

CRESUD INC
Form 6-K
November 08, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

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

For the month of November, 2007

**CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA
FINANCIERA Y AGROPECUARIA**

(Exact name of Registrant as specified in its charter)

CRESUD INC.

(Translation of registrant's name into English)

Republic of Argentina

(Jurisdiction of incorporation or organization)

Moreno 877, 23rd Floor, (C1091AAQ)

Buenos Aires, Argentina

(Address of principal executive offices)

Form 20-F T Form 40-F

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

Yes _____ No T

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

(THE COMPANY)

REPORT ON FORM 6-K

Attached is a copy of the English translation of the Financial Statements for the three-month period ended on September 30, 2007 and on September 30, 2006 filed by the Company with the *Bolsa de Comercio de Buenos Aires* and with the *Comisión Nacional de Valores*.

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera

y Agropecuaria

Financial Statements

corresponding to the three-month periods

ended September 30, 2007 and 2006

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria

Financial Statements

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Stock Exchange Regulations

Business Highlights

Report of Independent Auditors

Name of the Company: **Cresud Sociedad Anónima**
Comercial, Inmobiliaria,
Financiera y Agropecuaria

Legal Address: Moreno 877, 23rd Floor

Ciudad Autónoma de Buenos Aires

Principal Activity: Agriculture, livestock and real-estate
Fiscal year No. 73 started on July 1, 2007

Financial Statements for the three-month period ended September 30, 2007

In comparative format with previous fiscal year

DATES OF REGISTRATION AT THE PUBLIC REGISTRY OF COMMERCE

Of the by-laws: February 19, 1937

Of the latest amendment: September 22, 1999

Duration of the Company: June 6, 2082

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

CAPITAL STATUS (Note 3 of basic financial statements)

SHARES

Type of stock	Authorized Pesos	Subscribed Pesos	Paid-in Pesos
Ordinary certified shares of Ps.1 face value and 1 vote each	313,396,410	313,396,410	313,396,410

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Balance Sheet as of September 30, 2007 and 2006 and June 30, 2007

	September 30, 2007	June 30, 2007	September 30, 2006
	(Notes 1, 2 and 3)	(Notes 1, 2 and 3)	(Notes 1, 2 and 3)
	Pesos	Pesos	Pesos
ASSETS			
Current Assets			
Cash and banks (Note 4.a.)	9,957,241	46,930,644	1,020,313
Investments (Note 4.b.)	5,684,184	39,841,438	33,752,658
Trade accounts receivable (Note 4.c.)	22,539,941	37,930,596	12,646,586
Other receivables (Note 4.d.)	59,321,117	39,611,870	28,224,007
Inventories (Note 4.e.)	55,761,227	52,460,289	28,882,464
Total current assets	153,263,710	216,774,837	104,526,028
Non-current assets			
Other receivables (Note 4.d.)	41,960,410	43,236,560	36,349,722
Inventories (Note 4.e.)	63,250,421	68,345,438	60,434,122
Investments on controlled and related companies (Note 4.b.)	665,751,153	503,860,500	475,074,963
Other investments (Note 4.b.)	352,260	37,468,260	37,268,716
Fixed assets, net (Schedule A)	251,794,814	245,919,561	231,512,597
Intangible assets, net (Schedule B)	23,581,646	23,581,646	23,581,646
Subtotal Non-Current Assets	1,046,690,704	922,411,965	864,221,766
Goodwill (Note 4.b.)	(121,943,146)	(67,306,386)	(75,222,927)
Total Non-Current Assets	924,747,558	855,105,579	788,998,839
Total Assets	1,078,011,268	1,071,880,416	893,524,867
LIABILITIES			
Current Liabilities			
Debts:			
Trade accounts payable (Note 4.f.)	44,049,135	30,935,851	27,320,923
Loans (Note 4.g.)	128,693,724	122,749,734	79,362,776
Salaries and social security payable (Note 4.h.)	3,009,195	4,219,120	1,746,525
Taxes payable (Note 4.i.)	8,565,732	6,699,044	4,953,824
Other debts (Note 4.j.)	991,204	3,087,957	3,531,144
Total Debts	185,308,990	167,691,706	116,915,192
Total current liabilities	185,308,990	167,691,706	116,915,192
Non-current liabilities			
Trade accounts payable (Note 4.f.)	11,034	246,231	691,900
Taxes payable (Note 4.i.)	47,801,186	51,312,237	40,995,890
Loans (Note 4.g.)	25,200,000	24,744,000	102,007,731
Other debts (Note 4.j.)	334,009	347,549	434,309

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Provisions (Schedule E)	1,752,101	1,747,606	512,930
Total Non-current liabilities	75,098,330	78,397,623	144,642,760
Total Liabilities	260,407,320	246,089,329	261,557,952
Minority interest	900,168	836,872	471,121
SHAREHOLDERS EQUITY	816,703,780	824,954,215	631,495,794
Total Liabilities and Shareholders' Equity	1,078,011,268	1,071,880,416	893,524,867

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

Eduardo S. Elsztain

Chairman

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Statement of Income

Corresponding to the three-month periods beginning on July 1, 2007 and 2006

and ended September 30, 2007 and 2006

	September 30, 2007 (Notes 1, 2 and 3) Pesos	September 30, 2006 (Notes 1, 2 and 3) Pesos
Production income:		
Crops	3,188,380	597,946
Beef cattle	3,886,877	3,478,768
Milk	4,244,943	2,062,205
Total production income	11,320,200	6,138,919
Cost of production (Schedule F.2):		
Crops	(4,193,440)	(1,060,561)
Beef cattle	(5,660,484)	(4,398,259)
Milk	(3,052,007)	(2,213,069)
Total cost of production	(12,905,931)	(7,671,889)
Production profit	(1,585,731)	(1,532,970)
Sales:		
Crops	18,554,889	8,439,086
Beef cattle	11,834,626	10,536,204
Milk	4,112,227	2,062,205
Feed Lot		1,309,711
Others	3,762,964	1,014,809
Total Sales	38,264,706	23,362,015
Cost of sales (Schedule F.1):		
Crops	(18,015,606)	(7,416,399)
Beef cattle	(10,718,468)	(10,282,191)
Milk	(4,112,227)	(2,062,205)
Feed Lot		(1,078,263)
Others	(2,393,254)	(827,476)
Total cost of sales	(35,239,555)	(21,666,534)
Sales profit	3,025,151	1,695,481
Gross profit	1,439,420	162,511
Selling expenses (Schedule H)	(2,936,374)	(1,627,262)
Administrative expenses (Schedule H)	(4,228,067)	(3,187,371)
Holding gain Beef cattle (Schedules F.1 and F.2)	514,151	955,307
Holding gain Crops, raw materials and MAT	(1,957,073)	907,675

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Operating loss	(7,167,943)	(2,789,140)
Financial gain (loss)		
Generated by assets:		
Exchange differences and discounts	3,245,600	332,350
Interest income	973,118	309,963
Doubtful Accounts	19,233	
Tax on banking debits and credits	(912,089)	(423,788)
Holding gain and result of transactions on securities investment	567,330	337,901
Interest on Convertible Notes purchased	(387,392)	761,515
Others	8,729	
	3,514,529	1,317,941
Generated by liabilities:		
Reference stabilization index (CER)		(3,063)
Interest loss	(884)	(850)
Financial expenses:		
Interest on Convertible Notes (Note 7)	(92,362)	(1,602,252)
Interest on loans	(2,974,754)	(2,091,950)
Others	(319,900)	(32,567)
Exchange differences and discounts	(2,042,869)	(687,589)
	(5,430,769)	(4,418,271)
Other income and expenses, net		
Gains from other fixed assets sales	(118)	24,721
Others	(4,495)	(346,431)
Shareholders' personal assets tax and miscellaneous	(1,544,284)	(444,952)
	(1,548,897)	(766,662)
(Loss) Gain from controlled and related companies	(5,271,034)	6,771,326
Management fee		(214,464)
Net loss before income tax and minority interest	(15,904,114)	(99,270)
Income tax expense	3,365,000	1,937,497
Minority interest	(63,296)	88,750
Net (loss) income for the period	(12,602,410)	1,926,977

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

Eduardo S. Elsztain

Chairman

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Statement of Cash Flows

Corresponding to the three-month periods beginning on July 1, 2007 and 2006

and ended September 30, 2007 and 2006

	September 30, 2007 (Notes 1, 2 and 3) Pesos	September 30, 2006 (Notes 1, 2 and 3) Pesos
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	85,243,861	27,377,050
Cash and cash equivalents at the end of the year	14,610,088	29,305,686
Net (decrease) increase in cash and cash equivalents	(70,633,773)	1,928,636
Causes of changes in cash and cash equivalents		
Operating activities		
Income for the period	(12,602,410)	1,926,977
Accrued interest during the period	3,067,116	3,698,963
Income tax	(3,365,000)	(1,937,497)
Adjustments made to reach net cash flow from operating activities		
Income from interest in related companies	5,271,034	(6,771,326)
Minority interest	63,296	(88,750)
Increase in allowances, provisions and accruals	11,185,350	4,779,805
Amortization and depreciation	1,188,631	1,302,629
Holding gain- Inventory	1,442,922	(1,862,982)
Financial results	(79,217)	(414,468)
Gain from sale of fixed assets	118	(24,721)
Changes in operating assets and liabilities		
Decrease in current investments	97,268	109,126
Decrease (Increase) in trade accounts receivable and rents	15,371,423	(1,561,969)
Increase in other receivables	(21,325,206)	(7,458,598)
Decrease in inventories	108,830	4,123,843
Increase in social security payables, taxes payable and advances from customers	510,712	1,364,122
Increase (Decrease) in trade accounts payable	1,716,465	(4,584,303)
Dividends collected	589,482	60,308
(Decrease) Increase in other debts	(1,381,893)	3,192,218
Cash flows provided by (applied to) operating activities	1,858,921	(4,146,623)
Investment activities		
Increase in interest in related companies	(77,184,802)	
Acquisition and upgrading of fixed assets		