CRESUD INC
Form 6-K
November 29, 2018

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Financial Statements as of September 30, 2018 and for the three-month period ended as of that date, presented comparatively.

Legal information

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

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

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

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

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

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

Expiration of Company charter: June 6, 2082

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

Stock: 501,642,804 common shares

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

Parent Companies: Inversiones Financieras del Sur S.A. and Agroinvestment S.A.

Legal addresses: Road 8, km 17,500, Zonamérica Building 1, store 106, Montevideo, Uruguay (IFISA) - Cambara 1620, 2nd floor, office 202, Carrasco, 11000 Montevideo, Uruguay (Agroinvesment S.A.)

Parent companies' activity: Investment

Direct ownership interest: 174,173,103 shares

Voting stock (direct and indirect equity interest): 36.38% (*)

	CAPITAL STATUS	
Type of stock	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

(*) For computation purposes, treasury shares have been subtracted.
(**) Company not included in the Optional Statutory System of Public Offer of Compulsory Acquisition.

Index

Glossary of terms

The following 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.
BCRA	Central Bank of the Argentine Republic
BHSA	Banco Hipotecario S.A.
Brasilagro	Brasilagro-Companhia Brasileira de Propriedades Agrícolas
CAMSA	Consultores Assets Management S.A.
Carnes Pampeanas	Sociedad Anónima Carnes Pampeanas S.A.
Cellcom	Cellcom Israel Ltd.
Clal	Clal Holdings Insurance Enterprises Ltd.
CNV	National Securities Commission
CODM	Chief operating decision maker
Condor	Condor Hospitality Trust Inc.
Cresud, "the Company", "us"	Cresud S.A.C.I.F. y A.
DIC	Discount Investment Corporation Ltd.
DN B.V.	Dolphin Netherlands B.V.
Financial Statements	Unaudited Condensed Interim Consolidated Financial Statements
Annual Financial Statements	Consolidated Financial Statements as of June 30, 2018
ECLSA	E-Commerce Latina S.A.
Efanur	Efanur S.A.
ETH	C.A.A. Extra Holdings Ltd.
CPF	Collective Promotion Funds
IASB	International Accounting Standards Board
IDB Tourism	IDB Tourism (2009) Ltd.
IDBD	IDB Development Corporation Ltd.
IFISA	Inversiones Financieras del Sur S.A.
HASA	Hoteles Argentinos S.A.
IRSA	IRSA Inversiones y Representaciones S.A.
IRSA CP	IRSA Propiedades Comerciales S.A.
Israir	Israir Airlines & Tourism Ltd.
LRSA	La Rural S.A.
Metropolitan	Metropolitan 885 Third Avenue Leasehold LLC
MPIT	Minimum Presumed Income Tax
New Lipstick	New Lipstick LLC
NFSA	Nuevas Fronteras S.A.
IAS	International Accounting Standards
IFRS	International Financial Reporting Standard
NIS	New Israeli Shekel
NPSF	Nuevo Puerto Santa Fe S.A.
OASA	OGDEN Argentina S.A.
Ombú	Ombú Agropecuaria S.A.
NCN	Non-convertible notes
PBC	Property & Building Corporation Ltd.

PBEL	PBEL Real Estate Ltd.
Quality	Quality Invest S.A.
Shufersal	Shufersal Ltd.
Tarshop	Tarshop S.A.
Tender offers	Share repurchase commitment
Tyrus	Tyrus S.A.
Yuchan	Yuchán Agropecuaria S.A.
Yatay	Yatay Agropecuaria S.A.

1

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position
as of September 30, 2018 and June 30, 2017
(All amounts in millions, except otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

	Note	09.30.18	06.30.18
ASSETS			
Non-current assets			
Investment properties	8	226,971	163,510
Property, plant and equipment	9	28,720	20,646
Trading properties	10	3,188	6,020
Intangible assets	11	17,473	12,363
Biological assets	12	1,085	900
Other assets		114	189
Investment in associates and joint ventures	7	34,257	24,747
Deferred income tax assets	20	2,635	1,679
Income tax and MPIT credits		453	453
Restricted assets	14	2,695	2,178
Trade and other receivables	15	14,040	9,129
Investment in financial assets	14	2,406	1,704
Financial assets held for sale	14	12,895	7,788
Derivative financial instruments	14	-	30
Total non-current assets		346,932	251,336
Current assets			
Trading properties	10	3,705	3,232
Biological assets	12	1,211	913
Inventories	13	3,219	2,324
Restricted assets	14	6,497	4,248
Income tax and MPIT credits		497	400
Financial assets held for sale	30	8,922	5,192
Groups of assets held for sale	15	24,722	17,208
Investment in financial assets	14	35,574	25,646
Trade and other receivables	14	10,772	4,466
Derivative financial instruments	14	330	155
Cash and cash equivalents	14	71,734	38,650
Total current assets		167,183	102,434
TOTAL ASSETS		514,115	353,770
SHAREHOLDERS' EQUITY			
Shareholders' equity (according to corresponding statement)		27,225	20,925
Non-controlling interest		76,475	54,396
TOTAL SHAREHOLDERS' EQUITY		103,700	75,321
LIABILITIES			
Non-current liabilities			
Trade and other payables	19	271,514	187,462
Income tax and minimum presumed income tax liabilities	20	34,042	26,563
Borrowings	17	2,325	3,577
Deferred income tax liabilities	18	5,475	3,567
Derivative financial instruments		159	110

Payroll and social security liabilities		27	-
Provisions	14	63	40
Employee benefits		107	76
Total non-current liabilities		313,712	221,395
Current liabilities			
Trade and other payables	17	20,994	17,892
Income tax and minimum presumed income tax liabilities	19	64,317	32,083
Payroll and social security liabilities	18	1,543	1,059
Borrowings	30	6,118	3,243
Derivative financial instruments		2,606	1,868
Provisions		752	595
Group of liabilities held for sale	14	373	314
Total Current liabilities		96,703	57,054
TOTAL LIABILITIES		410,415	278,449
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		514,115	353,770

The accompanying notes are an integral part of these Financial Statements.

PRICE WATERHOUSE & CO. S.R.L.

(Socio)

C.P.C.E.C.A.B.A. T° 1 F° 17
Dr. Mariano C. Tomatis
Contador Público (UBA)
C.P.C.E.C.A.B.A. T° 241 F° 118

Marcelo H. Fuxman
Síndico Titular
Por Comisión Fiscalizadora

Alejandro G. Elsztain
Vicepresident II acting as President

2

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Income and Other Comprehensive Income
for the three-month periods ended September 30, 2018 and 2017
(All amounts in millions, except otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

	Note	09.30.18	09.30.17
Revenues	21	13,155	8,492
Costs	22	(8,422)	(5,097)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest		329	75
Changes in the net realizable value of agricultural products after harvest		306	52
Gross profit		5,368	3,522
Net gain from fair value adjustment of investment properties		15,767	3,409
Gain from disposal of farmlands		1	-
General and administrative expenses	23	(1,421)	(903)
Selling expenses	23	(1,663)	(1,139)
Other operating results, net	24	456	110
Management fees		(228)	(30)
Profit from operations		18,280	4,969
Share of profit of associates and joint ventures	7	445	384
Profit before financial results and income tax		18,725	5,353
Finance income	25	2,124	345
Finance cost	25	(19,528)	(5,203)
Other financial results	25	7,020	319
Financial results, net	25	(10,384)	(4,539)
Profit before income tax		8,341	814
Income tax	20	(856)	(1,137)
Profit / (loss) for the period from continuing operations		7,485	(323)
(Loss) / profit for the period from discontinued operations	31	(46)	351
Profit for the period		7,439	28
Other comprehensive income / (loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation adjustment		16,550	(109)
Share of other comprehensive income loss of associates and joint ventures		4,353	-
Change in the fair value of hedging instruments net of income taxes		1	-
Other comprehensive income / (loss) for the period from continuing operations		20,904	(109)
Other comprehensive income / (loss) for the period from discontinued operations		674	(4)
Total other comprehensive income / (loss) for the period		21,578	(113)
Total comprehensive income / (loss) for the period		29,017	(85)
Total comprehensive income / (loss) from continuing operations		28,389	(432)
Total comprehensive income from discontinued operations		628	347
Total comprehensive income / (loss) from the period		29,017	(85)
Profit / (loss) for the period attributable to:			
Equity holders of the parent		2,057	221
Non-controlling interest		5,382	(193)
Profit / (loss) from continuing operations attributable to:			

Equity holders of the parent	2,082	93
Non-controlling interest	5,403	(416)
Total comprehensive income / (loss) attributable to:		
Equity holders of the parent	6,479	214
Non-controlling interest	22,538	(299)
Profit for the period per share attributable to equity holders of the parent:		
Basic	4.291	0.443
Diluted	4.096	0.441
Profit per share from continuing operations attributable to equity holders of the parent:		
Basic	4.343	0.276
Diluted	4.148	0.274

The accompanying notes are an integral part of these Financial Statements

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C.P.C.E.C.A.B.A. T° 1 F° 17 Dr. Mariano C. Tomatis Contador Público (UBA) C.P.C.E.C.A.B.A. T° 241 F° 118	Marcelo H. Fuxman Síndico Titular Por Comisión Fiscalizadora	Alejandro G. Elsztain Vicepresident II acting as President

3

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the three-month period ended September 30, 2018
(All amounts in millions, except otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

	Attributable to equity holders of the parent										
	Share capital	Treasury shares	Inflation adjustment of share capital and treasury shares (i)	Share premium	Additional paid-in capital from treasury shares	Legal reserve	Special reserve (ii)	Other reserves (iii)	Retained earnings	Subtotal	Non-contro interest
Balance as of June 30, 2018	482	20	65	659	21	113	1,516	3,334	14,715	20,925	54,396
Adjustments previous periods (IFRS 9 and 15) (Note 2.2)	-	-	-	-	-	-	-	-	(47)	(47)	(29)
Adjusted balance as of June 30, 2018	482	20	65	659	21	113	1,516	3,334	14,668	20,878	54,367
Profit for the period	-	-	-	-	-	-	-	-	2,057	2,057	5,382
Other comprehensive income for the period	-	-	-	-	-	-	-	4,422	-	4,422	17,156
Total comprehensive profit for the period	-	-	-	-	-	-	-	4,422	2,057	6,479	22,538
Reversal by sale of investment properties	-	-	-	-	-	-	-	(11)	11	-	-
Reserve for share-based payments	-	-	-	-	-	-	-	-	-	-	4
Acquisition of treasury stock	(3)	3	-	-	-	-	-	(138)	-	(138)	-
Dividends distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(205)
Changes in non-controlling interest	-	-	-	-	-	-	-	6	-	6	(229)

Balance as of September 30, 2018	479	23	65	659	21	113	1,516	7,613	16,736	27,225	76,475

(i)
Includes Ps. 1 of Inflation adjustment of treasury shares. See Note 18 to the Annual Financial Statements.
(ii)
Related to CNV General Resolution N° 609/12.
(iii)
Group's other reserves for the period ended September 30, 2018 are comprised as follows:

	Cost of treasury shares	Changes in non-controlling interest	Revaluation surplus	Reserve for currency translation adjustment	Reserve shared-based compensation	Reserve for new developments	Reserve for defined benefit plans	Hedging instruments	Other reserves from subsidiaries	Reserv for the acquisit of securiti issued b the Compa
Balance as of June 30, 2018	(785)	(1,450)	93	4,005	108	1,371	(65)	8	24	25
Other comprehensive income for the period	-	-	287	4,125	2	-	8	-	-	-
Total comprehensive profit for the period	-	-	287	4,125	2	-	8	-	-	-
Reversal by sale of investment properties	-	-	(11)	-	-	-	-	-	-	-
Acquisition of treasury stock	(138)	-	-	-	-	-	-	-	-	-
Changes in interest in subsidiaries	-	6	-	-	-	-	-	-	-	-
Balance as of September 30, 2018	(923)	(1,444)	369	8,130	110	1,371	(57)	8	24	25

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4

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the three-month period ended September 30, 2017
(All amounts in millions, except otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

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

(i)
Includes Ps. 1 of Inflation adjustment of treasury shares. See Note 16 to the Annual Financial Statements.
(ii)
Related to CNV General Resolution N° 609/12.
(iii)

Group's other reserves for the period ended September 30, 2017 are comprised as follows:

	Cost of treasury shares	Changes in non-controlling interest	Reserve for currency translation adjustment	Reserve shared-based compensation	Reserve for future dividends	Hedging instruments	Reserve for the acquisition of securities issued by the Company	Other reserves from subsidiaries	Total other reserves
Balance as of June 30, 2017	(24)	243	2,123	103	(10)	11	25	25	2,496
Other comprehensive income / (loss) for the period	-	-	20	-	(25)	(2)	-	-	(7)
Total comprehensive profit / (loss) for the period	-	-	20	-	(25)	(2)	-	-	(7)
Reserve for share-based payments	-	-	-	1	-	-	-	-	1
Changes in interest in subsidiaries	-	(20)	-	-	-	-	-	-	(20)
Balance as of September 30, 2017	(24)	223	2,143	104	(35)	9	25	25	2,470

The accompanying notes are an integral part of these Financial Statements.

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Por Comisión Fiscalizadora

Alejandro G. Elsztain
Vicepresident II acting as President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the three-month periods ended September 30, 2018 and 2017
(All amounts in millions, except otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

	Note	09.30.18	09.30.17
Operating activities:			
Net cash generated from operating activities before income tax paid	16	1,266	2,205
Income tax paid		(58)	(155)
Net cash generated from continuing operating activities		1,208	2,050
Net cash generated from discontinued operating activities		191	400
Net cash generated from operating activities		1,399	2,450
Investing activities:			
Increase of interest in associates and joint ventures		(49)	(30)
Capital contributions to associates and joint ventures		(31)	-
Proceeds from liquidation of associate		(5)	-
Acquisition, improvements and advance payments for the development of investment properties		(1,172)	(621)
Cash incorporated by deconsolidation of subsidiary		33	-
Advanced proceeds from sales of farmlands		-	69
Proceeds from sales of farmlands		-	6
Proceeds from sales of investment properties		7	26
Acquisitions and improvements of property, plant and equipment		(641)	(835)
Proceeds from sales of property, plant and equipment		1	-
Advance payments		(16)	(110)
Acquisition of intangible assets		(433)	(114)
Net increase of restricted deposits		(182)	(223)
Dividends collected from associates and joint ventures		90	-
Proceeds from sale of equity interest in associates and joint ventures		389	-
Proceeds from loans granted		57	-
Acquisition of investments in financial assets		(5,005)	(6,913)
Proceeds from disposal of investments in financial assets		7,573	3,722
Interest received from financial assets		183	54
Dividends received		125	98
Loans granted to related parties		-	(229)
Loans		-	(88)
Net cash generated from (used in) continuing investing activities		924	(5,188)
Net cash used in discontinued investing activities		(119)	(379)
Net cash generated from (used in) investing activities		805	(5,567)
Financing activities:			
Borrowings and issuance of non-convertible notes		14,408	15,116
Payment of borrowings and non-convertible notes		(3,153)	(11,243)
Obtaining of short term loans, net		3,095	71
Interest paid		(1,740)	(1,625)
Issuance of capital in subsidiaries		-	276
Repurchase of non-convertible notes		(634)	-
Capital contributions from non-controlling interest in subsidiaries		-	129
Acquisition of non-controlling interest in subsidiaries		(227)	(48)

Proceeds from sales of non-controlling interest in subsidiaries		7	18
Loans received from associates and joint ventures, net		53	-
Dividends paid to non-controlling interest in subsidiaries		(220)	-
Payment of seller financing		(1)	1
Dividends paid		-	(130)
Proceeds from derivative financial instruments, net		147	17
Net cash generated from continuing financing activities		11,735	2,582
Net cash generated from discontinued financing activities		99	1,463
Net cash generated from financing activities		11,834	4,045
Net Increase (decrease) in cash and cash equivalents from continuing activities		13,867	(556)
Net increase in cash and cash equivalents from discontinued activities		171	1,484
Net increase in cash and cash equivalents		14,038	928
Cash and cash equivalents at beginning of the period	14	38,650	23,879
Cash and cash equivalents reclassified to held for sale		(184)	1,488
Foreign exchange gain on cash and changes in fair value of cash equivalents		19,230	94
Cash and cash equivalents at the end of the period		71,734	26,389

The accompanying notes are an integral part of these Financial Statements.

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Vicepresident II acting as President

6

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to Consolidated Financial Statements
(Amounts in millions, except otherwise indicated)

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 direct principal subsidiary.

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

Main shareholders of the Company are jointly Inversiones Financieras del Sur S.A. and Agroinvestment S.A. Both entities are companies incorporated in Uruguay and belong to the same controlling group and ultimate beneficiary.

The Board of Directors has approved these Financial Statements for issuance on November 9, 2018.

As of September 30, 2018, 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:

(i)
Corresponds to Group's associates, which are hence excluded from consolidation.
(ii)
The results are included in discontinued operations, due to the loss of control in June 2018 (see Note 4.(l) to the Annual Financial Statements).
(iii)
Disclosed as financial assets held for sale.
(iv)
Assets and liabilities are disclosed as held for sale and the results as discontinued operations.
(v)
See Note 4 to the Annual Financial Statements for more information about the change within the Operations Center in Israel.

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

7

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

2.
Summary of significant accounting policies

2.1.
Basis of preparation

The CNV, in Title IV "Periodic Information Regime" - Chapter III "Rules relating to the presentation and valuation of financial statements" - Article 1, of its standards, has established the application of the Technical Resolution No. 26 (RT 26) of the FACPCE and its amendments, which adopt IFRS, issued by the IASB, for certain companies included in the public offering regime of Law No. 26,831, either because of its stock or its non-convertible notes, or that have requested authorization to be included in the aforementioned regime.

Also, in Article 3 of the aforementioned CNV regulations, it is established that "The companies subject to the Commission's control cannot apply the method of restating financial statements in a homogeneous currency."

For the preparation of these financial statements, the Group has made use of the option provided by IAS 34, and has prepared them in a condensed form. Therefore, these financial statements do not include all the information required in a complete set of annual financial statements and, consequently, it is recommended that they be read together with the annual financial statements as of June 30, 2018.

In view of what has been mentioned in the preceding paragraphs, the management of the Group's management has prepared these financial statements in accordance with the accounting principles established by the CNV, which are based on the application of IFRS, in particular of IAS 34, with the only exception to the application of IAS 29 (which determines the mandatory restatement of financial statements), excluded by the CNV from its accounting framework.

Additionally, the information required by the CNV indicated in article 1, Chapter III, Title IV of General Resolution N ° 622/13 has been included. Such information is included in a note to these financial statements.

IAS 29 "Financial Reporting in Hyperinflationary Economies" requires that the financial statements of an entity whose functional currency is one of a hyperinflationary economy be expressed in terms of the current unit of measurement at the closing date of the reporting period, regardless of whether they are based on the historical cost method or the current cost method. To do so, in general terms, the inflation produced from the date of acquisition or from the revaluation date, as applicable, must be calculated for the non-monetary items. This requirement also includes the comparative information of the financial statements.

In order to conclude on whether an economy is categorized as high inflation in the terms of IAS 29, the standard details a series of factors to be considered, including the existence of an accumulated inflation rate in three years that approximates to or exceeds 100%. Accumulated inflation in Argentina in three years is over 100%. It is for this reason that, in accordance with IAS 29, Argentina has a high inflation economy starting July 1, 2018. In turn, on July 24, 2018, the FACPCE, issued a communication confirming the aforementioned. However, it must be taken into account that, at the time of issuance of these financial statements, National Executive Decree 664/03 is in force, which does not allow the presentation of restated financial statements before the CNV. Therefore, given this decree, and the regulatory framework of the CNV, the Group's management has not applied IAS 29 in the preparation of these Financial Statements.

In an inflationary period, any entity that maintains an excess of monetary assets over monetary liabilities, will lose purchasing power, and any entity that maintains an excess of monetary liabilities over monetary assets, will gain purchasing power, provided that such items are not subject to an adjustment mechanism.

Briefly, the restatement method of IAS 29 establishes that monetary assets and liabilities must not be restated since they are already expressed in the current unit of measurement at the end of the reporting period. Assets and liabilities subject to adjustments based on specific agreements must be adjusted in accordance with such agreements. The non-monetary items measured at their current values at the end of the reporting period, such as the net realization value or others, do not need to be restated. The remaining non-monetary assets and liabilities must be restated by a general price index. The loss or gain from the net monetary position will be included in the net result of the reporting year / period, revealing this information in a separate line item.

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

8

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

2.2
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, as described in Note 2.2 to those Financial Statements except for what it’s mentioned in Note 2.1 to the present Financial Statements.

As described in Note 2.2 to the Annual Financial Statements, the Group adopted IFRS 15 “Revenues from contracts with customers” and IFRS 9 “Financial instruments” in the present fiscal year using the cumulative effect approach, so that the cumulative impact of the adoption was recognized in the retained earnings at the beginning of the period, and the comparative figures have not been modified due to this adoption.

The main changes are the following:

IFRS 15: Revenues from contracts with customers

The standard introduces a new five-step model for recognizing revenue from contracts with customers:
1)
Identifying the contract with the customer.
2)
Identifying separate performance obligations in the contract.
3)
Determining the transaction price.
4)
Allocating the transaction price to separate performance obligations.
5)
Recognizing revenue when the performance obligations are satisfied.

IFRS 9: Financial instruments

The new standard includes a new model of "expected credit loss" for receivables or other assets not measured at fair value. The new model presents a dual measurement approach for impairment: if the credit risk of a financial asset has not increased significantly since its initial recognition, an allowance for impairment will be recorded in the amount of expected credit losses resulting from the possible non- compliance events within a certain period. If the credit risk has increased significantly, in most cases the allowance will increase and the amount of the expected losses should be recorded.

In accordance with the new standard, in cases where a change in terms or exchange of financial liabilities is immaterial and does not lead, at the time of analysis, to the reduction of the previous liability and recognition of the new liability, the new cash flows must be discounted at the original effective interest rate, recording the impact of the difference between the present value of the financial liability that has the new terms and the present value of the original financial liability in net income.

The effect on the income statement for the three-month period ended September 30, 2018 for the first implementation of IFRS 15 is as follows:

	Three months 09.30.18 According to previous standards	Implementation of IFRS 15	Current statement of income
Revenues	12,718	437	13,155
Costs	(8,068)	(354)	(8,422)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	329	-	329
Changes in the net realizable value of agricultural products after harvest	306	-	306
Gross profit	5,285	83	5,368
Net gain from fair value adjustment of investment properties	15,767	-	15,767
Gain from disposal of farmlands	1	-	1
General and administrative expenses	(1,421)	-	(1,421)
Selling expenses	(1,867)	204	(1,663)
Other operating results, net	456	-	456
Management fees	(228)	-	(228)
Profit from operations	17,993	287	18,280
Share of profit of associates and joint ventures	425	20	445
Profit from operations before financing and taxation	18,418	307	18,725
Finance income	2,124	-	2,124
Finance cost (i)	(19,535)	7	(19,528)
Other financial results	7,020	-	7,020
Financial results, net	(10,391)	7	(10,384)
Income before income tax	8,027	314	8,341
Income tax	(793)	(63)	(856)
Income for the period from continuing operations	7,234	251	7,485
Loss for the period from discontinued operations	(46)	-	(46)
Profit for the period	7,188	251	7,439

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

9

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

The effect on the retained earnings as of July 1, 2018 for the first implementation of IFRS 9 and 15 is as follows:

	07.01.18 Implementation of IFRS 15	Implementation of IFRS 9	Total
ASSETS			
Non-current assets			
Trading properties	(3,339)	-	(3,339)
Investment in associates and joint ventures	94	(85)	9
Deferred income tax assets	(95)	-	(95)
Trade and other receivables	497	(63)	434
Total non-current assets	(2,843)	(148)	(2,991)
Current assets			
Trading properties	(734)	-	(734)
Groups of assets held for sale	292	39	331
Total current assets	(442)	39	(403)
TOTAL ASSETS	(3,285)	(109)	(3,394)
SHAREHOLDERS' EQUITY			
Shareholders' equity (according to corresponding statement)	51	(98)	(47)
Non-controlling interest	155	(184)	(29)
TOTAL SHAREHOLDERS' EQUITY	206	(282)	(76)
LIABILITIES			
Non-current liabilities			
Trade and other payables	-	197	197
Income tax and minimum presumed income tax liabilities	(60)	(79)	(139)
Borrowings	(1,561)	-	(1,561)
Total non-current liabilities	(1,621)	118	(1,503)
Current liabilities			
Trade and other payables	(1,870)	-	(1,870)
Income tax and minimum presumed income tax liabilities	-	55	55
Total Current liabilities	(1,870)	55	(1,815)
TOTAL LIABILITIES	(3,491)	173	(3,318)
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	(3,285)	(109)	(3,394)

2.3
Comparability of information

Balance items as of June 30, 2018 and September 30, 2017 presented in these Financial Statements for comparative purposes arise from the financial statements as of and for such period. Certain items from prior periods have been reclassified for consistency purposes regarding the loss of control in Shufersal. See note 4.(l) to Annual Financial Statements.

2.4
Use of estimates

The preparation of Financial Statements at a certain date requires 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. Actual results might differ from the estimates and evaluations made at the date of preparation of these financial statements. In the preparation of these financial statements, the significant judgments made by Management in applying the Group's accounting policies and the main sources of uncertainty were the same as the ones applied by the Group in the preparation of the Annual Financial Statements described in Note 3 to those Financial Statements.

3.
Seasonal effects on operations

Agricultural business

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

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

10

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Urban properties and investments business

Operations Center in Argentina

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

Operations Center in Israel

The results of operations of telecommunications and tourism are 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

Significant acquisitions and disposals for the three-month period ended September 30, 2018 are detailed below. Significant acquisitions and disposals for the fiscal year ended June 30, 2018, are detailed in Note 4 to the Annual Financial Statements.

Agricultural business

Sale of Jatobá

On June 13, 2018, the Group, through its subsidiary Brasilagro, entered into an agreement to sell a total area of 9,784 hectares (7,485 hectares of agricultural land) from Jatobá Establishment, a rural property located in the municipality of Jaborandi.

On July 31, 2018, the buyer made the payment of the first installment of 300,000 bags of soybeans, for an amount of Ps. 156, in accordance with the conditions set in the contract, obtaining the deed and enabling the accounting recognition of the income by the Group, for the value of 285 bags per useful hectare, equivalent to Ps. 916. The outstanding amount will be paid in six annual installments.

Urban properties and investments business

Operations Center in Israel

Possible sale of a subsidiary of IDB Tourism

On August 14, 2018, the Board of Directors of IDB Tourism approved its engagement in a memorandum of understanding for the sale of 50% of the issued share capital of a company which manages the incoming tourism operation which is held by Israir for a total consideration of NIS 26 million (approximately Ps. 295 as of the date of issuance of these financial statements). The closing of the transaction is expected by November 30, 2018. This transaction does not change the intentions of selling the whole investment in IDBT, which the management of the company expects to complete before June 2019.

Partial sale of Clal

On August 30, 2018 continuing with the instructions given by the Commissioner of Capital Markets, Insurance and Savings of Israel, IDBD has sold 5% of its stake in Clal through a swap transaction in the same conditions that applied to the swap transactions performed in the preceding months of May and August 2017, January and May 2018 described in Note 4 to the Annual Consolidated Financial Statements. The consideration was set at an amount of approximately NIS 173 million (equivalent to approximately Ps. 1,766 as of the transaction date). After the completion of the transaction, IDBD's interest in Clal was reduced to 29.8% of its share capital.

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Agreement to sell plot of land in USA

In August 2018, a subsidiary of IDBG signed an agreement to sell a plot of land next to the Tivoli project in Las Vegas for a consideration of US$ 18 (approximately Ps. 739 as of the date of issuance of these financial statements).

Interest increase in DIC

On July 5, 2018 Tyrus acquired 2,062,000 of DIC's shares in the market for a total amount of NIS 20 (equivalent to Ps. 227 as of that date), which represent 1.35% of the Company's outstanding shares at such date. As a result of this transaction, the Group's equity interest has increased from 76.57% to 77.92%. This transaction was accounted for as an equity transaction generating an increase in the net equity attributable to the controlling shareholders by Ps. 7.

5.
Financial risk management and fair value estimates

These Financial Statements do not include all the information and disclosures on financial risk management; therefore, they should be read along with Note 5 to the Annual Financial Statements. There have been no changes in risk management or risk management policies applied by the Group since year-end.

Since June 30, 2018 and up to the date of issuance of these Financial Statements, there have been no significant changes in business or economic circumstances affecting the fair value of the Group's assets or liabilities, except for what is mentioned in Note 6, (either measured at fair value or amortized cost). Furthermore, there have been no transfers between the different hierarchies used to assess the fair value of the Group's financial instruments.

6.
Segment information

As explained in Note 6 to the Annual Consolidated Financial Statements, segment information is reported from the perspective of products and services: (i) agricultural business and (ii) urban properties and investment business. In addition, this last segment is reported divided from the geographic point of view in two Operations Centers to manage its global interests: Argentina and Israel. As from fiscal year 2018 the CODM reviews the operating income/loss of each business excluding the amounts related to management fees, being such amount reviewed at an aggregate level outside each business. Additionally, the CODM reviews certain corporate expenses associated with each business in an aggregate manner and separately from each of the segments, such expenses have been disclosed in the "Corporate" segment of each business and operation center. Also, as described in Note 4.(l) to the Annual Financial Statements, the Group lost control of Shufersal as of June 30, 2018 and has reclassified its results to discontinued operations. Segment information for the period ended September 30, 2017 has been recast for the purposes of comparability with the present period

Below is a summary of the Group's business units and a reconciliation between the operating income according to segment information and the operating income of the statement of income and other comprehensive income of the Group for the periods ended September 30, 2018 and 2017:

Véase nuestro informe de fecha 09/11/18

PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

12

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Below is a summarized analysis of the lines of business of the Group for the year ended September 30, 2018:

	09.30.18								
		Urban Properties and Investment business (II)							
	Agricultural business (I)	Operations Center in Argentina	Operations Center in Israel	Subtotal	Total segment information	Joint ventures (i)	Adjustments (ii)	Elimination of inter-segment transactions and non-reportable assets / liabilities (iii)	To Sta of I / Fi Pos
Revenues	2,390	1,647	8,728	10,375	12,765	(12)	467	(65)	13,
Costs	(1,942)	(327)	(5,718)	(6,045)	(7,987)	7	(481)	39	(8,4
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	308	-	-	-	308	-	-	21	329
Changes in the net realizable value of agricultural products after harvest	306	-	-	-	306	-	-	-	306
Gross profit	1,062	1,320	3,010	4,330	5,392	(5)	(14)	(5)	5,3
Gain from disposal of farmlands	1	-	-	-	1	-	-	-	1
Net gain / (loss) from fair value adjustment of investment properties	2	16,470	(7)	16,463	16,465	(698)	-	-	15,
General and administrative expenses	(180)	(280)	(967)	(1,247)	(1,427)	2	-	4	(1,4
Selling expenses	(180)	(174)	(1,311)	(1,485)	(1,665)	1	-	1	(1,6
Other operating results, net	134	(18)	336	318	452	4	-	-	456

Management fees	-	-	-	-	-	-	(228)	-	(22
Profit from operations	839	17,318	1,061	18,379	19,218	(696)	(242)	-	18,
Share profit / (loss) of associates and joint ventures	9	128	(218)	(90)	(81)	526	-	-	445
Segment profit	848	17,446	843	18,289	19,137	(170)	(242)	-	18,
Reportable assets	15,698	82,794	386,351	469,145	484,843	(513)	-	29,785	514
Reportable liabilities	-	-	(326,598)	(326,598)	(326,598)	-	-	(83,817)	(41
Net reportable assets	15,698	82,794	59,753	142,547	158,245	(513)	-	(54,032)	103

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

13

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Below is a summarized analysis of the lines of business of the Group for the year ended September 30, 2017:

	09.30.17								
		Urban Properties and Investment business (II)							
	Agricultural business (I)	Operations Center in Argentina	Operations Center in Israel	Subtotal	Total segment information	Joint ventures (i)	Adjustments (ii)	Elimination of inter-segment transactions and non-reportable assets / liabilities (iii)	To Sta of I / Fi Pos
Revenues	1,499	1,219	5,412	6,631	8,130	(11)	411	(38)	8,4
Costs	(1,197)	(249)	(3,251)	(3,500)	(4,697)	5	(417)	12	(5,0
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	52	-	-	-	52	1	-	22	75
Changes in the net realizable value of agricultural products after harvest	52	-	-	-	52	-	-	-	52
Gross profit	406	970	2,161	3,131	3,537	(5)	(6)	(4)	3,5
Net gain from fair value adjustment of investment properties	52	2,518	878	3,396	3,448	(39)	-	-	3,4
General and administrative expenses	(109)	(192)	(617)	(809)	(918)	12	-	3	(90
Selling expenses	(152)	(93)	(896)	(989)	(1,141)	1	-	1	(1,1
Other operating results, net	7	(28)	115	87	94	16	-	-	110
Management fees	-	-	-	-	-	-	(30)	-	(30
Profit from operations	204	3,175	1,641	4,816	5,020	(15)	(36)	-	4,9

Share (loss) / profit of associates and joint ventures	(5)	487	(106)	381	376	8	-	-	384
Segment profit	199	3,662	1,535	5,197	5,396	(7)	(36)	-	5,3
Reportable assets	7,545	48,157	180,774	228,931	236,476	(623)	-	14,457	250
Reportable liabilities	-	-	(159,846)	(159,846)	(159,846)	-	-	(41,423)	(20
Net reportable assets	7,545	48,157	20,928	69,085	76,630	(623)	-	(26,966)	49,

(i)
Represents the equity value of joint ventures that were proportionately consolidated for information by segment purposes.
(ii)
Includes Ps. (14) and Ps. (6) corresponding to Expenses and FPC and Ps. (228) and Ps. (30) to management fees, as of September 30, 2018 and 2017, respectively.
(iii)
Includes deferred income tax assets, income tax and MPIT credits, trade and other receivables, investment in financial assets, cash and cash equivalents and intangible assets except for rights to receive future units under barter agreements, net of investments in associates with negative equity which are included in provisions in the amount of Ps. 3,621 as of September 30, 2018.

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

14

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

(I)
Agriculture line of business

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

09.30.18	Agricultural production	Land transformation and sales	Corporate	Others	Total Agricultural business
Revenues	1,380	-	-	1,010	2,390
Costs	(1,206)	(3)	-	(733)	(1,942)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	305	-	-	3	308
Changes in the net realizable value of agricultural products after harvest	306	-	-	-	306
Gross profit / (loss)	785	(3)	-	280	1,062
Gain from disposal of farmlands	-	1	-	-	1
Net gain from fair value adjustment of investment properties	-	2	-	-	2
General and administrative expenses	(118)	-	(30)	(32)	(180)
Selling expenses	(104)	-	-	(76)	(180)
Other operating results, net	132	-	-	2	134
Profit / (loss) from operations	695	-	(30)	174	839
Share of profit of associates and joint ventures	6	-	-	3	9
Segment profit / (loss)	701	-	(30)	177	848
Investment properties	2,046	-	-	-	2,046
Property, plant and equipment	8,704	21	-	143	8,868
Investments in associates	67	-	-	55	122
Other reportable assets	3,753	-	-	909	4,662
Reportable assets	14,570	21	-	1,107	15,698

09.30.17	Agricultural production	Land transformation and sales	Corporate	Others	Total Agricultural business
Revenues	924	-	-	575	1,499
Costs	(684)	(4)	-	(509)	(1,197)
Initial recognition and changes in the fair value of biological assets and agricultural products at the point of harvest	52	-	-	-	52
Changes in the net realizable value of agricultural products after harvest	52	-	-	-	52
Gross profit / (loss)	344	(4)	-	66	406

Net gain from fair value adjustment of investment properties	-	52	-	-	52
General and administrative expenses	(72)	-	(17)	(20)	(109)
Selling expenses	(115)	-	-	(37)	(152)
Other operating results, net	5	-	-	2	7
Profit / (loss) from operations	162	48	(17)	11	204
Share of loss of associates and joint ventures	(2)	-	-	(3)	(5)
Segment profit / (loss)	160	48	(17)	8	199
Investment properties	416	-	-	-	416
Property, plant and equipment	4,853	15	-	104	4,972
Investments in associates	38	-	-	1	39
Other reportable assets	1,773	-	-	345	2,118
Reportable assets	7,080	15	-	450	7,545

(II)
Urban properties and investments line of business

Below is a summarized analysis of the lines of business of Group's operations center in Argentina:

	09.30.18 Shopping Malls	Offices	Sales and developments	Hotels	International	Corporate	Others	Total
Revenues	1,039	212	25	352	-	-	19	1,647
Costs	(96)	(12)	(13)	(185)	-	-	(21)	(327)
Gross profit / (loss)	943	200	12	167	-	-	(2)	1,320
Net gain from fair value adjustment of investment properties	3,694	8,425	4,318	-	-	-	33	16,470
General and administrative expenses	(115)	(28)	(22)	(54)	(11)	(40)	(10)	(280)
Selling expenses	(96)	(12)	(20)	(43)	-	-	(3)	(174)
Other operating results, net	(28)	(4)	(8)	14	2	-	6	(18)
Profit / (Loss) from operations	4,398	8,581	4,280	84	(9)	(40)	24	17,318
Share of profit / (loss) of associates and joint ventures	-	-	15	-	(70)	-	183	128
Segment profit / (loss)	4,398	8,581	4,295	84	(79)	(40)	207	17,446
Investment and trading properties	44,273	21,507	15,397	-	73	-	222	81,472
Property, plant and equipment	67	37	-	174	127	-	433	838
Investment in associates and joint ventures	-	-	178	-	(2,597)	-	2,693	274

Other reportable assets	35	17	46	12	-	-	100	210
Reportable assets	44,375	21,561	15,621	186	(2,397)	-	3,448	82,794

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

15

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

For the three-month period ended September 30, 2018, the net gain from fair value adjustment of investment property amounted to Ps. 16,470, and it was generated by:

Shopping Malls Segment

The net result of shopping malls was Ps. 3,694 during the current period, mainly as a result of the update of the macroeconomic inputs with respect to those used as of June 30, 2018, with the effects of each input being detailed below:

a)
an increase of 26 basis points in the discount rate, representing a decrease of Ps. 1,164 in the value of shopping Malls;

b)
an increase in the projected cash flows generated by the update of the projected inflation rates, representing an increase of Ps. 2,401 in the value of the shopping malls;

c)
a net increase of Ps. 1,767, generated by the update of the future exchange rates used for the dollar conversion of the projected cash flows (Ps. 11,027 - loss) and for the conversion of the present value of the projected cash flows at the effective exchange rate for the period end (Ps. 12,794 - gain).

Offices, Sales and developments and Others Segments

The net result of the properties included in the present segments was Ps. 9,247, mainly generated by the depreciation of 43% of the Argentine peso and by the upkeep of the reference values in dollars of the square meters of the market comparable. Additionally, during the current period, a gain of Ps. 3,529 was recognized as a result of the fair value measurement of the Dot Zetta development given the fact that it has reached a development stage in which its fair value is reliable measurable.

	09.30.17 Shopping Malls	Offices	Sales and developments	Hotels	International	Corporate	Others	Total
Revenues	850	121	33	214	-	-	1	1,219
Costs	(85)	(6)	(10)	(147)	-	-	(1)	(249)
Gross profit	765	115	23	67	-	-	-	970
Net gain from fair value adjustment of investment properties	2,044	266	198	-	-	-	10	2,518
General and administrative expenses	(66)	(21)	(19)	(39)	(15)	(28)	(4)	(192)
Selling expenses	(49)	(10)	(5)	(29)	-	-	-	(93)
Other operating results, net	(9)	(2)	(18)	(2)	(3)	-	6	(28)
Profit / (Loss) from operations	2,685	348	179	(3)	(18)	(28)	12	3,175
Share of profit of associates and joint ventures	-	12	2	-	113	-	360	487
Segment profit / (loss)	2,685	360	181	(3)	95	(28)	372	3,662

Investment and trading properties	30,912	7,703	5,554	-	-	-	257	44,426
Property, plant and equipment	57	45	-	170	54	-	-	326
Investment in associates and joint ventures	-	-	141	-	705	-	2,426	3,272
Other reportable assets	34	18	44	11	-	-	26	133
Reportable assets	31,003	7,766	5,739	181	759	-	2,709	48,157

For the three-month period ended September 30, 2017, the net gain from fair value adjustment of investment property amounted to Ps. 2,518, and it was generated by:

Shopping Malls Segment

The net result of the shopping malls was Ps. 2,044 during the current period, mainly as a result of the update of the macroeconomic inputs with respect to those used as of June 30, 2017, with the effects of each input being detailed below:

a)
a decrease of 25 basis points in the discount rate, representing an increase of Ps. 1,154 in the value of shopping Malls;
b)
a decrease in the projected cash flows generated by the update of the projected inflation rates, representing a decrease of Ps. 1,305 in the value of the shopping malls;
c)
a net increase of Ps. 2,190, generated by the update of the future exchange rates used for the dollar conversion of the projected cash flows (Ps. 984 - gain) and for the conversion of the present value of the projected cash flows at the effective exchange rate for the period end (Ps. 12,794 - gain).

Offices, Sales and developments and Others Segments

The net result of the properties included in the present segments was Ps. 474, mainly generated by the depreciation of 4% of the Argentine peso.

Below is a summarized analysis of the lines of business of Group’s operations center in Israel:

	09.30.18 Real Estate	Supermarkets	Telecommunications	Insurance	Corporate	Others	Total
Revenues	2,332	-	6,205	-	-	191	8,728
Costs	(1,041)	-	(4,558)	-	-	(119)	(5,718)
Gross profit / (loss)	1,291	-	1,647	-	-	72	3,010
Net loss from fair value adjustment of investment properties	(7)	-	-	-	-	-	(7)
General and administrative expenses	(119)	-	(553)	-	(117)	(178)	(967)
Selling expenses	(40)	-	(1,225)	-	-	(46)	(1,311)
Other operating results, net	-	-	-	-	-	336	336

Profit / (Loss) from operations	1,125	-	(131)	-	(117)	184	1,061
Share of loss of associates and joint ventures	(119)	-	-	-	-	(99)	(218)
Segment profit / (loss)	1,006	-	(131)	-	(117)	85	843
Reportable assets	203,487	19,739	74,904	23,666	41,838	22,717	386,351
Reportable liabilities	(160,228)	-	(58,230)	-	(99,330)	(8,810)	(326,598)
Net reportable assets	43,259	19,739	16,674	23,666	(57,492)	13,907	59,753

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

16

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

	09.30.17 Real Estate	Supermarkets	Telecommunications	Insurance	Corporate	Others	Total
Revenues	997	-	4,226	-	-	189	5,412
Costs	(250)	-	(2,991)	-	-	(10)	(3,251)
Gross profit	747	-	1,235	-	-	179	2,161
Net gain from fair value adjustment of investment properties	878	-	-	-	-	-	878
General and administrative expenses	(83)	-	(382)	-	(59)	(93)	(617)
Selling expenses	(26)	-	(826)	-	-	(44)	(896)
Other operating results, net	22	-	145	-	-	(52)	115
Profit / (Loss) from operations	1,538	-	172	-	(59)	(10)	1,641
Share of (loss) / profit of associates and joint ventures	(211)	-	-	-	-	105	(106)
Segment profit / (loss)	1,327	-	172	-	(59)	95	1,535
Reportable assets	83,752	37,486	32,601	8,652	11,228	7,055	180,774
Reportable liabilities	(66,424)	(26,196)	(25,996)	-	(35,869)	(5,361)	(159,846)
Net reportable assets	17,328	11,290	6,605	8,652	(24,641)	1,694	20,928

7.
Investments in associates and joint ventures

Changes in the Group’s investments in associates and joint ventures for the three-month period ended September 30, 2018 and for the year ended June 30, 2018 were as follows:

	09.30.18	06.30.18
Beginning of the period / year	22,295	8,155
Adjustment previous periods (IFRS 9 and 15)	9	-
Increase in equity interest in associates and joint ventures	53	(392)
Issuance of capital and contributions	30	187
Capital reduction	-	(284)
Decrease of interest in associates	-	(339)
Share of profit / (loss)	445	(583)
Transfer to borrowings to associates	-	(190)
Currency translation adjustment	7,894	3,426
Incorporation of deconsolidated subsidiary, net	-	12,763
Dividends (i)	(90)	(349)
Liquidation distribution	-	(72)
Reclassification to held for sale	-	(44)

Others	-	17
End of the period / year (ii)	30,636	22,295

(i)
See Note 26.
(ii)
As of September 30, 2018 and June 30, 2017 includes Ps. (3,621) and Ps. (2,452) respectively, reflecting interests in companies with negative equity, which were disclosed in "Provisions" (see Note 18).

Below is additional information about the Group's investments in associates and joint ventures:

Name of the entity	% ownership interest		Value of Group's interest in equity		Group's interest in comprehensive income / (loss)	
	09.30.18	06.30.18	09.30.18	06.30.18	09.30.18	09.30.17
Associates						
New Lipstick (1)	49.90%	49.90%	(3,621)	(2,452)	(1,168)	111
BHSA	29.91%	29.91%	2,343	2,250	160	371
Condor	18.90%	18.90%	1,000	696	322	30
PBEL	45.40%	45.40%	1,555	1,049	506	(60)
Shufersal	33.57%	33.56%	19,739	12,763	6,018	-
Other associates	-	-	2,362	2,706	492	(61)
Joint ventures						
Quality	50.00%	50.00%	1,519	1,062	449	17
La Rural S.A.	50.00%	50.00%	116	94	22	11
Mehadrin	45.41%	45.41%	2,963	2,272	730	(67)
Cresca S.A.	50.00%	50.00%	1	1	-	9
Other joint ventures	-	-	2,659	1,854	808	4
Total associates and joint ventures			30,636	22,295	8,339	365

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PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

17

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

				Last financial statement issued		
Name of the entity	Place of business / Country of incorporation	Main activity	Common shares 1 vote	Share capital (nominal value)	Profit / (loss) for the period	Shareholders' equity
Associates						
New Lipstick (1)	U.S.	Real estate	N/A	N/A	(*) (8)	(*) (186)
BHSA	Argentina	Financial	448,689,072	(***) 1,500	(***) 2,238	(***) 8,719
Condor	U.S.	Hotel	2,245,100	N/A	(*) 6	(*) 105
PBEL	India	Real estate	450	(**) 1	(**) (4)	(**) (491)
Shufersal	Israel	Retail	79,282,087	(**) 242	(**) 85	(**) 1,827
Joint ventures						
Quality	Argentina	Real estate	120,827,022	242	898	3,031
La Rural S.A.	Argentina	Organization of events	714,498	1	49	195
Mehadrin	Israel	Agriculture	1,509,889	(**) 3	(**) (39)	N/A

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

(*)
Amounts in millions of US Dollars under USGAAP. Condor's year-end falls on December 31, so the Group estimates their interest with a three-month lag, including material adjustments, if any.
(**)
Amounts in millions of NIS.
(***)
Information as of June 30, 2018 according to BCRA's standards. For the purpose of the valuation of the investment in the Company, preliminary figures as of September 30, 2018 with the necessary IFRS adjustments have been considered.

Puerto Retiro (joint venture)

At present, this 8.3 hectare plot of land, which is located in one of the most privileged areas of the city, near Catalinas, Puerto Madero and Retiro and is the only privately owned waterfront property facing directly to Río de la Plata, is affected by a zoning regulation defined as U.P. which prevents the property from being used for any purposes other than strictly port activities.

The Company was involved in a judicial bankruptcy action brought by the National Government, to which this Board of Directors is totally alien. Management and legal counsel of the Company believe that there are sufficient legal and technical arguments to consider that the petition for extension of the bankruptcy case will be dismissed by the court. However, in view of the current status of the action, its result cannot be predicted.

Moreover, Tandanor filed a civil action against Puerto Retiro S.A. and the other defendants in the criminal case for violation of Section 174 (5) based on Section 173 (7) of the Criminal Code of Argentina. Such action seeks -on the basis of the nullity of the decree that approved the bidding process involving the Dársena Norte property- the restitution of the property and a reimbursement in favor of Tandanor for all such amounts it has allegedly lost as a result of a suspected fraudulent transaction involving the sale of the property. Puerto Retiro has presented the allegation on the merit of the evidence, highlighting that the current shareholders of Puerto Retiro did not participate in any of the suspected acts in the criminal case since they acquired the shares for consideration and in good faith several years after the facts told in the process. Likewise, it was emphasized that the company Puerto Retiro is foreign to the bidding / privatization carried out for the sale of Tandanor shares. The dictation of the sentence is expected. On September 7, 2018, the Oral Federal Criminal Court No. 5 rendered a decision. According to the sentence read by the president of the Court, Puerto Retiro won the preliminary objection of limitation filed in the civil action. However, in the criminal case, where Puerto Retiro is not a party, it was ordered, among other issues, the confiscation (“decomiso”) of the property owned by Puerto Retiro known as Planta I. The grounds of the Court`s judgement will be read on November 11, 2018. From that moment, all the parties will be able to file the appeals. Although there are solid arguments to try to refute the disposed seizure, this can be affirmed with a greater degree of certainty after the publications of the fundamentals of the ruling, at this time only the resolute part of this ruling is known.

In the criminal action, the claimant reported the violation by Puerto Retiro of the injunction ordered by the criminal court consisting in an order to stay (“prohibición de innovar”) and not to contract with respect to the property disputed in the civil action. As a result of such report, the Oral Federal Court (Tribunal Oral Federal) No. 5 started interlocutory proceedings, and on June 8, 2017, it ordered and carried out the closing of the property that was subject to lease agreements with Los Cipreses S.A. and Flight Express S.A. with the aim of enforcing the referred order. As a result, the proceedings were forwarded to the Criminal Court for it to appoint the court that will investigate the alleged commission of the crime of contempt.

Our legal counsel considers that there is a chance of success of the defense of Puerto Retiro, always taking into account that this is a complex issue subject to more than one interpretation by legal scholars and case law.

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PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

18

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

8.
Investment properties

Changes in the Group's investment properties for the three-month period ended September 30, 2018 and for the year ended June 30, 2018 were as follows:

	Leased out farmland	Rental properties	Underdeveloped parcels of land	Properties under development	Total as of 09.30.18	Total as of 06.30.18
Fair value at the beginning of the period / year	923	141,182	12,608	8,797	163,510	100,189
Additions	-	246	218	497	961	3,289
Capitalized finance costs	-	-	-	23	23	82
Capitalized leasing costs	-	2	-	-	2	18
Amortization of capitalized leasing costs (i)	-	(2)	-	-	(2)	(5)
Transfers	-	464	(105)	(359)	-	-
Transfers to property, plant and equipment	-	(443)	-	-	(443)	(21)
Transfers from property, plant and equipment (ii)	1,543	-	-	-	1,543	1,980
Transfers to / from trading properties	-	-	(53)	59	6	353
Transfers to assets held for sale	-	-	-	-	-	(521)
Assets incorporated by business combination	-	-	-	-	-	107
Deconsolidation	-	-	-	-	-	(4,489)
Disposals	(861)	(5)	-	-	(866)	(571)
Currency translation adjustment	439	41,790	1,755	2,486	46,470	40,306
Net gain from fair value adjustment	2	7,839	3,798	4,128	15,767	22,793
Fair value at the end of the period / year	2,046	191,073	18,221	15,631	226,971	163,510

(i)
Amortization charges of capitalized leasing costs were included in "Costs" in the Statements of Income (Note 23).
(ii)
As of September 30, 2018 and June 30, 2018 includes Ps. 1,299 and Ps. 336, respectively, corresponding to the difference between valuation at cost and fair value.

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

	09.30.18	09.30.17
Rental and services income	3,358	2,412
Direct operating expenses	(918)	(676)
Development expenses	(742)	(40)
Net realized gain from fair value adjustment of investment properties	749	24
Net unrealized gain from fair value adjustment of investment properties	15,018	3,385

Valuation techniques are described in Note 9 to the Annual Financial Statements. There were no changes to such techniques. The Company has reassessed the assumptions at the end of the period, incorporating the effect of the variation in the exchange rate in other assets denominated in US Dollars.

9.
Property, plant and equipment

Changes in the Group's property, plant and equipment for the three-month period ended September 30, 2018 and for the year ended June 30, 2018 were as follows:

	Owner occupied farmland	Bearer plant	Buildings and facilities	Machinery and equipment	Communication networks	Others	Total as of 09.30.18	Total as of 06.30.18
Costs	6,898	645	2,030	489	14,975	4,354	29,391	36,133
Accumulated depreciation	(491)	(120)	(751)	(175)	(5,357)	(1,851)	(8,745)	(4,983)
Net book amount at the beginning of the period / year	6,407	525	1,279	314	9,618	2,503	20,646	31,150
Additions	74	35	58	5	422	324	918	4,542
Disposals	(18)	-	(3)	-	(13)	(1)	(35)	(259)
Deconsolidation	-	-	-	-	-	-	-	(29,001)
Impairment / recovery	-	-	-	-	-	-	-	(69)
Assets incorporated by business combinations	-	-	-	-	-	-	-	1,118
Currency translation adjustment	1,631	157	421	118	4,218	1,155	7,700	18,502
Transfers from investment properties	-	-	1	9	-	433	443	8
Transfers to investment properties	(244)	-	-	-	-	-	(244)	(1,644)
Transfers	1	-	(1)	-	-	-	-	-
Depreciation charges (i)	(24)	(43)	(34)	(6)	(408)	(193)	(708)	(3,701)
Balances at the end of the period / year	7,827	674	1,721	440	13,837	4,221	28,720	20,646
Costs	8,341	836	2,681	639	22,248	7,139	41,884	29,391

Accumulated depreciation	(514)	(162)	(960)	(199)	(8,411)		(2,918)	(13,164)	(8,745)
Net book amount at the end of the period / year	7,827	674	1,721	440	13,837		4,221	28,720	20,646

(i)
Amortization charge was recognized in the amount of Ps. 573 and Ps. 1,771 under "Costs", in the amount of Ps. 51 and Ps. 185 under "General and administrative expenses" and Ps. 14 and Ps. 34 under "Selling expenses" as of September 30, 2018 and June 30, 2018, respectively, in the Statements of Income (Note 23). In addition, a charge of Ps. 1,539 was recognized under "Discontinued operations" as of June 30, 2018.

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

19

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

10.
Trading properties

Changes in the Group's trading properties for the three-month period ended September 30, 2018 and for the year ended June 30, 2018 were as follows:

	Completed properties	Properties under development	Undeveloped sites	Total as of 09.30.18	Total as of 06.30.18
Beginning of the period / year	2,609	5,026	1,617	9,252	5,783
Adjustment previous periods (IFRS 15)	(757)	(3,316)	-	(4,073)	-
Additions	-	517	7	524	1,870
Capitalized finance costs	-	5	-	5	11
Currency translation adjustment	278	1,216	465	1,959	3,649
Transfers	-	244	(244)	-	-
Transfers from intangible assets	-	-	-	-	9
Transfers to investment properties	-	(6)	-	(6)	(353)
Disposals due to sales	(731)	-	-	(731)	(1,717)
Disposals due to advance in work in progress	-	(37)	-	(37)	-
End of the period / year	1,399	3,649	1,845	6,893	9,252
Non-current				3,188	6,020
Current				3,705	3,232
Total				6,893	9,252

11.
Intangible assets

Changes in the Group's intangible assets for the three-month period ended September 30, 2018 and for the year ended June 30, 2018 were as follows:

	Goodwill	Trademarks	Licenses	Customer relations	Information systems and software	Contracts and others	Total as of 09.30.18	Total as of 06.30.18
Costs	3,121	3,274	1,657	6,933	3,304	2,715	21,004	16,384
Accumulated amortization	-	(197)	(481)	(4,632)	(1,634)	(1,697)	(8,641)	(3,941)
Net book amount at the beginning of the period / year	3,121	3,077	1,176	2,301	1,670	1,018	12,363	12,443
Additions	-	-	-	-	176	218	394	652

Disposals	-	-	-	-	(7)	-	(7)	-
Deconsolidation	-	-	-	-	-	-	-	(7,108)
Transfers to trading properties	-	-	-	-	-	-	-	(9)
Assets incorporated by business combination	-	-	-	-	-	-	-	1,009
Currency translation adjustment	1,326	1,340	501	878	703	489	5,237	7,382
Amortization charges (i)	-	(13)	(20)	(198)	(144)	(139)	(514)	(2,006)
Balances at the end of the period / year	4,447	4,404	1,657	2,981	2,398	1,586	17,473	12,363
Costs	4,447	4,711	2,383	9,985	4,975	4,259	30,760	21,004
Accumulated amortization	-	(307)	(726)	(7,004)	(2,577)	(2,673)	(13,287)	(8,641)
Net book amount at the end of the period / year	4,447	4,404	1,657	2,981	2,398	1,586	17,473	12,363

(i)
Amortization charge was recognized in the amount of Ps. 152 and Ps. 489 under "Costs", in the amount of Ps. 138 and Ps. 339 under "General and administrative expenses" and Ps. 224 and Ps. 880 under "Selling expenses" as of September 30, 2018 and June 30, 2018, respectively in the Statements of Income (Note 23). In addition, a charge of Ps. 238 was recognized under "Discontinued operations" as of June 30, 2018.

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

20

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

12.
Biological assets

Changes in the Group's biological assets and their allocation to the fair value hierarchy three-month period ended September 30, 2018 and for the year ended June 30, 2018 were as follows:

	Agricultural business							
	Sown land-crops		Sugarcane fields	Breeding cattle and cattle for sale	Other cattle	Others	Total as of 09.30.18	Total as of 06.30.18
	Level 1	Level 3	Level 3	Level 2	Level 2	Level 1		
Net book amount at the beginning of the period / year	59	264	451	973	57	9	1,813	1,230
Purchases	-	-	-	9	39	-	48	151
Changes by transformation	(32)	32	-	-	-	-	-	-
Initial recognition and changes in the fair value of biological assets (i)	21	52	207	46	3	-	329	1,016
Decrease due to harvest	-	(377)	(626)	-	-	-	(1,003)	(3,181)
Sales	-	-	-	(59)	-	-	(59)	(355)
Consumes	-	-	-	-	(43)	-	(43)	(5)
Costs for the period / year	228	97	464	121	1	1	912	2,672
Addition	-	-	-	-	-	-	-	-
Foreign exchange gain	85	(10)	146	78	-	-	299	285
Balances at the end of the period / year	361	58	642	1,168	57	10	2,296	1,813
	-							-
Non-current (Production)	-	-	-	1,058	17	10	1,085	900
Current (Consumable)	361	58	642	110	40	-	1,211	913
Net book amount at the end of the period / year	361	58	642	1,168	57	10	2,296	1,813

(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. 50 and Ps. 71 for the three-month periods ended September 30, 2018 and for the fiscal year ended June 30, 2018, respectively; amounts of Ps. 87 and Ps. 81, was attributable to price changes, and amounts of Ps. (37) and Ps. (10), was attributable to physical changes, respectively.

During the three-month period ended September 30, 2018 and the year ended June 30, 2018 there have been no transfers between the several tiers used in estimating the fair value of the Group's biological assets, or reclassifications among their respective categories.

The fair value less estimated point of sale costs of agricultural produce at the point of harvest (which have been harvested during the period) amount to Ps. 1,003 and Ps. 3,207 for the three-month period ended September 30, 2018 and the year ended June 30, 2018, respectively.

See information on valuation processes used by the entity in Note 13 to the Annual Financial Statements.

As of September 30, 2018 and June 30, 2018, the better and maximum use of biological assets shall not significantly differ from the current use.

13.
Inventories

Breakdown of Group's inventories as of September 30, 2018 and June 30, 2018 are as follows:

	09.30.18	06.30.18
Crops	1,172	1,143
Materials and supplies	820	341
Seeds and fodders	252	145
Sugarcane	-	1
Beef	95	65
Agricultural inventories	2,339	1,695
Telephones and other communication equipment	840	592
Others	40	37
Total inventories	3,219	2,324

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PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

14.
Financial instruments by category

Determining fair values

The present note shows the financial assets and financial liabilities by category of financial instrument and a reconciliation to the corresponding line in the Consolidated Statements of Financial Position, as appropriate. Financial assets and liabilities measured at fair value are assigned based on their different levels in the fair value hierarchy. For further information related to fair value hierarchy see Note 15 to the Annual Financial Statements.

Financial assets and financial liabilities as of September 30, 2018 are as follows:

	Financial assets at amortized cost	Financial assets at fair value through profit or loss			Subtotal financial assets	Non-financial assets	Total
		Level 1	Level 2	Level 3			
September 30, 2018							
Assets as per Statement of Financial Position							
Trade and other receivables (excluding the allowance for doubtful accounts and other receivables) (Note 15)	31,792	-	-	-	31,792	8,767	40,559
Investment in financial assets:							
- Public companies' securities	-	-	-	197	197	-	197
- Private companies' securities	-	-	-	1,658	1,658	-	1,658
- Deposits	2,838	-	-	-	2,838	-	2,838
- Bonds	6	-	715	-	721	-	721
- Mutual funds	-	-	-	-	-	-	-
- Convertible Notes	-	-	-	1,093	1,093	-	1,093
- Investments in financial assets with quotation	-	31,473	-	-	31,473	-	31,473
Derivative financial instruments:							
- Crops options contracts	-	144	-	-	144	-	144
- Crops futures contracts	-	65	-	-	65	-	65
- Foreign-currency options contracts	-	32	-	-	32	-	32
- Foreign-currency future contracts	-	-	78	-	78	-	78
- Swaps	-	-	-	-	-	-	-
- Others	-	-	11	-	11	-	11
Restricted assets (i)	9,192	-	-	-	9,192	-	9,192
Financial assets held for sale							
- Clal	-	23,667	-	-	23,667	-	23,667
Cash and cash equivalents (excluding bank overdrafts):							
- Cash on hand and at bank	10,175	-	-	-	10,175	-	10,175

- Short-term bank in deposits	160	-	-	-	160	-	160
- Mutual funds	-	385	-	-	385	-	385
- Short-term investments	56,516	4,498	-	-	61,014	-	61,014
Total assets	110,679	60,264	804	2,948	174,695	8,767	183,462

	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss			Subtotal financial liabilities	Non-financial liabilities	Total
		Level 1	Level 2	Level 3			
September 30, 2018							
Liabilities as per Statement of Financial Position							
Trade and other payables (Note 17)	18,799	-	-	-	18,799	4,520	23,319
Borrowings (excluding finance lease liabilities) (Note 19)	335,621	-	-	-	335,621	-	335,621
Finance lease obligations	210	-	-	-	210	-	210
Derivative financial instruments:							
- Crops options contracts	-	6	-	-	6	-	6
- Crops futures contracts	-	54	-	-	54	-	54
- Foreign-currency options contracts	-	33	-	-	33	-	33
- Foreign-currency contracts	-	59	11	-	70	-	70
- Swaps	-	2	66	-	68	-	68
- Forwards	-	-	160	-	160	-	160
- Others	-	11	-	34	45	-	45
Total liabilities	354,630	165	237	34	355,066	4,520	359,586

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

22

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Financial assets and financial liabilities as of June 30, 2018 were as follows:

	Financial assets at amortized cost	Financial assets at fair value through profit or loss Level 1	Level 2	Level 3	Subtotal financial assets	Non-financial assets	Total
June 30, 2018							
Assets as per Statement of Financial Position							
Trade and other receivables (excluding the allowance for doubtful accounts and other receivables) (Note 15)	21,096	-	-	-	21,096	6,078	27,174
Investment in financial assets:							
- Public companies' securities	-	-	-	135	135	-	135
- Private companies' securities	-	-	-	1,168	1,168	-	1,168
- Deposits	1,397	-	-	-	1,397	-	1,397
- Bonds	10	-	505	-	515	-	515
- Mutual funds	-	-	-	-	-	-	-
- Convertible Notes	-	-	-	793	793	-	793
- Investments in financial assets with quotation	-	23,342	-	-	23,342	-	23,342
Derivative financial instruments:							
- Crops options contracts	-	30	-	-	30	-	30
- Crops futures contracts	-	57	-	-	57	-	57
- Foreign-currency options contracts	-	11	-	-	11	-	11
- Foreign-currency future contracts	-	-	71	-	71	-	71
- Swaps	-	-	-	-	-	-	-
- Others	-	-	16	-	16	-	16
Restricted assets (i)	6,426	-	-	-	6,426	-	6,426
Financial assets held for sale							
- Clal	-	12,254	-	-	12,254	-	12,254
Cash and cash equivalents (excluding bank overdrafts):							
- Cash on hand and at bank	6,834	-	-	-	6,834	-	6,834
- Short-term bank in deposits	350	-	-	-	350	-	350
- Mutual funds	-	353	-	-	353	-	353
- Short-term investments	28,334	2,779	-	-	31,113	-	31,113
Total assets	64,447	38,826	592	2,096	105,961	6,078	112,039

	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss Level 1	Level 2	Level 3	Subtotal financial liabilities	Non-financial liabilities	Total

June 30, 2018							
Liabilities as per Statement of Financial Position							
Trade and other payables (Note 17)	16,678	-	-	-	16,678	4,791	21,469
Borrowings (excluding finance lease liabilities) (Note 19)	219,375	-	-	-	219,375	-	219,375
Finance lease obligations	170	-	-	-	170	-	170
Derivative financial instruments:							
- Crops options contracts	-	27	-	-	27	-	27
- Crops futures contracts	-	58	-	-	58	-	58
- Foreign-currency options contracts	-	18	-	-	18	-	18
- Foreign-currency contracts	-	45	8	-	53	-	53
- Swaps	-	1	47	-	48	-	48
- Forward contracts	-	-	118	-	118	-	118
- Others	-	8	-	24	32	-	32
Total liabilities	236,223	157	173	24	236,577	4,791	241,368

(i)
Corresponds to deposits in guarantee and escrows

The fair value of financial assets and liabilities at their amortized cost does not differ significantly from their book value, except for borrowings (Note 19). The fair value of payables approximates their respective carrying amounts because, due to their short-term nature, the effect of discounting is not considered significant. Fair values are based on discounted cash flows (Level 3).

The valuation models used by the Group for the measurement of Level 2 and Level 3 instruments are no different from those used as of June 30, 2018.

As of September 30, 2018, there have been no changes to the economic or business circumstances affecting the fair value of the financial assets and liabilities of the Group.

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

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

Description	Pricing model / method	Parameters	Fair value hierarchy	Range
Interest rate swaps	Cash flows - Theoretical price	Interest rate future contracts and cash flows	Level 2	-
Preferred shares of Condor	Binomial tree – Theoretical price I	Underlying asset price (Market price); share price volatility (historical) and market interest rate (Libor rate curve).	Level 3	Underlying asset price 10 to 11 Share price volatility 58% to 78% Market interest-rate 2.9% to 3.5%
Promissory note	Discounted cash flows - Theoretical price	Underlying asset price (Market price); share price volatility (historical) and market interest rate (Libor rate curve).	Level 3	Underlying asset price 10 to 11 Share price volatility 58% to 78% Market interest-rate 2.9% to 3.5%
TGLT Non-Convertible Notes	Black-Scholes – Theoretical price	Underlying asset price (Market price); share price volatility (historical) and market interest rate (Libor rate curve).	Level 3	Underlying asset price 10 to 13 Share price volatility 55% to 75% Market interest rate 8% to 9%
Call option of Arcos	Discounted cash flows	Projected revenues and discounting rate.	Level 3	-
Investments in financial assets - Other private companies’ securities	Cash flow / NAV - Theoretical price	Projected revenue discounted at the discount rate / The value is calculated in accordance with shares in the equity funds on the basis of their Financial Statements, based on fair value or investments assessments.	Level 3	1 - 3.5
Investments in financial assets - Others	Discounted cash flow - Theoretical price	Projected revenue discounted at the discount rate / The value is calculated in accordance with shares in the equity funds on the basis of their Financial Statements, based on fair value or investment	Level 3	1 - 3.5

		assessments.		
Derivative financial instruments – Forwards	Theoretical price	Underlying asset price and volatility	Level 2 and 3	-

The following table presents the changes in Level 3 instruments as of September 30, 2018 and June 30, 2018:

	Investments in financial assets - Public companies' Securities	Derivative financial instruments - Others	Investments in financial assets - Private companies' Securities	Investments in financial assets - Convertible Notes	Total as of 09.30.18	Total as of 06.30.18
Balances at beginning of the period / year	135	(24)	1,168	793	2,072	1,036
Additions and acquisitions	-	-	7	-	7	560
Transfer to level 1	-	-	-	-	-	(100)
Currency translation adjustment	59	(10)	523	93	665	553
Deconsolidation	-	-	-	-	-	(126)
Write off	-	-	-	-	-	(67)
Gain / (loss) for the period / year (i)	3	-	(40)	207	170	216
Balances at the end of the period / year	197	(34)	1,658	1,093	2,914	2,072

(i) Included within "Financial results, net" in the Statements of Income.

Clal

As mentioned in Note 15 to the Annual Financial Statements, IDBD is subject to a judicial process on the sale of its equity interest in Clal. Following completion of the transactions mentioned in Note 4 to these Financial Statements, IDBD's interest in Clal was reduced to 29.8% of its share capital.

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

15.
Trade and other receivables

Group's trade and other receivables as of September 30, 2018 and June 30, 2018 are as follows:

	09.30.18	06.30.18
Trade, leases and services receivable	26,636	16,935
Less: allowance for doubtful accounts	(1,797)	(837)
Total trade receivables	24,839	16,098
Prepayments	7,108	4,821
Borrowings, deposits and other debit balances	4,039	3,254
Guarantee deposits	240	164
Tax receivables	1,103	834
Others	1,433	1,166
Total other receivables	13,923	10,239
Total trade and other receivables	38,762	26,337
Non-current	14,040	9,129
Current	24,722	17,208
Total	38,762	26,337

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 3).

Movements on the Group's allowance for doubtful accounts were as follows:

	09.30.18	06.30.18
Beginning of the period / year	837	336
Adjustments previous periods (IFRS 9)	117	-
Additions (i)	182	324
Recoveries (i)	(25)	(33)
Currency translation adjustment	706	626
Deconsolidation	-	(142)
Receivables written off during the period / year as uncollectable	(20)	(274)
End of the period / year	1,797	837

(i)
The creation and release of the allowance for doubtful accounts have been included in "Selling expenses" in the Statement of Income (Note 23).

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

16.
Cash flow information

Following is a detailed description of cash flows generated by the Group's operations for the three-month periods ended September 30, 2018 and 2017:

	Note	09.30.18	09.30.17
Profit for the period		7,439	28
Profit / (Loss) from discontinued operations		46	(351)
Adjustments for:			
Income tax	20	856	1,137
Amortization and depreciation	23	1,154	866
Gain from disposal of farmlands		(1)	-
(Gain) / Loss from revaluation of receivables arising from the sale of farmland		(178)	(4)
Loss from disposal of property, plant and equipment		-	22
Changes in net realizable value of agricultural products after harvest		(306)	(52)
Unrealized initial recognition and changes in fair value of biological assets and agricultural products at the point of harvest		(416)	(103)
Net gain from fair value adjustment of investment properties		(15,767)	(3,409)
Share-based compensation		7	15
Impairment of other assets		92	-
Gain from disposal of intangible assets		(7)	-
Gain from disposal of subsidiary and associates		(408)	(136)
Gain from disposal of trading properties		(10)	-
Financial results, net		9,270	4,924
Provisions and previsions		335	76
Share of profit of associates and joint ventures	7	(445)	(384)
Release of intangible assets due to TGLT agreement		-	(7)
Unrealized gain from derivative financial instruments		(37)	(5)
Changes in fair value of financial assets		-	(12)
Loss from repurchase of Non-convertible Notes		(6)	8
Other operating results		-	(9)
Changes in operating assets and liabilities:			
Decrease in biological assets		358	224
Decrease in inventories		(269)	(57)
Decrease in trading properties		121	99
Increase in restricted assets		(99)	-
Decrease / (Increase) in trade and other receivables		(501)	(460)
Decrease in derivative financial instruments		(6)	14
Decrease in trade and other payables		171	43
Increase in salaries and social security liabilities		(108)	(102)
(Decrease) / Increase in provisions and previsions		(19)	(160)
Net cash generated by continuing operating activities before income tax paid		1,266	2,205
Net cash generated by discontinued operating activities before income tax paid		191	400
Net cash generated by operating activities before income tax paid		1,457	2,605

The following table presents a detail of significant non-cash transactions occurred in the three-month periods ended September 30, 2018 and 2017:

	09.30.18	09.30.17
Decrease in investments in subsidiaries, associates and joint ventures through an increase in trade and other receivables	(4,125)	(20)
Increase in investments in intangible assets through an increase in trade and other payables	-	4
Increase in investment properties through an increase in trade and other payables	-	(66)
Increase in trade and other receivables through a decrease in property, plant and equipment	-	(115)
Increase in property, plant and equipment through an increase of trade and other payables	-	135
Decrease of treasury shares	23	-
Dividends distribution to non-controlling shareholders not yet paid	5	-
Changes in non-controlling interest through a decrease in trade and other receivables	42	-
Increase in property, plant and equipment through a business combination	6	-
Increase in property, plant and equipment through an increase in trade and other payables	507	-
Increase in intangible assets through an increase in trade and other payables	237	-

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

26

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

17.
Trade and other payables

Group’s trade and other payables as of September 30, 2018 and June 30, 2018 were as follows:

	09.30.18	06.30.18
Trade payables	11,567	10,455
Sales, rental and services payments received in advance	3,209	3,752
Construction obligations	1,385	1,475
Accrued invoices	1,437	1,353
Deferred income	51	37
Total trade payables	17,649	17,072
Dividends payable to non-controlling shareholders	136	123
Taxes payable	658	481
Construction obligations	602	521
Management fees	1,358	1,351
Others	2,916	1,921
Total other payables	5,670	4,397
Total trade and other payables	23,319	21,469
Non-current	2,325	3,577
Current	20,994	17,892
Total	23,319	21,469

18.
Provisions

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

	Legal claims (i)	Investments in associates and joint ventures (ii)	Sited dismantling and remediation	Onerous contracts	Other provisions	Total as of 09.30.18	Total as of 06.30.18
Beginning of period / year	1,052	2,452	163	1	958	4,626	1,849
Additions	106	89	-	-	46	241	2,706
Incorporated by business combination	-	-	-	-	-	-	10
Recovery	(17)	-	-	-	-	(17)	(422)
Deconsolidation	-	-	-	-	-	-	(447)
Currency translation adjustment	472	1,080	73	-	543	2,168	930
End of period / year	1,613	3,621	236	1	1,547	7,018	4,626
Non-current						5,475	3,567
Current						1,543	1,059
Total						7,018	4,626

(i)
Additions and recoveries are included in "Other operating results, net".
(ii)
Corresponds to the equity interest in New Lipstick with negative equity. Additions and recoveries are included in "Share of profit of associates and joint ventures"

There were no significant changes to the processes mentioned in Note 20 to the Annual Financial Statements.

19.
Borrowings

The breakdown and fair value of the Group's borrowings as of September 30, 2018 and June 30, 2018 was as follows:

	Book value		Fair value	
	09.30.18	06.30.18	09.30.18	06.30.18
NCN	274,289	177,980	265,587	189,949
Bank loans	55,047	36,552	53,854	37,153
Bank overdrafts	1,971	1,122	1,971	1,122
Other borrowings (i)	4,524	3,891	5,150	5,076
Total borrowings (ii)	335,831	219,545	326,562	233,300
Non-current	271,514	187,462		
Current	64,317	32,083		
Total	335,831	219,545		

(i)
Includes finance leases in the amount of Ps. 210 and Ps. 170 as of September 30 and June 30, 2018, respectively.
(ii)
Includes Ps. 281,127 and Ps. 180,814 as of September 30 and June 30, 2018, respectively, corresponding to the Operations Center in Israel.

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

27

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

The following table describes the Group's issuance of debt during the present period:

Entity	Class	Issuance / expansion date	Amount in original currency	Maturity date	Interest rate	Principal payment	Interest payment	
Cellcom	SERIES K	Jul-18	NIS 220	07/05/2026	3.55% e.a.	Annual payments since 2021	annually	(1)
PBC	SERIES I	Jul-18	NIS 507	06/29/2029	3.95% e.a.	At expiration	quarterly	(1)
Gav - Yam	SERIES A	Jul-18	NIS 320	10/31/2023	3.55% e.a.	Annual payments since 2021	biannually	
Gav - Yam	SERIES H	Sep-18	NIS 596	06/30/2034	2.55% e.a.	At expiration	annually	(1)

(1)
Corresponds to an expansion of the series.

IDBD

On August 9, 2018 the Board of Directors of IDBD resolved to perform a partial prepayment of series M debentures of IDBD which took place on August 28, 2018. The partial prepayment amounted to NIS 146 million (approximately Ps 1,491 as of the date of issuance of these financial statements) which represents a 14.02% of the remaining amount of series M debentures.

20.
Taxes

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

	09.30.18	09.30.17
Current income tax	(323)	(194)
Deferred income tax	(533)	(943)
Income tax from continuing operations	(856)	(1,137)

Below is a reconciliation between income tax recognized and the amount which would result from applying the prevailing tax rate on profit before income tax for the three-month periods ended September 30, 2018 and 2017:

	09.30.18	09.30.17
Tax calculated at the tax rates applicable to profits in the respective countries (*)	(2,345)	(468)
Permanent differences:		
Share of (loss) / profit of joint ventures and associates	197	58
Tax rate differential	370	-
Provision for unrecoverability of tax loss carry-forwards / Unrecognized tax loss carry-forwards	(654)	(809)
Non-taxable profit, non-deductible expenses and others	1,576	82
Income tax from continuing operations	(856)	(1,137)

(*) The Income Tax rate in effect in Argentina as of September 30, 2017 was 35%, while as of September 30, 2018 is 30%. See Note 20 to the Annual Financial Statements.

The gross movement in the deferred income tax account is as follows:

	09.30.18	06.30.18
Beginning of period / year	(24,884)	(21,494)
Adjustments previous periods (IFRS 9 and 15)	(44)	-
Incorporated by business combination	-	(13)
Deconsolidation	-	2,808
Currency translation adjustment	(5,504)	(6,174)
Revaluation surplus	(442)	-
Reserve for changes of non-controlling interest	-	(15)
Use of tax loss carry-forwards	-	(63)
Charged to the Statement of Income	(533)	67
End of the period / year	(31,407)	(24,884)
Deferred income tax assets	2,635	1,679
Deferred income tax liabilities	(34,042)	(26,563)
Deferred income tax liabilities, net	(31,407)	(24,884)

Véase nuestro informe de fecha 09/11/18
PRICE WATERHOUSE & Co. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

21.
Revenues

	09.30.18	09.30.17
Beef	688	441
Crops	709	443
Sugarcane	564	373
Cattle	31	42
Supplies	81	42
Dairy	-	19
Consignment	166	42
Advertising and brokerage fees	49	36
Agricultural rental and other services	7	4
Income from agricultural sales and services	2,295	1,442
Trading properties and developments	822	63
Communication services	4,631	3,224
Sale of communication equipment	1,574	1,059
Rental and services	3,351	2,408
Hotel operations, tourism services and others	482	296
Total revenues	13,155	8,492

22.
Costs

	09.30.18	09.30.17
Other operative costs	3	4
Cost of property operations	3	4
Beef	562	409
Crops	627	330
Sugarcane	510	292
Cattle	59	44
Supplies	51	38
Dairy	-	17
Consignment	15	7
Advertising and brokerage fees	33	22
Agricultural rental and other services	43	22
Costs of agricultural sales and services	1,900	1,181
Trading properties and developments	742	38
Communication services	3,406	2,306
Sale of communication equipment	1,153	716
Rental and services	914	630
Hotel operations, tourism services and others	304	222
Total costs	8,422	5,097

23.
Expenses by nature

The Group discloses expenses in the statements of income by function as part of the line items “Costs”, “General and administrative expenses” and “Selling expenses”. The following table provides additional disclosures regarding expenses by nature and their relationship to the function within the Group.

	Production costs	Costs (i)	General and administrative expenses	Selling expenses	Total as of 09.30.18	Total as of 09.30.17
Cost of sale of goods and services	-	1,904	-	-	1,904	823
Supplies and labors	688	606	-	3	1,297	892
Cost of sale of agricultural products and biological assets	(11)	965	-	-	954	407
Salaries, social security costs and other personnel expenses	56	884	600	615	2,155	1,402
Depreciation and amortization	70	727	189	238	1,224	916
Fees and payments for services	3	837	320	28	1,188	1,318
Maintenance, security, cleaning, repairs and others	14	544	91	43	692	444
Advertising and other selling expenses	-	63	1	265	329	340
Taxes, rates and contributions	5	109	17	110	241	161
Interaction and roaming expenses	-	652	-	-	652	-
Fees to other operators	-	870	-	-	870	-
Director's fees	-	-	78	-	78	59
Leases and service charges	1	25	4	45	75	71
Allowance for doubtful accounts, net	-	-	-	157	157	45
Freights	8	-	-	73	81	83
Bank commissions and expenses	-	22	8	2		