50% of the voting stock of La Rural S.A. ("LRSA"), a company that holds the rights to commercially operate the emblematic "Predio Ferial de Palermo" in the Autonomous City of Buenos Aires, where the Sociedad Rural Argentina ("SRA") holds the remaining 50%.

The Group is analyzing the allocation of the price paid across various net assets acquired; therefore, the information presented below is preliminary and subject to changes. The following chart shows the consideration paid, the fair value of the acquired assets, the assumed liabilities and the non-controlling interest as of the acquisition date:

|  | Jul-16 |
|--|--------|
| Fair value of identifiable assets and assumed liabilities: |        |
| Investments in joint ventures                              | 123    |
| Trade and other receivables current                        | 88     |
| Borrowings   | (45)   |
| Deferred income tax  | (7)    |
| Income tax and minimum presumed income tax liabilities     | (1)    |
| Trade and other payables                                   | (13)   |
| Provisions   | (2)    |
| Cash acquired  | 7      |
| Total net identifiable assets                              | 150    |
| Non-controlling interest                                   | (45)   |
| Goodwill   | 23     |
| Total  | 128    |
| Fair value of interest held before business combination    | (75)   |
| Total consideration  | 53     |

B.  
Share-holding increase in Shufersal

On September 12, 2016, the Group through DIC, acquired 9,097,127 of Shufersal's shares, so that the company's equity interest in Shufersal's share capital increased from approximately 53.89% to around 58.17%. In addition, on December 12, 2016 DIC repurchased 5,3 million shares of Shufersal for an amount of NIS 75 million (equal to Ps. 297), thus increasing its equity interest to approximately 60.67%.



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(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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4.  
Acquisitions and disposals (Continued)

C.  
Acquisition of DIC shares

On September 23, 2016 Tyrus acquired from IDBD 8,888,888 of DIC's shares for a total amount of NIS 100 million (equivalent to Ps. 401), which represent 8.8% of the Company's outstanding shares. As a result of this transaction, the equity interest of the Group in DIC has increased by 3.28% without actual cash movements in the financial statements.

D.  
Partial sale of equity interest in PBC

DIC sold 12% of its equity interest in PBC for a total amount of NIS 217 million (equivalent to Ps. 810); as a result, DIC's interest in PBC has declined to around 64.4%.

E.  
Partial sale of equity interest in Gav Yam

On December 5, 2016, PBC sold 280,873 shares of its subsidiary Gav-Yam Land Corporation Ltd. for an amount of NIS 391 million (equivalent to Ps. 1,616). As a result of this transaction, the equity interest of the Company has decreased from 69.06% to 55.06%.

F.  
Sale of Adama

On July 17, 2016 DIC has informed the market that it had accepted the tender offer by ChemChina to acquire 40% of Adama's shares currently held by Koor, indirectly controlled by IDBD through DIC. In August 2016, Koor and a subsidiary of ChemChina executed the corresponding agreement. The price of the transaction included a payment in cash of US\$ 230 million plus the total repayment of the non-recourse loan and its interests, which had been granted to Koor by a Chinese bank. Completion of the sale transaction was subject to several previous conditions, the most important of which referred to obtaining the regulatory authorizations in China, the approval of the antitrust authorities and the Chinese bank that granted the non-recourse loan as part of the loan assignment agreement. On November 22, 2016, the sale transaction was finalized and Koor received cash in the amount of US\$ 230 million. The interest of the Company in the results of Adama and the financing expenses related to the hybrid financial instrument are classified as discontinued operations in the Group's Consolidated Statements of Income / (Operations) as from July 17, 2016 on a retroactive basis. (Notes 33 and 34).





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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)  
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4.  
Acquisitions and disposals (Continued)

G.  
Negotiations between Israil and Sun D'or

On December 31, 2016 IDB Tourism was at an advanced stage of negotiations with Sun D'or International Airlines Ltd. ("Sun D'or"), a subsidiary of El Al Israel Airlines Ltd. ("EI AI"), which consists of:

- Israil would sell the aircraft it owns through a purchase and lease agreement for an estimated value of US\$ 70 million.
- Following the sale of aircraft units, IDB Tourism would receive US\$ 45 million plus 25% of Sun D'Or's shares, with El Al retaining a 75% equity interest in such company.
- The parties would enter into a shareholder agreement that would give El Al a call option (and a sale option to IDB Tourism) for the acquisition of Sun D'Or's shares in accordance with a price and terms that would be established in due course.

As a consequence of this process, the Group's financial statements as of December 31, 2016 record the investment in Israil as assets and liabilities held for sale, and a loss of nearly NIS 56 million (equivalent to Ps. 231), as a result of measuring these net assets at the estimated recoverable value.

It should be noted that as of the filing date of these financial statements the parties have not signed a memorandum of understanding and/or binding agreement regarding the transaction scheme and/or the transaction terms; and that should the transaction take place, it will be subject to the legally required approvals, including the approval from the Antitrust Commissioner. Insofar as an agreement be signed, the transaction is expected to be finalized by the end of 2017.

5.  
Financial risk management and fair value estimates

5.1.  
Financial risk

The Group's activities expose it to a variety of financial risk: market risk (including foreign currency risk, interest rate risk, indexing risk due to specific clauses and other price risk), credit risk, liquidity risk and capital risk. Within the Group, risk management functions are conducted in relation to financial risks associated to financial instruments to which the Group is exposed during a certain period or as of a specific date.

Given the diversity of characteristics in the activities conducted under its operations center, the Group has decentralized the risk management policies geographically based on its two operations center in order to identify and properly analyze the various types of risks to which each of the subsidiaries is exposed.





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5.  
Financial risk management and fair value estimates (Continued)

These financial statements do not include all the information and disclosures of the risk management, so they should be read together with Note 4 to the Financial Statements as of June 30, 2016. There have been no changes in the risk management or risk management policies applied by the Group since the fiscal year-end.

5.2.  
Fair value estimates

Since June 30, 2016, as of the date of these Unaudited Condensed Interim Consolidated Financial Statements, there have been no significant changes in business or economic circumstances affecting the fair value of the Group's assets and liabilities (either measured at fair value or amortized cost). Neither have been transfers between the several tiers used in estimating the fair value of the Group's financial instruments.

6.  
Segment information

As explained in Note 6 to the Annual Financial Statements, since the Group obtained control over IDBD, the financial and net worth performance is reported separately in two centers of operations. Within the Operations center in Argentina, there have been no changes in the business segments or the financial reporting criteria thereof. In Operations center in Israel, as reported in Note 4 to these financial statements, the Group stopped including Agrochemicals as a reportable segment, following the sale of Adama.



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6.  
Segment information (Continued)

Below is a summarized analysis of the lines of business of the Group for the six-month period ended December 31, 2016:

|   | Agricultural<br>business<br>(I) | Urban properties and investments business<br>(II)<br>Operations<br>Center in<br>Argentina | Operations<br>Center in Israel | Subtotal  | Total     |
|---|---------------------------------|---|--------------------------------|-----------|-----------|
| Revenues  | 1,969                           | 2,085   | 34,021                         | 36,106    | 38,075    |
| Costs   | (2,614)                         | (496)   | (24,700)                       | (25,196)  | (27,810)  |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 931                             | -   | -                              | -         | 931       |
| Changes in the net realizable value of agricultural produce after harvest   | (77)                            | -   | -                              | -         | (77)      |
| Gross profit  | 209                             | 1,589   | 9,321                          | 10,910    | 11,119    |
| Gain from disposal of investment properties   | -                               | 84  | 19                             | 103       | 103       |
| Gain from disposal of farmlands   | 72                              | -   | -                              | -         | 72        |
| General and administrative expenses   | (190)                           | (338)   | (1,500)                        | (1,838)   | (2,028)   |
| Selling expenses  | (257)                           | (185)   | (6,566)                        | (6,751)   | (7,008)   |
| Management fees   | -                               | (48)  | (56)                           | (104)     | (104)     |
| Other operating results, net  | 8                               | (18)  | (99)                           | (117)     | (109)     |
| (Loss) / Profit from operations   | (158)                           | 1,084   | 1,119                          | 2,203     | 2,045     |
| Share of profit / (loss) of associates and joint ventures   | 1                               | (92)  | (6)                            | (98)      | (97)      |
| Segment (loss) / profit   | (157)                           | 992   | 1,113                          | 2,105     | 1,948     |
| Reportable assets   | 5,351                           | 4,947   | 152,446                        | 157,393   | 162,744   |
| Reportable liabilities  | -                               | -   | (132,518)                      | (132,518) | (132,518) |
| Net reportable assets   | 5,351                           | 4,947   | 19,928                         | 24,875    | 30,226    |





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6.  
Segment information (Continued)

Below is a summarized analysis of the lines of business of the Group for the six-month period ended December 31, 2015:

|   | Agricultural<br>business<br>(I) | Urban properties and investments business<br>(II)<br>Operations<br>Center in<br>Argentina | Operations<br>Center in Israel | Subtotal  | Total     |
|---|---------------------------------|---|--------------------------------|-----------|-----------|
| Revenues  | 1,294                           | 1,586   | -                              | 1,586     | 2,880     |
| Costs   | (1,623)                         | (383)   | -                              | (383)     | (2,006)   |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 590                             | -   | -                              | -         | 590       |
| Changes in the net realizable value of agricultural produce after harvest   | 114                             | -   | -                              | -         | 114       |
| Gross profit  | 375                             | 1,203   | -                              | 1,203     | 1,578     |
| Gain from disposal of investment properties   | -                               | 1,022   | -                              | 1,022     | 1,022     |
| General and administrative expenses   | (127)                           | (277)   | -                              | (277)     | (404)     |
| Selling expenses  | (166)                           | (121)   | -                              | (121)     | (287)     |
| Other operating results, net  | 45                              | 123   | -                              | 123       | 168       |
| Profit from operations  | 127                             | 1,950   | -                              | 1,950     | 2,077     |
| Share of profit / (loss) of associates and joint ventures   | 4                               | (403)   | -                              | (403)     | (399)     |
| Segment profit  | 131                             | 1,547   | -                              | 1,547     | 1,678     |
| Reportable assets   | 3,959                           | 5,732   | 123,597                        | 129,329   | 133,288   |
| Reportable liabilities  | -                               | -   | (110,054)                      | (110,054) | (110,054) |
| Net reportable assets   | 3,959                           | 5,732   | 13,543                         | 19,275    | 23,234    |



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6.  
Segment information (Continued)

(I)  
Agriculture line of business:

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

|   | December 31, 2016          |                                     |        |                                   |
|---|----------------------------|-------------------------------------|--------|-----------------------------------|
|   | Agricultural<br>production | Land<br>transformation<br>and sales | Others | Total<br>Agricultural<br>business |
| Revenues  | 1,063                      | -                                   | 906    | 1,969                             |
| Costs   | (1,803)                    | (5)                                 | (806)  | (2,614)                           |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 931                        | -                                   | -      | 931                               |
| Changes in the net realizable value of agricultural produce after harvest   | (77)                       | -                                   | -      | (77)                              |
| Gross profit / (loss)   | 114                        | (5)                                 | 100    | 209                               |
| Gain from disposal of farmlands   | -                          | 72                                  | -      | 72                                |
| General and administrative expenses   | (155)                      | (1)                                 | (34)   | (190)                             |
| Selling expenses  | (190)                      | -                                   | (67)   | (257)                             |
| Other operating results, net  | 7                          | -                                   | 1      | 8                                 |
| (Loss) / Profit from operations   | (224)                      | 66                                  | -      | (158)                             |
| Share of profit / (loss) of associates  | 4                          | -                                   | (3)    | 1                                 |
| Segment (loss) / profit   | (220)                      | 66                                  | (3)    | (157)                             |
| Investment properties   | -                          | -                                   | 97     | 97                                |
| Property, plant and equipment   | 3,354                      | 14                                  | 96     | 3,464                             |
| Goodwill  | 15                         | -                                   | -      | 15                                |
| Biological assets   | 1,177                      | -                                   | -      | 1,177                             |
| Inventories   | 379                        | -                                   | 182    | 561                               |
| Investments in associates   | 36                         | -                                   | 1      | 37                                |
| Total operating assets  | 4,961                      | 14                                  | 376    | 5,351                             |
|   | December 31, 2015          |                                     |        |                                   |
|   | Agricultural<br>production | Land<br>transformation<br>and sales | Others | Total<br>Agricultural<br>business |

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|   |         |     |       |         |
|---|---------|-----|-------|---------|
| Revenues  | 780     | -   | 514   | 1,294   |
| Costs   | (1,168) | (4) | (451) | (1,623) |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 590     | -   | -     | 590     |
| Changes in the net realizable value of agricultural produce after harvest   | 114     | -   | -     | 114     |
| Gross profit / (loss)   | 316     | (4) | 63    | 375     |
| General and administrative expenses   | (104)   | (1) | (22)  | (127)   |
| Selling expenses  | (123)   | -   | (43)  | (166)   |
| Other operating results, net  | 44      | -   | 1     | 45      |
| Profit / (Loss) from Operations   | 133     | (5) | (1)   | 127     |
| Share of profit / (loss) of associates  | 6       | -   | (2)   | 4       |
| Segment profit / (loss)   | 139     | (5) | (3)   | 131     |
| Investment properties   | 2       | -   | 47    | 49      |
| Property, plant and equipment   | 2,528   | 13  | 39    | 2,580   |
| Goodwill  | 8       | -   | 1     | 9       |
| Biological assets   | 784     | -   | -     | 784     |
| Inventories   | 379     | -   | 123   | 502     |
| Investments in associates   | 35      | -   | -     | 35      |
| Total operating assets  | 3,736   | 13  | 210   | 3,959   |



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6.  
Segment information (Continued)

(II)  
Urban properties line of business and investments

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

|  | December 31, 2016   |                       |                           |        |               |                                       | Total |
|--|---------------------|-----------------------|---------------------------|--------|---------------|---------------------------------------|-------|
|  | Shopping<br>Centers | Offices and<br>others | Sales and<br>developments | Hotels | International | Financial<br>operations<br>and others |       |
| Revenues   | 1,494               | 217                   | 1                         | 373    | -             | -                                     | 2,085 |
| Costs  | (222)               | (27)                  | (14)                      | (233)  | -             | -                                     | (496) |
| Gross Profit / (Loss)  | 1,272               | 190                   | (13)                      | 140    | -             | -                                     | 1,589 |
| Gain from disposal of<br>investment properties               | -                   | -                     | 84                        | -      | -             | -                                     | 84    |
| General and administrative<br>expenses                       | (123)               | (32)                  | (75)                      | (66)   | (42)          | -                                     | (338) |
| Selling expenses   | (93)                | (25)                  | (19)                      | (46)   | -             | (2)                                   | (185) |
| Management fees  | (40)                | (7)                   | -                         | (1)    | -             | -                                     | (48)  |
| Other operating results, net                                 | (24)                | 46                    | (28)                      | (1)    | (9)           | (2)                                   | (18)  |
| Profit / (Loss) from operations                              | 992                 | 172                   | (51)                      | 26     | (51)          | (4)                                   | 1,084 |
| Share of Profit / (Loss) of<br>associates and joint ventures | -                   | 16                    | 7                         | -      | (159)         | 44                                    | (92)  |
| Segment Profit / (Loss)                                      | 992                 | 188                   | (44)                      | 26     | (210)         | 40                                    | 992   |
| Investment properties  | 2,280               | 988                   | 98                        | -      | -             | 6                                     | 3,372 |
| Property, plant and equipment                                | 48                  | 24                    | 3                         | 165    | 2             | -                                     | 242   |
| Trading properties   | 1                   | -                     | 278                       | -      | -             | -                                     | 279   |
| Goodwill   | 8                   | 31                    | 5                         | -      | -             | -                                     | 44    |
| Rights to receive future units<br>under barter agreements    | 9                   | -                     | 29                        | -      | -             | -                                     | 38    |
| Inventories  | 24                  | -                     | -                         | 10     | -             | -                                     | 34    |
| Investment in associates and<br>joint ventures               | -                   | 130                   | 69                        | -      | (1,041)       | 1,780                                 | 938   |
| Total operating assets                                       | 2,370               | 1,173                 | 482                       | 175    | (1,039)       | 1,786                                 | 4,947 |



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Segment information (Continued)

|  | December 31, 2015   |                       |                           |        |               |                                       | Total |
|--|---------------------|-----------------------|---------------------------|--------|---------------|---------------------------------------|-------|
|  | Shopping<br>Centers | Offices<br>and others | Sales and<br>developments | Hotels | International | Financial<br>operations<br>and others |       |
| Revenues   | 1,193               | 145                   | 4                         | 244    | -             | -                                     | 1,586 |
| Costs  | (176)               | (27)                  | (10)                      | (170)  | -             | -                                     | (383) |
| Gross Profit / (Loss)  | 1,017               | 118                   | (6)                       | 74     | -             | -                                     | 1,203 |
| Gain from disposal of<br>investment properties               | -                   | -                     | 1,022                     | -      | -             | -                                     | 1,022 |
| General and administrative<br>expenses                       | (81)                | (16)                  | (72)                      | (49)   | (59)          | -                                     | (277) |
| Selling expenses   | (64)                | (18)                  | (10)                      | (29)   | -             | -                                     | (121) |
| Other operating results, net                                 | (18)                | (1)                   | (5)                       | (1)    | 146           | 2                                     | 123   |
| Profit / (Loss) from<br>operations                           | 854                 | 83                    | 929                       | (5)    | 87            | 2                                     | 1,950 |
| Share of Profit / (Loss) of<br>associates and joint ventures | -                   | 8                     | 6                         | -      | (578)         | 161                                   | (403) |
| Segment Profit / (Loss)                                      | 854                 | 91                    | 935                       | (5)    | (491)         | 163                                   | 1,547 |
| Investment properties  | 2,368               | 893                   | 169                       | -      | -             | 7                                     | 3,437 |
| Property, plant and<br>equipment                             | 47                  | 23                    | 1                         | 171    | 2             | -                                     | 244   |
| Trading properties   | 1                   | -                     | 179                       | -      | -             | -                                     | 180   |
| Goodwill   | 14                  | 6                     | 5                         | -      | -             | -                                     | 25    |
| Rights to receive future units<br>under barter agreements    | -                   | -                     | 90                        | -      | -             | -                                     | 90    |
| Inventories  | 16                  | -                     | 1                         | 8      | -             | -                                     | 25    |
| Interests in associates and<br>joint ventures                | -                   | 24                    | 62                        | -      | 61            | 1,584                                 | 1,731 |
| Total operating assets                                       | 2,446               | 946                   | 507                       | 179    | 63            | 1,591                                 | 5,732 |





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Segment information (Continued)

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

|   | December 31, 2016 |              |                    |           |          | Total     |
|---|-------------------|--------------|--------------------|-----------|----------|-----------|
|   | Real Estate       | Supermarkets | Telecommunications | Insurance | Others   |           |
| Revenues  | 2,484             | 23,476       | 7,863              | -         | 198      | 34,021    |
| Costs   | (1,700)           | (17,544)     | (5,356)            | -         | (100)    | (24,700)  |
| Gross profit  | 784               | 5,932        | 2,507              | -         | 98       | 9,321     |
| Gain from disposal of investment properties               | -                 | -            | -                  | -         | 19       | 19        |
| General and administrative expenses                       | (130)             | (302)        | (761)              | -         | (307)    | (1,500)   |
| Selling expenses  | (47)              | (4,811)      | (1,679)            | -         | (29)     | (6,566)   |
| Management fees   | (23)              | (31)         | (2)                | -         | -        | (56)      |
| Other operating results, net                              | -                 | (31)         | (19)               | -         | (49)     | (99)      |
| Profit / (Loss) from operations                           | 584               | 757          | 46                 | -         | (268)    | 1,119     |
| Share of (Loss) / Profit of associates and joint ventures | (114)             | -            | -                  | -         | 108      | (6)       |
| Segment profit / (loss)                                   | 470               | 757          | 46                 | -         | (160)    | 1,113     |
| Operating assets  | 62,361            | 32,467       | 28,415             | 6,143     | 23,060   | 152,446   |
| Operating liabilities                                     | (51,209)          | (25,944)     | (22,529)           | -         | (32,836) | (132,518) |
|   | 11,152            | 6,523        | 5,886              | 6,143     | (9,776)  | 19,928    |

Below is a summarized analysis of the lines of business of the Groups' Operations Center in Israel for the year ended December 31, 2015:

|                                       | December 31, 2015 |              |                    |           |          | Total     |
|---------------------------------------|-------------------|--------------|--------------------|-----------|----------|-----------|
|                                       | Real Estate       | Supermarkets | Telecommunications | Insurance | Others   |           |
| Operating assets                      | 50,475            | 24,706       | 20,816             | 4,845     | 22,755   | 123,597   |
| Operating liabilities                 | (40,701)          | (21,048)     | (16,893)           | -         | (31,412) | (110,054) |
| Operating assets / (liabilities), net | 9,774             | 3,658        | 3,923              | 4,845     | (8,657)  | 13,543    |



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6.  
Segment information (Continued)

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

|  | Total<br>segment<br>information | Adjustment for<br>share of profit /<br>(loss) of joint<br>ventures | Expenses and<br>collective<br>promotion<br>funds | Adjustment to<br>income /<br>(operations) for<br>elimination of<br>inter-segment<br>transactions | Total<br>statement of<br>income /<br>(operations) |
|--|---------------------------------|--|--|--|---|
| Revenues   | 38,075                          | (35)   | 745  | (89)   | 38,696  |
| Costs  | (27,810)                        | 37   | (759)  | 85   | (28,447)  |
| Initial recognition and changes<br>in the fair value of biological<br>assets and agricultural produce<br>at the point of harvest | 931                             | (10)   | -  | -  | 921   |
| Changes in the net realizable<br>value of agricultural produce<br>after harvest  | (77)                            | -  | -  | -  | (77)  |
| Gross Profit / (Loss)  | 11,119                          | (8)  | (14)   | (4)  | 11,093  |
| Gain from disposal of<br>investment properties   | 103                             | -  | -  | -  | 103   |
| Gain from disposal of<br>farmlands   | 72                              | -  | -  | -  | 72  |
| General and administrative<br>expenses   | (2,028)                         | 5  | -  | 4  | (2,019)   |
| Selling expenses   | (7,008)                         | 3  | -  | 1  | (7,004)   |
| Management fees  | (104)                           | -  | -  | -  | (104)   |
| Other operating results, net   | (109)                           | (5)  | -  | (1)  | (115)   |
| Profit / (Loss) from operations<br>before share of profit / (loss) of<br>associates and joint ventures                           | 2,045                           | (5)  | (14)   | -  | 2,026   |
| Share of loss of associates and<br>joint ventures  | (97)                            | (5)  | -  | -  | (102)   |
| Profit / (Loss) from operations<br>before financing and taxation   | 1,948                           | (10)   | (14)   | -  | 1,924   |





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Segment information (Continued)

|   | December 31, 2015 |                   |                 | Adjustment to   | Total         |
|---|-------------------|-------------------|-----------------|-----------------|---------------|
|   | Total             | Adjustment for    | Expenses and    | income /        | statements of |
|   | segment           | share of profit / | collective      | (operations)    | income /      |
|   | information       | (loss)            | promotion funds | for elimination | (operations)  |
|   |                   | of joint ventures |                 | of              |               |
|   |                   |                   |                 | inter-segment   |               |
|   |                   |                   |                 | transactions    |               |
| Revenues  | 2,880             | (24)              | 594             | (59)            | 3,391         |
| Costs   | (2,006)           | 27                | (602)           | 51              | (2,530)       |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 590               | (8)               | -               | 7               | 589           |
| Changes in the net realizable value of agricultural produce after 114 harvest   | -                 | -                 | -               | -               | 114           |
| Gross Profit / (Loss)   | 1,578             | (5)               | (8)             | (1)             | 1,564         |
| Gain from disposal of investment properties   | 1,022             | -                 | -               | -               | 1,022         |
| General and administrative expenses   | (404)             | 2                 | -               | 3               | (399)         |
| Selling expenses  | (287)             | 1                 | -               | 2               | (284)         |
| Other operating results, net  | 168               | 1                 | -               | (3)             | 166           |
| Profit / (Loss) from operations before share of profit / (loss) of associates and joint ventures                        | 2,077             | (1)               | (8)             | 1               | 2,069         |
| Share of loss of associates and joint ventures  | (399)             | (4)               | -               | -               | (403)         |
| Profit / (Loss) from operations before financing and taxation   | 1,678             | (5)               | (8)             | 1               | 1,666         |





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6.  
Segment information (Continued)

The following tables present a reconciliation between total assets and total assets as per the statement of financial position. Adjustments are mainly related to the filing of certain classes of assets in segment information and to the proportional consolidation of joint ventures mentioned previously.

|   | December 31, 2016        |   |   |          |         | December 31, 2015        |   |   |          |          |
|---|--------------------------|---|---|----------|---------|--------------------------|---|---|----------|----------|
|   | Agricultural<br>business | Urban properties and<br>investments<br>Operations<br>Center in<br>Argentina | business<br>Operations<br>Center in<br>Israel | Subtotal | Total   | Agricultural<br>business | Urban properties and<br>investments<br>Operations<br>Center in<br>Argentina | business<br>Operations<br>Center in<br>Israel | Subtotal | Total    |
| Total Assets<br>per segment   | 5,351                    | 4,947   | 152,446                                       | 157,393  | 162,744 | 3,959                    | 5,732   | 123,597                                       | 129,329  | 133,288  |
| Less:   |                          |   |   |          |         |                          |   |   |          |          |
| Proportionate<br>share in<br>reportable<br>assets per<br>segment of<br>joint ventures<br>(* ) | (696)                    | (147)   | -   | (147)    | (843)   | (547)                    | (120)   | -   | (120)    | (667)    |
| Plus:   |                          |   |   |          |         |                          |   |   |          |          |
| Investments in<br>joint ventures<br>(** )   | 327                      | 175   | -   | 175      | 502     | 240                      | 172   | -   | 172      | 412      |
| Discontinued<br>operations  | -                        | -   | -   | -        | -       | -                        | -   | 9,981   | 9,981    | 9,981    |
| Adjustment to<br>fair value due<br>to business<br>combination                                 | -                        | -   | -   | -        | -       | -                        | -   | (11,309)                                      | (11,309) | (11,309) |
| Other<br>non-reportable<br>assets   | 3,944                    | 8,206   | -   | 8,206    | 12,150  | 3,356                    | 5,540   | -   | 5,540    | 8,896    |
| Total<br>Consolidated<br>Assets as per<br>Statement of<br>Financial<br>Position               | 8,926                    | 13,181  | 152,446                                       | 165,627  | 174,553 | 7,008                    | 11,324  | 122,269                                       | 133,593  | 140,601  |





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6.  
Segment information (Continued)

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

|   | December 31, 2016     |                                  |                     |          | Total | December 31, 2015     |                                  |                     |          | Total |
|---|-----------------------|----------------------------------|---------------------|----------|-------|-----------------------|----------------------------------|---------------------|----------|-------|
|   | Agricultural business | Urban properties and investments | business Operations | Subtotal |       | Agricultural business | Urban properties and investments | business Operations | Subtotal |       |
|   |                       | Center in Argentina              | Center in Israel    |          |       |                       | Center in Argentina              | Center in Israel    |          |       |
| Investment properties   | 2                     | 149                              | -                   | 149      | 151   | 2                     | 119                              | -                   | 119      | 121   |
| Property, plant and equipment                                     | 680                   | (9)                              | -                   | (9)      | 671   | 523                   | (5)                              | -                   | (5)      | 518   |
| Trading properties  | -                     | 5                                | -                   | 5        | 5     | -                     | 1                                | -                   | 1        | 1     |
| Goodwill  | -                     | 2                                | -                   | 2        | 2     | -                     | 5                                | -                   | 5        | 5     |
| Biological assets   | 8                     | -                                | -                   | -        | 8     | 13                    | -                                | -                   | -        | 13    |
| Inventories   | 6                     | -                                | -                   | -        | 6     | 9                     | -                                | -                   | -        | 9     |
| Total proportionate share in assets per segment of joint ventures | 696                   | 147                              | -                   | 147      | 843   | 547                   | 120                              | -                   | 120      | 667   |

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

|                               | December 31, 2016     |                                  |                     |          | Total   | December 31, 2015     |                                  |                     |          | Total   |
|-------------------------------|-----------------------|----------------------------------|---------------------|----------|---------|-----------------------|----------------------------------|---------------------|----------|---------|
|                               | Agricultural business | Urban properties and investments | business Operations | Subtotal |         | Agricultural business | Urban properties and investments | business Operations | Subtotal |         |
|                               |                       | Center in Argentina              | Center in Israel    |          |         |                       | Center in Argentina              | Center in Israel    |          |         |
| Total Liabilities per segment | -                     |                                  | 132,518             | 132,518  | 132,518 | -                     |                                  | -                   | 110,054  | 110,054 |
| Plus:                         |                       |                                  |                     |          |         |                       |                                  |                     |          |         |
| Discontinued operations       | -                     | -                                | -                   | -        | -       | -                     | -                                | 10,024              | 10,024   | 10,024  |

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|   |       |        |         |         |         |       |        |         |         |         |
|---|-------|--------|---------|---------|---------|-------|--------|---------|---------|---------|
| Adjustment to fair value due to business combination  | -     | -      | -       | -       | -       | -     | -      | (3,069) | (3,069) | (3,069) |
| Liabilities corresponding to agricultural business and urban properties and investment business of the operations center in Argentina | 6,185 | 14,528 | -       | 14,528  | 20,713  | 5,144 | 10,948 | -       | 10,948  | 16,092  |
| Total Consolidated Liabilities as per Statement of Financial Position   | 6,185 | 14,528 | 132,518 | 147,046 | 153,231 | 5,144 | 10,948 | 117,009 | 127,957 | 133,101 |



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7.

## Information about principal subsidiaries

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

|                  | As of December 31, 2016                           |                   |                       |                        |                            |               | Period ended December 31, 2016                         |                              |  |  |
|------------------|---|-------------------|-----------------------|------------------------|----------------------------|---------------|--|------------------------------|--|--|
|                  | Non-controlling<br>shareholders'<br>interest<br>% | Current<br>assets | Non-current<br>assets | Current<br>liabilities | Non-current<br>liabilities | Net<br>assets | Book value of<br>non-controlling<br>shareholders       | Net<br>Income<br>/<br>(loss) | Other<br>comprehensive<br>income /<br>(loss) | Total<br>comprehensive<br>income /<br>(loss) |
| Elron (1)        | 49.68%  | 1,708             | 1,103                 | 131                    | 33                         | 2,647         | 1,985  | -(224)                       | (3)  |  |
| PBC (1)          | 35.56%  | 8,836             | 53,084                | 7,496                  | 43,713                     | 10,711        | 8,194  | <del>2,300</del>             | (43)   |  |
| Cellcom<br>(1)   | 57.74%  | 11,295            | 16,025                | 7,659                  | 14,869                     | 4,792         | 3,431  | <del>7,891</del>             | 4  |  |
| Shufersal<br>(1) | 41.83%  | 11,912            | 19,771                | 14,212                 | 11,732                     | 5,739         | 3,505  | <del>2,342</del>             | (19)   |  |
| Brasilagro       | 57.21%  | 1,317             | 2,951                 | 639                    | 216                        | 3,413         | 1,830  | <del>254</del>               | 1,040  |  |
| IRSA             | 36.23%  | 58,643            | 107,470               | 41,163                 | 105,876                    | 19,074        | 16,071   | <del>36,887</del>            | 402  |  |
|                  |   |                   |                       |                        |                            |               |  |                              |  |  |
|                  | As of June 30, 2016                               |                   |                       |                        |                            |               | Period ended December 31, 2015                         |                              |  |  |
|                  | Non-controlling<br>shareholders'<br>interest<br>% | Current<br>assets | Non-current<br>assets | Current<br>liabilities | Non-current<br>liabilities | Net<br>assets | Book<br>value<br>of<br>non-controlling<br>shareholders | Net<br>Income<br>(loss)      | Other<br>comprehensive<br>income / (loss)    | Total<br>comprehensive<br>income / (loss)    |
| Elron (1)        | 49.68%  | 2,145             | 922                   | 82                     | 31                         | 2,954         | <del>2,522</del>                                       | N/A                          | N/A  | N/A  |
| PBC (1)          | 23.55%  | 10,435            | 47,546                | 9,925                  | 37,567                     | 10,489        | <del>8,449</del>                                       | N/A                          | N/A  | N/A  |
| Cellcom<br>(1)   | 58.23%  | 9,368             | 16,113                | 7,629                  | 13,210                     | 4,642         | <del>3,795</del>                                       | N/A                          | N/A  | N/A  |
| Shufersal<br>(1) | 47.05%  | 9,929             | 18,764                | 13,202                 | 10,411                     | 5,080         | <del>3,596</del>                                       | N/A                          | N/A  | N/A  |
| DFL              | N/A   | N/A               | N/A                   | N/A                    | N/A                        | N/A           | N/A  | (1,273)                      | (336)  | (1,609)                                      |
| Brasilagro       | 57.82%  | 898               | 2,260                 | 415                    | 205                        | 2,538         | <del>2,380</del>                                       | 120                          | 66   | 186  |
| IRSA             | 36.62%  | 42,763            | 116,237               | 43,600                 | 101,899                    | 13,501        | <del>12,686</del>                                      | (910)                        | 1,876  | 966  |

(1) Corresponds to the Group's indirect interest. The percentage of the non-controlling interest represents the equity interest which is not owned by DIC.





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7.  
Information about principal subsidiaries (Continued)

Restrictions, commitments and other relevant issues

Cellcom

As mentioned in Note 7 to the Financial Statements as of June 30, 2016, Cellcom was in dispute with Golan. In January 2017, Golan was acquired by Electra and signed an agreement with Cellcom regarding the use of its network and hosting services. Additionally, Cellcom agreed to provide Golan - on the effective day the agreement for the purchase of Golan by Electra - with a loan for NIS 130 million for a term of 10 years, which shall be repaid in 6 semi-annual installments starting on the eight anniversary of the execution of the agreement. The loan will be backed by several assets of Golan. It should be noted that the performance of the agreement is being hindered by interested third parties.

Analysis of the impact of the Concentration Act

As mentioned in Note 7 to the Financial Statements as of June 30, 2016, IDBD is analyzing the implications of the Concentration Law. As of the date of these Unaudited Condensed Interim Consolidated Financial Statements, IDBD continues on this analysis process.

PBC and consulting agreement with Rock Real

In November 2009, PBC's audit committee and board of directors approved the agreement with Rock Real whereby the latter would look for and propose to PBC the acquisition of commercial properties outside Israel, in addition to assisting in the negotiations and management of such properties. In return, Rock Real would receive 12% of the net income generated by the acquired real property. Pursuant to appendix 16 of the Israel Commercial Act 5759-1999, the agreement must be ratified by the Audit Committee before the third year after the effective date; otherwise, it expires. The agreement has not been ratified by the audit committee within such three-year term, so in January 2017, PBC issued a statement that hinted at the expiration of the agreement and informed that it would begin negotiations to reduce the debt that currently amounts to NIS 155 million (or Ps. 640).

Dolphin arbitration process

As mentioned in note 3 to the Annual Financial Statements there is an arbitration process going on between Dolphin and ETH in relation to certain issues connected to the control obtainment of IDBD. As of the date of these financial statements, there is no news in relation to the case and the proceeding is pending of resolution.



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8.  
Investments in joint ventures

Changes in the Group's investments in joint ventures for the six-month period ended December 31, 2016 and for the year ended June 30, 2016 were as follows:

|   | December 31,<br>2016 | June 30,<br>2016 |
|---|----------------------|------------------|
| Beginning of the period / year                        | 2,186                | 378              |
| Decrease for the control obtainment                   | (31)                 | -                |
| Capital contribution                                  | 104                  | 77               |
| Balance incorporated by business combination (Note 4) | 123                  | 960              |
| Share of (loss) / profit                              | (58)                 | 143              |
| Currency translation adjustment                       | 180                  | 645              |
| Cash dividends (i)                                    | (35)                 | (17)             |
| End of the period / year                              | 2,469                | 2,186            |

(i)  
During the period ended December 31, 2016, Ps. 19 correspond to Manaman, Ps. 9 to La Rural S.A. and Ps. 7 to Cyrsa S.A.. During the fiscal year ended June 30, 2016, Ps. 7 correspond to Cyrsa, Ps. 4 to NPSF and Ps. 6 to Manaman.



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8.  
Investments in joint ventures (Continued)

The table below lists the Group's investments and the value of interests in joint ventures for the six-month period ended December 31, 2016 and for the fiscal year ended June 30, 2016, respectively.

| Name of the entity        | Place of business / Country of incorporation | Main activity | Value of Group's interest in Common equity |                     | Group's interest in comprehensive income |                         | % of owners' interest held | Last financial statement issued | Income (loss) Share Capital Shareholders' equity (non-equity value) |
|---------------------------|--|---------------|--|---------------------|--|-------------------------|----------------------------|---------------------------------|---|
|                           |  |               | As of December 31, 2016                    | As of June 30, 2016 | As of December 31, 2016                  | As of December 31, 2015 |                            |                                 |   |
| Quality                   | Argentina                                    | Real Estate   | 76,867                                     | 73,349              | (3)                                      | (3)                     | 50%                        | 158                             | 133   |
| Cyrsa                     | Argentina                                    | Real Estate   | 8,748                                      | 22,698              | 2  | 5                       | 50%                        | 87                              | 24  |
| La Rural                  | Argentina                                    | Real Estate   | 714,438                                    | -                   | (1)                                      | -                       | 50%                        | A B1                            | 5   |
| Puerto Retiro (1)         | Argentina                                    | Real Estate   | 23,067                                     | 2,519               | 16                                       | (1)                     | 50%                        | 46                              | 38  |
| Cresca S.A. (2)           | Paraguay                                     | Agriculture   | 188,316                                    | 230                 | 86                                       | 62                      | 50%                        | 144                             |   |
| Mehadrin                  | Israel                                       | Agriculture   | 1,500                                      | 899                 | (25)                                     |                         | 45.4%                      | (*) 26                          | (*) 462   |
| Others joint ventures (3) |  |               | 92   | 1825                | 47                                       | 12                      | N/A                        | N/A                             | N/A   |
|                           |  |               | 2,469                                      |                     |  |                         |                            |                                 |   |
|                           |  |               | 2,186                                      |                     | 122                                      | 75                      |                            |                                 |   |

(1) Puerto Retiro owns a land reserve. As mentioned in Note 8 to the annual Financial Statements as of June 30, 2016, Puerto Retiro has been notified that a petition for bankruptcy has been filed against it. As of the date of these Financial Statements, there is no news in relation to the case.

(2) Cresca is a joint venture between the Company and Carlos Casado S.A. with agriculture operations in Paraguay

(3) Represent other joint venture business that are not significant individually

(\*) Amounts presented in millions of NIS.



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9.  
Investments in associates

Changes in the Group's investments in associates for the six-month period ended as of December 31, 2016 and for the year ended as of June 30, 2016 were as follows:

|   | December 31,<br>2016 | June 30,<br>2016 |
|---|----------------------|------------------|
| Beginning of the period / year                          | 13,507               | 2,653            |
| Acquisition / increase in equity interest in associates | 268                  | 157              |
| Unrealized loss from investments at fair value          | -                    | (564)            |
| Decrease for the control obtainment                     | -                    | (1,047)          |
| Associate incorporated by business combination          | -                    | 8,308            |
| Capital contribution                                    | 68                   | 180              |
| Share of (loss) / profit                                | (44)                 | 310              |
| Currency translation adjustment                         | 226                  | 4,193            |
| Cash dividends (ii)                                     | (57)                 | (518)            |
| Sale of associates                                      | -                    | (4)              |
| Hedging instruments                                     | 56                   | (93)             |
| Defined benefit plans                                   | (7)                  | (10)             |
| Reclassification to held for sale (Note 4)              | (11,473)             | -                |
| Impairment  | -                    | (58)             |
| End of the period / year (i)                            | 2,544                | 13,507           |

(i)  
Includes a balance of Ps. (1,058) and Ps. (841) reflecting interests in companies with negative equity as of December 31, 2016 and June 30, 2016, respectively, which are reclassified to "Provisions" (Note 21).

(ii)  
During the period ended December 31, 2016, Ps. 4 corresponds to Emco, Ps. 28 to Aviareps AG, Ps. 3 to Thirddmillenium Tourism & Recreation Holding LTD and Ps. 21 to Agro-Uranga S.A. During the fiscal year ended June 30, 2016, Ps. 10 correspond to Millenium, Ps. 495 to Adama and Ps. 10 to Emco.





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9.  
Investments in associates (Continued)

The table below lists the Group's investments, values of interests as well as the Group's interest in comprehensive income of associates for the six-month period ended December 31, 2016 and for the fiscal year ended June 30, 2016, respectively; as otherwise indicated below:

| Name of the entity | Place of business / Country of incorporation | Main activity      | Common shares 1 vote | Value of Group's interest in equity |                     | Group's interest in comprehensive income |                         | % of ownership interest held |                     | Last financial year Share Capital (nominal value) |
|--------------------|--|--------------------|----------------------|-------------------------------------|---------------------|--|-------------------------|------------------------------|---------------------|---|
|                    |  |                    |                      | As of December 31, 2016             | As of June 30, 2016 | As of December 31, 2016                  | As of December 31, 2015 | As of December 31, 2016      | As of June 30, 2016 |   |
| Tarshop            | Argentina                                    | Consumer financing | 48,759,288           | 78                                  | 72                  | 5  | (12)                    | 20%                          | 20%                 | 244   |
| New Lipstick       | United States                                | Real Estate        | N/A                  | (968)                               | (793)               | (174)                                    | (252)                   | 49.73%                       | 49.73%              | N/A   |
| BHSA               | Argentina                                    | Financing          | 448,689,072          | 1,647                               | 1,609               | 38                                       | 172                     | 29.91%                       | 29.91%              | 1,500   |
| BACS (1)           | Argentina                                    | Financing          | 7,812,500            | 43                                  | 21                  | 1  | 3                       | 12.5%                        | 6.40%               | 63  |
| IDBD               | Israel                                       | Investment         | N/A                  | -                                   | -                   | -  | 3,202                   | N/A                          | 49.00%              | N/A   |
| Condor             | United States                                | Hotel              | 1,261,723            | (79)                                | (45)                | (35)                                     | 75                      | 25.45%                       | 25.53%              | (*) 49  |
| Adama              | Israel                                       | Agrochemical       | -                    | -                                   | 10,847              | -  | -                       | N/A                          | 40.00%              | N/A   |
| PBEL               | India  | Real Estate        | 450,000              | 682                                 | 864                 | 48                                       | -                       | 45.40%                       | 45.40%              | (*) 1   |
| Others associates  |  |                    |                      | 1,141                               | 932                 | 299                                      | 7                       | N/A                          | N/A                 | -   |
|                    |  |                    |                      | 2,544                               | 13,507              | 182                                      | 3,195                   |                              |                     |   |

(1)  
On August 24, 2016, the BCRA approved the sale of BACS' shares, representing 6.125% which had been subscribed by Tyrus. As a result, as of December 31 the Group's equity interest in BACS amounts to 12.5% while BHSA holds the remaining 87.5%. Following the reported fiscal year, on February 7, 2017, the BCRA approved the conversion of ONC mentioned in Note 3 to the annual Financial Statements, increasing IRSA's equity in BACS to 33.364%.

(\*) Amounts presented in millions of US dollars.

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



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10.  
Investment properties

Changes in the Group's investment properties for the six-month period ended December 31, 2016 and for the year ended June 30, 2016 were as follows:

|   | Leased<br>out<br>farmland | Rental<br>properties<br>(ii) | Undeveloped<br>parcels<br>of land | Properties<br>under<br>development | Total as of<br>December 31,<br>2016 | Total as of<br>June 30,<br>2016 |
|---|---------------------------|------------------------------|-----------------------------------|------------------------------------|-------------------------------------|---------------------------------|
| Costs   | 14                        | 45,729                       | 2,485                             | 3,978                              | 52,160                              | 5,295                           |
| Accumulated depreciation                          | (5)                       | (2,427)                      | (8)                               | -                                  | (2,394)                             | (1,820)                         |
| Net book amount                                   | 9                         | 43,302                       | 2,477                             | 3,978                              | 49,766                              | 3,475                           |
| Opening net book amount                           | 9                         | 43,302                       | 2,477                             | 3,978                              | 49,766                              | 3,475                           |
| Assets incorporated by business combination       | -                         | -                            | -                                 | -                                  | -                                   | 29,586                          |
| Currency translation adjustment                   | 9                         | 2,107                        | 90                                | 134                                | 2,340                               | 16,762                          |
| Additions   | 3                         | 805                          | 15                                | 871                                | 1,694                               | 1,190                           |
| Reclassification to trading properties            | -                         | -                            | -                                 | -                                  | -                                   | (71)                            |
| Transfers   | -                         | 1,109                        | (224)                             | (885)                              | -                                   | -                               |
| Reclassification to property, plant and equipment | (8)                       | (8)                          | -                                 | -                                  | (16)                                | (13)                            |
| Reclassification of property, plant and equipment | 84                        | -                            | -                                 | -                                  | 84                                  | -                               |
| Impairment  | -                         | -                            | -                                 | -                                  | -                                   | (339)                           |
| Disposals   | -                         | (414)                        | -                                 | -                                  | (414)                               | (280)                           |
| Depreciation charges (i)                          | (2)                       | (530)                        | (8)                               | -                                  | (540)                               | (544)                           |
| Closing net book amount                           | 95                        | 46,371                       | 2,350                             | 4,098                              | 52,914                              | 49,766                          |
| Costs   | 102                       | 49,378                       | 2,366                             | 4,098                              | 55,944                              | 52,160                          |
| Accumulated depreciation                          | (7)                       | (3,007)                      | (16)                              | -                                  | (3,030)                             | (2,394)                         |
| Net book amount                                   | 95                        | 46,371                       | 2,350                             | 4,098                              | 52,914                              | 49,766                          |

(i)  
Depreciation charges of investment property has been charged in "Costs" in the Statement of Income / (Operations) (Note 26).

(ii)  
Includes Distrito Arcos; there have been no news on the judicial proceedings mentioned in the annual Financial Statements.



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10.  
Investment properties (Continued)

The following amounts have been recognized in the Statement of Income / (Operations):

|   | December 31,<br>2016 | December 31,<br>2015 |
|---|----------------------|----------------------|
| Leases and services income                  | 4,253                | 1,927                |
| Direct operating expenses                   | (1,907)              | (822)                |
| Development expenses                        | (822)                | (5)                  |
| Gain from disposal of investment properties | 103                  | 1,022                |

No finance costs were capitalized during the six-month periods ended December 31, 2016 and 2015.

11. Property, plant and equipment

Changes in the Group's property, plant and equipment for the six-month period ended as of December 31, 2016 and for the year ended as of June 30, 2016 were as follows:

|   | Owner<br>occupied<br>farmland | Bearer<br>plant | Buildings<br>and<br>facilities | Machinery<br>and<br>equipment | Communication<br>networks | Others<br>(i) | Total as of<br>December<br>31,<br>2016 | Total as<br>of<br>June 30,<br>2016 |
|---|-------------------------------|-----------------|--------------------------------|-------------------------------|---------------------------|---------------|--|------------------------------------|
| Costs   | 2,468                         | 92              | 13,985                         | 3,203                         | 5,974                     | 2,905         | 28,627                                 | 2,731                              |
| Accumulated<br>depreciation                                       | (330)                         | -               | (650)                          | (390)                         | (564)                     | (301)         | (2,235)                                | (685)                              |
| Net book amount   | 2,138                         | 92              | 13,335                         | 2,813                         | 5,410                     | 2,604         | 26,392                                 | 2,046                              |
| Opening net book<br>amount  | 2,138                         | 92              | 13,335                         | 2,813                         | 5,410                     | 2,604         | 26,392                                 | 2,046                              |
| Assets incorporated by<br>business combination                    | -                             | -               | -                              | -                             | -                         | -             | -                                      | 15,104                             |
| Currency translation<br>adjustment                                | 451                           | 29              | 653                            | 143                           | 260                       | 118           | 1,654                                  | 9,217                              |
| Additions   | 68                            | 11              | 359                            | 324                           | 385                       | 271           | 1,418                                  | 1,284                              |
| Reclassifications of<br>investment properties                     | 8                             | -               | 8                              | -                             | -                         | -             | 16                                     | 13                                 |
| Reclassification to<br>group of assets held for<br>sale (Note 33) | -                             | -               | (12)                           | -                             | -                         | (1,470)       | (1,482)                                | -                                  |
| Reclassifications to<br>investment properties                     | (84)                          | -               | -                              | -                             | -                         | -             | (84)                                   | -                                  |
| Disposals   | (14)                          | -               | -                              | (12)                          | (11)                      | (206)         | (243)                                  | (18)                               |

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|                             |       |      |        |       |         |       |         |         |
|-----------------------------|-------|------|--------|-------|---------|-------|---------|---------|
| Impairments                 | -     | -    | -      | -     | -       | (62)  | (62)    | (13)    |
| Depreciation charge<br>(ii) | (32)  | (19) | (298)  | (275) | (529)   | (223) | (1,376) | (1,241) |
| Closing net book<br>amount  | 2,535 | 113  | 14,045 | 2,993 | 5,515   | 1,032 | 26,233  | 26,392  |
| Cost                        | 2,897 | 132  | 15,028 | 3,731 | 6,671   | 1,458 | 29,917  | 28,572  |
| Accumulated<br>depreciation | (362) | (19) | (983)  | (738) | (1,156) | (426) | (3,684) | (2,180) |
| Net book amount             | 2,535 | 113  | 14,045 | 2,993 | 5,515   | 1,032 | 26,233  | 26,392  |

(i)

Includes furniture and fixtures, vehicles and aircrafts.

(ii) Depreciation charges of property, plant and equipment were included in "Costs", "General and administrative expenses" and "Selling expenses" in the Statement of Income / (Operations).



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12.  
Trading properties

Changes in the Group's trading properties for the six-month period ended as of December 31, 2016 and for the year ended as of June 30, 2016 were as follows:

|  | Completed<br>properties | Properties<br>under<br>development | Undeveloped<br>sites | Total as of<br>December<br>31,<br>2016 | Total as<br>of<br>June 30,<br>2016 |
|--|-------------------------|------------------------------------|----------------------|--|------------------------------------|
| Opening net book amount                        | 236                     | 3,307                              | 1,170                | 4,713                                  | 133                                |
| Additions                                      | 1                       | 424                                | 26                   | 451                                    | 355                                |
| Currency translation adjustment                | 40                      | 150                                | 32                   | 222                                    | 1,650                              |
| Transfers                                      | 1,100                   | (695)                              | (405)                | -                                      | -                                  |
| Reclassification of investment<br>properties   | -                       | -                                  | -                    | -                                      | 71                                 |
| Assets incorporated by business<br>combination | -                       | -                                  | -                    | -                                      | 2,656                              |
| Disposals                                      | (153)                   | (682)                              | -                    | (835)                                  | (152)                              |
| Closing net book amount                        | 1,224                   | 2,504                              | 823                  | 4,551                                  | 4,713                              |

|             | December 31,<br>2016 | June 30,<br>2016 |
|-------------|----------------------|------------------|
| Non-current | 3,746                | 4,472            |
| Current     | 805                  | 241              |
| Total       | 4,551                | 4,713            |

13. Intangible assets

Changes in the Group's intangible assets for the six-month period ended as of December 31, 2016 and for the year ended as of June 30, 2016 were as follows:

|                             | Goodwill | Trademarks | Licenses | Customer<br>relations | Information<br>systems<br>and software | Contracts<br>and<br>others<br>(ii) (iii) | Total as of<br>December<br>31,<br>2016 | Total as<br>of<br>June 30,<br>2016 |
|-----------------------------|----------|------------|----------|-----------------------|--|--|--|------------------------------------|
| Costs                       | 2,238    | 3,378      | 817      | 3,923                 | 1,202                                  | 1,478                                    | 13,036                                 | 214                                |
| Accumulated<br>amortization | -        | (23)       | (58)     | (704)                 | (245)                                  | (192)                                    | (1,222)                                | (38)                               |
| Net book amount             | 2,238    | 3,355      | 759      | 3,219                 | 957                                    | 1,286                                    | 11,814                                 | 176                                |
| Opening net book<br>amount  | 2,238    | 3,355      | 759      | 3,219                 | 957                                    | 1,286                                    | 11,814                                 | 176                                |
|                             | 23       | -          | -        | -                     | -                                      | -  | 23                                     | 7,994                              |



|  |       |       |       |         |       |       |         |         |
|--|-------|-------|-------|---------|-------|-------|---------|---------|
| Assets incorporated by business combination        |       |       |       |         |       |       |         |         |
| Currency translation adjustment                    | 113   | 154   | 33    | 136     | 51    | 43    | 530     | 4,499   |
| Reclassification to assets held for sale (Note 33) | -     | (41)  | -     | (90)    | (12)  | (45)  | (188)   | -       |
| Additions  | -     | -     | -     | -       | 276   | -     | 276     | 137     |
| Disposals  | -     | -     | -     | -       | -     | (52)  | (52)    | (1)     |
| Amortization charge (i)                            | -     | (282) | (61)  | (331)   | (202) | (174) | (1,050) | (991)   |
| Closing net book amount                            | 2,374 | 3,186 | 731   | 2,934   | 1,070 | 1,058 | 11,353  | 11,814  |
| Cost   | 2,374 | 3,505 | 858   | 4,033   | 1,538 | 1,443 | 13,751  | 13,036  |
| Accumulated amortization                           | -     | (319) | (127) | (1,099) | (468) | (385) | (2,398) | (1,222) |
| Net book amount                                    | 2,374 | 3,186 | 731   | 2,934   | 1,070 | 1,058 | 11,353  | 11,814  |

(i)  
Amortization charges of intangible assets are included in "General and administrative expenses" in the Statement of Income / (Operations) (Note 26). There is no impairment charges for any of the periods / years presented.

(ii)  
Includes "Rights of use". Corresponds to Distrito Arcos.

(iii)  
Includes "Rights to receive future units under barter agreements". Correspond to receivables in kind representing the right to receive residential apartments in the future by way of barter agreements. Caballito: on June 29, 2011, the Group and TGLT entered into a barter agreement in the amount of US\$ 12.8. In 2013 a neighborhood association secured a preliminary injunction which suspended the works to be carried out by TGLT in the property and started a claim against GCBA and TGLT. As a consequence of the unfavorable rulings rendered by lower courts and appellate courts in the cited proceeding, the Group and TGLT reached a settlement agreement dated December 30, 2016, whereby they agree to provide a deed for the revocation of the barter agreement, after TGLT resolves certain issues. Consequently, the Group has decided to deregister the intangible asset related to this transaction, thus recognizing a loss of Ps. 27.7.



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14.  
Biological assets

Changes in the Group's biological assets for the six-month period ended as of December 31, 2016 and for the year ended as of June 30, 2016 were as follows:

| Agricultural business  | December 31, | June 30, |
|--|--------------|----------|
|  | 2016         | 2016     |
| Beginning of the period / year   | 1,049        | 525      |
| Purchases  | 23           | 36       |
| Initial recognition and changes in the fair value of biological assets (i) | 882          | 1,614    |
| Decrease due to harvest  | (725)        | (1,043)  |
| Sales  | (115)        | (141)    |
| Consumes   | (1)          | (2)      |
| Currency translation adjustment  | 56           | 60       |
| End of the period / year   | 1,169        | 1,049    |

(i) Biological assets with a production cycle of more than one year (that is, cattle) generated "Initial recognition and changes in fair value of biological assets" amounting to Ps. 126 and Ps. 267 for the six-month periods ended December 31, 2016 and for the fiscal year ended June 30, 2016, respectively.

The following tables present the Group's biological assets measured at fair value as of December 31, 2016 and June 30, 2016 and their allocation to the fair value hierarchy:

|                                     | Classification | December 31, 2016 |         |         | Total |
|-------------------------------------|----------------|-------------------|---------|---------|-------|
|                                     |                | Level 1           | Level 2 | Level 3 |       |
| Dairy cattle                        | Production     | -                 | 43      | -       | 43    |
| Breeding cattle                     | Production     | -                 | 467     | -       | 467   |
| Other cattle                        | Production     | -                 | 9       | -       | 9     |
| Others biological assets            | Production     | 9                 | (i) -   | -       | 9     |
| Total non-current biological assets |                | 9                 | 519     | -       | 528   |
| Breeding cattle and cattle for sale | Consumable     | -                 | 86      | -       | 86    |
| Other cattle                        | Consumable     | -                 | 2       | -       | 2     |
| Crops fields                        | Production     | 420               | (i) -   | 44      | 464   |
| Sugarcane fields                    | Production     | -                 | -       | 89      | 89    |
| Total current biological assets     |                | 420               | 88      | 133     | 641   |
| Total biological assets             |                | 429               | 607     | 133     | 1,169 |

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





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14.  
Biological assets (Continued)

|                                     | Classification | June 30, 2016 |         |         | Total |
|-------------------------------------|----------------|---------------|---------|---------|-------|
|                                     |                | Level 1       | Level 2 | Level 3 |       |
| Dairy cattle                        | Production     | -             | 49      | -       | 49    |
| Breeding cattle                     | Production     | -             | 432     | -       | 432   |
| Other cattle                        | Production     | -             | 9       | -       | 9     |
| Others biological assets            | Production     | 7             | (i) -   | -       | 7     |
| Total non-current biological assets |                | 7             | 490     | -       | 497   |
| Breeding cattle and cattle for sale | Consumable     | -             | 75      | -       | 75    |
| Sugarcane fields                    | Production     | -             | -       | 97      | 97    |
| Other cattle                        | Consumable     | -             | 2       | -       | 2     |
| Crops fields                        | Production     | 23            | (i) -   | 355     | 378   |
| Total current biological assets     |                | 23            | 77      | 452     | 552   |
| Total biological assets             |                | 30            | 567     | 452     | 1,049 |

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

During the six-month period ended December 31, 2016 and the year ended June 30, 2016 there have been no transfers between the several tiers used in estimating the fair value of the Group's biological assets, or reclassifications among their respective categories.

The fair value less estimated point of sale costs of agricultural produce at the point of harvest amount to Ps. 763 and Ps. 1,097 for the period ended December 31, 2016 and for the year ended June 30, 2016, respectively.

The following table presents the changes in Group's Level 3 biological assets for the six-month period ended December 31, 2016 and for the year ended June 30, 2016:

| Agricultural business  | Crops fields<br>with significant biological growth | Sugarcane<br>fields |
|--|--|---------------------|
| As of June 30, 2015  | 40   | 60                  |
| Initial recognition and changes in the fair value of biological assets | 936  | 328                 |
| Harvest  | (670)  | (295)               |
| Foreign exchange gain  | 49   | 4                   |
| As of June 30, 2016  | 355  | 97                  |
| Initial recognition and changes in the fair value of biological assets | 203  | 175                 |
| Harvest  | (516)  | (209)               |
| Foreign exchange gain  | 2  | 26                  |
| As of December 31, 2016  | 44   | 89                  |







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14.  
Biological assets (Continued)

When no quoted prices in an active market are available, values are based on recognized valuation methods. The Company uses a range of valuation models for the measurement of Level 2 and Level 3 biological assets. The following table presents models and main parameters:

| Description                | Pricing model            | Parameters  | Range  | Sensitivity (i) |          |
|----------------------------|--------------------------|---|--|-----------------|----------|
|                            |                          |   |  | Increase        | Decrease |
| Cattle (Level 2)           | Comparable market prices | Price per livestock head/kg and per category  | Argentina<br>Yields: 1.5 - 8.5 tn./ha.       | 4               | (4)      |
| Crops fields (Level 3)     | Discounted cash flows    | Yields – Operating costs –Selling expenses - Future of sale prices                  | Future of sale prices: 2,250 - 5,600 Ps./tn. | 5               | (5)      |
|                            |                          |   | Operating cost: 2,543 - 6,405 Ps./ha.        | (2)             | 2        |
|                            |                          |   | Bolivia:<br>Yields: 1.2 - 4.6 tn./ha.        | 1               | (1)      |
|                            |                          | Future of sale prices: 145 - 300 Ps./tn.  | 2  | (2)             |          |
|                            |                          | Operating cost: 55 - 62 Ps./ha.   | (1)  | 1               |          |
| Sugarcane fields (Level 3) | Discounted cash flows    | Yields – Operating costs –Selling expenses - Future of sale prices<br>Discount rate | Brazil:<br>Yields: 84.54 tn./ha.             | 34              | (34)     |
|                            |                          |   | Future of sale prices: 86.28 Rs./tn.         | 25              | (25)     |
|                            |                          |   | Operating cost: 65.62 Rs./tn.                | (23)            | 23       |
|                            |                          | Bolivia:<br>Yields: 31 - 115 tn./ha.  | 3  | (3)             |          |
|                            |                          | Future of sale prices: 25 US\$/tn   | 5  | (5)             |          |
|                            |                          | Operating cost: 275 - 500 US\$/ha.  | (3)  | 3               |          |

(i)  
Sensitivities have been modeled considering a 10% change in the indicated variable, all else being equal.

See information on valuation processes used by the entity in Note 14 to the Annual Financial Statements as of June 30, 2016 and 2015.

As of December 31, 2016 and June 30, 2016, the better and maximum use of biological assets shall not significantly differ from the current use.

15.

Inventories

Breakdown of Group's inventories as of December 31, 2016 and June 30, 2016 are as follows:

|   | December 31,<br>2016 | June 30,<br>2016 |
|---|----------------------|------------------|
| Good for resale and supplies                  | 3,045                | 2,858            |
| Crops   | 203                  | 325              |
| Materials and supplies                        | 301                  | 250              |
| Seeds and fodders                             | 97                   | 109              |
| Beef  | 7                    | 31               |
| Telephones and others communication equipment | 253                  | 327              |
| Total inventories                             | 3,906                | 3,900            |

As of December 31, 2016 and June 30, 2016 the cost of inventories recognized as expense amounted to Ps. 663 and Ps. 946, respectively and they have been included in "Costs" in the Statements of Income / (Operations).

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16.  
Financial instruments by category

Determining fair values

The following note shows the carrying amount of financial assets and financial liabilities by category of financial instrument and a reconciliation to the corresponding line item in the statements of financial position, as appropriate. Financial assets and liabilities measured at fair value are assigned based on their different levels in the fair value hierarchy. For further information about fair value hierarchy see Note 16 to the annual financial statements as of June 30, 2016. Financial assets and financial liabilities as of December 31, 2016 and June 30, 2016 were as follows:

|   | Financial assets<br>at amortized<br>cost | Financial assets<br>at fair value through<br>profit or loss |         |         | Subtotal<br>financial<br>assets | Non-financial<br>assets | Total  |
|---|--|---|---------|---------|---------------------------------|-------------------------|--------|
|   |  | Level 1   | Level 2 | Level 3 |                                 |                         |        |
| December 31, 2016   |  |   |         |         |                                 |                         |        |
| Assets as per Statement of Financial Position   |  |   |         |         |                                 |                         |        |
| Trade and other receivables (excluding the allowance for doubtful accounts and other receivables) (Note 17) | 15,000                                   | 370   | -       | 1,912   | 17,282                          | 3,117                   | 20,399 |
| Investment in financial assets:   |  |   |         |         |                                 |                         |        |
| - Equity securities in public companies   | -  | 1,334   | 94      | 677     | 2,105                           | -                       | 2,105  |
| - Equity securities in private companies  | -  | -   | -       | 842     | 842                             | -                       | 842    |
| - Deposits  | 1,250                                    | 71  | -       | -       | 1,321                           | -                       | 1,321  |
| - Bonds   | 137                                      | 3,608   | -       | -       | 3,745                           | -                       | 3,745  |
| - Mutual funds  | -  | 2,539   | -       | -       | 2,539                           | -                       | 2,539  |
| - Others  | -  | 698   | -       | -       | 698                             | -                       | 698    |
| Derivative financial instruments:   |  |   |         |         |                                 |                         |        |
| - Crops futures   | -  | 3   | -       | -       | 3                               | -                       | 3      |
| - Swaps   | -  | 8   | -       | -       | 8                               | -                       | 8      |
| - Crops options   | -  | 7   | -       | -       | 7                               | -                       | 7      |
| - Foreign-currency future contracts   | -  | 12  | 15      | -       | 27                              | -                       | 27     |
| Financial assets held for sale  | -  | 6,143   | -       | -       | 6,143                           | -                       | 6,143  |
| Restricted assets   | 1,340                                    | -   | -       | -       | 1,340                           | -                       | 1,340  |
| Cash and cash equivalents:  |  |   |         |         |                                 |                         |        |
| - Cash on hand and at bank  | 10,785                                   | -   | -       | -       | 10,785                          | -                       | 10,785 |
| - Short-term bank in deposits   | 192                                      | -   | -       | -       | 192                             | -                       | 192    |
| - Mutual funds  | -  | 13,061  | -       | -       | 13,061                          | -                       | 13,061 |
| Total assets  | 28,704                                   | 27,854  | 109     | 3,431   | 60,098                          | 3,117                   | 63,215 |

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|   | Financial liabilities<br>at amortized cost | Financial liabilities<br>at fair value |            |            | Subtotal<br>financial<br>liabilities | Non-financial<br>liabilities | Total   |
|---|--|--|------------|------------|--------------------------------------|------------------------------|---------|
|   |  | Level<br>1                             | Level<br>2 | Level<br>3 |                                      |                              |         |
| December 31, 2016   |  |  |            |            |                                      |                              |         |
| Liabilities as per Statement of<br>Financial Position         |  |  |            |            |                                      |                              |         |
| Trade and other payables (Note<br>20)                         | 17,448                                     | -                                      | -          | -          | 17,448                               | 3,972                        | 21,420  |
| Borrowings (excluding finance<br>lease liabilities) (Note 22) | 116,690                                    | -                                      | -          | -          | 116,690                              | -                            | 116,690 |
| Derivative financial<br>instruments:                          |  |  |            |            |                                      |                              |         |
| - Crops futures   | -  | 15                                     | -          | -          | 15                                   | -                            | 15      |
| - Forward contracts   | -  | 209                                    | -          | -          | 209                                  | -                            | 209     |
| - Foreign-currency future<br>contracts                        | -  | 16                                     | -          | -          | 16                                   | -                            | 16      |
| - Crops options   | -  | 2                                      | -          | -          | 2                                    | -                            | 2       |
| Total liabilities   | 134,138                                    | 242                                    | -          | -          | 134,380                              | 3,972                        | 138,352 |



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16.  
Financial instruments by category (Continued)

|   | Financial assets<br>at amortized<br>cost   | Financial assets<br>at fair value<br>through profit or loss |         |         | Subtotal<br>financial<br>assets      | Non-financial<br>assets      | Total  |
|---|--|---|---------|---------|--------------------------------------|------------------------------|--------|
|   |  | Level 1   | Level 2 | Level 3 |                                      |                              |        |
| June 30, 2016   |  |   |         |         |                                      |                              |        |
| Assets as per Statement of Financial Position   |  |   |         |         |                                      |                              |        |
| Trade and other receivables (excluding the allowance for doubtful accounts and other receivables) (Note 17) | 13,211                                     | 101   | -       | 1,931   | 15,243                               | 2,879                        | 18,122 |
| Investment in financial assets:   |  |   |         |         |                                      |                              |        |
| - Equity securities in public companies   | -  | 1,400   | -       | 499     | 1,899                                | -                            | 1,899  |
| - Equity securities in private companies  | -  | -   | 15      | 1,324   | 1,339                                | -                            | 1,339  |
| - Deposits  | 1,172                                      | 49  | -       | -       | 1,221                                | -                            | 1,221  |
| - Bonds   | 121  | 4,169   | -       | -       | 4,290                                | -                            | 4,290  |
| - Mutual funds  | -  | 2,920   | -       | -       | 2,920                                | -                            | 2,920  |
| - Others  | -  | 90  | -       | 140     | 230                                  | -                            | 230    |
| Derivative financial instruments:   |  |   |         |         |                                      |                              |        |
| - Crops options   | -  | 7   | -       | -       | 7                                    | -                            | 7      |
| - Foreign-currency options  | -  | 2   | -       | -       | 2                                    | -                            | 2      |
| - Foreign-currency future contracts   | -  | -   | 25      | -       | 25                                   | -                            | 25     |
| - Swaps   | -  | -   | 4       | -       | 4                                    | -                            | 4      |
| - Others  | -  | 7   | 16      | -       | 23                                   | -                            | 23     |
| Financial assets held for sale  |  | 4,602   | -       | -       | 4,602                                | -                            | 4,602  |
| Restricted assets   | 877  | -   | -       | -       | 877                                  | -                            | 877    |
| Cash and cash equivalents:  |  |   |         |         |                                      |                              |        |
| - Cash on hand and at bank  | 6,359                                      | -   | -       | -       | 6,359                                | -                            | 6,359  |
| - Short term investments  | -  | 7,737   | -       | -       | 7,737                                | -                            | 7,737  |
| Total assets  | 21,740                                     | 21,084  | 60      | 3,894   | 46,778                               | 2,879                        | 49,657 |
|   | Financial liabilities<br>at amortized cost | Financial liabilities<br>at fair value                      |         |         | Subtotal<br>financial<br>liabilities | Non-financial<br>liabilities | Total  |
|   |  | Level 1   | Level 2 | Level 3 |                                      |                              |        |
| June 30, 2016   |  |   |         |         |                                      |                              |        |

Liabilities as per Statement of  
Financial Position

|   |         |     |   |        |         |       |         |
|---|---------|-----|---|--------|---------|-------|---------|
| Trade and other payables<br>(Note 20)                         | 18,917  | -   | - | -      | 18,917  | 1,054 | 19,971  |
| Borrowings (excluding finance<br>lease liabilities) (Note 22) | 106,271 | -   | - | 10,999 | 117,270 | -     | 117,270 |
| Derivative financial<br>instruments:                          |         |     |   |        |         |       |         |
| - Crops futures   | -       | 33  | - | -      | 33      | -     | 33      |
| - Forward contracts   | -       | 198 | - | -      | 198     | -     | 198     |
| - Foreign-currency future<br>contracts                        | -       | 28  | 3 | -      | 31      | -     | 31      |
| - Crops options   | -       | 5   | - | -      | 5       | -     | 5       |
| - Foreign-currency options                                    | -       | 1   | - | -      | 1       | -     | 1       |
| Total liabilities   | 125,188 | 265 | 3 | 10,999 | 136,455 | 1,054 | 137,509 |





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16.  
Financial instruments by category (Continued)

Clal

As mentioned in Note 16 to the annual financial statements, IDBD is subject to a judicial process on the sale of its equity interest in Clal. As of the date of this Unaudited Condensed Interim Consolidated Financial Statement, there was no further information on the subject. It should be noted that on December 31, 2016 the Group was obliged to sell the 10% interest in Clal. Clal appealed to the Israel Concentration Committee asking that the significant company status be reviewed and Dolphin also presented an appeal with the Supreme Court of Israel. The Group cannot estimate the outcome of such appeals.

The following table presents the changes in Level 3 financial instruments for the six-month period ended December 31, 2016 and the year ended June 30, 2016.

The valuation models used by the Group for the measurement Level 2 and Level 3 instruments are no different from those used as of June 30, 2016. See Note 16 to the annual financial statements.

|  | Investments<br>in financial<br>assets -<br>Public<br>companies<br>securities | Investments<br>in financial<br>assets -<br>Private<br>companies<br>securities | Investments<br>in financial<br>assets -<br>Others | Derivative<br>financial<br>instruments<br>- Warrants<br>of Condor | Investment<br>in associate<br>IDBD | Derivative<br>financial<br>instruments -<br>Commitment<br>to tender<br>offer shares<br>in IDBD | Loans -<br>Non-recourse<br>loan | Trade and<br>other<br>receivables<br>(Cellcom) |
|--|--|---|---|---|------------------------------------|--|---------------------------------|--|
| Balance as of<br>June 30, 2015                       | 349  | 102   | -   | 7   | -                                  | (501)  | -                               | -  |
| Additions and<br>acquisitions                        | 50   | 27  | -   | -   | -                                  | -  | -                               | -  |
| Transfer to<br>level 3                               | -  | -   | -   | -   | 1,529                              | -  | (26)                            | -  |
| Currency<br>translation<br>adjustment                | -  | 291   | 52  | -   | 82                                 | (18)   | (3,608)                         | 706  |
| Obtainment of<br>control over<br>IDBD                | -  | 861   | 88  | -   | (1,047)                            | -  | (7,336)                         | 1,187  |
| Disposal   | -  | -   | -   | -   | -                                  | 500  | -                               | -  |
| Gains and<br>losses<br>recognized in<br>the year (i) | 100  | 43  | -   | (7)   | (564)                              | 19   | (29)                            | 38   |
|  | 499  | 1,324   | 140   | -   | -                                  | -  | (10,999)                        | 1,931  |

|   |     |       |       |   |   |   |        |       |
|---|-----|-------|-------|---|---|---|--------|-------|
| Balance as of<br>June 30, 2016                          |     |       |       |   |   |   |        |       |
| Additions and<br>acquisitions                           | -   | 10    | -     | - | - | - | -      | -     |
| Reclassification<br>to liabilities<br>held for sale     | -   |       | -     | - | - | - | 11,272 | -     |
| Cancellation  | -   | -     | -     | - | - | - | -      | (81)  |
| Currency<br>translation<br>adjustment                   | -   | (289) | (181) | - | - | - | 242    | 62    |
| Gains and<br>losses<br>recognized in<br>the period (ii) | 178 | (203) | 41    | - | - | - | (515)  | -     |
| Balance as of<br>December 31,<br>2016                   | 677 | 842   | -     | - | - | - | -      | 1,912 |

(i)

As of June 30, 2016 includes Ps. (564) and Ps. 164 within Share of profit / (loss) from joint ventures and associates and within Financial results, net in the Statement of Income / (Operations), respectively.

(ii)

Included within "Financial results, net" in the Statement of Income / (Operations).



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16.  
Financial instruments by category (Continued)

When no quoted prices in an active market are available, fair values (particularly derivatives) are based on recognized valuation methods. The Group uses a range of valuation models for the measurement of Level 2 and Level 3 instruments, details of which may be obtained from the following table:

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

|  |   |   |
|--|---|---|
| Investments in<br>financial assets -<br>Others | Discounted cash<br>flows – Theoretical<br>price | assessments.<br>Projected revenue discounted at the discounting rate /<br>The value is calculated in accordance with the<br>company’s shares in the equity funds on the basis of its<br>financial statements, based on fair value or investment<br>assessments. 1 - 3.5 |
|--|---|---|

As of December 31, 2016, there are no changes in the economic or business conditions affecting the fair value of the group’s financial assets and liabilities.



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17.  
Trade and other receivables

The table below shows trade and other receivables of the Group as of December 31, 2016 and June 30, 2016:

|  | December 31,<br>2016 | June<br>30,<br>2016 |        |
|--|----------------------|---------------------|--------|
| Non-current  |                      |                     |        |
| Trade receivables  |                      |                     |        |
| Trade, leases and services receivable  | 2,109                | 2,015               |        |
| Receivables from sale of agriculture products and agricultural properties                    | 23                   | 54                  |        |
| Less: allowance for doubtful accounts  | (4)                  | (2)                 |        |
| Non-current trade receivables  | 2,128                | 2,067               |        |
| Other receivables  |                      |                     |        |
| Tax credits  | 215                  | 119                 |        |
| Guarantee deposits   | 35                   | 24                  |        |
| Prepayments  | 1,408                | 1,320               |        |
| Loans  | 350                  | 239                 |        |
| Others   | 25                   | 4                   |        |
| Non-current other receivables  | 2,033                | 1,706               |        |
| Non-current trade and other receivables  | 4,161                | 3,773               |        |
| Current  |                      |                     |        |
| Trade receivables  |                      |                     |        |
| Trade, leases and services receivable  |                      | 12,770              | 11,067 |
| Receivables from sale of agricultural products, agricultural properties and farmlands leases |                      | 53                  | 384    |
| Less: allowance for doubtful accounts  |                      | (207)               | (189)  |
| Total current trade receivables  |                      | 12,616              | 11,262 |
| Other receivables  |                      |                     |        |
| Tax credits  |                      | 242                 | 191    |
| Guarantee deposits   |                      | 89                  | 78     |
| Prepayments  |                      | 1,252               | 1,009  |
| Borrowings granted, deposits, and other balances   |                      | 1,391               | 1,243  |
| Others   |                      | 437                 | 375    |
| Total current other receivables  |                      | 3,411               | 2,896  |
| Total current trade and other receivables  |                      | 16,027              | 14,158 |
| Total trade and other receivables  |                      | 20,188              | 17,931 |

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







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17.  
Trade and other receivables (Continued)

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

|   | December 31,<br>2016 | June 30,<br>2016 |
|---|----------------------|------------------|
| Beginning of the year                       | 191                  | 120              |
| Recovery                                    | (12)                 | (53)             |
| Used during the period / year               | (146)                | (4)              |
| Creation                                    | 129                  | 113              |
| Currency translation adjustment             | 5                    | 15               |
| Assets incorporated by business combination | 44                   | -                |
| End of the period / year                    | 211                  | 191              |

The addition and release of allowance for doubtful account have been included in "Selling expenses" in the Statement of Income / (Operations) (Note 26).



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18.  
Cash flow information

Following is a detailed description of cash flows generated by the Group's operations for the six-month periods ended as of December 31, 2016 and 2015.

|  | December<br>31,<br>2016 | December<br>31,<br>2015 |
|--|-------------------------|-------------------------|
| Loss for the period  | (453)                   | (1,292)                 |
| Profit from discontinued operations  | 4,273                   | -                       |
| Adjustments for:   |                         |                         |
| Income tax expense   | (495)                   | 11                      |
| Depreciation and amortization  | 2,966                   | 139                     |
| Gain from disposal of investment properties  | (103)                   | (1,022)                 |
| Gain from disposal of farmlands  | (72)                    | -                       |
| Gain on the revaluation of receivables arising from the sale of farmland   | 8                       | (12)                    |
| Disposal of goodwill   | -                       | 4                       |
| Loss from disposal of property, plant and equipment  | 19                      | -                       |
| Release of investment property and property, plant and equipment   | -                       | (14)                    |
| Dividends income   | -                       | (10)                    |
| Share based payments   | 52                      | 22                      |
| Unrealized gain on derivative financial instruments  | (29)                    | (637)                   |
| Changes in fair value of financial assets  | (63)                    | 867                     |
| Recognition of intangible assets due to TGLT agreement   | 27                      | -                       |
| Results for business combination   | (44)                    | -                       |
| Financial results, net   | 3,303                   | 2,588                   |
| Unrealized initial recognition and changes in fair value of biological assets and agricultural produce at the point of harvest | (676)                   | 2                       |
| Changes in the net realizable value of agricultural produce after harvest  | 77                      | (114)                   |
| Provisions   | 209                     | 102                     |
| Share of loss of associates and joint ventures   | 102                     | 403                     |
| Gain from disposal of subsidiaries and joint ventures  | (4,709)                 | (3)                     |
| Loss from repurchase of Non-convertible Notes  | 17                      | -                       |
| Other operating results  | (12)                    | (6)                     |
| Changes in operating assets and liabilities:   |                         |                         |
| Decrease / (Increase) in biological assets   | 602                     | (204)                   |
| Decrease in inventories  | 153                     | 126                     |
| Increase in trading properties   | 301                     | -                       |
| Increase in trade and other receivables  | (1,785)                 | (304)                   |
| Increase in derivative financial instruments   | 13                      | (12)                    |
| Increase in trade and other payables   | 1,339                   | 216                     |

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|  |       |      |
|--|-------|------|
| Decrease in employee benefits  | (79)  | (75) |
| Decrease in provisions   | (49)  | (3)  |
| Operating development of discontinued operations                               | 223   | -    |
| Net cash generated from continuing operating activities before income tax paid | 5,115 | 772  |



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18.  
Cash flow information (Continued)

The following table shows a detail of non-cash transaction occurred during the six-month periods ended as of December 31, 2016 and 2015:

|   | December 31,<br>2016 | December 31,<br>2015 |
|---|----------------------|----------------------|
| Dividends not collected   | (9)                  | (2)                  |
| Increase of investments in subsidiaries, associates and joint ventures through a decrease in trade and other receivables  | 20                   | -                    |
| Decrease in investments in subsidiaries, associates and joint ventures through an increase in trade and other receivables | 8                    | -                    |
| Decrease in investments in associates and joint ventures through a decrease in borrowings                                 | 8                    | -                    |
| Increase in intangible assets through an increase in trade and other payables   | 64                   | -                    |
| Increase in investment properties through an increase in trade and other payables   | 339                  | -                    |
| Increase in trade and other receivables through a decrease in property, plant and equipment                               | (16)                 | -                    |
| Decrease in trade and other payables through an increase in borrowings  | (5)                  | -                    |
| Stock plan granted  | (5)                  | 6                    |
| Decrease of treasury shares   | (7)                  | -                    |
| Distribution of dividends not yet paid  | 22                   | -                    |
| Transfer of trading property to investment property   | -                    | 15                   |
| Tender offer reserve through a decrease in liabilities from derivative financial instruments                              | -                    | 186                  |
| Increase in interest in associates through a decrease in assets from derivative financial instruments                     | -                    | 366                  |
| Increase in other assets through a decrease in investment in associates and joint ventures                                | -                    | 4,127                |
| Increase in trade and other payables through a decrease in liabilities from derivative financial instruments              | -                    | 1,653                |

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

|  | December 31,<br>2016 | December 31,<br>2015 |
|--|----------------------|----------------------|
| Investment properties                        | -                    | (28,821)             |
| Property, plant and equipment                | 1,482                | (13,734)             |
| Trading properties                           | -                    | (2,437)              |
| Intangible assets                            | 4                    | (1,288)              |
| Investments in joint ventures and associates | 123                  | (9,043)              |
| Deferred income tax                          | 41                   | 3,597                |
| Trade and other receivables                  | 950                  | (9,546)              |



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|  |         |         |
|--|---------|---------|
| Investment in financial assets                             | -       | (6,695) |
| Derivative financial instruments                           | -       | (280)   |
| Inventories  | 8       | (1,822) |
| Restricted assets  | -       | (250)   |
| Income tax and minimum presumed income tax credits         | -       | (91)    |
| Assets held for sale                                       | -       | (4,475) |
| Trade and other payables                                   | (1,007) | 11,550  |
| Payroll and social security liabilities                    | (114)   | 794     |
| Borrowings   | (648)   | 68,174  |
| Provisions   | 2       | 1,089   |
| Income tax and minimum presumed income tax liabilities     | 1       | 316     |
| Employee benefits  | (43)    | 405     |
| Net amount of non-cash assets incorporated / held for sale | 799     | 7,443   |



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18.  
Cash flow information (Continued)

|   | December 31,<br>2016 | December 31,<br>2015 |
|---|----------------------|----------------------|
| Cash and cash equivalents   | 54                   | (9,193)              |
| Non-controlling interest  | 45                   | 2,235                |
| Goodwill not yet allocated  | (23)                 | (1,901)              |
| Net amount of assets incorporated / held for sale                               | 875                  | (1,416)              |
| Interest held before acquisition  | 31                   | 1,416                |
| Results from business combination   | 44                   | -                    |
| Cash and cash equivalents incorporated / held for sale                          | (54)                 | 9,193                |
| Net outflow of cash and cash equivalents / assets and liabilities held for sale | 896                  | 9,193                |



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19.  
Shareholders' Equity

The breakdown and explanation of shareholders' equity has not changed from June 30, 2016, and should therefore be read in Note 27 to the Annual Financial Statements.

Group's other reserves at December 31, 2016 and 2015 were as follows:

|  | Cost of treasury shares | Changes in non-controlling interest | Reserve for Cumulative translation adjustment | Reserve for share based compensation | Reserve for future dividends | Reserve for defined benefit plans | Other Reserves Subsidiaries | Reserve for the acquisition of securities issued by the Company | Total other reserves |
|--|-------------------------|-------------------------------------|---|--------------------------------------|------------------------------|-----------------------------------|-----------------------------|---|----------------------|
| Balance as of June 30, 2016                                    | (32)                    | 159                                 | 808   | 95                                   | 31                           | (6)                               | (1)                         | 32  | 1,086                |
| Adjustment due to change to accounting standards               | -                       | -                                   | -   | -                                    | -                            | -                                 | -                           | -   | -                    |
| Balances adjusted as of June 30, 2016                          | (32)                    | 159                                 | 808   | 95                                   | 31                           | (6)                               | (1)                         | 32  | 1,086                |
| Other comprehensive income / (loss) for the period             | -                       | -                                   | 435   | -                                    | -                            | (7)                               | -                           | -   | 428                  |
| Total comprehensive income / (loss) for the period             | -                       | -                                   | 435   | -                                    | -                            | (7)                               | -                           | -   | 428                  |
| As provided by Shareholders' Meeting held on October 31, 2016: |                         |                                     |   |                                      |                              |                                   |                             |   |                      |
| - Share Distribution   | 7                       | -                                   | -   | -                                    | -                            | -                                 | -                           | (7)   | -                    |
| - Release reserve for future dividends                         | -                       | -                                   | -   | -                                    | (31)                         | -                                 | -                           | -   | (31)                 |

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|                                     |      |      |       |     |   |      |     |    |       |
|-------------------------------------|------|------|-------|-----|---|------|-----|----|-------|
| Equity-settled compensation         | -    | -    | -     | 7   | - | -    | -   | -  | 7     |
| Equity incentive plan granted       | -    | -    | -     | (5) | - | -    | -   | -  | (5)   |
| Changes in non-controlling interest | -    | (99) | -     | -   | - | -    | -   | -  | (99)  |
| Balance as of December 31, 2016     | (25) | 60   | 1,243 | 97  | - | (13) | (1) | 25 | 1,386 |



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19.  
Shareholders' Equity (Continued)

|  | Cost of treasury shares | Changes in non-controlling interest | Reserve for Cumulative translation adjustment | Reserve for share based compensation | Reserve for future dividends | Reserve for tender offer to non-controlling shareholders | Reserve for the acquisition of securities issued by the Company | Total other reserves |
|--|-------------------------|-------------------------------------|---|--------------------------------------|------------------------------|--|---|----------------------|
| Balance as of June 30, 2015  | (32)                    | 54                                  | 463   | 82                                   | -                            | -  | 32  | 599                  |
| Adjustment due to change to accounting standards                   | -                       | -                                   | (3)   | -                                    | -                            | -  | -   | (3)                  |
| Balances adjusted as of June 30, 2015                              | (32)                    | 54                                  | 460   | 82                                   | -                            | -  | 32  | 596                  |
| Other comprehensive income for the period                          | -                       | -                                   | 439   | -                                    | -                            | -  | -   | 439                  |
| Total comprehensive income for the period                          | -                       | -                                   | 439   | -                                    | -                            | -  | -   | 439                  |
| Reserve for future dividends - Shareholders' meeting held 11.26.15 | -                       | -                                   | -   | -                                    | 31                           | -  | -   | 31                   |
| Equity-settled compensation  | -                       | -                                   | -   | 8                                    | -                            | -  | -   | 8                    |
| Equity incentive plan granted                                      | -                       | -                                   | -   | (4)                                  | -                            | -  | -   | (4)                  |
| Changes in non-controlling interest                                | -                       | 63                                  | -   | -                                    | -                            | -  | -   | 63                   |
| Reserve for tender offer to non-controlling shareholders           | -                       | -                                   | -   | -                                    | -                            | (121)  | -   | (121)                |



|   |      |     |      |    |    |       |    |      |
|---|------|-----|------|----|----|-------|----|------|
| Currency translation adjustment for interest held before business combination | -    | -   | (92) | -  | -  | -     | -  | (92) |
| Balance as of December 31, 2015   | (32) | 117 | 807  | 86 | 31 | (121) | 32 | 920  |

#### Dividends

On November 3, 2016, the Board of Directors of Cresud decided to carry out a pro rata distribution among those registered as existing shareholders as of November 16, 2016 of 3,833,352 Treasury shares, which represents 0.00774216906 shares per share. This amounts to 0.76415967% on the capital stock of Ps. 501,642,804 and a 0.774216906 % on the capital stock net of Treasury shares, starting on November 17, 2016.



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20.  
Trade and other payables

Group's trade and other payables as of December 31, 2016 and June 30, 2016 were as follows:

|   | December 31,<br>2016 | June 30,<br>2016 |
|---|----------------------|------------------|
| Non-current   |                      |                  |
| Trade payables                                      |                      |                  |
| Trade payables                                      | 1,380                | 525              |
| Total non-current trade payables                    | 1,380                | 525              |
| Other payables                                      |                      |                  |
| Deferred incomes                                    | 64                   | 65               |
| Taxes payable                                       | 6                    | 8                |
| Others  | 1,307                | 930              |
| Total non-current other payables                    | 1,377                | 1,003            |
| Total non-current trade and other payables          | 2,757                | 1,528            |
| Current   |                      |                  |
| Trade payables                                      |                      |                  |
| Trade payables                                      | 12,218               | 11,392           |
| Accrued invoices                                    | 777                  | 612              |
| Leases and services payments received in advance    | 3,607                | 4,594            |
| Total current trade payables                        | 16,602               | 16,598           |
| Other payables                                      |                      |                  |
| Deferred incomes                                    | -                    | 2                |
| Taxes payable                                       | 273                  | 333              |
| Other liabilities with non-controlling shareholders | -                    | 6                |
| Dividends payable to non-controlling shareholders   | 54                   | 435              |
| Others  | 1,734                | 1,069            |
| Total current other payables                        | 2,061                | 1,845            |
| Total current trade and other payables              | 18,663               | 18,443           |
| Total trade and other payables                      | 21,420               | 19,971           |



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21.  
Provisions

The table below shows the movements in the Group's provisions for other liabilities categorized by type of provision:

|   | Legal claims<br>(i) | Investments<br>in associates and<br>joint ventures<br>(ii) | Sited dismantling<br>and remediation<br>(iii) | Onerous<br>contracts<br>(iv) | Guarantees<br>and other<br>provisions | Total as of<br>December 31,<br>2016 | Total<br>as of<br>June<br>30,<br>2016 |
|---|---------------------|--|---|------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|
| Beginning of the<br>period / year                         | 704                 | 841  | 114   | 296                          | 427                                   | 2,382                               | 442                                   |
| Additions   | 95                  | 166  | -   | 4                            | 88                                    | 353                                 | 264                                   |
| Unused amounts<br>reversed                                | (99)                | -  | -   | (104)                        | (20)                                  | (223)                               | (70)                                  |
| Used during the<br>period / year                          | (13)                | -  | -   | -                            | -                                     | (13)                                | -                                     |
| Contributions   | -                   | -  | -   | -                            | -                                     | -                                   | (18)                                  |
| Liabilities<br>incorporated by<br>business<br>combination | 2                   | -  | -   | -                            | -                                     | 2                                   | 969                                   |
| Currency translation<br>adjustment                        | 32                  | 51   | 5   | 7                            | 26                                    | 121                                 | 795                                   |
| End of the period /<br>year                               | 721                 | 1,058  | 119   | 203                          | 521                                   | 2,622                               | 2,382                                 |

|             | December 31,<br>2016 | June 30,<br>2016 |
|-------------|----------------------|------------------|
| Non-current | 1,585                | 1,341            |
| Current     | 1,037                | 1,041            |
| Total       | 2,622                | 2,382            |

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

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

(iii)  
The Group's companies are required to recognize certain costs related to dismantling assets and remediating sites here such assets are located. The calculation of expenses are based on the dismantling value for the current year, taking into consideration the best estimate of future changes in prices, inflation, etc. and such costs are capitalized at a risk-free interest rate. Volume projections for retired or built assets are restated based on expected changes from technological

rulings and requirements.

(iv)

Provisions for other contractual liabilities include a series of liabilities resulting from a contractual liability or laws, regarding which there is a high degree of uncertainty as to the terms and the necessary amounts to discharge such liability.

As mentioned in Note 22 to the Annual Financial Statements, on February 23, 2016, a class action was filed against the Company, IRSA, some first-line managers and directors with the District Court of the United States for the Central District of California. The complaint, on behalf of people holding American Depositary Receipts of the Company between November 3, 2014 and December 30, 2015, claims presumed violations to the US federal securities laws. In addition, it argues that defendants have made material misrepresentations and made some omissions related to the Company's investment in IDBD.

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21.  
Provisions (Continued)

Such complaint was voluntarily waived on May 4, 2016 by the plaintiff and filed again on May 9, 2016 with the US District Court by the East District of Pennsylvania.

Furthermore, the Company, some of its first-line managers and directors are defendants in a class action filed on April 29, 2016 with the US District Court of the East District of Pennsylvania. The complaint, on behalf of people holding American Depositary Receipts of the Company between May 13, 2015 and December 30, 2015, claims violations to the US federal securities laws. In addition, it argues that defendants have made material misrepresentations and made some omissions related to the IRSA's investment in IDBD.

Subsequently, the Company and IRSA requested that the complaint be moved to the district of New York, which request was granted.

The Company holds that such allegations are meritless and intends to make a strong defense in this action.

22.  
Borrowings

Group's borrowings as of December 31, 2016 and June 30, 2016 were as follows:

|                        | December 31,<br>2016 | June 30,<br>2016 |
|------------------------|----------------------|------------------|
| Non-current            |                      |                  |
| Non-convertible notes  | 83,836               | 69,997           |
| Bank loans and others  | 6,352                | 6,737            |
| Non-recourse loan      | 6,221                | 16,975           |
| Other borrowings       | 138                  | 99               |
| Non-current borrowings | 96,547               | 93,808           |
| Current                |                      |                  |
| Non-convertible notes  | 14,404               | 15,595           |
| Bank loans and others  | 3,228                | 4,605            |
| Bank overdrafts        | 425                  | 1,397            |
| Other borrowings       | 2,112                | 1,891            |
| Current borrowings     | 20,169               | 23,488           |
| Total borrowings       | 116,716              | 117,296          |





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22.  
Borrowings (Continued)

Urban properties and investment business of the operations center in Argentina

On September 1, 2016, Non-Convertible Notes Class VII and VIII were tendered under the Program approved by the Shareholders' Meeting for up to US\$ 300 million. The settlement took place on September 8, 2016. The results are shown below:

Non-convertible notes Class VII for an amount of Ps. 384.2 to be matured 36 months after the issuing date, which accrue interest at an annual floating interest rate, Badlar plus 299 basis points, interest payable on a quarterly basis. Principal will be amortized in only one installment due on September 9, 2019.

Non-convertible notes Class VIII for an amount of US\$ 184.5 million (equivalent to Ps. 2,771) to be matured 36 months after the issuing date, paid in and payable in US Dollars, which will accrue interest at an annual fixed interest rate of 7.0%, interest payable on a quarterly basis. Principal will be amortized in only one installment due on September 9, 2019.

Urban properties and investment business of the operations center in Israel

In July 2016, Shufersal repurchased NCN Series B for a nominal value of NIS 511 million (equivalents to Ps. 2,771) with an increase of the issue of NCN Series F by a ratio of 1.175 for each NIS 1 of the Series B. The NCN Series B acquired by Shufersal were cancelled and delisted. The swap transaction does not amount to an exchange of debt instruments because the terms are not substantially different. All expenses related to the bond swap have been deducted from outstanding balance of the debt and shall be amortized over the remaining term of it.

On August 2, 2016, IDBD has issued a new series of NCN in the Israeli market in an amount of NIS 325 million (equivalent to Ps. 1,213) due in 2019, at an annual IPC (indexed interest rate) plus 4.25%. These NCN are secured by shares of Clal subject to the approval of the Israel Commission of Capital Markets, Savings and Insurance. On September 15, 2016, the Supreme Court rendered an opinion on the use of Clal's shares as collateral and has requested the Capital Markets, Savings and Insurance Commission to explain the reasons why it does not allow IDBD to secure debentures with up to 5% of Clal shares. In January 2017, the Court ordered that IDBD should refrain from securing the debentures in excess of 5% of Clal's shares, as they are already securing in part a loan by Menorha.



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22.  
Borrowings (Continued)

In accordance with the decision rendered by the Supreme Court on the petition filed by IDBD to pledge Clal's shares in September, 2016, on October 13, 2016, the Board of Directors of IDBD resolved a partial early redemption of the debentures, which was effected on November 1, 2016 for an approximately amount of NIS 239 million at nominal value ("the redeemed portion") and represents a total of approximately NIS 244 million with respect to principal, interest and compensation for early redemption. The early redemption represented 73.7% of the outstanding principal balance of the debentures.

In addition, IDBD issued debentures (Series L) for a total of NIS 381 million (equal to Ps. 1,565). The debentures accrue interest at a rate of 6.95%. The principal will be repaid in a single payment on November 28, 2019. The first interest payment will be made on February 28, 2017 for the period spanning from the issue date to the payment date. The remaining interest payments will be made in 4 annual consecutive quarterly installments due in February, May, August and November each year. In order to ensure full compliance with all commitments, IDBD pledged DIC's shares for nearly 46.2 million.

On August 4, 2016, DIC issued further debentures due 2025 in an amount of NIS 360 million (equivalent to Ps. 1,344). The bonds were placed at an internal rate of return of 5.70%.

In October 2016, PBC issued debentures for NIS 102 million (equal to Ps. 417), at an annual effective rate of 2.99% indexed to the CPI, and also issued debentures for roughly NIS 497 million (equal to Ps. 2,055) at an effective rate of 4.10% with no CPI indexation clause.

IDBD has certain restrictions and financial covenants in connection with its financial debt, included in its debentures, loans from banks and financial institutions. It was agreed between IDBD and financial entities corporations that the parties would work to formulate an arrangement, to replace or amend the current financial covenants by March 2017. These covenants are currently suspended until December 2016. If such arrangement is not reached, then with respect to the results for IDBD's first quarter of 2017 and thereafter, the previous financial covenants will re-apply. In the event that these covenants will re-apply, IDBD estimates that it will not be able to meet the thresholds which were determined in the past with respect to the "Liquidity Covenant" and the "Economic Equity Covenant".



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22.  
Borrowings (Continued)

The breakdown of the borrowings of Operations Centers by Company as of December 31, 2016 and June 30, 2016 was as follows:

| Debt                  | December 31, 2016<br>Agricultural business |        |      |        | Urban properties and investments business |                                |         |        |                             |        |        |         |        |           |
|-----------------------|--|--------|------|--------|---|--------------------------------|---------|--------|-----------------------------|--------|--------|---------|--------|-----------|
|                       | Cresud                                     | Brasil | Agro | Others | Subtotal                                  | Operations Center in Argentina |         |        | Operations Center in Israel |        |        | Cellcom | PBC    |           |
|                       |  |        |      |        |   | IRSA                           | IRSA CP | Others | Subtotal                    | IDBD   | DIC    |         |        | Shufersal |
| Non-convertible notes | 2,979                                      | -      | -    | -      | 2,979                                     | 4,477                          | 6,121   | -      | 10,598                      | 9,009  | 14,584 | 10,735  | 16,165 | 34,165    |
| Bank loans and others | 1,206                                      | 549    | 68   | -      | 1,823                                     | -                              | 6       | 4      | 10                          | 1,994  | 956    | 11      | 829    | 3,010     |
| Non-recourse loan     | -  | -      | -    | -      | -   | -                              | -       | -      | -                           | -      | -      | -       | -      | 6,222     |
| Bank overdrafts       | 78   | -      | 42   | -      | 120                                       | 187                            | 95      | 23     | 305                         | -      | -      | -       | -      | -         |
| Other borrowings      | -  | 131    | -    | -      | 131                                       | 8                              | 10      | 177    | 195                         | -      | -      | -       | -      | 1,922     |
| Total debt            | 4,263                                      | 680    | 110  | -      | 5,053                                     | 4,672                          | 6,232   | 204    | 11,108                      | 11,003 | 15,540 | 10,746  | 16,994 | 45,348    |
|                       | June 30, 2016<br>Agricultural business     |        |      |        | Urban properties and investments business |                                |         |        |                             |        |        |         |        |           |
| Debt                  | Cresud                                     | Brasil | Agro | Others | Subtotal                                  | Operations Center in Argentina |         |        | Operations Center in Israel |        |        | Cellcom | PB     |           |
|                       |  |        |      |        |   | IRSA                           | IRSA CP | Others | Subtotal                    | IDBD   | DIC    |         |        | Shufersal |
| Non-convertible notes | 3,283                                      | -      | -    | -      | 3,283                                     | 2,287                          | 5,799   | -      | 8,086                       | 7,807  | 12,436 | 10,037  | 15,277 | 28,120    |
| Bank loans and others | 452  | 440    | 15   | -      | 907                                       | -                              | 44      | 13     | 57                          | 2,214  | 1,171  | 16      | 779    | 2,000     |
| Non-recourse loan     | -  | -      | -    | -      | -   | -                              | -       | -      | -                           | -      | 10,999 | -       | -      | 5,922     |
| Bank overdrafts       | 114  | -      | 47   | -      | 161                                       | 859                            | 40      | 45     | 944                         | -      | -      | -       | -      | -         |
| Other borrowings      | -  | 12     | -    | -      | 12  | 15                             | 10      | 119    | 144                         | -      | -      | -       | -      | 1,822     |
| Total debt            | 3,849                                      | 452    | 62   | -      | 4,363                                     | 3,161                          | 5,893   | 177    | 9,231                       | 10,021 | 24,606 | 10,053  | 16,056 | 38,150    |







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22.  
Borrowings (Continued)

| Agricultural business                |                      |                        |        |             |                   |                      |                                 |   |  |   |
|--------------------------------------|----------------------|------------------------|--------|-------------|-------------------|----------------------|---------------------------------|---|--|---|
|                                      | Company              | Secured /<br>Unsecured | Series | Currency    | Rate              | Adjustment<br>factor | Payment<br>date of<br>principal | Interest<br>Rate %                            | Capital<br>nominal<br>value in<br>million<br>Issue<br>currency | Value as<br>of<br>December<br>31,<br>2016 |
| Non-convertible notes                | Cresud               | Unsecured              | XIV    | US\$        | Fixed             | N/A                  | 2018                            | 1.50%   | 64   | 483                                       |
|                                      | Cresud               | Unsecured              | XVI    | US\$        | Fixed             | N/A                  | 2018                            | 1.50%   | 218  | 1,385                                     |
|                                      | Cresud               | Unsecured              | XVIII  | US\$        | Fixed             | N/A                  | 2019                            | 4.00%   | 68   | 523                                       |
|                                      | Cresud               | Unsecured              | XIX    | Ps.         | Fixed             | N/A                  | 2016                            | 27.50%  | 187  | -   |
|                                      | Cresud               | Unsecured              | XX     | US\$        | Fixed             | N/A                  | 2019                            | 2.50%   | 36   | 50  |
|                                      | Cresud               | Unsecured              | XXI    | Ps.         | Floating          | N/A                  | 2017                            | Badlar<br>+ 375<br>bp.                        | 384  | 198                                       |
|                                      | Cresud               | Unsecured              | XXII   | US\$        | Fixed             | N/A                  | 2019                            | 4.00%   | 44   | 340                                       |
| Subtotal<br>Non-convertible<br>notes |                      |                        |        |             |                   |                      |                                 |   |  | 2,979                                     |
| Bank loans and<br>others             | Cresud               | Unsecured              | -      | US\$        | Floating          | N/A                  | 2022                            | Libor +<br>300 BP<br>or 6%<br>(the<br>higher) | 30   | 212                                       |
|                                      | Cresud               | Unsecured              | -      | Ps.         | Fixed             | N/A                  | 2016                            | 15.01%<br>Rate<br>Survey                      | 31   | 32  |
|                                      | Cresud               | Unsecured              | -      | Ps.         | Floating          | TEPF                 | 2017                            | PF<br>30-59<br>days                           | 40   | 7   |
|                                      | Cresud               | Unsecured              | -      | US\$        | Fixed             | N/A                  | -                               | 3.50%<br>10.75%                               | 15   | 285                                       |
|                                      | Cresud               | Secured                | -      | US\$        | Fixed             | N/A                  | 2020                            | - 7.14%<br>to<br>14.5%                        | 6  | 1   |
|                                      | Cresud               | Unsecured              | -      | US\$        | Fixed             | N/A                  | -                               | 5.6%  | 40   | 623                                       |
|                                      | Cresud<br>Brasilagro | Unsecured<br>Secured   | -<br>- | US\$<br>Rs. | Fixed<br>Floating | N/A<br>TJLP          | -<br>-                          | 2.5%<br>TJLP +<br>3 to                        | 3<br>-   | 47<br>47                                  |

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|                                   |           |   |      |          |      |   |                                     |   |       |
|-----------------------------------|-----------|---|------|----------|------|---|-------------------------------------|---|-------|
| Brasilagro                        | Secured   | - | Rs.  | Floating | TJLP | - | 4.40<br>TJLP +<br>3.45 to<br>4.45   | - | 256   |
| Brasilagro                        | Secured   | - | Rs.  | Floating | N/A  | - | SELIC<br>+ 3.45<br>7.51 to<br>15.12 | - | 238   |
| Brasilagro                        | Unsecured | - | Rs.  | Fixed    | N/A  | - | 6.92%                               | - | 22    |
| Brasilagro                        | Secured   | - | Rs.  | Floating | N/A  | - | 100%<br>CDI                         | - | 117   |
| Agropecuarias<br>SC               | Secured   | - | Bol. | Fixed    | N/A  | - | 6%<br>annual                        | - | 21    |
| Agropecuarias<br>SC               | Secured   | - | Bol. | Fixed    | N/A  | - | 6%                                  | - | 1     |
| Agropecuarias<br>SC               | Secured   | - | Bol. | Fixed    | N/A  | - | 6%                                  | - | 7     |
| FyO                               | Unsecured | - | US\$ | Fixed    | N/A  | - | 3%                                  | - | 8     |
| Carnes<br>Pampeanas               | Secured   | - | Ps.  | Floating | N/A  | - | 6%<br>annual                        | - | 18    |
| Carnes<br>Pampeanas               | Secured   | - | Ps.  | Fixed    | N/A  | - | 22.7%                               | - | 12    |
| Subtotal bank<br>loans and others |           |   |      |          |      |   |                                     |   | 1,954 |
| Bank overdrafts                   |           |   |      |          |      |   |                                     |   | 120   |
| Total                             |           |   |      |          |      |   |                                     |   | 5,053 |



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Operations Center in Argentina

|                             | Company      | Secured /<br>Unsecured | Series<br>/ Class | Currency | Rate                | Payment<br>date of<br>principal | Interest<br>Rate<br>%           | Capital<br>nominal<br>value in<br>million<br>Issue<br>currency | Value as<br>of<br>December<br>31,<br>2016 | Value<br>as of<br>June<br>30,<br>2016 |
|-----------------------------|--------------|------------------------|-------------------|----------|---------------------|---------------------------------|---------------------------------|--|---|---------------------------------------|
| Non-convertible notes       | IRSA CP      | Unsecured              | Class I           | Ps.      | Fixed /<br>Floating | 2017                            | Badlar<br>+ 4 bp.               | 407  | 410                                       | 409                                   |
|                             | IRSA CP      | Unsecured              | Class II          | US\$     | Fixed               | 2023                            | 8.75%                           | 360  | 5,710                                     | 5,273                                 |
|                             | IRSA         | Unsecured              | Class I           | US\$     | Fixed               | 2017                            | 8.50%                           | 75   | -   | 1,159                                 |
|                             | IRSA         | Unsecured              | Class VII         | Ps.      | Floating            | 2019                            | Badlar<br>+ 299                 | 384  | 386                                       | -                                     |
|                             | IRSA         | Unsecured              | Class VIII        | US\$     | Fixed               | 2019                            | 7.0%                            | 184  | 2,899                                     | -                                     |
|                             | IRSA         | Unsecured              | Class VI          | Ps.      | Floating            | 2017                            | Badlar<br>+<br>450bps<br>Badlar | 11   | 11  | 127                                   |
|                             | IRSA         | Unsecured              | Class V           | Ps.      | Floating            | 2015                            | +<br>395bps                     | -  | -   | -                                     |
|                             | IRSA         | Unsecured              | Class II          | US\$     | Fixed               | 2020                            | 11.50%                          | 75   | 1,182                                     | 1,118                                 |
| Total Non-convertible notes |              |                        |                   |          |                     |                                 |                                 |  | 10,598                                    | 8,086                                 |
| Bank loans and others       | IRSA         | Secured                | -                 | US\$     | Fixed               | 2020                            | 3.2% to<br>14.3%                | 1  | 1   | 1                                     |
|                             | IRSA         | Unsecured              | -                 | Ps.      | Floating            | 2017                            | Badlar                          | 15   | 7   | 14                                    |
|                             | IRSA CP      | Secured                | -                 | US\$     | Fixed               | 2020                            | 3.2% to<br>14.3%                | -  | 4   | 5                                     |
|                             | IRSA CP      | Unsecured              | -                 | Ps.      | Fixed               | 2016                            | 15.25%                          | 1  | -   | 1                                     |
|                             | IRSA CP      | Unsecured              | -                 | Ps.      | Fixed               | 2017                            | 26.50%                          | 7  | 5   | 7                                     |
|                             | IRSA CP      | Unsecured              | -                 | Ps.      | Fixed               | 2016                            | 23%                             | 36   | -   | 36                                    |
|                             | IRSA CP      | Unsecured              | -                 | Ps.      | Fixed /<br>Floating | 2016                            | Badlar /<br>8.50%               | 6  | 7   | 6                                     |
|                             | HASA         | Unsecured              | -                 | Ps.      | Fixed               | 2016                            | 15.25%                          | 6  | -   | 6                                     |
|                             | LLAO<br>LLAO | Unsecured              | -                 | Ps.      | Fixed               | 2016                            | 15.25%                          | 1  | -   | 1                                     |
|                             | NFSA         | Unsecured              | -                 | Ps.      | Fixed               | 2016                            | 24%                             | 6  | 4   | 6                                     |
|                             | BNSA         | Secured                | -                 | Ps.      | Floating            | -                               | Libor                           | 44   | 50  | -                                     |

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|                                |         |   |      |       |      |       |   |        |       |
|--------------------------------|---------|---|------|-------|------|-------|---|--------|-------|
| LIVECK                         | Secured | - | US\$ | Fixed | 2017 | -     | 2 | 37     | 35    |
| LIVECK                         | Secured | - | US\$ | Fixed | -    | 3.50% | 5 | 90     | 83    |
| Total bank loans and others    |         |   |      |       |      |       |   | 205    | 201   |
| Bank overdrafts                |         |   |      |       |      |       |   | 305    | 944   |
| Subtotal                       |         |   |      |       |      |       |   |        |       |
| Operations Center in Argentina |         |   |      |       |      |       |   | 11,108 | 9,231 |



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22.

## Borrowings (Continued)

## Operations Center in Israel

|                       | Secured<br>Company Series | Currency | Rate  | Adjustment<br>factor | Payment date of<br>principal | Interest<br>rate<br>% | Capital<br>nominal<br>value<br>in<br>million<br>Issue<br>currency | Value as<br>of<br>December<br>31, 2016 | Value<br>as<br>of<br>June<br>30,<br>2016 |
|-----------------------|---------------------------|----------|-------|----------------------|------------------------------|-----------------------|---|--|--|
| Non-convertible notes | DBF Secured G             | NIS      | Fixed | CPI                  | 2016 – 2018                  | 4.50%                 | 535   | 2,431                                  | 3,534                                    |
|                       | DBF Secured I             | NIS      | Fixed | CPI                  | 2020 – 2025                  | 4.95%                 | 1,013   | 3,430                                  | 3,164                                    |
|                       | DBF Secured J             | NIS      | Fixed | N/A                  | 2015 – 2018                  | 6.60%                 | 309   | 1,242                                  | 1,109                                    |
|                       | DBF Secured K             | NIS      |       | CPI                  | 2019                         | 4.84%                 | 325   | 341                                    | -  |
|                       | ISB Secured L             | NIS      | Fixed | N/A                  | 2019                         | 7.58%                 | 381   | 1,565                                  | -  |
|                       | DUG Secured D             | NIS      | Fixed | CPI                  | 2012 – 2016                  | 5.00%                 | 103   | -                                      | 510                                      |
|                       | DUG Secured F             | NIS      | Fixed | CPI                  | 2017 – 2025                  | 4.95%                 | 3,022   | 11,989                                 | 9,427                                    |
|                       | DUG Secured G             | NIS      | Fixed | N/A                  | 2012 – 2016                  | 6.35%                 | 8   | 33                                     | 31                                       |
|                       | DUG Secured H             | NIS      | Fixed | CPI                  | 2014 – 2019                  | 4.45%                 | 93  | 421                                    | 541                                      |
|                       | DUG Secured I             | NIS      | Fixed | N/A                  | 2010 – 2018                  | 6.70%                 | 513   | 2,141                                  | 1,927                                    |
| Shufersal             | Secured B                 | NIS      | Fixed | CPI                  | 2015 – 2019                  | 5.20%                 | 512   | 730                                    | 5,161                                    |
|                       | Secured C                 | NIS      | Fixed | N/A                  | 2010 – 2017                  | 5.45%                 | 114   | 486                                    | 459                                      |
|                       | Secured D                 | NIS      | Fixed | CPI                  | 2014 – 2029                  | 2.99%                 | 413   | 1,691                                  | 1,584                                    |
|                       | Secured E                 | NIS      | Fixed | N/A                  | 2014 – 2029                  | 5.09%                 | 392   | 3,727                                  | 1,580                                    |
|                       | Secured F                 | NIS      | Fixed | CPI                  | 2020 – 2028                  | 4.30%                 | 918   | 4,101                                  | 1,253                                    |
|                       |                           |          |       |                      |                              |                       |   |  |  |
| Celiscom              | Secured B                 | NIS      | Fixed | CPI                  | 2013 – 2017                  | 5.30%                 | 185   | 945                                    | 880                                      |
|                       | Secured D                 | NIS      | Fixed | CPI                  | 2013 – 2017                  | 5.19%                 | 300   | 1,482                                  | 2,865                                    |
|                       | Secured E                 | NIS      | Fixed | N/A                  | 2012 – 2017                  | 6.25%                 | 164   | 708                                    | 673                                      |
|                       | Secured F                 | NIS      | Fixed | CPI                  | 2017 – 2020                  | 4.60%                 | 715   | 3,173                                  | 3,032                                    |
|                       | Secured G                 | NIS      | Fixed | N/A                  | 2017 – 2019                  | 6.99%                 | 285   | 1,262                                  | 1,230                                    |
|                       | Secured H                 | NIS      | Fixed | CPI                  | 2018 – 2024                  | 1.98%                 | 950   | 3,676                                  | 3,483                                    |
|                       | Secured I                 | NIS      | Fixed | N/A                  | 2018 – 2025                  | 4.14%                 | 804   | 3,272                                  | 3,114                                    |
|                       | Secured J                 | NIS      |       | CPI                  | 2021 – 2026                  | 2.62%                 | 103   | 418                                    | -  |
|                       | Secured K                 | NIS      |       | N/A                  | 2021 – 2026                  | 3.75%                 | 304   | 1,229                                  | -  |
| PBG                   | Secured C                 | NIS      | Fixed | CPI                  | 2009 – 2017                  | 5%                    | 550   | 2,849                                  | 2,666                                    |
|                       | Secured D                 | NIS      | Fixed | CPI                  | 2020 – 2025                  | 4.95%                 | 1,317   | 6,998                                  | 6,641                                    |
|                       | Secured F                 | NIS      | Fixed | CPI                  | 2015 – 2023                  | 4.95%                 | 974   | 4,396                                  | 4,195                                    |
|                       | Secured G                 | NIS      | Fixed | N/A                  | 2015 – 2025                  | 7.05%                 | 669   | 3,165                                  | 3,054                                    |
|                       | Secured H                 | NIS      | Fixed | N/A                  | 2015 – 2025                  | 7.05%                 | 400   | 1,628                                  | -  |
|                       | Secured I                 | NIS      | Fixed | CPI                  | 2018 – 2029                  | 2.99%                 | 102   | 417                                    | -  |

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|                             |                             |          |     |          |                     |             |               |       |        |        |
|-----------------------------|-----------------------------|----------|-----|----------|---------------------|-------------|---------------|-------|--------|--------|
|                             | <del>PBB</del> Secured      | J        | NIS | Fixed    | N/A                 | 2018 – 2029 | 4.10%         | 497   | 2,055  | -      |
|                             |                             |          |     |          |                     |             |               |       |        |        |
|                             | <del>PBB</del> Secured      | Series E | NIS | Fixed    | CPI                 | 2014 – 2018 | 4.55%         | 1,585 | 1,433  | 1,375  |
|                             |                             |          |     |          |                     |             |               |       |        |        |
|                             | <del>PBB</del> Secured      | Series F | NIS | Fixed    | CPI                 | 2021 – 2026 | 4.75%         | 786   | 8,951  | 8,535  |
|                             |                             |          |     |          |                     |             |               |       |        |        |
|                             | <del>PBB</del> Secured      | Series G | NIS | Fixed    | N/A                 | 2013 – 2017 | 6.41%         | 215   | 928    | 907    |
|                             |                             |          |     |          |                     |             |               |       |        |        |
|                             | <del>PBB</del> Secured      | Series B | NIS | Fixed    | CPI                 | 2007 – 2021 | 5.40%         | 255   | 1,350  | 1,293  |
|                             |                             |          |     |          |                     |             |               |       |        |        |
| Total Non-Convertible notes |                             |          |     |          |                     |             |               |       | 84,663 | 74,223 |
|                             |                             |          |     |          |                     |             |               |       |        |        |
| Bank loans                  | <del>IDBD</del> Secured     | -        | NIS | Floating | Prime interest rate | 2015 – 2018 | Prime + 1.3%  | 250   | 907    | 1,117  |
|                             | <del>IDBD</del> Secured     | -        | NIS | Floating | Prime interest rate | 2015 – 2019 | Prime + 1%    | 67    | 237    | 265    |
|                             | <del>IDBD</del> Secured     | -        | NIS | Floating | Prime interest rate | 2015 – 2020 | Prime + 0.65% | 56    | 192    | 198    |
|                             | <del>IDBD</del> Secured (I) | -        | NIS | Fixed    | CPI                 | 2015 – 2018 | 6.90%         | 150   | 658    | 634    |
|                             | <del>DUG</del> Secured      | -        | NIS | Fixed    | N/A                 | 2015 – 2017 | 5.39%         | -     | 110    | 167    |
|                             | <del>DUG</del> Secured      | -        | NIS | Floating | Prime interest rate | 2015 – 2018 | 2.12%         | -     | 319    | 397    |
|                             | <del>DUG</del> Secured      | -        | NIS | Fixed    | N/A                 | 2015 – 2018 | 5.90%         | -     | 270    | 311    |
|                             | <del>DUG</del> Secured      | -        | NIS | Fixed    | Prime interest rate | 2015 – 2018 | 2.20%         | -     | 257    | 296    |
|                             | <del>SBB</del> Secured      | -        | NIS | Fixed    | CPI                 | 2015 – 2017 | 4.95%         | 1     | 3      | 4      |
|                             | <del>SBB</del> Secured      | -        | NIS | Fixed    | CPI                 | 2015 – 2017 | 4.95%         | 1     | 2      | 3      |
|                             | <del>SBB</del> Secured      | -        | NIS | Fixed    | CPI                 | 2015 – 2017 | 4.75%         | -     | 1      | 2      |
|                             | <del>SBB</del> Secured      | -        | NIS | Fixed    | CPI                 | 2015 – 2017 | 4.40%         | -     | 1      | 2      |
|                             | <del>SBB</del> Secured      | -        | NIS | Fixed    | CPI                 | 2015 – 2017 | 3.25%         | 1     | 4      | 5      |





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22.

Borrowings (Continued)

Operations Center in Israel

| Company | Secured /<br>Unsecured | Series | Currency | Rate     | Adjustment<br>factor   | Payment<br>date of<br>principal | Interest<br>rate % | Capital<br>nominal<br>value in<br>million<br>Issue<br>currency | Value as<br>of<br>December<br>31,<br>2016 | Value<br>of<br>June 30,<br>2016 |
|---------|------------------------|--------|----------|----------|------------------------|---------------------------------|--------------------|--|---|---------------------------------|
| PBC     | Unsecured              | -      | NIS      | Floating | CPI                    | 2015 –<br>2020                  | 1.97%              | -  | 146                                       | 154                             |
| PBC     | Unsecured              | -      | NIS      | Floating | CPI                    | 2020                            | 2.65%              | -  | 331                                       | 311                             |
| PBC     | Unsecured              | -      | NIS      | Fixed    | N/A                    | 2015 –<br>2020                  | 3.07%              | -  | 69  | 76                              |
| PBC     | Unsecured              | -      | NIS      | Fixed    | N/A                    | 2016                            | 1.70%              | -  | -   | 1,176                           |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2011 –<br>2018                  | 1.55%              | -  | 247                                       | 286                             |
| PBC     | Unsecured              | -      | NIS      | Floating | CPI                    | 2002 –<br>2019                  | 1.73%              | -  | 290                                       | 327                             |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2008 –<br>2016                  | 1.95%              | -  | -   | 32                              |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2015 –<br>2023                  | 1.87%              | -  | 417                                       | 409                             |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2014 –<br>2022                  | 1.77%              | -  | 317                                       | 323                             |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2013 –<br>2021                  | 1.87%              | -  | 211                                       | 219                             |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2015 –<br>2022                  | 1.86%              | -  | 161                                       | 165                             |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2011 –<br>2019                  | 1.26%              | -  | -   | 149                             |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2009 –<br>2017                  | 1.80%              | -  | -   | 36                              |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2022                            | 1.88%              | -  | 386                                       | 366                             |
| PBC     | Secured                | -      | NIS      | Fixed    | N/A                    | 2016 –<br>2016                  | 1.26%              | -  | 164                                       | 156                             |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2015 –<br>2020                  | 1.57%              | -  | 80  | 85                              |
| PBC     | Secured                | -      | NIS      | Floating | CPI                    | 2020                            | 2.14%              | -  | 199                                       | 188                             |
| PBC     | Unsecured              | -      | NIS      | Floating | CPI                    | 2009 –<br>2016                  | 12.16%             | -  | -   | 11                              |
| Bartan  | Unsecured              | -      | NIS      | Floating | Prime<br>interest rate | 2015 –<br>2022                  | 2.35%              | -  | 4   | 8                               |

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|                                   |           |   |      |          |                     |             |            |     |         |         |
|-----------------------------------|-----------|---|------|----------|---------------------|-------------|------------|-----|---------|---------|
| Bartan                            | Secured   |   | NIS  | Floating | Prime interest rate | 2022        | 2.89%      | -   | 12      | 19      |
| Bartan                            | Secured   | - | NIS  | Floating | Prime interest rate | 2022        | 2.95%      | -   | 16      | 16      |
| IDB Tourism                       | Unsecured | - | US\$ | Floating | Libor interest rate | -           | 5.66%      | 13  | -       | 51      |
| IDB Tourism                       | Unsecured | - | US\$ | Floating | Libor interest rate | 2015 – 2018 | 5.21%      | 197 | -       | 767     |
| IDBG                              | Unsecured | - | US\$ | Floating | Libor interest rate | 2015 - 2015 | Libor + 5% | 227 | 907     | 869     |
| Cellcom                           | Unsecured | - | NIS  | Fixed    | N/A                 | 2016 - 2021 | 4.60%      | 200 | 829     | 778     |
| Total bank loans                  |           |   |      |          |                     |             |            |     | 7,747   | 10,378  |
| Bank overdrafts                   |           |   |      |          |                     |             |            |     | -       | 292     |
| Non-recourse loans                |           |   |      |          |                     |             |            |     | 6,221   | 16,975  |
| Other borrowings                  |           |   |      |          |                     |             |            |     | 1,924   | 1,834   |
| Total Operations Center in Israel |           |   |      |          |                     |             |            |     | 100,555 | 103,700 |

(1) Pertains to a loan with Menorah Group which is secured with a Clal and DIC's shares.

Borrowings fair value as of December 31, 2016 and June 30, 2016 amounts to ps. 119,354 (Ps. 3,740 corresponding to agricultural business, Ps. 12,884 to the Operation Center in Argentina and Ps. 102,730 to the Operation Center in Israel) and to Ps. 121,455 (Ps. 2,975 corresponding to agricultural business, Ps. 9,977 to Operation Center in Argentina and Ps. 108,503 to Operation Center in Israel).



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23.  
Taxation

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

|                     | December 31,<br>2016 | December 31,<br>2015 |
|---------------------|----------------------|----------------------|
| Current income tax  | (410)                | (174)                |
| Deferred income tax | 905                  | 164                  |
| MPIT                | -                    | (1)                  |
| Income tax          | 495                  | (11)                 |

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

| Tax jurisdiction | Income tax rate   |
|------------------|-------------------|
| Argentina        | 35%               |
| Brazil           | between 25% - 34% |
| Uruguay          | between 0% - 25%  |
| Bolivia          | 25%               |
| United States    | between 0% - 45%  |
| Bermudas         | 0%                |
| Israel           | 24% (i)           |

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

Below is a reconciliation between the income tax recognized and that which would result from applying the prevailing tax rate, applicable in the respective countries, on the income/loss before income tax for the six-month periods ended December 31, 2016 and 2015:

|   | December 31,<br>2016 | December 31,<br>2015 |
|---|----------------------|----------------------|
| Tax calculated at the tax rates applicable to profits in the respective countries | 645                  | 440                  |
| Permanent differences:  |                      |                      |
| Share of profit / (loss) of associates and joint ventures                         | 146                  | (414)                |
| Unrecognized tax losses   | (104)                | (8)                  |
| Reimbursement of tax losses   | -                    | 10                   |
| Non-taxable income  | (35)                 | -                    |
| Non-deductible expenses   | (2)                  | (36)                 |
| Others  | (155)                | (3)                  |
| Income tax from continuing operations   | 495                  | (11)                 |

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

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23.  
Taxation (Continued)

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

|   | December 31,<br>2016 | June 30,<br>2016 |
|---|----------------------|------------------|
| Beginning of the period / year                              | (6,007)              | 501              |
| Currency translation adjustment                             | (552)                | (2,225)          |
| Reserve for changes in non-controlling interest             | -                    | (88)             |
| Reclassification to liabilities held for sale               | 24                   | -                |
| Use of tax loss carry-forwards                              | (47)                 | (366)            |
| Charged / Credited to the Statements of Income/(Operations) | 905                  | 852              |
| Business combinations                                       | (7)                  | (4,681)          |
| End of the period / year                                    | (5,684)              | (6,007)          |

24.  
Revenues

|                                    | December 31,<br>2016 | December 31,<br>2015 |
|------------------------------------|----------------------|----------------------|
| Sale of trading properties         | 814                  | 1                    |
| Crops                              | 541                  | 451                  |
| Cattle                             | 75                   | 70                   |
| Dairy                              | 51                   | 31                   |
| Sugarcane                          | 235                  | 169                  |
| Supplies                           | 63                   | 42                   |
| Beef                               | 675                  | 408                  |
| Sale of communication equipment    | 1,926                | -                    |
| Revenue from supermarkets          | 23,476               | -                    |
| Sales revenues                     | 27,856               | 1,172                |
| Consignment revenues               | 139                  | 22                   |
| Rental and service incomes         | 4,244                | 1,918                |
| Income from hotel services         | 396                  | 244                  |
| Income from communication services | 5,937                | -                    |
| Income from tourism services       | 39                   | -                    |
| Agricultural rental and services   | 9                    | 9                    |
| Commissions                        | 50                   | 22                   |
| Others                             | 26                   | 4                    |
| Services income                    | 10,840               | 2,219                |
| Total revenues                     | 38,696               | 3,391                |





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25.  
Costs

|  | December 31,<br>2016 | December 31,<br>2015 |
|--|----------------------|----------------------|
| Other operative costs                        | 5                    | 4                    |
| Cost of property operations                  | 5                    | 4                    |
| Crops  | 1,099                | 670                  |
| Cattle                                       | 214                  | 149                  |
| Dairy  | 94                   | 63                   |
| Sugarcane                                    | 347                  | 260                  |
| Supplies                                     | 45                   | 36                   |
| Beef   | 610                  | 334                  |
| Agricultural rental and services             | 12                   | 7                    |
| Consignment costs                            | 6                    | 3                    |
| Commissions                                  | 42                   | 26                   |
| Others                                       | 27                   | 3                    |
| Costs of agricultural sales and services     | 2,496                | 1,551                |
| Costs of leases and services                 | 1,889                | 797                  |
| Costs of trading properties and developments | 822                  | 7                    |
| Costs of hotel operations                    | 254                  | 171                  |
| Costs of sale of communication equipment     | 1,283                | -                    |
| Costs of communication services              | 4,073                | -                    |
| Costs of tourism services                    | 81                   | -                    |
| Costs of supermarkets                        | 17,544               | -                    |
| Total costs                                  | 28,447               | 2,530                |



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26.  
Expenses by nature

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

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

For the six-month period ended as of December 31, 2016:

|  | Group costs                             |                                |                                    |                             |   |                          |   |                                |                          |  |
|--|---|--------------------------------|------------------------------------|-----------------------------|---|--------------------------|---|--------------------------------|--------------------------|--|
|  | Cost of agricultural sales and services | Cost of agriculture production | Other agricultural operative costs | Cost of leases and services | Cost of trading properties and developments | Cost of hotel operations | Cost of sale of communication equipment | Cost of communication services | Cost of tourism services |  |
| Leases, services charges and vacant property costs | 18                                      | 1                              | -                                  | 15                          | 1   | 1                        | -                                       | -                              | -                        |  |
| Depreciation and amortization                      | 32                                      | 27                             | 2                                  | 554                         | -   | 6                        | -                                       | 869                            | 80                       |  |
| Doubtful accounts                                  | -                                       | -                              | -                                  | -                           | -   | -                        | -                                       | -                              | -                        |  |
| Advertising, publicity and other selling expenses  | -                                       | -                              | -                                  | 184                         | -   | -                        | -                                       | -                              | -                        |  |
| Taxes, rates and contributions                     | 3                                       | 8                              | -                                  | 103                         | 2   | -                        | -                                       | -                              | -                        |  |
| Maintenance and repairs                            | 12                                      | 18                             | -                                  | 635                         | 8   | 41                       | -                                       | -                              | -                        |  |
| Fees and payments for services                     | 90                                      | 4                              | -                                  | 61                          | -   | 10                       | -                                       | 797                            | -                        |  |
| Director’s fees                                    | -                                       | -                              | -                                  | -                           | -   | -                        | -                                       | -                              | -                        |  |
| Payroll and social security                        | 94                                      | 56                             | 3                                  | 329                         | 1   | 142                      | -                                       | 464                            | -                        |  |

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|                   |     |   |       |     |     |       |       |    |    |
|-------------------|-----|---|-------|-----|-----|-------|-------|----|----|
| liabilities       |     |   |       |     |     |       |       |    |    |
| Cost of sale      |     |   |       |     |     |       |       |    |    |
| of goods and -    | -   | - | -     | 810 | -   | 1,283 | 19    | -  | -  |
| services          |     |   |       |     |     |       |       |    |    |
| Changes in        |     |   |       |     |     |       |       |    |    |
| biological        |     |   |       |     |     |       |       |    |    |
| assets and 1,293  | -   | - | -     | -   | -   | -     | -     | -  | -  |
| agricultural      |     |   |       |     |     |       |       |    |    |
| produce           |     |   |       |     |     |       |       |    |    |
| Supplies and 85   | 719 | - | -     | -   | -   | -     | -     | -  | -  |
| labor             |     |   |       |     |     |       |       |    |    |
| Freights -        | 10  | - | -     | -   | -   | -     | -     | -  | -  |
| Bank              |     |   |       |     |     |       |       |    |    |
| commissions 7     | -   | - | -     | -   | -   | -     | -     | -  | -  |
| and expenses      |     |   |       |     |     |       |       |    |    |
| Conditioning -    | -   | - | -     | -   | -   | -     | -     | -  | -  |
| and clearance     |     |   |       |     |     |       |       |    |    |
| Travel and        |     |   |       |     |     |       |       |    |    |
| library 3         | 6   | - | -     | -   | -   | -     | -     | -  | -  |
| expenses          |     |   |       |     |     |       |       |    |    |
| Export            |     |   |       |     |     |       |       |    |    |
| expenses -        | -   | - | -     | -   | -   | -     | -     | -  | -  |
| Others 9          | 1   | - | 8     | -   | 54  | -     | 1,924 | 1  | 1  |
| Total             |     |   |       |     |     |       |       |    |    |
| expenses by 1,646 | 850 | 5 | 1,889 | 822 | 254 | 1,283 | 4,073 | 81 | 81 |
| nature            |     |   |       |     |     |       |       |    |    |



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26.

Expenses by nature (Continued)

For the six-month period ended as of December 31, 2015:

|  | Group costs                             |                                |                                    |                             |   |                          |             |                                     |                  |   |  |
|--|---|--------------------------------|------------------------------------|-----------------------------|---|--------------------------|-------------|-------------------------------------|------------------|---|--|
|  | Cost of agricultural sales and services | Cost of agriculture production | Other agricultural operative costs | Cost of property operations | Cost of trading properties and developments | Cost of hotel operations | Total costs | General and administrative expenses | Selling expenses |   |  |
| Leases, services charges and vacant property costs | 2                                       | -                              | -                                  | 15                          | 1   | -                        | 18          | 4                                   | 1                | 2 |  |
| Depreciation and amortization                      | 18                                      | 8                              | 2                                  | 98                          | -   | 6                        | 132         | 6                                   | 1                | 1 |  |
| Doubtful accounts                                  | -                                       | -                              | -                                  | -                           | -   | -                        | -           | -                                   | 18               | 1 |  |
| Advertising, publicity and other selling expenses  | -                                       | -                              | -                                  | 169                         | -   | -                        | 169         | -                                   | 22               | 1 |  |
| Taxes, rates and contributions                     | 1                                       | 5                              | -                                  | 61                          | 1   | -                        | 68          | 12                                  | 92               | 1 |  |
| Maintenance and repairs                            | 6                                       | 10                             | -                                  | 200                         | 4   | 23                       | 243         | 24                                  | 1                | 2 |  |
| Fees and payments for services                     | 78                                      | 2                              | -                                  | 3                           | -   | 6                        | 89          | 94                                  | 8                | 1 |  |
| Director's fees                                    | -                                       | -                              | -                                  | -                           | -   | -                        | -           | 88                                  | -                | 8 |  |
| Payroll and social security liabilities            | 63                                      | 41                             | 2                                  | 245                         | -   | 103                      | 454         | 146                                 | 28               | 6 |  |
| Cost of sale of goods and services                 | -                                       | -                              | -                                  | -                           | 1   | -                        | 1           | -                                   | -                | 1 |  |
| Food, beverage and                                 | -                                       | -                              | -                                  | -                           | -   | 21                       | 21          | -                                   | -                | 2 |  |

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|   |       |     |   |     |   |     |       |     |     |   |   |
|---|-------|-----|---|-----|---|-----|-------|-----|-----|---|---|
| other lodging expenses                                |       |     |   |     |   |     |       |     |     |   |   |
| Changes in biological assets and agricultural produce | 814   | -   | - | -   | - | -   | 814   | -   | -   | - | 8 |
| Supplies and labor                                    | 15    | 459 | - | -   | - | -   | 474   | -   | 1   | 4 | 4 |
| Freights  | 1     | 7   | - | -   | - | -   | 8     | -   | 66  | 7 | 7 |
| Commissions and expenses                              | 4     | -   | - | -   | - | -   | 4     | 3   | 2   | 9 | 9 |
| Conditioning and clearance                            | -     | -   | - | -   | - | -   | -     | -   | 14  | 1 | 1 |
| Travel and library expenses                           | 6     | 6   | - | -   | - | -   | 12    | 2   | -   | 1 | 1 |
| Export expenses                                       | -     | -   | - | -   | - | -   | -     | -   | 25  | 2 | 2 |
| Others  | 5     | -   | - | 6   | - | 12  | 23    | 20  | 5   | 4 | 4 |
| Total expenses by nature                              | 1,013 | 538 | 4 | 797 | 7 | 171 | 2,530 | 399 | 284 | 3 | 3 |





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27.  
Other operating results, net

|   | December 31,<br>2016 | December 31,<br>2015 |
|---|----------------------|----------------------|
| Gain from commodity derivative financial instruments  | 28                   | 45                   |
| Gain from disposal of interest in associates          | -                    | 3                    |
| Reversal of currency translation adjustment (ii)      | -                    | 148                  |
| Loss from disposal of other property items            | (28)                 | -                    |
| Project analysis and assessment                       | (43)                 | -                    |
| Expenses related to the transfer of assets to IRSA CP | 44                   | -                    |
| Contingencies (i)                                     | (19)                 | (9)                  |
| Donations   | (30)                 | (19)                 |
| Others  | (67)                 | (2)                  |
| Total other operating results, net                    | (115)                | 166                  |

(i)  
Including legal costs and expenses.

(ii)  
Pertains to the reversal of the currency translation adjustment generated in IDBD and Rigby following the partial repayment of principal of the company (Note 32 to the annual financial statements).

28.  
Financial results, net

|   | December 31,<br>2016 | December 31,<br>2015 |
|---|----------------------|----------------------|
| Financial income  |                      |                      |
| Interest income   | 420                  | 70                   |
| Foreign exchange gains  | 173                  | 397                  |
| Dividends income  | 28                   | 10                   |
| Other financial income  | 191                  | -                    |
| Financial income  | 812                  | 477                  |
| Financial costs   |                      |                      |
| Interest expense  | (3,637)              | (618)                |
| Foreign exchange losses   | (1,055)              | (2,539)              |
| Other financial costs   | (615)                | (94)                 |
| Total financial costs   | (5,307)              | (3,251)              |
| Other financial results:  |                      |                      |
| Fair value gain / (loss) of financial assets and liabilities at fair value through profit or loss | 1,528                | (867)                |
| Gain from repurchase of NCN   | (17)                 | -                    |
| Gain from derivative financial instruments (except commodities)                                   | 120                  | 682                  |

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|   |         |         |
|---|---------|---------|
| (Loss) / Gain on the revaluation of receivables arising from the sale of farmland | (8)     | 12      |
| Total other financial results   | 1,623   | (173)   |
| Total financial results, net  | (2,872) | (2,947) |



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Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)  
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29.  
Related party transactions

See description of the main transactions carried out with related parties in Note 35 to the Annual Consolidated Financial Statements as of June 30, 2016.

The following is a summary of the balances with related parties as of December 31, 2016:

| Related party    | Description of transaction  | Investment in financial assets Non-current | Investment in financial assets Current | Trade and other receivables Non-current | Trade and other receivables Current | Trade and other payables Non-current | Trade and other payables Current | Borrowings Non-current | Borrowings Current |
|------------------|-----------------------------|--|--|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Associates       |                             |  |  |   |                                     |                                      |                                  |                        |                    |
| Tarshop S.A.     | Leases and/or rights of use | -  | -                                      | -                                       | -                                   | -                                    | (1)                              | -                      | -                  |
| New Lipstick     | Reimbursement of expenses   | -  | -                                      | -                                       | 4                                   | -                                    | -                                | -                      | -                  |
| Supertel         | Dividends payable           | -  | -                                      | -                                       | 6                                   | -                                    | -                                | -                      | -                  |
| Lipstick         | Reimbursement of expenses   | -  | -                                      | -                                       | 1                                   | -                                    | -                                | -                      | -                  |
| Manibil          | Contributions to be paid in | -  | -                                      | 40                                      | 1                                   | -                                    | -                                | -                      | -                  |
| Agro-Uranga S.A. | Dividends receivables       | -  | -                                      | -                                       | 10                                  | -                                    | -                                | -                      | -                  |
| BHSA             | Reimbursement of expenses   | -  | -                                      | -                                       | 1                                   | -                                    | (1)                              | -                      | -                  |
|                  | Borrowings                  | -  | -                                      | -                                       | -                                   | -                                    | -                                | -                      | (4)                |
| BACS             | Non-convertible notes       | 121  | 16                                     | -                                       | -                                   | -                                    | -                                | -                      | -                  |
| Total Associates |                             | 121  | 16                                     | 40                                      | 23                                  | -                                    | (2)                              | -                      | (4)                |



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## 29. Related party transactions (Continued)

| Related party                | Description of transaction      | Investment in financial assets Non-current | Investment in financial assets Current | Trade and other receivables Non-current | Trade and other receivables Current | Trade and other payables Non-current | Trade and other payables Current | Borrowings Non-current | Borrowings Current |
|------------------------------|---------------------------------|--|--|---|-------------------------------------|--------------------------------------|----------------------------------|------------------------|--------------------|
| Joint Ventures               |                                 |  |  |   |                                     |                                      |                                  |                        |                    |
| Cresca S.A.                  | Loans granted                   | -  | -                                      | 177                                     |                                     | -                                    | -                                | -                      | -                  |
| NPSF                         | Reimbursement of expenses       | -  | -                                      | -                                       | 1                                   | -                                    | -                                | -                      | -                  |
|                              | Borrowings                      | -  | -                                      | -                                       | -                                   | -                                    | -                                | -                      | (7)                |
|                              | Leases and/or rights of use     | -  | -                                      | -                                       | -                                   | -                                    | (1)                              | -                      | -                  |
|                              | Share based payments            | -  | -                                      | -                                       | 1                                   | -                                    | -                                | -                      | -                  |
|                              | Management fees                 | -  | -                                      | -                                       | 1                                   | -                                    | -                                | -                      | -                  |
| Quality                      | Management fees                 | -  | -                                      | -                                       | 4                                   | -                                    | -                                | -                      | -                  |
| Mehadrin                     | Commissions                     | -  | -                                      | -                                       | -                                   | -                                    | (4)                              | -                      | -                  |
| Cyrsa                        | Credit due to capital reduction | -  | -                                      | -                                       | 3                                   | -                                    | -                                | -                      | -                  |
|                              | Borrowings                      | -  | -                                      | -                                       | -                                   | -                                    | -                                | -                      | (7)                |
| Total Joint Ventures         |                                 | -  | -                                      | 177                                     | 10                                  | -                                    | (5)                              | -                      | (14)               |
| Other related parties        |                                 |  |  |   |                                     |                                      |                                  |                        |                    |
| CAMSA                        | Reimbursement of expenses       | -  | -                                      | -                                       | 9                                   | -                                    | (3)                              | -                      | -                  |
|                              | Management fees                 | -  | -                                      | -                                       | -                                   | -                                    | (104)                            | -                      | -                  |
| Estudio Zang, Bergel & Viñes | Legal services                  | -  | -                                      | -                                       | -                                   | -                                    | (1)                              | -                      | -                  |
| Avenida Compras S.A.         | Advertising spaces              | -  | -                                      | -                                       | 5                                   | -                                    | -                                | -                      | -                  |

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|  |                             |   |   |   |    |   |       |   |   |
|--|-----------------------------|---|---|---|----|---|-------|---|---|
| Avenida Inc. San Bernardo de Córdoba La Rural S.A. | Advertising spaces          | - | - | - | 1  | - | -     | - | - |
| Museo de los Niños                                 | Accrued invoices            | - | - | - | -  | - | (1)   | - | - |
| Total  | Leases and/or rights of use | - | - | - | 43 | - | -     | - | - |
| Other related parties                              | Leases and/or rights of use | - | - | - | 2  | - | (1)   | - | - |
|  |                             | - | - | - | 60 | - | (110) | - | - |

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## 29. Related party transactions (Continued)

| Related party                         | Description of transaction | Investment in financial assets<br>Non-current | Investment in financial assets<br>Current | Trade and other receivables<br>Non-current | Trade and other receivables<br>Current | Trade and other payables<br>Non-current | Trade and other payables<br>Current | Borrowings<br>Non-current | Borrowings<br>Current |
|---------------------------------------|----------------------------|---|---|--|--|---|-------------------------------------|---------------------------|-----------------------|
| Parent company                        |                            |   |   |  |  |   |                                     |                           |                       |
| IFISA                                 | Financial operations       | -   | -   | -  | 1,201                                  | -                                       | -                                   | -                         | -                     |
| Total parent company                  |                            | -   | -   | -  | 1,201                                  | -                                       | -                                   | -                         | -                     |
| Directors and Senior Management       |                            |   |   |  |  |   |                                     |                           |                       |
| Directors and Senior Management       | Fees                       | -   | -   | -  | -                                      | -                                       | (39)                                | -                         | -                     |
| Directors and Senior Management       | Advances                   | -   | -   | -  | 4                                      | -                                       | -                                   | -                         | -                     |
| Total Directors and Senior Management |                            | -   | -   | -  | 4                                      | -                                       | (39)                                | -                         | -                     |
| Total                                 |                            | 121   | 16  | 217  | 1,298                                  | -                                       | (156)                               | -                         | (18)                  |



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## 29. Related party transactions (Continued)

The following is a summary of the balances with related parties as of June 30, 2016:

| Related party    | Description of transaction  | Investment in financial assets Non-current | Investment in financial assets Current | Trade and other receivables Non-current | Trade and other receivables Current | Trade and other payables Current | Borrowings Non-current | Borrowings Current |
|------------------|-----------------------------|--|--|---|-------------------------------------|----------------------------------|------------------------|--------------------|
| Associates       |                             |  |  |   |                                     |                                  |                        |                    |
| Tarshop S.A.     | Reimbursement of expenses   | -  | -                                      | -                                       | 1                                   | -                                | -                      | -                  |
|                  | Leases and/or rights of use | -  | -                                      | -                                       | -                                   | (1)                              | -                      | -                  |
| New Lipstick     | Reimbursement of expenses   | -  | -                                      | -                                       | 4                                   | -                                | -                      | -                  |
| Lipstick         | Reimbursement of expenses   | -  | -                                      | -                                       | 1                                   | -                                | -                      | -                  |
| Agro-Uranga S.A. | Dividends receivables       | -  | -                                      | -                                       | 1                                   | -                                | -                      | -                  |
|                  | Brokerage                   | -  | -                                      | -                                       | -                                   | (1)                              | -                      | -                  |
| Agrofy S.A.      | Other receivables           | -  | -                                      | -                                       | 17                                  | -                                | -                      | -                  |
| BHSA             | Reimbursement of expenses   | -  | -                                      | -                                       | 1                                   | (1)                              | -                      | -                  |
|                  | Borrowings                  | -  | -                                      | -                                       | -                                   | -                                | (2)                    | (10)               |
| BACS             | Reimbursement of expenses   | -  | -                                      | -                                       | 1                                   | -                                | -                      | -                  |
|                  | Non-convertible notes       | 100  | 21                                     | -                                       | -                                   | -                                | -                      | -                  |
| Total Associates |                             | 100  | 21                                     | -                                       | 26                                  | (3)                              | (2)                    | (10)               |



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29. Related party transactions (Continued)

| Related party                | Description of transaction      | Investment in financial assets Non-current | Investment in financial assets Current | Trade and other receivables Non-current | Trade and other receivables Current | Trade and other payables Current | Borrowings Non-current | Borrowings Current |
|------------------------------|---------------------------------|--|--|---|-------------------------------------|----------------------------------|------------------------|--------------------|
| Joint Ventures               |                                 |  |  |   |                                     |                                  |                        |                    |
| Cresca S.A.                  | Loans granted                   | -  | -                                      | 162                                     | -                                   | -                                | -                      | -                  |
| Puerto Retiro                | Borrowings                      | -  | -                                      | -                                       | 3                                   | -                                | -                      | -                  |
|                              | Reimbursement of expenses       | -  | -                                      | -                                       | 2                                   | -                                | -                      | -                  |
|                              | Borrowings                      | -  | -                                      | -                                       | -                                   | -                                | -                      | (6)                |
| NPSF                         | Share based payments            | -  | -                                      | -                                       | 1                                   | -                                | -                      | -                  |
|                              | Management fees                 | -  | -                                      | -                                       | 4                                   | -                                | -                      | -                  |
| Quality                      | Reimbursement of expenses       | -  | -                                      | -                                       | 1                                   | -                                | -                      | -                  |
| Cyrsa                        | Credit due to capital reduction | -  | -                                      | -                                       | 3                                   | -                                | -                      | -                  |
| Total Joint Ventures         |                                 | -  | -                                      | 162                                     | 14                                  | -                                | -                      | (6)                |
| Other related parties        |                                 |  |  |   |                                     |                                  |                        |                    |
| CAMSA                        | Reimbursement of expenses       | -  | -                                      | -                                       | 9                                   | -                                | -                      | -                  |
| Estudio Zang, Bergel & Viñes | Legal services                  | -  | -                                      | -                                       | -                                   | (1)                              | -                      | -                  |
| IFISA (parent company)       | Financial operations            | -  | -                                      | -                                       | 1,074                               | -                                | -                      | -                  |
|                              | Reimbursement of expenses       | -  | -                                      | -                                       | 12                                  | -                                | -                      | -                  |
| Museo de los Niños           | Leases and/or rights of use     | -  | -                                      | -                                       | 2                                   | -                                | -                      | -                  |
| BNSA                         | Reimbursement of expenses       | -  | -                                      | -                                       | 1                                   | -                                | -                      | -                  |
| OASA                         | Borrowings                      | -  | -                                      | -                                       | 1                                   | -                                | -                      | -                  |
| Consultores Venture          | Management fees                 | -  | -                                      | -                                       | 2                                   | -                                | -                      | -                  |

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|  |     |    |     |       |      |     |      |
|--|-----|----|-----|-------|------|-----|------|
| Capital<br>Uruguay<br>Total Other<br>related<br>parties<br>Directors and<br>Senior<br>Management<br>Directors and Fees<br>Senior<br>Management Advances<br>Total<br>Directors and<br>Senior<br>Management<br>Total | -   | -  | -   | 1,101 | (1)  | -   | -    |
|  | -   | -  | -   | -     | (29) | -   | -    |
|  | -   | -  | -   | 4     | -    | -   | -    |
|  | -   | -  | -   | 4     | (29) | -   | -    |
|  | 100 | 21 | 162 | 1,145 | (33) | (2) | (16) |

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## 29. Related party transactions (Continued)

The following is a summary of the transactions with related parties for the six-month period ended as of December 31, 2016:

| Related party                 | Leases and/or rights to use | Administration and management fees | Sale of goods and/or services | Compensation of Directors and senior management | Corporate services | Legal services | Financial operations | Donations |
|-------------------------------|-----------------------------|------------------------------------|-------------------------------|---|--------------------|----------------|----------------------|-----------|
| Associates                    |                             |                                    |                               |   |                    |                |                      |           |
| Tarshop S.A.                  | 7                           | -                                  | -                             | -   | -                  | -              | -                    | -         |
| BACS                          | 4                           | -                                  | -                             | -   | -                  | -              | 16                   | -         |
| BHSA                          | 2                           | -                                  | -                             | -   | -                  | -              | (1)                  | -         |
| Agro-Uranga S.A.              | -                           | -                                  | 3                             | -   | -                  | -              | -                    | -         |
| Adama                         | -                           | -                                  | 16                            | -   | 64                 | -              | 4                    | -         |
| Total Associates              | 13                          | -                                  | 19                            | -   | 64                 | -              | 19                   | -         |
| Joint Ventures                |                             |                                    |                               |   |                    |                |                      |           |
| Cyrsa                         | -                           | -                                  | -                             | -   | -                  | -              | (2)                  | -         |
| NPSA                          | (1)                         | 2                                  | -                             | -   | -                  | -              | (1)                  | -         |
| Total Joint Ventures          | (1)                         | 2                                  | -                             | -   | -                  | -              | (3)                  | -         |
| Other related parties         |                             |                                    |                               |   |                    |                |                      |           |
| Consultores                   |                             |                                    |                               |   |                    |                |                      |           |
| Asset Management S.A. (CAMSA) | -                           | (104)                              | -                             | -   | -                  | -              | -                    | -         |
| Fundación IRSA                | -                           | -                                  | -                             | -   | -                  | -              | -                    | (4)       |
| San Bernardo de Córdoba S.A.  | (1)                         | -                                  | -                             | -   | -                  | -              | -                    | -         |
| Isaac Elsztain e Hijos S.C.A. | (1)                         | -                                  | -                             | -   | -                  | -              | -                    | -         |
| Hammonet S.A.                 | 1                           | -                                  | -                             | -   | -                  | -              | -                    | -         |
| Estudio Zang, Bergel & Viñes  | -                           | -                                  | -                             | -   | -                  | (6)            | -                    | -         |
| Condor                        | -                           | -                                  | -                             | -   | -                  | -              | 196                  | -         |
| IFISA (parent company)        | -                           | -                                  | -                             | -   | -                  | -              | 66                   | -         |
| Total Other related parties   | (1)                         | (104)                              | -                             | -   | -                  | (6)            | 262                  | (4)       |

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|                                       |    |       |    |       |    |     |     |     |
|---------------------------------------|----|-------|----|-------|----|-----|-----|-----|
| Directors and Senior Management       |    |       |    |       |    |     |     |     |
| Directors                             | -  | -     | -  | (93)  | -  | -   | -   | -   |
| Senior Management                     | -  | -     | -  | (7)   | -  | -   | -   | -   |
| Total Directors and Senior Management | -  | -     | -  | (100) | -  | -   | -   | -   |
| Total                                 | 11 | (102) | 19 | (100) | 64 | (6) | 278 | (4) |

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## 29. Related party transactions (Continued)

The following is a summary of the transactions with related parties for the six-month period ended as of December 31, 2015:

| Related party                         | Leases and/or rights to use | Administration and management fees | Sale of goods and/or services | Compensation of Directors and senior management | Legal services | Financial operations | Donations |
|---------------------------------------|-----------------------------|------------------------------------|-------------------------------|---|----------------|----------------------|-----------|
| Associates                            |                             |                                    |                               |   |                |                      |           |
| Agro-Uranga S.A.                      | -                           | -                                  | 1                             | -   | -              | -                    | -         |
| Tarshop S.A.                          | 5                           | -                                  | -                             | -   | -              | -                    | -         |
| BACS                                  | 3                           | -                                  | -                             | -   | -              | 10                   | -         |
| BHSA                                  | 1                           | -                                  | -                             | -   | -              | (2)                  | -         |
| Total Associates                      | 9                           | -                                  | 1                             | -   | -              | 8                    | -         |
| Joint Ventures                        |                             |                                    |                               |   |                |                      |           |
| Cyrsa                                 | -                           | -                                  | -                             | -   | -              | (1)                  | -         |
| NPSA                                  | -                           | 2                                  | -                             | -   | -              | (1)                  | -         |
| Total Joint Ventures                  | -                           | 2                                  | -                             | -   | -              | (2)                  | -         |
| Other related parties                 |                             |                                    |                               |   |                |                      |           |
| Fundación IRSA                        | -                           | -                                  | -                             | -   | -              | -                    | (3)       |
| Isaac Elsztein e Hijos S.C.A.         | (1)                         | -                                  | -                             | -   | -              | -                    | -         |
| Estudio Zang, Bergel & Viñes          | -                           | -                                  | -                             | -   | (4)            | -                    | -         |
| Condor                                | -                           | -                                  | -                             | -   | -              | (103)                | -         |
| IFISA (Parent Company)                | -                           | -                                  | -                             | -   | -              | 12                   | -         |
| Total Other related parties           | (1)                         | -                                  | -                             | -   | (4)            | (91)                 | (3)       |
| Directors and Senior Management       |                             |                                    |                               |   |                |                      |           |
| Directors                             | -                           | -                                  | -                             | (80)  | -              | -                    | -         |
| Senior Management                     | -                           | -                                  | -                             | (3)   | -              | -                    | -         |
| Total Directors and Senior Management | -                           | -                                  | -                             | (83)  | -              | -                    | -         |
| Total                                 | 8                           | 2                                  | 1                             | (83)  | (4)            | (85)                 | (3)       |





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30.  
CNV General Resolution N° 622

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

|   |   |
|---|---|
| Exhibit A - Property, plant and equipment           | Note 10 – Investment properties                   |
|   | Note 11 – Property, plant and equipment           |
| Exhibit B - Intangible assets                       | Note 13 – Intangible assets                       |
| Exhibit C - Equity investments                      | Note 8 – Investments in joint ventures            |
|   | Note 9 – Investments in associates                |
| Exhibit D - Other investments                       | Note 16 – Financial instruments by category       |
| Exhibit E - Provisions                              | Note 21 – Provisions                              |
| Exhibit F – Cost of sales and services provided     | Note 31 – Cost of sales and services provided     |
| Exhibit G - Foreign currency assets and liabilities | Note 32 – Foreign currency assets and liabilities |

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Cost of sales and services provided

| Description   | Biological assets | Inventories | Agricultural services | Services and other operating costs | Trading properties | Hotels | Mobile phones | Supermarkets | Properties | Others | Total of 12.31 |
|---|-------------------|-------------|-----------------------|------------------------------------|--------------------|--------|---------------|--------------|------------|--------|----------------|
| Inventories as of 06.30.16  | 567               | 650         | -                     | -                                  | 251                | 8      | 327           | 2,888        | 4,462      | 27     | (i) 9,1        |
| Acquisition for business combination  | -                 | -           | -                     | -                                  | -                  | -      | -             | -            | -          | -      | -              |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 113               | 38          | -                     | -                                  | -                  | -      | -             | -            | -          | -      | 151            |
| Changes in the net realizable value of agricultural produce after harvest   | -                 | (77)        | -                     | -                                  | -                  | -      | -             | -            | -          | -      | (77)           |
| Harvest   | -                 | 743         | -                     | -                                  | -                  | -      | -             | -            | -          | -      | 743            |
| Acquisitions and classifications  | 24                | 1,012       | -                     | -                                  | -                  | -      | 1,150         | 16,443       | -          | -      | 18,62          |
| Consume   | (1)               | (452)       | -                     | -                                  | -                  | -      | -             | -            | -          | -      | (453)          |
| Additions   | -                 | -           | -                     | -                                  | 6                  | 1      | -             | -            | -          | -      | 7              |
| Disposals   | -                 | -           | -                     | -                                  | (1)                | 1      | -             | -            | -          | -      | -              |
| Transfers   | -                 | -           | -                     | -                                  | -                  | -      | -             | -            | -          | (4)    | (4)            |
| Expenses incurred   | 11                | 149         | 12                    | 999                                | 13                 | 234    | 4,054         | 740          | 658        | 97     | 6,967          |
| Currency translation  | 7                 | 12          | -                     | -                                  | 16                 | -      | 63            | 552          | 858        | 5      | 1,513          |

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|                            |       |       |    |     |       |      |       |         |         |      |                  |
|----------------------------|-------|-------|----|-----|-------|------|-------|---------|---------|------|------------------|
| adjustment                 |       |       |    |     |       |      |       |         |         |      |                  |
| Inventories as of 12.31.16 | (607) | (555) | -  | -   | (274) | (10) | (237) | (3,079) | (4,277) | (25) | (iii)<br>(9,064) |
| Cost as of 12.31.16        | 114   | 1,520 | 12 | 999 | 11    | 234  | 5,357 | 17,544  | 1,701   | 100  | 27,599           |
| Cost as of 12.31.15        | 90    | 920   | 3  | 797 | 7     | 171  | -     | -       | -       | -    | -                |

(i) Includes Ps. 9 corresponding to materials and supplies of IRSA and FYO and Ps. 6 of meet due for slaughtering of Carnes Pampeanas as of June 30, 2016.

(ii) Includes Ps. 9 corresponding to materials and supplies of IRSA and FYO as of June 30, 2015 and Ps. 3 of meet due for slaughtering of Carnes Pampeanas as of June 30, 2015.

(iii) Includes Ps. 12 corresponding to materials and supplies of IRSA and FYO as of December 31, 2016.

(iv) Includes Ps. 19 corresponding to materials and supplies of IRSA and FYO as of December 31, 2015.



Cresud Sociedad Anónima,  
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Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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32.  
Foreign currency assets and liabilities

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

| Items (3)                                   | Amount of foreign currency (2) | Prevailing exchange rate (1) | Total as of 12.31.16 | Amount of foreign currency (2) | Prevailing exchange rate (1) | Total as of 06.30.16 |
|---|--------------------------------|------------------------------|----------------------|--------------------------------|------------------------------|----------------------|
| <b>Assets</b>                               |                                |                              |                      |                                |                              |                      |
| Trade and other receivables                 |                                |                              |                      |                                |                              |                      |
| Uruguayan Peso                              | -                              | -                            | -                    | 3                              | 0.334                        | 1                    |
| US Dollar                                   | 88                             | 15.21                        | 1,342                | 43                             | 14.940                       | 637                  |
| Euros                                       | 13                             | 16.49                        | 212                  | 12                             | 16.492                       | 195                  |
| Trade and other receivables related parties |                                |                              |                      |                                |                              |                      |
| US Dollar                                   | 52                             | 15.31                        | 800                  | 42                             | 15.040                       | 635                  |
| Total trade and other receivables           |                                |                              | 2,354                |                                |                              | 1,468                |
| Investment in financial assets              |                                |                              |                      |                                |                              |                      |
| US Dollar                                   | 197                            | 15.21                        | 3,003                | 199                            | 14.940                       | 2,976                |
| Pounds                                      | 1                              | 19.47                        | 13                   | 1                              | 19.763                       | 19                   |
| Total Investment in financial assets        |                                |                              | 3,016                |                                |                              | 2,995                |
| Derivative financial instruments            |                                |                              |                      |                                |                              |                      |
| US Dollar                                   | 2                              | 15.21                        | 29                   | 1                              | 14.940                       | 15                   |
| Total derivative financial instruments      |                                |                              | 29                   |                                |                              | 15                   |
| Cash and cash equivalents                   |                                |                              |                      |                                |                              |                      |
| US Dollar                                   | 107                            | 15.21                        | 1,632                | 84                             | 14.940                       | 1,260                |
| Euros                                       | 3                              | 16.49                        | 43                   | 4                              | 16.492                       | 60                   |
| Total Cash and cash equivalents             |                                |                              | 1,675                |                                |                              | 1,320                |
| <b>Liabilities</b>                          |                                |                              |                      |                                |                              |                      |
| Trade and other payables                    |                                |                              |                      |                                |                              |                      |
| New Israel Shekel                           | -                              | -                            | -                    | 2                              | 3.892                        | 7                    |
| US Dollar                                   | 131                            | 15.31                        | 2,005                | 100                            | 15.040                       | 1,502                |

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|  |       |       |        |       |        |        |
|--|-------|-------|--------|-------|--------|--------|
| Euros                                    | 11    | 17.06 | 184    | 3     | 16.640 | 54     |
| Swiss francs                             | -     | 15.63 | 1      |       |        |        |
| Trade and other payables related parties |       |       |        |       |        |        |
| US Dollar                                | -     | -     | -      | 2     | 15.040 | 31     |
| Total trade and other payables           |       |       | 2,190  |       |        | 1,594  |
| Borrowings                               |       |       |        |       |        |        |
| US Dollar                                | 2,208 | 15.31 | 33,810 | 1,945 | 15.040 | 29,246 |
| Total borrowings                         |       |       | 33,810 |       |        | 29,246 |
| Derivative financial instruments         |       |       |        |       |        |        |
| US Dollar                                | -     | -     | -      | 1     | 15.040 | 19     |
| Total derivative financial instruments   |       |       | -      |       |        | 19     |

(1) Exchange rate as of December 31, 2016 and June 30, 2016 according to Banco Nación Argentina records.

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

(3) The Company uses derivative instruments as a complement in order to reduce its exposure to exchange rate movements (Note 16).



Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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33.

Groups of assets and liabilities held for sale

As mentioned in Note 4, the investment in Israir has been reclassified to held for sale. Additionally, IDB Tourism is currently negotiating the sale of its equity interests in Open Sky Ltd., but the terms and conditions of such sale have not yet been finalized. The assets and liabilities related to the Open Sky Ltd. transaction have been also reclassified. In addition, the equity interest of the Group in Adama and the related non-recourse loan had been reclassified to held for sale before the disposal.

Pursuant to IFRS 5, assets and liabilities available for sale have been valued at the lower of their book value and fair value less cost of sale. Given that the book value of some assets was higher, an impairment loss of Ps. 231 has been recorded.

The following table shows the main assets and liabilities held for sale:

Group of assets held for sale:

|                               | December 31,<br>2016 |
|-------------------------------|----------------------|
| Property, plant and equipment | 1,482                |
| Intangible assets             | 4                    |
| Investments in associates     | 246                  |
| Deferred income tax asset     | 61                   |
| Trade and other receivables   | 1,038                |
| Inventories                   | 8                    |
| Cash and cash equivalents     | 61                   |
| Total                         | 2,900                |

Liabilities directly associated to assets classified as held for sale:

|                                      | December 31,<br>2016 |
|--------------------------------------|----------------------|
| Trade and other payables             | 1,020                |
| Payroll and social security expenses | 114                  |
| Employee benefits                    | 43                   |
| Deferred income tax liability        | 27                   |
| Borrowings                           | 693                  |
| Total                                | 1,897                |





Cresud Sociedad Anónima,  
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Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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34.

Profit from discontinued operations

The results of Israir and Open Sky operations, equity earnings in Adama and the financial costs associated to the non-recourse loan related to it, until its sale, and the gain/loss for the sale of its investment in Adama have been reclassified in the Statements of Income/(Operations) of Discontinued Operations.

|   | December 31, 2016 |                           |         |
|---|-------------------|---------------------------|---------|
|   | Adama             | Israir and<br>Open<br>Sky | Total   |
| Revenues  | -                 | 2,603                     | 2,603   |
| Costs   | -                 | (2,193)                   | (2,193) |
| Gross profit  | -                 | 410                       | 410     |
| General and administrative expenses                         | -                 | (93)                      | (93)    |
| Selling expenses  | -                 | (131)                     | (131)   |
| Other operating results, net                                | (i) 4,803         | -                         | 4,803   |
| Profit from operations                                      | 4,803             | 186                       | 4,989   |
| Share of profit of joint ventures and associates            | 406               | -                         | 406     |
| Profit from operations before financing and taxation        | 5,209             | 186                       | 5,395   |
| Other financial results                                     | (881)             | (241)                     | (1,122) |
| Financial results, net                                      | (881)             | (241)                     | (1,122) |
| Profit / (Loss) before income tax                           | 4,328             | (55)                      | 4,273   |
| Income tax  | -                 | -                         | -       |
| Income / (Loss) for the period from discontinued operations | 4,328             | (55)                      | 4,273   |

(i) Includes Ps. 4,709 corresponding to the profit from the sale of Adama.

35.

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

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

| Documentation storage provider | Location   |
|--------------------------------|--|
| Bank S.A.                      | Gral. Rivas 401, Avellaneda, Province of Buenos Aires      |
|                                | Ruta Panamericana Km 37,5, Garín, Province of Buenos Aires |
|                                | Av. Fleming 2190, Munro, Province of Buenos Aires          |

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Carlos Pellegrini 1401, Avellaneda, Province of Buenos Aires

Av. Amancio Alcorta 2482, Autonomous City of Buenos Aires

Pedro de Mendoza 2143, Autonomous City of Buenos Aires

Iron Mountain Argentina S.A. Saraza 6135, Autonomous City of Buenos Aires

Azara 1245, Autonomous City of Buenos Aires

Polígono industrial Spegazzini, Autopista Ezeiza Km 45, Cañuelas, Province of Buenos Aires

Cañada de Gomez 3825, Autonomous City of Buenos Aires



Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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

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35.

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

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

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

36.

Subsequent events

IDBG and subsidiaries

In January 2017, IDBG received a loan from an Israeli financial entity in the amount of US\$ 41.4 million. Principal will be reimbursed after the lapse of two years and shall accrue interest at 7%. The loan is backed by IDBD and PBC (jointly and severally). In addition, the due date has been extended to December 31, 2018 for a bank loan in the amount of US\$ 59 million granted by a US bank to a subsidiary of IDBG (Great Wash Park LLC) which is building a shopping center in Las Vegas, Nevada.

Comparaencasa LTD

In January 2017, the Group acquired, through Tyrus, 69,750 shares which represent a 12.5% equity interest in Compraencasa Ltd., a company registered in the United Kingdom engaged in the search, comparison and selection of products and/or services offered on the Internet, mainly car insurance and related products, for the Argentine Republic. The transaction price was US\$ 1 million, which has already been fully paid. Additionally, Tyrus received warrants for the purchase of shares in future capital increases for up to US\$ 1.5 million, with a 35% discount, which warrants will be effective for 5 years.

Avenida Inc.

On January 20, 2017, as part of a corporate reorganization process, Avenida Inc., carried out a 100,000,000:1 reverse stock split and issued additional capital in which the Group and other minority investors took part. The transaction price was US\$ 0.5 million, which has already been fully paid at the date of these Financial Statements.

Also, the Group has an option (warrant) to acquire other 4,421,093 Series I preferred shares at a price per share of US\$ 0.01 for a term of 18 months and until the issuance of capital, whichever takes place earlier, subject to certain conditions.





Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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

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36.

Subsequent events (Continued)

Condor

On January 24, Condor issued new warrants (150,540) held by RES, which is 66.7% owned by the Group, to replace the warrants held to that date (3,750,000 warrants each with a right to one share at an exercise price of US\$ 1.92, expiring on January 31, 2017). The new warrant entitles the holder to receive 150,540 ordinary shares at an exercise price of US\$ 0.001 with expiration in January 2019.

Acquisition of farmland by our subsidiary Brasilagro

In February 2007, Brasilagro entered into a sale and lease agreement for a farmland property located in the municipality of São Raimundo das Mangabeiras, in the state of Maranhão. The sale agreement consists in the acquisition of 17,566 hectares, of which 10,000 are developed and productive lands that will be devoted to farming. The remaining 7,566 hectares consist of permanent conservation and legal reservation areas. The purchase price is Rs. 100.0 million (Rs. 10,000 per productive area), which will be paid in full upon fulfillment of certain prior conditions by sellers. The lease consists of 15,000 hectares of cultivable and developed land, already planted mostly with sugar cane. The agreement is valid for 15 years and renewable for another 15-years.

Cresca S.A. agreement

On October 5, 2016, Brasilagro and Carlos Casado entered into an agreement whereby they agree to offer for sale, for a term of 120 days, all of the real property owned by Cresca at a price of at least US\$ 120 million or else 100% of the outstanding shares of Cresca or divide Cresca's properties. On December 2016, the shareholders Brasilagro and Carlos Casado entered into agreements intended to carry out what had been agreed.

As of the date of these Unaudited Condensed Interim Consolidated Financial Statements, no tender offers have been received by the entity or any of its land properties and the shareholders are carrying out development and maintenance tasks pursuant to the agreements entered into.





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

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

### Introduction

We have reviewed the unaudited condensed interim consolidated financial statements of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria (hereinafter “the Company”) which included the unaudited condensed interim consolidated statement of financial position as of December 31, 2016, and the unaudited condensed interim consolidated statements of income and comprehensive income for the six-month and three-month period ended December 31, 2016, the unaudited condensed interim consolidated statement of changes in shareholders’ equity and the unaudited condensed interim consolidated statement of cash flows for the six-month period ended December 31, 2016 and selected explanatory notes.

The balances and other information corresponding to the fiscal year ended June 30, 2016 and the interim periods within that fiscal period are an integral part of these financial statements and, therefore, they should be considered in relation to those financial statements.

### Management responsibility

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



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

Scope of our review

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

Conclusion

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

Emphasis paragraph

Without modifying our conclusion, we want to refer to the information included in Note 1 of these unaudited condensed interim consolidated financial statements.

Report on compliance with current regulations

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

- a) the unaudited condensed interim consolidated financial statements of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria are being processed for recording in the "Inventory and Balance Sheet Book", and comply, as regards those matters that are within our competence, with the provisions set forth in the Commercial Companies Law and in the corresponding resolutions of the National Securities Commission;
- b) the unaudited condensed interim separate financial statements of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria arise from accounting records carried in all formal respects in accordance with applicable legal provisions;



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c)  
we have read the Business Summary (“Reseña Informativa”) on which, as regards these matters that are within our competence, we have no observations to make;

d)  
as of December 31, 2016, the debt of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria owed in favor of the Argentina Integrated Pension System which arises from accounting records and submissions amounted to Ps. 8,405,011 which was no callable at that date.

Autonomous City of Buenos Aires, February 13, 2017.

PRICE WATERHOUSE & CO. S.R.L.

(Socio)  
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Carlos Martín Barbafina  
Contador Público (UCA)  
C.P.C.E.C.A.B.A. T° 175 F° 65



Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Separate Financial Statements as of December 31, 2016 and June 30, 2016 and for the six-month periods ended December 31, 2016 and 2015

Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Separate Statements of Financial Position  
as of December 31, 2016 and June 30, 2016

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

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|  | Note | 12.31.16     | 06.30.16     |
|--|------|--------------|--------------|
| <b>ASSETS</b>  |      |              |              |
| Non-current assets   |      |              |              |
| Investment properties                                      | 7    | 1            | 9            |
| Property, plant and equipment                              | 8    | 510          | 488          |
| Intangible assets  | 9    | 18           | 17           |
| Biological assets  | 10   | 507          | 477          |
| Investments in subsidiaries, associates and joint ventures | 6    | 4,113        | 2,563        |
| Deferred income tax assets                                 | 19   | 961          | 757          |
| Income tax and minimum presumed income tax credits         |      | 49           | 50           |
| Trade and other receivables                                | 13   | 15           | -            |
| Total Non-current assets                                   |      | 6,174        | 4,361        |
| Current assets   |      |              |              |
| Biological assets  | 10   | 327          | 442          |
| Inventories  | 11   | 433          | 491          |
| Income tax and minimum presumed income tax credits         |      | 34           | 34           |
| Trade and other receivables                                | 13   | 587          | 388          |
| Derivative financial instruments                           | 12   | -            | 15           |
| Investment in financial assets                             | 12   | -            | 22           |
| Cash and cash equivalents                                  | 12   | 53           | 11           |
| Total Current assets                                       |      | 1,434        | 1,403        |
| <b>TOTAL ASSETS</b>  |      | <b>7,608</b> | <b>5,764</b> |
| <b>SHAREHOLDERS' EQUITY</b>                                |      |              |              |
| Share capital  |      | 499          | 495          |
| Treasury shares  |      | 3            | 7            |
| Inflation adjustment of share capital and treasury shares  |      | 65           | 65           |
| Share premium  |      | 659          | 659          |
| Additional paid-in capital from treasury shares            |      | 20           | 16           |
| Legal reserve  |      | 83           | 83           |
| Special reserve  |      | 97           | 97           |
| Other reserves   | 15   | 1,289        | 989          |
| Accumulated deficit  |      | (436)        | (1,387)      |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                          |      | <b>2,279</b> | <b>1,024</b> |
| <b>LIABILITIES</b>   |      |              |              |
| Non-current liabilities                                    |      |              |              |
| Trade and other payables                                   | 16   | -            | 1            |

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|  |    |       |       |
|--|----|-------|-------|
| Borrowings                                 | 18 | 3,473 | 3,150 |
| Provisions                                 | 17 | 22    | 10    |
| Total Non-current liabilities              |    | 3,495 | 3,161 |
| Current liabilities                        |    |       |       |
| Trade and other payables                   | 16 | 478   | 305   |
| Payroll and social security liabilities    |    | 61    | 85    |
| Borrowings                                 | 18 | 1,292 | 1,166 |
| Derivative financial instruments           | 12 | 2     | 23    |
| Provisions                                 | 17 | 1     | -     |
| Total Current liabilities                  |    | 1,834 | 1,579 |
| TOTAL LIABILITIES                          |    | 5,329 | 4,740 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES |    | 7,608 | 5,764 |

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

Alejandro G. Elsztain  
Vice President II  
acting as President



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

Unaudited Condensed Interim Separate Statements of Income/(Operations) for the six and three-month periods beginning July 1 and October 1, 2016 and 2015 and ended December 31, 2016 and 2015

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

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|   |      | Six months |          | Three months |            |
|---|------|------------|----------|--------------|------------|
|   | Note | 12.31.16   | 12.31.15 | 12.31.16     | 12.31.15   |
| Revenues  | 20   | 753        | 502      | 326          | 223        |
| Costs   | 21   | (1,145)    | (662)    | (564)        | (336)      |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest |      | 531        | 315      | 294          | 208        |
| Changes in the net realizable value of agricultural produce after harvest   |      | (71)       | 115      | 21           | 123        |
| Gross Profit  |      | 68         | 270      | 77           | 218        |
| Gain from disposal of farmlands   |      | 72         | -        | -            | -          |
| General and administrative expenses   | 22   | (92)       | (65)     | (51)         | (31)       |
| Selling expenses  | 22   | (182)      | (111)    | (83)         | (43)       |
| Other operating results, net  | 23   | 2          | 65       | (15)         | 64         |
| Management fees   |      | (104)      | -        | (104)        | -          |
| (Loss) / Gain from operations   |      | (236)      | 159      | (176)        | 208        |
| Share of gain / (loss) of subsidiaries, associates and joint ventures   | 6    | 1,290      | (258)    | 1,658        | (109)      |
| Gain / (Loss) before financing and taxation   |      | 1,054      | (99)     | 1,482        | 99         |
| Finance incomes   | 24   | 16         | 52       | 4            | 50         |
| Finance costs   | 24   | (386)      | (1,105)  | (226)        | (943)      |
| Other financial results, net  | 24   | 31         | 157      | 6            | 160        |
| Financial results, net  | 24   | (339)      | (896)    | (216)        | (733)      |
| Gain / (Loss) before Income tax   |      | 715        | (995)    | 1,266        | (634)      |
| Income tax gain   | 19   | 204        | 264      | 140          | 191        |
| Gain / (Loss) for the period  |      | 919        | (731)    | 1,406        | (443)      |
| Gain / (Loss) per share attributable to equity holders of the parent during the period:                                 |      |            |          |              |            |
| Basic   |      | 1.85       | (1.48)   | 2.83         | (0.90)     |
| Diluted   |      | 1.84       | (1.48)   | (i)2.82      | (0.90) (i) |

(i)  
Due to the loss for the period, there is no diluted effect on this result.

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

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Alejandro G. Elsztain  
Vice President II  
acting as President

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Separate Statements of Comprehensive Income /(Operations) for the six and three-month periods beginning July 1 and October 1, 2016 and 2015 and ended December 31, 2016 and 2015 (All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated) Free translation from the original prepared in Spanish for publication in Argentina

|  | Six months |          | Three months |          |
|--|------------|----------|--------------|----------|
|  | 12.31.16   | 12.31.15 | 12.31.16     | 12.31.15 |
| Gain / (Loss) for the period   | 919        | (731)    | 1,406        | (443)    |
| Other comprehensive income / (loss):   |            |          |              |          |
| Items that may be reclassified subsequently to profit or loss:                   |            |          |              |          |
| Currency translation adjustment from subsidiaries, associates and joint ventures | 435        | 439      | 105          | 546      |
| Other comprehensive income from share of changes in subsidiaries' equity         | (7)        | -        | (17)         | -        |
| Other comprehensive income for the period (i)                                    | 428        | 439      | 88           | 546      |
| Total comprehensive income / (loss) for the period                               | 1,347      | (292)    | 1,494        | 103      |

(i)

Items included in other comprehensive inczome / (loss) do not generate any impact on the income tax.

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

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Alejandro G. Elsztain  
Vice President II  
acting as President

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

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Unaudited Condensed Interim Separate Statements of Changes in Shareholders' Equity  
for the six-month periods ended December 31, 2016 and 2015

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

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

|  | Share<br>capital | Treasury<br>shares | Inflation<br>adjustment<br>of share<br>capital and<br>treasury<br>shares (i) | Share<br>premium | Additional<br>paid-in<br>capital<br>from<br>treasury<br>shares | Legal<br>reserve | Special<br>reserve<br>(ii) | Other<br>reserves<br>(Note<br>15) | Accumulated<br>de |
|--|------------------|--------------------|--|------------------|--|------------------|----------------------------|-----------------------------------|-------------------|
| Balance as of June 30,<br>2016   | 495              | 7                  | 65   | 659              | 16   | 83               | 97                         | 989                               | (1)               |
| Adjustment due to change to accounting standards<br>(iii)  | -                | -                  | -  | -                | -  | -                | -                          | -                                 | 3                 |
| Adjusted balance as of June 30,<br>2016  | 495              | 7                  | 65   | 659              | 16   | 83               | 97                         | 989                               | (1)               |
| Gain for the<br>period   | -                | -                  | -  | -                | -  | -                | -                          | -                                 | 91                |
| Other comprehensive income for the<br>period   | -                | -                  | -  | -                | -  | -                | -                          | 428                               | -                 |
| Total comprehensive income for the<br>period   | -                | -                  | -  | -                | -  | -                | -                          | 428                               | 91                |
| As provided by Ordinary Shareholders' Meeting held<br>and Extraordinary Shareholders' Meeting held on<br>October 31, 2016: |                  |                    |  |                  |  |                  |                            |                                   |                   |
| - Share<br>distribution  | 4                | (4)                | -  | -                | -  | -                | -                          | -                                 | -                 |
| - Release of reserve for future<br>dividends   | -                | -                  | -  | -                | -  | -                | -                          | (31)                              | 31                |
| Equity-settled<br>compensation   | -                | -                  | -  | -                | -  | -                | -                          | 7                                 | -                 |
| Equity incentive plan<br>granted   | -                | -                  | -  | -                | 4  | -                | -                          | (5)                               | 1                 |
| Changes in interest in<br>subsidiaries   | -                | -                  | -  | -                | -  | -                | -                          | (99)                              | -                 |
| Balance as of December 31,<br>2016   | 499              | 3                  | 65   | 659              | 20   | 83               | 97                         | 1,289                             | (4)               |

(i)  
Includes Ps. 1 and Ps. 1 of inflation adjustment of Treasury Stock as of December 31, 2016 and June 30, 2016,  
respectively.

(ii)  
Corresponding to General Resolution 609/12 of the National Securities Commission.

(iii)  
See Note 2.2.1 to the Condensed Interim Consolidated Financial Statements.

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

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)  
Alejandro G. Elsztain  
Vice President II  
acting as President

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Separate Statements of Changes in Shareholders' Equity  
for the six-month periods ended December 31, 2016 and 2015

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

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

|   | Share<br>capital | Treasury<br>shares | Inflation<br>adjustment<br>of share<br>capital and<br>treasury<br>shares (i) | Share<br>premium | Additional<br>paid-in<br>capital<br>from<br>treasury<br>shares | Legal<br>reserve | Special<br>reserve<br>(ii) | Other<br>reserves<br>(Note<br>15) | Retained<br>earnings | Total |
|---|------------------|--------------------|--|------------------|--|------------------|----------------------------|-----------------------------------|----------------------|-------|
| Balance as of June 30,<br>2015  | 495              | 7                  | 65   | 659              | 13   | -                | -                          | 545                               | 172                  | 1,387 |
| Adjustment due to change to accounting<br>standards (iii)   | -                | -                  | -  | -                | -  | -                | -                          | (3)                               | 6                    | 3     |
| Adjusted balance as of June 30, 2015  | 495              | 7                  | 65   | 659              | 13   | -                | -                          | 542                               | 178                  | 1,390 |
| Loss for the period   | -                | -                  | -  | -                | -  | -                | -                          | -                                 | (731)                | (731) |
| Other comprehensive income for the period   | -                | -                  | -  | -                | -  | -                | -                          | 439                               | -                    | 439   |
| Total comprehensive income / (loss) for the<br>period   | -                | -                  | -  | -                | -  | -                | -                          | 439                               | (731)                | (292) |
| As provided by Ordinary Shareholders'<br>Meeting held and Extraordinary<br>Shareholders' Meeting held on October 31,<br>2015: |                  |                    |  |                  |  |                  |                            |                                   |                      |       |
| - Legal<br>Reserve  | -                | -                  | -  | -                | -  | 83               | -                          | -                                 | (83)                 | -     |
| - Reserve for future<br>dividends   | -                | -                  | -  | -                | -  | -                | -                          | 31                                | (31)                 | -     |
| Reserve for share-based compensation<br>Equity incentive plan granted   | -                | -                  | -  | -                | 3  | -                | -                          | 8                                 | -                    | 8     |
| Changes in interest in<br>subsidiaries  | -                | -                  | -  | -                | -  | -                | -                          | (4)                               | 1                    | (3)   |
| Reserve for tender offer to non-controlling<br>shareholders   | -                | -                  | -  | -                | -  | -                | -                          | 23                                | -                    | 23    |
| Constitution of special<br>reserve  | -                | -                  | -  | -                | -  | -                | -                          | (121)                             | -                    | (121) |
| Cumulative translation adjustment for<br>interest held before business combination.   | -                | -                  | -  | -                | -  | -                | -                          | 94                                | (94)                 | -     |
|   | 495              | 7                  | 65   | 659              | 16   | 83               | 94                         | (92)                              | (760)                | 1,108 |

Balance as of December 31,  
2015

- (i)  
Includes Ps. 1 and Ps. 1 of inflation adjustment of Treasury Stock as of December 31, 2015 and June 30, 2015, respectively.
- (ii)  
Corresponding to General Resolution 609/12 of the National Securities Commission.
- (iii)  
See Note 2.2.1 to the Condensed Interim Consolidated Financial Statements.

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

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Alejandro G. Elsztain  
Vice President II  
acting as President

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Separate Statements of Cash Flows  
for the six-month periods ended December 31, 2016 and 2015  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
Free translation from the original prepared in Spanish for publication in Argentina

|  | Note | 12.31.16 | 12.31.15 |
|--|------|----------|----------|
| Operating activities:  |      |          |          |
| Cash used in operations  | 14   | (211)    | (91)     |
| Net cash used in operating activities                                      |      | (211)    | (91)     |
| Investing activities:  |      |          |          |
| Acquisition of subsidiaries, associates and joint ventures                 |      | (6)      | -        |
| Proceeds from sale of interest in companies                                |      | -        | 86       |
| Capital contributions in subsidiaries, associates and joint ventures       |      | (1)      | (20)     |
| Proceeds from sale of investment properties                                |      | -        | 1        |
| Acquisition of property, plant and equipment                               | 8    | (38)     | (15)     |
| Proceeds from sale of property, plant and equipment                        |      | 1        | -        |
| Proceeds from sale of farmlands  |      | 69       | -        |
| Acquisition of Intangible Assets   | 9    | (1)      | -        |
| Purchase of investment in financial assets                                 |      | (365)    | (214)    |
| Proceeds from disposals of investments in financial assets                 |      | 391      | 227      |
| Loans granted to subsidiaries, associates and joint ventures               |      | -        | (3)      |
| Loans repayments received from subsidiaries, associates and joint ventures |      | 12       | 78       |
| Advance payments   |      | (6)      | -        |
| Dividends received   |      | 81       | 84       |

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|  |       |       |
|--|-------|-------|
| Net cash generated from investing activities                             | 137   | 224   |
| Financing activities:  |       |       |
| Proceeds from issuance of Non-Convertible Notes                          | -     | 390   |
| Repayment of Non-Convertible Notes                                       | (187) | (96)  |
| Repurchase of Non-Convertible Notes                                      | (235) | -     |
| Proceeds from borrowings   | 1,001 | 278   |
| Repayment of borrowings  | (348) | (367) |
| Proceeds from derivative financial instruments                           | 14    | 84    |
| Repayment of borrowings from subsidiaries, associates and joint ventures | (6)   | -     |
| Interest paid  | (124) | (153) |
| Net cash flows generated from financing activities                       | 115   | 136   |
| Net increase in cash and cash equivalents                                | 41    | 269   |
| Cash and cash equivalents at beginning of the period                     | 11    | 18    |
| Foreign exchange gain on cash and cash equivalents                       | 1     | 34    |
| Cash and cash equivalents at the end of the period                       | 53    | 321   |

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

)  
Alejandro G. Elsztain  
Vice President II  
acting as President

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

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

1.  
General information

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria (“Cresud” or the “Company”) was founded in 1936 as a subsidiary of Credit Foncier, a Belgian company primarily engaged in providing rural and urban loans in Argentina and administering real estate holdings foreclosed by Credit Foncier. Credit Foncier was liquidated in 1959, and as part of such liquidation, the shares of Cresud were distributed to Credit Foncier’s shareholders. From the 1960s through the end of the 1970s, the business of Cresud shifted exclusively to agricultural activities.

Cresud is a company organized and domiciled in the Republic of Argentina. The address of its registered office is Moreno 877, 23rd Floor, Buenos Aires, Argentina.

These Unaudited Condensed Interim Separate Financial Statements have been approved for issue by the Board of Directors on February 13, 2017.

2.  
Basis of preparation of the Unaudited Condensed Interim Separate Financial Statements

2.1.  
Basis of preparation

These Unaudited Condensed Interim Separate Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

On April 1, 2016, the Argentine Federation of Professional Councils of Economic Science ("FAPCE", as per its Spanish acronym) approved Technical Resolution N° 43, which amends Technical Resolution N° 26, for fiscal years starting on January 1, 2016. Such Technical Resolution N° 43 provides that entities that file financial statements in accordance with the IFRSs, are expected to do it integrally and without modifications and that investments in subsidiaries, joint ventures and associates are to be accounted under the equity method in the Separate Financial Statements, as established by IFRS, pursuant to the amendment established by the IASB to IAS 27 in August 2014. Thus, valuation at cost or fair value (which are additional measurements) is not permitted for these types of investments. Before such amendment, Technical Resolution N° 26 did not require an integral adoption of IFRS in Separate Financial Statements, since the equity method was not a valuation option for such investments.

The Company has adopted Technical Resolution N° 43 for this fiscal year ending on June 30, 2017. The financial statements corresponding to the period ended September 30, 2016 where the first Condensed Interim Separate Financial Statements prepared in accordance with the IFRS; its transition date is July 1, 2015 and, therefore, the provisions of IRFS 1 "First-Time Adoption of International Financial Reporting Standards" should be applied as of that date.

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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2.  
Basis of preparation of the Unaudited Condensed Interim Separate Financial Statements (Continued)

IFRS 1 mandatorily establishes that an entity must apply the requirements of IFRS 10 "Consolidated Financial Statements" for accounting of changes in a parent's ownership interest in a subsidiary that do not result in a loss of control prospectively. Under IFRS, the Company accounts for acquisitions and disposals of non-controlling interests that do not result in change of control as business combinations. The Group did not restate these acquisitions and disposals prior to transition date.

Furthermore, IFRS 1 also provides that, where a first time IFRS adopter entity decides to account for investments in subsidiaries under the equity method in accordance with IAS 28, the entity should apply the exemption for business combinations conducted before the transition date. This exemption involves applying IFRS 3 "Business Combinations" on a prospective basis to business combinations conducted after the transition date. Business combinations occurring prior to the transition date have not been restated.

The other compulsory and optional exceptions of IFRS 1 have not been applied, as these are not relevant to the Group.

Below there is a comparison between shareholders' equity computed under the previous standards and in accordance with IFRS 1 as of July 1, 2015.

|   | 07.01.15 |
|---|----------|
| Shareholders' equity under Technical Resolution N° 26 | 1,956    |
| Acquisition of non-controlling interest               | (54)     |
| Retained earnings recognition                         | 54       |
| Adjustment due to change to accounting standards (a)  | 3        |
| Shareholders' equity under IFRS                       | 1,959    |

(a)  
Include adjustment due to change to accounting standards (see Note 2.2.1 to the Unaudited Condensed Interim Consolidated Financial Statements).

Amounts as of June 30, 2016 and December 31, 2015, which are disclosed for comparative purposes have been modified in order to present the mentioned adjustments. The notes below include a reconciliation of shareholders' equity figures of Condensed Interim Separate Financial Statements prepared in accordance with the Technical Resolution N° 26 on the closing date of the comparative period and the statement of income and other comprehensive income figures for the six-month period ended December 31, 2015 and those presented in accordance with IFRS in these Unaudited Condensed Interim Separate Financial Statements.

The Unaudited Condensed Interim Separate Financial Statements of the Company for the six-month periods ended December 31, 2016 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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2.  
Basis of preparation of the Unaudited Condensed Interim Separate Financial Statements (Continued)

2.2.  
Reconciliations of Technical Resolution N° 26 to IFRS

The notes below include a reconciliation of shareholders' equity prepared in accordance with Technical Resolution N° 26 and those presented in accordance with IFRS as of June 30, 2016 and December 31, 2015, and the reconciliations of net income and cash flows for the year ended June 30, 2016 and for the six-month period ended December 31, 2015. The reconciliations included below were prepared based on the IFRS standards that are estimated to be applicable for the Company for the financial statements as of and for the year ended June 30, 2017. The items and amounts in the reconciliations included below are subject to change and should only be deemed final when the Consolidated Financial Statements prepared under IFRS for the first time as of and for the year ended June 30, 2013 are issued.

The items and amounts included in the reconciliations could be modified to the extent that, when preparing financial statements as of and for the year ended June 30, 2017, applicable standards are different.



The first reconciliation provides an overview of the impact on equity, at December 31, 2015 and June 30, 2016 (Note 2.2.1). The second reconciliation provides an overview of the impact on income for the six-month period ended as of December 31, 2015 (Note 2.2.2). The mentioned reconciliations do not have impact on other comprehensive income nor the statements of cash flows.

### 2.2.1

#### Summary of equity

|   | 06.30.16 | 12.31.15 |
|---|----------|----------|
| Shareholders' equity under Technical Resolution N° 26           | 1,021    | 1,474    |
| Investments in subsidiaries, associates and joint ventures (a)3 |          | 11       |
| Shareholders' equity under IFRS                                 | 1,024    | 1,485    |

### 2.2.2 Summary of profit / (loss)

|  | 12.31.15 |
|--|----------|
| Net comprehensive loss under Technical Resolution N° 26          | (777)    |
| Investments in subsidiaries, associates and joint ventures (a)71 |          |
| Income tax   | (25)     |
| Net comprehensive loss under IFRS                                | (731)    |

(a)

Include adjustment due to change to accounting standards (see Note 2.2.1 to the Unaudited Condensed Interim Consolidated Financial Statements).

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

#### Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)

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

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2.

#### Basis of preparation of the Unaudited Condensed Interim Separate Financial Statements (Continued)

2.2.3

#### Explanation of the transition to IFRS

Technical Resolution N° 26 – The Company accounts for investments in subsidiaries under the equity method including any adjustment in the Consolidated Financial Statements, so that the equity and income corresponding to the majority interest resulting from Consolidated Financial Statements filed together with Separate Financial Statements are the same in both sets of financial statements.

IFRS - Investments in entities in which the Company exercises control, are accounted for under the equity method. Under this method, the investment is recorded at original cost and periodically increased (decreased) by the investor's proportionate share of earnings (losses) and other comprehensive income of the subsidiary and decreased by all dividends received from the subsidiary.

In accordance with IFRS 28, paragraph 27, the interest in the investee is computed based on the Consolidated Financial Statements of such investee after any adjustment related to unification of accounting criteria, without regard to any interest that the investee may have in other entities. As a result, the company has recognized its direct interest related to investments in subsidiaries, associates and companies under joint control, based on the Consolidated Financial Statements of such companies.

Below is an outline of the adjustments recorded as explained above in relation to transactions affecting the non-controlling interest reserve of its subsidiaries, associates and entities under joint control where the company holds a direct interest:

Acquisition of additional interests in controlled companies: the acquisition price in excess of the book value of the subsidiary is recorded as an increase in assets.

Sale of interest in controlling companies where control is not lost: the difference between the sale price charged for the shares and the book value is recorded in the statement of income.

Dilution of interest, other shareholders: the result caused by the interest dilution has been recorded in the statement of income.

The non-controlling interest reserve set up before July 1, 2015 has been reclassified under retained earnings.

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Cresud Sociedad Anónima,  
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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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2.  
Basis of preparation of the Unaudited Condensed Interim Separate Financial Statements (Continued)

2.3.  
Significant accounting policies

The accounting policies applied in the preparation of these Unaudited Condensed Interim Financial Statements are consistent with those applied in the annual financial statements as of June 30, 2016, except for the changes generated by implementation of Technical Resolution N° 43, as described in Note 2.1 and for the change of accounting standard mentioned in Note 2.2.1 to the condensed interim Consolidated Financial Statements.

2.4.  
Use of estimates

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

In the preparation of these Unaudited Condensed Interim Separate Financial Statements, the significant judgments made by Management in applying the Company's accounting policies and the main sources of uncertainty were the same applied by the Company in the preparation of the Separate Financial Statements for the fiscal year ended June 30, 2016, except for changes in provisions for income tax, for legal claims and for doubtful accounts.

3.  
Seasonal effects on operations

The operations of the Company are also subject to seasonal effects. The harvests and sale of grains (corn, soybean and sunflower) generally take place between January and September every year. Wheat is generally harvested between November and February every year. However, milk production is generally larger during the second quarter, when conditions are more favorable. As a result, there may be material fluctuations in the agricultural business results each quarter.

4.  
Acquisitions and disposals

See summary of acquisitions and additional disposals of the Company for the six-month period ended December 31, 2016 in Note 4 to Unaudited Condensed Interim Consolidated Financial Statements.

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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5.  
Financial risk management and fair value estimates

5.1.  
Financial risk

The Company's activities are exposed to several financial risks, market risk (including exchange rate risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk.

The Unaudited Condensed Interim Separate Financial Statements do not include all the information and disclosures of the risk management, so they should be read together with the annual Separate Financial Statements as of June 30, 2016. There have been no significant changes in the risk management or risk management policies applied by the Company since the fiscal year-end.

5.2.  
Fair value estimates

Since June 30, 2016, to the balance sheet date, there have been no significant changes in business or economic circumstances affecting the fair value of the Company's financial assets, liabilities or biological assets (either measured at fair value or amortized cost). Nor there have been transfers between the several hierarchies used in

estimating the fair value of the Company's financial instruments, or reclassifications among their respective categories.

6.

Information about principal subsidiaries, associates and joint ventures

The Company conducts its business through several subsidiaries, associates and joint ventures.

As mentioned in Note 1 to the Consolidated Financial Statements as of June 30, 2016, on October 11, 2015 IRSA acquired control over IDBD. This Israeli company is one of the largest and most significant conglomerates of Israel, which takes part in many markets and sectors of the industry. Factors namely (i) IDBD's current financial position and need for financing to honor its financial liabilities and other commitments, (ii) the renegotiation underway with financial creditors, and (iii) the term set by Israel's governmental authorities to sell the equity interest in Clal and the potential effects of such sale, in particular, on its market value, raise significant uncertainties as to IDBD's capacity to continue as a going-concern.

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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6.

Information about principal subsidiaries, associates and joint ventures (Continued)

Set out below are the changes in Company's investment in subsidiaries, associates and joint ventures for the six-month period ended December 31, 2016 and for the fiscal year ended June 30, 2016:

|  | December 31, | June 30, |
|--|--------------|----------|
|  | 2016         | 2016     |
| Beginning of the period / year adjusted                                | 2,560        | 2,880    |
| Effect of merger Agromanagers  | (5)          | -        |
| Acquisition of subsidiaries and associates (i)                         | (87)         | 66       |
| Capital contribution   | 1            | 127      |
| Disposal of interest in subsidiaries                                   | -            | (22)     |
| Share of gain/(loss) of subsidiaries, associates and joint ventures    | 1,290        | (796)    |
| Other comprehensive loss from share of changes in subsidiaries' equity | (7)          | (30)     |
| Currency translation adjustment  | 435          | 346      |
| Equity-settled compensation  | 4            | 10       |
| Dividends distributed  | (94)         | (55)     |
| Reimbursement of expired dividends                                     | -            | 6        |
| Intergroup transactions  | -            | 4        |
| Share of changes in subsidiaries' equity                               | -            | 24       |
| End of the period / year (ii)  | 4,097        | 2,560    |

(i)

Includes the effect of changes in subsidiaries as consequence of repurchase of equity interest.

(ii)

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Include a balance of Ps. (16) and Ps. (3) reflecting interests in companies with negative equity as of December 31, 2016 and June 30, 2016, respectively, which is reclassified to "Provisions" (Note 17).

See changes in Company's investment in associates and joint ventures for the six-month period ended December 31, 2016 and for the year ended June 30, 2016 in Notes 8 and 9 to the Unaudited Condensed Interim Consolidated Financial Statements.

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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6.  
Information about principal subsidiaries, associates and joint ventures (Continued)

| Issuer and type of securities                                      | Class                   | Amount        | Value recorded as of 12.31.16 | Value recorded as of 06.30.16 | Issuer's information        |               | Place of business / country of incorporation | Last financial statement is Common Income stock (loss) for the period |        |        |
|--|-------------------------|---------------|-------------------------------|-------------------------------|-----------------------------|---------------|--|---|--------|--------|
|  |                         |               |                               |                               | Market value as of 12.31.16 | Main activity |  | Shareholders  | equity | value) |
| Subsidiaries   |                         |               |                               |                               |                             |               |  |   |        |        |
| Brasilagro   | Shares                  | 23,150,050    | 1,369                         | 1,006                         | Rs. 11.48                   | Agricultural  | Brazil                                       | 875   | 10     | 3,200  |
|  | Higher value            |               | 83                            | 83                            |                             |               |  |   |        |        |
|  | Goodwill                |               | 15                            | 10                            |                             |               |  |   |        |        |
|  | Intergroup transactions |               | (1)                           | (1)                           |                             |               |  |   |        |        |
|  |                         |               | 1,466                         | 1,098                         |                             |               |  |   |        |        |
| Agropecuaria Santa Cruz de la Sierra S.A. (formerly Doneldon S.A.) | Shares                  | 1,351,949,253 | 537                           | 520                           | Not publicly traded         | Agricultural  | Uruguay                                      | 264   | (2)    | 379    |
|  | Intergroup transactions |               | (158)                         | (158)                         |                             |               |  |   |        |        |
|  |                         |               | 379                           | 362                           |                             |               |  |   |        |        |
| Futuros y Opciones.Com S.A.  | Shares                  | 1,632,105     | 45                            | 31                            | Not publicly traded         | Brokerage     | Argentina                                    | 2   | 40     | 75     |
|  |                         |               | 45                            | 31                            |                             |               |  |   |        |        |
| Amauta Agro S.A. (formerly FyO Trading S.A.)                       | Shares                  | 220,000       | 1                             | 1                             | Not publicly traded         | Brokerage     | Argentina                                    | 23  | 2      | 25     |
|  |                         |               | 1                             | 1                             |                             |               |  |   |        |        |

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|  |        |             |     |     |                     |                |           |     |      |     |
|--|--------|-------------|-----|-----|---------------------|----------------|-----------|-----|------|-----|
| Helmir S.A.                            | Shares | 548,347,685 | 383 | 342 | Not publicly traded | Investment     | Uruguay   | 91  | 29   | 383 |
|  |        |             | 383 | 342 |                     |                |           |     |      |     |
| Sociedad Anónima Carnes Pampeanas S.A. | Shares | 30,000,432  | (6) | 52  | Not publicly traded | Agroindustrial | Argentina | 156 | (58) | (6) |
|  |        |             | (6) | 52  |                     |                |           |     |      |     |

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6.

Information about principal subsidiaries, associates and joint ventures (Continued)

| Issuer and type of securities                        | Class                   | Amount      | Value recorded as of 12.31.16 | Value recorded as of 06.30.16 | Market value as of 12.31.16 | Issuer's information |  | Last financial statement issued | Common stock (nominal value) | Income (loss) for the period | Shareholders equity |
|--|-------------------------|-------------|-------------------------------|-------------------------------|-----------------------------|----------------------|--|---------------------------------|------------------------------|------------------------------|---------------------|
|  |                         |             |                               |                               |                             | Main activity        | Place of business / country of incorporation |                                 |                              |                              |                     |
| IRSA Inversiones y Representaciones Sociedad Anónima | Shares                  | 574,451,000 | 1,902                         | 704                           | 29.20                       | Real Estate          | Argentina                                    | 575                             | 2,067                        | 3,003                        |                     |
|  | Intergroup transactions |             | (222)                         | (222)                         |                             |                      |  |                                 |                              |                              |                     |
|  | Higher value            |             | 107                           | 122                           |                             |                      |  |                                 |                              |                              |                     |
|  | Goodwill                |             | 14                            | 14                            |                             |                      |  |                                 |                              |                              |                     |
| Total Subsidiaries                                   |                         |             | 1,801                         | 618                           |                             |                      |  |                                 |                              |                              |                     |
|  |                         |             | 4,069                         | 2,504                         |                             |                      |  |                                 |                              |                              |                     |
| Associates   |                         |             |                               |                               |                             |                      |  |                                 |                              |                              |                     |
| Granos Olavarría S.A.                                | Shares                  | 512,000     | 1                             | 1                             |                             | Not publicly and     | Warehousing                                  | Argentina                       | 1                            | 32                           | 60                  |

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|   |              |           | 1           | 1         | traded              |              |           |     |      |      |
|---|--------------|-----------|-------------|-----------|---------------------|--------------|-----------|-----|------|------|
|   |              |           |             |           |                     | Brokerage    |           |     |      |      |
| Agromanagers S.A. (i)   | Shares       | (i)       | -           | 3         | Not publicly traded | Investment   | Argentina | N/A | N/A  | N/A  |
|   | Goodwill     |           | -           | 1         |                     |              |           |     |      |      |
|   |              |           | -           | 4         |                     |              |           |     |      |      |
| Agrofy S.A.   | Shares       | 45,230    | (10)        | (3)       | Not publicly traded | Advertising  | Argentina | -   | (14) | (21) |
|   |              |           | (10)        | (3)       |                     |              |           |     |      |      |
| Agrourencia S.A.  | Shares       | 8,511,960 | 25          | 43        | Not publicly traded | Agricultural | Argentina | 3   | 10   | 70   |
|   | Higher value |           | 11          | 11        |                     |              |           |     |      |      |
| Total Associates  |              |           | 36          | 54        |                     |              |           |     |      |      |
| Total Investments in subsidiaries, associates and joint ventures as of 12.31.16 |              |           | 27          | 56        |                     |              |           |     |      |      |
| Total Investments in subsidiaries, associates and joint ventures as of 06.30.16 |              |           | (*) 4,096 - |           |                     |              |           |     |      |      |
|   |              |           | -           | (*) 2,560 |                     |              |           |     |      |      |

(\*) Includes a balance of Ps. (16) and Ps. (3) reflecting interests in companies with negative equity as of December 31, 2016 and June 30, 2016, respectively, which is reclassified to "Provisions" (Note 17).

(i) During September 2016 Agro Managers S.A. merged into the Company (Note 25).

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7.

Investment properties

Changes in Company's investment properties for the six-month period ended as of December 31, 2016 and for the fiscal year ended June 30, 2016 were as follows:

December 31, June 30,

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|   |      |      |
|---|------|------|
|   | 2016 | 2016 |
| Costs   | 14   | 15   |
| Accumulated depreciation                          | (5)  | (4)  |
| Net book amount                                   | 9    | 11   |
| Beginning of the period / year                    | 9    | 11   |
| Additions   | -    | 1    |
| Reclassification to property, plant and equipment | (8)  | (1)  |
| Disposals   | -    | (1)  |
| Depreciation charges (i)                          | -    | (1)  |
| End of the period / year                          | 1    | 9    |
| Costs   | 6    | 14   |
| Accumulated depreciation                          | (5)  | (5)  |
| Net book amount                                   | 1    | 9    |

(i)  
Depreciation charges of investment property were included in "Costs" in the Statement of Income/(Operations) (Note 22).

The following amounts have been recognized in the statement of income:

|                           | December 31,<br>2016 | December 31,<br>2015 |
|---------------------------|----------------------|----------------------|
| Rental and service income | 4                    | 8                    |
| Direct operating expenses | 12                   | 3                    |

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8.  
Property, plant and equipment

Changes in Company's property, plant and equipment ("PPE") for the six-month period ended December 31, 2016 and for the fiscal year ended June 30, 2016 were as follows:

|                          | Owner-occupied farmland<br>(ii) | Others | December<br>31,<br>2016 | June<br>30,<br>2016 |
|--------------------------|---------------------------------|--------|-------------------------|---------------------|
| Costs                    | 530                             | 50     | 580                     | 546                 |
| Accumulated depreciation | (64)                            | (28)   | (92)                    | (75)                |
| Net book amount          | 466                             | 22     | 488                     | 471                 |



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|  |      |      |       |      |
|--|------|------|-------|------|
| Opening net book amount                    | 466  | 22   | 488   | 471  |
| Additions                                  | 31   | 7    | 38    | 33   |
| Reclassifications of investment properties | 8    | -    | 8     | 1    |
| Disposals                                  | (14) | (1)  | (15)  | -    |
| Depreciation charges (i) (Note 22)         | (7)  | (2)  | (9)   | (17) |
| Closing net book amount                    | 484  | 26   | 510   | 488  |
| Costs                                      | 555  | 56   | 611   | 580  |
| Accumulated depreciation                   | (71) | (30) | (101) | (92) |
| Net book amount                            | 484  | 26   | 510   | 488  |

(i)

For the six-month period ended December 31, 2016, the depreciation expense of property, plant and equipment has been charged as follows: Ps. 8 under the line item “Cost” in the Statement of Income. For the fiscal year ended June 30, 2016, the depreciation expense of property, plant and equipment has been charged as follows: Ps. 16 under the line item “Cost” in the Statement of Income/(Operations).

(ii)

Includes farms, buildings and facilities of farmlands properties.

9.

Intangible assets

Changes of the Company’s intangible assets for the six-month period ended as of December 31, 2016 and for the year ended as of June 30, 2016 were as follows:

|                          | Computer software | Rights of use | December 31, 2016 | June 30, 2016 |
|--------------------------|-------------------|---------------|-------------------|---------------|
| Costs                    | 1                 | 20            | 21                | 21            |
| Accumulated amortization | -                 | (4)           | (4)               | (3)           |
| Net book amount          | 1                 | 16            | 17                | 18            |
| Opening net book amount  | 1                 | 16            | 17                | 18            |
| Additions                | 1                 | -             | 1                 | -             |
| Amortization charges (i) | -                 | -             | -                 | (1)           |
| Closing net book amount  | 2                 | 16            | 18                | 17            |
| Costs                    | 2                 | 20            | 22                | 21            |
| Accumulated amortization | -                 | (4)           | (4)               | (4)           |
| Net book amount          | 2                 | 16            | 18                | 17            |

(i)

Amortization charges are included in “General and administrative expenses” in the statement of Income/(Operations). There is no impairment charges for any of the periods presented.

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10.  
Biological assets

Changes in the Company's biological assets for the six-month period ended December 31, 2016 and for the year ended as of June 30, 2016 were as follows:

|  | December 31,<br>2016 | June 30,<br>2016 |
|--|----------------------|------------------|
| Beginning of the period / year   | 919                  | 459              |
| Increase due to purchases  | 19                   | 12               |
| Initial recognition and changes in the fair value of biological assets | 493                  | 1,110            |
| Decrease due to harvest  | (481)                | (522)            |
| Decrease due to sales  | (114)                | (137)            |
| Decrease due to consumption  | (2)                  | (3)              |
| End of the period / year   | 834                  | 919              |

The following tables present the Company's biological assets that are measured at fair value as of December 31, 2016 and June 30, 2016 and their allocation to the fair value hierarchy:

|                                     | December 31, 2016 |         |         |         |       |
|-------------------------------------|-------------------|---------|---------|---------|-------|
|                                     | Classification    | Level 1 | Level 2 | Level 3 | Total |
| Dairy cattle                        | Production        | -       | 43      | -       | 43    |
| Breeding cattle                     | Production        | -       | 446     | -       | 446   |
| Other cattle                        | Production        | -       | 10      | -       | 10    |
| Other biological assets (i)         | Production        | 8       | -       | -       | 8     |
| Total biological assets non-current |                   | 8       | 499     | -       | 507   |
| Breeding cattle                     | Consumable        | -       | 86      | -       | 86    |
| Crops fields                        | Production        | 207     | (i)-    | 33      | 240   |
| Other cattle                        | Consumable        | -       | 1       | -       | 1     |
| Total biological assets current     |                   | 207     | 87      | 33      | 327   |
| Total biological assets             |                   | 215     | 586     | 33      | 834   |

|                                     | June 30, 2016  |         |         |         |       |
|-------------------------------------|----------------|---------|---------|---------|-------|
|                                     | Classification | Level 1 | Level 2 | Level 3 | Total |
| Dairy cattle                        | Production     | -       | 49      | -       | 49    |
| Breeding cattle                     | Production     | -       | 413     | -       | 413   |
| Other cattle                        | Production     | -       | 9       | -       | 9     |
| Other biological assets (i)         | Production     | 6       | -       | -       | 6     |
| Total biological assets non-current |                | 6       | 471     | -       | 477   |
| Breeding cattle                     | Consumable     | -       | 75      | -       | 75    |
| Other cattle                        | Consumable     | -       | 1       | -       | 1     |

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|                                 |            |    |      |     |     |
|---------------------------------|------------|----|------|-----|-----|
| Crops fields                    | Production | 10 | (i)- | 356 | 366 |
| Total biological assets current |            | 10 | 76   | 356 | 442 |
| Total biological assets         |            | 16 | 547  | 356 | 919 |

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

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10.  
Biological assets (Continued)

The following table presents the changes in Level 3 biological assets for the six-month period ended December 31, 2016 and for the year ended June 30, 2016:

|  |  |
|--|--|
|  | Crop fields with significant biological growth |
| As of June 30, 2015  | 40   |
| Initial recognition and changes in the fair value of biological assets | 838  |
| Decrease due to harvest  | (522)  |
| As of June 30, 2016  | 356  |
| Initial recognition and changes in the fair value of biological assets | 158  |
| Decrease due to harvest  | (481)  |
| As of December 31, 2016  | 33   |

When no quoted prices in an active market are available, values are based on recognized valuation methods. The company uses a range of valuation models for the measurement of Level 2 and Level 3 biological assets. The following table presents models and main parameters:

Level 2

| Description | Pricing model            | Parameters                                   |
|-------------|--------------------------|--|
| Cattle      | Comparable market prices | Price per livestock head/kg and per category |

Level 3

| Description | Model                 | Parameters         | Ranges / Values | Unit of measurement |
|-------------|-----------------------|--------------------|-----------------|---------------------|
| Corn        | Discounted cash flows | Yields             | 7 – 8.5         | Tn/ha               |
|             |                       | Future sale prices | 2,419 – 2,419   | Ps./Tn              |
|             |                       | Selling expenses   | 495 – 569       | Ps./Tn              |
|             |                       | Operating cost     | 3,616 – 6,405   | Ps./ha              |

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|            |                       |                    |               |        |
|------------|-----------------------|--------------------|---------------|--------|
|            |                       | Yields             | 2.38 – 5.36   | Tn/ha  |
| Wheat      | Discounted cash flows | Future sale prices | 2,504 – 2,504 | Ps./Tn |
|            |                       | Selling expenses   | 697 – 849     | Ps./Tn |
|            |                       | Operating cost     | 4,991 – 6,189 | Ps./ha |
|            |                       | Yields             | 1.05 – 2.16   | Tn/ha  |
| Sunflowers | Discounted cash flows | Future sale prices | 4,480 – 5,600 | Ps./Tn |
|            |                       | Selling expenses   | 838 – 1,140   | Ps./Tn |
|            |                       | Operating cost     | 2,543 – 3,106 | Ps./ha |
|            |                       | Yields             | 1.5 – 1.5     | Tn/ha  |
| Others     | Discounted cash flows | Future sale prices | 2,240 – 2,240 | Ps./Tn |
|            |                       | Selling expenses   | 228 – 228     | Ps./Tn |
|            |                       | Operating cost     | 6,171 – 6,171 | Ps./ha |

See information on the sensitivity of fair value valuation to changes in material non-observable input data in Note 14 to the Unaudited Condensed Interim Consolidated Financial Statements.

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10.

Biological assets (Continued)

During the six-month period ended December 31, 2016 and the year ended June 30, 2016 there have been no transfers between the several tiers used in estimating the fair value of the Company's biological assets, or reclassifications among their respective categories.

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

As of December 31, 2016 and June 30, 2016, the better and maximum use of biological assets shall not significantly differ from the current use.

11.

Inventories

Breakdown of Company's inventories as of December 31, 2016 and June 30, 2016 are as follows:

|                        | December 31,<br>2016 | June 30,<br>2016 |
|------------------------|----------------------|------------------|
| Current                |                      |                  |
| Crops                  | 191                  | 290              |
| Materials and supplies | 146                  | 93               |
| Seeds and fodders      | 96                   | 108              |

Total inventories      433              491

As of December 31, 2016 and June 30, 2016 the cost of inventories recognized as expense amounted to Ps. 491 and Ps. 649, respectively and they have been included in "Costs".

12.

Financial instruments by category

Determining fair values

See determination of the fair value of the Company's financial instruments in Note 16 to the Consolidated Financial Statements as of June 30, 2016.

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12.

Financial instruments by category (Continued)

The following tables present the Company's financial assets and financial liabilities that are measured at fair value as of December 31, 2016 and June 30, 2016 and their allocation to the fair value hierarchy:

|   | Financial assets<br>at amortized cost | Financial assets at<br>fair value through<br>profit or loss |            |            | Subtotal<br>financial<br>assets | Non-financial<br>assets | Total |
|---|---------------------------------------|---|------------|------------|---------------------------------|-------------------------|-------|
|   |                                       | Level<br>1  | Level<br>2 | Level<br>3 |                                 |                         |       |
| December 31, 2016   |                                       |   |            |            |                                 |                         |       |
| Assets as per statement of financial<br>position  |                                       |   |            |            |                                 |                         |       |
| Trade and other receivables (excluding<br>allowance for doubtful account of trade<br>and other receivables) (Note 13) | 402                                   | -   | -          | -          | 402                             | 208                     | 610   |
| Cash and cash equivalents:  |                                       |   |            |            |                                 |                         |       |
| - Cash on hand and at bank  | 50                                    | -   | -          | -          | 50                              | -                       | 50    |
| - Short term investments  | -                                     | 3   | -          | -          | 3                               | -                       | 3     |
| Total   | 452                                   | 3   | -          | -          | 455                             | 208                     | 663   |

|   | Financial<br>liabilities<br>at amortized<br>cost | Financial liabilities<br>at fair value |            |            | Subtotal financial<br>liabilities | Non-financial<br>liabilities | Total |
|---|--|--|------------|------------|-----------------------------------|------------------------------|-------|
|   |  | Level<br>1                             | Level<br>2 | Level<br>3 |                                   |                              |       |
| Liabilities as per statement of<br>financial position |  |  |            |            |                                   |                              |       |

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|  |       |   |   |   |       |    |       |
|--|-------|---|---|---|-------|----|-------|
| Trade and other payables (Note 16)                         | 436   | - | - | - | 436   | 42 | 478   |
| Borrowings (excluding finance lease liabilities) (Note 18) | 4,765 | - | - | - | 4,765 | -  | 4,765 |
| Derivative financial instruments:                          |       |   |   |   |       |    |       |
| - Crops futures  | -     | 2 | - | - | 2     | -  | 2     |
| Total  | 5,201 | 2 | - | - | 5,203 | 42 | 5,245 |

|   | Financial assets<br>at amortized<br>cost | Financial assets at<br>fair value through<br>profit or loss |            |            | Subtotal<br>financial<br>assets | Non-financial<br>assets | Total |
|---|--|---|------------|------------|---------------------------------|-------------------------|-------|
|   |  | Level<br>1  | Level<br>2 | Level<br>3 |                                 |                         |       |
| June 30, 2016   |  |   |            |            |                                 |                         |       |
| Assets as per statement of financial position   |  |   |            |            |                                 |                         |       |
| Trade and other receivables (excluding allowance for doubtful account of trade and other receivables) (Note 13) | 288                                      | -   | -          | -          | 288                             | 108                     | 396   |
| Investment in financial assets:   |  |   |            |            |                                 |                         |       |
| - Mutual funds  | -  | 15  | -          | -          | 15                              | -                       | 15    |
| - Government bonds  | -  | 7   | -          | -          | 7                               | -                       | 7     |
| Derivative financial instruments:   |  |   |            |            |                                 |                         |       |
| - Foreign-currency contracts  | -  | -   | 15         | -          | 15                              | -                       | 15    |
| Cash and cash equivalents:  |  |   |            |            |                                 |                         |       |
| - Cash on hand and at bank  | 8  | -   | -          | -          | 8                               | -                       | 8     |
| - Short term investments  | -  | 3   | -          | -          | 3                               | -                       | 3     |
| Total   | 296                                      | 25  | 15         | -          | 336                             | 108                     | 444   |

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12.  
Financial instruments by category (Continued)

|  | Financial<br>liabilities<br>at amortized<br>cost | Financial<br>liabilities<br>at fair value |            |            | Subtotal<br>financial<br>liabilities | Non-financial<br>liabilities | Total |
|--|--|---|------------|------------|--------------------------------------|------------------------------|-------|
|  |  | Level<br>1                                | Level<br>2 | Level<br>3 |                                      |                              |       |
| Liabilities as per statement of financial position |  |   |            |            |                                      |                              |       |
| Trade and other payables (Note 16)                 | 291  | -   | -          | -          | 291                                  | 15                           | 306   |
|  | 4,316  | -   | -          | -          | 4,316                                | -                            | 4,316 |

Borrowings (excluding finance lease liabilities) (Note 18)

Derivative financial instruments:

|                              |       |    |   |   |       |    |       |
|------------------------------|-------|----|---|---|-------|----|-------|
| - Foreign-currency contracts | -     | 9  | - | - | 9     | -  | 9     |
| - Crops futures              | -     | 14 | - | - | 14    | -  | 14    |
| Total                        | 4,607 | 23 | - | - | 4,630 | 15 | 4,645 |

When no quoted prices in an active market are available, fair values (particularly with derivatives) are based on recognized valuation methods. The Company uses a range of valuation models for the measurement of Level 2 and Level 3 instruments, details of which may be obtained from Note 16 to the Consolidated Financial Statements as of June 30, 2016.

13.

Trade and other receivables

Breakdown of the Company's trade and other receivables as of December 31, 2016 and June 30, 2016 are as follows:

|   | December 31,<br>2016 | June 30,<br>2016 |
|---|----------------------|------------------|
| Non-current   |                      |                  |
| Receivables from sale of agricultural products and services | 13                   | -                |
| Non-current trade receivables                               | 13                   | -                |
| Loans   | 2                    | -                |
| Non-current other receivables                               | 2                    | -                |
| Non-current trade and other receivables                     | 15                   | -                |
| Current   |                      |                  |
| Receivables from sale of agricultural products and services | 155                  | 68               |
| Debtors under legal proceedings                             | 9                    | 9                |
| Less: allowance for doubtful accounts                       | (8)                  | (8)              |
| Total current trade receivables                             | 156                  | 69               |
| Prepayments   | 107                  | 43               |
| Tax credits   | 94                   | 60               |
| Loans   | 7                    | 5                |
| Advance payments  | 7                    | 5                |
| Others  | 25                   | 7                |
| Total current other receivables                             | 240                  | 120              |
| Related parties (Note 26)                                   | 191                  | 199              |
| Total current trade and other receivables                   | 587                  | 388              |
| Total trade and other receivables                           | 602                  | 388              |

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13.

## Trade and other receivables (Continued)

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

The carrying amounts of the Company's trade and other receivables denominated in foreign currencies are detailed in Note 29.

Trade receivables are generally presented in the statement of financial position net of allowances for doubtful receivables. Impairment policies and procedures by type of receivables are discussed in detail in Note 2.16 to the Consolidated Financial Statements as of June 30, 2016.

Movements on the Company's allowance for doubtful accounts are as follows:

|                                | December 31, June 30, |      |
|--------------------------------|-----------------------|------|
|                                | 2016                  | 2016 |
| Beginning of the period / year | 8                     | 8    |
| Charges                        | -                     | -    |
| End of the period / year       | 8                     | 8    |

The addition and release of allowance for doubtful accounts have been included in "Selling expenses" in the statement of income (Note 22). Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

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14.

## Cash flow information

Following is a detailed description of cash flows used in the Company's operations for the six-month period ended December 31, 2016 and 2015:

|                                 | December 31, 2016 | December 31, 2015 |
|---------------------------------|-------------------|-------------------|
| Profit / (Loss) for the period  | 919               | (731)             |
| Adjustments for:                |                   |                   |
| Income tax expense              | (204)             | (264)             |
| Depreciation and amortization   | 10                | 8                 |
| Gain from disposal of farmlands | (72)              | -                 |
| Share based payments            | 1                 | 2                 |



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|   |         |       |
|---|---------|-------|
| Unrealized gain from derivative financial instruments of commodities              | (11)    | (4)   |
| Gain from derivative financial instruments (except commodities)                   | (9)     | (99)  |
| Changes in fair value of financial assets at fair value through profit or loss    | (4)     | (58)  |
| Accrued interest, net   | 108     | 152   |
| Unrealized initial recognition and changes in the fair value of biological assets | (333)   | 241   |
| Changes in the net realizable value of agricultural produce after harvest         | 71      | (115) |
| Provisions  | 131     | 10    |
| Gain from repurchase of Non-convertible Notes                                     | (18)    | -     |
| Gain from disposal of associates, subsidiaries and joint ventures                 | -       | (66)  |
| Share of (gain)/loss of subsidiaries, associates and joint ventures               | (1,290) | 258   |
| Unrealized foreign exchange loss, net   | 245     | 889   |
| Changes in operating assets and liabilities:                                      |         |       |
| Decrease / (Increase) in biological assets  | 419     | (357) |
| (Increase) / Decrease in inventories  | (13)    | 95    |
| Increase in trade and other receivables   | (182)   | (100) |
| Increase in derivative financial instruments                                      | (1)     | (1)   |
| Increase in trade and other payables  | 46      | 59    |
| Decrease in payroll and social security liabilities                               | (24)    | (10)  |
| Net cash used in operating activities before income tax paid                      | (211)   | (91)  |

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14.

Cash flow information (Continued)

The following table shows a detail of non-cash transactions occurred in the six-month periods ended as of December 31, 2016 and 2015:

|  | 12.31.16 | 12.31.15 |
|--|----------|----------|
| Non-cash activities  |          |          |
| Increase of interest in subsidiaries, associates and joint ventures by a decrease in trade and other receivables                     | -        | (36)     |
| Increase of interest in subsidiaries, associates and joint venture by exchange differences on translating foreign operations         | (435)    | (350)    |
| Decrease in interest in subsidiaries, associates and joint ventures due to the reserve for tender offer to non-controlling interests | -        | 121      |
| Dividends not collected  | (9)      | (2)      |
| Reserve for share based payments   | 4        | 6        |
| Stock plan granted   | (5)      | (4)      |
| Repayment of non-convertible notes through a decrease in other receivables   | -        | (22)     |

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|   |      |    |
|---|------|----|
| Increase in trade and other receivables through a decrease in property, plant and equipment | (16) | -  |
| Distribution of treasury stock  | (7)  | -- |
| Decrease in trade and other payables through an increase in borrowings                      | (5)  | -  |

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15.

Shareholders' Equity

|  | Cost of treasury shares | Changes in interest in subsidiaries | Cumulative translation adjustment | Reserve for share based compensation | Reserve for future dividends | Reserve for defined benefit plans | Other subsidiaries reserves | Reserve for the acquisition of securities issued by the Company | Total other reserves |
|--|-------------------------|-------------------------------------|-----------------------------------|--------------------------------------|------------------------------|-----------------------------------|-----------------------------|---|----------------------|
| Balance as of June 30, 2016  | (32)                    | 64                                  | 806                               | 95                                   | 31                           | (6)                               | (1)                         | 32  | 989                  |
| Adjustment due to change to accounting standards   | -                       | -                                   | -                                 | -                                    | -                            | -                                 | -                           | -   | -                    |
| Adjusted balances as of June 30, 2016  | (32)                    | 64                                  | 806                               | 95                                   | 31                           | (6)                               | (1)                         | 32  | 989                  |
| Other comprehensive income / (loss) for the period   | -                       | -                                   | 435                               | -                                    | -                            | (7)                               | -                           | -   | 428                  |
| Total comprehensive income / (loss) for the period   | -                       | -                                   | 435                               | -                                    | -                            | (7)                               | -                           | -   | 428                  |
| Appropriation of retained earnings resolved by Shareholders' Meeting held on October 31, 2016: |                         |                                     |                                   |                                      |                              |                                   |                             |   |                      |
| - Share Distribution   | 7                       | -                                   | -                                 | -                                    | -                            | -                                 | -                           | (7)   | -                    |
|  | -                       | -                                   | -                                 | -                                    | (31)                         | -                                 | -                           | -   | (31)                 |

|   |      |      |       |     |   |      |     |    |       |
|---|------|------|-------|-----|---|------|-----|----|-------|
| - Release of reserve for future dividends |      |      |       |     |   |      |     |    |       |
| Equity-settled compensation               | -    | -    | -     | 7   | - | -    | -   | -  | 7     |
| Equity incentive plan granted             | -    | -    | -     | (5) | - | -    | -   | -  | (5)   |
| Changes in interest in subsidiaries       | -    | (99) | -     | -   | - | -    | -   | -  | (99)  |
| Balance as of December 31, 2016           | (25) | (35) | 1,241 | 97  | - | (13) | (1) | 25 | 1,289 |

|  | Cost of treasury shares | Changes in interest in subsidiaries | Cumulative translation adjustment | Reserve for share based compensation | Reserve for future dividends | Reserve for tender offer to non-controlling shareholders | Reserve for the acquisition of securities issued by the Company | Total other reserves |
|--|-------------------------|-------------------------------------|-----------------------------------|--------------------------------------|------------------------------|--|---|----------------------|
| Balance as of June 30, 2015  | (32)                    | -                                   | 463                               | 82                                   | -                            | -  | 32  | 545                  |
| Adjustment due to change to accounting standards   | -                       | -                                   | (3)                               | -                                    | -                            | -  | -   | (3)                  |
| Adjusted balances as of June 30, 2015  | (32)                    | -                                   | 460                               | 82                                   | -                            | -  | 32  | 542                  |
| Other comprehensive Income for the period  | -                       | -                                   | 439                               | -                                    | -                            | -  | -   | 439                  |
| Total comprehensive Income for the period  | -                       | -                                   | 439                               | -                                    | -                            | -  | -   | 439                  |
| Appropriation of retained earnings resolved by Shareholders' Meeting held on October 30 and November 26, 2015: |                         |                                     |                                   |                                      |                              |  |   |                      |
| - Reserve for future dividends   | -                       | -                                   | -                                 | -                                    | 31                           | -  | -   | 31                   |
| Equity-settled compensation  | -                       | -                                   | -                                 | 8                                    | -                            | -  | -   | 8                    |

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|   |      |    |      |     |    |       |    |       |
|---|------|----|------|-----|----|-------|----|-------|
| Equity incentive plan granted   | -    | -  | -    | (4) | -  | -     | -  | (4)   |
| Changes in interest in subsidiaries   | -    | 23 | -    | -   | -  | -     | -  | 23    |
| Reserve for tender offer to non-controlling shareholders                        | -    | -  | -    | -   | -  | (121) | -  | (121) |
| Cumulative translation adjustment for interest held before business combination | -    | -  | (92) | -   | -  | -     | -  | (92)  |
| Balance as of December 31, 2015   | (32) | 23 | 807  | 86  | 31 | (121) | 32 | 826   |

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16.

Trade and other payables

The detail of the Company's trade and other payables as of December 31, 2016 and June 30, 2016 are as follows:

|   | December 31,<br>2016 | June 30,<br>2016 |
|---|----------------------|------------------|
| Non-current   |                      |                  |
| Tax on shareholders' personal assets                  | -                    | 1                |
| Total non-current other payables                      | -                    | 1                |
| Total non-current trade and other payables            | -                    | 1                |
| Current   |                      |                  |
| Trade payables  | 98                   | 124              |
| Provisions  | 172                  | 136              |
| Sales, rent and services payments received in advance | 25                   | 4                |
| Total current trade payables                          | 295                  | 264              |
| Taxes payable   | 17                   | 10               |
| Total current other payables                          | 17                   | 10               |
| Related parties (Note 26)                             | 166                  | 31               |
| Total current trade and other payables                | 478                  | 305              |
| Total trade and other payables                        | 478                  | 306              |

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

Book value of trade and other payables denominated in foreign currencies are detailed in Note 29.

### 17. Provisions

The table below shows the movements in Company's provisions categorized by type of provision:

|  | Labor and tax claims and<br>other claims | Investments in subsidiaries, associates and<br>joint ventures (i) | Total |
|--|--|---|-------|
| As of June 30, 2015                        | 4  | 8   | 12    |
| Additions                                  | 3  | 3   | 6     |
| Used during the year                       | -  | (8)   | (8)   |
| As of June 30, 2016                        | 7  | 3   | 10    |
| Additions                                  | 8  | 7   | 15    |
| Used during the period                     | (8)                                      | -   | (8)   |
| Long-term investments<br>reclassifications | -  | 6   | 6     |
| As of December 31, 2016                    | 7  | 16  | 23    |

(i) Corresponds to equity interests in subsidiaries, associates and joint ventures with negative equity.

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### 17. Provisions (Continued)

The analysis of total provisions is as follows:

|             | December 31,<br>2016 | June 30,<br>2016 |
|-------------|----------------------|------------------|
| Non-current | 22                   | 10               |
| Current     | 1                    | -                |
|             | 23                   | 10               |

### 18. Borrowings

The detail of the Company's borrowings as of December 31, 2016 and June 30, 2016 were as follows:

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|                        | December 31,<br>2016 | June 30,<br>2016 |
|------------------------|----------------------|------------------|
| Non-current            |                      |                  |
| Non-convertible notes  | 2,701                | 2,975            |
| Bank loans and others  | 772                  | 175              |
| Non-current borrowings | 3,473                | 3,150            |
| Current                |                      |                  |
| Non-convertible notes  | 680                  | 676              |
| Bank loans and others  | 534                  | 376              |
| Bank overdrafts        | 78                   | 114              |
| Current borrowings     | 1,292                | 1,166            |
| Total borrowings       | 4,765                | 4,316            |

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18.

Borrowings (Continued)

|  |                        |          |                     |  |                                     | Value as of             |                     |
|--|------------------------|----------|---------------------|--|-------------------------------------|-------------------------|---------------------|
|  | Secured /<br>unsecured | Currency | Fixed /<br>Floating | Effective<br>interest rate<br>%                | Nominal<br>value<br>(in<br>million) | December<br>31,<br>2016 | June<br>30,<br>2016 |
| Non-current                              |                        |          |                     |  |                                     |                         |                     |
| CRESUD NCN Class XIV due 2018<br>(i)     | Unsecured              | US\$     | Fixed               | 1.50 %   | 32                                  | 241                     | 481                 |
| CRESUD NCN Class XVI due 2018<br>(ii)    | Unsecured              | US\$     | Fixed               | 1.50 %   | 109                                 | 1,599                   | 1,649               |
| CRESUD NCN Class XVIII due 2019<br>(iii) | Unsecured              | US\$     | Fixed               | 4.00%  | 34                                  | 520                     | 510                 |
| CRESUD NCN Class XXII due 2019<br>(v)    | Unsecured              | US\$     | Fixed               | 4.00%  | 22                                  | 341                     | 335                 |
| Loan from Banco<br>Ciudad                | Unsecured              | US\$     | Floating            | Libor 6M +<br>300 bps or<br>6% (the<br>higher) | 20                                  | 182                     | 172                 |
| Loan from Banco<br>Río                   | Unsecured              | US\$     | Fixed               | 5.60%  | 40                                  | 590                     | -                   |
| Loan from Banco de La<br>Pampa           | Unsecured              | Ps.      | Floating            | Rate<br>Survey PF<br>30-59 days                | 20                                  | -                       | 3                   |

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|   |                        |          |                     |   |                                     | 3,473                   | 3,150               |
|---|------------------------|----------|---------------------|---|-------------------------------------|-------------------------|---------------------|
|   |                        |          |                     |   |                                     | Value as of             |                     |
|   | Secured /<br>unsecured | Currency | Fixed /<br>Floating | Effective<br>interest rate<br>%                               | Nominal<br>value<br>(in<br>million) | December<br>31,<br>2016 | June<br>30,<br>2016 |
| Current   |                        |          |                     |   |                                     |                         |                     |
| CRESUD NCN Class XIV due 2018 (ii)              | Unsecured              | US\$     | Fixed               | 1.50 %  | 32                                  | 242                     | -                   |
| CRESUD NCN Class XVI due 2018 (ii)              | Unsecured              | US\$     | Fixed               | 1.50 %  | 109                                 | 10                      | 10                  |
| CRESUD NCN Class XVIII due 2019 (iii)           | Unsecured              | US\$     | Fixed               | 4.00%   | 34                                  | 3                       | 2                   |
| CRESUD NCN Class XIX due 2016                   | Unsecured              | Ps.      | Floating            | Badlar +<br>250 bps   | 171                                 | -                       | 189                 |
| CRESUD NCN Class XX due 2017 (iv)               | Unsecured              | US\$     | Fixed               | 2.50%   | 18                                  | 227                     | 278                 |
| CRESUD NCN Class XXI due 2017                   | Unsecured              | Ps.      | Floating            | Badlar +<br>375 bps   | 192                                 | 198                     | 197                 |
| Loan from Banco Ciudad                          | Unsecured              | US\$     | Floating            | Libor 6M +<br>300 bps or<br>6% (the<br>higher)<br>Rate Survey | 20                                  | 30                      | 28                  |
| Loan from Banco de La Pampa                     | Unsecured              | Ps.      | Floating            | PF 30-59<br>days  | 20                                  | 7                       | 7                   |
| Loan from Banco de la Provincia de Buenos Aires | Unsecured              | US\$     | Fixed               | 2.50%   | 2                                   | 32                      | -                   |
| Loan from Banco de la Provincia de Buenos Aires | Unsecured              | US\$     | Fixed               | 2.75%   | 18                                  | 285                     | -                   |
| Loan from Banco de la Provincia de Buenos Aires | Unsecured              | Ps.      | Fixed               | 23%   | 50                                  | -                       | 17                  |
| Loan from Banco de la Provincia de Buenos Aires | Unsecured              | US\$     | Fixed               | 3.50%   | 15                                  | -                       | 225                 |
| Loans from Banco Río                            | Unsecured              | US\$     | Fixed               | 5.60%   | 40                                  | 33                      | -                   |
| Loans from Superville                           | Unsecured              | US\$     | Fixed               | 2.50%   | 3                                   | 47                      | -                   |
| Related parties borrowings (Note 26)            | Unsecured              | US\$     | Fixed               | 4.21%   | 5                                   | 100                     | 99                  |
| Bank overdrafts                                 | Unsecured              | Ps.      | Fixed               | 31.08%  | -                                   | 78                      | 114                 |
| Current borrowings                              |                        |          |                     |   |                                     | 1,292                   | 1,166               |
| Total borrowings                                |                        |          |                     |   |                                     | 4,765                   | 4,316               |

(i)  
Includes an outstanding balance of Ps. 30 and Ps. 28 with ERSA, as of 12.31.16 and 06.30.16, respectively.

(ii)

Includes an outstanding balance of Ps. 13, Ps. 157 and Ps. 17 with ERSA, IRSA CP and PAMSA, respectively, as of 12.31.16. Includes an outstanding balance of Ps. 12, Ps. 133 and Ps. 16 with ERSA, IRSA CP and PAMSA, respectively, as of 06.30.16.

(iii)

Includes an outstanding balance of Ps. 8 and Ps. 8 with IRSA CP as of 12.31.16 and 06.30.16, respectively.

(iv)

Includes an outstanding balance of Ps. 36, Ps. 21 and Ps. 103 with ERSA, IRSA CP and PAMSA, respectively, as of 12.31.16 and include Ps. 35, Ps. 21 and Ps. 99 with ERSA, IRSA CP and PAMSA, respectively, as of 06.30.16.

(v)

Includes an outstanding balance of Ps. 16 and Ps. 15 with IRSA CP as of 12.31.16 and 06.30.16, respectively.

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18.

Borrowings (Continued)

The fair value of current borrowings at fixed-rate and current and non-current borrowings at floating-rate equals their carrying amount, as the impact of discounting is not significant. The fair value of all debts that are not quoted in the market are valued at their technical value that is nominal value plus accrued interest.

Book value of borrowings denominated in foreign currencies is detailed in Note 29.

The fair values of non-current borrowings at fixed rate (excluding finance leases) are as follows:

|                                 | December 31, | June 30, |
|---------------------------------|--------------|----------|
|                                 | 2016         | 2016     |
| CRESUD NCN Class XIV due 2018   | 509          | 481      |
| CRESUD NCN Class XVI due 2018   | 1,737        | 1,649    |
| CRESUD NCN Class XVIII due 2019 | 537          | 510      |
| CRESUD NCN Class XXII due 2019  | 363          | 335      |
| Bank loans                      | 594          | -        |
| Total                           | 3,740        | 2,975    |

See description of Non-Convertible Notes issued by the Company for the six-month period ended as of December 31, 2016 in Note 22 to Unaudited Condensed Interim Consolidated Financial Statements as of December 31, 2016.

19.

Taxation

The detail of the provision for the Company's income tax is as follows:



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|                     | December 31,<br>2016 | December 31,<br>2015 |
|---------------------|----------------------|----------------------|
| Deferred income tax | 204                  | 264                  |
| Income tax          | 204                  | 264                  |

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

|   | December 31,<br>2016 | June 30,<br>2016 |
|---|----------------------|------------------|
| Beginning of the period / year                  | 757                  | 447              |
| Charged to the statement of Income/(Operations) | 204                  | 310              |
| End of the period / year                        | 961                  | 757              |

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19.

Taxation (Continued)

The Company's income tax expense charge differs from the theoretical amount that would arise using the weighted average tax rate applicable to Company's profit before tax as follows:

|   | December 31,<br>2016 | December 31,<br>2015 |
|---|----------------------|----------------------|
| Tax calculated at the tax applicable tax rate in effect             | (250)                | 348                  |
| Permanent differences:  |                      |                      |
| Share of gain/(loss) in subsidiaries, associates and joint ventures | 451                  | (90)                 |
| Non-taxable income  | -                    | 11                   |
| Miscellaneous permanent differences                                 | 3                    | (5)                  |
| Income tax  | 204                  | 264                  |

20.

Revenues

|                            | December 31,<br>2016 | December 31,<br>2015 |
|----------------------------|----------------------|----------------------|
| Crops                      | 568                  | 345                  |
| Cattle                     | 128                  | 113                  |
| Dairy                      | 51                   | 31                   |
| Supplies                   | 2                    | 5                    |
| Rental and service incomes | 4                    | 8                    |
| Total revenues             | 753                  | 502                  |

21.

## Costs

|                            | December 31,<br>2016 | December 31,<br>2015 |
|----------------------------|----------------------|----------------------|
| Crops                      | 830                  | 441                  |
| Cattle                     | 203                  | 149                  |
| Dairy                      | 93                   | 63                   |
| Supplies                   | 1                    | 3                    |
| Rental and service incomes | 12                   | 3                    |
| Other costs                | 6                    | 3                    |
| Total costs                | 1,145                | 662                  |

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22.

Expenses by nature

For the six-month period ended as of December 31, 2016:

|   | Costs<br>Cost of sales and<br>agricultural<br>services | Cost of<br>agricultural<br>production | Other<br>operating<br>costs | General and<br>administrative<br>expenses | Selling<br>expenses | Total |
|---|--|---------------------------------------|-----------------------------|---|---------------------|-------|
| Supplies and labor  | 10   | 387                                   | -                           | -   | -                   | 397   |
| Leases and expenses   | -  | 1                                     | -                           | 2   | -                   | 3     |
| Amortization and<br>depreciation (i)                        | 1  | 6                                     | 2                           | 1   | -                   | 10    |
| Changes in biological<br>assets and agricultural<br>produce | 638  | -                                     | -                           | -   | -                   | 638   |
| Advertising, publicity<br>and other selling<br>expenses     | -  | -                                     | -                           | -   | 5                   | 5     |
| Maintenance and<br>repairs                                  | -  | 15                                    | -                           | 5   | -                   | 20    |
| Payroll and social<br>security liabilities                  | 1  | 51                                    | 3                           | 55  | 4                   | 114   |
| Fees and payments for<br>services                           | -  | 4                                     | -                           | 11  | -                   | 15    |
| Freights  | -  | 10                                    | -                           | -   | 122                 | 132   |
| Bank commissions and<br>expenses                            | -  | 1                                     | -                           | 2   | 2                   | 5     |
| Travel expenses and<br>stationery                           | -  | 6                                     | 1                           | 4   | -                   | 11    |

|                                |     |     |   |    |     |       |
|--------------------------------|-----|-----|---|----|-----|-------|
| Conditioning and clearance     | -   | -   | - | -  | 22  | 22    |
| Director's fees                | -   | -   | - | 12 | -   | 12    |
| Taxes, rates and contributions | -   | 8   | - | -  | 26  | 34    |
| Export expenses                | -   | -   | - | -  | 1   | 1     |
| Total expenses by nature       | 650 | 489 | 6 | 92 | 182 | 1,419 |

(i)

Includes Ps. 1 corresponding to shared services amortization.

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22.

Expenses by nature (Continued)

For the six-month period ended as of December 31, 2015:

|   | Costs<br>Cost of<br>sales and<br>agricultural<br>services | Cost of<br>agricultural<br>production | Other<br>operating<br>costs | General and<br>administrative<br>expenses | Selling<br>expenses | Total |
|---|---|---------------------------------------|-----------------------------|---|---------------------|-------|
| Supplies and labor                                    | 1   | 224                                   | -                           | -   | -                   | 225   |
| Leases and expenses                                   | -   | 1                                     | -                           | 1   | -                   | 2     |
| Amortization and depreciation (i)                     | -   | 6                                     | 1                           | 1   | -                   | 8     |
| Changes in biological assets and agricultural produce | 359   | -                                     | -                           | -   | -                   | 359   |
| Advertising, publicity and other selling expenses     | -   | -                                     | -                           | -   | 1                   | 1     |
| Maintenance and repairs                               | 1   | 9                                     | -                           | 2   | -                   | 12    |
| Payroll and social security liabilities               | 1   | 39                                    | 2                           | 37  | 2                   | 81    |
| Fees and payments for services                        | -   | 2                                     | -                           | 9   | -                   | 11    |
| Freights  | -   | 6                                     | -                           | -   | 52                  | 58    |
| Bank commissions and expenses                         | -   | -                                     | -                           | 1   | 3                   | 4     |
| Travel expenses and stationery                        | -   | 5                                     | -                           | 2   | -                   | 7     |

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|                                |     |     |   |    |     |     |
|--------------------------------|-----|-----|---|----|-----|-----|
| Conditioning and clearance     | -   | -   | - | -  | 14  | 14  |
| Director's fees                | -   | -   | - | 11 | -   | 11  |
| Taxes, rates and contributions | -   | 5   | - | 1  | 14  | 20  |
| Export expenses                | -   | -   | - | -  | 25  | 25  |
| Total expenses by nature       | 362 | 297 | 3 | 65 | 111 | 838 |

(i)  
Includes Ps. 1 corresponding to shared services amortization.

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23.  
Other operating results, net

|  | December 31,<br>2016 | December 31,<br>2015 |
|--|----------------------|----------------------|
| Administration fees  | -                    | 2                    |
| Gain from commodity derivative financial instruments                 | 5                    | 4                    |
| Tax on shareholders' personal assets                                 | (1)                  | (5)                  |
| Contingencies  | (2)                  | (1)                  |
| Donations  | (1)                  | -                    |
| Gain from disposal of associates, subsidiaries and/or joint ventures | -                    | 66                   |
| Others   | 1                    | (1)                  |
| Total other operating results, net                                   | 2                    | 65                   |

24.  
Financial results, net

|                           | December 31,<br>2016 | December 31,<br>2015 |
|---------------------------|----------------------|----------------------|
| Finance income:           |                      |                      |
| - Interest income         | 13                   | 5                    |
| - Foreign exchange gains  | 3                    | 47                   |
| Finance income            | 16                   | 52                   |
| Finance costs:            |                      |                      |
| - Interest expense        | (121)                | (157)                |
| - Foreign exchange losses | (250)                | (937)                |
| - Other finance costs     | (15)                 | (11)                 |
| Finance costs             | (386)                | (1,105)              |

## Other financial results, net:

|   |       |       |
|---|-------|-------|
| - Fair value gains of financial assets at fair value through profit or loss | 4     | 58    |
| - Gain from derivative financial instruments (except commodities)           | 9     | 99    |
| - Gain from repurchase of NCN   | 18    | -     |
| Total other financial results, net  | 31    | 157   |
| Total financial results, net  | (339) | (896) |

25.

## Merger with Agro Managers S.A.

During September 2016, the Company entered into a pre-merger commitment with its wholly-owned subsidiary Agro Managers S.A. whereby the Company would be the absorbent Company and Agro Managers would be the absorbed Company.

The effect the merger with Agro Managers S.A. would have had on the statement of financial position as of June 30, 2016 and statements of comprehensive income and statements of cash flows as of December 31, 2015 were no significant.

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Cresud Sociedad Anónima,  
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26.

## Related party transactions

See description of the main transactions conducted with related parties in Note 35 to the Consolidated Financial Statements as of June 30, 2016 and 2015.

The following is a summary of the balances with related parties as of December 31, 2016:

| Related party   | Description of transaction | Trade and other receivables current | Trade and other payables current | Borrowings non-current | Borrowings current |
|---|----------------------------|-------------------------------------|----------------------------------|------------------------|--------------------|
| Subsidiaries  |                            |                                     |                                  |                        |                    |
| IRSA Inversiones y Representaciones S.A.                                | Corporate services         | -                                   | (4)                              | -                      | -                  |
|   | Leases                     | -                                   | (4)                              | -                      | -                  |
|   | Reimbursement of expenses  | 9                                   | -                                | -                      | -                  |
| Brasilagro Companhia Brasileira de Propiedades Agrícolas (“Brasilagro”) | Reimbursement of expenses  | 4                                   | (7)                              | -                      | -                  |
| Sociedad Anónima Carnes Pampeanas S.A. (formerly EAASA)                 | Reimbursement of expenses  | 1                                   | -                                | -                      | -                  |
|   |                            | 64                                  | -                                | -                      | -                  |

|                                 |                               |     |      |   |       |
|---------------------------------|-------------------------------|-----|------|---|-------|
|                                 | Sale of goods and/or services |     |      |   |       |
| Helmir S.A.                     | Financial operations          | -   | -    | - | (100) |
| Ombú Agropecuaria S.A.          | Administration fees           | 2   | -    | - | -     |
|                                 | Reimbursement of expenses     | 1   | -    | - | -     |
| Agropecuaria Acres del Sud S.A. | Administration fees           | 2   | -    | - | -     |
| Yatay Agropecuaria S.A.         | Administration fees           | 2   | -    | - | -     |
| Yuchán Agropecuaria S.A.        | Administration fees           | 2   | -    | - | -     |
|                                 | Brokerage                     | 34  | -    | - | -     |
| Futuros y Opciones.Com S.A.     | Reimbursement of expenses     | 1   | -    | - | -     |
|                                 | MAT operations                | -   | (12) | - | -     |
|                                 | Sale of suppliers             | -   | (1)  | - | -     |
| Total Subsidiaries              |                               | 122 | (28) | - | (100) |

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Cresud Sociedad Anónima,  
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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)  
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26.

Related party transactions (Continued)

| Related party                          | Description of transaction             | Trade and other receivables current | Trade and other payables current | Borrowings non-current | Borrowings current |
|--|--|-------------------------------------|----------------------------------|------------------------|--------------------|
| Associates                             |  |                                     |                                  |                        |                    |
| Agro-Uranga S.A.                       | Dividends receivables                  | 10                                  | -                                | -                      | -                  |
|  | Purchase of goods and/or services..... | -                                   | -                                | -                      | -                  |
| Total Associates                       |  | 10                                  | -                                | -                      | -                  |
| Subsidiaries of the subsidiaries       |  |                                     |                                  |                        |                    |
| IRSA Propiedades Comerciales S.A.      | Reimbursement of expenses              | 29                                  | -                                | -                      | -                  |
|  | Non-convertible notes                  | -                                   | -                                | (180)                  | (22)               |
|  | Corporate services                     | -                                   | (18)                             | -                      | -                  |
| Emprendimiento Recoleta S.A.           | Non-convertible notes                  | -                                   | -                                | (28)                   | (51)               |
| Panamerican Mall S.A.                  | Non-convertible notes                  | -                                   | -                                | (17)                   | (103)              |
| Amauta Agro S.A. (formerly FyO Trading | Purchase of goods and/or services..... | -                                   | (6)                              | -                      | -                  |

|   |  |     |       |       |       |
|---|--|-----|-------|-------|-------|
| S.A.)                                     |  |     |       |       |       |
|   | Reimbursement of expenses              | 1   | -     | -     | -     |
| Total Subsidiaries of the subsidiaries    |  | 30  | (24)  | (225) | (176) |
| Joint Ventures of the subsidiaries        |  |     |       |       |       |
| Adama                                     | Purchase of goods and/or services..... | -   | (5)   | -     | -     |
| Total Joint Ventures of the subsidiaries  |  | -   | (5)   | -     | -     |
| Other Related parties                     |  |     |       |       |       |
| Consultores Asset Management S.A. (CAMSA) | Provisions for management fees         | -   | (104) | -     | -     |
|   | Reimbursement of expenses              | 3   | -     | -     | -     |
| San Bernardo de Córdoba S.A.              | Leases paid in advance                 | -   | (1)   | -     | -     |
| Other Related parties                     |  | 3   | (105) | -     | -     |
| Parent company                            |  |     |       |       |       |
| Inversiones Financieras del Sur S.A.      | Financial operations                   | 26  | -     | -     | -     |
| Total Parent company                      |  | 26  | -     | -     | -     |
| Directors and Senior Management           |  |     |       |       |       |
| Directors and Senior Management           | Director's fees                        | -   | (4)   | -     | -     |
| Total Directors and Senior Management     |  | -   | (4)   | -     | -     |
|   |  | 191 | (166) | (225) | (276) |

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30.

Related party transactions (Continued)

The following is a summary of the balances with related parties as of June 30, 2016:

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| Related party   | Description of transaction    | Trade and other receivables current | Trade and other payables current | Borrowings non-current | Borrowings current |
|---|-------------------------------|-------------------------------------|----------------------------------|------------------------|--------------------|
| <b>Subsidiaries</b>                                     |                               |                                     |                                  |                        |                    |
|   | Corporate services            | 23                                  | -                                | -                      | -                  |
| IRSA Inversiones y Representaciones Sociedad Anónima.   | Leases                        | -                                   | (3)                              | -                      | -                  |
|   | Share based payments          | -                                   | (1)                              | -                      | -                  |
|   | Reimbursement of expenses     | 5                                   | -                                | -                      | -                  |
| Brasilagro Companhia Brasileira de Propriedades         | Reimbursement of expenses     | 2                                   | (4)                              | -                      | -                  |
| Agrícolas (“Brasilagro”)                                | Dividends receivables         | 4                                   | -                                | -                      | -                  |
| Sociedad Anónima Carnes Pampeanas S.A. (formerly EAASA) | Reimbursement of expenses     | 1                                   | -                                | -                      | -                  |
|   | Sale of goods and/or services | 4                                   | -                                | -                      | -                  |
| Helmir S.A.   | Financial operations          | -                                   | -                                | -                      | (99)               |
| Ombú Agropecuaria S.A.                                  | Administration fees           | 4                                   | -                                | -                      | -                  |
| Agropecuaria Acres del Sud S.A.                         | Administration fees           | 2                                   | -                                | -                      | -                  |
| Yatay Agropecuaria S.A.                                 | Administration fees           | 2                                   | -                                | -                      | -                  |
| Yuchán Agropecuaria S.A.                                | Administration fees           | 2                                   | -                                | -                      | -                  |
| Futuros y Opciones.Com S.A.                             | Brokerage                     | 65                                  | -                                | -                      | -                  |
|   | MAT operations                | -                                   | (13)                             | -                      | -                  |
|   | Sale of suppliers             | -                                   | (1)                              | -                      | -                  |
| <b>Total Subsidiaries</b>                               |                               | <b>114</b>                          | <b>(22)</b>                      | <b>-</b>               | <b>(99)</b>        |
| <b>Associates</b>                                       |                               |                                     |                                  |                        |                    |
| Agro-Uranga S.A.  | Dividends receivables         | 1                                   | -                                | -                      | -                  |
| <b>Total Associates</b>                                 |                               | <b>1</b>                            | <b>-</b>                         | <b>-</b>               | <b>-</b>           |

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30.

## Related party transactions (Continued)

| Related party                                  | Description of transaction        | Trade and other receivables current | Trade and other payables current | Borrowings non-current | Borrowings current |
|--|-----------------------------------|-------------------------------------|----------------------------------|------------------------|--------------------|
| Subsidiaries of the subsidiaries               |                                   |                                     |                                  |                        |                    |
|  | Reimbursement of expenses         | 25                                  | -                                | -                      | -                  |
| IRSA Propiedades Comerciales Sociedad Anónima. | Share based payments              | -                                   | (1)                              | -                      | -                  |
|  | Non-convertible notes             | -                                   | -                                | (156)                  | (21)               |
|  | Corporate services                | 44                                  | -                                | -                      | -                  |
|  | Leases                            | -                                   | (1)                              | -                      | -                  |
| Emprendimiento Recoleta S.A.                   | Non-convertible notes             | -                                   | -                                | (40)                   | (35)               |
| Panamerican Mall S.A.                          | Non-convertible notes             | -                                   | -                                | (16)                   | (99)               |
| Amauta Agro S.A. (formerly FyO Trading S.A.)   | Purchase of goods and/or services | -                                   | (4)                              | -                      | -                  |
|  | Contributions to be paid in       | -                                   | (1)                              | -                      | -                  |
| Total Subsidiaries of the subsidiaries         |                                   | 69                                  | (7)                              | (212)                  | (155)              |
| Other Related parties                          |                                   |                                     |                                  |                        |                    |
| Consultores Asset Management S.A. (CAMSA)      | Reimbursement of expenses         | 2                                   | -                                | -                      | -                  |
| Total Other Related Parties                    |                                   | 2                                   | -                                | -                      | -                  |
| Parent company                                 |                                   |                                     |                                  |                        |                    |
| Inversiones Financieras del Sur S.A.           | Financial operations              | 13                                  | -                                | -                      | -                  |
| Total Parent Company                           |                                   | 13                                  | -                                | -                      | -                  |
| Directors and Senior Management                |                                   |                                     |                                  |                        |                    |
| Directors                                      | Director's fees                   | -                                   | (2)                              | -                      | -                  |
| Total Directors and Senior Management          |                                   | -                                   | (2)                              | -                      | -                  |
|  |                                   | 199                                 | (31)                             | (212)                  | (254)              |

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Cresud Sociedad Anónima,  
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Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)

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26.

Related party transactions (Continued)

The following is a summary of the transactions with related parties for the six-month period ended as of December 31, 2016:

| Related party   | Leases and/or rights of use | Sale of goods and/or services | Purchase of goods and/or services | Corporate services | Legal services | Financial operations | Compensation of Directors and Senior Management | Management fees |
|---|-----------------------------|-------------------------------|-----------------------------------|--------------------|----------------|----------------------|---|-----------------|
| Subsidiaries  |                             |                               |                                   |                    |                |                      |   |                 |
| IRSA Inversiones y Representaciones Sociedad Anónima    | (1)                         | -                             | -                                 | 22                 | -              | -                    | -   | -               |
| Futuros y Opciones.Com S.A.                             | -                           | -                             | (2)                               | -                  | -              | -                    | -   | -               |
| Amauta Agro S.A. (formerly FyO Trading S.A.)            | -                           | 1                             | (10)                              | -                  | -              | -                    | -   | -               |
| Sociedad Anónima Carnes Pampeanas S.A. (formerly EAASA) | -                           | 54                            | -                                 | -                  | -              | -                    | -   | -               |
| Helmir S.A.   | -                           | -                             | -                                 | -                  | -              | (7)                  | -   | -               |
| Total Subsidiaries                                      | (1)                         | 55                            | (12)                              | 22                 | -              | (7)                  | -   | -               |
| Associates  |                             |                               |                                   |                    |                |                      |   |                 |
| Agro-Uranga S.A.  | -                           | 3                             | -                                 | -                  | -              | -                    | -   | -               |
| Total Associates  | -                           | 3                             | -                                 | -                  | -              | -                    | -   | -               |
| Subsidiaries of the subsidiaries                        |                             |                               |                                   |                    |                |                      |   |                 |
| Emprendimiento Recoleta S.A.                            | -                           | -                             | -                                 | -                  | -              | (5)                  | -   | -               |
| Panamerican Mall S.A.                                   | -                           | -                             | -                                 | -                  | -              | (7)                  | -   | -               |
| IRSA Propiedades Comerciales S.A.                       | (2)                         | -                             | -                                 | 63                 | -              | (11)                 | -   | -               |
| Granos Olavarría S.A.                                   | -                           | 89                            | -                                 | -                  | -              | -                    | -   | -               |
| Total Subsidiaries of the subsidiaries                  | (2)                         | 89                            | -                                 | 63                 | -              | (23)                 | -   | -               |
| Other related parties                                   |                             |                               |                                   |                    |                |                      |   |                 |
| Estudio Zang, Bergel & Viñes                            | -                           | -                             | -                                 | -                  | (1)            | -                    | -   | -               |
|   | -                           | -                             | -                                 | -                  | -              | 12                   | -   | -               |

|   |     |     |      |    |     |      |      |       |
|---|-----|-----|------|----|-----|------|------|-------|
| Inversiones<br>Financieras del Sur<br>S.A.      |     |     |      |    |     |      |      |       |
| Consultores Asset<br>Management S.A.<br>(CAMSA) | -   | -   | -    | -  | -   | -    | -    | (104) |
| San Bernardo de<br>Córdoba S.A.                 | (1) | -   | -    | -  | -   | -    | -    | -     |
| Total Other related<br>parties                  | (1) | -   | -    | -  | (1) | 12   | -    | (104) |
| Directors and Senior<br>Management              |     |     |      |    |     |      |      |       |
| Directors                                       | -   | -   | -    | -  | -   | -    | (12) | -     |
| Senior Management                               | -   | -   | -    | -  | -   | -    | (4)  | -     |
| Total Directors and<br>Senior Management        | -   | -   | -    | -  | -   | -    | (16) | -     |
|   | (4) | 147 | (12) | 85 | (1) | (18) | (16) | (104) |

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26.

Related party transactions (Continued)

The following is a summary of the transactions with related parties for the six-month period ended as of December 31, 2015:

| Related party  | Leases<br>and/or<br>rights<br>of use | Administration<br>and<br>management<br>fees | Sale of<br>goods<br>and/or<br>services | Purchase<br>of goods<br>and/or<br>services | Corporate<br>services | Legal<br>services | Financial<br>operations | Compensation<br>of Directors and<br>Senior<br>Management |
|--|--------------------------------------|---|--|--|-----------------------|-------------------|-------------------------|--|
| Subsidiaries   |                                      |   |  |  |                       |                   |                         |  |
| IRSA Inversiones y<br>Representaciones<br>S.A.         | (1)                                  | -   | -                                      | -  | 16                    | -                 | 7                       | -  |
| Futuros y<br>Opciones.Com S.A.                         | -                                    | -   | -                                      | (4)  | -                     | -                 | -                       | -  |
| Amauta Agro S.A.<br>(formerly FyO<br>Trading S.A.)     | -                                    | -   | 2                                      | (2)  | -                     | -                 | -                       | -  |
| Sociedad Anónima<br>Carnes Pampeanas<br>S.A. (formerly | -                                    | -   | 43                                     | -  | -                     | -                 | -                       | -  |

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|  |     |   |    |     |    |     |      |      |
|--|-----|---|----|-----|----|-----|------|------|
| EAASA)                                   |     |   |    |     |    |     |      |      |
| Helmir S.A.                              | -   | - | -  | -   | -  | -   | 1    | -    |
| Total Subsidiaries                       | (1) | - | 45 | (6) | 16 | -   | 8    | -    |
| Associates                               |     |   |    |     |    |     |      |      |
| Agro-Uranga S.A.                         | -   | - | 1  | -   | -  | -   | -    | -    |
| Total Associates                         | -   | - | 1  | -   | -  | -   | -    | -    |
| Subsidiaries of the subsidiaries         |     |   |    |     |    |     |      |      |
| Emprendimiento Recoleta S.A.             | -   | - | -  | -   | -  | -   | (9)  | -    |
| Panamerican Mall S.A.                    | -   | - | -  | -   | -  | -   | (26) | -    |
| IRSA Propiedades Comerciales S.A.        | (1) | - | -  | -   | 40 | -   | (7)  | -    |
| Granos Olavarría S.A.                    | -   | - | 6  | -   | -  | -   | -    | -    |
| Total Subsidiaries of the subsidiaries   | (1) | - | 6  | -   | 40 | -   | (42) | -    |
| Associates of the subsidiaries           |     |   |    |     |    |     |      |      |
| Banco Hipotecario S.A.                   | -   | - | -  | -   | -  | -   | (1)  | -    |
| Total Associates of the subsidiaries     | -   | - | -  | -   | -  | -   | (1)  | -    |
| Other related parties                    |     |   |    |     |    |     |      |      |
| Estudio Zang, Bergel & Viñes Inversiones | -   | - | -  | -   | -  | (1) | -    | -    |
| Financieras del Sur S.A.                 | -   | - | -  | -   | -  | -   | 3    | -    |
| Hamonet S.A.                             | (1) | - | -  | -   | -  | -   | -    | -    |
| Total Other related parties              | (1) | - | -  | -   | -  | (1) | 3    | -    |
| Directors and Senior Management          |     |   |    |     |    |     |      |      |
| Directors                                | -   | - | -  | -   | -  | -   | -    | (11) |
| Senior Management                        | -   | - | -  | -   | -  | -   | -    | (3)  |
| Total Directors and Senior Management    | -   | - | -  | -   | -  | -   | -    | (14) |
|  | (3) | - | 52 | (6) | 56 | (1) | (32) | (14) |

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27.

CNV General Resolution N° 622/13

As required by Section 1°, Chapter III, Title IV of CNV General Resolution N° 622/13, below there is a detail of the notes to the Unaudited Condensed Interim Separate Financial Statements that disclosure the information required by the Resolution in Exhibits.

|   |  |
|---|--|
| Exhibit A - Property, plant and equipment           | Note 7 – Investment properties<br>Note 8 – Property, plant and equipment |
| Exhibit B - Intangible assets                       | Note 9 – Intangible assets   |
| Exhibit C - Equity investments                      | Note 6 - Investments in subsidiaries, associates and joint ventures      |
| Exhibit D - Other investments                       | Note 12 – Financial instruments by category                              |
| Exhibit E - Provisions                              | Note 13 – Trade and other receivables<br>Note 17 – Provisions            |
| Exhibit F - Cost of sales and services              | Note 28 – Cost of sales and services provided                            |
| Exhibit G - Foreign currency assets and liabilities | Note 29 – Foreign currency assets and liabilities                        |
| Exhibit H - Exhibit of expenses                     | Note 22 – Expenses by nature   |

28.

Cost of sales and services provided

| Description   | Biological assets | Inventories | Others | Total as of 12.31.16 | Total as of 12.31.15 |
|---|-------------------|-------------|--------|----------------------|----------------------|
| Beginning of the year   | 547               | 491         | -      | 1,038                | 744                  |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 135               | -           | -      | 135                  | 104                  |
| Changes in net realizable value of agricultural produce after harvest   | -                 | (71)        | -      | (71)                 | 115                  |
| Increase due to harvest   | -                 | 523         | -      | 523                  | 112                  |
| Purchases and classifications   | 19                | 265         | -      | 284                  | 192                  |
| Consume   | (1)               | (251)       | -      | (252)                | (129)                |
| Expenses incurred   | -                 | -           | 12     | 12                   | 3                    |
| End of the period   | (586)             | (433)       | -      | (1,019)              | (779)                |
| Costs as of 12.31.16  | 114               | 524         | 12     | 650                  | -                    |
| Costs as of 12.31.15  | 90                | 269         | 3      | -                    | 362                  |

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29.

Foreign currency assets and liabilities

Book amounts of foreign currency assets and liabilities as of December 31, 2016 and June 30, 2016 are as follows:

| Items                             | Amount of foreign currency | Prevailing exchange rate (1) | Total as of 12.31.16 | Amount of foreign currency | Prevailing exchange rate (2) | Total as of 06.30.16 |
|-----------------------------------|----------------------------|------------------------------|----------------------|----------------------------|------------------------------|----------------------|
| <b>Assets</b>                     |                            |                              |                      |                            |                              |                      |
| Cash and cash equivalents         |                            |                              |                      |                            |                              |                      |
| US Dollar                         | 3                          | 15.79                        | 51                   | 1                          | 14.94                        | 9                    |
| Total cash and cash equivalents   |                            |                              | 51                   |                            |                              | 9                    |
| Trade and other receivables       |                            |                              |                      |                            |                              |                      |
| US Dollar                         | 2                          | 15.79                        | 29                   | 1                          | 14.94                        | 8                    |
| Receivables with related parties: |                            |                              |                      |                            |                              |                      |
| US Dollar                         | 2                          | 15.89                        | 36                   | 1                          | 15.04                        | 15                   |
| Brazilian Reais                   | -                          | -                            | -                    | 1                          | 4.20                         | 4                    |
| Total trade and other receivables |                            |                              | 65                   |                            |                              | 27                   |
| <b>Liabilities</b>                |                            |                              |                      |                            |                              |                      |
| Trade and other payables          |                            |                              |                      |                            |                              |                      |
| US Dollar                         | 3                          | 15.89                        | 40                   | 1                          | 15.04                        | 29                   |
| Payables with related parties:    |                            |                              |                      |                            |                              |                      |
| US Dollar                         | -                          | 15.89                        | 1                    | -                          | 15.04                        | 9                    |
| Brazilian Reais                   | 1                          | 5.40                         | 7                    | 1                          | 4.40                         | 4                    |
| Total trade and other payables    |                            |                              | 48                   |                            |                              | 42                   |
| Derivative financial instruments  |                            |                              |                      |                            |                              |                      |
| US Dollar                         | -                          | 15.89                        | 2                    | 1                          | 15.04                        | 14                   |
| Total derivative instruments      |                            |                              | 2                    |                            |                              | 14                   |
| <b>Borrowings</b>                 |                            |                              |                      |                            |                              |                      |
| US Dollar                         | 282                        | 15.89                        | 4,481                | 253                        | 15.04                        | 3,789                |
| Total borrowings                  |                            |                              | 4,481                |                            |                              | 3,789                |

(1)

Exchange rate as of December 31, 2016 according to Banco Nación Argentina records.

(2)

Exchange rate as of June 30, 2016 according to Banco Nación Argentina records.

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Separate Financial Statements (Continued)  
(All amounts in millions of Argentine Pesos, except shares and per share data and as otherwise indicated)  
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30.

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

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

Documentation storage provider Location

Bank S.A. Ruta Panamericana Km 37,5, Garín, Province of Buenos Aires  
Av. Fleming 2190, Munro, Province of Buenos Aires

Carlos Pellegrini 1401, Avellaneda, Province of Buenos Aires

Av. Amancio Alcorta 2482, Autonomous City of Buenos Aires

Iron Mountain Argentina S.A.

Cañada de Gomez 3825, Autonomous City of Buenos Aires

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

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

31.

Negative working capital

At the end of the period, the Company carried a working capital deficit of Ps. 400 whose treatment is being considered by the Board of Directors and the respective Management.

32.

Subsequent events

See subsequent events in Note 36 to the Unaudited Condensed Interim Consolidated Financial Statements.

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Information required by Section 68 of the Buenos Aires Stock Exchange Regulations  
and Section 12, Chapter III, Title IV of Resolution 622/13  
Unaudited Condensed Interim Statement of Financial Position as of December 31, 2016  
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1.  
Specific and significant legal systems that imply contingent lapsing or rebirth of benefits envisaged by such provisions.

None.

2.  
Significant changes in the Company's activities or other similar circumstances that occurred during the fiscal years included in the financial statements, which affect their comparison with financial statements filed in previous fiscal years, or that could affect those to be filed in future fiscal years.

Are detailed in the Business Review.

3.  
Receivables and liabilities by maturity date.

| Items                                     | Falling due (Point 3.a.) | Without term (Point 3.b.) | Without term (Point 3.b.) | To be due (Point 3.c.) |                    |                    |                     |                   |                   |                   |                 | Total |
|---|--------------------------|---------------------------|---------------------------|------------------------|--------------------|--------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------|
|   | 12.31.16                 | Current                   | Non-current               | Up to 3 months         | From 3 to 6 months | From 6 to 9 months | From 9 to 12 months | From 1 to 2 years | From 2 to 3 years | From 3 to 4 years | From 4 years on |       |
| Accounts receivables                      | -                        | 95                        | -                         | 492                    | -                  | -                  | -                   | 15                | -                 | -                 | -               | 602   |
| Trade and other receivables               | -                        | -                         | 1,010                     | -                      | -                  | -                  | 34                  | -                 | -                 | -                 | -               | 1,044 |
| Income tax credit and deferred income tax | -                        | -                         | -                         | -                      | -                  | -                  | -                   | -                 | -                 | -                 | -               | -     |



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|             |   |   |    |       |     |     |     |     |       |     |     |     |       |
|-------------|---|---|----|-------|-----|-----|-----|-----|-------|-----|-----|-----|-------|
|             | Total                                   | - | 95 | 1,010 | 492 | -   | -   | 34  | 15    | -   | -   | -   | 1,646 |
| Liabilities | Trade and other payables                | - | 23 | -     | 351 | -   | 104 | -   | -     | -   | -   | -   | 478   |
|             | Borrowings                              | - | -  | -     | 245 | 424 | 26  | 597 | 2,059 | 786 | 455 | 173 | 4,765 |
|             | Payroll and social security liabilities | - | -  | -     | 27  | -   | 34  | -   | -     | -   | -   | -   | 61    |
|             | Provisions                              | - | 1  | 22    | -   | -   | -   | -   | -     | -   | -   | -   | 23    |
|             | Total                                   | - | 24 | 22    | 623 | 424 | 164 | 597 | 2,059 | 786 | 455 | 173 | 5,327 |

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Information required by Section 68 of the Buenos Aires Stock Exchange Regulations  
and Section 12, Chapter III, Title IV of Resolution 622/13

Unaudited Condensed Interim Statement of Financial Position as of December 31, 2016

Stated in millions of pesos

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4.a.

Breakdown of accounts receivable and liabilities by currency and maturity.

| Items                |   | Current        |                  |       | Non-current    |                  |       | Total          |                  |       |
|----------------------|---|----------------|------------------|-------|----------------|------------------|-------|----------------|------------------|-------|
|                      |   | Local Currency | Foreign Currency | Total | Local Currency | Foreign Currency | Total | Local Currency | Foreign Currency | Total |
| Accounts receivables | Trade and other receivables               | 537            | 50               | 587   | -              | 15               | 15    | 537            | 65               | 602   |
|                      | Income tax credit and deferred income tax | 34             | -                | 34    | 1,010          | -                | 1,010 | 1,044          | -                | 1,044 |
|                      | Total                                     | 571            | 50               | 621   | 1,010          | 15               | 1,025 | 1,581          | 65               | 1,646 |
| Liabilities          | Trade and other payables                  | 430            | 48               | 478   | -              | -                | -     | 430            | 48               | 478   |
|                      | Borrowings                                | 284            | 1,008            | 1,292 | -              | 3,473            | 3,473 | 284            | 4,481            | 4,765 |
|                      | Payroll and social security liabilities   | 61             | -                | 61    | -              | -                | -     | 61             | -                | 61    |
|                      | Provisions                                | 1              | -                | 1     | 22             | -                | 22    | 23             | -                | 23    |
|                      | Total                                     | 776            | 1,056            | 1,832 | 22             | 3,473            | 3,495 | 798            | 4,529            | 5,327 |

4.b.

Breakdown of accounts receivable and liabilities by adjustment clause.

On December 31, 2016 there are no receivable and liabilities subject to adjustment clause.

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Information required by Section 68 of the Buenos Aires Stock Exchange Regulations  
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Unaudited Condensed Interim Statement of Financial Position as of December 31, 2016

Stated in millions of pesos

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4.c.

Breakdown of accounts receivable and liabilities by interest accrual.

| Items                                     | Current<br>Accruing<br>interest |          | Non-accruing<br>interest | Subtotal | Non-current<br>Accruing<br>interest |          | Non-accruing<br>interest | Subtotal | Accruing<br>interest |          | Non<br>Accruing<br>interest | Total |
|---|---------------------------------|----------|--------------------------|----------|-------------------------------------|----------|--------------------------|----------|----------------------|----------|-----------------------------|-------|
|   | Fixed                           | Floating |                          |          | Fixed                               | Floating |                          |          | Fixed                | Floating |                             |       |
| Accounts receivables                      |                                 |          |                          |          |                                     |          |                          |          |                      |          |                             |       |
| Trade and other receivables               | -                               | -        | 587                      | 587      | -                                   | -        | 15                       | 15       | -                    | -        | 602                         | 602   |
| Income tax credit and deferred income tax | -                               | -        | 34                       | 34       | -                                   | -        | 1,010                    | 1,010    | -                    | -        | 1,044                       | 1,044 |
| Total                                     | -                               | -        | 621                      | 621      | -                                   | -        | 1,025                    | 1,025    | -                    | -        | 1,646                       | 1,646 |
| Liabilities                               |                                 |          |                          |          |                                     |          |                          |          |                      |          |                             |       |
| Trade and other payables                  | -                               | -        | 478                      | 478      | -                                   | -        | -                        | -        | -                    | -        | 478                         | 478   |
| Borrowings                                | 960                             | 223      | 109                      | 1,292    | 3,296                               | 182      | (5)                      | 3,473    | 4,256                | 405      | 104                         | 4,765 |
| Payroll and social security liabilities   | -                               | -        | 61                       | 61       | -                                   | -        | -                        | -        | -                    | -        | 61                          | 61    |
| Provisions                                | -                               | -        | 1                        | 1        | -                                   | -        | 22                       | 22       | -                    | -        | 23                          | 23    |
| Total                                     | 960                             | 223      | 649                      | 1,832    | 3,296                               | 182      | 17                       | 3,495    | 4,256                | 405      | 666                         | 5,328 |

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

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Information required by Section 68 of the Buenos Aires Stock Exchange Regulations and Section 12, Chapter III, Title IV of Resolution 622/13  
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5.

Companies under section 33 of law N° 19,550 and other related parties.

a.

Interest in companies under section 33 of law N° 19,550.

| Name of the entity   | Place of business /<br>Country of incorporation | Principal activity<br>(* )   | % of ownership interest<br>held by the Group |
|--|---|------------------------------|--|
| Direct equity interest:  |   |                              |  |
| BrasilAgro-Companhía Brasileira de Propiedades Agrícolas (1)                 | Brazil  | Agricultural                 | 40.94%                                       |
| Agropecuaria Santa Cruz de la Sierra S.A. (formerly Doneldon S.A.)           | Uruguay   | Investment                   | 100%   |
| Futuros y Opciones.Com S.A.  | Argentina                                       | Brokerage                    | 59.59%                                       |
| Helmir S.A.  | Uruguay   | Investment                   | 100.00%                                      |
| IRSA   | Argentina                                       | Real State                   | 63.38% (2)                                   |
| Amauta Agro S.A. (formerly FyO Trading S.A. due to change of corporate name) | Argentina                                       | Brokerage                    | 2.20%  |
| Sociedad Anónima Carnes Pampeanas S.A.                                       | Argentina                                       | Agro-industrial              | 99.04%                                       |
| Agouranga S.A.   | Argentina                                       | Agricultural                 | 35.72%                                       |
| Granos de Olavarría S.A.   | Argentina                                       | Warehousing and<br>brokerage | 2.20%  |
| Agrofy S.A   | Argentina                                       | Advertising                  | 45.23%                                       |

(\*)

All companies whose main activity is “investment” do not have significant assets and liabilities other than their respective interest holdings in operating entities.

(1)

The Group has consolidated the investment in BrasilAgro-Companhía Brasileira de Propiedades Agrícolas (“BrasilAgro”) considering that the Company exercises “de facto control” over it.

(2)

The effect of treasury shares as of December 31, 2016 was not considered.

b.

Companies under section 33 of law N° 19,550 and other related parties debit / credit balances. See Note 26.

6.

Loans to directors.

See Note 26.

7.

Inventories.

The company conducts physical inventories once a fiscal year in the most significant properties, covering all the assets they possess. There is no relevant immobilization of inventory.

8.  
Current values.

See Note 2 to the Consolidated Financial Statements as of June 30, 2016 and 2015.

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Information required by Section 68 of the Buenos Aires Stock Exchange Regulations  
and Section 12, Chapter III, Title IV of Resolution 622/13  
Unaudited Condensed Interim Statement of Financial Position as of December 31, 2016  
Stated in millions of pesos  
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9.  
Appraisal revaluation of property, plant and equipment.

None.

10.  
Obsolete unused property, plant and equipment.

None.

11.  
Equity interest in other companies in excess of that permitted by section 31 of law N° 19,550.

None.

12.  
Recovery values.

See Note 2 to the Consolidated Financial Statements as of June 30, 2016 and 2015.

13.  
Insurances.

The types of insurance used by the company were the following:

| Insured property | Risk covered | Amount insured | Book value |
|------------------|--------------|----------------|------------|
|------------------|--------------|----------------|------------|

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|   |  | Ps. | Ps. |
|---|--|-----|-----|
| Buildings, machinery, silos, installation and furniture and equipment | Theft, fire and technical insurance            | 388 | 502 |
| Vehicles  | Third parties, theft, fire and civil liability | 24  | 8   |

14. Allowances and provisions that, taken individually or as a whole, exceed 2% of the shareholder's equity.

None.

15. Contingent situations at the date of the financial statements which probabilities are not remote and the effects on the Company's financial position have not been recognized.

Not applicable.

16. Status of the proceedings leading to the capitalization of irrevocable contributions towards future subscriptions.

Not applicable.

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Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria

Information required by Section 68 of the Buenos Aires Stock Exchange Regulations and Section 12, Chapter III, Title IV of Resolution 622/13  
Unaudited Condensed Interim Statement of Financial Position as of December 31, 2016  
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17. Unpaid accumulated dividends on preferred shares.

None.

18. Restrictions on distributions of profits.

According to the Argentine laws, 5% of the profit of the year is separated to constitute legal reserves until they reach legal capped amounts (20% of total capital). These legal reserves are not available for dividend distribution.

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REVIEW REPORT ON THE UNAUDITED CONDENSED  
INTERIM SEPARATE FINANCIAL STATEMENTS

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

Introduction

We have reviewed the unaudited condensed interim separate financial statements of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria (hereinafter “the Company”) which included the unaudited condensed interim separate statement of financial position as of December 31, 2016, and the unaudited condensed interim separate statements of income and comprehensive income for the six-month and three-month period ended December 31, 2016, the unaudited condensed interim separate statements of changes in shareholders’ equity and the unaudited condensed interim separate statements of cash flows for the six-month period ended December 31, 2016 and selected explanatory notes.

The balances and other information corresponding to the fiscal year ended June 30, 2016 and the interim periods within that fiscal period are an integral part of these financial statements and, therefore, they should be considered in relation to those financial statements.

Management responsibility

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

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

Scope of our review

Our review was limited to the application of the procedures established in the International Standard on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as a review standard in Argentina in Technical Resolution No. 33 of the FACPCE, without modification as approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries of persons responsible for the preparation of the information

included in the unaudited condensed interim separate financial statements, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the separate statement of financial position, the separate statement of income, the separate statement of comprehensive income and the separate statement of cash flows of the Company.

#### Conclusion

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

#### Emphasis paragraph

Without modifying our conclusion, we want to refer to the information included in Note 6 of these unaudited condensed interim separate financial statements.

#### Report on compliance with current regulations

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

- a)  
the unaudited condensed interim separate financial statements of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria are being processed for recording in the "Inventory and Balance Sheet Book", and comply, as regards those matters that are within our competence, with the provisions set forth in the Commercial Companies Law and in the corresponding resolutions of the National Securities Commission;
- b)  
the unaudited condensed interim separate financial statements of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria arise from accounting records carried in all formal respects in accordance with applicable legal provisions;

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

- c)  
we have read the additional information to the notes to the unaudited condensed interim separate statements required by section 68 of the listing regulations of the Buenos Aires Stock Exchange and by section 12 of Chapter III Title IV of the text of the National Securities Commission, on which, as regards those matters that are within our competence, we have no observations to make;
- d)  
as of December 31, 2016, the debt of Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria owed in favor of the Argentina Integrated Pension System which arises from accounting records and submissions

amounted to Ps. 8,405,011 which was no callable at that date.

Autonomous City of Buenos Aires, February 13, 2017.

PRICE WATERHOUSE & CO. S.R.L.

(Socio)

C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Carlos Martín Barbaфина

Contador Público (UCA)

C.P.C.E.C.A.B.A. T° 175 F° 65

Buenos Aires, February 13, 2017 - Cresud S.A.C.I.F. y A. (NASDAQ: CRESY – BCBA: CRES), one of the leading agricultural companies in South America, announces today its results for the first six months of fiscal year 2017 ended December 31, 2016.

#### Consolidated Results

| In millions of Argentine Pesos  | IIQ<br>2017 | IIQ<br>2016 | YoY Var | 6M17    | 6M16   | YoY Var |
|---|-------------|-------------|---------|---------|--------|---------|
| Revenues  | 18,946      | 1,767       | 972.2%  | 38,696  | 3,391  | 1041.1% |
| Costs   | -13,928     | -1,335      | 943.3%  | -28,447 | -2,530 | 1024.4% |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 539         | 392         | 37.5%   | 921     | 589    | 56.4%   |
| Changes in the fair value of agricultural produce after harvest   | 21          | 123         | -82.9%  | -77     | 114    | -       |
| Gross profit  | 5,578       | 947         | 489.0%  | 11,093  | 1,564  | 609.3%  |
| Gain from disposal of investment property   | 84          | 638         | -86.8%  | 103     | 1,022  | -89.9%  |
| Gain from disposal of farmlands   | -1          | -           | -       | 72      | -      | -       |
| General and administrative expenses   | -997        | -205        | 386.3%  | -2,019  | -399   | 406.0%  |
| Selling expenses  | -3,573      | -137        | 2508.0% | -7,004  | -284   | 2366.2% |
| Other operating results, net  | -94         | 155         | -       | -115    | 166    | -       |



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|   |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|
| Management fees   | -104   | -      | -      | -104   | -      | -      |
| Profit from Operations                                    | 893    | 1,398  | -36.1% | 2,026  | 2,069  | -2.1%  |
| Share of loss / (profit) of associates and joint ventures | -47    | 94     | -      | -102   | -403   | -74.7% |
| Profit from operations before financing and taxation      | 846    | 1,492  | -43.3% | 1,924  | 1,666  | 15.5%  |
| Financial results, net                                    | -1,307 | -2,500 | -47.7% | -2,872 | -2,947 | -2.5%  |
| Loss before income tax                                    | -461   | -1,008 | -54.3% | -948   | -1,281 | -26.0% |
| Income tax  | 523    | 78     | 570.5% | 495    | -11    | -      |
| Profit / (loss) for the period from continuing operations | 62     | -930   | -      | -453   | -1,292 | -64.9% |
| Profit from discontinued operations after income tax      | 4,631  | -      | -      | 4,273  | -      | -      |
| Profit / (loss) for the period                            | 4,693  | -930   | -      | 3,820  | -1,292 | -      |
| Attributable to:  |        |        |        |        |        |        |
| Cresud's Shareholders                                     | 1,404  | -480   | -      | 919    | -771   | -      |
| Non-controlling interest                                  | 3,289  | -450   | -      | 2,901  | -521   | -      |

1

The Company's consolidated results reflect in all lines the material accounting impact of the consolidation of the investment made by our subsidiary IRSA Inversiones y Representaciones S.A. in the Israeli holding company IDB Development Corporation since IIQ16. Revenues and profits from operations for the first 6 months of 2017 reached ARS 38,696 million and ARS 2,026 million, respectively. In turn, the Company recorded net income of ARS 3,820 million (ARS 919 million attributable to CRESUD's shareholders) for the 6-month period of 2017, mainly explained by the results delivered by the operations center in Israel of our urban subsidiary IRSA Inversiones y Representaciones S.A., reflecting the sale of the agrochemical company Adama and the increase in the listing price of Clal Insurance company, recorded at fair value.

Description of Operations by Segment

| Description of Operations by Segment | 6M 2017      |                                  |        | 6M 2016      |                                  |        | YoY Var |
|--------------------------------------|--------------|----------------------------------|--------|--------------|----------------------------------|--------|---------|
|                                      | Agricultural | Urban Properties and Investments | Total  | Agricultural | Urban Properties and Investments | Total  |         |
| Revenues                             | 1,969        | 2,085                            | 36,108 | 1,294        | 1,586                            | 36,880 | 1222.0% |

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|   |         |       |          |          |          |         |       |         |         |
|---|---------|-------|----------|----------|----------|---------|-------|---------|---------|
| Costs   | (2,614) | (496) | (24,700) | (25,105) | (25,810) | (1,623) | (383) | (2,006) | 1286.3% |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 931     | -     | -        | -        | 931      | 590     | -     | 590     | 57.8%   |
| Changes in the fair value of agricultural produce after harvest   | (77)    | -     | -        | -        | (77)     | 114     | -     | 114     | -       |
| Gross profit  | 209     | 1,598 | 321      | 10,910   | 11,119   | 375     | 1,203 | 3578    | 604.6%  |
| Gain from disposal of investment property   | -       | 84    | 19       | 103      | 103      | -       | 1,022 | 2022    | -89.9%  |
| Gain from disposal of farmlands   | 72      | -     | -        | -        | 72       | -       | -     | -       | -       |
| General and administrative expenses   | (190)   | (338) | (1,500)  | (1,838)  | (2,028)  | (127)   | (277) | (404)   | 402.0%  |
| Selling expenses  | (257)   | (186) | (5,566)  | (6,757)  | (7,008)  | (166)   | (121) | (287)   | 2341.8% |
| Management Fees   | -       | (48)  | (56)     | (104)    | (104)    | -       | -     | -       | -       |
| Gain from business combinations   | -       | -     | -        | -        | -        | -       | -     | -       | -       |
| Other operating results, net  | 8       | (18)  | (99)     | (117)    | (109)    | 45      | 123   | 168     | -       |
| (Loss) / profit from operations   | (158)   | 1,084 | 119      | 2,203    | 2,045    | 127     | 1,950 | 2077    | -1.5%   |
| Share of profit / (loss) of associates  | 1       | (92)  | (6)      | (98)     | (97)     | 4       | (403) | (399)   | -75.7%  |
| Segment (loss) / profit   | (157)   | 992   | 1,113    | 2,105    | 1,948    | 131     | 1,547 | 678     | 16.1%   |

2

### Agricultural Business

#### Period Summary

The 2017 season has been developing under the “El Niño” pattern in Argentina, with above-average rainfall rates. As of the date, we are finishing the planting stage of the area planned for this season, and we increased the area leased to third parties by 47% as compared to the previous season. Moreover, we expect sustained commodity prices for this season.

As concerns land development and sale of farmlands, during this season we increased the area under development as compared to the previous seasons, in light of the more favorable macroeconomic conditions, while we also managed to consummate the sale of two farms comprising 2,615 hectares intended for agriculture in the Province of La Pampa (Argentina) for USD 6 million during the first quarter of 2017.

#### Our Portfolio

Our portfolio is composed of 296,564 hectares in operation and 455,290 hectares of land reserves distributed among 4 countries in the region: Argentina, with a mixed model combining land development and agricultural production; Bolivia, with a productive model in Santa Cruz de la Sierra; and through our subsidiary BrasilAgro, Brazil and Paraguay, where the strategy is exclusively focused on the development of lands.

Breakdown of Hectares (\*)  
(Own and under Concession)

|           | Productive Lands |               | Land Reserves     |          | Total   |
|-----------|------------------|---------------|-------------------|----------|---------|
|           | Agricultural     | Cattle / Milk | Under Development | Reserved |         |
| Argentina | 64,685           | 160,799 (**)  | 2,172             | 328,031  | 555,687 |
| Brazil    | 35,989           | 14,258        | 13,539            | 60,358   | 124,144 |
| Bolivia   | 11,406           | -             | -                 | 1,127    | 12,533  |
| Paraguay  | 7,261            | 2,167         | 1,553             | 48,509   | 59,490  |
| Total     | 119,341          | 177,224       | 17,264            | 438,025  | 751,854 |

(\*) Includes Brazil, Paraguay, Agro-Uranga at 35.723% and 132,000 hectares under concession.

(\*\*) Includes 85,000 hectares intended for sheep breeding.

Agricultural Segment Income

I)

Land Development, Transformation and Sales

We periodically sell properties that have reached a considerable appraisal to reinvest in new farms with higher appreciation potential. We analyze the possibility of selling farms based on a number of factors, including the expected future yield of the farmland for continued agricultural and livestock exploitation, the availability of other investment opportunities and cyclical factors that have a bearing on the global values of farmlands.

During the first quarter of fiscal year 2017 we sold “El Invierno” and “La Esperanza” farms comprising 2,615 hectares intended for agriculture, located in the district of “Rancul”, Province of La Pampa. The total transaction amount was USD 6 million (USD 2,294/hectare). These farms were valued at approximately ARS 13.5 million. For such reason, profit from operations of this segment was ARS 66 million, and consequently, income from this segment increased ARS 70 million as compared to the same period of the previous fiscal year. No sales of farmlands were closed in the second quarter of this fiscal year.

3

| In millions of Argentine Pesos           | IIQ 2017 | IIQ 2016 | YoY Var | 6M17 | 6M16 | YoY Var |
|--|----------|----------|---------|------|------|---------|
| Revenues                                 | -        | -        |         | -    | -    | -       |
| Costs                                    | (2)      | (2)      | 29.8%   | (5)  | (4)  | 25.0%   |
| Gross loss                               | (2)      | (2)      | 29.8%   | (5)  | (4)  | 25.0%   |
| (Loss) / gain from disposal of farmlands | (1)      | -        | -       | 72   | -    | -       |
| (Loss) / profit from operations          | (2)      | (2)      | (29.9%) | 66   | (5)  | -       |
| Segment (loss) / profit                  | (2)      | (2)      | (29.9%) | 66   | (5)  | -       |

| Area under Development (hectares) | Developed in 2015/2016 | Projected for 2016/2017 |
|-----------------------------------|------------------------|-------------------------|
| Argentina*                        | 3,234                  | 2,172                   |
| Brazil                            | 3,638                  | 9,601                   |
| Paraguay                          | 1,364                  | 1,553                   |
| Total                             | 8,236                  | 13,326                  |

\*2016/2017: Corresponds to Phase II transformation hectares.

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During this season we expect to transform 13,326 hectares in the region: 9,601 hectares in Brazil; 1,553 hectares in Paraguay; and 2,172 hectares in Argentina. We increased the area under development compared with the figures announced at the start of the season due to the improvement in operating margins during this year, after the changes implemented by the government in the agricultural industry and the lower development costs in dollars.

4

II)  
Agricultural Production  
II.a) Crops and Sugarcane  
Crops

| In millions of Argentine Pesos  | IIQ<br>2017 | IIQ<br>2016 | YoY Var | 6M17    | 6M16  | YoY Var |
|---|-------------|-------------|---------|---------|-------|---------|
| Revenues  | 257         | 192         | 33.9%   | 644     | 462   | 39.4%   |
| Costs   | (608)       | (375)       | 62.1%   | (1,131) | (683) | 65.6%   |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 395         | 218         | 81.2%   | 586     | 316   | 85.4%   |
| Changes in the fair value of agricultural produce after harvest   | 21          | 123         | (82.9%) | (77)    | 114   | -       |
| Gross profit  | 65          | 158         | (58.9%) | 22      | 209   | (89.5%) |
| General and administrative expenses   | (53)        | (34)        | 55.9%   | (99)    | (71)  | 39.4%   |
| Selling expenses  | (78)        | (43)        | 81.4%   | (169)   | (106) | 59.4%   |
| Other operating results, net  | (30)        | 22          | -       | 15      | 45    | (66.7%) |
| (Loss) / profit from operations   | (96)        | 103         | -       | (231)   | 77    | -       |
| Share of profit of associates   | 9           | 6           | 50.0%   | 4       | 6     | (33.3%) |
| Segment (loss) / profit   | (87)        | 109         | -       | (227)   | 83    | -       |

Sugarcane

| In millions of Argentine Pesos  | IIQ<br>2017 | IIQ<br>2016 | YoY Var | 6M17  | 6M16  | YoY Var |
|---|-------------|-------------|---------|-------|-------|---------|
| Revenues  | 73          | 67          | 9.0%    | 235   | 169   | 39.1%   |
| Costs   | (111)       | (122)       | (9.0%)  | (357) | (268) | 33.2%   |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | 63          | 73          | (13.7%) | 175   | 137   | 27.7%   |

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|   |      |     |          |      |      |         |
|---|------|-----|----------|------|------|---------|
| Changes in the fair value of agricultural produce after harvest | -    | -   | -        | -    | -    | -       |
| Gross profit  | 25   | 18  | 38.9%    | 53   | 38   | 39.5%   |
| General and administrative expenses                             | (10) | (7) | 42.9%    | (21) | (13) | 61.5%   |
| Selling expenses  | -    | (1) | (100.0%) | (3)  | (4)  | (25.0%) |
| Other operating results, net                                    | (2)  | 1   | -        | (6)  | 1    | -       |
| Profit from operations  | 13   | 11  | 18.2%    | 23   | 22   | 4.5%    |
| Share of profit / (loss) of associates and joint ventures       | -    | -   | -        | -    | -    | -       |
| Segment profit  | 13   | 11  | 18.2%    | 23   | 22   | 4.5%    |

Operations

| Production Volume (1) | 6M17    | 6M16    | 6M15    | 6M14    | 6M13    |
|-----------------------|---------|---------|---------|---------|---------|
| Corn                  | 227,042 | 174,105 | 222,456 | 79,336  | 86,378  |
| Soybean               | 4,649   | 12,064  | 18,464  | 14,269  | 11,787  |
| Wheat                 | 29,360  | 14,798  | 15,650  | 11,875  | 3,878   |
| Sorghum               | 732     | 448     | 1,335   | 3,789   | 5,078   |
| Sunflower             | 55      | -       | 785     | -       | 288     |
| Others                | 2,150   | 5,284   | 2,716   | 1,283   | 4,033   |
| Total Crops (tons)    | 263,988 | 206,699 | 261,406 | 110,552 | 111,442 |
| Sugarcane (tons)      | 554,260 | 877,396 | 673,575 | 477,235 | 806,102 |

(1) Includes BrasilAgro, CRESCA at 50%, Acres del Sud, Ombú, Yatay and Yuchán. Excludes Agro-Uranga.

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| Volume of Sales (1) | 6M17  |      |       | 6M16  |      |       | 6M15  |      |       | 6M14  |      |       | 6M13  |      |       |
|---------------------|-------|------|-------|-------|------|-------|-------|------|-------|-------|------|-------|-------|------|-------|
|                     | D.M.  | F.M. | Total | D.M.  | F.M. | Total | D.M.  | F.M. | Total | D.M.  | F.M. | Total | D.M.  | F.M. | Total |
| Corn                | 196.1 | -    | 196.1 | 93.7  | 37.9 | 131.6 | 219.8 | -    | 219.8 | 149.1 | -    | 149.1 | 124.1 | 37.8 | 161.9 |
| Soybean             | 53.1  | -    | 53.1  | 86.9  | 8.5  | 95.4  | 76.4  | 14.2 | 91.6  | 63.9  | 3.0  | 66.9  | 30.3  | 4.6  | 34.9  |
| Wheat               | 1.2   | 1.0  | 2.2   | 6.2   | 28.9 | 35.1  | 3.3   | -    | 3.3   | 3.7   | -    | 3.7   | 7.5   | -    | 7.5   |
| Sorghum             | 0.7   | -    | 0.7   | 0.3   | -    | 0.3   | 0.6   | -    | 1.6   | 3.2   | -    | 3.2   | 4.0   | -    | 4.0   |
| Sunflower           | 0.6   | -    | 0.6   | 4.7   | -    | 4.7   | 1.8   | -    | 1.8   | 5.8   | -    | 5.8   | 2.2   | -    | 2.2   |
| Others              | 2.1   | -    | 2.1   | 2.7   | -    | 2.7   | 0.7   | -    | 0.7   | 5.6   | -    | 5.6   | 10.3  | -    | 10.3  |
|                     | 253.8 | 1.0  | 254.8 | 194.5 | 75.3 | 269.8 | 302.6 | 14.2 | 316.8 | 231.3 | 3.0  | 234.3 | 178.4 | 42.4 | 220.8 |

Total Crops (thousands of tons)

Sugarcane (thousands of tons) 554.1 - 554.1 827.3 - 827.3 680.4 - 680.4 540.5 - 540.5 888.6 - 888.6

D.M.: Domestic market

F.M.: Foreign market

(1) Includes BrasilAgro, CRESCA at 50%, Acres del Sud, Ombú, Yatay and Yuchán. Excludes Agro-Uranga.

>

Income from the Crops segment decreased by ARS 310 million, from an income of ARS 83 million during IIQ16 to a loss of ARS 227 million in IIQ17, mainly due to:

o

A loss of ARS 141 million, originated mainly in Argentina as a result of the pullback in corn and soybean prices throughout the first half of 2017 after the peak recorded in the first half of 2016, reflected in sale and holding results, compared to

o

ARS 102.9 million in income from the general rise in prices experienced toward the end of the first half of 2016, due to the elimination/reduction of withholding taxes on agriculture and the sharp devaluation of the peso against the dollar.

>

The Sugarcane segment's income was similar to the one recorded in the first half of fiscal year 2016, due to higher revenues from sales and output posted in Brazil and higher general and management expenses, reflecting by the variation in the exchange rate.

| Area in Operation - Crops (hectares) 1 | As of 12/31/16 | As of 12/31/15 | YoY Var |
|--|----------------|----------------|---------|
| Own farms                              | 103,357        | 113,180        | (8.7%)  |
| Leased farms                           | 60,168         | 33,129         | 81.6%   |
| Farms under concession                 | 22,574         | 24,602         | (8.2%)  |
| Own farms leased to third parties      | 7,651          | 2,373          | 222.4%  |
| Total Area Assigned to Crop Production | 193,750        | 173,284        | 11.8%   |

(1) Includes AgroUranga, Brazil and Paraguay.

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The area in operation assigned to the crop segment increased by 11.8% as compared to the same period of the previous fiscal year, mainly due to the larger area of leased farms and own farms leased to third parties.

II.b) Cattle and Dairy Production

During this season we started raising cattle in Brazil, in addition to our cattle operations in Argentina and Paraguay.

| Production Volume (1)      | 6M17  | 6M16  | 6M15  | 6M14   | 6M13  |
|----------------------------|-------|-------|-------|--------|-------|
| Cattle herd (tons)         | 4,448 | 3,717 | 4,124 | 3,676  | 3,748 |
| Milking cows (tons)        | 258   | 311   | 227   | 276    | 238   |
| Cattle (tons)              | 4,706 | 4,028 | 4,351 | 3,952  | 3,986 |
| Milk (thousands of liters) | 7,971 | 9,082 | 9,129 | 10,129 | 9,450 |

(1) Includes Carnes Pampeanas and CRESCA at 50%.

| Volume of | 6M17 | 6M16 | 6M15 | 6M14 | 6M13 |
|-----------|------|------|------|------|------|
|-----------|------|------|------|------|------|

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| Sales (1)                  | D.M. | F.M. | Total | D.M. | F.M. | Total | D.M. | F.M. | Total | D.M. | F.M. | Total | D.M. | F.M. | Total |
|----------------------------|------|------|-------|------|------|-------|------|------|-------|------|------|-------|------|------|-------|
| Cattle herd                | 4.3  | -    | 4.3   | 5.7  | -    | 5.7   | 6.2  | -    | 6.2   | 7.2  | -    | 7.2   | 4.3  | -    | 4.3   |
| Milking cows               | 0.7  | -    | 0.7   | 0.3  | -    | 0.3   | 0.3  | -    | 0.3   | 0.2  | -    | 0.2   | 0.2  | -    | 0.2   |
| Cattle (thousands of tons) | 5.0  | -    | 5.0   | 6.0  | -    | 6.0   | 6.5  | -    | 6.5   | 7.4  | -    | 7.4   | 4.5  | -    | 4.5   |
| Milk (millions of liters)  | 7.6  | -    | 7.6   | 8.7  | -    | 8.7   | 8.8  | -    | 8.8   | 9.9  | -    | 9.9   | 9.1  | -    | 9.1   |

D.M.: Domestic market

F.M.: Foreign market

(1) Includes CRESCA at 50%.

Cattle

| In millions of Argentine Pesos  | IIQ<br>2017 | IIQ<br>2016 | YoY Var | 6M17  | 6M16  | YoY Var |
|---|-------------|-------------|---------|-------|-------|---------|
| Revenues  | 72          | 60          | 20.1%   | 133   | 118   | 12.7%   |
| Costs   | (117)       | (75)        | 55.4%   | (222) | (154) | 44.2%   |
| Initial recognition and changes in the fair value of biological assets and agricultural produce | 66          | 76          | -13.0%  | 125   | 104   | 20.2%   |
| Changes in the fair value of agricultural produce   | -           | -           | -       | -     | -     | -       |
| Gross profit  | 21          | 61          | -65.5%  | 36    | 68    | -47.1%  |
| (Loss) / profit from operations   | (4)         | 46          | -       | (12)  | 38    | -       |
| Segment (loss) / profit   | (4)         | 46          | -       | (12)  | 38    | -       |

During the quarter under review, we posted lower results by approximately ARS 51 million as compared to those recorded in IIQ16. The main reason for the decrease was the rise in production costs and lower holding results in Argentina, and the commencement of operations in Brazil, where no production income has been recorded yet.

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| Area in operation – Cattle (hectares) (1) | As of 12/31/16 | As of 12/31/15 | YoY Var |
|---|----------------|----------------|---------|
| Own farms                                 | 88,430         | 71,938         | 22.9%   |
| Leased farms                              | 12,635         | 12,635         | -       |
| Farms under concession                    | 1,451          | 820            | 77.0%   |
| Own farms leased to third parties         | 70             | 6,023          | (98.8%) |
| Total Area Assigned to Cattle Production  | 102,586        | 91,416         | 12.2%   |

(1) Includes AgroUranga, Brazil and Paraguay.

>

The area of farms assigned to cattle production has increased, mainly as a result of the larger number of hectares in Brazil allocated to this activity (14,258 hectares) offset by a reduction in the hectares leased to third parties.

| Stock of Cattle Herds | As of 12/31/16 | As of 12/31/15 |
|-----------------------|----------------|----------------|
| Breeding stock        | 68,865         | 54,354         |
| Winter grazing stock  | 12,175         | 12,545         |
| Milk farm stock       | 4,060          | 5,473          |

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Total Stock (heads) 85,100 72,372

Dairy

| In millions of Argentine Pesos  | IIQ 2017 | IIQ 2016 | YoY Var | 6M17   | 6M16   | YoY Var |
|---|----------|----------|---------|--------|--------|---------|
| Revenues  | 30.6     | 13.5     | 126.8%  | 51.0   | 31.0   | 64.5%   |
| Costs   | (50.7)   | (29.4)   | 72.5%   | (93.0) | (63.0) | 47.6%   |
| Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest | -        | -        | -       | -      | -      | -       |
| Gross profit  | 2.5      | 1.1      | 129.9%  | 3.0    | 1.0    | 200.0%  |
| Loss from operations  | (1.7)    | (1.2)    | 33.2%   | (4.0)  | (4.0)  | 0.0%    |
| Segment loss  | (1.7)    | (1.2)    | 33.2%   | (4.0)  | (4.0)  | 0.0%    |

As concerns our dairy business in Argentina, we recorded a similar loss to that of the same quarter of 2016 in a scenario of rising milk prices, lower production due to a smaller herd, consequent productivity, and rising production costs.

| Milk Production                              | 12/31/2016 | 12/31/2015 |
|--|------------|------------|
| Daily average milking cows (heads)           | 1,774      | 1,987      |
| Milk Production / Milking Cow / Day (liters) | 24.42      | 24.86      |

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| Area in Operation – Dairy (hectares) | As of 12/31/16 | As of 12/31/15 | YoY Var |
|--------------------------------------|----------------|----------------|---------|
| Own farms                            | 2,273          | 2,273          | -       |

>

We perform our milking business in El Tigre farm.

III: Other Segments

Under “Others” we include the results from Agricultural Rental and Services, Agro-industrial Activities and our investment in FyO.

The “Others” segment recorded an income of ARS 3 million in the six-month period of 2017, mostly explained by a higher loss in our agroindustrial business developed in our meat packing plant in La Pampa recorded compensated by the results of our subsidiary Futuros y Opciones, which is mainly engaged in the trading of crops and sale of inputs. Futuros y Opciones recorded an income of ARS 36 million reflecting the upsurge in the grain consignment business, the recovery of the input business as growers opted not to invest in technology during the previous year, and a higher turnover from the brokerage business hand in hand with a more competitive exchange rate than in the past year. In contrast,

1

9



Urban Properties and Investments Business (through our subsidiary IRSA Inversiones y Representaciones Sociedad Anónima)

We develop our Urban Properties and Investments segment through our subsidiary IRSA. As of December 31, 2016, our equity interest in IRSA was 63.38% over stock capital (63.77% considering repurchased treasury stock).

Consolidated Results of our Subsidiary IRSA Inversiones y Representaciones S.A.

The following information has been extracted from the financial statements of our controlled company IRSA as of December 31, 2016:

| In millions of Argentine Pesos               | IIQ 17 | IIQ 16 | YoY Var | 6M 17  | 6M 16 | YoY Var |
|--|--------|--------|---------|--------|-------|---------|
| Revenues                                     | 18,144 | 1,195  | 1418.3% | 36,831 | 2,164 | 1602.0% |
| Profit from operations                       | 1,141  | 1,223  | -6.7%   | 2,288  | 1,948 | 17.5%   |
| Depreciation and amortization                | 1,492  | 51     | 2825.5% | 2,901  | 106   | 2636.8% |
| EBITDA                                       | 2,633  | 1,275  | 106.5%  | 5,189  | 2,054 | 152.6%  |
| Profit / (loss) for the period               | 4,979  | -596   | -       | 4,197  | -910  | -       |
| Attributable to equity holders of the parent | 2,644  | -213   | -       | 2,067  | -487  | -       |
| Attributable to non-controlling interest     | 2,335  | -383   | -       | 2,130  | -423  | -       |

#### Operations Center in Argentina

IRSA is one of Argentina's leading real estate companies in terms of total assets. IRSA is engaged, directly or indirectly through subsidiaries and joint ventures, in a range of diversified real estate related activities in Argentina and abroad, including:

>

The acquisition, development and operation of shopping centers and offices, through its interest of 94.61% in IRSA Propiedades Comerciales S.A. (continuing company of Alto Palermo S.A.), one of Argentina's leading operators of commercial real estate with a controlling interest in 16 shopping centers and 6 office buildings totaling 416,000 sqm of Gross Leaseable Area (337,000 in shopping centers and 79,000 in offices).

>

The acquisition and development of residential properties and the acquisition of undeveloped land reserves for future development or sale.

>

The acquisition and operation of luxury hotels.

>

Selective investments outside Argentina.

>

Financial investments, including IRSA's current 29.91% equity interest in Banco Hipotecario, which is one of the leading financial institutions in Argentina.

>

International investments, including a 49% interest in the Lipstick Building in New York and 49% of the voting rights in the Condor Hospitality Trust hotel REIT (NASDAQ: CDOR).

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As concerns the shopping centers' segment, during the first six months of fiscal year 2017, our tenants' sales reached ARS 17,815.5 million, 19.9% higher than in the same period of 2016, although recording a deceleration as compared to the preceding quarters, reflecting the fall in spending that has been observed in the past months. Our portfolio's leasable area increased by approximately 2,300 square meters, mainly explained by the completion of the second expansion stage at Distrito Arcos and the addition of significant tenants such as Megatlon, Farmacity, Akiabara, Stock Center and Mishka. The occupancy rate stood at optimum levels of 98.4%, reflecting the quality of our portfolio.

As concerns the offices' segment, during the first six months of fiscal year 2017, revenues from the offices segment increased 49.7% as compared to the same period of 2016, mainly explained by the depreciation of the peso vis-à-vis the dollar. EBITDA from this segment grew 93.1% in the first six months of fiscal year 2017 compared to the same period of 2016, principally explained by the increase in revenues and the gain resulting from the business combination of Entertainment Holding S.A. (which is indirect holder of 35% of La Rural S.A., the company that runs the exhibition center known as Predio Ferial de Palermo in the City of Buenos Aires) with our subsidiary IRSA Propiedades Comerciales

As concerns the sales and developments segment, for the six-month period of fiscal year 2017, EBITDA from the Sales and Developments segment was negative for ARS 48 million as compared to EBITDA for ARS 937 million during the first six months of 2016, in which higher gains from disposal of investment property had been recorded. While 1,795 sqm in the Intercontinental Plaza office building were sold in the first half of FY 2017, 1,761 sqm in the Maipú 1300 building, 5,963 sqm in the Intercontinental Plaza building, the Isla Sirgadero plot, and the entire Dique IV office building located in Puerto Madero, had been sold in the first half of FY 2016.

#### Operations Center in Israel

As of December 31, 2016, the investment made in IDBD amounted to USD 515 million and IRSA's indirect equity interest reached 68.3% of IDBD's stock capital. Moreover, IRSA holds 8.8% of the stock capital of Discount Investment Corporation S.A. ("DIC").

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#### Operating Results – In millions of Argentine Pesos

|   | September 30, 2016 (for the period 04.01 through 09.30) |              |                    |            |        |         |
|---|---|--------------|--------------------|------------|--------|---------|
|   | Operations Center in Israel                             |              |                    |            |        |         |
|   | Real Estate   | Supermarkets | Telecommunications | Insurances | Others | Total   |
| Revenues                                  | 2,484   | 23,476       | 7,863              | -          | 198    | 34,021  |
| Costs                                     | -1,700  | -17,544      | -5,356             | -          | -100   | -24,700 |
| Gross profit                              | 784   | 5,932        | 2,507              | -          | 98     | 9,321   |
| Gain from disposal of investment property | -   | -            | -                  | -          | 19     | 19      |
| General and administrative expenses       | -130  | -302         | -761               | -          | -307   | -1,500  |
| Selling expenses                          | -47   | -4,811       | -1,679             | -          | -29    | -6,566  |

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|   |        |        |        |       |        |         |
|---|--------|--------|--------|-------|--------|---------|
| Management Fees   | -23    | -31    | -2     | -     | -      | -56     |
| Other operating results, net                              | -      | -31    | -19    | -     | -49    | -99     |
| Profit / (loss) from operations                           | 584    | 757    | 46     | -     | -268   | 1,119   |
| Share of profit / (loss) of associates and joint ventures | -114   | -      | -      | -     | 108    | -6      |
| Segment profit / (loss)                                   | 470    | 757    | 46     | -     | -160   | 1,113   |
| Operating assets  | 62,361 | 32,467 | 28,415 | 6,143 | 23,160 | 152,446 |
| Operating liabilities                                     | 51,209 | 25,944 | 22,529 | -     | 32,836 | 132,518 |
| Operating assets / (liabilities), net                     | 11,152 | 6,523  | 5,886  | 6,143 | -9,776 | 19,928  |

The revenues and operating income from the Real Estate segment through the subsidiary Property & Building (“PBC”) reached ARS 2,484 million and ARS 607 million, respectively, during the consolidated six months (April 1, 2016 to September 30, 2016). During this period, there was an increase in rental income and occupancy rates from PBC’s investment property.

The Supermarkets segment, through Shufersal, recorded revenues of ARS 23,476 million for the period, mainly due to an increase in revenues from the retail segment, offset by a slight decrease in revenues from the real estate segment. Same-store sales keep rising. Operating income from this segment reached ARS 788 million.

The Telecommunications segment, operated by Cellcom, recorded revenues of ARS 7,863 million. There was a decrease in revenues in both revenues from services and revenues from handsets. The reduction in revenues from services under review mainly reflected lower revenues from cell telephone services due to the continued erosion of the price of these services as a result of stronger competition in the cell telephone market and lower revenues from international call services. The reduction in the revenues from handsets was mainly due to the reduction in the number of cell phones sold. Operating income was ARS 48 million.

The Others segment recorded revenues for ARS 198 million, and an operating loss of ARS 268 million.

As concerns “Clal”, the Group values its interest in this insurance company as a financial asset at fair value. The valuation of Clal’s shares was ARS 6,143 million (USD 386 million) as of December 31, 2016, a 21% increase in dollars compared to September 30, 2016.

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#### Financial Indebtedness and Other

The following tables contain a breakdown of company’s indebtedness:

##### Agricultural Business

| Description   | Currency | Amount (1) | Interest Rate                       | Maturity  |
|---|----------|------------|-------------------------------------|-----------|
| Bank overdrafts                                     | ARS      | 7.5        | Floating                            | < 30 days |
| Banco Ciudad Loan                                   | USD      | 13.0       | Libor 180 days + 300 bps; floor: 6% | 18-Jan-22 |
| Banco de la Pampa Loan                              | ARS      | 0.4        | floating [10.5% ; 14.5%]            | 03-Jul-17 |
| Cresud 2018 Non-Convertible Notes, Series XIV (2)   | USD      | 32.0       | 1.500%                              | 22-May-18 |
| Cresud 2018 Non-Convertible Notes, Series XVI (3)   | USD      | 109.1      | 1.500%                              | 19-Nov-18 |
| Cresud 2019 Non-Convertible Notes, Series XVIII (4) | USD      | 33.7       | 4.00%                               | 12-Sep-19 |

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|  |     |       |                          |            |
|--|-----|-------|--------------------------|------------|
| Cresud 2017 Non-Convertible Notes, Series XX (5)   | USD | 18.2  | 2.50%                    | 13-Mar-17  |
| Cresud 2017 Non-Convertible Notes, Series XXI      | ARS | 12.1  | 27.5% / Badlar + 375 bps | 01-Feb-17  |
| Cresud 2019 Non-Convertible Notes, Series XXII (6) | USD | 22.7  | 4.50%                    | 12-Aug-19  |
| Banco de la Provincia de Buenos Aires loan         | USD | 2.0   | 2.50%                    | 23-May -16 |
| Banco de la Provincia de Buenos Aires loan         | USD | 18.0  | 2.75%                    | 27-Apr -16 |
| Santander Río loan                                 | USD | 40.0  | 5.60%                    | 30-Jun-31  |
| Banco Supervielle loan                             | USD | 3.0   | 2.5%                     | 27-Jun -17 |
| Bolivia Loan                                       | BOB | 0.4   | 6.00%                    | 20-Jun-16  |
| CRESUD's Total Debt                                |     | 312.1 |                          |            |
| Brasilagro's Total Debt                            |     | 18.7  |                          |            |

(2) USD 1.6 million were repurchased.

(3) USD 8.8 million were repurchased.

(4) USD 1.1 million were repurchased.

(5) USD 4.0 million were repurchased.

(6) USD 1.0 million were repurchased.

Urban and Investments Business

Operations Center in Argentina

Financial Debt as of December 31, 2016:

| Description   | Currency | Amount (1) | Interest Rate            | Maturity   |
|---|----------|------------|--------------------------|------------|
| Bank Overdrafts                                     | ARS      | 13.9       | Floating                 | < 360 days |
| IRSA 2020 Non-Convertible Notes, Series II          | USD      | 71.4       | 11.50%                   | Jul-20     |
| Series VI Non-Convertible Notes                     | ARS      | 0.7        | Badlar + 450 bps         | Feb-17     |
| Series VII Non-Convertible Notes                    | ARS      | 24.2       | Badlar + 299             | Sep-19     |
| Series VIII Non-Convertible Notes                   | USD      | 184.5      | 7.00%                    | sep-19     |
| Loans (2)   | USD      | 28.0       | Floating                 | Jun-17     |
| Other loans   |          | 0.2        |                          |            |
| IRSA's Total Debt                                   |          | 322.9      |                          |            |
| IRSA's Cash & Cash Equivalents + Investments (3)    | USD      | 10.1       |                          |            |
| IRSA's Net Debt                                     | USD      | 312.8      |                          |            |
| Bank Overdrafts                                     | ARS      | 7.0        | Floating                 | < 360 days |
| IRCP Series I Non-Convertible Notes                 | ARS      | 25.6       | 26.5% / Badlar + 400 bps | May-17     |
| IRSA CP Series II Non-Convertible Notes             | USD      | 360.0      | 8.75%                    | Mar-23     |
| Other loans   | ARS      | 0.3        | -                        | -          |
| IRSA CP's Total Debt                                |          | 392.9      |                          |            |
| IRSA CP's Cash & Cash Equivalents + Investments (4) | USD      | 193.2      |                          |            |
| IRSA CP's Net Debt                                  | USD      | 199.7      |                          |            |

(1) Principal amount in USD (million) at an exchange rate of ARS 15.89/USD, without considering accrued interest or eliminations of balances with subsidiaries.

(2) Corresponds to a loan from IRSA CP.

(3) "Cash & Cash Equivalents plus Investments, IRSA" includes Cash & Cash Equivalents, IRSA + Investments in current and non-current financial assets, IRSA.

(4) "Cash & Cash Equivalents plus Investments, IRSA CP" includes Cash & Cash Equivalents, IRSA CP + Investments in current financial assets plus a loan from its controlling company IRSA Inversiones y Representaciones S.A.

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## Operations Center in Israel

Financial Debt as of September 30, 2016:

| Indebtedness           | Amount (1) |
|------------------------|------------|
| IDBD's Total Debt      | 809        |
| DIC's Total Debt       | 1201       |
| Shufersal's Total Debt | 659        |
| Cellcom's Total Debt   | 1097       |
| PBC's Total Debt       | 2477       |
| Others' Total Debt (2) | 2          |

(1) Principal amount in USD (million) at an exchange rate of 3.7464 NIS/USD, without considering accrued interest or elimination of balances with subsidiaries. Includes bonds and loans.

(2) Includes IDB Tourism, Bartan and IDBG.

## Comparative Summary Consolidated Balance Sheet Data

| In millions of Argentine Pesos   | Dec-16  | Dec-15  | Dec-14 | Dec-13 | Dec-12 |
|--|---------|---------|--------|--------|--------|
| Current assets   | 61,484  | 47,846  | 4,151  | 3,177  | 2,428  |
| Non-current assets   | 113,100 | 92,755  | 10,488 | 10,676 | 9,149  |
| Total assets   | 174,584 | 140,601 | 14,639 | 13,853 | 11,577 |
| Current liabilities  | 43,729  | 39,102  | 4,469  | 3,245  | 2,582  |
| Non-current liabilities  | 109,503 | 93,999  | 6,555  | 6,158  | 4,150  |
| Total liabilities  | 153,232 | 133,101 | 11,024 | 9,403  | 6,732  |
| Third party interest (or non-controlling interest)   | 19,054  | 6,015   | 2,110  | 2,221  | 2,291  |
| Shareholders' equity   | 21,352  | 7,500   | 3,615  | 4,450  | 4,845  |
| Total liabilities plus third party interests (or non-controlling interest) plus Shareholders' Equity | 174,584 | 140,601 | 14,639 | 13,853 | 11,577 |

## Comparative Summary Consolidated Income Statement Data

| In millions of Argentine Pesos                                      | 6MFY2017 | 6MFY2016 | 6MFY2015 | 6MFY2014 | 6MFY2013 |
|---|----------|----------|----------|----------|----------|
| Gross profit  | 11,093   | 1,564    | 1,129    | 788      | 649      |
| Profit from operations  | 2,026    | 2,069    | 1,470    | 385      | 557      |
| Share of (loss) / profit of associates and joint ventures           | -102     | -403     | -674     | 48       | 13       |
| Profit from operations before financing and taxation                | 1,924    | 1,666    | 796      | 433      | 569      |
| Financial results, net  | -2,872   | -2,947   | -690     | -958     | -359     |
| (Loss) / profit before income tax                                   | -948     | -1,281   | 106      | -525     | 210      |
| Income Tax  | 495      | -11      | -270     | 170      | -34      |
| (Loss) / profit for the period from continuing operations           | -453     | -1,292   | -164     | -355     | 177      |
| Profit for the period from discontinued operations after income tax | 4,273    | -        | -        | -        | -        |

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|  |       |        |      |      |      |
|--|-------|--------|------|------|------|
| Profit / (loss) for the period                         | 3,820 | -1,292 | -164 | -355 | 177  |
| Equity holders of the parent                           | 919   | -771   | -216 | -323 | 61   |
| Non-controlling interest                               | 2,901 | -521   | 52   | -23  | 116  |
| Profit / (loss) for the period                         | 3,820 | -1,292 | -164 | -355 | -177 |
| Other comprehensive income / (loss) for the period (1) | 1,410 | 2,385  | -372 | 330  | 122  |
| Total comprehensive income / (loss) for the period     | 5,230 | 1,093  | -536 | -25  | 299  |
| Equity holders of the parent                           | 1,347 | -332   | -400 | -163 | 118  |
| Non-controlling interest                               | 3,883 | 1,425  | -136 | 138  | 181  |

(1) Corresponds to translation differences

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Comparative Summary Consolidated Cash Flow Statement Data

| In millions of Argentine Pesos                           | 6MFY2017 | 6MFY2016 | 6MFY2015 | 6MFY2014 | 6MFY2013 |
|--|----------|----------|----------|----------|----------|
| Net cash generated by operating activities               | 4,627    | 274      | 494      | 422      | 380      |
| Net cash generated by / (used in) investing activities   | 2,346    | -895     | 1,153    | -1,097   | -254     |
| Net cash generated by / (used in) financing activities   | 2,255    | 962      | -1,266   | 74       | -77      |
| Total cash generated by or used during the year / period | 9,228    | 341      | 381      | -601     | 49       |

Ratios

| In millions of Argentine Pesos  | Dec-16 | Dec-15  | Dec-14 | Dec-13 | Dec-12 |
|---------------------------------|--------|---------|--------|--------|--------|
| Liquidity (1)                   | 1.406  | 1.224   | 0.929  | 0.979  | 0.940  |
| Solvency (2)                    | 0.139  | 0.056   | 0.328  | 0.473  | 0.720  |
| Restricted assets (3)           | 0.648  | 0.660   | 0.716  | 0.771  | 0.790  |
| Profitability (only annual) (4) | -2.12% | -17.23% | -0.045 | -0.080 | 0.037  |

(1) Current Assets / Current Liabilities

(2) Total Shareholders' Equity / Total Liabilities

(3) Non-current Assets / Total Assets

(4) Net income / (loss) (excluding Other Comprehensive Income / (Loss)) / Total Average Shareholders' Equity

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## Material and Subsequent Events

### General Ordinary and Extraordinary Shareholders' Meeting

On October 31, 2016, the Company's General Ordinary and Extraordinary Shareholders' Meeting was held, which resolved upon with the following matters, among others:

Update on shared services agreement report.

Approval of sums paid as personal asset tax levied on the shareholders.

Renewal of delegation of powers conferred to the Board of Directors in order to determine the time and currency of issuance and further terms and conditions governing the issue of notes under the global note program.

Grant of indemnities to the Directors, Statutory Auditors and Managers who perform or have performed duties for the Company accessorially to the D&O policies.

Approval of special merger balance sheet of AGRO MANAGERS S.A.

Distribution of treasury shares.

Agreement for the sale of real estate or shares of Cresca S.A.

On October 5, 2016, our subsidiary Brasilagro and Carlos Casado executed an agreement whereby they proposed to offer for sale for the term of 120 days all the real estate owned by Cresca for a price of not less than USD 120 million or 100% of Cresca's outstanding shares. The real estate and shares will be offered for a term of 120 calendar days after the execution date. If a proposal for the shares is received, the fair value of the rest of the assets (less the liabilities) will be added to the above mentioned price. Moreover, if no sale is made upon expiration of the term, the parties irrevocably promise to take all such actions and carry out all such proceedings as necessary for implementing the division of the Company's assets into two equivalent portions.

Distribution of treasury shares

On November 3, 2016, Cresud's Board of Directors resolved to distribute ratably among the shareholders who were registered as such as of November 16, 2016, 3,833,352 treasury shares, equivalent to 0.00774216906 per share and 0.76415967% of the stock capital amounting to \$501,642,804, and 0.774216906% of the stock capital net of treasury shares, effective November 17, 2016.

Purchase of farm by our subsidiary Brasilagro

On February 7, 2017, Brasilagro – Companhia Brasileira de Propriedades Agrícolas, controlled by the Company, executed a purchase and lease agreement, including crop sharing provisions, in respect of a rural property located in the municipal district of São Raimundo das Mangabeiras, in the State of Maranhão.

The purchase agreement is for 17,566 hectares, 10,000 of which are developed and productive lands to be used for agriculture. The remaining 7,566 hectares are permanent preservation areas and land reserves protected by law. The purchase price was R\$ 100.0 million (R\$ 10,000 per productive hectare), and will be fully paid upon satisfaction by the sellers of certain conditions precedent.

The lease is for 15,000 hectares of arable, developed lands, mostly consisting of sugarcane crops. The agreement's term is 15 years, renewable for 15 additional years.

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#### Prospects for the next fiscal year

The 2017 crop season has been developing under the "El Niño" pattern in Argentina, with above-average rainfall rates. To date, we have planted almost all the area planned for this season, and we increased the area leased to third parties by 47% as compared to the previous season. We expect sustained commodity prices for this season.

In Argentina, we expect stable prices for cattle after the significant appreciation seen in the past year, which encouraged the Company to sell cattle, delivering good holding results. We expect satisfactory production figures and constrained costs for the rest of the 2017 season, while we plan to continue working efficiently towards reaching the highest operating margins possible. In the case of our "El Tigre" dairy facility, where we have consolidated all our milk production, we are following our strategy consisting in the selective sale of milking cows and keeping the more productive herd. The milk business suffered a highly depressed price scenario during the first half of 2016, but started to recover towards the second half, and has begun to stabilize since then. Productivity stood at high levels, as we had no production in the dairy region that was severely affected by the floods, causing milk supply in Argentina to dwindle.

In connection with our meat packing plant, which we hold through our interest in Carnes Pampeanas, we trust that the margin improvement initiatives implemented in the plant will reap fruits as the business context improves, hand in hand with the opening up of the Argentine beef markets abroad and the government's policies against informality in the dairy industry.

As concerns land transformation and value-adding activities, we will make progress in the development of our farms in Argentina, Paraguay and Brazil. Although in the past years our land transformation activities developed at a slower pace than historically due to the high development costs and production profitability conditions, the current macroeconomic conditions are more favorable, and we expect to be able to resume our historic levels at lower transformation costs.

We remain watchful of sale opportunities that may arise and we will continue to dispose of those farms that have reached their highest degree of appreciation, whilst continuing to analyze purchase opportunities in other countries of the region with the objective to put together a regional portfolio with major development and appreciation potential.

Our urban subsidiary IRSA Inversiones y Representaciones S.A. keeps recording sound results in its various business lines. Prospects are positive, as the company has a large reserve of lands intended for future shopping center, office, and mixed-use developments in an industry scenario with high growth potential. Moreover, as concerns the investment in the Israeli company IDBD, this company has sold assets for very competitive prices; its indebtedness level has been significantly reduced and a strategy intended to improve operating margins in each of its business units has been launched.

We believe that companies such as Cresud, with a track record going back so many years and vast industry knowledge will have outstanding possibilities of taking advantage of the best opportunities arising in the market, much more so considering that our main task is to produce food for a growing and demanding world population.

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