

CRESUD INC
Form 6-K
June 03, 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 June, 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)

Bolívar 108
(C1066AAB)
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 SACIF y A
(THE "COMPANY")

REPORT ON FORM 6-K

Attached is a copy of the English translation of the Financial Statements for the nine-month period ended March 31, 2014, and March 31, 2013, filed by the Company with the Bolsa de Comercio de Buenos Aires and the Comisión Nacional de Valores.

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Financial Statements as of March 31, 2014 and June 30, 2013 and for the nine-month periods ended March 31, 2014 and 2013

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 March 31, 2014 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	March 31, 2014	June 30, 2013
ASSETS			
Non-current assets			
Investment properties	10	4,542,668	4,179,901
Property, plant and equipment	11	2,348,998	1,841,454
Trading properties	12	208,068	182,553
Intangible assets	13	167,812	125,312
Biological assets	14	409,447	303,128
Investments in associates and joint ventures	8, 9	1,762,558	1,486,862
Deferred income tax assets	26	751,273	179,228
Income tax credit		233,648	198,871
Restricted assets	17	81,013	54,631
Trade and other receivables	18	417,903	291,430
Investment in financial assets	19	1,068,516	253,742
Derivative financial instruments	20	6,900	25,377
Total non-current assets		11,998,804	9,122,489
Current Assets			
Trading properties	12	12,030	11,689
Biological assets	14	598,669	97,564
Inventories	15	264,703	252,376
Restricted assets	17	2,074	1,022
Income tax credit		5,919	4,779
Trade and other receivables	18	1,356,060	1,480,314
Investment in financial assets	19	499,273	385,585
Derivative financial instruments	20	20,108	7,321
Cash and cash equivalents	21	498,661	1,047,586

Total current assets	3,257,497	3,288,236
TOTAL ASSETS	15,256,301	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	446,599	2,284
Changes in non-controlling interest	(10,804)	(21,996)
Equity-settled compensation	19,393	8,345
Legal reserve	81,616	46,835
Reserve for new developments	217,065	337,065
Special reserve	633,940	695,628
Retained earnings	(493,359)	(26,522)
Equity attributable to equity holders of the parent	2,340,781	2,487,970
Non-controlling interest	2,516,517	2,231,096
TOTAL SHAREHOLDERS' EQUITY	4,857,298	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/ Fernando A. Elsztain
Fernando A. Elsztain
Director Acting as President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position
as of March 31, 2014 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	March 31, 2014	June 30, 2013
LIABILITIES			
Non-current liabilities			
Trade and other payables	22	250,118	228,267
Borrowings	25	6,279,065	4,189,896
Deferred income tax liabilities	26	535,389	530,263
Derivative financial instruments	20	-	2,773
Payroll and social security liabilities	23	5,512	3,984
Provisions	24	196,781	71,626
Total non-current liabilities		7,266,865	5,026,809
Current liabilities			
Trade and other payables	22	896,968	899,542
Income tax liabilities		81,925	92,182
Payroll and social security liabilities	23	110,599	120,835
Borrowings	25	1,992,789	1,527,390
Derivative financial instruments	20	32,218	8,691
Provisions	24	17,639	16,210
Total current liabilities		3,132,138	2,664,850
TOTAL LIABILITIES		10,399,003	7,691,659
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		15,256,301	12,410,725

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

By: /s/ Fernando A. Elsztain
Director
Director Acting as President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Income
for the nine and three-month periods beginning on July 1st, 2013 and 2012
and January 1st, 2014 and 2013 and ended March 31, 2014 and 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	Nine months		Three months	
		2014	2013	2014	2013
Revenues	28	3,161,476	2,339,892	1,027,614	734,706
Costs	29	(2,665,314)	(2,115,959)	(903,568)	(693,836)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest		955,724	733,526	531,216	274,097
Changes in the net realizable value of agricultural produce after harvest		(7,811)	7,044	1,406	233
Gross profit		1,444,075	964,503	656,668	315,200
Gain from disposal of investment properties		113,338	61,475	106,188	7,797
Gain from disposal of farmlands		-	53,988	-	-
General and administrative expenses	30	(351,629)	(260,911)	(115,515)	(78,661)
Selling expenses	30	(222,686)	(172,289)	(66,995)	(48,610)
Other operating results	32	(52,360)	106,468	(34,866)	584
Profit from operations		930,738	753,234	545,480	196,310
Share of profit of associates and joint ventures	8, 9	115,183	14,721	67,414	2,175
Profit from operations before financing and taxation		1,045,921	767,955	612,894	198,485
Finance income	33	275,329	144,797	157,688	54,757
Finance cost	33	(2,613,316)	(791,317)	(1,414,174)	(283,320)
Other financial results	33	406,580	172,506	282,979	113,766
Financial results, net	33	(1,931,407)	(474,014)	(973,507)	(114,797)
(Loss) / profit before income tax		(885,486)	293,941	(360,613)	83,688
Income tax expense	26	357,973	(30,747)	187,869	2,788
(Loss) / profit for the period		(527,513)	263,194	(172,744)	86,476
Attributable to:					
Equity holders of the parent		(494,238)	84,491	(162,208)	23,731
Non-controlling interest		(33,275)	178,703	(10,536)	62,745
(Loss) / Profit per share attributable to equity holders of the parent during the period:					
Basic		(0.68)	0.17	(0.01)	0.05
Diluted		(i) (0.68)	0.15	(i) (0.01)	0.04

(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/ Fernando A. Elsztain
Fernando A. Elsztain
Director Acting as President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income
for the nine and three-month periods beginning on July 1st, 2013 and 2012
and January 1st, 2014 and 2013 and ended March 31, 2014 and 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 the publication in Argentina

	Nine months		Three months	
	2014	2013	2014	2013
(Loss) / profit for the period	(527,513)	263,194	(172,744)	86,476
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange gain	912,423	216,408	575,477	(111)
Foreign exchange gain from associates and joint ventures	432	7,674	7,786	102,196
Other comprehensive income for the period (i)	912,855	224,082	583,263	102,085
Total comprehensive income for the period	385,342	487,276	410,519	188,561
Attributable to:				
Equity holders of the parent	(49,923)	187,454	113,033	70,147
Non-controlling interest	435,265	299,822	297,486	118,414

(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.

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Fernando A. Elsztain
Director Acting as President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the nine-month periods ended March 31, 2014 and 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

	Share Capital	Treasury Stock	Inflation adjustment of Share Capital and Treasury Stock	Share premium	Share warrants	Subtotal	Changes in non-controlling interests	Cumulative inflation adjustment	Equity-settled compensation	Legal reserve	Reser for ne devel
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,
Loss for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	444,315	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	-	444,315	-	-	-
Appropriation of retained earnings resolved by Shareholders' Meeting held on 10/31/13:											
- Legal reserve	-	-	-	-	-	-	-	-	-	34,781	-
- Other reserves	-	-	-	-	-	-	-	-	-	-	-
- Cash dividends	-	-	-	-	-	-	-	-	-	-	(120
Equity-settled compensation	-	-	-	-	-	-	-	-	12,107	-	-
Changes in non- controlling interest	-	-	-	-	-	-	11,192	-	-	-	-
Cancellation of BrasilAgro warrants	-	-	-	-	-	-	-	-	(1,059)	-	-
	-	-	-	-	-	-	-	-	-	-	-

Capital reduction												
Capital contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement expired dividends	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of March 31, 2014	496,562	5,001	65,425	773,079	106,264	1,446,331	(10,804)	446,599	19,393	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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 Director Acting as President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the nine-month periods ended March 31, 2014 and 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

	Share Capital	Treasury Stock	Inflation adjustment of Share Capital and Treasury Stock	Share premium	Share warrants	Subtotal	Changes in non-controlling interest	Cumulative inflation adjustment	Equity-settled compensation	Legal reserve	Re for de
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	38
Gain for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	102,963	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	102,963	-	-	-
Appropriation of retained earnings resolved by Shareholders' Meeting held on 10/31/12:											
- Legal reserve	-	-	-	-	-	-	-	-	-	3,913	
- Other reserves	-	-	-	-	-	-	-	-	-	-	(5
- Appropriation of retained earnings	-	-	(100,793)	-	-	(100,793)	-	-	-	-	-
- Cash dividends	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	(8,284)	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Equity-settled compensation	-	-	-	-	-	-	-	-	6,245	-	-

Exercise of warrants	-	-	-	-	1	1	-	-	-	-	-
Reimbursement of expired dividends	-	-	-	-	-	-	-	-	-	-	-
Cumulative translation adjustment for interest held before business combination	-	-	-	-	-	-	-	(8,331)	-	-	-
Capital contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Conversion of notes	-	-	-	-	-	-	-	-	-	-	-
Capital distribution	-	-	-	-	-	-	-	-	-	-	-
Balance as of March 31, 2013	496,562	5,001	65,425	773,079	106,264	1,446,331	(17,880)	12,693	10,785	46,835	33

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/ Fernando A. Elsztain
Fernando A. Elsztain
Director Acting as President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the nine-month periods ended March 31, 2014 and 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	March 31, 2014	March 31, 2013
Operating activities:			
Cash generated from operations	21	667,081	637,387
Income tax paid		(230,400)	(213,124)
Net cash generated from operating activities		436,681	424,263
Investing activities:			
Acquisition of subsidiaries, net of cash acquired		-	(117,874)
Acquisition of associates and joint ventures		(13,045)	(32,024)
Capital contributions to joint ventures		(40,109)	(39,925)
Suppliers advances		(28,999)	(39,554)
Purchases of investment properties		(180,233)	(159,010)
Proceeds from sale of investment properties		254,729	93,836
Purchases of property, plant and equipment		(83,231)	(90,899)
Proceeds from sale of property, plant and equipment		691	5,703
Proceeds from sale of farmlands		54,794	175,800
Payments of purchase of properties		(5,730)	-
Purchases of intangible assets		(13,364)	(1,184)
Acquisition of Investment in financial assets		(3,662,905)	(1,174,081)
Proceeds from disposals of Investment in financial assets		3,007,015	970,376
Loans granted to associates and joint ventures		-	(19,058)
Loans repayments received from associates and joint ventures		1,335	831
Proceeds from sale of joint ventures		15,536	-
Interest received from financial assets		5,588	16,844
Dividends received		19,322	52,662
Net cash used in investing activities		(668,606)	(357,557)
Financing activities:			
Repurchase of convertible notes		(24,014)	-
Repurchase of equity interest		(37,942)	-
Proceeds from issuance of non-convertible notes		1,051,823	634,597
Payment of non-convertible notes net		(635,759)	(274,243)
Borrowings		379,822	662,179
Payment of seller financing of shares		(1,640)	(6,420)

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Repayments of borrowings	(511,805)	(503,833)
Payments of borrowings from subsidiaries, associates and joint ventures	(186)	-
Proceeds from borrowings from associates and joint ventures	17,138	59,147
Proceeds from warrants	-	1
Cancellation of Brasilagro warrants	(1,059)	-
Payment of seller financing	(1,308)	(12,157)
Acquisition of non-controlling interest in subsidiaries	(20)	(36,301)
Dividend paid to non-controlling interest	(236,057)	(117,099)
Acquisition of derivative financial instruments	(903)	-
Proceeds from derivative financial instruments	45,696	-
Payments of purchase of non-controlling interest	-	(4,460)
Sale of equity in subsidiaries to non-controlling interest	379	-
Contributions from non-controlling interest	587	6,092
Capital reduction	(4,017)	(39,654)
Interest paid	(488,905)	(304,210)
Net cash (used in) generated by financing activities	(448,170)	63,639
Net (decrease) increase in cash and cash equivalents	(680,095)	130,345
Cash and cash equivalents at beginning of period	21	1,047,586
Foreign exchange gain on cash and cash equivalents	131,170	38,235
Cash and cash equivalents at end of period	498,661	640,502

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/ Fernando A. Elsztain
 Fernando A. Elsztain
 Director Acting as 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 March 31, 2014, 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, 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)
Free translation from the original prepared in Spanish for publication in Argentina

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 May 12, 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 nine-month periods ended March 31, 2014 and 2013 (the "Unaudited Condensed Interim Consolidated Financial Statements") have been prepared in accordance with IAS 34 "Interim Financial Reporting".

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 nine-month periods ended as of March 31, 2014 and 2013 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 nine-month periods ended March 31, 2014 and 2013 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.

2.4 Comparative information

Amounts as of March 31, 2013 and June 30, 2013, which are disclosed for comparative purposes have been taken from the Condensed Interim Consolidated Financial Statements as of such dates. The financial statements originally issued have been subject to certain reclassifications required in order to present these figures comparatively with this period.

Cresud Sociedad Anónima
Comercial, Inmobiliaria, Financiera y Agropecuaria

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

During the period, the Argentine Peso devalued against the US\$ and other currencies by around 32%, which has an impact in comparative information presented in these Financial Statements, due mainly to the currency exposure of our income and costs of Agricultural Business and of income from urban property and investments business line, especially from the “office and other rental properties” segment, and our net assets and liabilities in foreign currency as detailed in Note 40.

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. 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.

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.

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4. Acquisitions and disposals

For the nine-month period ended as of March 31, 2014

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.

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 the shares of 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.

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4. Acquisitions and disposals (Continued)

Furthermore, in the mentioned agreement a fixed amount of US\$ 2.0 million was arranged, which was cancelled, and another variable amount to be paid on a monthly basis, that results from applying a 4.5% on the amounts accrued on each prior calendar month as rental and admission fees, net of certain expenses, 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 nine-month period ended March 31, 2014 the Group has subscribed participating units of Dolphin Fund Ltd. (Dolphin) for the amount of Ps. 109.5 million.

On January 5, 2014, the competent court in dealing with IDBH Holding Corporation Ltd. (“IDBH”) debt restructuring has approved the offer made by Dolphin through Dolphin B.V. together with C.A.C. Extra Holdings Limited (“ETH”), a company incorporated under the laws of Israel, controlled by Mordechay Ben Moshé, in order to acquired approximately 53.3% of IDBD Development Corporation (“IDBD”), controlled by IDBH, within the framework of the debt restructuring process mentioned, pursuant to Israel’s applicable laws. The transaction was closed on May 7, 2014 (See Note 41).

IDBD is one of the Israeli biggest and most diversified investment groups, which is involved, through its subsidiaries, in several markets and industry, including real estate, retail, agribusiness, oil & gas production, insurance, telecommunications, etc.; controlling companies as: Clal Insurance (Insurance Company), Cellcom (Mobile phone services), Koor Industries (owner of 40% of Makhteshim Agan Industries (Agrochemicals), Super-Sol (supermarket), PBC (Real Estate), among others.

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4. Acquisitions and disposals (Continued)

Significant sale of investment properties

On January 14, 2014, IRSA signed the transfer deed for the sale of the 11th floor and seven parking units of the Building Maipú 1300. The total price of the transaction was Ps. 9.6 million (US\$ 1.4 million). Such transaction generated a gain before tax of approximately Ps. 7.9 million.

On January 24, 2014, IRSA signed the transfer deed for the sale of the 7th floor and 28 parking units of the Building Bouchard 551. The total price of the transaction was Ps. 124.6 million equivalents to US\$ 16.0 million. Such transaction generated a gain before tax of approximately Ps. 104.5 million.

Transactions with non-controlling interest

Sale of Futuros y Opciones.com S.A. shares

On December 20, 2013 Cresud sold 14,812 non-transferable nominative common shares, with a nominal value of Ps. 1 each and entitled to one vote per share, representing a 0.9075% interest of FyO for a total amount of Ps. 0.1 million.

	Ps. (million)
Sale's collected value	0.11
Increase in non-controlling interest	0.21
Reserve recorded in shareholders' equity	(0.10)

BRASILAGRO

During the nine-month period ended March 31, 2014, 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

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4. Acquisitions and disposals (Continued)

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 March 31, 2014, 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)

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. 200.0 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 March 31, 2014, the Company purchased 347,661 common shares (N.V. Ps. 1 per share) for a total amount of Ps. 3.0 million and 395,860 GDS (representing 3,958,600 common shares) for a total amount of US\$ 4.6 million.

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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 consolidated 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.

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.

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6. Segment reporting

Below is a summarized analysis of the lines of business of the Group for the nine-month period ended March 31, 2014:

	Agricultural business (I)	Urban properties business and investments (II)	Total
Revenues	1,141,531	2,085,341	3,226,872
Costs	(1,750,913)	(978,553)	(2,729,466)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	971,418	-	971,418
Changes in the net realizable value of agricultural produce after harvest	(7,811)	-	(7,811)
Gross profit	354,225	1,106,788	1,461,013
Gain from disposal of investment properties	-	113,338	113,338
General and administrative expenses	(159,447)	(195,367)	(354,814)
Selling expenses	(122,592)	(102,905)	(225,497)
Other operating results	(24,959)	(29,606)	(54,565)
Profit from operations	47,227	892,248	939,475
Share of profit of associates and joint ventures	10,444	85,945	96,389
Segment profit	57,671	978,193	1,035,864
Investment properties	43,759	4,658,901	4,702,660
Property, plant and equipment	2,474,572	220,317	2,694,889
Trading properties	-	226,437	226,437
Goodwill	9,368	100,627	109,995
Biological assets	1,030,663	-	1,030,663
Inventories	254,902	18,464	273,366
Investment in associates and joint ventures	38,335	1,326,351	1,364,686
Total segment assets	3,851,599	6,551,097	10,402,696

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6. Segment information (Continued)

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

	Agricultural business (I)	Urban properties business and investments (II)	Total
Revenues	750,882	1,706,191	2,457,073
Costs	(1,329,398)	(885,855)	(2,215,253)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	734,949	-	734,949
Changes in the net realizable value of agricultural produce after harvest	6,943	-	6,943
Gross Profit	163,376	820,336	983,712
Gain from disposal of investment properties	-	61,475	61,475
Gain from disposal of farmlands	53,988	-	53,988
General and administrative expenses	(111,578)	(153,454)	(265,032)
Selling expenses	(99,434)	(81,691)	(181,125)
Other operating results	(1,479)	106,612	105,133
Profit from operations	4,873	753,278	758,151
Share of profit of associates and joint ventures	5,521	5,496	11,017
Segment profit	10,394	758,774	769,168
Investment properties	25,292	4,320,899	4,346,191
Property, plant and equipment	1,733,674	231,206	1,964,880
Trading properties	4,678	229,986	234,664
Goodwill	6,729	73,328	80,057
Biological assets	695,218	-	695,218
Inventories	160,073	16,635	176,708
	29,399	1,157,605	1,187,004

Investment in associates and joint ventures

Total segment assets

2,655,063	6,029,659	8,684,722
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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:

	March 31, 2014						
	Agriculture				Agriculture rentals and services	Agriculture Subtotal	
	Crops	Cattle	Dairy	Sugarcane			
Revenues	459,882	72,589	37,006	87,253	15,213	671,943	-
Costs	(984,419)	(122,112)	(70,999)	(157,075)	(11,364)	(1,345,969)	(8)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	764,563	90,419	39,579	76,857	-	971,418	-
Changes in the net realizable value of agricultural produce after harvest	(7,990)	179	-	-	-	(7,811)	-
Gross profit / (loss)	232,036	41,075	5,586	7,035	3,849	289,581	(8)
General and administrative expenses	(92,208)	(19,014)	(4,015)	(24,557)	(1,885)	(141,679)	(7)
Selling expenses	(58,802)	(10,954)	(1,545)	(2,282)	(575)	(74,158)	(3)
Other operating results	(21,507)	(4,001)	(846)	58	(416)	(26,712)	(1)
Profit / (loss) from operations	59,519	7,106	(820)	(19,746)	973	47,032	(1)
Share of profit of associates	10,173	31	-	-	-	10,204	-
Segment profit / (loss)	69,692	7,137	(820)	(19,746)	973	57,236	(1)
Investment properties	-	-	-	-	43,759	43,759	-
Property, plant and equipment	1,760,323	162,629	19,061	423,685	9,636	2,375,334	5
Goodwill	6,468	-	-	2,900	-	9,368	-
Biological assets	597,151	265,728	30,903	136,815	-	1,030,597	-
Inventories	140,744	23,088	-	-	-	163,832	-
Investment in associates	35,623	107	-	-	-	35,730	-
Total segment assets	2,540,309	451,552	49,964	563,400	53,395	3,658,620	5

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6. Segment information (Continued)

	March 31, 2013						La transfo a sa
	Agriculture			Agricultural rentals and services		Agriculture Subtotal	
	Crops	Cattle	Dairy	Sugarcane	and services	Subtotal	
Revenues	338,011	63,632	27,737	120,820	19,231	569,431	-
Costs	(753,849)	(105,590)	(53,720)	(231,536)	(6,665)	(1,151,360)	(4,
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	507,124	53,423	27,788	147,597	-	735,932	-
Changes in net realizable value of agricultural produce after harvest	6,940	3	-	-	-	6,943	-
Gross profit / (loss)	98,226	11,468	1,805	36,881	12,566	160,946	(4,
Gain from disposal of farmlands	-	-	-	-	-	-	53
General and administrative expenses	(58,369)	(11,674)	(2,669)	(24,733)	(3,771)	(101,216)	(4,
Selling expenses	(63,139)	(7,982)	(1,094)	(2,907)	(1,017)	(76,139)	(6,
Other operating results	2,495	(1,658)	(369)	(90)	(521)	(143)	(6,
(Loss) / profit from operations	(20,787)	(9,846)	(2,327)	9,151	7,257	(16,552)	43
Share of profit of associates	4,795	14	-	-	-	4,809	-
Segment (loss) / profit	(15,992)	(9,832)	(2,327)	9,151	7,257	(11,743)	43
Investment properties	-	-	-	-	25,292	25,292	-
Property, plant and equipment	1,224,756	137,004	21,014	316,602	382	1,699,758	-
Trading properties	-	-	-	-	-	-	4,6
Goodwill	4,646	-	-	2,083	-	6,729	-
Biological assets	366,043	198,804	26,307	103,993	-	695,147	-
Inventories	64,348	11,238	-	-	-	75,586	-
Investment in associates	26,898	81	-	-	-	26,979	-
Total segment assets	1,686,691	347,127	47,321	422,678	25,674	2,529,491	4,6

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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:

March 31, 2014

	Shopping Center Properties	Offices	Sales and developments	Hotels	International	Financial operations and others	Total urban business and investme propti (II)
Revenues	1,477,167	242,973	46,451	253,971	64,322	457	2,085,3
Costs	(667,957)	(82,356)	(25,543)	(159,506)	(42,492)	(699)	(978,55
Gross profit / (loss)	809,210	160,617	20,908	94,465	21,830	(242)	1,106,7
Gain from disposal of investment properties	-	-	113,338	-	-	-	113,338
General and administrative expenses	(72,207)	(31,349)	(27,726)	(44,609)	(19,421)	(55)	(195,36
Selling expenses	(49,275)	(13,962)	(8,314)	(31,604)	-	250	(102,90
Other operating results	(23,088)	(1,765)	(2,414)	(761)	423	(2,001)	(29,606
Profit / (loss) from operations	664,640	113,541	95,792	17,491	2,832	(2,048)	892,248
Share of profit / (loss) of associates and joint ventures	-	(244)	3,874	556	(80,848)	162,607	85,945
Segment profit / (loss)	664,640	113,297	99,666	18,047	(78,016)	160,559	978,193
Investment properties	2,318,776	826,021	420,564	-	1,085,925	7,615	4,658,9
Property, plant and equipment	18,224	26,137	3,806	171,887	263	-	220,317
Trading properties	1,484	86	221,963	-	2,904	-	226,437
Goodwill	8,582	11,661	4,541	-	75,843	-	100,627
Inventories	9,860	-	582	8,022	-	-	18,464
Share of profit in associates and joint ventures	-	23,951	35,795	21,895	1,637	1,243,073	1,326,3
Total segment assets	2,356,926	887,856	687,251	201,804	1,166,572	1,250,688	6,551,0

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6. Segment information (Continued)

March 31, 2013

	Shopping Center Properties	Offices	Sales and developments	Hotels	International	Financial operations and others	Total urban and investment properties (II)
Revenues	1,173,547	214,040	117,178	174,694	25,632	1,100	1,706,191
Costs	(559,406)	(88,712)	(89,214)	(126,824)	(20,361)	(1,338)	(885,855)
Gross profit / (loss)	614,141	125,328	27,964	47,870	5,271	(238)	820,336
Gain from disposal of investment properties	-	-	61,475	-	-	-	61,475
General and administrative expenses	(47,693)	(31,392)	(28,113)	(36,935)	(9,105)	(216)	(153,454)
Selling expenses	(39,023)	(8,667)	(12,609)	(21,205)	-	(187)	(81,691)
Other operating results	(17,590)	(1,895)	(8,230)	456	134,487	(616)	106,612
Profit / (loss) from operations	509,835	83,374	40,487	(9,814)	130,653	(1,257)	753,278
Share of profit / (loss) of associates and joint ventures	-	-	1,478	(4)	(58,446)	62,468	5,496
Segment profit / (loss)	509,835	83,374	41,965	(9,818)	72,207	61,211	758,774
Investment properties	2,241,671	907,423	453,055	-	710,525	8,225	4,320,899
Property, plant and equipment	13,372	30,493	3,795	183,347	199	-	231,206
Trading properties	1,484	113	146,698	-	81,691	-	229,986
Goodwill	8,582	11,661	4,538	-	48,547	-	73,328
Inventories	10,140	-	511	5,984	-	-	16,635
Share of profit in associates and	-	32,024	26,873	21,252	691	1,076,765	1,157,605

joint ventures

Total segment
assets

2,275,249	981,714	635,470	210,583	841,653	1,084,990	6,029,659
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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 nine-month period ending March 31, 2014, 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.

	Total segment information	March 31, 2014		Total Statement of Income
		Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	
Revenues	3,226,872	(40,122)	(25,274)	3,161,476
Costs	(2,729,466)	39,096	25,056	(2,665,314)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	971,418	(15,694)	-	955,724
Changes in the net realizable value of agricultural produce after harvest	(7,811)	-	-	(7,811)
Gross profit / (loss)	1,461,013	(16,720)	(218)	1,444,075
Gain from disposal of investment properties	113,338	-	-	113,338
General and administrative expenses	(354,814)	2,356	829	(351,629)
Selling expenses	(225,497)	2,701	110	(222,686)
Other operating results	(54,565)	2,926	(721)	(52,360)
Profit from operations before share of associates and Joint Ventures	939,475	(8,737)	-	930,738
Share of profit of associates and joint ventures	96,389	18,794	-	115,183
Profit from operations before financing and taxation	1,035,864	10,057	-	1,045,921

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6. Segment information (Continued)

	March 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	2,457,073	(113,931)	(3,250)	2,339,892
Costs	(2,215,253)	97,000	2,294	(2,115,959)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	734,949	(1,423)	-	733,526
Changes in the net realizable value of agricultural produce after harvest	6,943	101	-	7,044
Gross profit / (loss)	983,712	(18,253)	(956)	964,503
Gain from disposal of investment properties	61,475	-	-	61,475
Gain from disposal of farmlands	53,988	-	-	53,988
General and administrative expenses	(265,032)	2,832	1,289	(260,911)
Selling expenses	(181,125)	8,755	81	(172,289)
Other operating results	105,133	1,749	(414)	106,468
Profit / (loss) from operations before share of associates and Joint Ventures	758,151	(4,917)	-	753,234
Share of profit of associates and joint ventures	11,017	3,704	-	14,721
Profit / (loss) from operations before Financing and Taxation	769,168	(1,213)	-	767,955

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:

	March 31, 2014	March 31, 2013
Total reportable assets as per Segment Information	10,402,696	8,684,722
Deconsolidation of investment properties	(159,992)	(168,843)
Deconsolidation of property, plant and equipment	(345,891)	(69,551)
Deconsolidation of trading properties	(6,339)	(33,750)

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Deconsolidation of goodwill	(5,235)	(5,236)
Deconsolidation of biological assets	(22,547)	(2,660)
Deconsolidation of inventories	(8,663)	(3,890)
Deconsolidation of investments in associates and joint ventures	397,954	297,142
Total assets as per the Statement of Financial Position	10,251,983	8,697,934

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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	
	March 31, 2014	June 30, 2013	March 31, 2014	June 30, 2013
Assets				
Non-current assets	8,216,441	6,487,209	2,039,273	1,210,560
Current assets	1,243,522	1,839,320	828,828	667,656
Total assets	9,459,963	8,326,529	2,868,101	1,878,216
Liabilities				
Non-current liabilities	5,167,536	3,590,593	240,186	168,553
Current liabilities	1,374,301	1,605,247	567,868	278,594
Total liabilities	6,541,837	5,195,840	808,054	447,147
Net assets	2,918,126	3,130,689	2,060,047	1,431,069

Summarized statements of income and statements of comprehensive income

	IRSA		Brasilagro	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Revenues	2,047,841	1,594,094	196,473	205,990
(Loss) / profit before income tax	(191,140)	466,495	(41,700)	12,688
Income tax expense	112,298	(87,234)	19,404	1,761
(Loss) / profit for the period	(78,842)	379,261	(22,296)	14,449
Other comprehensive income	149,786	40,306	644,785	173,498
Total other comprehensive income	70,944	419,567	622,489	187,947
Profit attributable to non-controlling interest	56,845	62,016	-	-

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7. Information about principal subsidiaries (Continued)

Summarized cash flows

	IRSA		Brasilagro	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash flow from operating activities				
Net cash generated from operating activities	686,420	540,756	(71,731)	(58,278)
Cash flow from investing activities				
Net cash used in investing activities	(597,560)	(250,979)	(60,777)	108,998
Cash flow from financing activities				
Net cash used in financing activities	(688,495)	(171,723)	16,834	(16,435)
Net (decrease) increase in cash and cash equivalents	(599,635)	118,054	(115,674)	34,285
Cash and cash equivalents at beginning of period	796,902	259,169	197,113	151,064
Foreign exchange gain on cash and cash equivalents	42,010	22,053	75,045	15,991
Cash and cash equivalents at end of period	239,277	399,276	156,484	201,340

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 March 31, 2014, 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 nine-month period ended March 31, 2014 and for the year ended June 30, 2013 were as follows:

	March 31, 2014	June 30, 2013
Beginning of the period / year	324,194	260,994
Acquisition of Joint Ventures	(12)	25,899
Capital contribution	39,830	42,892
Disposal of joint ventures	-	(6,534)
Dividends distribution (i)	-	(1,250)
Share of profit / (loss)	18,550	(661)
Foreign exchange gain	39,243	2,854
End of the period / year (ii)	421,805	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. (19) reflecting interests in companies with negative equity as of March 31, 2014 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 March 31, 2014, 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 nine-month period ended as of March 31, 2014 and for the year ended as of June 30, 2013 was as follows:

	March 31, 2014	June 30, 2013
Beginning of the period / year	1,123,577	1,239,566
Acquisition of Associates	13,057	-
Capital contribution	19	37,721
Business combinations	-	(103,315)
Share of profit / (loss)	96,633	(9,157)
Foreign exchange gain	(38,811)	(1,139)
Dividends distribution (i)	(13,309)	(40,099)
End of the period / year (ii)	1,181,166	1,123,577

(i) As of March 31, 2014, the Group cashed dividends from Agro-Uranga S.A., Manibil and BHSA in the amount of Ps. 2.9 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. (159,568) and Ps. (39,091) reflecting interests in companies with negative equity as of March 31, 2014 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 nine-month period ended as of March 31, 2014 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)
Foreign exchange gain	-	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 March 31, 2014						
Opening net book amount	1,890,531	1,630,398	420,587	42,998	195,387	4,179,901
Additions	19,213	19,791	107	1,603	139,519	180,233
Reclassification to property, plant and equipment	-	-	-	(7,630)	-	(7,630)
Disposals	-	(22,376)	-	(79)	-	(22,455)
Depreciation charge (i)	(101,948)	(49,557)	-	(266)	-	(151,771)
Foreign exchange gain	-	357,256	-	7,134	-	364,390
Closing net book amount	1,807,796	1,935,512	420,694	43,760	334,906	4,542,668
As of March 31, 2014						
Costs	3,149,575	2,169,978	420,694	43,760	334,906	6,118,913
Accumulated depreciation	(1,341,779)	(234,466)	-	-	-	(1,576,245)
Net book amount	1,807,796	1,935,512	420,694	43,760	334,906	4,542,668

(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:

	March 31, 2014	March 31, 2013
Rental and service income	1,776,193	1,413,372
Direct operating expenses	791,171	662,438
Gain from disposal of investment properties	113,338	61,475

Properties under development mainly comprise works in Shopping Neuquén S.A. and Arcos del Gourmet S.A.. As of March 31, 2014 and June 30, 2013 works in Shopping Neuquén amount to Ps. 83.2 million and Ps. 43.1 million, respectively. Works in Arcos del Gourmet as of March 31, 2014 and June 30, 2013 amount to Ps. 235.7 million and Ps. 136.3 million, respectively.

As of March 31, 2014 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. On April 1, 2014 the Government of the City of Buenos Aires granted a new environmental clearing certificate.

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11. Property, plant and equipment

The evolution of the Group's property, plant and equipment for the nine-month period ended as of March 31, 2014 and for the year ended as of June 30, 2013 were 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
Foreign exchange gain	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							
Costs	1,667,619	394,591	122,305	19,772	160,913	10,832	2,376,032
Accumulated depreciation	(128,911)	(214,243)	(65,066)	(12,594)	(107,952)	(5,812)	(534,578)
Net book amount	1,538,708	180,348	57,239	7,178	52,961	5,020	1,841,454
Period ended March 31, 2014							
Opening net book amount	1,538,708	180,348	57,239	7,178	52,961	5,020	1,841,454
Foreign exchange gain	471,301	-	3,037	1,195	12,067	235	487,835
Additions	64,730	2,777	3,984	1,669	9,348	723	83,231
Reclassifications of investment properties	7,630	-	-	-	-	-	7,630
Transfers	-	-	6	(6)	-	-	-
Reclassifications to intangibles assets	-	-	(30)	-	-	-	(30)
Disposals	(5,486)	(24)	(125)	(89)	(2,172)	(289)	(8,185)
Depreciation charge (i)	(31,113)	(11,215)	(7,622)	(1,095)	(10,621)	(1,271)	(62,937)
Closing net book amount	2,045,770	171,886	56,489	8,852	61,583	4,418	2,348,998
As of March 31, 2014							
Costs	2,228,061	395,444	128,147	22,668	183,128	10,721	2,968,169
Accumulated depreciation	(182,291)	(223,558)	(71,658)	(13,816)	(121,545)	(6,303)	(619,171)
	2,045,770	171,886	56,489	8,852	61,583	4,418	2,348,998

Net book
amount

- (i) For the nine-month period ended as of March 31, 2014, depreciation charges of property, plant and equipment were included as follows: Ps. 58,120 under the line item “General and administrative expenses”, Ps. 3,496 under the line item “Selling expenses” and Ps. 1,321 under the line item “Cost” in the Statement of Income. For the fiscal year ended June 30, 2013, depreciation charges of property, plant and equipment were included as follows: Ps. 5,663 under the line item “General and administrative expenses”, Ps. 279 under the line item “Selling expenses” and Ps. 72,859 under the line item “Cost” in the Statement of Income.

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12. Trading properties

The evolution of the Group's trading property for the nine-month period ended as of March 31, 2014 and for the year ended as of June 30, 2013 was as follows:

	Completed properties	Properties under development	Undeveloped sites	Total
As of June 30, 2012	15,665	83,040	82,296	181,001
Additions	19	1,463	-	1,482
Foreign exchange gain	-	17,757	-	17,757
Transfers	-	61,444	(61,444)	-
Disposals	(5,993)	(5)	-	(5,998)
As of June 30, 2013	9,691	163,699	20,852	194,242
Additions	1,400	2,413	-	3,813
Foreign exchange gain	-	26,953	-	26,953
Transfers	7,351	(7,351)	-	-
Disposals	(4,870)	(25)	(15)	(4,910)
As of March 31, 2014	13,572	185,689	20,837	220,098

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13. Intangible assets

The evolution of the Group's intangible assets for the nine-month period ended as of March 31, 2014 and for the year ended as of June 30, 2013 was as follows:

	Goodwill	Computer Software	Rights of use	Others	Total
Year ended June 30, 2013					
Opening net book amount	25,472	8,696	40,692	217	75,077
Foreign exchange gain	5,857	657	-	-	6,514
Additions	-	2,682	-	9	2,691
Disposals	-	(3)	-	-	(3)
Reclassification of property, plant and equipment	-	336	-	-	336
Acquisition of interest in subsidiary	45,723	-	-	-	45,723
Amortization charge (i) (Note 30)	-	(4,179)	(753)	(94)	(5,026)
Net book amount at year-end	77,052	8,189	39,939	132	125,312
As of June 30, 2013					
Costs	77,052	31,009	44,455	907	153,423
Accumulated depreciation	-	(22,820)	(4,516)	(775)	(28,111)
Net book amount	77,052	8,189	39,939	132	125,312
Period ended March 31, 2014					
Opening net book amount	77,052	8,189	39,939	132	125,312
Foreign exchange gain	27,708	5,171	-	-	32,879
Additions	644	1,767	-	10,953	13,364
Disposals	-	(32)	-	-	(32)
Reclassification of Property, plant and equipment	-	30	-	-	30
Amortization charge (i) (Note 30)	-	(3,118)	(563)	(60)	(3,741)
Net book amount at period end	105,404	12,007	39,376	11,025	167,812
As of March 31, 2014					
Costs	105,404	37,928	44,456	11,860	199,648
Accumulated depreciation	-	(25,921)	(5,080)	(835)	(31,836)
Net book amount	105,404	12,007	39,376	11,025	167,812

(i) Amortization charges are included in "General and administrative expenses" in the Statement of Income (Note 30). There was no impairment charges for any of the periods presented.

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14. Biological assets

The evolution of the Group's biological assets for the nine-month period ended as of March 31, 2014 and for the year ended as of June 30, 2013 was as follows:

	March 31, 2014	June 30, 2013
Beginning of the period / year	400,692	363,459
Purchases	28,643	8,375
Initial recognition and changes in the fair value of biological assets	919,102	851,289
Harvest	(386,587)	(756,067)
Sales	(60,324)	(73,788)
Consumes	(952)	(1,232)
Foreign exchange gain	107,542	8,656
End of the period / year	1,008,116	400,692

Biological assets as of March 31, 2014 and June 30, 2013 were as follows:

	Classification	March 31, 2014	June 30, 2013
Non-current			
Cattle for dairy production	Production	30,829	27,957
Breeding cattle	Production	232,405	155,058
Sugarcane	Production	136,815	111,063
Other cattle	Production	5,770	6,320
Other biological assets	Production	3,628	2,730
Non-current biological assets		409,447	303,128
Current			
Cattle for dairy production	Consumable	74	177
Cattle for sale	Consumable	20,387	40,692
Crops	Consumable	577,546	55,879
Other cattle	Consumable	662	816
Current biological assets		598,669	97,564
Total biological assets		1,008,116	400,692

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15. Inventories

Group's inventories as of March 31, 2014 and June 30, 2013 were as follows:

	March 31, 2014	June 30, 2013
Crops	96,617	120,697
Materials and inputs	121,891	92,900
Seeds and fodder	20,545	22,397
Hotel supplies	8,022	5,962
Beef	17,628	8,985
Others	-	1,435
Total inventories	264,703	252,376

16. Financial instruments by category

Determining fair values

IFRS 9 defines the fair value of a financial instrument as the amount for which a financial asset could be exchanged, or a financial liability settled, between knowledgeable, willing parties in an arm's length transaction. All financial instruments recognized at fair value are allocated to one of the valuation hierarchy levels of IFRS 7. This valuation hierarchy provides for three levels. The initial basis for the allocation is the "economic investment class". Only if this does not result in an appropriate allocation the Company deviates from such an approach in individual cases. The allocation reflects which of the fair values derive from transactions in the market and where valuation is based on models because market transactions are lacking.

In the case of Level 1, valuation is based on non-adjusted quoted prices in active markets for identical financial assets or liabilities that the Group can refer to at the date of the statement of financial position. A market is deemed active if transactions take place with sufficient frequency and in sufficient quantity for price information to be available on an ongoing basis. Since a quoted price in an active market is the most reliable indicator of fair value, this should always be used if available. The financial instruments the Group has allocated to this level mainly comprise equity investments, mutual funds, government bonds and corporate bonds for which quoted prices in active markets are available. In the case of shares, the Group allocates them to this level when either a stock market price is available or prices are provided by a price quotation on the basis of actual market transactions.

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16. Financial instruments by category (Continued)

In the case of Level 2, fair value is determined by using valuation methods based on inputs directly or indirectly observable in the market. If the financial instrument concerned has a fixed contract period, the inputs for valuation must be observable for the whole of this period. The financial instruments the Group has allocated to this level mainly comprise interest rate swaps and foreign currency future contracts.

In the case of Level 3, the Group uses valuation techniques not based on inputs observable in the market. This is only permissible insofar as no observable market data are available. The inputs used reflect the Group's assumptions regarding the factors which market players would consider in their pricing. The Group uses the best available information for this, including internal company data. The financial instruments that the Group has allocated to this level mainly comprise shares and warrants of Supertel.

As of March 31, 2014, the Group has determined that Arcos del Gourmet S.A.'s stock option is a Level 3 financial instrument and its fair value at the end of the period is zero.

Since June 30, 2013, there have been no transfers between the several tiers used in estimating the fair value of the Group's financial instruments, or reclassifications among their respective categories.

The Group's Finance Division has a team in place in charge of estimating valuation of financial assets required to be reported in the financial statements, including the fair value of Level 3 instruments. The team directly reports to the Chief Financial Officer (CFO).

The CFO and the valuation team discuss the valuation methods and results upon the acquisition of an asset and, if necessary, on a quarterly basis, in line with the Group's quarterly reports.

According to the Group's policy, transfers among the several categories of valuation tiers are recognized when occurred, or when there are changes in the prevailing circumstances requiring the transfer.

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16. Financial instruments by category (Continued)

The following tables present the Group's financial assets and financial liabilities that are measured at fair value as of March 31, 2014 and June 30, 2013 and their allocation to the fair value hierarchy:

	March 31, 2014			Total
	Level 1	Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss:				
- Investment in equity securities in TGLT	66,556	-	-	66,556
- Investment in equity securities in Hersha	46,069	-	-	46,069
- Corporate bonds	1,339	-	-	1,339
- Public companies securities	185,921	-	-	185,921
- Mutual funds	970,544	-	-	970,544
- Shares of Supertel	-	-	57,123	57,123
- Shares	348	-	-	348
- Investment in Supertel convertible loan	-	15,747	-	15,747
- Don Mario S.G.R.	13,474	-	-	13,474
- Government bonds	210,668	-	-	210,668
Derivative financial instruments:				
- Commodity derivatives	1,916	-	-	1,916
- Foreign-currency contracts	-	10,939	-	10,939
- Swaps	-	14,153	-	14,153
Cash and cash equivalents	52,660	-	-	52,660
Total assets	1,549,495	40,839	57,123	1,647,457
Liabilities				
Derivative financial instruments:				
- Foreign-currency contracts	-	21,113	-	21,113
- Commodity derivatives	11,105	-	-	11,105
Total liabilities	11,105	21,113	-	32,218

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16. Financial instruments by category (Continued)

	June 30, 2013			Total
	Level 1	Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss:				
- Investment in equity securities in TGLT	56,859	-	-	56,859
- Investment in equity securities in Hersha	30,163	-	-	30,163
- Corporate bonds	26,738	-	-	26,738
- Shares	323	-	-	323
- Mutual funds	211,665	-	-	211,665
- Shares of Supertel	-	-	139,120	139,120
- Non-convertible notes	5,136	-	-	5,136
- Don Mario S.G.R.	11,691	-	-	11,691
- Government bonds	157,632	-	-	157,632
Derivative financial instruments:				
- Commodity derivatives	1,483	-	-	1,483
- Foreign-currency contracts	-	10,007	-	10,007
- Swaps	-	4,259	-	4,259
- Warrants of Supertel	-	-	16,949	16,949
Cash and cash equivalents	129,880	-	-	129,880
Total assets	631,570	14,266	156,069	801,905
Liabilities				
Derivative financial instruments:				
- Foreign-currency contracts	-	11,461	-	11,461
- Commodity derivatives	3	-	-	3
Total liabilities	3	11,461	-	11,464

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16. Financial instruments by category (Continued)

The following table presents the changes in Level 3 instruments for the nine-month period ended March 31, 2014:

	Call option for the shares of Arcos	Warrants of Supertel	Shares of Supertel	Total
Balance as of June 30, 2013	-	16,949	139,120	156,069
Acquisition				-
Total losses for the period (i)	-	(16,949)	(81,997)	(98,946)
Balance as of March 31, 2014	-	-	57,123	57,123

(i) The loss is not realized as of March 31, 2014 and is accounted for under “Other financial results” in the Statement of Income (Note 33)

Upon initial recognition (January, 2012), the consideration paid for the Shares and Warrants was assigned to both instruments based on the relative fair values of those instruments upon acquisition. The fair value of these instruments exceeded the transaction price and were determined using a valuation technique that uses inputs not observable in the market. As a result of the use of this technique, the Group has not recognized a gain at the time of initial recognition in the amount of US\$ 7.9 million.

On March 31, 2014, the fair value of warrants of Supertel as determined pursuant to the indicated method was lower than the gain not recognized upon initial recording; therefore, warrants are valued at zero.

According to Group estimates, all factors being constant, a 10% decline in the price of the underlying assets of Level 3 shares and warrants of Supertel (data observed in the market) as of March 31, 2014, would reduce pre-tax income by Ps. 2.6 million.

According to Group estimates, all factors being constant, a 10% increase in the credit spread (data which is not observable in the market) of shares and warrants of Supertel used in the valuation model applied to Level 3 financial instruments as of March 31, 2014, would reduce pre-tax income by Ps. 7.5 million. The rate used as of March 31, 2014 was 14.25%.

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16. Financial instruments by category (Continued)

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

Description	Pricing model	Pricing method	Parameters
Foreign-currency contracts	Present value method	Theoretical price	Money market curve; Interest curve Foreign exchange curve.
Swaps	Discounted cash flows	-	Interest rate futures and flows of funds
Shares of Supertel	Binomial tree	Theoretical price	Price of underlying assets (market price) and (historic) stock volatility and market interest rate (Libor curve)
Warrants of Supertel	Black-Scholes	Theoretical price	Price of underlying assets (market price) and (historic) stock volatility and market interest rate (Libor curve)
Call option of Arcos del Gourmet S.A.	Discounted cash flows	-	Projected income and discount rate

17. Restricted assets

The following table presents the restricted assets as of March 31, 2014 and June 30, 2013:

	March 31, 2014	June 30, 2013
Non-current		
Escrow deposits	18,334	10,881
Mutual funds	62,679	43,750
Total Non-Current	81,013	54,631
Current		
Escrow deposits	2,074	1,022
Total Current	2,074	1,022
Total restricted assets	83,087	55,653

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18. Trade and other receivables

The table below shows trade and other receivables of the Group as of March 31, 2014 and June 30, 2013:

	March 31, 2014	June 30, 2013
Non-current		
Leases and services receivable	66,082	58,783
Consumer financing receivables	-	214
Receivables from sale of agriculture products	2,883	-
Property sales receivable (i)	91,866	88,387
Less: Allowance for doubtful accounts	(2,208)	(2,266)
Non-current trade receivables	158,623	145,118
Trade receivables from disposal of joint ventures	3,161	2,147
Prepayments	9,431	5,210
VAT receivables	20,918	28,944
Other tax receivables	118,548	62,759
Loans	1,116	-
Guarantee deposits	16,119	-
Others	667	4,499
Non-current other receivables	169,960	103,559
Related parties (Note 35)	89,320	42,753
Non-current trade and other receivables	417,903	291,430
Current		
Consumer financing receivables	14,992	15,735
Leases and services receivable	241,689	418,022
Receivables from sale of agriculture products and farmlands leases	218,605	407,127
Receivables from hotel operations	44,566	26,201
Deferred checks received	221,092	164,808
Debtors under legal proceedings	57,125	51,610
Property sales receivable (i)	107,503	91,142
Less: allowance for doubtful accounts	(90,609)	(84,418)
Trade receivables	814,963	1,090,227
Trade receivables from disposal of joint ventures	7,270	20,555
Prepayments	116,756	78,603
VAT receivables	59,187	39,342
Gross sales tax credit	7,707	2,420
Other tax receivables	25,424	37,353
Loans	12,382	8,982

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Expenses and services to recover	6,943	3,757
Suppliers advances	142,410	54,961
Guarantee deposits	54,834	34,233
Dividends receivable	7,882	2,828
Others	20,422	29,906
Less: allowance for doubtful accounts	(218)	(218)
Current other receivables	460,999	312,722
Related parties (Note 35)	80,098	77,365
Current trade and other receivables	1,356,060	1,480,314
Total trade and other receivables	1,773,963	1,771,744

(i) Property sales receivables primarily comprise trading properties, investment properties and farmlands.

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18. Trade and other receivables (Continued)

The fair values of current trade and other receivables approximate their respective carrying amounts due to their short-term nature.

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

	March 31, 2014	June 30, 2013
Beginning of period / year	86,902	72,480
Charge for the period	9,594	32,229
Unused amounts reversed	(556)	(16,142)
Used during the period/year	(5,172)	(1,610)
Receivables written off	-	(235)
Foreign exchange gain	2,267	180
End of period / year	93,035	86,902

The creation and release of provision for impaired receivables have been included in "Selling expenses" in the statement of income (Note 30). Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

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19. Investment in financial assets

Group's investment in financial assets as of March 31, 2014 and June 30, 2013 were as follows:

	March 31, 2014	June 30, 2013
Non-current		
Financial assets at fair value through profit or loss		
Investment in equity securities in		
TGLT	66,556	56,859
Investment in equity securities in		
Hersha	46,069	30,163
Mutual Funds (Note 35) (i)	872,673	17,249
Shares of Supertel	57,123	139,120
Don Mario S.G.R.	10,000	10,060
Investment in Supertel convertible loan		
(ii)	15,747	-
Shares	348	291
Total Investment in Financial Assets Non-current	1,068,516	253,742
Current		
Financial assets at fair value through profit or loss		
Mutual funds	97,871	194,416
Don Mario S.G.R.	3,474	1,631
Non-convertible notes related parties	-	5,136
Corporate bonds	1,339	26,738
Public companies securities	185,921	-
Government bonds	210,668	157,632
Others	-	32
Total Investment in Financial Assets current	499,273	385,585
Total Investment in Financial Assets	1,567,789	639,327

(i) During the quarter, the Group has subscribed, through subsidiaries Tyrus and Ritelco, shares from Dolphin for the amount of US\$ 109.5 million. See Note 41.

(ii) On January 9, 2014, RES entered into a credit facility of up to US\$ 2.0 million with Supertel Hospitality Inc. (SPPR). In the event SPPR successfully carries out an initial public offering not later than April 15, 2014, RES agrees to swap (capitalize) the balance of the loan at such time for shares of SPPR. In the event that SPPR fails to make an initial public offering within the term agreed, RES is entitled to a debt-for-equity swap until July 9, 2015 (subject to any limitation on shareholding that may apply). Since SPPR did not make a share public offering before April 15, 2014, the lending interest rate increased by 12.5% per annum. Subject to the limitations indicated above, RES has the option to capitalize the loan by swapping it into common shares that can be exercised until

July 9, 2015. In such a case, the price at which debt will be swapped by equity shall be the higher of (a) the weighted average price of common shares of the company within a term of 5 days prior to the date RES decides to exercise the debt-for-equity swap option or (b) the higher of market price and book value.

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20. Derivative financial instruments

Group's derivative financial instruments as of March 31, 2014 and June 30, 2013 were as follows:

	March 31, 2014	June 30, 2013
Assets		
Non-current		
Swaps	6,900	4,259
Foreign-currency contracts	-	4,169
Supertel warrants	-	16,949
Total non-current	6,900	25,377
Current		
Commodities	1,916	1,483
Foreign-currency contracts (Note 35)	10,939	5,838
Swaps	7,253	-
Total current	20,108	7,321
Total assets	27,008	32,698
Liabilities		
Non-current		
Foreign-currency contracts	-	2,773
Total non-current	-	2,773
Current		
Commodities	11,105	3
Foreign-currency contracts	21,113	8,688
Total current	32,218	8,691
Total liabilities	32,218	11,464

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21. Cash flow information

The following table shows the amounts of cash and cash equivalents as of March 31, 2014 and June 30, 2013:

	March 31, 2014	June 30, 2013
Cash at bank and on hand	366,243	769,485
Short-term bank deposits	79,758	148,221
Mutual funds	52,660	129,880
Total cash and cash equivalents	498,661	1,047,586

Following is a detailed description of cash flows generated by the Group's operations for the nine-month period ended as of March 31, 2014 and 2013.

	Note	March 31, 2014	March 31, 2013
(Loss) gain for the period		(527,513)	263,194
Adjustments for:			
Income tax expense		(357,973)	30,747
Depreciation and amortization		218,449	211,033
Gain from disposal of investment properties		(113,338)	(61,475)
Loss from disposal of farmlands		-	(53,988)
Gain on the revaluation of receivables arising from the sale of farmland		(17,828)	(4,726)
Gain from disposal of property, plant and equipment		(833)	(199)
Release of investment property and property, plant and equipment		2,619	365
Dividends income		(10,741)	(20,470)
Share-based payments		17,545	9,720
Unrealized Gain from derivative financial instruments		(7,074)	(25,567)
Changes in fair value of financial assets		(348,774)	(152,539)
Interest expense, net		465,839	310,389
Unrealized initial recognition and changes in the fair value of biological assets and agricultural produce		(697,406)	(652,057)
Changes in net realizable value of agricultural produce after harvest		7,811	(7,044)
Provisions		77,560	83,187
Share of loss of associates and joint ventures		(115,183)	(14,721)
Unrealized foreign exchange loss, net		1,770,186	289,928

Result from purchase of joint venture	-	(137,062)
Result from repurchase of Non-convertible Notes	34,861	
Changes in operating assets and liabilities:		
Decrease in biological assets	185,671	469,981
Decrease in inventories	248,242	32,356
Increase in restricted assets	-	(724)
Decrease / (Increase) in trading properties	2,497	(1,659)
Decrease / (Increase) in trade and other receivables	117,555	(27,272)
Increase in derivative financial instruments	(10,214)	(37,903)
(Decrease) / Increase in trade and other payables	(255,341)	149,725
Decrease in payroll and social security liabilities	(15,616)	(14,886)
Decrease in provisions	(3,920)	(946)
Net cash generated from operating activities before income tax paid	667,081	637,387

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21. Cash flow information (Continued)

The following table shows a detail of non-cash transactions occurred for the nine-month periods ended as of March 31, 2014 and 2013:

	March 31, 2014	March 31, 2013
Reimbursement of expired dividends	1,278	1,008
Dividends payable	-	(121,151)
Conversion of notes	-	126
Dividends not collected	(412)	-
Increase in property, plant and equipment through an increase in borrowings	539	-
Increase in investments in financial assets through an increase in borrowings	-	18,767

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22. Trade and other payables

Group's trade and other payables as of March 31, 2014 and June 30, 2013 were as follows:

	March 31, 2014	June 30, 2013
Non-current		
Trade payables	845	-
Admission rights	118,079	112,654
Sales, rent and services payments received in advance	52,490	53,300
Guarantee deposits	21,778	17,352
Non-current trade payables	193,192	183,306
Other tax payables	21,118	14,136
Deferred income	8,039	8,660
Shareholders' personal tax payable	2,356	1,476
Tax amnesty plan for payable taxes	13,631	15,641
Others	11,577	5,028
Non-current other payables	56,721	44,941
Related parties (Note 35)	205	20
Non-current trade and other payables	250,118	228,267
Current		
Trade payables	287,314	212,797
Accrued invoices	133,643	141,657
Admission rights	110,960	98,656
Sales, rent and services payments received in advance	205,737	199,909
Guarantee deposits	13,712	13,477
Current trade payables	751,366	666,496
Withholdings tax	3,035	9,800
VAT payables	30,211	26,739
Gross sales tax payable	179	1,836
Other tax payables	38,507	41,996
Deferred revenue	3,427	1,246
Dividends payable	1,807	11,445
Tax amnesty plan for payable taxes	307	310
Shareholders' personal tax payable	11,301	3,220
Others	20,315	6,930
Current other payables	109,089	103,522
Related parties (Note 35)	36,513	129,524
Current trade and other payables	896,968	899,542
Total trade and other payables	1,147,086	1,127,809

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22. Trade and other payables (Continued)

The fair values of current trade and other payables approximate their respective carrying amounts due to their short-term nature.

23. Payroll and social security liabilities

Group's Salaries and social security liabilities as of March 31, 2014 and June 30, 2013 were as follows:

	March 31, 2014	June 30, 2013
Non-current		
Others	5,512	3,984
Non-current payroll and social security liabilities	5,512	3,984
Current		
Provision for vacation and bonuses	87,532	89,238
Social security payable	20,463	28,967
Salaries payable	929	1,776
Others	1,675	854
Current payroll and social security liabilities	110,599	120,835
Total payroll and social security liabilities	116,111	124,819

24. Provisions

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

	Labor and legal claims	Tax and social security claims	Investments in associates and joint ventures (i)	Total
As of June 30, 2013	47,054	1,691	39,091	87,836
Additions	18,878	377	81,218	100,473
Used during period	(16,965)	(482)	-	(17,447)
Foreign exchange gain	4,280	-	39,278	43,558
As of March 31, 2014	53,247	1,586	159,587	214,420

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

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24. Provisions (Continued)

The analysis of total provisions is as follows:

	March 31, 2014	June 30, 2013
Non-current	196,781	71,626
Current	17,639	16,210
	214,420	87,836

25. Borrowings

Group's borrowings as of March 31, 2014 and June 30, 2013 were as follows:

	Secured/ unsecured	Currency	Fixed/ Floating	Effective interest rate %	Nominal value (in millions)	Book value	
						March 31, 2014	June 30, 2013
Non-current							
CRESUD NCN Class VIII due 2014	Unsecured	US\$	Fixed	7.50%	60	-	322,925
CRESUD NCN Class XI due 2015	Unsecured	Ps.	Floating	Badlar + 375 bps	80.5	19,793	39,415
CRESUD NCN Class XII due 2014	Unsecured	Ps.	Floating	Badlar + 410 bps	102	-	67,819
CRESUD NCN Class XIII due 2015	Unsecured	US\$	Fixed	1.90%	79	317,653	425,658
CRESUD NCN Class XIV due 2018	Unsecured	US\$	Fixed	1.50%	32	254,912	171,084
CRESUD NCN Class XV due 2015	Unsecured	Ps.	Floating	23.67%	176	175,866	-
CRESUD NCN Class XVI due 2018	Unsecured	US\$	Fixed	1.50%	109	881,926	-
IRSA NCN Class I due 2015	Unsecured	Ps.	Floating	Badlar + 395 ps	209	208,387	-
IRSA NCN Class II due 2017	Unsecured	Ps.	Floating	Badlar + 450 ps	11	10,761	-
IRSA NCN Class I due 2017	Unsecured	US\$	Fixed	8.50%	150	1,190,622	784,855
IRSA NCN Class II due 2020	Unsecured	US\$	Fixed	11.50%	150	1,072,986	781,338
APSA NCN Class I due 2017	Unsecured	US\$	Fixed	7.87%	120	835,336	568,362
	Unsecured	Ps.	Fixed	15.01%	229	100,097	175,604

Syndicated loan
(I)

Banco M&T loan	Secured	US\$	Floating	Libor + 3.25%	75	594,668	399,691
Long term loans	Unsecured	US\$	Floating	Libor + 300 bps o 6% (the higher)	15	109,554	77,780
Long term loans	Unsecured	Ps.	Floating	Rate Survey PF 30-59 days'	20	16,664	19,784
Long term loans	Unsecured	Ps.	Fixed	15.01%	24	10,204	13,543
Long term loans	Secured	Rs.	Floating	TJLP + 1.95 to 3.10 and 5.5 to 10	20.5	10,163	17,162
Long term loans	Secured	Rs.	Fixed	7.23%	98.7	194,461	121,289
Seller financing	Secured	US\$	Fixed	3.50 % and 5%	17.9	118,038	78,371
Finance leases	Secured	US\$	Fixed	10.75% and 7.5%	499	1,631	1,590
Other long term loans		Ps.	Fixed		-	18,334	19,163
Other long term loans		Bol.	Floating		-	6,997	6,136
Related parties (Note 35)						130,012	98,327
Non-current borrowings						6,279,065	4,189,896

(I) Include Ps. 22,780 and Ps. 35,557 with Banco Hipotecario as of March 31, 2014 and June 30, 2013, respectively. See Note 35.

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25. Borrowings (Continued)

						Book value	
	Secured/ unsecured	Currency	Fixed/ Floating	Effective interest rate %	Nominal value (in millions)	March 31, 2014	June 30, 2013
Current							
CRESUD NCN Class VIII due 2014	Unsecured	US\$	Fixed	7.5%	60	481,679	6,074
CRESUD NCN Class IX due 2014	Unsecured	Ps.	Floating	Badlar + 300 bps	161		101,316
CRESUD NCN Class X due 2014	Unsecured	US\$	Fixed	7.75%	31.5	70,202	165,810
CRESUD NCN Class X – 2nd tranche due 2014	Unsecured	US\$	Fixed	7.75%	30	80,507	163,477
CRESUD NCN Class XI due 2015	Unsecured	Ps.	Floating	Badlar + 375 bps	80.5	39,769	19,652
CRESUD NCN Class XII due 2014	Unsecured	Ps.	Floating	Badlar + 410 bps	102	104,062	35,083
CRESUD NCN Class XIII due 2015	Unsecured	US\$	Fixed	1.90%	79	316,044	(1,954)
CRESUD NCN Class XIV due 2018	Unsecured	US\$	Fixed	1.50%	32	101	(74)
CRESUD NCN Class XV due 2015	Unsecured	Ps.	Floating	23.67%	176	3,987	-
CRESUD NCN Class XVI due 2018	Unsecured	US\$	Fixed	1.50%	109	4,337	-
IRSA NCN Class I due 2017	Unsecured	US\$	Fixed	8.50	150	15,735	26,675
IRSA NCN Class I due 2015	Unsecured	Ps.	Floating	Badlar + 395 ps	209	5,062	-
IRSA NCN Class II due 2017	Unsecured	Ps.	Floating	Badlar + 450 ps	11	226	-
IRSA NCN Class II due 2020	Unsecured	US\$	Fixed	11.50	150	24,325	40,604
IRSA NCN Class III due 2013	Unsecured	Ps.	Floating	Badlar + 249 bps	153	-	52,240
IRSA NCN Class IV due 2014	Unsecured	US\$	Fixed	7.45%	33.8	-	137,750
APSA NCN due 2014 (Note 35)	Unsecured	US\$	Fixed	10.00%	50	-	-
APSA NCN Class I due 2017	Unsecured	US\$	Fixed	7.88%	120	25,387	5,499
Bank overdrafts	Unsecured	Ps.	Fixed	25.375% and 24%	-	225,601	444,527
Short term loans	Unsecured	US\$	Floating	Libor + 300 bps o 6% (the higher)	15	7,385	6,266
Short term loans	Unsecured	Ps.	Floating	Rate Survey PF	20	3,553	893

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Short term loans	Unsecured	Rs.	Floating	30-59 days TJLP + 1.95 to 3.10	84.1	155,330	-
Short term loans	Unsecured	Rs.	Fixed	7.23%	19.1		19,081
Short term loans	Unsecured	Ps.	Fixed	15.01%	24	7,540	6,895
Short term loans	Secured	Rs.	Fixed	7.23%	11.9	44,482	-
Short term loans	Secured	Rs.	Floating	9.54 TJLP + 1.95 to 3.10	-	-	84,933
Short term loans	Secured	Rs.	Floating	5.5 to 10 TJLP + 1.95 to 3.10	5.5	6,643	5,263
Syndicated loans (i)	Unsecured	Ps.	Fixed	15.01%	203	101,307	51,005
Seller financing	Secured	US\$	Fixed	3.5%	16.4	26,410	12,809
Seller financing	Unsecured	Rs.	Floating	IGPM/CDI	102	166,951	106,165
Other seller - financed debt					9.9	-	16,348
Finance lease obligations	Secured	US\$	Fixed	10.75% y7.5%	499	2,176	1,460
Other short term loans		Ps.	Fixed			66,183	9,625
Other short term loans		Bol.	Floating			3,127	9,968
Related parties (Note 35)						4,678	-
Current borrowings						1,992,789	1,527,390
Total borrowings						8,271,854	5,717,286

(i) Include Ps. 18,855 and Ps. 9,738 with Banco Hipotecario as of March 31, 2014 and June 30, 2013, respectively. See Note 35.

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25. Borrowings (Continued)

Notes issued by Cresud

ON Class XV and XVI

On November 18, 2013, the Eighth Series of simple corporate notes was issued in the equivalent amount of Ps. 828 million, in two classes.

Class XV Non-Convertible Notes, for a face value of 176.37 million and falling due 24 months after the issuance date, will accrue interest at a variable rate (Badlar plus 399 basis points). Interest will be payable quarterly in arrears whereas the principal will be amortized in three consecutive payments on the 18, 21 and 24 months following the issue date.

Class XVI Non-Convertible Notes, for a face value of US\$ 109.11 million (equivalent to Ps. 651.20 million) and falling due 60 months after the issuance date, will accrue interest at fixed annual rate of 1.50%. Interest will be payable quarterly in arrears whereas the principal will be amortized in two consecutive payments on the 54 and 60 months following the issue date.

26. Taxation

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

	March 31, 2014	March 31, 2013
Current income tax	(195,447)	(179,127)
Deferred income tax	553,420	148,380
Income tax expense	357,973	(30,747)

The gross movement on the deferred income tax account was as follows:

	March 31, 2014	June 30, 2013
Beginning of the period / year	(351,035)	(549,337)
Foreign exchange gain	13,499	5,965
Additions for business combinations	-	(26,103)
Charged / (Credited) to the statement of income	553,420	218,440
End of the period / year	215,884	(351,035)

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26. Taxation (Continued)

The Group did not recognize deferred income tax assets of Ps. 64.2 million and Ps. 70.1 million as of March 31, 2014 and June 30, 2013, respectively. Although management believes that it will become profitable in the foreseeable future, as a result of the history of recent losses incurred during the development phase of the different Group's business operations and the lack of verifiable and objective evidence due to the limited operating history of the Group itself, the Board of Directors has determined that there is sufficient uncertainty as to the generation of sufficient income to utilize the losses within a reasonable timeframe, therefore, no deferred tax asset is recognized in relation to these losses.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	March 31, 2014	March 31, 2013
Tax calculated at the tax rates applicable to profits in the respective countries	307,032	(108,484)
Permanent differences:		
Share of loss of associates and joint ventures	24,446	4,825
Unrecognized tax losses	1,088	13,824
Non-taxable income	23,888	62,760
Non-deductible items	-	(3,237)
Non-punishable items	-	(1,166)
Others	1,519	731
Income tax expense	357,973	(30,747)

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27. Shareholders' Equity

Special Reserve

Pursuant to CNV General Ruling No. 609/12, the Company set up a special reserve, to reflect the positive difference between the balance at the beginning of retained earnings disclosed in the first financial statements prepared according to IFRS and the balance at closing of retained earnings disclosed in the last financial statements prepared in accordance with previously effective accounting standards. This reserve may not be used to make distributions in kind or in cash, and may only be reversed to be capitalized, or otherwise to absorb potential negative balances in Retained Earnings.

Dividends

Cash dividends in respect of the year ended as of June 30, 2013 amounted to Ps.120 million, have been approved at the annual general ordinary and extraordinary shareholders' meeting on October 31, 2013.

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28. Revenues

	March 31, 2014				March 31, 2013			
	Urban properties and investments	Agriculture	Feed lot / slaughtering house	Total	Urban properties and investments	Agriculture	Feed lot / slaughtering house	
Trading properties	25,933	-	-	25,933	20,175	-	-	
Crops	-	458,877	-	458,877	-	336,881	-	
Cattle	-	51,068	-	51,068	-	60,048	-	
Dairy	-	37,006	-	37,006	-	27,737	-	
Sugarcane	-	87,253	-	87,253	-	120,820	-	
Beef	-	-	373,191	373,191	-	-	126,186	
Supplies	-	54,428	-	54,428	-	32,157	-	
Agriculture products and services income	25,933	688,632	373,191	1,087,756	20,175	577,643	126,186	
Base rent	779,963	8,713	-	788,676	600,070	15,247	-	
Contingent rent	230,725	-	-	230,725	184,351	-	-	
Admission rights	92,538	-	-	92,538	78,339	-	-	
Parking fees	59,446	-	-	59,446	44,981	-	-	
Commissions	32,824	-	-	32,824	28,123	-	-	
Property management fee	19,821	-	-	19,821	25,229	-	-	
Expenses and Collective Promotion Funds	533,128	-	-	533,128	422,078	-	-	
Flattening of tiered lease payments	15,563	-	-	15,563	13,031	-	-	
Agricultural services	-	6,402	-	6,402	-	3,965	1,356	
Advertising and brokerage fees	-	35,582	-	35,582	-	21,401	-	
Others	3,472	1,115	-	4,587	1,923	-	-	
Leases and service income	1,767,480	51,812	-	1,819,292	1,398,125	40,613	1,356	
Other revenues:								
Consumer financing	457	-	-	457	1,100	-	-	
Hotel operations	253,971	-	-	253,971	174,694	-	-	
Other revenues	254,428	-	-	254,428	175,794	-	-	
Total group revenue	2,047,841	740,444	373,191	3,161,476	1,594,094	618,256	127,542	

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29.

Costs

	March 31, 2014				March 31, 2013			
	Urban properties and investments	Agriculture	Feed lot / slaughtering house	Total	Urban properties and investments	Agriculture	Feed lot / slaughtering house	Total
Cost of leases and services	-	8,469	-	8,469	-	4,939	-	4,939
Other operative costs	-	8,162	-	8,162	-	4,106	-	4,106
Cost of property operations	-	16,631	-	16,631	-	9,045	-	9,045
Crops	-	972,372	-	972,372	-	746,872	-	746,872
Cattle	-	114,113	-	114,113	-	102,439	-	102,439
Dairy	-	70,999	-	70,999	-	53,720	-	53,720
Sugarcane	-	157,075	-	157,075	-	231,536	-	231,536
Supplies	-	41,378	-	41,378	-	27,858	-	27,858
Beef	-	-	303,100	303,100	-	-	123,427	123,427
Agricultural services	-	2,895	6,942	9,837	-	1,726	2,888	4,614
Brokerage fees	-	25,466	-	25,466	-	17,880	-	17,880
Cost of agricultural sales and services	-	1,384,298	310,042	1,694,340	-	1,182,031	126,315	1,308,346
Cost of sale of trading properties	10,513	-	-	10,513	10,012	-	-	10,012
Cost from hotel operations	158,917	-	-	158,917	126,234	-	-	126,234
Cost of leases and services	784,672	-	-	784,672	661,477	-	-	661,477
Other costs	241	-	-	241	845	-	-	845
Other costs	954,343	-	-	954,343	798,568	-	-	798,568
Total Group costs	954,343	1,400,929	310,042	2,665,314	798,568	1,191,076	126,315	2,115,959

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30. Expenses by nature

For the nine-month period ended as of March 31, 2014:

	Group costs						Other costs	General and administrative expenses	Selling expenses	Total
	Cost of property operations	Cost of agricultural sales and services	Cost of agriculture production	Cost of sale of trading properties	Cost from Consumer financing	Cost from hotel operations				
Leases, services charges and vacant property costs	11,985	6,499	821	974	-	285	102	10,235	3,904	34,805
Amortization and depreciation	162,572	32,002	5,657	4	-	8,285	1,371	7,237	1,321	218,449
Allowance for doubtful accounts	-	-	-	-	-	-	-	38	9,000	9,038
Advertising, publicity and other selling expenses	118,212	-	-	10	-	-	-	-	21,965	140,187
Taxes, rates and contributions	62,543	1,391	3,795	1,823	-	-	168	11,338	91,789	172,847
Maintenance and repairs	181,489	7,865	12,343	2,627	3	18,778	244	17,386	758	241,493
Fees and payments for services	20,464	50,082	3,308	34	236	1,726	35	46,257	6,028	128,170
Director's fees	-	-	-	-	-	-	-	100,453	-	100,453
Payroll and social security expenses	215,906	57,837	34,217	106	-	90,079	1,910	132,787	23,012	555,854
Cost of sale of properties	-	-	-	4,910	-	-	-	-	-	4,910
Food, beverage and other lodging	-	-	-	-	-	36,105	-	4,802	2,788	43,695

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expenses										
Conditioning and clearance	-	-	-	-	-	-	-	-	10,660	10,660
Changes in biological assets and agricultural produce	-	790,752	-	-	-	-	-	-	518	791,270
Supplies and labor	-	6,387	663,359	-	-	-	-	-	419	670,165
Freights	65	1,001	8,367	-	-	-	6	20	38,244	47,703
Commissions and expenses	-	3,042	128	1	-	3,352	-	6,881	4,695	18,099
Others	11,436	13,191	4,337	24	2	307	754	14,195	7,585	51,831
Total expenses by nature	784,672	970,049	736,332	10,513	241	158,917	4,590	351,629	222,686	3,239,629

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30. Expenses by nature (Continued)

For the nine-month period ended as of March 31, 2013:

	Cost of property operations	Cost of agricultural sales and services	Group costs Cost of agriculture production	Cost of sale of trading properties	Cost from Consumer financing	Cost from hotel operations	Other costs	General and administrative expenses	Selling expenses	Total
Leases, services charges and vacant property costs	15,909	962	732	1,285	-	134	86	4,531	817	24,456
Amortization and depreciation	153,969	33,137	3,900	354	-	10,851	1	8,174	647	211,033
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	6,998	6,998
Advertising, publicity and other selling expenses	86,532	-	1	-	-	3,655	-	-	14,445	104,633
Taxes, rates and contributions	47,515	1,524	3,939	1,041	-	-	17	7,885	55,935	117,856
Maintenance and repairs	157,114	4,002	9,558	1,929	34	16,307	81	13,695	668	203,388
Fees and payments for services	22,473	54,061	1,919	103	802	969	95	37,349	4,860	122,631
Director's fees	-	-	-	-	-	-	-	80,447	-	80,447
Payroll and social security expenses	169,149	41,599	25,531	475	3	71,364	1,750	90,508	16,930	417,309
Cost of sale of properties	-	-	-	4,795	-	-	-	-	-	4,795
Food, beverage and	-	-	-	-	-	22,435	-	2,080	505	25,020

other lodging expenses										
Changes in biological assets and agricultural produce	-	532,940	-	-	-	-	-	-	-	532,940
Supplies and labor	-	10,774	574,425	-	-	-	-	31	2,539	587,769
Freights	-	323	6,222	-	-	-	21	86	40,364	47,016
Commissions and expenses	-	1,547	282	-	-	-	-	2,915	7,842	12,586
Conditioning and clearance	-	-	14	-	-	-	-	-	9,275	9,289
Others	8,816	2,579	3,315	30	6	519	2,054	13,210	10,464	40,993
Total expenses by nature	661,477	683,448	629,838	10,012	845	126,234	4,105	260,911	172,289	2,549,159

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31. Employee costs

	March 31, 2014	March 31, 2013
Salaries, bonuses and social security costs	537,073	407,030
Share-based payments	17,545	9,720
Pension costs – defined contribution plan	1,236	559
	555,854	417,309

32. Other operating results

	March 31, 2014	March 31, 2013
Gain from purchase of subsidiaries	-	137,062
(Loss) / gain from commodity derivative financial instruments	(18,106)	12,565
Gain from disposal of other property items	833	199
Recovery of provisions	152	1,938
Tax on personal assets	(11,772)	(13,670)
Management fee	46	1,217
Contingencies	(6,403)	(18,163)
Donations	(16,131)	(7,930)
Project Analysis and Assessment	(2,963)	(5,465)
Unrecoverable VAT	(352)	(197)
Administration fee	-	854
Others	2,336	(1,942)
Total other operating results, net	(52,360)	106,468

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33.	Financial results, net	March 31, 2014	March 31, 2013
Finance income:			
	- Interest income	76,087	29,804
	- Foreign exchange gains	188,212	92,466
	- Dividends income	10,741	20,470
	- Gain from repurchase of Non-convertible Notes	289	2,057
	Finance income	275,329	144,797
Finance costs:			
	- Interest expense	(541,926)	(340,193)
	- Foreign exchange losses	(1,986,573)	(408,138)
	- Loss from repurchase of Non-convertible Notes	(35,150)	-
	- Other financial costs	(66,873)	(49,035)
	Finance cost	(2,630,522)	(797,366)
	Less Finance costs capitalized	17,206	6,049
	Total financial costs	(2,613,316)	(791,317)
Other finance results:			
	- Fair value gains of financial assets at fair value through profit or loss	368,092	162,463
	- Gain from derivative financial instruments (except commodities)	20,660	5,317
	- Gain on the revaluation of receivables arising from the sale of farmland	17,828	4,726
	Total other financial income	406,580	172,506
	Total financial results, net	(1,931,407)	(474,014)

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34. Share-based payments

Established by the Company and subsidiaries

Equity Incentive Plan

For the nine-month period ended March 31, 2014 and 2013, the Group incurred in a charge of Ps. 16 million and Ps. 7.7 million for the nine-month period ended March 31, 2014 and 2013, respectively, related to the awards granted under the Equity Incentive Plan.

Movements in the number of equity-settled options outstanding under the Equity Incentive Plan were as follows:

	March 31, 2014	June 30, 2013
At the beginning	3,232,474	1,671,666
Granted	2,320,203	1,566,060
Canceled	(131,016)	(5,252)
At the end	5,421,661	3,232,474

Established only by subsidiary undertakings

Brasilagro Stock Option Plan

For the nine-month period ended March 31, 2014 and 2013, the Group incurred in a charge of Ps. 2.4 million and Ps. 2 million, respectively, related to the awards granted under the Brasilagro Stock Option Plan.

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34. Share-based payments (Continued)

Movements in the number of equity-settled options outstanding and their related weighted average exercise prices under the Brasilagro Stock Option Plan are as follows:

	First tranche		March 31, 2014 Second tranche		Third tranche	
	Option's Exercise price	Options	Option's Exercise price	Options	Option's Exercise price	Options
	At the beginning	\$R 8.97	370,007	\$R 8.25	315,479	\$R 8.52
Granted	-	-	-	-	-	-
Forfeited	-	-	-	(54,527)	-	(54,527)
Exercised	-	-	-	-	-	-
Expired	-	(68,159)	-	-	-	-
At the end	\$R 8.97	301,848	\$R 8.25	260,952	\$R 8.52	260,952

	First tranche		June 30, 2013 Second tranche		Third tranche	
	Option's Exercise price	Options	Option's Exercise price	Options	Option's Exercise price	Options
	At the beginning	\$R 8.97	370,007	\$R 8.25	315,479	\$R 8.52
Granted	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
At the end	\$R 8.97	370,007	\$R 8.25	315,479	\$R 8.52	315,479

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35. Related party transactions

See description of the main transactions conducted with related parties in Note 39 to the Consolidated Financial Statements as of June 30, 2013 and 2012.

The following is a summary of the balances with related parties as of March 31, 2014:

Related party	Description of transaction	Investments	Investments	Trade	Trade	Trade	Borrowings	Borrowings	Derivative financial instruments
		in Financial Assets Non-current	in Financial Assets Current	and other receivables Non-current	and other receivables Current	and other payables Non-current			
Associates									
Tarshop S.A.	Reimbursement of expenses	-	-	622	-	-	-	-	-
	Advances from customers	-	-	-	-	(271)	-	-	-
	Leases and/or rights to use	-	-	19	(185)	(234)	-	-	-
New Lipstick LLC	Reimbursement of expenses	-	-	2,261	-	-	-	-	-
Lipstick Management LLC	Reimbursement of expenses	-	-	752	-	-	-	-	-
Llao Llao Resorts	Purchase of goods and/or services	-	-	-	-	(16)	-	-	-
Agro-Uranga S.A.	Dividends receivable	-	-	451	-	-	-	-	-
	Brokerage	-	-	-	-	(954)	-	-	-
	Sale of inputs	-	-	515	-	-	-	-	-
Agro Managers S.A.	Reimbursement of expenses	-	-	203	-	-	-	-	-
Banco Hipotecario S.A.	Reimbursement of expenses	-	-	66	-	(1,094)	-	-	-
	Overdrafts	-	-	-	-	-	-	(4,473)	-
	Borrowings	-	-	-	-	-	(27,780)	(18,995)	-
	Derivatives	-	-	-	-	-	-	-	(7,078)
	Leases and/or rights of use	-	-	2,730	-	-	-	-	-

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Banco de Crédito y	Reimbursement of expenses	-	-	-	35	-	-	-	-	-
	Leases and/or rights of use	-	-	-	988	-	-	-	-	-
	Leases and/or rights of use	-	-	-	-	-	-	-	-	-
Total										
Associates		-	-	-	8,642	(185)	(2,569)	(27,780)	(23,468)	(7,078)

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

Related party	Description of transaction	Investments	Investments	Trade	Trade	Trade	Borrowings	Borrowings	Derivative financial instruments	
		in Financial Assets Non-current	in Financial Assets Current	and other receivables Non-current	and other receivables Current	and other payables Non-current				and other payables Current
Joint Ventures										
Cresca S.A.	Management fee	-	-	-	-	-	-	-	-	-
	Reimbursement of expenses	-	-	-	-	-	-	-	-	-
	Loans granted	-	-	88,217	-	-	-	-	-	-
	Financial operations	-	-	-	-	-	-	-	-	-
Puerto Retiro S.A.	Contributions to be paid in	-	-	-	261	-	-	-	-	-
	Reimbursement of expenses	-	-	-	200	-	-	-	-	-
	Financial operations	-	-	-	4,706	-	-	-	-	-
Nuevo Puerto Santa Fe S.A.	Reimbursement of expenses	-	-	-	1,418	-	-	-	-	-
	Borrowings	-	-	-	-	-	-	-	(65)	-
	Leases's collections	-	-	-	12	-	(13)	-	-	-
	Leases and/or rights of use	-	-	-	-	-	(94)	-	-	-
	Management fee	-	-	-	36	-	-	-	-	-
Quality Invest S.A.	Management fee	-	-	-	1	-	(45)	-	-	-
	Reimbursement of expenses	-	-	-	59	-	-	-	-	-
Baicom Networks S.A.	Management fee	-	-	-	12	-	-	-	-	-
	Borrowings	-	-	1,103	-	-	-	-	-	-
	Contributions to be paid in	-	-	-	10	-	-	-	-	-
		-	-	-	16	-	-	-	-	-

	Reimbursement of expenses										
Cyrsa S.A.	Borrowings	-	-	-	-	-	(6)	(125,012)	-	-	
	Reimbursement of expenses	-	-	-	123	-	-	-	-	-	
Boulevard Norte S.A.	Reimbursement of expenses	-	-	-	564	-	-	-	-	-	
Entertainment Holding S.A.	Reimbursement of expenses	-	-	-	138	-	-	-	-	-	
Total Joint Ventures		-	-	89,320	7,556	-	(158)	(125,012)	(65)	-	

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35. Related party transactions (Continued)

Related party	Description of transaction	Investments	Investments	Trade	Trade	Trade	Borrowings	Borrowings	Derivative financial instruments	
		in Financial Assets	in Financial Assets	and other receivables	and other receivables	and other payables				and other payables
		Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	
Other related parties										
Consultores										
Asset Management S.A. (CAMSA)										
	Advances to be recovered	-	-	-	1,161	-	-	-	-	-
	Reimbursement of expenses	-	-	-	4,707	-	(147)	-	-	-
Estudio Zang, Bergel & Viñes										
	Advances	-	-	-	63	-	-	-	-	-
	Legal services	-	-	-	-	-	(752)	-	-	-
Fundación IRSA										
	Reimbursement of expenses	-	-	-	98	-	(1)	-	-	-
Inversiones Financieras del Sur S.A.										
	Financial operations	-	-	-	53,676	-	(5)	-	-	-
	Dividends payable	-	-	-	624	-	-	-	-	-
	Reimbursement of expenses	-	-	-	10	-	-	-	-	-
Museo de los Niños										
	Reimbursement of expenses	-	-	-	771	-	(50)	-	-	-
	Leases and/or rights to use	-	-	-	-	-	(3)	-	-	-
	Reimbursement of expenses	-	-	-	8	-	-	-	-	-
Entretenimiento Universal S.A.										
	Reimbursement of expenses	-	-	-	76	-	-	-	-	-
Ogden Argentina S.A.										
	Reimbursement of expenses	-	-	-	169	-	-	-	-	-
IRSA Real Estate Strategies LP										
	Capital contribution	-	-	-	-	-	(8)	-	-	-
		-	-	-	-	-	(5)	-	-	-

IRSA Developments LP	Capital contribution									
Elsztain Managing Partners	Management fee	-	-	-	-	-	(30)	-	-	-
Dolphin Fund PLC	Capital contributions	872,673	-	-	2,143	-	-	-	-	-
	Reimbursement of expenses	-	-	-	-	-	-	-	-	-
Total Other related parties		872,673	-	-	63,506	-	(1,001)	-	-	-
Directors and Senior Management		-	-	-	-	-	-	-	-	-
Directors and Senior Management	Fees	-	-	-	-	-	(32,775)	-	-	-
	Guarantee deposits	-	-	-	-	(20)	-	-	-	-
	Reimbursement of expenses	-	-	-	394	-	(10)	-	-	-
Total Directors and Senior Management		-	-	-	394	(20)	(32,785)	-	-	-
Total		872,673	-	89,320	80,098	(205)	(36,513)	(152,792)	(23,533)	(7,078)

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35. Related party transactions (Continued)

The following is a summary of the balances with related parties as of June 30, 2013:

Related party	Description of transaction	Investments	Investments	Trade	Trade	Trade	Trade	Borrowing	Borrowings
		in Financial Assets Non-current	in Financial Assets Current	and other receivables Non-current	and other receivables Current	and other payables Non-current	and other payables Current	Non-current	Current
Associates									
Tarshop S.A.	Reimbursement of expenses	-	-	-	1,759	-	(1)	-	-
	Management fee	-	-	-	226	-	-	-	-
New Lipstick LLC	Reimbursement of expenses	-	-	-	1,525	-	-	-	-
IRSA Developments LP	Reimbursement of expenses	-	-	-	32	-	(5)	-	-
Lipstick Management LLC	Reimbursement of expenses	-	-	-	507	-	-	-	-
Agro-Uranga S.A.	Dividends receivable	-	-	-	1,471	-	-	-	-
	Sale of goods and/or services	-	-	-	708	-	(364)	-	-
Agro Managers S.A.	Reimbursement of expenses	-	-	-	113	-	-	-	-