

CRESUD INC
Form 6-K
February 28, 2014

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of February, 2014

Cresud Sociedad Anónima, Comercial, Inmobiliaria,
Financiera y Agropecuaria
(Exact name of Registrant as specified in its charter)

Cresud Inc.
(Translation of registrant's name into English)

Republic of Argentina
(Jurisdiction of incorporation or organization)

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

Form 20-F ☒ Form 40-F ☐

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

Yes ☐ No ☒

CRESUD S.A.C.I.F. and A.
(THE "COMPANY")

REPORT ON FORM 6-K

Attached is a copy of the translation of the Financial Statements for the six month period ended December 31, 2013 and December 31, 2012 filed with the Comisión Nacional de Valores and the Bolsa de Comercio de Buenos Aires.

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Financial Statements as of December 31, 2013 and for the six-month periods ended December 31, 2013 and 2012

Legal Information

Denomination: Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria
 Fiscal year N°: 81, beginning on July 1, 2013
 Legal address: Moreno 877, 23rd floor – Ciudad Autónoma de Buenos Aires, Argentina
 Company activity: Real state, 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: February 25, 2013
 Expiration of Company charter: June 6, 2082
 Common Stock subscribed, issued and paid up: 501,562,730 common shares.

Majority shareholder's: Inversiones Financieras del Sur S.A.
 Legal address: Road 8, km 17,500, Zonamérica Building 1, store 106, Montevideo, Uruguay
 Parent company Activity: Investment
 Capital stock: 190,681,047 common shares

CAPITAL STATUS

Type of stock	Authorized to be offered publicly (Shares)	Subscribed, Issued and Paid-in (Ps.)
Ordinary certified shares of Ps. 1 face value and 1 vote each	501,562,730	501,562,730

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position
as of December 31, 2013 and June 30, 2013

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

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

	Note	December 31, 2013	June 30, 2013
ASSETS			
Non-current assets			
Investment properties	10	4,366,646	4,179,901
Property, plant and equipment	11	2,031,825	1,841,454
Trading properties	12	187,160	182,553
Intangible assets	13	137,446	125,312
Biological assets	14	318,072	303,128
Investments in associates and joint ventures	8, 9	1,629,977	1,486,862
Deferred income tax assets	26	499,517	179,228
Income tax credit		222,217	198,871
Restricted assets	17	61,484	54,631
Trade and other receivables	18	346,614	291,430
Investment in financial assets	19	866,947	253,742
Derivative financial instruments	20	8,367	25,377
Total non-current assets		10,676,272	9,122,489
Current Assets			
Trading properties	12	17,229	11,689
Biological assets	14	289,048	97,564
Inventories	15	280,162	252,376
Restricted assets	17	923	1,022
Income tax credit		5,971	4,779
Trade and other receivables	18	1,208,780	1,446,091
Investment in financial assets	19	828,351	385,585
Derivative financial instruments	20	33,899	41,544
Cash and cash equivalents	21	512,066	1,047,586

Total current assets	3,176,429	3,288,236
TOTAL ASSETS	13,852,701	12,410,725
SHAREHOLDERS EQUITY		
Capital and reserves attributable to equity holders of the parent		
Share capital	496,562	496,562
Treasury stock	5,001	5,001
Inflation adjustment of share capital and treasury stock	65,425	65,425
Share premium	773,079	773,079
Share warrants	106,264	106,264
Cumulative translation adjustment	171,358	2,284
Changes in non-controlling interest	(9,706)	(21,996)
Equity-settled compensation	19,417	8,345
Legal reserve	81,616	46,835
Reserve for new developments	217,065	337,065
Special reserve	633,940	695,628
Retained earnings	(331,151)	(26,522)
Equity attributable to equity holders of the parent	2,228,870	2,487,970
Non-controlling interest	2,221,107	2,231,096
TOTAL SHAREHOLDERS' EQUITY	4,449,977	4,719,066

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

Cresud S.A.C.I.F. y A.

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position
as of December 31, 2013 and June 30, 2013 (Continued)

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

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

	Note	December 31, 2013	June 30, 2013
LIABILITIES			
Non-current liabilities			
Trade and other payables	22	238,684	228,267
Borrowings	25	5,248,180	4,189,896
Deferred income tax liabilities	26	527,564	530,263
Derivative financial instruments	20	-	2,773
Payroll and social security liabilities	23	5,511	3,984
Provisions	24	137,797	71,626
Total non-current liabilities		6,157,736	5,026,809
Current liabilities			
Trade and other payables	22	1,113,891	899,542
Income tax liabilities		106,092	92,182
Payroll and social security liabilities	23	94,277	120,835
Borrowings	25	1,908,269	1,527,390
Derivative financial instruments	20	6,839	8,691
Provisions	24	15,620	16,210
Total current liabilities		3,244,988	2,664,850
TOTAL LIABILITIES		9,402,724	7,691,659
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		13,852,701	12,410,725

Cresud S.A.C.I.F. y A

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Income
for the six and three-month periods beginning on July 1 and on October 1, 2013 and 2012 and ended December 31,
2013 and 2012

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

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

		Six months		Three months	
	Note	2013	2012	2013	2012
Revenues	28	2,133,862	1,605,186	1,007,740	855,218
Costs	29	(1,761,746)	(1,422,123)	(875,878)	(781,401)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest		424,508	459,429	298,256	270,767
Changes in the net realizable value of agricultural produce after harvest		(9,217)	6,811	(1,205)	(16,429)
Gross profit		787,407	649,303	428,913	328,155
Gain from disposal of investment properties		7,150	53,678	7,150	24,210
Gain from disposal of farmlands		-	53,988	-	53,988
General and administrative expenses	30	(236,114)	(181,468)	(124,872)	(104,593)
Selling expenses	30	(155,691)	(123,679)	(74,806)	(63,252)
Other operating results	32	(17,494)	105,102	(12,776)	141,926
Profit from operations		385,258	556,924	223,609	380,434
Share of profit of associates and joint ventures	8, 9	47,769	12,546	9,403	(3,201)
Profit from operations before financing and taxation		433,027	569,470	233,012	377,233
Finance income	33	117,641	90,040	66,899	38,373
Finance cost	33	(1,199,142)	(507,997)	(742,004)	(265,143)
Other financial results	33	123,601	58,740	51,617	36,086
Financial results, net	33	(957,900)	(359,217)	(623,488)	(190,684)
(Loss) / profit before income tax		(524,873)	210,253	(390,476)	186,549
Income tax expense	26	170,104	(33,535)	124,722	(17,832)
(Loss) / profit for the period		(354,769)	176,718	(265,754)	168,717
Attributable to:					
Equity holders of the parent		(332,030)	60,760	(234,181)	77,278
Non-controlling interest		(22,739)	115,958	(31,573)	91,439
Profit / (loss) per share attributable to equity holders of the parent during the period:					
Basic		(0.67)	0.12		
Diluted		(i) (0.67)	0.11		

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

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

Cresud S.A.C.I.F. y A.

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income
for the six and three-month periods beginning on July 1 and on October 1, 2013 and 2012 and ended December 31,
2013 and 2012

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

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

	Six months		Three months	
	2013	2012	2013	2012
(Loss) / profit for the period	(354,769)	176,718	(265,754)	168,717
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation adjustment	336,946	114,212	194,698	63,423
Currency translation adjustment from associates and joint ventures	(7,354)	7,785	(8,407)	7,540
Other comprehensive income for the period (i)	329,592	121,997	186,291	70,963
Total comprehensive income for the period	(25,177)	298,715	(79,463)	239,680
Attributable to:				
Equity holders of the parent	(162,956)	117,307	(136,697)	111,328
Non-controlling interest	137,779	181,408	57,234	128,352

(i) Components of other comprehensive income have no impact on income tax.

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

Cresud S.A.C.I.F. y A.

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the six-month periods ended December 31, 2013 and 2012

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

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

	Share Capital	Treasury Stock	Inflation adjustment of Share Capital and Treasury Stock	Share premium	Share warrants	Subtotal	Changes in non-controlling interests	Cumulative translation adjustment	Equity-settled compensation	Legal reserve	Reserve for non- development
Balance as of July 1, 2013	496,562	5,001	65,425	773,079	106,264	1,446,331	(21,996)	2,284	8,345	46,835	337,000
Loss for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	169,074	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	-	169,074	-	-	-
Appropriation of retained earnings resolved by Shareholders' Meeting held on 10/31/13:											
- Legal reserve	-	-	-	-	-	-	-	-	-	34,781	-
- Other reserves	-	-	-	-	-	-	-	-	-	-	-
- Cash dividends	-	-	-	-	-	-	-	-	-	-	(120,000)
Equity-settled compensation	-	-	-	-	-	-	-	-	11,360	-	-
Changes in interest in subsidiaries	-	-	-	-	-	-	12,290	-	-	-	-
Cancellation of BrasilAgro warrants	-	-	-	-	-	-	-	-	(288)	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-

Capital contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Reimbursement expired dividends	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2013	496,562	5,001	65,425	773,079	106,264	1,446,331	(9,706)	171,358	19,417	81,616	217,

(1) Related to CNV General Resolution No. 609/12. See Note 27.

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

Cresud S.A.C.I.F. y A.

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the six-month periods ended December 31, 2013 and 2012

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

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

	Share Capital	Treasury Stock	Inflation adjustment of Share Capital and Treasury Stock	Share premium	Share warrants	Subtotal	Changes in non-controlling interest	Cumulative translation adjustment	Equity-settled compensation	Legal reserves	Reserve for non- development
Balance as of July 1, 2012	496,562	5,001	166,218	773,079	106,263	1,547,123	(9,596)	(81,939)	4,540	42,922	389,389
Gain for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	56,547	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	56,547	-	-	-
Appropriation of retained earnings resolved by Shareholders' Meeting held on 10/31/13:											
- Legal reserve	-	-	-	-	-	-	-	-	-	3,913	-
- Other reserves	-	-	-	-	-	-	-	-	-	-	(52,163)
- Appropriation of retained earnings	-	-	(100,793)	-	-	(100,793)	-	-	-	-	-
- Cash dividends	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	1,582	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	3,163	-	-

Equity-settled compensation												
Exercise of warrants	-	-	-	-	1	1	-	-	-	-	-	-
Cumulative translation adjustment for interest held before business combination	-	-	-	-	-	-	-	(8,331)	-	-		
Reimbursement of expired dividends	-	-	-	-	-	-	-	-	-	-	-	-
Capital contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital distribution	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2012	496,562	5,001	65,425	773,079	106,264	1,446,331	(8,014)	(33,723)	7,703	46,835	337,000	

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

Cresud S.A.C.I.F. y A.

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the six-month periods ended December 31, 2013 and 2012

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

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

	Note	December 31, 2013	December 31, 2012
Operating activities:			
Cash generated from operations	21	604,632	512,213
Income tax paid		(167,683)	(132,456)
Net cash generated from operating activities		436,949	379,757
Investing activities:			
Acquisition of subsidiaries, net of cash acquired		-	(117,874)
Acquisition of associates and joint ventures		(13,057)	(32,000)
Capital contributions to joint ventures		(39,750)	(22,360)
Acquisition of derivative financial instruments		-	-
Suppliers advances		(36,576)	(9,750)
Purchases of investment properties		(139,849)	(89,442)
Proceeds from sale of subsidiaries		-	-
Proceeds from sale of investment properties		127,931	81,731
Purchases of property, plant and equipment		(60,237)	(78,185)
Proceeds from sale of property, plant and equipment		5,166	63,052
Proceeds from sale of farmlands		26,222	-
Payments of purchase of properties		(5,730)	-
Purchases of intangible assets		(1,530)	(881)
Acquisition of Investment in financial assets		(2,901,276)	(600,289)
Proceeds from disposals of Investment in financial assets		1,913,431	519,231
Loans granted to associates and joint ventures		-	(18,376)
Loans repayments received from associates and joint ventures		949	709
Proceeds from sale of joint ventures		7,736	-
Interest received		-	5,921
Dividends received		19,988	44,649
Net cash used in investing activities		(1,096,582)	(253,864)
Financing activities:			
Repurchase of equity interest		(34,571)	-
Proceeds from issuance of non-convertible notes, net		833,561	142,168
Payment of non-convertible notes net		(486,054)	(175,471)
Borrowings		325,581	597,872
		(1,640)	-

Payment of seller financing of shares			
Repayments of borrowings	(241,840)	(335,695)	
Payments of borrowings from subsidiaries, associates and joint ventures	(186)	(186)	
Proceeds from borrowings from associates and joint ventures	12,550	48,431	
Proceeds from warrants	-	1	
Cancellation of Brasilagro warrants	(288)	-	
Payment of seller financing	(866)	(4,863)	
Acquisition of non-controlling interest in subsidiaries	-	(6,837)	
Dividend paid to non-controlling interest	(86,450)	(109,288)	
Acquisition of derivative financial instruments	(1,164)	-	
Proceeds from derivative financial instruments	3,060	-	
Payments of purchase of non-controlling interest	-	(3,584)	
Contributions from non-controlling interest	369	4,790	
Capital reduction of subsidiaries	(2,027)	(39,572)	
Interest paid	(261,130)	(194,968)	
Net cash generated (used) in financing activities	58,905	(77,202)	
Net (decrease) increase in cash and cash equivalents	(600,728)	48,691	
Cash and cash equivalents at beginning of period	21	1,047,586	471,922
Foreign exchange gain on cash and cash equivalents	65,208	3,546	
Cash and cash equivalents at end of period	512,066	524,159	

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

Cresud S.A.C.I.F. y A.

By: /s/ Eduardo S. Elsztain
Eduardo S. Elsztain
President

Cresud Sociedad Anónima, Comercial, Inmobiliaria,
Financiera y Agropecuaria

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

1. General information

1.1 The Group's business and general information

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

In 2002, Cresud acquired a 19.85% interest in IRSA Inversiones y Representaciones Sociedad Anónima ("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 principal subsidiary.

Cresud and its subsidiaries are collectively referred to hereinafter as the Group. See Note 2.3 to the Consolidated Financial Statements as of June 30, 2013 and 2012 for a description of the Group's companies.

As of December 31, 2013, the Group operates in two major lines of business: (i) Agricultural business, (ii) Investment and Development Properties business. See Note 7 to the Unaudited Condensed Interim Consolidated Financial Statements as of June 30, 2013 and 2012 for a description of the Group's segments.

The Group's Agricultural business operations are comprised of crop production, cattle feeding, raising and fattening, milk production, sugarcane production and brokerage activities. The Group's Agro-industrial business operations are conducted through its subsidiary, Cactus Argentina S.A., and are engaged in cattle feeding services in specialized feedlots primarily for third parties. Feedlots provide accommodation, health care and animal feeding services based on specialized diets. The Group currently has agricultural operations and investments in Argentina, Brazil, Uruguay, Paraguay and Bolivia.

The business line known as urban property and investments also includes the Group's financial transactions. The Group's Investment and Development Properties business operations are conducted primarily through its subsidiary IRSA and IRSA's principal subsidiary, Alto Palermo S.A. ("APSA"). Through APSA, the Group primarily owns, manages and develops shopping centers across Argentina. APSA has also a direct 20% stake in a credit card company. Through IRSA, the Group primarily owns, manages and develops a portfolio of office and other rental properties in Buenos Aires, the capital of Argentina. Through IRSA or APSA, the Group also develops residential properties for sale. The Group, through IRSA, is also involved in the operation of branded hotels. The Group uses the term "real estate" indistinctively in these consolidated financial statements to denote investment, development and/or trading properties activities.

Cresud Sociedad Anónima, Comercial, Inmobiliaria,
Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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1. General information (Continued)

In 2009, IRSA entered into the US real estate market, mainly through the acquisition of non-controlling interests in US assets, primarily office properties and hotel investments.

The Group's financial transactions and transactions in other businesses are carried out mainly through its subsidiary IRSA and through APSA, which is IRSA's main subsidiary. IRSA has also a 29.77% interest (without considering treasury shares) in Banco Hipotecario S.A. ("BHSA"). BHSA is a commercial bank offering a wide variety of banking activities and related financial services to individuals, small and medium-sized companies and large corporations, including the provision of mortgaged loans. BHSA's shares are listed on the Buenos Aires Stock Exchange. Additionally, APSA holds a participating interest of 20 % in Tarshop S.A. ("Tarshop"), whose main business comprises extending loans and credit cards.

Cresud's and APSA's shares are listed and traded on both the Buenos Aires Stock Exchange ("BASE") and the National Association of Securities Dealers Automated Quotation ("NASDAQ"). IRSA's shares are listed and traded on both the BASE and the New York Stock Exchange ("NYSE").

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

These consolidated financial statements have been approved for issue by the Board of Directors on February 11, 2014.

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

2.1. Basis of preparation

The present Unaudited Condensed Interim Consolidated Financial Statements for the six-month periods ended December 31, 2013 and 2012 (the "Unaudited Condensed Interim Consolidated Financial Statements") have been prepared in accordance with IAS 34 "Interim Financial Reporting".

Furthermore, some additional questions were included as required by the Business Companies Act and/or regulations of the CNV, including supplementary information provided in the last paragraph of section 1, Chapter III, Title IV of General Ruling 622/13 of the CNV. This information is included in the Notes to these Unaudited Condensed Interim Consolidated Financial Statements, as admitted by IFRS.

These Unaudited Condensed Interim Consolidated Financial Statements should be read together with the annual consolidated financial statements of the Company as of June 30, 2013. These Unaudited Condensed Interim Consolidated Financial Statements are expressed in thousands of Argentine Pesos.

Cresud Sociedad Anónima, Comercial, Inmobiliaria,
Financiera y Agropecuaria

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

2. Basis of preparation of the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

The Condensed Interim Consolidated Financial Statements corresponding to the six-month periods ended as of December 31, 2013 and 2012 have not been audited. The Company's management believes they include all necessary adjustments to fairly present the results of each period. Results for the six-month periods ended December 31, 2013 and 2012 do not necessarily reflect proportionally the Company's results for the complete fiscal year.

2.2 Significant Accounting Policies

The accounting policies applied in the preparation of these Unaudited Condensed Interim Consolidated Financial Statements are consistent with those applied in the preparation of the information under IFRS as of June 30, 2013. Most significant accounting policies are described in note 2 included in the Consolidated Financial Statements as of June 30, 2013 and 2012.

2.3 Use of estimates

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

In the preparation of these Unaudited Condensed Interim Consolidated Financial Statements, the significant judgments made by Management in applying the Group's accounting policies and the main sources of uncertainty were the same applied by the Group in the preparation of the annual consolidated financial statements for the year ended as of June 30, 2013, save for changes in accrued income tax, provision for legal claims and allowance for doubtful accounts.

3. Seasonal effects on operations

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

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3. Seasonal effects on operations (Continued)

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

4. Acquisitions and disposals

For the six-month period ended as of December 31, 2013

Purchase-sale agreement

On October 17, 2013, Yuchán Agropecuaria signed a purchase-sale agreement involving a sale subject to retention of title involving 1,643 hectares of "La Fon Fon II" for an overall amount of US\$ 7 million. To date, the Company has collected US\$ 0.2 million and the remaining balance will be paid in 7 semi-annual installments. The last installment is due in June 2017. Under the contract, the conveyance shall be recorded with the Registry once the price has been fully paid off. The possession shall be delivered upon collection of the first installment, scheduled for payment on June 15, 2014.

Purchase of shares of the Company Granos Olavarría S.A.

On August 30, 2013, the Group acquired 12,000 shares of the company Granos Olavarría S.A. representing 100% of the capital stock and voting rights. The price of the transaction was agreed upon at US\$ 0.12 million, payable as follows: 1) the amount of US\$ 0.018 million were paid on September 5, 2013; 2) US\$ 0.042 million were paid on October 10, 2013; 3) US\$ 0.03 million are payable on February 26, 2014; and 4) US\$ 0.03 million twelve months after the third installment.

Disposal of joint venture

On December 12, 2013 Agrotech S.A. sold the 100% of its interest in CRESCA S.A., representing 50% of the capital stock, with its corresponding receivables, rights and obligations related to the mentioned investment to Brasilagro Companhia Brasileira de Propiedades Agrícolas S.A, in which CRESUD owns 39.76% of its capital stock, for an amount US\$ 18.5 million.

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4. Acquisitions and disposals (Continued)

Subscription of shares of Avenida Inc. and Avenida Compras S.A.

On August 29, 2013, the Group, through Torodur S.A., subscribed 3,703,704 shares of Avenida Inc., a Company incorporated in Delaware, United States, and 23,077 shares of Avenida Compras S.A., a Company incorporated in Buenos Aires, Argentina, representing 26.09% and 2.10% of its outstanding capital, respectively. Additionally, Avenida Inc. owns 90.91% of Avenida Compras S.A., thus being the Group's indirect interest in Avenida Compras of 25.81%. The amount of the transaction was Ps. 13.0 million, which has already been paid in full. The Group has a warrant to increase such equity interest up to 37.04% of the company.

Stock Call Option Agreement for Arcos del Gourmet S.A.

On September 16, 2013, the Group, through APSA entered into an agreement with Messrs. Eduardo Giana, Pablo Bossi and Patricio Tobal (non-controlling shareholders of Arcos del Gourmet S.A.), whereby the latter grant to APSA an exclusive and irrevocable option to purchase 10% of the equity interest of Arcos del Gourmet S.A., which can be executed up to December 31, 2018. In the event the option is exercised, APSA should pay the amount of US\$ 8 million.

Furthermore, in the mentioned agreement a fixed amount of US\$ 2 million was arranged, which was cancelled, and another variable amount during 5 years from the opening of the shopping mall, in relation to the assignment of rights to earn dividends of Arcos during such period.

Condominio del Alto – Performance of Exchange Agreement

On November 14, 2013 Alto Palermo S.A. ("APSA") and Condominios del Alto S.A. (Condominios) executed a conveyance deed whereby Condominios conveyed upon APSA freehold and full possession of the units agreed in exchange. Upon such execution, APSA stated that the mortgage on the property has been fully discharged.

Subscription of shares of Dolphin Fund Ltd. ("Dolphin")

During the six-month period ended December 31, 2013, the Group has invested in participating units of Dolphin Fund Ltd. (a mutual fund) for the amount of US\$ 105 million (see Note 41).

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4. Acquisitions and disposals (Continued)

Transactions with non-controlling interest

BRASILAGRO

During the six-month period ended December 31, 2013, the Group sold 10,400 shares of BrasilAgro, representing a 0.02% interest, for a total amount of Ps. 0.27 million. Consequently, the Company recognized an increase in non-controlling interest for an amount of Ps. 0.25 million and an increase in equity attributable to owners of the parent of Ps. 0.02 million. The effect on shareholders' equity of this change in the equity interest in BrasilAgro is summarized as follows:

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

On the other hand, on September 2, 2013, BrasilAgro approved a share repurchase program for up to 3,511,130 common shares and for up to an aggregate amount not to exceed the balance of profits or available reserves disclosed in BrasilAgro's latest financial statements. As of December 31, 2013, BrasilAgro purchased 99,900 common shares for an aggregate amount of R\$ 1.9 million. Below is a summary of the effects of such transaction on shareholders' equity:

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

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4. Acquisitions and disposals (Continued)

IRSA

On July 25, 2013, IRSA's Board of Directors set forth the terms and conditions governing the purchase of the Company's own stock pursuant to Section 64 of Law No. 26,831 and the CNV's regulations, for up to an aggregate amount of Ps. 200 million and up to 5% of the capital stock, in the form of common shares or Global Depositary Shares (GDS) representing 10 common shares each, and up to a daily limit of 25% of the average daily transaction volume experienced by the Company's shares, along with the markets where they are listed, during the prior 90 business days, and at a price ranging from a minimum of Ps. 1 up to Ps. 8 per share. On September 18, 2013 the Board of Directors approved an increase to the maximum price, raising it to Ps.10 per common share and US\$ 10.50 per GDS. On October 15, 2013, the Board of Directors approved a new increase to the maximum price, raising it to Ps.11.00 per common share and US\$ 11.50 per GDS. On October 22, 2013 the Board of Directors approved a new increase to the maximum price, raising it to Ps.14.50 per common share and US\$ 15.00 per GDS. During the period ended December 31, 2013, the Company purchased 256,624 common shares (V.N. Ps. 1 per share) for a total amount of Ps. 2.6 million and 350,977 GDS (representing 3,509,770 common shares) for a total amount of US\$ 4.1 million.

	Ps. (million)
Amount paid for repurchase	(29.63)
Decrease in non-controlling interest	23.45
Reserve recorded in shareholders' equity	(6.18)

5. Financial risk management

The group's diverse activities are exposed to a variety of financial risk: market risk (including foreign currency risk, interest rate risk and price risk) credit risk, liquidity risk and capital risk.

The Condensed Interim Consolidated Financial Statements do not include all the information and disclosures of the risk management, so they should be read together with the annual consolidate financial statements as of June 30, 2013. There have been no changes in the risk management or risk management policies applied by the Group since the fiscal year-end. See Note 41 for the effects of subsequent events.

Since June 30, 2013 at the date of these financial statements, there have been no significant changes in business or economic circumstances affecting the fair value of the Company's financial assets or liabilities (either measured at fair value or amortized cost), except for our investment in Supertel Hospitality Inc. ("Supertel"), which fair value was affected by the decrease in the market value of its common shares, because of the suspension of dividends' payment. This had been decided in order to fortify its financial situation. Neither have been transfers between the several tiers used in estimating the fair value of the Company's financial instruments. See Note 41 for the effects of subsequent events.

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6. Segment reporting

Below is a summarized analysis of the lines of business of the Group for the six-month period ended December 31, 2013:

	Agricultural business (I)	Urban properties and investments (II)	Total
Revenues	784,577	1,402,817	2,187,394
Costs	(1,143,681)	(666,108)	(1,809,789)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	427,036	-	427,036
Changes in the net realizable value of agricultural produce after harvest	(9,217)	-	(9,217)
Gross profit	58,715	736,709	795,424
Gain from disposal of investment properties	-	7,150	7,150
General and administrative expenses	(107,571)	(130,691)	(238,262)
Selling expenses	(90,347)	(68,052)	(158,399)
Other operating results	(566)	(18,415)	(18,981)
(Loss) / profit from operations	(139,769)	526,701	386,932
Share of profit of associates and joint ventures	2,022	43,703	45,725
Segment (loss) / profit	(137,747)	570,404	432,657
Investment properties	39,193	4,488,314	4,527,507
Property, plant and equipment	1,925,290	222,941	2,148,231
Trading properties	-	212,027	212,027
Goodwill	7,363	86,591	93,954
Biological assets	610,789	-	610,789
Inventories	269,223	16,000	285,223
Investment in associates	29,913	1,251,769	1,281,682

Total segment assets	2,881,771	6,277,642	9,159,413
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6. Segment information (Continued)

Below is a summarized analysis of the lines of business of the Group for the six-month period ended December 31, 2012:

	Agricultural business (I)	Urban properties and investments (II)	Total
Revenues	529,366	1,159,564	1,688,930
Costs	(890,080)	(600,255)	(1,490,335)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	462,368	-	462,368
Changes in the net realizable value of agricultural produce after harvest	6,811	-	6,811
Gross Profit	108,465	559,309	667,774
Gain from disposal of investment properties	-	53,678	53,678
Gain from disposal of farmlands	53,988	-	53,988
General and administrative expenses	(74,100)	(110,848)	(184,948)
Selling expenses	(75,520)	(54,843)	(130,363)
Other operating results	(10,480)	115,347	104,867
Profit from operations	2,353	562,643	564,996
Share of profit of associates and joint ventures	319	7,032	7,351
Segment profit	2,672	569,675	572,347
Investment properties	25,190	4,254,430	4,279,620
Property, plant and equipment	1,672,267	235,769	1,908,036
Trading properties	4,678	247,271	251,949
Goodwill	7,159	5,824	12,983
Biological assets	562,577	-	562,577
Inventories	204,500	16,197	220,697
	24,198	1,121,686	1,145,884

Investment in associates and joint
ventures

Total segment
assets

2,500,569	5,881,177	8,381,746
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6. Segment information (Continued)

(I) Agriculture line of business:

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

	Agriculture				December 31, 2013		
	Crops	Cattle	Dairy	Sugarcane	Agriculture rentals and services	Agriculture Subtotal	La transfor an sal
Revenues	318,356	64,380	24,482	76,175	7,151	490,544	-
Costs	(583,388)	(102,251)	(47,082)	(142,059)	(5,969)	(880,749)	(2,9
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	310,126	27,743	25,060	64,107	-	427,036	-
Changes in the net realizable value of agricultural produce after harvest	(9,213)	(4)	-	-	-	(9,217)	-
Gross profit / (loss)	35,881	(10,132)	2,460	(1,777)	1,182	27,614	(2,9
General and administrative expenses	(56,090)	(13,947)	(2,941)	(22,398)	(1,398)	(96,774)	(57
Selling expenses	(44,217)	(9,406)	(889)	(3,845)	(388)	(58,745)	(3,8
Other operating results	3,491	(1,588)	(329)	6	(182)	1,398	(65
Loss from operations	(60,935)	(35,073)	(1,699)	(28,014)	(786)	(126,507)	(7,3
Share of profit of associates	1,362	483	102	-	46	1,993	20
Segment loss	(59,573)	(34,590)	(1,597)	(28,014)	(740)	(124,514)	(7,3
Investment properties	-	-	-	-	39,193	39,193	-
Property, plant and equipment	1,297,290	144,934	21,189	348,019	9,695	1,821,127	57,3
Goodwill	5,084	-	-	2,279	-	7,363	-
Biological assets	276,753	203,323	29,010	101,637	-	610,723	-
Inventories	196,873	43,827	-	1,642	-	242,342	-
Investment in associates	18,617	6,611	1,401	-	635	27,264	275
Total segment assets	1,794,617	398,695	51,600	453,577	49,523	2,748,012	57,3

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6. Segment information (Continued)

	December 31, 2012						
	Agriculture				Agriculture rentals and services	Agriculture Subtotal	Land transformations and sales
	Crops	Cattle	Dairy	Sugarcane			
Revenues	243,925	36,643	18,048	110,028	12,072	420,716	-
Costs	(465,724)	(65,381)	(35,416)	(214,645)	(2,996)	(784,162)	(3,000)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	286,498	29,083	18,272	128,565	-	462,418	-
Changes in the net realizable value of agricultural produce after harvest	6,726	85	-	-	-	6,811	-
Gross profit / (loss)	71,425	430	904	23,948	9,076	105,783	(3,000)
Gain from disposal of farmlands	-	-	-	-	-	-	53,900
General and administrative expenses	(29,054)	(5,041)	(846)	(20,306)	(1,216)	(56,463)	(9,400)
Selling expenses	(51,812)	(4,987)	(572)	(2,213)	(595)	(60,179)	(7,200)
Other operating results	(6,756)	(829)	(135)	(87)	(195)	(8,002)	(1,500)
Profit / (loss) from operations	(16,197)	(10,427)	(649)	1,342	7,070	(18,861)	32,700
Share of profit / (loss) of associates and joint ventures	(207)	(29)	(14)	-	(10)	(260)	-
Segment profit / (loss)	(16,404)	(10,456)	(663)	1,342	7,060	(19,121)	32,700
Investment properties	-	-	-	1,516	23,674	25,190	-
Property, plant and equipment	1,124,235	134,135	20,924	303,204	363	1,582,861	58,700
Trading properties	557	3,258	-	-	706	4,521	-
Goodwill	4,393	-	-	1,970	-	6,363	-
Biological assets	241,173	187,390	26,045	96,861	-	551,469	-
Inventories	57,740	3,248	-	-	-	60,988	-
Investment in associates and joint ventures	9,745	3,255	557	-	801	14,358	6,190
Total segment assets	1,437,843	331,286	47,526	403,551	25,544	2,245,750	64,900

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6. Segment information (Continued)

(II) Urban properties and investments

The following tables present the reportable segments of the urban properties and investments line of business of the Group:

	December 31, 2013						Total urban and investment properties (II)
	Shopping Center Properties	Offices	Sales and developments	Hotels	International	Financial operations and others	
Revenues	1,011,950	149,523	40,979	160,575	39,456	334	1,402,8
Costs	(457,784)	(54,124)	(21,438)	(105,831)	(26,455)	(476)	(666,10
Gross profit / (loss)	554,166	95,399	19,541	54,744	13,001	(142)	736,709
Gain from disposal of investment properties	-	-	7,150	-	-	-	7,150
General and administrative expenses	(51,026)	(21,736)	(19,007)	(28,952)	(9,915)	(55)	(130,69
Selling expenses	(32,232)	(9,892)	(6,271)	(19,974)	-	317	(68,052
Other operating results	(13,786)	(1,053)	(1,779)	177	187	(2,161)	(18,415
Profit / (loss) from operations	457,122	62,718	(366)	5,995	3,273	(2,041)	526,701
Share of profit / (loss) of associates	-	2,842	1,693	310	(49,008)	87,866	43,703
Segment profit / (loss)	457,122	65,560	1,327	6,305	(45,735)	85,825	570,404
Investment properties	2,331,087	841,764	420,566	-	887,130	7,767	4,488,3
Property, plant and equipment	17,936	26,475	3,867	174,444	219	-	222,941
Trading properties	1,484	93	117,030	-	93,420	-	212,027
Goodwill	8,582	11,661	4,541	-	61,807	-	86,591
Inventories	8,557	-	525	6,918	-	-	16,000
Investment in associates	-	26,959	33,613	21,649	1,208	1,168,340	1,251,7
Total segment assets	2,367,646	906,952	580,142	203,011	1,043,784	1,176,107	6,277,6

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6. Segment information (Continued)

December 31, 2012

	Shopping Center Properties	Offices	Sales and developments	Hotels	International	Financial operations and others	Total urban and investment properties (II)
Revenues	802,914	140,690	85,735	116,807	12,100	1,318	1,159,564
Costs	(381,690)	(59,376)	(63,145)	(84,947)	(10,292)	(805)	(600,255)
Gross profit	421,224	81,314	22,590	31,860	1,808	513	559,309
Gain from disposal of investment properties	-	-	53,678	-	-	-	53,678
General and administrative expenses	(37,398)	(20,510)	(20,060)	(26,095)	(6,638)	(147)	(110,848)
Selling expenses	(25,752)	(5,163)	(9,471)	(13,819)	-	(638)	(54,843)
Other operating results	(9,048)	(1,096)	(8,082)	385	134,061	(873)	115,347
Profit / (loss) from operations	349,026	54,545	38,655	(7,669)	129,231	(1,145)	562,643
Share of profit / (loss) of associates	-	-	1,053	59	(37,978)	43,898	7,032
Segment profit / (loss)	349,026	54,545	39,708	(7,610)	91,253	42,753	569,675
Investment properties	2,065,616	893,376	599,607	-	687,453	8,378	4,254,430
Property, plant and equipment	14,186	30,444	3,737	187,203	199	-	235,769
Trading properties	1,484	120	169,163	-	76,504	-	247,271
Goodwill	343	5,481	-	-	-	-	5,824
Inventories	9,733	-	480	5,984	-	-	16,197
Investments in associates and joint ventures	-	-	41,912	21,315	581	1,057,878	1,121,686
	2,091,362	929,421	814,899	214,502	764,737	1,066,256	5,881,177

Total segment
assets

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6. Segment information (Continued)

At the time of assessing the performance of business segments and deciding upon the allocation of resources, the Executive Committee uses information on operating income assets and liabilities of each such segment. In the Unaudited Condensed Consolidated Financial Statements, the transactions and balances between related parties which may affect more than one segment are eliminated. In order to obtain clear information that may be useful for Management's decision making, the Group has defined that, as from the six month period ending December 31, 2013, such transactions will not be eliminated for segment reporting purposes.

The comparative information presented as from such period has been adjusted retrospectively for the sake of comparability.

The following tables present reconciliation between the total results of segment operations and the results of operations as per the statement of income. The adjustments relate to the presentation of the results of operations of joint ventures accounted for under the equity method under IFRS and the non-elimination of the inter-segment transactions as explained in the preceding paragraph.

	December 31, 2013			
	Total segment information	Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	Total Statement of Income
Revenues	2,187,394	(30,515)	(23,017)	2,133,862
Costs	(1,809,789)	25,467	22,576	(1,761,746)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	427,036	(2,528)	-	424,508
Changes in the net realizable value of agricultural produce after harvest	(9,217)	-	-	(9,217)
Gross profit / (loss)	795,424	(7,576)	(441)	787,407
Gain from disposal of investment properties	7,150	-	-	7,150
General and administrative expenses	(238,262)	1,352	796	(236,114)
Selling expenses	(158,399)	2,641	67	(155,691)
Other operating results	(18,981)	1,909	(422)	(17,494)
Profit from operations before share of associates and Joint Ventures	386,932	(1,674)	-	385,258
Share of profit of associates and joint ventures	45,725	2,044	-	47,769
Profit from operations before Financing and Taxation	432,657	370	-	433,027

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		December 31, 2012		
	Total segment information	Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	Total Statement of Income
Revenues	1,688,930	(81,433)	(2,311)	1,605,186
Costs	(1,490,335)	66,620	1,592	(1,422,123)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	462,368	(2,939)	-	459,429
Changes in the net realizable value of agricultural produce after harvest	6,811	-	-	6,811
Gross profit / (loss)	667,774	(17,752)	(719)	649,303
Gain from disposal of investment properties	53,678	-	-	53,678
Gain from disposal of farmlands	53,988	-	-	53,988
General and administrative expenses	(184,948)	2,540	940	(181,468)
Selling expenses	(130,363)	6,632	52	(123,679)
Other operating results	104,867	508	(273)	105,102
Profit from operations before share of associates and Joint Ventures	564,996	(8,072)	-	556,924
Share of profit of associates and joint ventures	7,351	5,195	-	12,546
Profit from operations before Financing and Taxation	572,347	(2,877)	-	569,470

Total segment assets are allocated based on the operations of the segment and the physical location of the asset. In line with the analysis above, segment assets include the proportionate share of the assets of joint ventures. The statement of financial position under IFRS shows the net investment in these joint ventures as a single item.

Total reportable segments' assets are reconciled to total assets as per the statement of financial position as follows:

	December 31, 2013
Total reportable assets as per Segment Information	9,159,413
Deconsolidation of investment properties	(160,861)
Deconsolidation of property, plant and equipment	(116,406)

Deconsolidation of trading properties	(7,638)
Deconsolidation of goodwill	(5,235)
Deconsolidation of biological assets	(3,669)
Deconsolidation of inventories	(5,061)
Deconsolidation of investments in associates and joint ventures	348,295
Total assets as per the Statement of Financial Position	9,208,838

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7. Information about principal subsidiaries

The Group conducts its business through several operating and holding subsidiaries. See breakdown of Group, their percentage of ownership interest, materiality criteria and other relevant information on the Group's subsidiaries in Note 2.3.a) of the Consolidated Financial Statements as of June 30, 2013 and 2012.

Set out below is the summarized financial information for each subsidiary that has non-controlling interests that are material to the Group:

Summarized statements of financial position

	IRSA		Brasilagro	
	December 31, 2013	June 30, 2013	December 31, 2013	June 30, 2013
Assets				
Non-current assets	7,558,024	6,487,209	1,565,315	1,210,560
Current assets	1,181,982	1,839,320	644,232	667,656
Total assets	8,740,006	8,326,529	2,209,547	1,878,216
Liabilities				
Non-current liabilities	4,170,962	3,590,593	146,640	168,553
Current liabilities	1,671,724	1,605,247	436,755	278,594
Total liabilities	5,842,686	5,195,840	583,395	447,147
Net assets	2,897,320	3,130,689	1,626,152	1,431,069

Summarized statements of income and statements of comprehensive income

	IRSA		Brasilagro	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Revenues	1,373,960	1,080,036	103,288	218,101
(Loss) / profit before income tax	(33,386)	320,168	(21,735)	32,556
Income tax expense	7,312	(74,289)	7,057	(7,168)
(Loss) / profit for the period	(26,074)	245,879	(14,678)	25,388
Other comprehensive income	71,776	23,733	701,144	94,151
Total other comprehensive income	45,702	269,612	686,466	119,539
Profit attributable to non-controlling interest	15,944	22,409	-	-

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7. Information about principal subsidiaries (Continued)

Summarized cash flows

	IRSA		Brasilagro	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cash flow from operating activities				
Net cash generated from operating activities	421,981	351,696	68,016	(9,551)
Cash flow from investing activities				
Net cash used in investing activities	(625,361)	(195,244)	(99,496)	(1,796)
Cash flow from financing activities				
Net cash used in financing activities	(398,603)	(60,241)	(21,826)	(41,171)
Net (decrease) increase in cash and cash equivalents	(601,983)	96,211	(53,306)	(52,518)
Cash and cash equivalents at beginning of period	796,902	259,169	197,113	151,064
Foreign exchange gain on cash and cash equivalents	30,821	10,657	32,966	8,655
Cash and cash equivalents at end of period	225,740	366,037	176,773	107,201

The information above is the corresponding to balances and transactions before inter-company eliminations.

8. Interests in joint ventures

As of June 30, 2013 the joint ventures of the Group were Cresca, Cyrsa S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A., Nuevo Puerto Santa Fe S.A. (NPSF) and Entertainment Holdings S.A.

As stated in Note 4, APSA acquired shares of ENUSA. Thus as of December 31, 2013, the joint ventures of the Group are Cresca, Cyrsa S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A., Nuevo Puerto Santa Fe S.A. (NPSF), EHSA and ENUSA (indirectly through an investment in EHSA. See Note 4). The shares in these joint ventures are not publicly traded.

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8. Interests in joint ventures (Continued)

As of November 29, 2012, the Company acquired shares representing 50% of capital stock and votes of EHSA for an amount of Ps. 21.2 million. The fair value of the net assets acquired determined as of the purchase date amounted to Ps. 5.4 million. Therefore, the Group recognized a goodwill of Ps. 26.6 million.

On September 25, 2013, Sociedad Rural Argentina (SRA), La Rural de Palermo S.A. (LRPSA), Boulevard Norte S.A. (BNSA), Ogden Argentina S.A. (OASA), EHSA, ENUSA and La Rural S.A. (LRSA) executed a joint venture agreement and a shareholder's agreement mostly amending certain provisions set forth in prior agreements. APSA is now in the process of assessing any potential effect on the preliminary allocation of the purchase price of said acquisition.

Changes in the Group's investments in joint ventures for the six-month period ended December 31, 2013 and for the year ended June 30, 2013 were as follows:

	December 31, 2013	June 30, 2013
Beginning of the period / year	324,194	260,994
Acquisition of Joint Ventures	(13)	25,899
Capital contribution	39,490	42,892
Disposal of joint ventures	-	(6,534)
Cash dividends (i)	-	(1,250)
Share of profit/(loss)	4,885	(661)
Currency translation adjustments	6,675	2,854
End of the period / year (ii)	375,231	324,194

- (i) During year ended on 2013, the Group cashed dividends from Nuevo Puerto Santa Fe in the amount of Ps. 1.3 million.
- (ii) Include a balance of Ps. (24) reflecting interests in companies with negative equity as of December 31, 2013 which are reclassified to "Provision". See Note 24.

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9. Interests in associates

As of June 30, 2013, the associates of the Group were New Lipstick LLC, BHSA, Tarshop S.A., Manibil S.A., Lipstick Management LLC, Banco de Crédito and Securitización S.A. ("BACS"), Bitania 26 S.A., Agrouranga S.A. and Agromanagers S.A..

As stated in Note 4, the Group acquired, through a subsidiary, equity interest in Avenida Inc. and Avenida Compras S.A. (which will be dedicated to e-commerce business). Thus as of December 31, 2013, the associates of the Group are New Lipstick LLC, BHSA, Tarshop S.A., Manibil S.A., Lipstick Management LLC, BACS and Bitania 26 S.A., Agrouranga S.A., Agromanagers S.A., Avenida Inc. and Avenida Compra S.A..

The evolution of the Group's investments in associates for the six-month period ended as of December 31, 2013 and for the year ended as of June 30, 2013 was as follows:

	December 31, 2013	June 30, 2013
Beginning of the period / year	1,123,577	1,239,566
Acquisition of Associates	13,057	-
Capital contribution	-	37,721
Business combinations	-	(103,315)
Share of profit / (loss)	42,884	(9,157)
Currency translation adjustments	(14,029)	(1,139)
Cash dividends (i)	(13,309)	(40,099)
End of the period / year (ii)	1,152,180	1,123,577

- (i) As of December 31, 2013, the Group cashed dividends from Agro-Uranga S.A., Manibil and BHSA in the amount of Ps. 3.3 million, Ps. 0.8 million and Ps. 9.2 million, respectively. During the year ended on 2013, the Group cash dividends from Agro-Uranga S.A., Manibil S.A. and BHSA in the amount of Ps. 4.8 million, Ps. 4.8 million and Ps. 30.5 million, respectively.
- (ii) Include a balance of Ps. (102,542) and Ps. (39,091) reflecting interests in companies with negative equity as of December 31, 2013 and June 30, 2013, respectively, which is reclassified to "Provisions" (see Note 24).

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10. Investment properties

The evolution of the Group's investment properties for the six-month period ended as of December 31, 2013 and for the year ended as of June 30, 2013 was as follows:

	Shopping Center Properties	Office and other rental properties portfolio	Undeveloped parcels of land	Leases of farmland	Properties under development	Total
Year ended June 30, 2013						
Opening net book amount	1,986,542	976,982	418,819	30,398	51,200	3,463,941
Additions	51,295	13,270	1,768	2,532	144,187	213,052
Reclassification of property, plant and equipment	(86)	86	-	10,095	-	10,095
Disposals	(65)	(68,533)	-	(907)	-	(69,505)
Depreciation charge (i)	(147,155)	(48,395)	-	(361)	-	(195,911)
Currency translation adjustments	-	77,769	-	1,241	-	79,010
Acquisition of interest in subsidiaries	-	679,219	-	-	-	679,219
Closing net book amount	1,890,531	1,630,398	420,587	42,998	195,387	4,179,901
As of June 30, 2013						
Costs	3,152,971	1,834,756	420,587	43,675	195,387	5,647,376
Accumulated depreciation	(1,262,440)	(204,358)	-	(677)	-	(1,467,475)
Net book amount	1,890,531	1,630,398	420,587	42,998	195,387	4,179,901
Period ended December 31, 2013						
Opening net book amount	1,890,531	1,630,398	420,587	42,998	195,387	4,179,901
Additions	13,420	12,375	111	1,483	112,462	139,851
Reclassification of property, plant and equipment	-	-	-	(7,293)	-	(7,293)
Disposals	-	(1,766)	-	(79)	-	(1,845)
Depreciation charge (i)	(70,196)	(30,904)	-	(173)	-	(101,273)
Currency translation adjustments	-	155,048	-	2,257	-	157,305
Closing net book amount	1,833,755	1,765,151	420,698	39,193	307,849	4,366,646
As of December 31, 2013						
Costs	3,166,391	1,998,950	420,698	40,015	307,849	5,933,903
Accumulated depreciation	(1,332,636)	(233,799)	-	(822)	-	(1,567,257)
Net book amount	1,833,755	1,765,151	420,698	39,193	307,849	4,366,646

i) Depreciation charges of investment properties were included in “Group Costs” in the Statement of Income (Note 30).

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10. Investment properties (Continued)

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

	December 31, 2013	December 31, 2012
Rental and service income	1,194,093	955,764
Direct operating expenses	541,927	(447,758)
Gain from disposal of investment properties	7,150	53,678

Properties under development mainly comprise works in Shopping Neuquén S.A. and Arcos del Gourmet S.A.. As of December 31, 2013 and June 30, 2013 works in Shopping Neuquén amount to Ps. 74.9 million and Ps. 43.1 million, respectively. Works in Arcos del Gourmet as of December 31, 2013 and June 30, 2013 amount to Ps. 217.0 million and Ps. 136.3 million, respectively.

As of December 31, 2013 contractual obligations mainly correspond to constructions regarding to both projects. In Shopping Neuquén S.A. contractual obligations amount to Ps. 205 million and the Project is expected to be completed in September, 2014. In Arcos del Gourmet S.A. contractual obligations amount to Ps. 234 million. On December 10, 2013, the Judicial Branch confirmed an injunction order that suspends the opening of the shopping center on the grounds that it does not have certain governmental permits. Even though the construction has all regulatory permits in place, the Company is carrying out specific actions, has challenged the ruling, and has requested that the injunction be lifted and has reasonable expectations of a favorable result.

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11. Property, plant and equipment

The evolution of the Group's property, plant and equipment for the six-month period ended as of December 31, 2013 and for the year ended as of June 30, 2013 was as follows:

	Owner occupied farmland	Hotel buildings and facilities	Other buildings and facilities	Furniture and fixtures	Machinery and equipment	Vehicles	Total
Year ended June 30, 2013							
Opening net book amount	1,557,072	194,758	63,579	6,583	45,524	5,404	1,872,920
Currency translation adjustments	96,674	-	530	1,133	2,446	112	100,895
Additions	109,436	3,872	3,845	1,314	19,912	1,635	140,014
Reclassifications to investment properties	(10,095)	-	-	-	-	-	(10,095)
Reclassifications to intangible assets	-	-	-	-	(336)	-	(336)
Disposals	(176,671)	-	(660)	(636)	(4,728)	(448)	(183,143)
Depreciation charge (i)	(37,708)	(18,282)	(10,055)	(1,216)	(9,857)	(1,683)	(78,801)
Closing net book amount	1,538,708	180,348	57,239	7,178	52,961	5,020	1,841,454
As of June 30, 2013							