TIME WARNER CABLE INC.
Form 8-K
August 06, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): August 6, 2008
TIME WARNER CABLE INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-33335**	**84-1496755**
(State or other jurisdiction of incorporation)	*(Commission File Number)*	*(IRS Employer Identification No.)*

One Time Warner Center, North Tower, New York, New York 10019
(Address of principal executive offices) (Zip Code)
Registrant s telephone number, including area code: (212) 364-8200
Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

The following information is furnished pursuant to Item 2.02, Results of Operations and Financial Condition.

On August 6, 2008, Time Warner Cable Inc. (Time Warner Cable) issued a press release setting forth its financial results for its second quarter ended June 30, 2008. A copy of Time Warner Cable s press release is attached as Exhibit 99.1 to this report. Time Warner Cable does not intend for this Item 2.02 or Exhibit 99.1 to be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 or to be incorporated by reference into filings under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

Exhibit	Description
99.1	Press release issued August 6, 2008 by Time Warner Cable Inc. and furnished pursuant to Item 2.02, Results of Operations and Financial Condition.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TIME WARNER CABLE INC.

By: /s/ Robert D. Marcus
Name: Robert D. Marcus
Title: Senior Executive Vice President and Chief Financial Officer

Date: August 6, 2008

EXHIBIT INDEX

Exhibit	Description
99.1	Press release issued August 6, 2008 by Time Warner Cable Inc. and furnished pursuant to Item 2.02, Results of Operations and Financial Condition.

>314,619 205,636 1,251,770 785,481 5,356,482

8. Balances and transactions with related parties

	Trade accounts receivable, net		Other receivables				Non-current Inventories / Fixed assets Barter Caballito and Beruti plot of land	
	Current		Current		Non-Current			
	2012	2011	2012	2011	2012	2011	2012	2011
Agro-Uranga S.A. (1)	1,843	96	45	46	-	-	-	-
Agromanagers S.A. (1)	-	-	20	-	-	-	-	-
Advances to employee	90	77	5,394	4,044	-	-	-	-
Directors	1	14	218	215	-	-	-	-
Estudio Zang, Bergel & Viñes (3)	-	-	743	9	-	-	-	-
Fundación IRSA (8)	45	33	1	1	-	-	-	-
Consultores Asset Management S.A. (10)	2,250	997	111	29	-	-	-	-
Inversiones Financieras del Sur S.A (5)	-	-	12,755	3,689	-	-	-	-
CYRSA S.A. (4)	24	1,761	589	11	-	-	-	-
New Lipstick LLC (2)	-	-	1,269	960	-	-	-	-
Lipstick Management LLC (2)	-	-	426	448	-	-	-	-
Tarshop S.A. (2)	525	660	1,201	13,863	-	-	-	-
Quality Invest S.A. (4)	39	799	1	241	-	-	-	-
TGLT S.A. (14)	2,355	658	-	1,680	-	-	85,077	84,572
Grupo MAEDA S.A. Agroindustrial (15)	-	-	-	-	-	18,761	-	-
IRSA Developments LP (14)	-	-	8	7	-	-	-	-
Banco Hipotecario S.A. (2)	298	225	-	-	-	-	-	-
Canteras Natal Crespo S.A. (4)	465	403	50	41	-	-	-	-
Consorcio Libertador S.A. (7)	103	140	18	16	-	-	-	-
Cresca S.A. (4)	-	350	215	528	19,392	10,596	-	-
Museo de los niños (8)	1,454	1,781	-	-	-	-	-	-

Puerto Retiro S.A. (4)	74	58	1,104	63	-	-	-	-
Hersha Hospitality Trust (14)	-	-	3,447	2,690	-	-	-	-
Baicom Networks S.A. (4)	-	61	32	6	455	415	-	-
Elsztain Managing Partners Lim (11)	-	-	-	156	-	-	-	-
IRSA Real Estate Strategies LP (14)	-	-	-	64	-	-	-	-
Nuevo Puerto Santa Fe S.A. (4)	314	-	-	-	-	-	-	-
Supertel Hospitality Inc. (14)	-	-	1,495	-	-	-	-	-
Consorcio Torre Boston (7)	99	1,076	231	344	-	-	-	-
Real Estate Strategies LP	-	-	49	-	-	-	-	-
Total	9,979	9,189	29,422	29,151	19,847	29,772	85,077	84,572

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

8. Balances and transactions with related parties (continued)

The balances with related parties as of June 30, 2012 and 2011 are as follows:

Related Parties	Advanced payments from customers		Current trade accounts payable	
	2012	2011	2012	2011
Agro-Uranga S.A. (1)	-	-	-	178
Advances to employees (7)	-	-	21	153
Directors	-	-	41	-
Estudio Zang, Bergel & Viñes (3)	-	-	1,362	1,241
Fundación IRSA (8)	-	-	1	1
Consultores Asset Management S.A. (10)	-	-	17	10
CYRSA S.A. (4)	-	-	37	1,725
Tarshop S.A. (2)	781	-	1	5,533
Banco Hipotecario S.A. (2)	-	-	75	252
Consorcio Libertador S.A. (7)	-	-	3	65
Cresca S.A. (4)	-	-	-	46
Museo de los niños (8)	-	-	19	9
TGLT S.A. (2)	2,513	-	-	-
Puerto Retiro S.A. (4)	-	-	-	5
Consorcio Torre Boston (7)	-	-	924	836
Nuevo Puerto de Santa Fe S.A. (4)	-	-	70	-
Total	3,294	-	2,571	10,054

Related Parties	Other liabilities			
	Current		Non-Current	
	2012	2011	2012	2011
CYRSA S.A. (4)	115	43		-
Quality Invest S.A. (4)	-	16	-	-
Advances to employees (7)	-	1,000	-	-
Directors	24,005	16,004	20	20
Tarshop S.A. (2)	59	17,330	-	-
New Lipstick LLC (2)		622		-
Consultores Asset Management S.A. (10)	2,991	7,868	-	-
Fundación IRSA (8)	1,073	1,075	-	-
Estudio Zang, Bergel & Viñes (3)	1,068	308	-	-
IRSA Developments LP (14)	5	4		-
IRSA Real Estate Strategies LP (14)	5	8	-	-
Elsztain Managing Partners Lim (11)	51	53	-	-
Elsztain Managing Partners Maste (11)	2	859	-	-
Consorcio Libertador S.A. (7)	-	4	-	-
Cresca S.A. (4)	14	-	-	-
Inversiones Financieras del Sur (5)	3,974	-	-	-
Nuevo Puerto de Santa Fe (4)	28	-	-	-
Puerta de Segura S.A. (16)	-	-	18,773	-

Total	33,390	45,194	18,793	20

The transactions with related parties as of June 30, 2012, 2011 and 2010 are as follows:

	Income for shared services and expenses			Fees		
Related Parties	2012	2011	2010	2012	2011	2010
Alto Palermo S.A. (12)	-	-	-	-	-	-
Consultores Asset Management S.A. (10)	-	-	-	(8,696)	(23,618)	(20,601)
CYRSA S.A. (4)	-	-	73	-	-	-
Tarshop S.A. (2)	379	85	-	-	-	-
Canteras Natal Crespo S.A. (4)	48	48	48	-	-	-
Consorcio Libertador S.A. (7)	-	123	123	-	-	-
Consorcio Dock del Plata S.A. (7)	-	78	195	-	-	-
Estudio Zang, Bergel & Viñes (3)	-	226	-	-	-	-
Directors	-	-	-	(56,351)	(52,862)	(50,198)
Consorcio Torre Boston (7)	-	-	54	-	-	-
Total	427	560	493	(65,047)	(76,480)	(70,799)

	Rent Expenses			Leases			Legal services		
Related Parties	2012	2011	2010	2012	2011	2010	2012	2011	2010
Estudio Zang, Bergel & Viñes (3)	-	-	-	-	-	97	(3,445)	(7,708)	(4,921)
Agro –Urangara S.A. (1)	(3,479)	-	-	-	-	-	-	-	-
Cactus Argentina S.A. (1)	-	(1,304)	(2,090)	-	-	-	-	-	-
CYRSA S.A. (4)	-	-	-	-	4	24	-	-	-
Tarshop S.A. (2)	-	-	-	2,436	3,954	-	-	-	-
Consultores Asset Management S.A. (10)	-	-	-	-	99	-	-	-	-
Consorcio Libertador S.A. (7)	-	-	-	13	12	11	-	-	-
Total	(3,479)	(1,304)	(2,090)	2,449	4,069	132	(3,445)	(7,708)	(4,921)

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

8. Balances and transactions with related parties (continued)

	Interest gain (loss)			Administrative services			Others		
Related Parties	2012	2011	2010	2012	2011	2010	2012	2011	2010
Alto Palermo S.A. (12)	-	-	-	-	-	-	-	-	-
Canteras Natal Crespo S.A. (4)	5	4	100	-	-	-	-	-	-
Consorcio Libertador S.A. (7)	-	-	-	(431)	-	-	-	-	-
Consorcio Torre Boston (7)	-	-	-	(285)	-	-	-	-	-
Cactus Argentina S.A. (1)	-	-	9	-	48	152	-	28	40
Consultores Asset Management S.A. (10)	-	-	-	-	-	-	23	-	-
Cresca (4)	1	33	-	810	686	703	-	-	-
Inversiones Financieras del Sur S.A. (5)	836	2,566	804	-	-	-	-	-	-
Fundación IRSA (8)	-	-	-	-	-	-	(1,876)	(3,134)	5,592
Advances to employees	11	380	95	-	-	-	-	-	-
Parque Arauco S.A. (6)	-	(315)	(8,049)	-	-	-	-	-	-
Tarshop S.A.(2)	2,148	80	-	-	-	-	(885)	12,596	-
Directors	(1)	(4)	(9)	-	-	-	-	-	-
Agro-Uranga S.A. (1)	-	-	-	-	-	-	238	1,567	1,323
Total	3,000	2,744	(7,050)	94	734	855	(2,500)	11,057	6,955

(1) Equity investee of Cresud.
(2) Equity investee of IRSA.
(3) Law firm whose partners are directors of Cresud.
(4) Joint Venture of Cresud.
(5) Controlling shareholders of the company.
(6) Minority shareholders of APSA, an indirect subsidiary of Cresud.
(7) Property manager of IRSA´s buildings, a subsidiary of Cresud.
(8) Not for profit organization whose president is a shareholder and director of Cresud.
(9) An open – ended investment fund which is related to the Company's directors.
(10) A Company advisory services whose majority shareholder is a shareholder and Director of Cresud.

(11) A Company whose directors are shareholders of Cresud.
(12) Subsidiary of IRSA, a subsidiary of Cresud.
(13) Merged with Cyrsa.
(14) Investment of IRSA, a subsidiary of Cresud
(15) Minority shareholders of BrasilAgro, a subsidiary of Cresud.
(16) Related party of Cresca.

9. Segment information

The Company is required to disclose segment information in accordance with RT 18. RT 18 establishes standards for reporting information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial reports issued to shareholders. Operating segments are components of a company about which separate financial information is available that is regularly evaluated by the chief operating decision maker(s) (CODM) in deciding how to allocate resources and assess performance. The statement also establishes standards for related disclosures about a company's products and services, geographical areas and major customers.

In December 2010, the Company made up a capital contribution to Cactus, increasing its shareholding interest to 80% and gained control over the entity. This entity is primarily involved in agro-industrial and industrial-related activities which require further processes to the cattle primary operations. Cactus owns a slaughter house which processes meat sourced from the Company's own cattle or other third parties as needed. Cattle is fed in Cactus's feedlots prior to being slaughtered and processed.

Upon gaining control of the entity and receiving consolidating information for Cactus, the CODM revised its internal reporting structure and made the following changes:
- The slaughtering and processing of meat and its associated feedlot operations are considered a separate business -although related- and is reviewed separately as such by the CODM. These activities are referred to in the reporting to the CODM as "Slaughtering and Feedlot business";
- The agricultural business of the Company now includes only farming activities or primary activities which do not have any industrial or industrial-related processes;
The "Agriculture business and the Slaughtering and Feedlot business" comprises the Company's Agribusiness activities; and,
- The Real Estate Business remained unchanged.

9. Segment information (continued)

Each of the Agriculture, Slaughtering and Feedlot, and Real Estate businesses comprises several reportable segments which are described in detail further below. These changes in the current internal reporting structure have been retroactively reflected in the segment information of prior years. However, for the fiscal year ended June 30, 2010, the Slaughtering and Feedlot business does not include the consolidated accounts of Cactus because the Company did not have control of the entity for these period. Rather Cactus is reflected as an equity-method investee for these period and performance measured based on the gain or loss from the equity investee.

Following is a description of the reportable segments within the Agricultural Slaughtering/ Feed Lot and Real Estate businesses of the Company.

A. Agriculture business:

The Company's agricultural operations are conducted through six business segments organized primarily on a product-line basis, with each segment offering a variety of different but interrelated products. The Company's agricultural operations are subject to various risks, including but not limited to market prices for commodities, weather conditions and environmental concerns. One of the cornerstones of the Company is the transformation of farmland through its agricultural activities. Ultimately the Company may sell farmland to profit from land value appreciation opportunities and which, in the judgment of management, are surplus to the Company's primary operations. Gains on the sale of farmland properties are presented in "Sales of farmlands" in the consolidated statements of income.

For all years presented the Company's principal operations were located in Argentina, the country of domicile. For the fiscal years ended June 30, 2012 and June 30, 2011, the Company's international operations were concentrated in Brazil through its equity investment in BrasilAgro. As discussed above, for the fiscal year ended June 30, 2012 and 2011, the Company continued its business in Brazil while it expanded its international operations to Bolivia and Paraguay.

The Company's business segments within the Agriculture business are as follows:

- The Crops Segment includes the planting and harvesting and sale of fine and coarse grains and oilseeds, including wheat, corn, soybeans and sunflowers;
- The Beef Cattle Segment consists of the raising and fattening of beef cattle from the Company's own cattle stock and the purchase and fattening of beef cattle for sale to meat processors;
- The Milk Segment consists of the production of milk for sale to dairy companies;
- Others Segment consists of services and leasing of the Company's farms to third parties and brokerage activities.
- Farmland Sales Segment consists of gains from the sale of farmland to profit from land value appreciation opportunities as part of the land transformation objectives of the Company;
- Non-Operating Segment includes gains or losses from equity investees and depreciation for corporate assets.

The Company evaluates the performance of its Agriculture business segments based on gross income (loss) from agricultural production plus gross income from sales - including sales of products and farmland- less selling and administrative expenses plus unrealized gains or losses on inventories. The column titled "Sub-Total Agriculture business" represents the addition of the segment gains or losses from the Crops (Domestic and International, as

applicable), Beef Cattle, Milk, Feedlot (as applicable), Others and Farmland Sales Segments. Excluded from total segment gains or losses are the gains or losses from the other equity investees of the Company included in the Non-Operating Segment.

Accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. Intercompany transactions between segments, if any, are eliminated.

9. Segment information (continued)

B. Slaughtering and Feed lot business

The Company´s slaughtering and feed lot operations are conducted through its subsidiary Cactus. This segment's main business is the production of meat under the so-called "feedlot fattening" method and slaughtering.

The feedlot cattle beef production is processed in Exportaciones Agroindustriales Argentina S.A.'s packing plant for the domestic and foreign markets. Feedlot fattening with a corn-based diet has been growing at a very dynamic pace. The company has gained market reputation thanks to the uniform final product offered by feedlot-finished animals, which provides purchasers with high-quality products and higher yields, succeeding in offering differential sales prices. Cactus continues to receive cattle from farmers that repeat their productive process whereby they breed and re-breed their animals in their own farms and finish them at Cactus.

The accounting policies of the segment are the same as those described in Note 3.

C. Real Estate Business

The Company's real estate operations are conducted through its subsidiary IRSA. The real estate business is further segmented as follows:

- Development and Sale of Properties: this segment includes the operating results of the Company's construction and ultimate sale of residential buildings business.
- Office and Other Non-Shopping Center Rental Properties: this segment includes the operating results of the Company's lease and service revenues of office space and other non-retail building properties from tenants.
- Shopping Centers: this segment includes the operating results of the Company's shopping centers principally comprised of lease and service revenues from tenants.
- Consumer Financing: this segment includes the origination of loans and credit card receivables and related securitization programs carried through Tarshop.
- Hotel Operations: this segment includes the operating results of the Company's hotels principally comprised of room, catering and restaurant revenues.
- Financial Operations and Others: this segment primarily includes revenues and associated costs generated from the sale of equity securities, other securities-related transactions and other non-core activities of the Company. This segment also includes the gains or losses on the equity investees of the Company.

The accounting policies of the segments are the same as those described in Note 3.

Financial information for each segment follows:

Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

Fiscal year ended June 30, 2012:

Statement of income data	Agribusiness Activities								
	Agricultural Business								
	Crops		Beef			Farmland	Non Operating	Subtotal Agriculture	Slaughte and Feed lot busi
	Local	International	Cattle	Milk	Others	sales	(i)	business	
Agricultural production income	235,550	361,471	72,314	31,061	-	-	-	700,396	-
Cost of agricultural production	(211,856)	(339,611)	(34,345)	(27,467)	-	-	-	(613,279)	-
(Loss) Gross income from agricultural production	23,694	21,860	37,969	3,594	-	-	-	87,117	-
Sales (iii)	307,221	449,821	134,965	27,482	77,567	93,690	-	1,090,746	100,20
Cost of sales (iv)	(258,634)	(423,996)	(126,302)	(27,482)	(46,763)	(48,200)	-	(931,377)	(116,1
Gross income (loss) from sales	48,587	25,825	8,663	-	30,804	45,490	-	159,369	(15,93
Gross (Loss) profit	72,281	47,685	46,632	3,594	30,804	45,490	-	246,486	(15,93
Unrealized gain / (loss) on inventories	13,801	(51,001)	19,584	-	213	-	-	(17,403)	52
Selling expenses	(67,738)	(37,646)	(12,495)	(979)	(8,070)	(220)	-	(127,148)	(7,321
Administrative expenses	(22,685)	(74,602)	(24,786)	(1,639)	(6,216)	(6,790)	-	(136,718)	(7,166
Gain from recognition of inventories at net realizable value	-	-	-	-	-	-	-	-	-
(Loss) Gain on equity investees	-	-	-	-	-	-	(11,705)	-	-
Segment (loss) gain	(4,341)	(115,564)	28,935	976	16,731	38,480	(11,705)	(34,783)	(30,37
	(0.8)%	(14.2)%	14%	1.7%	21.6%	41.1%	-	(1.9)%	(30.3

Operating Margin (ii)									
Depreciation	4,674	40,476	2,117	885	1,040	-	1,441	50,633	1,492
Balance Sheet Data									
Assets	427,873	1,751,070	363,444	65,994	79,099	70,289	481,411	3,239,180	39,21

(i) Not included in the segment gain.
(ii) This item agregates segment (loss) gain divided by the sum of production income and sales.
(iii) This item aggregates sales of crops, beef cattle, milk and others and sales of farmland disclosed separately in the statements of income.
(iv) This item aggregates costs of crops, beef cattle, milk and others and cost of farmland sales disclosed separately in the statements of income.

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

Fiscal year ended June 30, 2011:

Statement of income data	Agribusiness Activities								
	Agricultural Business								
	Crops		Beef			Farmland	Non Operating	Subtotal Agriculture	Slaughterin and Feed lot
	Local	International	Cattle	Milk	Others	sales	(i)	business	business
Agricultural production income	259,215	69,415	46,574	31,277	-	-	-	406,481	-
Cost of agricultural production	(190,431)	(40,695)	(24,987)	(23,965)	-	-	-	(280,078)	-
(Loss) Gross income from agricultural production	68,784	28,720	21,587	7,312	-	-	-	126,403	-
Sales (iii)	270,979	72,030	50,909	28,381	58,048	84,507	-	564,854	127,086
Cost of sales (iv)	(241,093)	(64,409)	(58,034)	(28,381)	(41,383)	(29,906)	-	(463,206)	(123,271
Gross income (loss) from sales	29,886	7,621	(7,125)		16,665	54,601	-	101,648	3,815
Gross (Loss) profit	98,670	36,341	14,462	7,312	16,665	54,601	-	228,051	3,815
Unrealized gain / (loss) on inventories	(17,756)	1,297	69,752	-	217	-	-	53,510	538
Selling expenses	(45,837)	(7,054)	(2,461)	(1,405)	(4,717)	-	-	(61,474)	(8,029
Administrative expenses	(23,837)	(5,250)	(14,192)	(1,739)	(3,273)	(3,542)	-	(51,833)	(4,530
Gain from recognition of inventories at net realizable value	-	-	-	-	-	-	-	-	-
Net gain from retained interest in securitized receivables of consumer	-	-	-	-	-	-	-	-	-

financing									
(Loss) Gain on equity investees	-	-	-	-	-	-	3,332	-	(12,388
Segment (loss) gain	11,240	25,334	67,561	4,168	8,892	51,059	-	168,254	(20,594
Operating Margin (ii)	2.1 %	17.9 %	69.3 %	7.0 %	15.3 %	60.4 %	-	17.3 %	(16.2
Depreciation	(3,680)	(671)	(1,732)	(1,078)	(554)	-	(1,217)	(8,932)	(783
Balance Sheet Data									
Assets	445,753	2,016,016	317,413	66,330	36,803	18,765	543,704	3,444,784	59,790

(i) Not included in the segment gain.
(ii) This item agregates segment (loss) gain divided by the sum of production income and sales.
(iii) This item aggregates sales of crops, beef cattle, milk and others and sales of farmland disclosed separately in the statements of income.
(iv) This item aggregates costs of crops, beef cattle, milk and others and cost of farmland sales disclosed separately in the statements of income.

Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

Fiscal year ended June 30, 2010:

Statement of income data	Agribusiness Activities									
	Agricultural Business								Real Estate Business	
	Crops									
	Local	International	Beef Cattle	Milk	Others	Farmland sales	Non Operating (i)	Subtotal Agriculture business	Slaughtering and Feed lot business	Dev a of p
Agricultural production income	Ps. 143,772	Ps. 27,076	Ps. 20,830	Ps. 26,043	Ps. -	Ps. -	Ps. -	Ps. 217,721	Ps. -	
Cost of agricultural production	(132,301)	(27,423)	(21,850)	(20,383)	-	-	-	(201,957)	-	-
(Loss) Gross income from agricultural production	11,471	(347)	(1,020)	5,660	-	-	-	15,764	-	-
Sales (iii).	164,522	30,129	39,274	24,415	50,497	18,557	-	327,394	-	2
Cost of sales (iv)	(148,077)	(27,552)	(46,682)	(24,415)	(38,102)	(4,825)	-	(289,653)	-	(
Gross income (loss) from sales	16,445	2,577	(7,408)	-	12,395	13,732	-	37,741	-	1
Gross (Loss) profit	27,916	2,230	(8,428)	5,660	12,395	13,732	-	53,505	-	1
Unrealized gain / (loss) on inventories	1,515	(268)	84,349	-	(107)	-	-	85,489	-	7
Selling expenses	(23,127)	(4,481)	(2,550)	(540)	(3,355)	-	-	(34,053)	-	(
Administrative expenses	(19,440)	(7,203)	(12,329)	(2,229)	(1,839)	(1,346)	-	(44,386)	-	(
Gain from recognition of inventories at net realizable value	-	-	-	-	-	-	-	-	-	3
Net gain from retained interest in securitized	-	-	-	-	-	-	-	-	-	-

receivables of consumer financing										
(Loss) Gain on equity investees	-	-	-	-	-	-	(12,101)	-	(21,206)	1
Segment (loss) gain	(13,136)	(9,722)	61,042	2,891	7,094	12,386	-	60,555	(21,206)	1
Operating Margin (ii)	(4.3 %)	(17 %)	101.6 %	5.7 %	14 %	66.7 %	-	11.1 %	0.0 %	5
Depreciation	(5,044)	-	(1,842)	(687)	(279)	-	(653)	(8,505)	-	(
Assets	Ps. 381,706	Ps. 442,276	Ps. 265,567	Ps. 51,323	Ps. 19,674	Ps. 3,162	Ps. 162,020	Ps. 1,325,728	Ps. 1,877	6

(i) Not included in the segment gain.

(ii) This item agregates segment (loss) gain divided by the sum of production income and sales.

(iii) This item aggregates sales of crops, beef cattle, milk and others and sales of farmland disclosed separately in the statements of income.

(iv) This item aggregates costs of crops, beef cattle, milk and others and cost of farmland sales disclosed separately in the statements of income.

10. Income tax

As described in Note 3.k) the Company accounts for income tax using the deferred tax method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax based assets and liabilities and are measured using the enacted tax rates.

Income tax expense for the fiscal years ended June 30, 2012, 2011 and 2010 consists of the following:

	2012	2011	2010
Current income tax expense	211,076	98,986	82,743
Deferred income tax expense	(197,657)	11,080	39,776
Income tax expense	13,419	110,066	122,519

Income tax expense for the fiscal years ended June 30, 2012, 2011 and 2010 differed from the amounts computed by applying the Company's statutory income tax rate to pre-tax income as a result of the following:

	2012	2011	2010
Income tax expense at statutory tax rate on pretax income	60,301	177,455	180,672
Donations	347	132	10
Gain on equity investees	(34,841)	(45,210)	(53,443)
Personal asset tax	3,599	2,969	2,945
Share sold	2,201	-	-
Tax loss carryfoward recognized during the fiscal year	(479)	(15,819)	(41,826)
Difference in statutory tax rate	(15,946)	-	-
Non-Deductible bonus administration	1,222	-	-
Non-Deductible expenses	(1,565)	4,861	3,003
Difference in previous tax return	(3,295)	249	-
Tax loss carryfowards prescripted	-	1,263	-
Change in valuation allowance	14,944	(7,172)	42,499
Others	(13,069)	(8,662)	(11,341)
Income tax expense	13,419	110,066	122,519

The tax effects of temporary differences that give rise to the Company's deferred tax assets and liabilities as of June 30, 2012 and 2011 are presented below:

	2012	2011
Foreign currency	539	(1,425)
Tax loss carryforwards	321,270	226,632
Provisions and others	16,983	10,727
Other receivables	132	251
Property and equipment	(723,939)	(769,387)
Inventories	(50,576)	(96,622)
Prevision of deferred income tax	(55,861)	(32,034)
Short-term and long-term debts	(12,879)	(11,633)
Other liabilities	(54,859)	(50,620)
Trade accounts receivable	2,262	4,116
Advances from customers	56,390	44,536
Salaries and social security payable	2,477	2,244

Intangible assets	(9,404)	(10,293)
Investments	(11,974)	(35,129)
Related parties	1,506	-
Net deferred tax liability	(517,933)	(718,637)

F - 76

10. Income tax (continued)

In assessing the recoverability of deferred income tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. Based on the current expiration period of tax loss carryforwards (5 years), the ultimate realization of the deferred income tax assets for income tax purposes is considered more likely than not.

As of June 30, 2012 and 2011 the Company and its subsidiaries had accumulated income tax loss carryforwards of approximately Ps. 889.8 million and Ps. 651.5 million, which, on an individual entity basis, may be offset against future years' taxable income in accordance with income tax law. Such tax loss carryforwards expire at various dates through 2012 to 2017, except for our subsidiary Tyrus, which expires in 2040.

11. Earnings per share

The following tables set forth the computation of basic and diluted net income per common share under Argentine GAAP for all periods presented:

	Fiscal year ended June 30,		
	2012	2011	2010
Numerator:			
Net income available to common shareholders	78,263	221,933	198,634
Net income available to common shareholders plus assumed conversions	78,263	221,933	198,634
Denominator:			
Weighted-average number of shares outstanding	496,561,780	496,560,206	486,545,863
Plus: incremental shares of assumed conversions:			
Warrants	62,355,168	62,355,168	62,355,168
Adjusted weighted-average number of shares	558,916,948	558,915,374	548,901,031

	Fiscal year ended June 30,		
	2012	2011	2010
Basic and diluted EPS:			
Basic net income per common share	0.16	0.45	0.41
Diluted net income per common share	0.14	0.40	0.36

12. Supplementary cash flow information

The following table reconciles the balances included as cash and banks and current investments in the consolidated balance sheet to the total amounts of cash and cash equivalents at the beginning and end of the period shown in the consolidated statements of cash flows:

	As of June 30,		
	2012	2011	2010
Cash and banks	338,054	193,949	80,919
Current investments	248,548	575,061	278,968

Total cash and banks and current investments as per balance sheet	586,602	769,010	359,887
Less: Items not considered cash and cash equivalents			
- Mutual Funds	(77,427)	(60,065)	(58,965)
- Participation trust certificates	-	-	(2,846)
- CPs on Tarshop	-	-	(124,671)
- Allowance for impairment of investments	-	-	7,423
- Global 2010 bonds	-	-	(132)
- Mortgage Bonds	(496)	(477)	(918)
- Shares of public companies	(11,668)	(2,912)	(4,075)
- Others investments	(9)	(12)	(50)

12. Supplementary cash flow information (continued)

Translation differences in cash and cash equivalents	52,829	-	-
Cash and cash equivalents as shown in the statement of cash flows	549,831	705,544	175,653

13. Litigation

A. Agriculture business

1. Exagrind S.A. – "San Rafael" farm against Tali Sumaj and other damages and losses

Exagrind S.A. has filed a lawsuit against Inversiones Ganaderas S.A. (IGSA) (merged with the Company) on claims for damages and losses produced by a fire in "San Rafael" farm, which is close to Tali Sumaj, Province of Catamarca. The fire took place on September 6, 2000.

The estimated amount of the legal action is Ps. 2,915 at the date the claim was filed.

In turn, the Company has filed an extraordinary appeal to the High Court of the Province of Catamarca was timely filed, requesting for a remainder term to answer the lawsuit as, at the time of revoking the first instance judge decision that postponed the terms to answer until a new notice was dispatched, such period had not yet expired. The Court ruling was favourable, which enabled us to reply to the claim timely and duly. Currently, the file is under the period allowed for producing evidence.

Additionally, in March 2007 -under the request of Exagrind S.A. - the court in charge of the case seized an inhibition of assets. This decision was lifted in June 2007 and a real estate on attachment has been accepted in replacement.

It should be noted that during fiscal year 2010, it was executed the title deed for the sale of such establishment and because as of the closing date of these financial statements the attachment-in-aid-of-execution had not been lifted, the Company assumed certain obligations and provided a surety insurance to guarantee its obligation on behalf of the purchaser.

2. Ongoing litigation with the city of Villa Mercedes

A judge from the City of Villa Mercedes, Province of San Luis, issued an administrative resolution mandating Cactus to cease activities and relocate facilities within 36 months. In addition, Cactus is precluded from holding more than 18,500 heads of cattle during this period. Cactus appealed this resolution before the Municipality of Villa Mercedes, which denied it on April 7, 2009. Under the administrative justice of the city of Villa Mercedes, Cactus would have until April 7, 2012 to present its plan to conclude operations and transfer the establishment.

Following this decision, Cactus appealed the decision before the Superior Court of Justice of the Province of San Luis alleging illegality of the Villa Mercedes´ judge rulings.

This filing was denied by the High Court of Justice, and the Company lodged an appeal of unconstitutionality against this decision, whose resolution, as of the date of issuance of these financial statements, is pending.

Irrespective, Cactus is carrying out a plan to improve its relationship with the community of Villa Mercedes, seeking to strengthen the company's position as a valuable member in the social and economic activity in the region, whose purpose is that the scheduled moving be reconsidered by municipal authorities.

On January 27, 2012, the Company filed with the Municipality of Villa Mercedes a report on the activities performed, the economic and social relevance of the exploitation carried out by the Company and the special features, complexities and terms of a possible relocation. Such filing received by the Municipality of Villa Mercedes was forwarded to the Court of Misdemeanors for notification purposes.

This Court currently does not have any incumbent judges appointed.

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

13. Litigation (continued)

On May 10, 2012, the Municipality of Villa Mercedes granted a new business permit to Cactus.

B. Real Estate Business

National Parks Administration dispute

LLao Llao Holdings S.A. ("LLH") (in liquidation process following the merger with and into the Company), predecessor of Llao Llao Resorts ("LLR"), as operator of the Llao Llao Hotel was sued in 1997 by the National Parks Administration ("NPA"), a governmental entity, seeking collection of US$ 2.9 million in Argentine External Debt Bonds ("EDB") relating to the unpaid balance of the additional sales price (related to the additional consideration for running the hotel called "Hotal Llao Llao", for which LLH was awarded by the resolution No. 1/91 of the National Parks Administration). The Court of First Instance sustained the demand. IRSA appealed the sentence but it was rejected by the Court of Appeals which demanded the Company to pay NPA an amount of US$ 3.8 million including interest, penalties and attorney's fees. The plaintiff requested the court of original jurisdiction to initiate an incidental procedure for execution of sentence by performing a settlement through the Ministry of Economy, the procedure having being questioned by the Company. In view of the fact that the information provided was not sufficient to evaluate the amount settled by the Ministry of Economy, it was requested that the execution be suspended until there is a sentence on the complaint recourse filed with the National Supreme Court for the denial of the extraordinary recourse soliciting that the debt be converted to pesos ("pesification").

On July 14, 2008 the Court of Appeal notified LLR that by means of a resolution dated June 18, 2008 it had confirmed the settlement approved by the court of original jurisdiction.

On March 17, 2009, the National Supreme Court admitted the appeal against and decided to suspend the enforcement of the judgment in so far as the extraordinary appeal lodged by LLR is not resolved.

On February 23, 2010, the Supreme Court of Justice dismissed the action, which rendered the judgment final and compelled LLR to pay the amount calculated by the State. On April, 2010 LLR paid Ps. 13,122 in cash and bonds.

On June 10, 2010, LLR was notified of the newly-performed settlement: LLR filed an objection against it in due time and manner. On June 17, 2010, the court ordered that the plaintiff was to be served notice of the objection. As of June 30, 2010, LLR awaits notice of the most recently ordered service of process.

On August 6, 2010, the plaintiff filed a response to the most recent service of process. On September 10, 2010, the trial court judge resolved that the amount deposited by Llao Llao Resorts S.A. is not sufficient to cover the amount of the payment order. An appeal against this resolution was filed on behalf of Llao Llao Resorts S.A. alleging that there has been a material error incurred by the trial court.

In addition, on September 22, 2010, the judge calculated that the fees payable to the auctioneer who took part in the proceedings amount to Ps. 1.8 million. LLR lodged an appeal against the award for considering the amount excessively high. The auctioneer, in turn, lodged his appeal against the award for considering the amount excessively low. On November 26, 2010 the case was elevated to the Court of Appeals. On November 29, 2010 the proceedings were brought to a settlement stage between the parties. On February 3, 2011 the Court of Appeals granted the appeal filed by LLR as regards the restatement of interest in the amount of US$ 659. As a result, the judgment rendered by

the trial court was reversed and LLR's debt was considered paid off as regards the settlement amount approved in the proceedings, with court costs being awarded to the plaintiff. Furthermore, the appeal remedy regarding fees awarded to the auctioneer, which were reduced from Ps. 1.8 million to Ps. 1.1 million. As of the date of these financial statements, such fees have been made available for collection.

Since LLR had a credit balance as regards the deposit made pursuant to settlement approved in the proceedings, on February 18, 2011 LLR filed a remedy for relief whereby it requested that the Court of Appeal issue a decision on the amount deposited in excess and order the eventual repayment to the defendant.

The Court of Appeal ruled that the claim should be treated by the Court of original jurisdiction. Hence, the file was returned to the original Court. There, the auctioneer requested payment of the fees, which were decreased to

---

13. Litigation (continued)

Ps. 1.1 million plus VAT, after LLR's appeal was favorable. LLR presented a proposal to pay the auctioneer's fees settled, which will be withheld from the funds seized, from the freely disposable funds and from the funds invested in time deposits in dollars. Likewise, LLR requested professional fees to be settled and resolution of the pending clarifying remedy as to the amount deposited in excess.

In accordance with the information provided by the attorneys in respect of this lawsuit, the amount to be recorded by virtue of the Court sentence amounts to Ps. 1.1 million as of June 30, 2011, such amount being recorded in Other current liabilities – Payable to National Parks Administration. As of the date of the financial statements, such fees have been paid.

14. Restricted assets

A. Agriculture business

BrasilAgro has constituted a mortgage on 10,097 ha. of Farmland Cremaq, as payment guarantee of the loan agreement obtained in December 2009 from Banco do Nordeste – BNB and a deposit for Ps. 41,406 (equivalent to R$ 18,492) related to the funds obtained in June 2010 by the controlling party Jaborandi Ltda., paid to CDI.

B. Real Estate Business

a) In a series of transactions, which occurred between 1999 and 2000, the Company, through IRSA, acquired from an unrelated party, 50% of Puerto Retiro S.A., whose sole asset is an undeveloped parcel of land in Retiro, Buenos Aires. Prior to the acquisition by IRSA, Puerto Retiro had acquired land from Tandanor S.A. ("Tandanor"), a formerly state-owned entity, which had been acquired by Inversora Dársena Norte S.A. ("Indarsa") in 1991 through a privatization process. The Argentine Government sustained Indarsa had not cancel the outstanding balance of the purchase price of Tandanor, and as a result petitioned the bankruptcy of Indarsa. Since the sole asset of Indarsa was its ownership interest in Tandanor, the Argentine Government was seeking to extend the bankruptcy procedures to any company or individual, which, according to its view, acted as a group, and therefore, in this process requested the bankruptcy of Puerto Retiro and other companies and individuals. In this connection, the bankruptcy court for the Buenos Aires District issued an order restraining the ability of Puerto Retiro to sell or dispose in any manner the land acquired from Tandanor. IRSA is vigorously defending against this case. The Management and legal advisors of Puerto Retiro S.A. estimate that there are legal and technical arguments sufficient to consider that the request for bankruptcy will be denied by the court. However, taking the particular circumstances into account and the progress of the legal action, this position cannot be considered final. IRSA's investment in Puerto Retiro amounts to Ps. 54.27 million as of June 30, 2012.

b) The Company mortgaged the following properties under certain obligations:

Property	Net Book Value as of June 30, 2012
Edificio República	210,852
Soleil Factory	74,474

Zetol Plot of land	36,070
Predio San Martin	69,791
Vista Muelle Plot of land	25,374

c) As part of the securitization program a portion of the proceeds was retained by the trustee and maintained as a cash reserve to serve a collateral for the payment of amounts due of TDFs. Cash reserves flow back to Tarshop on a monthly basis according to a schedule until all TDFs are fully paid.

To guarantee the compliance with all the covenants assumed by Liveck S.A., and the minority shareholder of Zetol S.A. and Vista al Muelle S.A. pursuant to the stock purchase agreement of Vista al Muelle S.A.'s shares executed on June 11, 2009 and the Addendums to the Agreement as well as payment of any possible damages and associated expenses, the parties have reciprocally tendered a security interest consisting in a possessory pledge over the shares of Vista al Muelle S.A. and Zetol S.A.

14. Restricted assets (continued)

d) New Lipstick maintains a pledge over Metropolitan 885 Third Avenue Leasehold LLC ´s shares.

e) Mortgage guaranteed loan Hoteles Argentinos S.A.

In March 2005, Credit Suisse First Boston ("CSFB") acquired the debt for US$ 11.1 million of Hoteles Argentinos S.A. ("HASA"), subsidiary of IRSA, which had been in non-compliance since January 2002. In April 2006 HASA made a payment reducing the capital amount payable to US$ 6.0 million. The balance accrued interests at a LIBO rate six months plus 7.0%.

Jointly, IRSA subscripted a credit default swap for 80% of the restructured debt value in order to protect CSFB in case of non-compliance with HASA's obligations. As compensation, IRSA will receive a payment of a coupon on a periodical basis. In addition, to support the obligations assumed, IRSA deposited as guarantee the amount of US$ 1.2 million.

With the last instalment of the loan received having been repaid on March 15, 2010, CSFB reimbursed the deposit to IRSA. Simultaneously, HASA borrowed a new loan from Standard Bank Argentina S.A. for a total amount of Ps. 19.0 million, which will accrue interest at a fixed rate, payable on a quarterly basis. The capital was due on March 2011. During the same month, HASA refinanced the mentioned loan agreement, as per the following detail: US$ 0.4 million, at a fixed rate (capital plus interest) to be paid on September 6, 2012; US$ 0.4 million, at a fixed rate (capital plus interest) to be paid on March 14, 2012 and Ps. 15.8 million, at a fixed rate with capital to be paid on March 14, 2012 and interests payable on a quarterly basis.

On March 14, 2012, HASA refinanced the loan with Standard Bank Argentina S.A. for Ps. 15.8 million through a bank checking account overdraft agreement with such entity. This agreement provides for a fixed interest rate and a monthly renewal of the agreement term.

The loan for US$ 0.4 million held with such entity was repaid on the same date.

As a guarantee for this transaction, IRSA entered into a put option agreement (put right) with Standard Bank Argentina S.A. whereby the Bank receives the right to sell to IRSA, which in turn agrees to purchase, 80% of the credit rights arising from the loan in the event of HASA defaulted the loan.

As of the date of these financial statements, HASA had committed no event of default.

f) On December 28, 2011, 2,061,856 shares of Hersha Hospitality Trust were transferred to Citibank N.A. as collateral for the loan.

g) IRSA holds a pledge on the shares of Cyrsa S.A. as security for the latter's obligation to transfer the units bound to be built on a plot of land situated at 1755 Av. del Libertador, as part of the compensation for the acquisition thereof.

h) Under the agreement executed with Banco Hipotecario S.A. for the sale of Tarshop S.A.'s shares and its amendments, APSA granted to Banco Hipotecario S.A. a security agreement over the Company's Class I Notes, issued on May 11, 2007, for a face value of US$ 1.2 million. On October 11, 2011 Banco Hipotecario released 50% of the pledged Non-Convertible Notes and the remaining 50% will be released after two years as from the date appearing on

the Memorandum of closure has been fulfilled.

i) On August 3, 2011, a mortgage was constituted on Soleil Factory.

j) To secure the fulfilment of the concession agreement with Administration of railway infrastructure, Arcos del Gourmet S.A. committed itself to hire a surety bond for Ps. 4,460, to make a deposit in cash of Ps. 400 and to hire another surety bond in favour of ADIF as collateral to the execution of the works agreed in due time and proper form for Ps. 14,950. These surety bonds were hired during October, 2011.

14. Restricted assets (continued)

k) As regards the case "Alto Palermo S.A. (APSA) against Dirección General Impositiva on Appeal", Record of proceedings number 25,030-I, currently heard by Division A, 3 Nomination, an attachment has been ordered and effected on the real property located in Olegario Andrade 367, Caballito, Ciudad Autónoma de Buenos Aires, which as of June 30, 2012 amounts to Ps. 49,699 (accounted for under Non-Current Investments - Land Reserves).

15. Compensation plan for executive management

The Company together with its related Company IRSA has a defined contribution plan covering its managers in Argentina. The Plan was effective from January 1, 2006. Employees may begin participation voluntarily on monthly enrollment dates. Participants may make pre-tax contributions to the Plan of up to 2.5% of their monthly salary (Base Contributions) and pre-tax contributions of up to 15% of their annual bonuses (Extraordinary Contributions). Under the Plan, the Company matches employee contributions to the plan at a rate of 200% for Base Contributions and 300% for Extraordinary Contributions. Contribution expense was Ps. 3.4 million and Ps. 4.8 million for the fiscal years ended June 30, 2012 and 2011, respectively. Participant contributions are held in trust as required by law. Individual participants may direct the trustee to invest their accounts in authorized investment alternatives. Company contributions are also held in trust. Participants or their assignees, as the case may be, may have access to the 100% of the Company contributions under the following circumstances:

(i) ordinary retirement in accordance with applicable labor regulations;
(ii) total or permanent incapacity or disability;
(iii) death.

In case of resignation or termination without good cause, the manager will receives the Company’s contribution only if he or she has participated in the Plan for at least 5 years.

During the year ended June 30, 2012, the Company together with its subsidiary APSA, have contributed Ps. 1,496 to the plan.

Long-Term Incentive Program

The Company has developed a long-term shared-based incentive and retaining plan for managers and key personnel, by means of contributions that will be made by the mentioned employees together with the Company. The Company intends, at its sole decision, to repeat the plan for one or two fiscal years with the same or different conditions, with the possibility of granting a share-based unrestricted extraordinary compensation to be paid uniquely in September 2014.

Participation in this plan comes from an invitation from the Board of Directors and it can be freely accepted by the invited participants. Once an employee accepts their invitation, they will be able to make a single annual contribution (based on their annual bonus). The suggested contribution is up to 7.5% of their bonus, being the Company’s contribution for the first year 10 times the employee’s contribution. Contributions and/or the Company’s shares purchased with these funds will be transferred to vehicles specially constituted with this purpose. The Company’s and employees’ contributions for the following fiscal years will be defined after the fiscal year-end.

In the future, the participants or their successors will have access to 100% of the Benefit (Company contributions made in its favor) under the circumstances that follow:

· if the employee resigns or leaves the Company unexpectedly, he/she will be entitled to the benefit only if 5 years have passed since each contribution was made
· retirement
· total or permanent disability
· Death

As of June 30, 2012 a reserve has been created in the Shareholders' Equity to reflect this plan in the amount of Ps. 2,595.

16. Granted Guarantees

In the ordinary course of business, FyO guarantees certain brokerage transactions. Under the agreement, FyO guarantees the performance of the producer in case it does not comply with the physical delivery. The Company has recourse against the non-performing party. As of June 30, 2012 and 2011, the value of transacted merchandise for which guarantees were granted amounted to Ps. 14.7 million and 20.5 million respectively. As of the date of these financial statements, there are no contracts breached in which FyO.com has been claimed as guarantor. On June 30, 2011, the value of transacted merchandise for which guarantees were granted amounted to Ps. 7.3 million.

17. Stock Purchase Option Plan

BrasilAgro estimated the fair value of the Programs´ options as of August 11, 2010 in R$ 6.16 each, based on the "Black and Scholes" model. Main information used to measure the options were:

Date	08/11/10
Number of shares	58,422,400
The exercise price (R$ / share)	8.97
Stock market´s Price as of measure date (R$ / share)	9.60
Interest rate (risk free %)	11.36
Contractual average time	5 years
Expected return of dividends %	1.00
Volatility of market´s shares	67.48
Stock market ´s price as of granting date (R$ / shares)	9.40
Number of options outstanding	370,007
Number of options to exercise	370,007
Adjusted average price (R$ / share)	6.16
Remaining Contractual Average life	5
Balance stock options as of June 30, 2012	Ps. 4,778

Transactions are listed below:

	Number of shares	Average price during fiscal year
As of June 30, 2012	370,007	6.16

On August 11, 2010, the Board of Directors of BrasilAgro approved the creation of a stock option plan (the "BrasilAgro's Option Plan"), authorizing the Company's Board of Directors to grants equity-settled options to elected beneficiaries (i.e. employees). The beneficiaries, the number of shares that each one may acquire upon exercise of the options, the exercise price per share to be paid in cash by the beneficiaries and the vesting conditions of options, were established in the BrasilAgro's Option Plan. The vesting of this option is through the course of time. Each option grants the right to the beneficiary when exercised, to purchase 1 share of the Company for the exercise price established in the BrasilAgro's Option Plan. The BrasilAgro's Option Plan comprises 5 employees and the grant of 370,007 options at an exercise price of R$ 8.97 (Ps. 23.61) per share and may be exercised in full from August 12, 2012 through a period of three years. As of June 30, 2012 there were no options exercisable.

18. Memorandum of understanding to renegotiate the concession agreement

On July 2, 2008, the company executed a memorandum of understanding renegotiating the concession agreements for the northern and southern areas of the real estate property of Salta Forestal S.A. The agreements establish that the concessionaire should pay a concession fee.

For the purposes of determining the concession fee, 2,000 hectares in the southern area rented out to Compañía Argentina de Granos are excluded.

18. Memorandum of understanding to renegotiate the concession agreement (continued)

On August 29, 2008, the Memorandum of Understanding was approved by Decree No. 3,766 of the Executive Power of the Province of Salta. Consequently, the disposals contained in the mentioned decree will have effect from the referred date.

On July 6, 2011, Resolution 363 was issued in relation to the company Concession Contract, whereby the consideration payable to the Province for such concession shall not be less than 10% of the annual turnover obtained by development of the premises.

19. BHSA exposure to public sector

Banco Hipotecario’s Treasury Shares

In the course of the 2009 fiscal year and with the Total Return Swap dated January 29, 2004 having expired, Banco Hipotecario received treasury shares Clase D totaling 71.1 million.

On April 30, 2010, the Extraordinary General Shareholders’ Meeting of the Banco Hipotecario S.A. resolved to delegate upon the Board of Directors of the Bank the decision to pay with the treasury shares in portfolio the DAA or StAR coupons resulting from the debt restructuring as advisable based on the contractually agreed valuation methods and their actual market value after allowing the shareholders to exercise their preemptive rights on an equal footing.

On June 16, 2010, the Board of Directors of Banco Hipotecario offered to sell 36 million of its treasury Class D shares to its existing shareholders. On July 26, 2010, in the framework of the offering, the Bank sold approximately 26.9 million of its treasury Class D shares. On August 3, 2010, the Bank applied the proceeds from the offering and the remaining Class D shares to the cancellation of the StAR coupons maturing on that date.

On April 13, 2011, the Special Shareholders’ Meeting of Banco Hipotecario decided to authorize the Board of Directors to sell treasury shares in the open market, reducing to ten days the term established for the exercise of pre-emptive rights, which term is not applicable where the sale of shares does not exceed 1% of the Company's capital stock in any given period of 12 months.

The Company’s Banco Hipotecario treasury shares still in its portfolio amount to 36.6 million and entail an increase in IRSA’s ownership interest. As considered for valuation purposes, they have risen from 29.77% to 30.51%.

Banco Hipotecario’s General Annual Shareholders Meeting, held on April 13, 2011 approved the payment of dividends for a total amount of Ps. 100 million, equivalent to 6.66667% of the capital stock or Ps. 0.068335 per outstanding share of par value Ps. 1, corresponding to the fiscal year ended on December 31, 2010. As per the Company’s holding, it is entitled to Ps. 30.5 million.

These dividends were subject to BCRA’s approval in accordance with the regulation disclosed by Communication “A” 5072, its amendments and complementary regulations. On October 1st, 2012, the mentioned dividends were approved and made available since October 10, 2012.

Additionally, on January 27, 2012, BCRA issued communications “A” 5272 and “A” 5273, by means of which it ruled the increase of some parameters of minimum capital stock to be paid-in in order to allow for dividends distribution.

20. Compulsory expropriation order of the lot owned by Canteras Natal Crespo

On April 8, 2011, Canteras Natal Crespo ,a jointly control subsidiary granted to Caminos de las Sierras S.A. (“Caminos”) an occupation permit and the possession over a piece of land of approximately 2 ha. 8,250 square meters on Road E-55 in the Province of Córdoba. Caminos is an unrelated third-party toll road operator which was granted a concession from the government of the Province of Cordoba to construct and operate a toll road. In order to affect the land entirely to the construction works, the Provincial Government of Cordoba will expropriate the land according to the Provincial expropriation laws. Caminos is responsible to fulfill all requirements of the law. The appraisal of the land will be in charge of the Provincial General Appraiser. As compensation, Caminos will pay Canteras Natal Crespo the appraised amount plus 10%, of which Ps. 0.8 million were received as of June 30, 2011.

F - 84

---

20. Compulsory expropriation order of the lot owned by Canteras Natal Crespo (continued)

Any remaining difference will be paid by Caminos within 90 days as from the resolution of the General Appraiser. If the final appraisal is lower than the amount received by Canteras Natal Crespo, the difference will be deemed compensatory damages in favor of Canteras Natal Crespo and no money will be returned.

21. Shopping Neuquén project

The main asset of the Shopping Neuquén S.A. is a 50,000 square meter undeveloped parcel of land located in Neuquén, Argentina, where APSA intends to develop a commercial project including the construction of a shopping center, a hypermarket and other developments.

On December 13, 2006, Shopping Neuquén S.A. entered into an agreement with the Municipality of Neuquén (the "Municipality") and with the Province of Neuquén (the "Province") ("the Agreement") by which, mainly, the terms to carry out the commercial and residential venture were rescheduled and authorized Shopping Neuquén S.A. to transfer to third parties the title to the plots of land into which the property is divided, provided that it is not the plot of land on which the shopping center would be built.

Such agreement put an end to the case "Shopping Neuquén S.A. vs. Municipalidad de Neuquén in re: procedural administrative action", lodged at the High Court of Neuquén. Lawyers' fees shall be borne by the company, which although they have been established are not yet final. Notwithstanding the above, as of June 30, 2012, an agreement was reached with some of the above cited professionals for the payment of fees resulting from their intervention in the matters previously described.

On April 15, 2011 the Company entered into an agreement with Gensar S.A. whereby the latter is entitled to buy one of the plots of land that form part of the commercial undertaking of mixed use next to which the Company is building a shopping center. In this plot of 14,792.68 square meters, Gensar S.A. agreed to build and operate a hypermarket that initially will be of the Coto chain. To such effect, Gensar S.A. has taken possession of the above indicated plot of land. On September 16, 2011 it executed a deed for the conveyance of title of the indicated plot of land in favor of Gensar S.A.

On September 16, 2011 it executed a deed for the conveyance of title of the indicated plot of land in favor of Gensar S.A.

On November 22, 2011, Shopping Neuquén S.A. informed a change in the building plan for the shopping center, that will be constructed in one stage rather than the two-stage plan originally established, and accordingly filed a new schedule.

On June 4, 2012 Shopping Neuquén S.A. entered into an agreement with the Municipality whereby it agreed to build completely the Shopping Center in a single stage based on the new schedule which provides a maximum construction term of 24 months computed as from the execution of the relevant Works Commencement Minutes. This agreement was approved through Decree No. 0572 on June 8, 2012, which was issued by the Mayor of Neuquén City Hall.

In the case of failing to comply the conditions established in the agreement, the Municipality is entitled to terminate the agreement and carry out the actions that may be considered necessary for such respect, among them, to request the

return of the Company´s plots acquired to the Municipality.

22. Treasury stock

During 2009, the Company acquired 30 million shares of own stock for US$ 21.0 million and Ps. 1.7 million in cash following a Board of Directors' resolution dated October of 2008.

As per Argentine Corporations Law, an entity has a period of one year from acquisition to sell or otherwise dispose of treasury stock unless an extension is provided for in a shareholders meeting.

In November 2009, the Board of Directors assigned 25 million shares of treasury stock to the shareholders on a pro rata basis. After this assignment, the Company holds 5 million shares of treasury stock

F - 85

22. Treasury stock (continued)

In October 2011, the General Ordinary and Extraordinary Shareholders' Meeting approved the allocation of treasury stock to the incentive program.

23. Meeting of shareholders

The Ordinary and Extraordinary Shareholders Meeting held on October 31, 2011, approved, among others issues, the following:

- Annual report and financial statements ended June 30, 2011;

- Ratification of the advance dividend settled by the Board of Director for Ps. 69,000 and payment of the amount of Ps. 63,800 in cash (which were available since November 21, 2011).

- Corporate reorganization by merger into Agrology;

- Allocation of treasury stock to the incentive plan aimed at the Company's employees for up to 1% of the Company's Equity through the allocation of the equivalent amount in treasury stocks, delegating on the Board of Directors the most extensive powers to fix the price, term, form, methods, time and the rest of the conditions to implement the plan; and

- Extending the amount of the Global Program to Issue Non-Convertible Notes in place for up to a further US$ 150 million (or its equivalent in other currencies).

24. Compliance with currently applicable environmental rules and regulations

The Company has assumed a permanent commitment to the sustainable conduct of business in line with currently applicable environmental rules and regulations.

25. Extension of the shutdown, presentation of the crisis preventive proceedings, severance proposals and mandatory settlement in EAASA

Due to the crisis that the meat industry is undergoing, the shutdown started in December 2011 has been extended. On February 28, 2012 an agreement was signed by the Meat Sector Union of La Pampa and EAASA, which was ratified by the Sub-Secretary of Labor of such Province, whereby the parties agreed to suspend activities for a 60 days terms, which was extended for an additional 60-day term, effective as from February 16, 2012 for wage-earners, agreeing to pay a non-taxable amount of Ps. 0.8 per fortnight plus a taxable amount of Ps. 0.125 million per month, while a Ps. 0.8 million pay was also agreed from the REPRO program.

In the case of monthly paid employees and senior staff, a 30% average salary reduction was agreed effective as from March 1, 2012 for a 60-day term, which were then extended for another 60 days until June 30, 2012.

On June 22, 2012, after having revised various business models without finding a solution that guaranteed continuity of the plant activity, EAASA filed a Preemptive Crisis Procedure and asked that the plant be closed under the provisions of section 247 of the Employment Contract Act.

On June 27, 2012, EAASA filed a severance plan that offered payment of full severance charge in 10 monthly installments. On June 28, 2012, EAASA agreed with the union representative on a severance scheme within the framework of the Preemptive Crisis Plan.

On June 29, 2012, the Ministry of Labor, Employment and Social Security issued a binding conciliation order for a term of 15 days, thus leading everything back to the situation before beginning of the conflict.

26. Financial loan from Banco Ciudad

On January 10, 2012, the Company agreed with Banco Ciudad a loan for a total amount of US$ 20 million, whose principal will be disbursed in several installments.

26. Financial loan from Banco Ciudad (continued)

The funds received will be allocated to an investment project which consists in converting a total of 15,934 hectares, currently used for cattle raising, located in "Los Pozos", into a land to be used with agricultural purposes.

The principal will accrue compensatory interests which will be calculated at the highest rate between an annual nominal rate equivalent to the 180-day LIBOR plus 300 basis points or an annual nominal rate of 6%. The interests will be paid every six months. The principal will be amortized annually, starting 2 years after the first disbursement.

On January 18, 2012 the first disbursement was received for a total of US$ 8.2 million. On May 3, 2012 the second disbursement was received for a total of US$ 3.2 million.

27. Financing and occupation agreement with NAI Internacional II, INC.

On August 12, 1996 Empalme S.A.I.C.F.A. y G. (merged into Shopping Alto Palermo S.A. as from January 1 st, 2009, then merged into APSA), executed an agreement with NAI INTERNATIONAL II, INC. (subsequently transferred to NAI INTERNATIONAL II, INC. – Branch Argentina) by means of which the latter granted a loan for an original principal of up to US$ 8.2 million for the construction of a multiplex cinema and part of the parking lot located in the premises of Córdoba Shopping – Villa Cabrera, which are disclosed in Fixed assets, net.

As stated in the occupation agreement related to the loan agreement, the amounts due are set off against payments generated by the occupation held by NAI INTERNATIONAL II, INC. of the building and the area known as cinema. The agreement provides that if after October, 2027, there still is an unpaid balance of the loan plus respective interest thereon, the agreement will be extended for a final term established as the shorter of the term required to fully repay the unpaid loan amount, or ten years.

If the last term has elapsed and there still is an unpaid balance, APSA will be released from any and all obligation to pay the outstanding debt.

On July 1st, 2002 an amendment to the agreement was established, whose most important resolutions are as follows:

- The outstanding debt was de-dollarized (Ps. 1 = US$ 1).

- An antichresis right was created and it was established that all obligations assumed by Empalme S.A.I.C.F.A. y G. under the agreement by which the normal use and operation of the cinema center is warranted to NAI INTERNATIONAL II, INC., including those obligations involving restrictions on the use or title to property by Empalme S.A.I.C.F.A. y G. or third parties, shall be comprised in the previously mentioned real right.

Principal owed as of June 30, 2012, and unpaid interest accrued through that date, due to the original loan agreement and respective amendments are disclosed under Customers advances - Lease advances together with other advances not included in this agreement.

28. Reclassification of the deferred tax liability derived from the adjustment for inflation

In line with the guidelines established by Ruling 592 of the Comisión Nacional de Valores, on September 10, 2012, the Board of Directors decided to propose to the shareholders an adjustment in the Statement of Changes in

Shareholders' Equity related to the deferred tax liability derived from the adjustment for inflation against retained earnings, as part of the implementation of the IFRSs.

It will be a one-time proposal submitted to the next Shareholders' Meeting that will consider the financial statements for the fiscal year ended June 30, 2012, pursuant to the provisions issued by the Comisión Nacional de Valores.

In this respect, below we outline the items of the Statement of Shareholders Equity that would be affected by the activity in retained earnings as a result of the recognition of deferred tax liabilities (in the amount

28. Reclassification of the deferred tax liability derived from the adjustment for inflation (continued)

corresponding to prior fiscal years) and the reclassification of such amount to the account that will be proposed to the shareholders in order to show the effects of such reclassification after approval by the Shareholders' Meeting.

Item	Figures as of June 30,2012 resulting from the Statement of Changes in Shareholders' Equity	Reclassification proposed pursuant to ruling 592 of the CNV	Figures subject to reclassification to be approved by the Shareholders' Meeting
Capital stock	496,562	-	496,562
Treasury stock	5,001	-	5,001
Inflation adjustment of common stock	164,561	(99,788)	64,773
Integral shares adjustment	1,657	(1,005)	652
Additional paid-in capital	879,342	-	879,342
Sub-total	1,547,123	(100,793)	1,446,330
Stock option plan	2,121	-	2,121
Legal reserve	42,922	-	42,922
Reserve for new developments	389,202	-	389,202
Long-term incentive program Reserve	2,419	-	2,419
Transitory conversion differences	108,511	-	108,511
Retained earnings	(29,017)	100,793	71,776
Total as of June 30, 2012	2,063,281	-	2,063,281

29. Adoption of International Financial Reporting Standards (IFRS)

The National Securities Commission, ("CNV", as per its Spanish acronym), through General Resolutions No. 562/9 and 576/10, has provided for the application of Technical Resolutions No. 26 and 29 of theArgentine Federation of Professional Councils of Economic Sciences ("F.A.C.P.C.E.", as per its Spanish acronym), which adopt the IFRS, issued by the International Accounting Standards Board ("IASB"), for companies subject to the public offering regime ruled by Law 17,811, due to the listing of their shares or corporate notes, and for entities that have applied for authorization to be listed under the mentioned regime.

Therefore, the Company is required to adopt IFRS as published by the IASB as from the fiscal year beginning July 1, 2012, being the financial statements as of September 30, 2012 and for the three-month periods ended September 30, 2012 and 2011, the first interim financial statements prepared under IFRS as published by the IASB. The Company's transition date for the adoption of IFRS as established in IFRS 1 "First-time Adoption of International Financial Reporting Standards" is July 1, 2011.

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles used in Argentina, as set forth by the FACPCE and as implemented, adapted, amended, revised and/or supplemented by the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires ("CPCECABA") (collectively "Argentine GAAP"), and in accordance with the regulations of the CNV; which differ from

IFRS as to measurement and presentation.

The items and/or amounts in the reconciliations included below are subject to change and should only be deemed final when the consolidated financial statements prepared under IFRS for the first time as of and for the fiscal year ended June 30, 2013 are issued.

IFRS 1 allows entities adopting IFRS for the first time to consider certain one-time optional exemptions. Additionally, IFRS 1 requires the application of certain mandatory exceptions. These exemptions have been foreseen by the IASB to simplify the first-time application of certain IFRS, relieving the obligation of retrospective application of the standards.

Following is a summary of the exemptions and exceptions included in IFRS 1 applicable to the Company in the transition from Argentine GAAP to IFRS.

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

1. Optional exemptions of IFRS

Below is a detail of the applicable optional exemptions applicable to the company under IFRS:

1.1. Exemption for business combinations:

IFRS 1 provides the option to apply IFRS 3 "Business combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply IFRS 3 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

The business combination exemption applies equally to acquisitions of investments in associates or joint ventures. The Company elected not to restate the acquisitions of investments in associates or joint ventures prior to transition date.

1.2. Exemption for deemed cost

IFRS 1 allows previous GAAP revaluations to be used as deemed cost under IFRS if those valuations were, at the time of the valuation, equivalent to fair value or depreciated cost adjusted to reflect changes in a price index. The Company elected to measure certain items of property, plant and equipment and investment property at price-adjusted values as of July 1, 2011.

In addition, IFRS 1 allows the carrying values of the assets and liabilities immediately following a business combination to be deemed cost for any cost-based measurement going forward from the date of the combination. The Company adopted a cost-based policy for all of its assets. As such, the Company used the previous fair values recognized in past business combinations (not restated as per the business combination exemption above) for certain items of investment property and property, plant and equipment (primarily shopping centers, office buildings and hotel buildings) as deemed cost at the date of transition. All depreciation methods were already in compliance with those required by IAS 16 "Property, plant and equipment".

1.3. Exemption for cumulative translation differences

IFRS 1 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", from the date a subsidiary or equity method investee was formed or acquired. The Company elected to reset all cumulative translation gains and losses to zero in opening retained earnings at its transition date.

1.4. Exemption for compound financial instruments

IFRS 1 establishes that if the liability component of a financial instrument is no longer outstanding at the date of transition to IFRS, first-time adopters do not have to separate it from the equity component. The Company elected not to restate convertible debt instruments no longer outstanding at the date of transition.

1.5. Exemption for borrowing costs

IFRS 1 has been amended to permit first-time adopters not to restate borrowing costs capitalized at transition date under previous GAAP. The Company elected to apply the provisions of IAS 23 “Borrowing costs” prospectively from the date of transition.

1.6. Exemption for assets and liabilities of subsidiaries

In accordance with IFRS 1, if a parent company adopts IFRS later than to its subsidiary, associate or joint venture, the assets and liabilities of the subsidiary, associate or joint venture shall be measured in the consolidated financial statements at the same carrying amounts as in the financial statements of the subsidiary, associate or joint venture,

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

adjusted to reflect changes in the Company's accounting policy when consolidating, if applicable. The Company's associate, Tarshop S.A., adopted IFRS in the fiscal year ended December 31, 2012. The Company's joint venture, Cresca S.A., adopted IFRS for the fiscal year ended December 31, 2012.

1.7. Exemption for share-based payments

IFRS 2 "Share Based Payments" applies to situations where an entity grants shares or share options to employees or to other parties providing goods and services and requires these payments to be recognized as an expense in the entity's financial statements. A first time adopter is encouraged to apply IFRS 2 retrospectively. However, an entity may elect not to retrospectively apply IFRS 2 to equity instruments (equity settled transactions) granted on or before November 7, 2002. Similarly, while IFRS 1 encourages a first time adopter to apply IFRS 2 to equity instruments that were granted after November 7, 2002 and that vested before the later of (i) the date of transition and (ii) January 1, 2005, an entity may elect not to retrospectively apply IFRS 2 to these equity instruments. However, a first time adopter can only elect to retrospectively apply IFRS 2 to such equity instruments if it had previously disclosed publicly the fair value of those equity instruments, determined at the measurement date.

Based on this exemption, the Company did not apply IFRS 2 to equity instruments granted after November 7, 2002 and vested prior to transition date, i.e. July 1, 2011, as the fair value of those equity instruments had not been publicly disclosed.

The Company has not made use of the other optional exemptions available related in IFRS 1.

2. IFRS mandatory exceptions

The mandatory exceptions to IFRS 1 applicable to the Company are detailed bellow:

2.1. Exception for estimates

The estimates made by the Company under IFRS are consistent with the estimates made at the same date under with Argentine GAAP. Therefore, the estimates made by the Company under previous GAAP have not been revised for application of IFRS except where necessary to reflect any difference in accounting policies.

2.2. Exception for non-controlling interests

IFRS 1 establishes that an entity must apply the requirements in IFRS 10 "Consolidated financial statements" for accounting for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control prospectively. Under Argentine GAAP, the Company accounted for acquisitions of non-controlling interests that did not result in change of control as business combinations. Furthermore, under Argentine GAAP, the Company accounted for disposals of non-controlling interests based on its carrying value at the date of disposal, recognizing any difference between the carrying value of the non-controlling interest and the consideration received in the statement of income. The Company did not restate these acquisitions and/or disposals prior to transition date.

IFRS 1 establishes that an entity must apply the requirements in IFRS 10 for accounting for a loss of control over a subsidiary prospectively. Under Argentine GAAP, the Company recognized any non-controlling equity investment

retained under the equity method at the date control was lost.

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

3. Mandatory reconciliations

In accordance with the requirements of Technical Resolution No. 26 (as subsequently amended by Technical Resolution No. 29), set out below are the reconciliations of shareholders' equity as of June 30, 2012 and July 1, 2011, and the reconciliations of net income, other comprehensive income and cash flows for the fiscal year ended

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

June 30, 2012. The reconciliations included below were prepared based on the IFRS standards that are estimated to be applicable for the Company for the financial statements as of and for the fiscal year ended June 30, 2013. The items and/or amounts in the reconciliations included below are subject to change and should only be deemed final when the consolidated financial statements prepared under IFRS for the first time as of and for the fiscal year ended June 30, 2013 are issued.

The items and/or amounts included in the reconciliations could be modified to the extent that, when preparing financial statements as of and for the fiscal year ended June 30, 2013, applicable standards are different.

3.1. Reconciliation of shareholders' equity at July 1, 2011 and June 30, 2012

		July 1, 2011	June 30, 2012
Total Shareholders' equity under Argentine GAAP attributable to Cresud		2,101,681	2,063,281
Revenue recognition – "scheduled rent increases"	(a)	51,991	78,479
Revenue recognition – "letting fees"	(b)	(35,447)	(44,446)
Biological assets and agriculture produce at the point of harvest	(c)	58,727	38,517
Inventories	(d)	(6,745)	(5,378)
Trading properties	(e)	(29,315)	(18,946)
Pre-operating and organization expenses	(f)	(22,771)	(22,767)
Goodwill	(g)	770,752	709,368
Non-current investments – financial assets	(h)	151,411	138,204
Initial direct costs on operating leases	(i)	698	946
Tenant deposits	(j)	114	329
Commodity linked debt	(k)	97	72
Impairment of financial assets	(l)	(2,088)	(519)
Present value accounting – tax credits	(m)	14,644	10,931
Investments in associates	(n)	(56,224)	(151,873)
Investments in joint ventures	(o)	(16,496)	(11,271)
Acquisition of non-controlling interest	(p)	-	(46,320)
Amortization of transaction costs on borrowings	(r)	110	384
	(s)	-	(2,706)

Settlement of BrasilAgro warrants			
Deferred income tax	(u)	(33,917)	(35,550)
Non-controlling interest on adjustment above	(v)	(217,523)	(141,872)
Subtotal shareholders' equity under IFRS attributable to Cresud		2,729,699	2,558,863
Non-controlling interest		2,480,379	2,132,649
Subtotal shareholders' equity under IFRS		5,210,078	4,691,512

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

3.2. Reconciliation of net income for the fiscal year ended June 30, 2012

	Ref.	June 30, 2012
Net income under Argentine GAAP attributable to Cresud		78,263
Revenue recognition – "scheduled rent increases"	(a)	26,488
Revenue recognition – "letting fees"	(b)	(8,999)
Biological assets and agriculture produce at the point of harvest	(c)	(17,001)
Inventories	(d)	1,367
Trading properties	(e)	10,369
Pre-operating and organization expenses	(f)	4
Goodwill	(g)	(60,428)
Non-current investments – financial assets	(h)	(13,207)
Initial direct costs on operating leases	(i)	248
Tenant deposits	(j)	215
Commodity linked debt	(k)	(25)
Impairment of financial assets	(l)	1,569
Present value accounting – tax credits	(m)	(3,713)
Investments in associates	(n)	(89,567)
Investments in joint ventures	(o)	5,225
Acquisition of non-controlling interest	(p)	(26,383)
Disposition of non-controlling interest	(q)	2,690
Amortization of transaction costs on borrowings	(r)	274
Foreign currency translation	(t)	32,518
Deferred income tax	(u)	(2,178)
Non-controlling interest on adjustment above	(v)	40,941
Net income under IFRS attributable to Cresud		(21,330)
Non-controlling interest		53,425
Total Net income under IFRS		32,095

3.3. Reconciliation of other comprehensive income for the fiscal year ended June 30, 2012

		June 30, 2012
Other comprehensive income under Argentine GAAP attributable to Cresud		(58,692)
Biological assets and agriculture produce at the point of harvest	(c)	(3,209)
Goodwill	(g)	(956)
Investments in associates	(n)	(6,082)
Foreign currency translation	(t)	(32,518)
Deferred income tax	(u)	544
Non-controlling interest on adjustments above	(v)	18,974
Other comprehensive income under IFRS attributable to Cresud		(81,939)
Non-controlling interest		(141,581)
Total other comprehensive income under IFRS		(223,520)

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

3.4. Reconciliation of cash flows for the fiscal year ended June 30, 2012

Based on IAS 7 "Statement of Cash Flows" requirements, the Company has made various reclassifications between operating, investing and financing activities in the cash flow statements presented under Argentine GAAP and the cash flows statements under IFRS as further detailed below:

3.4.1. Operating activities

Cash generated from operating activities under Argentine GAAP	857,038
Proceeds from sale of property, plant and equipment	(146,706)
Deconsolidation of joint ventures	(21,554)
Cash generated from operating activities under IFRS (1)	688,778

(1) It includes the effect of the exchange rate variations in cash and cash equivalents.

3.4.2. Investing activities

Cash used in investing activities under Argentine GAAP	(728,777)
Acquisition of non-controlling interest in subsidiaries	202,449
Proceeds from sale of property, plant and equipment	146,706
Deconsolidation of joint ventures	1,027
Cash used in investing activities under IFRS	(378,595)

3.4.3. Financing activities

Cash used in financing activities under Argentine GAAP	(283,974)
Acquisition of non-controlling interest in subsidiaries	(202,449)
Deconsolidation of joint ventures	7,482
Cash used in financing activities under IFRS	(478,941)

3.4.4. Net decrease in cash and cash equivalents

Net decrease in cash and cash equivalents under Argentine GAAP	(155,713)
Deconsolidation of joint ventures	(13,045)
	(168,758)

Net decrease in cash and cash equivalents under IFRS

3.4.5. Disclosure reclassifications that affect the statement of cash flows for the fiscal year ended on June 30, 2012

Pursuant to Argentine GAAPs, the Company proportionally consolidated the joint ventures' accounts. Consequently, there were some differences between the amount of cash and cash equivalents reported in the main statement of cash flows and the amount of cash and cash equivalents that would be reported in the statement of cash flows prepared under IFRS.

Additionally, pursuant to Argentine GAAPs, revenue derived from the sale of property, plant and equipment (including properties classified as investment property under IFRS) was reported as operating activities. In accordance with IFRS, revenue derived from the sale of investment property and property, plant and equipment is reported as investment activities.

Finally, according to Argentine GAAPs, the acquisition of non-controlling interests was reported as investment activities, while under IFRS this transaction would have been classified as financing activities.

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

Thus, cash flows generated by or used in operating, investment and financing activities were different in the statement of cash flow prepared.

4. Explanation of the transition to IFRS

(a) Revenue recognition – “scheduled rent increases”

Argentine GAAP – Revenue from “non-cancelable” leases subject to scheduled rent escalation clauses is recognized when the escalated payments are due. Therefore, revenue does not include an averaging of rental income. Rent-free periods, reduced rent or other tenant incentives, if any, are recognized in the period in which these incentives are provided.

IFRS – The Company applied IAS 17 “Leases”. As a result, lease income from operating leases with scheduled rent increases is recognized on a straight-line basis over the term of the leases. All tenant incentives, if any, are treated as a reduction of rental income on a straight-line basis over the lease terms.

As a consequence, the Company recognized a receivable for rent averaging of Ps. 52.0 million and Ps. 78.5 million as of July 1, 2011 and as of June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 52.0 million was recognized against retained earnings and an amount of Ps. 26.5 million gain was recognized in the statement of income.

(b) Revenue recognition – “letting fees”

Argentine GAAP – The Company does not generally use the services of a third-party lease agent for its shopping center properties. Rather, the Company acts as its own leasing agent and earns letting fees. Letting fees are recognized at the time a transaction is successfully completed. A transaction is considered successfully completed when both parties (the tenant and the Company) have signed the related lease contract.

IFRS – The Company considers that in these circumstances payments received from tenants for “letting fees” are not different from other payments received such as admission rights. Accordingly, revenue from letting fees is recognized under the straight-line method over the lease term.

As a result, payments received from tenants for “letting fees” of Ps. 35.5 million and Ps. 44.4 million were deferred as of July 1, 2011 and as of June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 35.5 million was recognized against retained earnings and an amount of Ps. 9.0 million loss was recognized in the statement of income.

(c) Biological assets and agriculture produce at the point of harvest

Argentine GAAP – Technical Resolution No. 22 “Agriculture activities” establishes a hierarchy for the valuation of biological assets. The Company has several classes of biological assets.

Biological assets in the form of unharvested crops are measured at replacement cost less any impairment losses. Biological assets in the form of livestock held for sale or for meat production are measured at net realizable value.

Biological assets in the form of breeding or dairy cattle are measured at replacement cost. Tree plantations are measured at cost. Argentine GAAP does not prescribe a separate measurement for agriculture produce at the point of harvest.

IFRS – The Company applied IAS 41 "Agriculture". Under IAS 41, biological assets and agriculture produce at the point of harvest are measured at fair value less costs to sell on initial recognition and at each statement of financial position date, except where fair value cannot be reliably measured. Cost approximates fair value when little or no biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material. Changes in fair value less cost to sell are charged to income as incurred.

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

As a result, the Company adjusted all of its biological assets on the statement of financial position at fair value less costs to sell for an amount of Ps. 58.7 million and Ps. 38.5 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, the Company recognized an amount of Ps. 17.0 million loss in the statement of income, an amount of Ps. 3.2 million in the statement of other comprehensive income, and the remaining amount of Ps. 58.7 million against retained earnings.

(d) Inventories

Argentine GAAP – Inventories, primarily agricultural supplies, are valued at replacement cost. Changes in replacement cost are charged to income as incurred. Additionally, harvested crops for the Company's operations in Bolivia are measured at net realizable value, with changes being recognized in the statement of income.

IFRS - Consumable supplies are measured at the lower of cost or net realizable value. The cost of consumable supplies is determined using the weighted average method. The cost of hotel inventories is determined using the first-in first-out method. Additionally, harvested crops for the Company's operations in Bolivia are measured at the lower of cost or net realizable value because there is not an active market for the produce in this country.

As a result, the Company reduced inventories by Ps. 6.7 million and Ps. 5.4 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, the Company recognized a gain for an amount of Ps. 1.4 million in the statement of income and an amount of Ps. 6.7 million against retained earnings.

(e) Trading properties

Argentine GAAP – Trading properties are stated at the lower of cost adjusted for inflation or net realizable value. Additionally, trading properties are measured at net realizable value when contracts are exchanged for which a non-refundable deposit has been received securing the sale in advance of legal completion (i.e. transfer of deed of title and significant risk and rewards). This form of sale fixes the price of the property and the terms and conditions of the contract providing reasonable certainty about the closing of the transaction and realization of the gain. Accordingly, these transactions are deemed consummated for Argentine GAAP purposes and revenue is recognized at the time the contract is signed.

IFRS – Trading properties are measured at the lower of cost or net realizable value. Revenue from the sale of properties is recognized only when the significant risks and rewards have transferred to the buyer. This will normally take place on unconditional exchange of contracts. For conditional exchanges, sales are recognized when these conditions are satisfied.

As a result, the Company eliminated the effect of inflation adjustment on trading properties for an amount of Ps. 12.9 million and Ps. 9.4 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 12.9 million was recognized against retained earnings and an amount of Ps. 3.5 million gain was recognized in the statement of income.

On the other hand, the Company adjusted the revaluation of trading properties due to property contracts exchanged prior fiscal year-end and for which title had not been transferred as of that date, for an amount of Ps. 16.4 million and Ps. 9.5 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, the Company recognized a gain for an amount of Ps. 6.9 million in the statement of income and the remaining amount of Ps. 16.4 million against retained earnings.

(f) Pre-operating and organization expenses

Argentine GAAP – Under Argentine GAAP, pre-operating, organization expenses and other start-up costs (mainly related to the opening of new shopping centers) are capitalized and amortized under the straight-line method generally over a period of three to five years.

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

IFRS – IFRS prescribes that pre-operating expenses cannot be attributed to the cost of property, plant and equipment, investment properties, trading properties or the formation of intangible assets and are immediately recognized as expenses.

As a result, the balances of pre-operating, organization expenses and other start-up costs capitalized under Argentine GAAP were derecognized under IFRS for an amount of Ps. 22.8 million and Ps. 22.7 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, the Company recognized a gain for an amount of Ps. 0.1 million in the statement of income and the remaining amount of Ps. 22.8 million against retained earnings.

(g) Goodwill

Argentine GAAP – The Company accounted for acquisitions of businesses and non-controlling interests under the acquisition method of accounting. Under the acquisition method of accounting, the Company allocated the purchase price to tangible and intangible assets and liabilities based on the respective fair values. Goodwill represents the excess of cost over the fair value of net identifiable assets and is amortized under the straight-line method over the weighted average useful life of the tangible assets acquired. Goodwill does not exceed its respective estimated recoverable value at fiscal year-end.

IFRS – As noted in Note 29.1.1, the Company has applied the exemption in IFRS 1 for business combinations. Also, as noted in 29.2.2, the Company has applied the exception in IFRS 1 for acquisitions of non-controlling interests.

Consequently, business combinations and acquisitions of non-controlling interests completed prior to July 1, 2011 have not been restated and the carrying amount of goodwill under IFRS as of July 1, 2011 is equal to the carrying amount under Argentine GAAP as of that date totaling Ps. 29.1 million. There were no previously recognized intangible assets under Argentine GAAP that did not qualify for separate recognition under IFRS.

In accordance with IFRS, goodwill is not amortized; it is, instead, tested for impairment annually. Goodwill has been tested at transition date and no impairment has been recognized. The amortization charge has been adjusted in the statement of income under Argentine GAAP and in the statement of comprensive income.

Negative goodwill

Argentine GAAP – Under Argentine GAAP, when the amount paid in a business combination or acquisition of a non-controlling interest was lower than the carrying amount of the acquired assets and assumed liabilities, the Company recognized such amount as negative goodwill on the statement of financial position (as a deduction to non-current assets) and amortized it over the period considered to justify negative goodwill not exceeding 20 years. However, under Argentine GAAP, when negative goodwill exists, acquired intangible assets which otherwise would be recognized are reduced to absorb the negative goodwill even if they are then assigned a zero value.

Additionally, where the amount paid for the acquisition of associates and/or joint ventures is lower to the investor's share in the net fair values of the associate and/or joint venture's identifiable assets and liabilities, the Company recognized such amount as negative goodwill on the statement of financial position and amortized it over the period considered to justify negative goodwill not exceeding 20 years.

IFRS – As noted in Note 29.1.1, the Company has applied the exemption in IFRS 1 for business combinations. Also as noted in Note 29.2.2, the Company has applied the exception in IFRS 1 for acquisitions of non-controlling interests. Consequently, business combinations and acquisitions of non-controlling interests completed prior to July 1, 2011 have not been restated and the carrying amount of negative goodwill under IFRS on July 1, 2011 is equal to the carrying amount under Argentine GAAP as of that date. In accordance with IFRS, negative goodwill is recognized in profit or loss immediately.

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

Additionally, acquisitions of associates and/or joint ventures are initially recorded at cost of the investment. Any difference between the cost of the investment and the investor's share in the net fair values of the associate's and/ or joint venture's identifiable assets and liabilities is goodwill. Negative goodwill is taken to the statement of income in the period when the associate and/or joint venture is acquired.

As a result, the balances of negative goodwill recognized in the statement of financial position under Argentine GAAP were derecognized under IFRS. As a result, the Company adjusted the value of such goodwill for an amount of Ps. 770.8 million and Ps. 709.04 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, the Company recognized a loss for an amount of Ps. 60.4 million in the statement of income (arising from the reversal of the amortization charge of negative goodwill recognized under Argentine GAAP) and the remaining amount of Ps. 770.8 million against retained earnings.

(h) Non-current investments – financial assets

Argentine GAAP – The Company holds investments in liested shares with readily determinable fair values, namely TGLT S.A. and Hersha Hospitality Trust. Under Argentine GAAP, these investments were carried at acquisition cost since they are not held for the purpose of trading in the short term.

IFRS – Under IFRS 9 "Financial instruments", all equity investments are measured at fair value. For certain equity investments, the Company can make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. However, the Company has not elected to recognize changes in fair value of any equity instrument through other comprehensive income. Therefore, changes in fair value of all equity instruments held by the Company are recognized in the statement of income.

As a result, the Company adjusted the value of these equity securities to fair value by Ps. 151.4 million and Ps. 138.2 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 151.4 million was recognized against retained earnings and an amount of Ps. 13.2 million loss was recognized in the statement of income.

(i) Initial direct costs on operating leases

Argentine GAAP– Under Argentine GAAP, certain initial direct costs (i.e. legal, commissions and other fees) paid to third parties for arranging a lease (when the Company is a lessor) are recognized as an immediate expense when incurred.

IFRS – Initial direct costs incurred by lessors in arranging an operating lease are added to the carrying amount of the leased assets (i.e. investment properties) and are recognized as an expense over the lease term on the same basis as the lease income.

As a result, Ps. 0.7 million and Ps. 0.9 million, as of July 1, 2011 and June 30, 2012, respectively, were added to "Investment properties". As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 0.7 million was recognized against retained earnings and Ps. 0.2 million gain were recognized in the statement of income.

(j) Tenant deposits

Argentine GAAP – The Company obtains deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition or for the lease payments for a period of generally three years. The deposits generally amount to one month of lease rentals. These deposits are treated as liabilities under Argentine GAAP and measured at the amount received by the tenants.

IFRS - Tenant deposits are treated as both a financial asset and a financial liability in accordance with IFRS 9, and they are initially recognized at fair value. The difference between fair value and cash received is

F - 97

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

considered to be part of the minimum lease payments received for the operating lease. The deposits are subsequently measured at amortized cost and deferred income is amortized on a straight-line basis over the contact term.

As a result, the Company adjusted the financial liability from tenant deposits for an amount of Ps. 0.1 million and Ps. 0.3 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, the Company recognized a gain of Ps. 0.2 million in the statement of income and the remaining amount of Ps. 0.1 million against retained earnings.

(k) Commodity linked debt

Argentine GAAP – Under Argentine GAAP, there is no requirement to separate embedded derivatives from host contracts and account for them as derivatives. Borrowings are valued based on the best estimate of the discounted value of the amounts expected to be paid, using the interest rate effective at the time of the initial measurement.

IFRS – IFRS 9 requires that an embedded derivative should be separated from the host contract and accounted for as a derivative if certain conditions are met. On September 7, 2011, the Company issued Class VII non-convertible notes which are denominated in US$ for a nominal amount of US$ 2.1 million. Class VII notes accrue interest at a floor rate of 4% plus a premium factor equivalent to 40% of the increase in the price of soy during the period from March 2011 to March 2013. Under IFRS, the commodity-indexed feature is an embedded derivative that is not clearly and closely related to the debt host instrument because the risks inherent in the derivative (price of soy) and the host are dissimilar. Therefore, the Company separated the commodity-indexed feature and classified it as a derivative liability. The Company measured the carrying value of the debt host contract at initial recognition as the difference between the consideration received and the fair value of the embedded derivative. Subsequently, the Company measured the host foreign-currency debt at amortized cost using the effective interest rate method and then retranslated it at each reporting date using the closing US$/Peso exchange rate. The Company recognized changes in the fair value of the embedded derivative in profit or loss for the period.

As a result, the Company adjusted borrowings for an amount of Ps. 0.1 million and Ps. 0.07 million as of July 1, 2011 and June 30, 2012. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 0.1 million was recognized against retained earnings and an amount of Ps. 0.3 million loss was recognized in the statement of income.

(l) Impairment of financial assets

Argentine GAAP- As of July 1, 2011 and June 30, 2012, the Company maintains a balance related to credit card loans. These loan receivables are carried at amortized cost. Under Argentine GAAP, the Company determined an allowance for loan losses based on specific criteria set forth for financial and banking institutions.

IFRS – The Company applied the impairment provisions in IFRS 9.

As a result, the Company recognized an impairment loss of Ps. 2.1 million and Ps. 0.5 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 2.1 million was recognized against retained earnings and an amount of Ps. 1.6 million gain was recognized in the statement of income.

(m) Present value accounting – tax credits

Argentine GAAP – Under Argentine GAAP, certain long-term tax credits are present-valued as of fiscal year-end.

IFRS – Under IFRS, there is no requirement to discount long-term tax credits. The Company elects to measure tax receivables and payables at the amounts expected to be recovered from or paid to the tax authorities and thus, not discounting long-term tax credits.

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

As a result, the Company eliminated the effect of discounting tax credits for an amount of Ps. 14.6 million and Ps. 10.9 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 14.6 million was recognized against retained earnings and an amount of Ps. 3.7 million loss was recognized in the statement of income.

(n) Impact of IFRS adjustments on investment in associates

Argentine GAAP- Investments in entities in which the Company exercises significant influence, but not control, are accounted for under the equity method. Under the equity method, the investment is recorded at original cost and periodically increased (decreased) by the investor's proportionate share of earnings (losses) of the investee and decreased by all dividends received from the investor by the investee. The Company applied its percentage ownership interest to the financial statements of its equity method investments prepared under Argentine GAAP.

As of June 30, 2012, the associates of the Company are Banco Hipotecario S.A., Banco de Crédito & Securitización S.A., Manibil S.A., New Lipstick LLC, Lipstick Management LLC, Rigby 183 LLC, Tarshop S.A., AgroUranga S.A., Agro Managers S.A. and Bitania 26 S.A.

IFRS – The Company assessed all of its interests in the entities mentioned in the paragraph above and determined that the Company exercises significant influence over them. Accordingly, under IFRS, the Company also accounts for these investments under the equity method of accounting. However, the Company has assessed the impact of IFRS adjustments on the financial statements of these investments prepared under Argentine GAAP prior to the application of the equity method.

Following is a description of the most significant IFRS adjustments to the net equity and income of associates. For ease of presentation and to facilitate an understanding of the nature of the IFRS adjustments, associates were grouped by business activities. Associates are not discussed below when IFRS adjustments were not significant to the Company or no IFRS adjustments were identified:

Banking:

The Company assessed the financial statements of the associates related to the banking business and determined the following adjustments to IFRS as of July 1, 2011 and June 30, 2012:

Under Argentine GAAP, revenues from life and disability insurance and loan origination fees are recognized on an up-front basis. Under IFRS, these revenues are recognized on a straight line basis over the term of the respective underlying receivables.

Under Argentine GAAP, the allowance for loan losses are recognized based on specific criteria as set forth by the Central Bank for financial and banking institutions. Under IFRS, the associate applied the impairment provisions in IFRS 9.

Under Argentine GAAP, receivables transferred to trusts in securitization programs are treated as sales and a gain or loss is recognized on the sale. Usually the transferor retains an interest in the trust and maintains a cash reserve which serves as collateral for payments of amounts due under the debt securities issued by the trust. Under IFRS, following

the provisions of IFRS 9, the associate is not able to derecognize financial assets with these characteristics. As a result, the associate continues recognizing the receivables and a liability for the consideration received upon transfer. The receivables recognized are then tested for impairment following the IFRS 9 criteria.

Under Argentine GAAP, the calculation of the insurance technical reserves is recognized following the regulations issued by the National Insurance Superintendence. Under IFRS, following the guidance of IFRS 4 “Insurance contracts”, the associate measured the insurance technical reserve in accordance with the “best estimation” approach.

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

Investment properties:

The Company assessed the financial statements of the associates related to the investment property business and determined the following adjustments to IFRS as of July 1, 2011 and June 30, 2012:

Under Argentine GAAP, revenue from non-cancelable leases subject to scheduled rent escalation clauses is recognized when the escalated payments are due. Therefore, revenue does not include an averaging of rental income. Rent-free periods, reduced rent or other tenant incentives, if any, are recognized in the period in which these incentives are provided. Under IFRS, lease income from operating leases with scheduled rent increases is recognized on a straight-line basis over the term of the leases. All tenant incentives, if any, are treated as a reduction of rental income on a straight-line basis over the lease terms.

Under Argentine GAAP, lease expense where the entity is the lessee under an operating ground lease agreement subject to escalation clauses is recognized when the escalated payments are due. Therefore, lease expense is not straight-lined. Under IFRS, lease payments for operating leases with scheduled rent increases are recognized on a straight-line basis over the term of the leases.

As a result, the net equity of these associates was reduced by Ps. 56.2 million and Ps. 151.9 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 56.2 million was recognized against retained earnings, an amount of Ps. 89.6 million loss was recognized in the statement of income, and an amount of Ps. 6.1 million was in the statement of others comprehensive income.

(o) Impact of IFRS adjustments on investment in joint ventures

Argentine GAAP– Investments in entities in which the Company exercises joint control are accounted for under the proportionate consolidation method. Under the proportionate consolidation method, the financial statements of the Company reflect the Company's pro-rata equity interest in the jointly controlled entities on a line-by-line basis. The Company applied its pro-rata equity interest to the financial statements of its jointly-controlled entities prepared under Argentine GAAP.

IFRS – The Company assessed all of its interests in joint arrangements and determined that they are joint ventures under IFRS 11 "Joint arrangements". Accordingly, the Company accounted for its joint ventures under the equity method of accounting. The Company has assessed the impact of IFRS adjustments on the financial statements of joint ventures prepared under Argentine GAAP prior to the application of the equity method.

As of June 30, 2012, the joint ventures of the Company are Cyrsa S.A., Cresca S.A., Canteras Natal Crespo S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A. and Nuevo Puerto Santa Fe S.A.

Following is a description of the most significant IFRS adjustments to the net equity and income of the joint ventures. For ease of presentation and to facilitate an understanding of the nature of the IFRS adjustments, joint ventures were grouped by business activity. Joint ventures are not discussed below when IFRS adjustments were not significant to the Company or no adjustments were identified.

Under Argentine GAAP, the joint venture has historically accounted for revenues and therefore profits from all property sales on a percentage of completion basis once contracts for the sale of a property have been exchanged and only if the eventual profit from that property can be foreseen with reasonable certainty. Under IFRS, the joint venture has applied IFRIC 15 "Agreements for the Construction of Real Estate". The Company assessed the contractual terms of the agreements and concluded that revenue from open market sales of real estate should be accounted for on legal completion of the properties in accordance with IAS 18 "Revenue". As a result, the joint venture recognizes revenue from the sale of private homes and commercial units entirely at the point of legal completion in accordance with IAS 18. The most significant impact of IFRIC 15 is therefore the deferral of profits previously recognized from the point of exchange of contracts onwards until the point of legal completion. All of these profits are now recognized at a later date.

F - 100

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

As a result, the net equity of the Company's joint ventures was decreased by Ps. 16.5 million and Ps. 11.3 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 16.5 million was recognized against retained earnings, an amount of Ps. 5.2 million gain was recognized in the statement of income.

(p) Acquisition of non-controlling interest

Aas noted in Note 29.2.2, the Company has applied the exemption in IFRS 1 for accounting for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control. Consequently, acquisitions of non-controlling interests concluded prior to July 1, 2011 have not been restated.

The IFRS adjustments below relate to acquisitions of non-controlling interest occurring on or after July 1, 2011.

Argentine GAAP – Under Argentine GAAP, the Company accounted the acquisition of the non-controlling interests under the purchase method of accounting. Under the purchase method of accounting, the purchase price paid is allocated to the net assets acquired based on its fair value. Assets, including goodwill, and liabilities of the acquired business are recognized using a cost accumulation approach (i.e. for the previous equity interests acquired). These acquisitions generated goodwill since the cost of acquisition exceeded the fair value of the net tangible and intangible assets acquired. Additionally, goodwill generated by the acquisition of the non-controlling interest in Cactus Argentina S.A. (see Note 13.2.b.) was impaired and recognized as an expense in the statement of income under Argentine GAAP.

IFRS – Under IFRS, the Company applied the principles of IFRS 10 in accounting for changes in ownership interests. As per IFRS 10, when an additional interest is obtained and control is maintained, the transaction is accounted for as an equity transaction. The Company does not recognize any additional acquisition adjustments to reflect the subsequent purchase of additional shares in the subsidiary if there is no change in control.

Under IFRS, the difference between the fair value of the consideration paid and the related carrying value of the non-controlling interest acquired is recognized in the controlling interest's equity as a credit or debit to share premium. Therefore, no gain or loss is recognized in the statement of income and no additional goodwill is recognized. The carrying value of the non-controlling interest is adjusted to reflect the change in the non-controlling interest's ownership interest in the subsidiary.

As a result of the above explanation, as of June 30, 2012, the Company: (i) derecognized goodwill for an amount of Ps. 39.8 million, (ii) recognized a decrease in non-controlling interest for an amount of Ps. 26.2 million, (iii) recognized a decrease in net assets acquired measured at fair value under Argentine GAAP for an amount of Ps. 9.0 million, and (iv) recognized a debit of Ps. 22.6 million in shareholders' equity.

Additionally, for the fiscal year ended June 30, 2012, the Company reversed the impairment charge on goodwill generated by the acquisition of the non-controlling interest in Cactus Argentina S.A. recognized under Argentine GAAP for an amount of Ps. 10.5 million.

(q) Disposal of non-controlling interest

As explained in Note 18.2.2., the Company has applied the exemption in IFRS 1 for accounting for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control. Consequently, disposals of non-controlling interests concluded prior to July 1, 2011 have not been restated.

The IFRS adjustments below relate to disposals of non-controlling interest occurring on or after July 1, 2011.

Argentine GAAP – Under Argentine GAAP, the Company accounted for disposals of non-controlling interests based on its carrying value at the date of disposal, recognizing any difference between the carrying value of the non-controlling interest and the consideration received in the statement of income.

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

IFRS – Under IFRS, the Company applied the principles of IFRS 10 in accounting for changes in ownership interests. As per IFRS 10, when there is a disposal of non-controlling interests that do not result in a change in control, the transaction is accounted for as an equity transaction. The difference between the fair value of the consideration received and the related carrying value of the non-controlling interest disposed of is recognized in the controlling interest's equity as a credit or debit to share premium. Therefore, no gain or loss is recognized in the statement of income. The carrying value of the non-controlling interest is adjusted to reflect the change in the non-controlling interest's ownership interest in the subsidiary.

As a result, as of June 30, 2012, the Company: reversed a loss for an amount of Ps. 2.7 million in the statement of income, and recognized a debit of Ps. 2.7 million in shareholders' equity.

(r) Amortization of transaction costs on borrowings

Argentine GAAP – Under Argentine GAAP, transactions costs directly attributable to the acquisition of borrowings are amortized under the straight-line method over the contract term.

IFRS – Transaction costs directly attributable to the acquisition of borrowings are deducted from the fair value at which the financial liability is initially recognized. Subsequently, they are amortized using the effective interest method over the contract term.

As a result, the Company adjusted the carrying value of borrowings for an amount of Ps. 0.1 million and Ps. 0.4 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 0.1 million was recognized against retained earnings and an amount of Ps. 0.3 million gain was recognized in the statement of income.

(s) Settlement of BrasilAgro warrants

Argentine GAAP– Payments made by the Company for the settlement of BrasilAgro warrants were capitalized in the statement of financial position.

IFRS – In accordance with IFRS 2, any payment made to a counterparty on the cancellation or settlement of a grant of equity instruments, even if this occurs after the vesting date, is accounted for as a repurchase of an equity interest (that is, as a deduction from equity), except to the extent that the payment exceeds the fair value of the equity instruments repurchased, measured at the repurchase date. Any such excess is recognized as an expense.

As a result, the Company adjusted the balance of "Non-current investments" for an amount of 2.7 million as of June 30, 2012, against a deduction in the shareholders' equity.

(t) Foreign currency translation

Argentine GAAP– Foreign operations shall be classified as integrated or non-integrated entities depending if their activities are carried out as an extension of the reporting entity. Exchange differences resulting from the translation of integrated entities are recognized in the statement of income under the line item "Financial results, net". Exchange differences resulting from the translation of non-integrated entities are recognized in a separate reserve in equity.

IFRS – Exchange differences resulting from the translation of foreign operations are recognized in the statement of other comprehensive income.

As a result, the Company reclassified an amount of Ps. 32.5 million for the fiscal year ended June 30, 2012 against the statement of income and the statement of other comprehensive income.

(u) Deferred income tax

Argentine GAAP – The Company accounts for income taxes using the deferred tax method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and

29. Adoption of International Financial Reporting Standards (IFRS) (continued)

tax based assets and liabilities and are measured using the enacted tax rates. Argentine GAAP does not prescribe detailed specific guidance related to the recognition of a valuation allowance. The Company assesses the need for a valuation allowance based on several factors including but not limited to current projections, legal expiration periods and others.

IFRS – There is no difference in the determination of deferred income taxes. However, deferred tax assets are recognized when it is considered probable (defined as "more likely than not") that sufficient taxable profits will be available to utilize the temporary difference or unused tax losses. IFRS does not allow the recognition of valuation allowances.

IFRS establishes more specific and strict procedures to assess whether a deferred tax asset should be recognized. All available evidence, both positive and negative, is considered to determine whether, based on the weight of that evidence, a deferred tax asset should be recognized. Judgment must be used in considering the relative impact of negative and positive evidence. The weight given to the potential effect of negative and positive evidence should be commensurate with the extent to which it can be objectively verified. The more negative evidence that exists (a) the more positive evidence is necessary and (b) the more difficult it is to support a conclusion that a deferred tax asset can be recognized.

As a result, on transition to IFRS, the Company has not recognized deferred tax assets relating to any carry forward losses and other temporary differences for an amount of Ps. 16.5 million and Ps. 18.8 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings.

For the fiscal year ended June 30, 2012, an amount of Ps. 16.5 million was recognized against retained earnings, an amount of Ps. 2.8 million loss was recognized in the statement of income, and an amount of Ps. 0.5 million were recognized in the statement of other comprehensive income.

Additionally, the Company has assessed the impact of all IFRS adjustments on deferred income taxes. As a result, the Company recognized an adjustment to deferred income taxes of Ps. 17.4 million and Ps. 16.7 million as of July 1, 2011 and June 30, 2012, respectively. As of July 1, 2011, the adjustment was recognized against retained earnings. For the fiscal year ended June 30, 2012, an amount of Ps. 17.4 million was recognized against retained earnings and an amount of Ps. 0.6 million gain was recognized in the statement of income.

(v) Non-controlling interest

Differences for non-controlling interest include the effect of recording, where applicable, the corresponding effect of other differences between Argentine GAAP and IFRS.

30. Subsequent events

Agreement with EAASA

On July 24, 2012, EAASA reached an agreement with the Meat Sector Union of La Pampa, the provincial government and the National government to resume production in the plant upon the following terms and conditions:

- a commitment to provide a subsidy of at least Ps. 1.2 per month for each employee who earns less than Ps. 10 per month,
- the commitment of the Government of the Province of La Pampa to grant Cresud a credit facility, via a bank designated for such purpose, in the amount of Ps. 20,000 at a subsidized rate for a term of 5 years, which proceeds should be applied to financing part of the operations of EAASA, and
- approval by the Government of the Province of La Pampa of the option to hire up to 70 employees under the first-job regime applicable in La Pampa.

It should be noted that on August 3, 2012, Cresud was granted the above indicated loan and on August 6, 2012 the plant resumed operations.

30. Subsequent events (continued)

Acquisition of equity interest in Rigby 183

In Septembrer 2012, IRSA, through its subsidiary IRSA International LLC, contractually agreed to purchase the whole 33.36% interest that Rigby Madison LLC holds in Rigby 183, owner of the building identified as Madison 183 in Manhattan. As a result, IRSA's interest in Rigby 183 will increase to 82.36% of its capital stock.

The amount of the transaction was US$ 32.5 million, of which US$ 5 million have been paid while the remaining balance is to be paid upon closing of the transaction which is estimated to happened during November 2012.

Acquisition of shares of APSA

During August, 2012, E-Commerce (subsidiary of IRSA) acquired through successive purchases 37,814 shares of APSA's capital stock, equal to a 0.03% equity interest, for a total value of US$ 0.124 million.

As a result of such acquisition, IRSA's direct and indirect participation in APSA amounts to 95.64%.

Partial payment of debt with Quality

Since the 1st of July till the issuance date of these financial statements, Quality partially paid the second installment of the balance owed in relation to the purchase of Nobleza Piccardo S.A.I.C. y F.'s property in an amount of US$ 4,.0 million.

Acquisition of Non-Convertible Notes by IRSA

On July 25, 2012, August 20, 2012 and September 11, 2012, APSA acquired Corporate Notes Class II (US$) issued by IRSA in an aggregate amount of US$ 0.88 million, US$ 1.82 million and US$ 0.85 million, respectively.

Sale of Hersha's shares

After the balance sheet date, IRSA has sold either directly or through its subsidiaries 2,000,000 common shares of Hersha, for a total amount of US$ 9.7 million. Thus, IRSA's interest in Hersha's capital stock declined from 9.13% to 8.12%.

Transactions with related parties – Credit Facility with CYRSA

On August 27, 2012, CYRSA granted a credit line to each of its shareholders, IRSA and CYRELA, for a maximum amount of Ps. 190 million, each, for a term no to exceed one year.

Daily interest accrued on each disbursed amount will be based on the Private Sector Badlar Rate.

Sale of units in the building identified as Libertador 498

On August 31, 2012, IRSA executed the conveyance deed that formalizes the sale of a functional unit and various other units (parking spaces) in the building identified as Libertador 498. The transaction price was fixed at US$ 15

million, which were paid on August 8, 2012 upon execution of the bill of sale.

APSA

On August 31, 2012, Quality Invest S.A. partially paid the second installment of the balance owed in relation to the purchase of Nobleza Piccardo S.A.I.C. y F's property in an amount of US$ 2 million.

Purchase of shares IRSA

In July, 2012, the Company purchased 175,000 IRSA's American Depositary Receipts ("ADRs"), for a total amount of US$ 1.2 million. Thus, the direct interest increased to 64.50%.

F - 104

30. Subsequent events (continued)

Class IV Non-convertible Notes

On July 23, 2012, the Company made the eighth payment of interest and the fourth installment of capital on Class IV Non-Convertible notes in the amounts of US$ 0.09 million and US$ 4.5 million, respectively, related to the period April 16, 2012 and July 23, 2012. With this payment, Class IV of Non-Convertible notes are completely cancelled.

Class V, VI y VII Non- Convertible Notes

On September 10, 2012, the sixth interest installment of Class V, Class VI and Class VII Non-Convertible Notes for Ps. 3.0 million, US$ 0.5 million and US$ 0.021 million, respectively, related to the period June 11 and September 10, 2012 were paid. Likewise, on that date, Ps. 35.6 million and US$ 8.7 million were paid for the second amortization of Class V and Class VI Non-convertible Notes, respectively.

Class VIII Non-convertible Notes

On September 7, 2012, the Company made the second payment of interest in the amount of US$ 2.3 million, for the period between March 7, 2012 and September 7, 2012.

Financial Loan granted by Banco de la Pampa

On August 3, 2012 the Company took a loan in a total amount of Ps. 20 million granted by Banco de la Pampa.

The proceeds from the loan shall be exclusively allocated to the subsidiary EAASA for purposes of furthering the Company's investment project in Planta Frigorífica Carnes Pampeanas.

Principal shall accrue interest at a nominal annual rate equal to the simple arithmetic average of the surveyed interest rates for term deposits 30 to 59 days of term, published from the 24th day inclusive or the previous business day of the calendar month previous to the month over which interests are applied, until the 25th day inclusive or the later business day of the previous second calendar month of the month in which the rate is applicable. A spread of 6 basis points shall be added to such average rate.

The Government of the Province of La Pampa shall forego interest in an amount equal to a maximum of 8 percentage points.

The nominal annual rate to be paid by the debtor shall, under no circumstance, be lower than 10.5% and nor higher than 14.5%.

Interests are payable semiannually, without grace period; therefore, the first interest payment is due on February 3, 2013.

The principal is repaid in six equal, semiannual, consecutive and uninterrupted installments, with a grace period of 30 years; therefore the first principal payment is due on February 3, 2015.

The term of the loan is 60 months as from the disbursement date.

Fifth Series of Class X Tranche II Non-Convertible notes

On September 7, 2012, as part of the Global Program for the issuance of Non-Convertible Notes for an aggregate amount of US$ 300,000,000, we have started the marketing period for the second tranche of Class X Non-Convertible Notes at a fixed rate of 7.75% due on June 23, 2014. The Public Auction will be carried out on September 13 and 14 for purposes of pricing the issue and on September 19 will occur the issuance and the settlement of the transaction. The transaction amount disclosed is US$ 10,000,000 (face value), which may be increased to US$ 30,000,000 depending on the market demand, which will be paid in at the prevailing exchange rate, as defined in the corresponding Pricing Supplement. Interests are payable quarterly and the principal shall be

30. Subsequent events (continued)

repaid on the 18th, 21st and 24th month as from June 21, 2012, which coincide with payment dates of Class X.

It should be noted that Class X Non-Convertible notes issued under the new Tranche II shall be fully fungible with Class X Non-Convertible notes issued on June 21, 2012 at a fixed rate of 7.75%.

Sale of Horizontina Farm

On October 10, 2012, BrasilAgro sold Horizontina Farm. The farm was acquired by the Company in April 2010 for R$37.7 million and had a total area of 14,359 hectares.

The farm was sold for R$75.0 million. The buyer made an initial payment of R$1.0 million and the remaining balance will be paid in two installments, as follows: R$26.0 million in October 2012 and R$48.0 million in January 2013 upon the execution of the deed and transfer of the ownership title. As part of the deal, the Company will continue to operate the farm until July 2013.

Shareholders’ Meeting

The 2012 annual meeting of shareholders of the Company will be held on October 31st, 2012, at Bolívar 108 1st Floor, City of Buenos Aires, in order to consider and approve, among others, (i) the annual financial statements for the period ended June 30, 2012, (ii) the performance of the Board of Directors and Supervisory Committee, (iii) consideration of results of the fiscal year ended June 2012, (iv) consideration of the creation of a Global Program for the issuance notes of up to US$ 300 million and delegation to the Board of Directors of the powers to establish the terms and conditions of each class of notes to be issued under the program, (v) amendments to the Company bylaws in order to allow distance board of directors' meetings, and (vi) appointment of Directors, Members of the Supervisory Committee, and Certifying Accountant.

31. Differences between Argentine GAAP and US GAAP

The Consolidated Financial Statements of the Company have been prepared in accordance with Argentine GAAP and the regulations of the CNV, which differ in certain significant aspects from US GAAP. Such differences involve methods of measuring the amounts shown in the Consolidated Financial Statements, as well as additional disclosures required by US GAAP and Regulation S-X of the SEC.

As discussed in Notes 2.d), in order to comply with regulations of the CNV, the Company discontinued inflation accounting as from February 28, 2003. Since Argentine GAAP required companies to discontinue inflation adjustments as from October 1, 2003, the application of the CNV resolution represented a departure from Argentine GAAP. However, due to low inflation rates during the period from March 1 to September 30, 2003, such a departure did not have a material effect on the Consolidated Financial Statements.

I- Differences in measurment methods

	Fiscal Year ended June 30,		
Reconciliation of net income:	2012	2011	2010

Net income as reported under Argentine GAAP attributable to Cresud	78,263	221,933	198,634
US GAAP adjustments:			
- Impact of US GAAP adjustments on equity investees (Note 31.I.a))	(136,420)	34,397	(26,393)
- Impact of US GAAP adjustments on joint ventures (Note 31.I.ah))	(2,153)	(3,137)	(2,550)
- Valuation of inventories (Note 31.I.b))	11,125	(47,611)	(52,344)
- Deferred income tax (Note 31.I.c))	(16,544)	6,158	31,629
- Elimination of gain on acquisition of non-controlling interest (Note 31.I.d))	32	32	32
- Available-for-sale securities (Note 31.I.e))	(263)	(97)	14,838
- Effect of US GAAP adjustments on management fee (Note 31.I.f))	(330)	(60,689)	(888)
- Accounting for warrants (Note 31.I.g))	76,542	(23,022)	(23,812)
- Depreciation of fixed assets (Note 31.I.i))	551	552	536
- Pre-operating expenses (Note 31.I.j))	40	2,063	(8,143)
- Accounting for IRSA Step Acquisition (Note 31.I.l))	14,842	17,287	39,852
- Securitization accounting (Note 31.I.m))	-	-	(2,280)
- Present-value accounting (Note 31.I.n))	(4,064)	(3,979)	(1,364)
- Reversal of previously recognized impairment losses (Note 31.I.o))	3,694	3,206	3,114
- Accounting for real estate barter transactions (Note 31.I.p))	-	(24,560)	735
- Differences in basis relating to purchase accounting (Note 31.I.aa))	(43,121)	604,737	58,470
- Reversal of loss (gain) from valuation of real estate inventories at net realizable value (Note 31.I.q))	6,803	2,331	(6,552)
- Software developed or obtained for internal use (Note 31.I.s))	-	7	49
- Reversal of capitalized financial costs (Note 31.I.t))	1,315	1,200	(52)
- Debtor’s accounting for a modification of APSA convertible debt instruments (Note 31.I.u))	-	(483)	(167)
- Revenue recognition – deferred commissions (Note 31.I.v.1))	(8,999)	(10,363)	(3,187)
- Revenue recognition – scheduled rent increases (Note 31.I.v.2))	26,487	14,969	17,015
- Revenue recognition – deferred insurance and origination fees (Note 31.I.v.3))	-	(2,139)	22,925
- Amortization of fees related to Series II of APSA Non Convertible Notes (Note 31.I.x))	(49)	(133)	(97)
- Recognition of put option (Note 31.I.y))	-	48,461	(3,582)
- Acquisition of non-controlling interest in IRSA (Note 31.I.ab.1))	(1,590)	(741)	(563)
- Acquisition of non-controlling interest in APSA (Note 31.I.ab.4))	(1,847)	(1,385)	-
- Acquisition of non-controlling interest in Cactus (Note 31.I.ab.2))	10,525	-	-
- Disposal of business (Note 31.I.ac))	-	32,838	-
- Allowance for loan losses of credit card portfolio of Apsamedia (Note 31.I.ad))	1,569	(2,088)	-
- Disposal of non-controlling interest in Jaborandí (Note 31.I.ae))	2,690	-	-
- Commodity linked debt (Note 31.I.af))	(25)	-	-
- Accounting for preferred shares and warrants of Supertel (Note 31.I.ai))	(7,993)	-	-
- Non-controlling interest (Note 31.I.w))	70,155	(50,980)	(62,456)
- Net income under US GAAP	81,235	758,764	193,399
- Non-controlling interest (Note 31.I.w))	24,211	239,985	257,510
- Net income under US GAAP	105,446	998,749	450,909

F - 106

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

Reconciliation of net income:	Fiscal Year ended June 30, 2012	2011	2010
Earnings per share under US GAAP attributable to Cresud (Note 31.II.g)):			
Basic net income per common share	0.16	1.53	0.40
Diluted net income per common share	0.07	1.38	0.38

Reconciliation of shareholders' equity:	As of June 30, 2012	2011
Shareholders' equity under Argentine GAAP attributable to Cresud	2,063,281	2,101,681
US GAAP adjustments:		
Impact of US GAAP adjustments on equity investees (Note 31.I.a))	(184,249)	(46,689)
Impact of US GAAP adjustments on joint ventures (Note 31.I.ah))	(15,512)	(13,075)
Valuation of inventories (Note 31.I.b))	(124,764)	(135,889)
Deferred income tax (Note 31.I.c))	(56,200)	(44,501)
Elimination of gain on acquisition of non-controlling interest (Note 31.I.d))	(945)	(977)
Accounting for warrants (Note 31.I.g))	(51,226)	(127,768)
Effect of US GAAP adjustments on management fee (Note 31.I.f))	(38,180)	(37,850)
Depreciation of fixed assets (Note 31.I.i))	(6,729)	(7,280)
Pre-operating expenses (Note 31.I.j))	(22,386)	(22,426)
Accounting for IRSA Step Acquisition (Note 31.I.l))	316,762	301,920
Differences in basis relating to purchase accounting (Note 31.I.aa))	631,170	674,291
Mortgage payable with no stated interest rate (Note 31.I.k))	(2,029)	(2,029)
Present-value accounting (Note 31.I.n))	11,749	15,813
Reversal of previously recognized impairment losses (Note 31.I.o))	(96,072)	(99,766)
Accounting for real estate barter transactions (Note 31.I.p))	(53,969)	(53,969)
Reversal of loss (gain) from valuation of real estate inventories at net realizable value (Note 31.I.q))	(9,585)	(16,388)
Appraisal revaluation of fixed assets (Note 31.I.r))	(3,953)	(3,953)
Reversal of capitalized financial costs (Note 31.I.t))	(57,770)	(59,085)
Revenue recognition – deferred commissions (Note 31.I.v.1))	(44,446)	(35,447)
Revenue recognition – scheduled rent increases (Note 31.I.v.2))	78,479	51,992
Amortization of fees related to Series II of APSA Non-Convertible Notes (Note 31.I.x))	-	49
Accounting for investment in Hersha Hospitality Trust and TGLT (Note 31.I.z))	138,204	151,391
Acquisition of non-controlling interest in IRSA (Note 31.I.ab.1))	(6,133)	11,899
Acquisition of non-controlling interest in APSA (Note 31.I.ab.4))	(211,156)	(208,952)
Allowance for loan losses of credit card portfolio of Apsamedia (Note 31.I.ad))	(519)	(2,088)
Acquisition of non-controlling interest in Jaborandí (Note 31.I.ab.3))	(12,531)	-
Commodity linked debt (Note 31.I.af))	72	97
Settlement of BrasilAgro warrants (Note 31.I.ag))	(2,706)	-
Acquisition of non-controlling interest in Arcos del Gourmet (Note 31.I.ab.5))	(14,124)	-

Accounting for preferred shares and warrants of Supertel (Note 31.I.ai))	(7,993)	-
Non-controlling interest on adjustments above (Note 31.I.w))	162,817	70,490
Shareholders’ equity under US GAAP attributable to Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria	2,379,357	2,461,491
Non-controlling interest (Note 31.I.w))	1,827,961	2,220,650
Shareholders’ equity under US GAAP	4,207,318	4,682,141

F - 107

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

Description of changes in shareholders' equity under US GAAP:	Fiscal Year ended June 30,					
	2012			2011		
	Cresud	Non-controlling interest	Total	Cresud	Non-controlling interest	Total
- Shareholders' equity at the beginning of the fiscal year	2,461,491	2,220,650	4,682,141	1,857,653	1,436,236	3,293,889
- Distribution of cash dividends	(61,499)	(133,193)	(194,692)	(69,000)	(121,406)	(190,406)
- Exercise of warrants – par value	-	-	-	2	-	2
- Additional paid-in-capital-warrants	-	-	-	15	-	15
- Non-controlling shareholders' contribution	-	76,377	76,377	-	114,159	114,159
- Other comprehensive income (Note 31.II.q))	(6,409)	(4,528)	(10,937)	(28,301)	(22,285)	(50,586)
- Acquisition of non-controlling interest	(36,525)	(225,457)	(261,982)	(208,857)	(325,680)	(534,537)
- Capital reduction	-	-	-	-	(12,770)	(12,770)
- Effect of Consolidation BrasilAgro/Cactus	-	-	-	-	900,796	900,796
- Cumulative adjustments for accounting charges in BHSA (Note 31.I.a))	-	-	-	49,449	-	49,449
- Settlement of BrasilAgro warrants	(2,706)	-	(2,706)	-	-	-
- Disposal of non-controlling interest in Jaborandí	(1,066)	1,066	-	-	-	-
- Additional paid-in-capital - Stock option plan	3,528	2,739	6,267	1,012	1,610	2,622
- Foreign currency translation	(58,692)	(133,904)	(192,596)	100,754	9,844	110,598
- Sell of non-controlling interest	-	-	-	-	161	161
- Net income under US GAAP	81,235	24,211	105,446	758,764	239,985	998,749
- Shareholders' equity as of the end of the fiscal year	2,379,357	1,827,961	4,207,318	2,461,491	2,220,650	4,682,141

Description of reconciling items:

a) Impact of US GAAP adjustments on equity investees

Under Argentine GAAP, investments in companies in which the Company exercises significant influence, but not control, are accounted for under the equity method. Under the equity method, the investment is recorded at original cost and periodically increased (decreased) by the investor's proportionate share of earnings (losses) of the investee and decreased by all dividends received from the investor by the investee. The Company applies its percentage ownership interest to the financial statements of its equity method investments prepared under Argentine GAAP. For purposes of this reconciliation, the Company has assessed the impact of US GAAP adjustments on the Argentine GAAP financial statements of its equity investees. As of June 30, 2012, the equity investees of the Company are BHSA, BACSA, Manibil, New Lipstick LLC, Rigby 183 LLC, Tarshop, AgroUranga and Agro Managers.

Banco Hipotecario and Banco de Crédito y Securitización:

During the years ended June 30, 2012, 2011 and 2010, the Company acquired additional shares in BHSA. These acquisitions were accounted for under the purchase method of accounting under Argentine GAAP. The majority of the assets and liabilities on BHSA's balance sheet are financial assets carried at fair value, or are short-term in nature. The carrying value of these short-term assets approximates fair value. In these acquisitions, the fair value of BHSA's net assets exceeded the purchase price paid. When the fair value of the net assets acquired exceeds the consideration paid, negative goodwill exists under Argentine GAAP. Under Argentine GAAP, non-financial assets were written down against the negative goodwill in these acquisitions. Any remaining negative goodwill was immediately recognized as a gain in the respective periods. Accordingly for the fiscal years ended June 30, 2011 and 2010, the Company recorded gains of Ps. 14.8 million and Ps. 70.4 million, respectively as a result of these transactions under Argentine GAAP.

F - 108

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

a) Impact of US GAAP adjustments on equity investees (continued)

US GAAP requires that the difference between the cost of an investment and the amount of underlying equity in net assets of an investee should be accounted for as if the investee were a consolidated subsidiary. The difference at the date of purchasing the additional shares in BHSA between the cost of the investment and underlying equity in net assets was accounted for according to its nature. The Company applied the provisions of ASC N° 805 "Business Combination" (ASC No. 805), in assigning this difference. Under US GAAP authoritative literature, the concept of a "bargain purchase" (the purchase price was substantially lower than the fair value of the underlying net assets) does not apply to an equity method investment since the investor does not control the underlying assets of the investee and therefore would not be able to realize the gain by selling the underlying assets of the investee to unlock this gain. Accordingly, under US GAAP the reconciling item includes the reversal of the gains of nil, Ps. 14.8 million and Ps. 70.4 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively. Under US GAAP these gains are deferred and will be recognized upon consolidation or selling of the shares of BHSA.

Including the impact of the reversal of the gain explained above the US GAAP adjustments on the Company´s equity investees in BHSA related primary to (i) troubled debt restructuring; (ii) loan loss reserves; (iii) loan origination fees and costs; (iv) securitization of mortgaged loans; (vi) impairment of fore-closed assets; and (vii) consolidation of variable interest entities, among others. The US GAAP adjustments also include the effect of the elimination of intercompany results generated in the disposal of business related to Tarshop and Apsamedia as mentioned in note 31.I.ac). The impact of US GAAP adjustments related to BHSA were a loss of Ps. 31.4 million, a gain of Ps. 68.7 million and a loss of Ps. 26.4 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively; net of Ps. (2.3) million, Ps. (83.5) million and Ps. 188.3 million of other comprehensive income adjustments for the fiscal years ended June 30, 2012, 2011 and 2010, the recognition of paid in capital of Ps. 1.1 million for the fiscal year ended June 30, 2012 and the recognition of cumulative adjustments for accounting charges (related to the consolidation of variable interest entities for the adoption of ASU 2009-01) to shareholders' equity of Ps. 49.5 million for the fiscal year ended June 30, 2011.

Metropolitan – New Lipstick:

As mentioned in Note 2.f), in July 2008 the Company acquired a 30% interest in Metropolitan 885 Third Avenue LLC ("Metropolitan"), and had recognized a zero value on its investment since acquisition as the share in Metropolitan's losses exceeded its equity interest.

As also discussed in Note 2.f), in November 2010, Metropolitan 885 Third Avenue Leasehold LLC (the "Metropolitan Leasehold" and subsidiary of Metropolitan) presented a plan of reorganization (the "Plan"). The Plan was approved by the Company's Members and the corresponding jurisdiction Court and it became effective on December 30, 2010. The Plan provides for, among other things, the reduction and restructuring of the financial debt and the extinguishment of 100% of the Parent Company, the Holding Company and the Junior Mezz membership interest in the Property Owner and issuance of the membership interest in the reorganized debtor to New Lipstick LLC, a newly formed entity in which the Company changed its member class and holds a 49% interest. In exchange for the 49% interest in New Lipstick LLC, IRSA made a US$ 15.3 million capital contribution, and surrendered its rights for the put option for the 50% of the shareholding initially acquired in Metropolitan, which amounted to approximately US$ 11.3 million as of

the date of reorganization.

Argentine GAAP does not provide specific rules about this type of reorganizations. Under US GAAP, the Company applies the provisions of ASC No. 852 “Reorganizations”. Following ASC No. 852, if the reorganization value of the emerging entity immediately before the date of court approval is less than the total of liabilities, and the holders of existing voting shares immediately before court approval receive less than 50 percent of the voting shares of the emerging entity, fresh start accounting must be applied. The reorganization value of the entity shall be assigned to the entity's assets and liabilities in conformity with the procedures specified in ASC No. 805, “Business Combinations” (“ASC No. 805”) when the entity applies fresh start accounting. Accordingly, Metropolitan has recognized the results of the plan and the deconsolidation of its investment, and New Lipstick LLC has applied fresh start accounting.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

a) Impact of US GAAP adjustments on equity investees (continued)

However, the results of the reorganization did not impact the results of IRSA under both US GAAP and Argentine GAAP since the Company had recognized a zero value on this investment as the share in Metropolitan's losses exceeded its equity interest. Under Argentine GAAP, the investment in New Lipstick LLC is also accounted under the equity method. Under the equity method, the investment is recorded at original cost and periodically increased (decreased) by the investor's proportionate share of earnings (losses) of the investee and decreased by all dividends received from the investor by the investee. The original cost includes the cash contribution and the put option settled as part of the transaction. There are no differences with US GAAP in the recorded cost of the investment. For purposes of the reconciliation, the company has assessed the impact of US GAAP adjustments on the Argentine GAAP financial statements of its equity investees. The US GAAP adjustments on the New Lipstick LLC equity investee related primary to (i) revenue recognition and schedule rent increases of the lessees where the entity is the lessor; (ii) the straight line of the ground lessee where the entity is a lessee; and (iii) acquisition costs. The net US GAAP adjustment on the results of the investment in New Lipstick LLC amounts to a loss of Ps. 106.3 million and a loss of Ps. 35.6 million for the fiscal years ended June 30, 2012 and 2011, respectively.

Rigby 183 LLC:

In December 2010, the Company together with other shareholders (unrelated parties to the Company) formed Rigby 183 LLC ("Rigby 183"), for the purpose of acquiring a real estate property located in New York. At the date of formation, the Company held a 57% interest in Rigby 183. However, on March 31, 2011, the Company sold an 8% interest in Rigby 183 to CAM Communications LP, an unrelated party to the Company. As a result, as from the date of disposal, the Company held a 49% interest in Rigby 183. There is a limited liability agreement signed between the shareholders upon formation of Rigby 183 (the "Agreement"), which requires that certain significant decisions shall be taken with the majority of the voting rights plus the affirmative vote of one of the other of Rigby 183.

These decisions are central to the operation of Rigby 183 and, considering the Agreement, cannot be taken unilaterally by the Company. Therefore, upon formation of Rigby 183, the Company does not have the power to direct or cause the direction of the management and policies of Rigby 183.

Under Argentine GAAP, and considering the Agreement mentioned in previous paragraph, the Company concluded that, as from the date of acquisition, the Company exercised joint control over Rigby 183 through its 57% interest over that Company. As required by Technical Resolution No. 21 "Equity Method of Accounting, Consolidation of Financial Statements and Related Party Transactions" ("RT No. 21"), under Argentine GAAP, investments in joint ventures where the Company exercises joint control are accounted under the proportionate consolidation method. However, Technical Resolution N° 21 also establishes that the financial statements of companies over which temporary control or joint control exists shall not be consolidated or proportionally consolidated. Temporary control or joint control exists when the investor expects to sale or dispose the investment acquired within one year since acquisition. Considering that, since the date of disposition of the 8% interest in Rigby 183, the Company exercised significant influence instead of joint control over this investment; the Company concluded that temporary joint control existed as of the date of formation of Rigby 183. Therefore, under Argentine GAAP, the Company accounted for its investment in Rigby 183 under the equity method of accounting since the date of its formation.

Under US GAAP similar Argentine GAAP since the Company does not exercise control over its investment in Rigby 183, the equity method of accounting was applied since the date of its formation, in accordance with ASC No. 323, “Investments-Equity Method and Joint Ventures” (“ASC No. 323”).

For purposes of this reconciliation, the Company has assessed the impact of US GAAP adjustments on its equity investee, Rigby 183, which related primary to (i) differences in the accounting for operating leases; and (ii) differences in the accounting for business combinations. The net US GAAP adjustment on the investment in Rigby 183 amounts to a gain of Ps. 6.4 million and a gain of 3.2 million for the fiscal years ended June 30, 2012 and 2011, respectively.

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

a) Impact of US GAAP adjustments on equity investees (continued)

Tarshop:

APSA sold an 80% in Tarshop on September 13, 2010, and deconsolidated the subsidiary as of that date. As from September 13, 2010, APSA maintains a 20% interest in Tarshop and accounts for its investment under the equity method of accounting. The US GAAP adjustments on Tarshop's equity investee related primary to (i) loan loss reserves; (ii) loan origination fees and costs and (iii) consolidation of variable interest entities. The impact of the US GAAP adjustments to the financial statements of Tarshop prepared under Argentine GAAP were a loss of Ps. 5.2 million and a gain of Ps. 2.9 million as of June 30, 2012 and 2011, respectively.

Under Argentine GAAP, the Company recognized the non-controlling investment retained under the equity method at the date control was lost. Under US GAAP APSA recognized the non-controlling investment retained at its fair value at the date control was lost. The US GAAP adjustment on APSA´s equity investee in Tarshop amounted to a loss of Ps. 9.8 million as of June 30, 2011. The net impact to equity of the adjustments described above amount to Ps. 6.9 million as of June 30, 2011 and Ps. 12.1 million as of June 30, 2012.

The remaining 80% interest in Tarshop is held by BHSA, an equity method investee of the Company, as further described above. Accordingly, the US GAAP adjustments on the Company's equity investment in BHSA include also the portion of the US GAAP adjustments in Tarshop generated by the Company's equity interest in BHSA.

As a result of the explanation on this note, the US GAAP adjustment on equity investee are summarized below:

	Fiscal Year ended June 30,		
	2012	2011	2010
Equity Investees – Adjustments to net income			
- Banco Hipotecario S.A.	(31,372)	68,692	(26,369)
- New Lipstick LLC	(106,339)	(35,582)	-
- Rigby 183 LLC	6,444	3,175	-
- Tarshop S.A...	(5,155)	2,925	-
- Agricultural equity investee	2	(4,813)	(24)
Total net income adjustments to US GAAP	(136,420)	34,397	(26,393)

	Fiscal Year ended June 30,	
	2012	2011
Equity Investees – Adjustments to shareholder's equity		
- Banco Hipotecario S.A.	(41,453)	(8,941)
- New Lipstick LLC	(141,921)	(35,582)
- Rigby 183 LLC	9,619	3,175
- Tarshop S.A...	(12,078)	(6,923)
- Agricultural equity investee	1,584	1,582
Total equity adjustments to US GAAP	(184,249)	(46,689)

b) Valuation of inventories

Under Argentine GAAP, livestock held for sale is recorded at net realizable value. Livestock for dairy, breeding and/or developing is recorded at replacement cost as determined by agricultural appraisers.

Under US GAAP, dairy, breeding and developing livestock is recorded at the lower of cost or market, with costs removed from inventory on a first-in/ first-out basis. All direct and indirect costs of developing livestock, such as the purchase price, labor costs, feed, vaccines and veterinary fees are accumulated until the livestock reaches maturity or are sold. Dairy and breeding herd is depreciated using the straight-line method over the estimated useful life of five years.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

b) Valuation of inventories (continued)

As of June 30, 2011 and 2010 the significant difference between Argentine and US GAAP is due to the increase of beef cattle prices.

Under Argentine GAAP inventories, primarily agricultural supplies, are valued at replacement cost. Changes in replacement cost are charged to income as incurred. Additionally, harvested crops for the Company’s operations in Bolivia are measured at net realizable value, with changes being recognized in the statement of income.

Under US GAAP purposes, consumable supplies are measured at the lower of cost or net realizable value. The cost of consumable supplies is determined using the weighted average method. The cost of hotel inventories is determined using the first-in first-out method. Additionally, harvested crops for the Company’s operations in Bolivia are measured at the lower of cost or net realizable value because there is not an active market for the produce in this country.

As a result of the above explanation, the US GAAP adjustment amounts to a gain of Ps. 11.1 million, a loss of Ps. 47.6 million and a loss of Ps. 52.3 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

c) Deferred income tax

The Company accounts for income taxes using the deferred tax method under both Argentine GAAP and US GAAP. Argentine GAAP is similar to the guidance in ASC No. 740, “Income Taxes”, (“ASC No. 740”).

The Company accounts for income taxes using the deferred tax method under both Argentine GAAP and US GAAP. Argentine GAAP is similar to the guidance in ASC No. 740-10 “Income Taxes” (“ASC No. 740-10”) (formerly FIN 48 “Uncertain Tax Positions”). However, as discussed in Note 2.(i) Resolution CD 93/2005 issued by the CPCECABA provided for the accounting treatment of differences between the tax basis and book basis of non-monetary items for deferred income tax calculation purposes when companies prepare price-level restated financial statements. This resolution mandated companies to treat these differences as temporary differences but allowed a one-time accommodation to continue treating these differences as permanent. As a result, the Company had elected to continue treating these differences as permanent in its prior years´ financial statements. On October 24, 2011, in anticipation of IFRS for public entities, the CNV issued Resolution No. 592 which provides that issuers who followed the Resolution CD 93/2005 should recognize the deferred tax liability on a retroactive basis before its transition date, i.e. July 1, 2011 for IRSA. As a result, the Company recorded an adjustment to retroactively recognize the deferred tax liability and modified the amounts disclosed in the previous years as follows:

	As of June 30, 2011		As of June 30, 2010	
	As adjusted	As previously issued	As adjusted	As previously issued
Reconciliation of net income				
Income tax expense	6,158	21,539	31,629	55,068

Non-controlling on adjustments (Note 31.I.w)	(50,980)	(56,992)	(62,456)	(72,666)
Reconciliation of shareholders´equity				
Deferred income tax	(44,501)	(166,195)		
Non-controlling on adjustments (Note 31.I.w)	70,490	80,328		

Under US GAAP, the Company applies ASC No. 830 "Foreign Currency Matters – Income Taxes" ("ASC No. 830"), which requires such differences to be treated as temporary.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

c) Deferred income tax (continued)

In addition, the US GAAP adjustment includes the effect of deferred income taxes on the reconciling items, as appropriate.

ASC No. 740 prescribes more detailed and specific guidance related to the assessment of the need for a valuation allowance. US GAAP requires the weighting of positive and negative evidence in accordance with its objective verifiability. Furthermore, it indicates that a cumulative loss in recent years is a significant piece of negative evidence that is difficult to overcome thereby requiring positive evidence of sufficient quality and quantity to support a conclusion that, based on the weight of all available evidence, a valuation allowance is not needed. When assessing whether a company's deferred tax asset will be realized, a company's recent losses or near-term expected losses will generally carry more weight in the assessment than its prior historic profitability or its longer-term projected profitability (which is typically more subjective in nature). Therefore, the existence of a 3-year cumulative loss in a jurisdiction, particularly if it includes multiple periods of significant annual losses without recent evidence of turnaround, will effectively preclude consideration of future profitability in most instances as being objectively verifiable.

Accordingly, under US GAAP, a full valuation allowance has been provided for the net deferred tax assets of Arcos del Gourmet and Llao Llao Resorts.

d) Elimination of gain on acquisition of non-controlling interest

Under Argentine GAAP, the Company recorded, during fiscal year 1999, a gain on the acquisition of the minority interest of Agro Riego (subsequently merged with and into the Company). Under US GAAP, such excess was recorded as a reduction in the values of the underlying non-current assets of Agro Riego and is being amortized over the estimated useful lives of such assets which is approximately 42 years.

e) Available-for-sale securities

As of June 30, 2012 and 2011, the Company´s available for sale securities include mutual funds, shares of public companies, mortgage bonds and government bonds.

The Company’s investments are considered available-for-sale as these securities could potentially be sold in response to needs for liquidity, changes in the availability of and the yield on alternative instruments or changes in funding sources or terms. Management determines the appropriate classification of debt and equity securities at the time of purchase and reevaluates such designation as of each balance sheet date.

Under Argentine GAAP, available-for-sale securities are carried at market value, with unrealized gains and losses recorded in income. Under US GAAP, pursuant to ASC No. 320 “Investments – Debt and Equity Securities” ("ASC No. 320"), these investments are classified as available-for-sale securities and, accordingly, unrealized gains and losses are excluded from income and reported as a separate component of shareholders’ equity. ASC No. 320 also states that for

individual available-for-sale securities, an enterprise shall determine whether a decline in fair value below the amortized cost basis is other than temporary. In such event, accumulated unrealized losses included in other comprehensive income shall be reclassified into the statement of income. See Note 31.II.l).

f) Effect of US GAAP adjustments on management fee

As discussed in Note 31.II.p), the Company entered into a Management Agreement with CAMSA, pursuant to which CAMSA provides agricultural advisory services and certain other administration services to the Company.

The Company pays CAMSA an annual fee equivalent to 10% of the after-tax net income of the Company for these services. The reconciliation to US GAAP includes the effects of the US GAAP adjustments on management fee.

g) Accounting for warrants

In March 2008, the Company issued 180 million warrants as part of the issuance of common stock. Under Argentine GAAP, proceeds from the issuance were allocated to the shares and warrants issued based on the relative

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

g) Accounting for warrants (continued)

fair market value estimated upon subscription. The fair value of the warrants was calculated using the Black-Scholes method as of the date of issuance. Under Argentine GAAP, the warrants were considered an equity instrument and the portion of the proceeds allocated to the warrants was recorded as additional paid-in capital. The warrant agreement requires that the Company file, and use best efforts to cause to be declared and keep effective, a registration statement covering the issuance of the shares underlying the warrants. However, the warrant agreement fails to specify the remedies, if any, that would be available to warrant holders in the event there is no effective registration statement covering the issuance of shares underlying the warrants. Under US GAAP, the accounting of the warrants as a derivative liability is required under ASC No. 815-40 "Derivatives and Hedging" (ASC No. 815-40) (formerly EITF 00-19 "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock") due to the absence in the warrant agreement of provisions addressing the exercise of the warrants in the absence of an effective registration statement. Under ASC No. 815-40, the registration of the common stock underlying the warrants is not within the Company's control. In addition, under ASC No. 815-40, in the absence of explicit provisions to the contrary in the warrant agreement, the Company must assume that it could be required to settle the warrants on a net-cash basis, thereby necessitating the treatment of the potential settlement obligation as a liability. Under the provisions of ASC No. 815-40, a contract designated as a liability must be carried at full fair value on a company's balance sheet, with any changes in fair value recorded in the company's results of operations. Under US GAAP, the proceeds were allocated first to the warrants on a full fair value basis with the residual allocated to common stock. The fair value of the warrants was Ps. 115.2 million as of the date of issuance. The US GAAP adjustment to equity represents the reclassification of additional paid-in capital to liability for such amount. The US GAAP adjustment to income represents the change in the fair value of the warrants. The Company recognized a gain of Ps. 76.5 million, a loss of Ps. 23.0 million and a loss of Ps. 23.8 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively. Also, an amount of Ps. 0.02 million of warrants was exercised as of June 30, 2011. As such, this amount was reclassified from liabilities to equity.

h) Accounting for uncertainty in income taxes

On July 1, 2007, the Company adopted ASC No. 740, "Income Taxes", ("ASC No. 740). ASC No. 740 addresses the accounting and disclosure of uncertain tax positions. ASC No. 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The difference between the tax benefit recognized in the financial statements for a position in accordance with ASC No. 740 and the tax benefit claimed in the tax return is referred to as an unrecognized tax benefit.

The adoption of ASC No. 740 did not result in an increase to the net liability for unrecognized tax benefits.

The Company's principal taxable jurisdiction is Argentina. At any point in time, the Company may have tax audits underway at various stages of completion. The Company evaluates the tax positions and establishes liabilities for uncertain tax positions that may be challenged by local authorities and may not be fully sustained, despite the Company's belief that the underlying tax positions are fully supportable. Uncertain tax positions are reviewed on an

ongoing basis and are adjusted in light of changing facts and circumstances, including progress of tax audits, developments in case law, and closing of statute of limitations. Such adjustments are reflected in the tax provision as appropriate.

i) Depreciation of fixed assets

Prior to 2007, certain office and apartment buildings of the Company were being depreciated over a useful life of 50 years under Argentine GAAP. For US GAAP purposes, these buildings were being depreciated over a useful life of 40 years. Accordingly, the US GAAP adjustment reflected higher depreciation charges for US GAAP purposes. As a result of this adjustment, the net book value of these assets for US GAAP purposes differs from the book value for Argentine GAAP purposes. In the fiscal year ended June 30, 2007, independent appraisers reassessed the appropriateness of the useful lives of the Company's office buildings and other properties. As a result of the work, the remaining useful lives of certain of these properties were reduced and no difference exists in the remaining useful life of these assets between Argentine GAAP and US GAAP. However, due to the different cost base of fixed assets for Argentine GAAP and US GAAP purposes, a US GAAP reconciling item for depreciation still exists.

---

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

j) Pre-operating expenses

Under Argentine GAAP, the Company capitalizes certain costs related to pre-opening activities and other start-up costs. These costs are amortized under the straight-line method generally over a period of three years. Under US GAAP, pursuant to ASC 720-15 - "Other Expenses-Start-up Costs" ("ASC No. 720-15"), such costs are charged to income as incurred. The US GAAP adjustment for the fiscal years ended June 30, 2012, 2011 and 2010 represents the net effect of (i) expensing such costs as incurred and (ii) the reversal of amortization expense on costs capitalized under Argentine GAAP and expensed under US GAAP.

k) Mortgage payable with no stated interest rate

In 1991, IRSA obtained a non-interest bearing mortgage with a face value of US$ 3,300 to acquire a property (Suipacha 652/64). Under Argentine GAAP, IRSA did not make any fair value adjustment for this non-interest bearing mortgage. Under US GAAP however, the non-interest bearing mortgage held by IRSA was recorded at the estimated market value of the note. IRSA used an interest rate of 12%, which approximated its weighted-average borrowing rate, in determining the present value of this debt. This mortgage was fully repaid in November 1996. As a result, the carrying value of the acquired property was decreased by Ps. 2,000. This adjustment gives rise to differences in depreciation expense and is included in the line item "Accounting for IRSA Step Acquisition" in the US GAAP reconciliation.

l) Accounting for IRSA Step Acquisition

On October 1, 2008, the Company acquired an additional 11.57% equity interest in IRSA and increased its ownership interest to 54.01% and started consolidating the subsidiary as from that date (the "IRSA Step Acquisition").

Under Argentine GAAP, the Company accounted for the IRSA Step Acquisition under the purchase method of accounting. Under the purchase method of accounting, the purchase price paid is allocated to the net assets acquired based on its fair value. The Company's previously held equity interest in IRSA (amounted to 42.13% as of the date of acquisition) was not re-measured to fair value at the date the controlling interest was acquired. Assets, including goodwill, and liabilities of the acquired business are recognized using a cost accumulation approach (i.e. for the previous equity interests acquired). Any outstanding minority interest is recorded at its carrying amount.

The IRSA Step Acquisition generated negative goodwill since the fair value of the net tangible and intangible assets acquired exceeded the cost of acquisition.

Under Argentine GAAP, when negative goodwill exists, any identifiable acquired intangible assets are not recognized. Negative goodwill is recognized as follows, as appropriate in the circumstances: (i) the portion of negative goodwill associated with future expected losses is recognized in income as losses are incurred; and/or (ii) the amount of negative goodwill exceeding the amount represented by the interest acquired over the non-monetary assets is recognized in income at acquisition date; and /or (iii) the amount of negative goodwill not exceeding the amount represented by the interest acquired over the non-monetary assets is deferred and amortized to income under the straight line method over the weighted average useful lives of the identifiable net assets of the acquired value and

negative goodwill was recognized and amortized under the straight-line method over 20 years.

Under US GAAP, the Company followed the provisions of ASC No. 805 ("ASC No. 805"), "Business Combinations", formerly SFAS No. 141. Under ASC No. 805, any excess of the value assigned to the net identifiable assets acquired over the cost of the acquired company is first allocated on a pro rata basis to reduce non current assets and then to earnings as extraordinary gain.

The purchase price allocation process for the IRSA Step Acquisition under US GAAP was the following:

1) Recognition of intangible assets identified during the purchase price allocation and which were assigned a zero value under Argentine GAAP;

---

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

l) Accounting for IRSA Step Acquisition (continued)

2) Reduction of negative goodwill to zero by fully allocating it to (a) a reduction in the value of non-current assets allocated under Argentine GAAP (i.e. primarily fixed assets, inventories and undeveloped parcels of land); and (b) intangible assets;

This allocation process resulted in the change of the cost basis of the net assets of IRSA as of September 30, 2008 creating a new cost basis of these assets for Cresud after the Step Acquisition and the recognition of intangible assets for approximately Ps. 33 million (basically in-place leases) which were assigned a zero value under Argentine GAAP.

The new cost bases give rise to the following reconciling items under US GAAP with their corresponding effects in the Consolidated Statement of Income:

(a) Reversal of the amortization of negative goodwill recognized under Argentine GAAP;

(b) Lower depreciation charges for non-current assets which fair values were reduced on a pro rata basis;

(c) Amortization charges for intangible assets and liabilities which were assigned a zero value under Argentine GAAP;

(d) Corresponding effects on deferred income taxes and minority interest (included separately in corresponding line items).

Under ASC No. 805, the new cost basis includes higher values resulting from the comparison between the fair values and the net book values determined under US GAAP at the percentage interest acquired. Once the new cost basis is determined, negative goodwill is reduced to zero on a pro rata basis as explained above. The US GAAP reconciling item to equity reflects the (i) adjustment to fair value from net book value, which was greater under US GAAP because the original net book value basis under US GAAP was lower than the Argentine GAAP original net book value basis, (ii) reduction of negative goodwill, and (iii) corresponding effect of the purchase price allocation process adjustments to income.

Subsequent to October 1, 2008, IRSA sold to third parties certain of its assets (i.e. primarily buildings). The gain on the sale of these assets was determined by comparison between their cost basis to the Company and the consideration received. These assets had a different cost basis between Argentine GAAP and US GAAP on the Company's books, generally resulting in a lower cost basis under US GAAP. Consequently, the reconciling item also includes the adjustment to account for a higher gain under US GAAP.

m) Securitization accounting

The Company enters into ongoing revolving-period securitization programs transferring credit card receivables to trusts in exchange for cash and retained interests in the trusts (known as "CPs"). Part of the proceeds is retained by the trustee and maintained as a cash reserve to serve as collateral for the payment of amounts due on the TDFs. Cash

reserves flow back to the Company on a monthly basis according to a schedule until all TDFs are fully paid.

Under Argentine GAAP, the Company recognizes a gain or loss on the sale of receivables when the carrying value of transferred credit card receivables differs from the amount of cash and CPs received. Results recognized on the sale of receivables are reported as a component of “Net gain from retained interest in securitized receivables of Tarjeta Shopping” in the accompanying Consolidated Statements of Income. Cash reserves are stated at cost and are classified as “guarantee deposits” within the caption “Other receivables” in the accompanying Consolidated Balance Sheets. CPs are carried at their equity value based on financial statements issued by the trusts, less allowances for impairment if the carrying value exceeds their fair value and classified as investments in the accompanying Consolidated Balance Sheets. Certain expenses associated with the securitization of credit card receivables are capitalized and amortized over the term of the agreements.

Under US GAAP, prior to July 1, 2010 the Company adopted SFAS No. 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities”, as amended by SFAS 156, both of them codified under the topic ASC No. 860 “Transfers and Servicing” (“ASC No. 860”). ASC No. 860 required an entity to

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

m) Securitization accounting (continued)

recognize the financial and servicing assets it controls and the liabilities it had incurred and to derecognize financial assets when control has been surrendered. The proceeds of securitized financial assets were allocated to the assets sold, the servicing asset or liability and retained interest, based on their relative estimated fair values at the transfer date in determining the gain on the securitization transaction. Furthermore, the Company considered that the securitization programs through which it transfers receivables to financial trusts qualify as QSPEs. ASC No. 860 also provided guidance on accounting for separately recognized servicing assets and servicing liabilities. In accordance with the provisions of ASC No. 860, separately recognized servicing assets and servicing liabilities had to be initially measured at fair value, if practicable. Subsequent to initial recognition, the Company might have used either the amortization method or the fair value measurement method to account for servicing assets and servicing liabilities within the scope of this Statement. Following ASC No. 860, the Company elected the amortization method and assessed the increase in the obligation of the servicing liability based on fair value.

Prior to July 1, 2010, the retained interests in securitized credit card receivables were treated as an equity security classified as available-for-sale in accordance with ASC No. 320 “Investments – Debt and Equity Securities” (“ASC No. 320”), and were carried at fair value. At the time of securitization, the retained interest was initially recorded at the basis allocated in accordance with ASC No. 860. This original cost basis was periodically adjusted to fair value, which was based on the discounted anticipated future cash flows on a “cash out” basis. The cash out method projected cash collections to be received only after all amounts owed to investors have been paid. Adjustments to fair value (net of related deferred income taxes) were recorded as a component of other comprehensive income. ASC No. 320 also stated that for individual securities classified as available-for-sale an enterprise should determine whether a decline in fair value below the amortized cost basis is other than temporary. In such event, accumulated unrealized losses included in other comprehensive income should be reclassified into the statement of income. Cash reserves were considered retained interests and as such they were considered in calculating the gain or loss on the sale of receivables under US GAAP.

Effective July 1, 2010, the Company implemented new accounting guidance provided by SFAS 166 and 167 (ASU 2009-16 and ASU 2009-17, respectively, under the new codification), which amend the accounting for the transfers of financial assets and the consolidation of variable interest entities (VIEs).

The new guidance eliminates the concept of qualified special purpose entities (“QSPEs”) that were previously exempt from consolidation and introduces a new framework for determining the primary beneficiary of a VIE. The primary beneficiary of a VIE is required to consolidate the assets and liabilities of the VIE. Therefore, the Company must evaluate all existing securitization trusts that qualify as QSPEs to determine whether they must be consolidated in accordance with ASU 2009-17. Under the new guidance, the primary beneficiary is the party that has both (1) the power to direct the activities of an entity that most significantly impact the VIE’s economic performance; and (2) through its interests in the VIE, the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

To assess whether the Company has the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance, the Company considers all facts and circumstances, including its role in establishing the VIE

and its ongoing rights and responsibilities. This assessment includes, first, identifying the activities that most significantly impact the VIE's economic performance; and second, identifying which party, if any, has power over those activities.

As a consequence of this assessment, the Company was deemed to be the primary beneficiary of these securitization trusts because the Company (through its subsidiaries) has the power to direct the activities of these VIEs through its servicing responsibilities and duties. The Company also through its retained interests held in these securitizations has the obligation to absorb losses or the right to receive benefits from the VIE.

Therefore, the Company must, under ASC 810-10-65, measure the components of those newly consolidated financial trusts at their carrying amounts as of the adoption date. The Company must determine the amounts of the assets, liabilities, and non-controlling interests of the newly consolidated financial trusts, that would have been recorded in the Company's financial statements as of July 1st 2010, as if ASU 2009-17 had been effective as of the

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

m) Securitization accounting (continued)

date of the Company's initial involvement with the financial trusts. Any difference between the net amount added (assets less liabilities of each financial trusts where the Company is primary beneficiary) from the Company's balance sheet and the amount of any previously recognized retained interest is recognized as a cumulative-effect adjustment to retained earnings as of June 30, 2010.

The company determined that the difference between (i) the net amount that should be added as of June 30, 2010 (carrying amounts of assets less liabilities of each financial trusts), and (ii) the amount of the retained interest related to securitization programs, is not material. Therefore, no adjustments to retained earnings were recognized under US GAAP as of June 30, 2010. The amount of retained interest as of June 30, 2010 was as follows:

	Cost	Estimated unrealized (loss) (i)	Fair value (ii)
Retained Interest as of June 30, 2010	119,576	(4,457)	115,119

These retained interests were treated as an equity securities classified as available-for-sale in accordance with ASC No. 320, and were carried at fair value. As of July 1, 2010, in accordance with the new accounting standards, the estimated unrealized losses were reclassified to retained earnings (loss) and the company must consolidate its VIEs in which it had retained interests and for which it is the primary beneficiary. The table below presents the assets and liabilities of the financial trusts which have been consolidated for US GAAP purposes:

	July 1, 2010
Total Assets (1)	268,692
Total Liabilities (2)	151,559
CPs	117,133

(1) Included cash and due from banks, credit card receivables net of allowances and other assets.
(2) Included debt securities and other liabilities.

On September 13, 2010, APSA sold 80% of Tarshop's capital stock thus retaining an equity interest of 20% in such entity. At the date of the sale, APSA deconsolidated the subsidiary (Tarshop) and recognized a gain for the sale of 80% capital stock in accordance with ASC No. 810 amounting to Ps. 28.8 million. Therefore, no reconciliation adjustments were recorded since such date regarding Tarshop securitization programs.

Provided below is an analysis of the securitization accounting adjustments as of June 30, 2010, including a description of each significant component, where appropriate.

The shareholders' equity adjustments as of such date represent the difference in the valuation of the Company's retained interests in the trusts related to securitization programs that qualified for sale treatment under US GAAP. Under

Argentine GAAP, retained interests in the trusts were carried at the lower of their equity value and their fair value. Under US GAAP those retained interests were considered available-for-sale securities in accordance with ASC No. 320 and, as a result, were carried at their estimated fair market value. The US GAAP adjustments affecting shareholders' equity as of June 30, 2010 are as follows:

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

m) Securitization accounting (continued)

	2010
Equity value, net of allowances, as reported under Argentine GAAP	144,913
Less: retained interests related to securitization programs that did not qualify as a sale under US GAAP	(29,794)
Equity value reported under Argentine GAAP of retained interests related to securitization programs that qualified as a sale under US GAAP	115,119
Estimated fair value of retained interests related to securitization programs that qualified as a sale under US GAAP	115,119
US GAAP adjustment	-

The US GAAP adjustments affecting net income as reported under Argentine GAAP for the fiscal year ended June 30, 2010, are as follows:

	2010
Reversal of gains recognized under Argentine GAAP	(6,374)
Recognition of gains under US GAAP on the sale of receivables	4,094
US GAAP adjustment	(2,280)

Regarding receivables transferred in connection with the Company's securitization programs that qualified for sale treatment under US GAAP, neither the Company nor the trustee have responsibility over any shortfall or failure in collecting the receivables which are the source of cash payment for the TDF holders. Under no circumstances neither the Company nor the trustee are required to repurchase the securitized receivables. Furthermore, the agreements relating to the securitization stipulate that the rights of the beneficiaries (TDF holders) will not be affected by any financial or liquidity failure of either the trustee or the Company. The agreements also state that the transfer qualifies as a non-recourse transfer of receivables since if receivables are not collected in full, neither the trustee nor the Company is obligated to use its own cash flows to cover any potential shortfall or collection failure.

The following summarizes the changes in the balance of the Company's retained interests for the fiscal year ended June 30, 2010:

	Cost	Estimated unrealized gain (loss)	Fair value (i)
Balance as of June 30, 2009	134,659	(6,737)	127,922
Increase in retained interest	56,724	-	56,724
Liquidation of retained interests	(71,807)	-	(71,807)
Change in unrealized gain	-	2,280	2,280
Balance as of June 30, 2010	119,576	(4,457)	115,119

(i) Unrealized gains for the fiscal year ended June 30, 2010 were included as a component of "Accumulated Other Comprehensive Income" in shareholders' equity.

The key economic assumptions used in measuring the fair value of retained interests at the time of and subsequent to a securitization are the estimated cash flows and the discount rate. The estimated cash flows have been discounted at rates that include charges for losses. The valuation models use information deriving from or that can be observed with market data.

n) Present- value accounting

Under Argentine GAAP, certain tax credits and liabilities are measured at present value as of fiscal year-end. Under US GAAP, present valuing or discounting of these assets is precluded. The US GAAP adjustments amount to a loss of Ps. 4.1 million, Ps. 4.0 million and Ps. 1.4 million for the fiscal years ended June 30, 2012, 2011 and 2010.

---

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

o) Reversal of previously recognized impairment losses

Under Argentine GAAP previously recognized impairment losses can be reversed. Amounts reversed for the fiscal years ended June 30, 2012, 2011 and 2010 amounted to Ps. 0.7 million, Ps. 1.1 million and Ps. 1.2 million, respectively. Under US GAAP, reversal of a previously recognized impairment loss is prohibited. When an impairment loss is recognized, the adjusted carrying amount of the asset becomes the new cost basis, which is depreciated over the remaining useful life of the asset. Previously impairment losses reversed under Argentine GAAP increased the assets costs giving rise to higher depreciation expenses. These higher depreciation charges are reversed under US GAAP which for the fiscal years ended June 30, 2012, 2011 and 2010 amounted to Ps. 4.4 million, Ps. 4.3 million and Ps. 4.3 million, respectively. Therefore, the US GAAP adjustment represents the net effect of (i) a loss for the reversal of previously recognized impairment losses under Argentine GAAP and (ii) a gain for lower depreciation charges under US GAAP.

p) Accounting for real estate barter transactions

In the ordinary course of business, IRSA enters into certain non-monetary transactions with third parties pursuant to which IRSA sells parcels of land held for sale in the ordinary course of business in exchange for cash and/or other real estate properties. See Note 2.f. for details of the transactions.

Under Argentine GAAP, these transactions are recorded based on the fair value of the assets involved and, as a result, a gain or loss is recognized at the time of the exchange. Under Argentine GAAP, the Company recorded gains of nil, Ps. 51.6 million, and nil for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

Under US GAAP, IRSA applied the provisions of ASC No. 845 (“ASC 845”), “Non-monetary Transactions”. ASC No. 845 requires exchanges of non-monetary assets be measured based on the fair value of the assets exchanged and eliminates the narrow exception for non-monetary exchanges of similar productive assets and replaces it with a broader exception for exchanges of non-monetary assets that do not have "commercial substance."

Under ASC No. 845 IRSA determined that all of its barter transactions have commercial substance and therefore the transactions must be measured at fair value.

Furthermore, the Company completed certain barter transactions where it does not receive a down payment or receives a down payment which is less than 10% of the sales price. As these transactions involved the exchange of real estate and the amount of the monetary consideration was not significant, IRSA concluded that the exchange is a nonmonetary transaction, and considered the guidance in ASC No. 360-20 "Property, Plant and Equipment - Real Estate" ("ASC No. 360-20") for the recognition of gain. IRSA accounted for these barter transactions under the deposit method as prescribed in ASC 360-20. Under the deposit method IRSA does not recognize profit, nor records a receivable and continues to report the property and related liabilities in its balance sheet even if the buyer has assumed the liability. IRSA discloses that those items are subject to a sales contract. Therefore, under US GAAP, in these cases any gain recognized under Argentine GAAP is reversed. During the fiscal year ended June 30, 2011, IRSA completed a barter transaction with TGLT whereby IRSA exchanged a plot of land located in the neighborhood of Caballito for residential units to be constructed in the future. Therefore, IRSA determined that the gain related to this transaction of

Ps. 43.4 million should be reversed for US GAAP.

IRSA completed through APSA another barter transaction, i.e. the agreement with TGLT to barter the Beruti plot of land, whereby IRSA exchanged a parcel of land for monetary consideration and residential units to be constructed in the future. As of June 30, 2011, IRSA recognized a gain of Ps. 20.5 million on this transaction under Argentine GAAP. Under US GAAP, IRSA evaluated the guidance and considered that this transaction is partly monetary and non-monetary. The gain of the non-monetary exchange of land for finished units will be deferred until the units are finished and delivered to IRSA. Once that delivery occurs, IRSA will evaluate if the non-monetary transaction qualifies for gain recognition under ASC No. 845. For the monetary portion of the transaction, IRSA followed ASC 845-10-15-15 through 16 and considering that: i) the sale is consummated, ii) consideration has been exchanged, iii) the cash received is not subject to future subordination, and iv) the risks and rewards of ownership have been transferred, concluded that the transaction met the criteria for sale recognition under ASC 360. Therefore, IRSA determined that the gain related to the non-monetary portion of the transaction of Ps. 8.2 million should be reversed for US GAAP while maintaining the gain of Ps. 12.3 million for the monetary portion of the transaction.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

p) Accounting for real estate barter transactions (continued)

The gain under US GAAP was calculated as the total gain multiplied by a factor determined as the consideration received over the sum of the consideration plus the fair value of the item received.

For the fiscal years ended June 30, 2012, 2011 and 2010, a total gain related to barter transactions of nil, Ps. 51.6 million, and nil, respectively, recorded under Argentine GAAP, was reversed under US GAAP. However, the US GAAP adjustment also reflects the effect of gains nil, Ps. 27.0 million and Ps. 0.7 million, for the fiscal years ended June 30, 2012, 2011 and 2010, respectively, related to the conclusion of barter transactions originated in prior fiscal years for which the related results have been previously recognized for Argentine GAAP purposes.

q) Reversal of loss (gain) from valuation of real estate inventories at net realizable value

Under Argentine GAAP, inventories for which the title has not yet been transferred but for which a down payment has been received fixing the sales price and the terms and conditions of the agreement provide reasonable assurance about the closing of the transaction and realization of gain, are carried at net realizable value as of fiscal year-end (these transactions are considered "consummated" for Argentine GAAP purposes). Under US GAAP, inventories are carried at cost. The US GAAP adjustment for the fiscal year ended June 30, 2012, represents (i) the recognition of gains of Ps. 9.5 million related to the sale of Rosario plot of land, Ps. 0.4 million related to the sale of units of Caballito (see Note 4.e (i)), and Ps. 1.0 million related to the sale of residential plots of El Encuentro (see Note 4.e. (ii)), since the conditions for revenue related to these prior transactions were fulfilled for US GAAP purposes, recognized under Argentine GAAP in previous years, and (ii) the reversal of a gain of Ps. 3.4 million related to sales which conditions were not fulfilled for US GAAP purposes and the reversal of a gain of Ps. 0.7 million related to Abril project.

The US GAAP adjustment for the fiscal year ended June 30, 2011, represents: (i) the recognition of gains of Ps. 1.2 million related to the sale of Carlos Gardel plot of land and Ps. 16.5 million related to the sale of units of Caballito Nuevo, since the conditions for revenue related to these prior transaction were fulfilled for US GAAP purposes, recognized under Argentine GAAP in previous years, and (ii) the reversal of gains of Ps. 15.0 million related to the sale of Rosario plot of land and Ps. 0.4 million related to the sale of residential plots of El Encuentro, recognized under Argentine GAAP.

The US GAAP adjustment for the fiscal year ended June 30, 2010, represents: (i) the recognition under US GAAP of previously recognized losses under Argentine GAAP of Ps. (0.2) million, for which deeds of title were signed, and (ii) the reversal of gains recognized under Argentine GAAP of Ps. 6.4 million.

r) Appraisal revaluation of fixed assets

Under Argentine GAAP, APSA recognized a parcel of land acquired prior to June 30, 1986 at its appraised value as of such date. This appraisal increased the carrying value of the land by Ps. 4.0 million, which was recorded against an appraisal revaluation reserve account in the shareholders' equity. Under Argentine GAAP, this appraisal revaluation reserve will be amortized to income once the land is disposed of or its value becomes impaired.

Under US GAAP, this parcel of land was recorded at original cost and therefore this reserve has been reversed. Since land is not amortized, there is no impact to the Consolidated Statement of Income.

s) Software developed or obtained for internal use

Under Argentine GAAP, the Company capitalizes certain costs related to software developed or obtained for internal use, which would be expensed under US GAAP pursuant to the provisions of ASC No. 350-40 “Intangibles - Goodwill and Other - Internal-Use” (“ASC No. 350-40”).

The US GAAP adjustment for the fiscal years ended June 30, 2012, 2011 and 2010 represents the net effect of (i) expensing such costs as incurred and (ii) the reversal of amortization expense on costs capitalized under Argentine GAAP and expensed under US GAAP. As of June 30, 2011, these costs were fully amortized under Argentine GAAP.

During the fiscal year ended June 30, 2012, the Company did not capitalize any costs.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

t) Reversal of capitalized financial costs

Under Argentine GAAP, the Company capitalized financial costs comprising of interest and foreign exchange differences for the fiscal years ended June 30, 2012, 2011 and 2010. Under US GAAP, the Company applied the provisions of ASC No. 835-20 "Interest - Capitalization of Interest" ("ASC No. 835-20"), which requires interest capitalization on assets which have a period of time to get them ready for their intended use. Capitalization of foreign exchange differences is not allowed under ASC No. 835-20. The US GAAP reconciling item represents the net effect of (i) reversing the foreign exchange differences capitalized under Argentine GAAP related to the acquisition and construction of PAMSA, Arcos del Gourmet and Shopping Neuquén for the fiscal years ended June 30, 2012, 2011 and 2010 amounting to a loss of Ps. 0.5 million, a loss of Ps. 0.5 million and a gain of Ps. 1.8 million, respectively; and (ii) the reversal of depreciation expense on foreign exchange differences capitalized under Argentine GAAP and expensed under US GAAP amounting to Ps. 1.8 million for the fiscal year ended June 30, 2012 and Ps. 1.7 million for the fiscal years ended 2011 and 2010.

u) Debtor's accounting for a modification of APSA convertible debt instruments

In August 2002 the Company´s subsidiary APSA issued US$ 50 million of Convertible Notes (the "APSA Convertible Notes). Under US GAAP, the Company applied ASC No. 470-20, "Debt – Debt with Conversion and Other Options", ("ASC No. 470-20"), formerly APB No. 14, "Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants", which requires that no portion of the proceeds be allocated to the conversion feature if the convertible debt securities are convertible into common stock of the issuer at a specified price at the option of the holder and are sold at a price or have a value at issuance not significantly in excess of the face amount. Under US GAAP, the Company applied the guidance in ASC No. 470-20 regarding Accounting for convertible securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios. ASC No. 470-20 requires that embedded beneficial conversion features present in convertible securities be valued separately at issuance when the non-detachable conversion feature is "in-the-money" at the commitment date. The embedded beneficial conversion feature should be recognized and measured by allocating to additional paid-in capital a portion of the proceed equal to the intrinsic value of that feature. That amount is calculated at the commitment date as the difference between the conversion price and the fair value of the common stock or other securities into which the security is convertible, multiplied by the number of shares into which the security is convertible (intrinsic value). Under US GAAP, no proceeds were allocated to the embedded conversion feature since it was "out-the-money" at the commitment date (i.e. the intrinsic value at the commitment date was zero).

The terms of the APSA Convertible Notes were modified to extend the maturity date through July 19, 2014. Argentine GAAP requires that an exchange of debt instruments with substantially different terms be considered a debt extinguishment and that the old debt instrument be derecognized. Argentine GAAP clarifies that from a debtor's perspective, an exchange of debt instruments between, or a modification of a debt instrument by, a debtor and a creditor shall be deemed to have been accomplished with debt instruments that are substantially different if the present value of the cash flows under the terms of the new debt instrument is at least 10 percent different from the present value of the remaining cash flows under the terms of the original instrument. The new debt instrument should be initially recorded at fair value and that amount should be used to determine the debt extinguishment gain or loss to be recognized. Fair value should be determined by the present value of the future cash flows to be paid under the terms of

the new debt instrument discounted at a rate commensurate with the risks of the debt instrument and time value of money. If it is determined that the original and new debt instruments are not substantially different, then a new effective interest rate is to be determined based on the carrying amount of the original debt instrument and the revised cash flows.

Based on the analysis performed, the Company concluded that the instruments were not substantially different and accordingly the old instrument was not derecognized.

Under US GAAP, the Company applied the guidance in ASC No. 470-50-40, “Debt Modification and Extinguishments” (ASC No. 470-50-40) to determine whether the debt instrument was modified or extinguished. This guidance considers the accounting for a modification of debt terms (or exchange in debt instruments) when a change in the fair value of an embedded conversion option has occurred or an embedded conversion option has been added or eliminated from the debt instrument.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

u) Debtor's accounting for a modification of APSA convertible debt instruments (continued)

ASC No. 460-50-40 stipulates that, in evaluating whether a convertible debt instrument has been modified or extinguished, three aspects of the modification (or exchange of debt instruments) must be considered.

1. Change in cash flows: If the change in cash flows as prescribed by the analysis under Issue 96-19 is greater than 10% of the carrying value of the original debt instrument, the modification (or exchange of debt instruments) should be accounted for as an extinguishment. This test would not include any changes in fair value to the embedded conversion option.

2. Change in fair value of the embedded conversion option: If the change in the fair value of the embedded conversion option is greater than 10% of the carrying value of the original debt instrument immediately before the change (or exchange of debt instruments), the modification (or exchange) should be accounted for as an extinguishment.

3. Addition or removal of an embedded conversion option: The addition or removal of a substantive conversion option would automatically result in extinguishment accounting. Whether an embedded conversion option is substantive would be assessed as of the modification date and would be based on the definition of substantive in ASC No. 470-20.

Any one of the three criteria needs to be met to account for the modification of the debt instrument (or exchange of debt instruments) as an extinguishment. When the result of the three-pronged evaluation above results in a conclusion that a convertible debt instrument has been modified (and not extinguished), the Task Force affirmed as a final consensus that any increase in the fair value of the embedded conversion option should reduce the carrying value of the debt instrument (with a corresponding increase to additional paid-in capital), but any decrease in the fair value of the embedded conversion option is ignored.

Based on the analysis performed, neither of criteria 1, 2 or 3 above were met. Accordingly, the change of the debt instrument was not accounted for as an extinguishment. Thus, the increase in the fair value of the conversion option reduced the carrying value of the debt instrument with a corresponding increase to additional paid-in-capital. This resulted in an increase in interest expense prospectively, amounting to nil, Ps. 0.5 million and Ps. 0.2 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

v) Revenue recognition

v.1) Deferred commissions

Under Argentine GAAP, lease commissions earned are recognized at the time a transaction is successfully completed. A transaction is considered successfully concluded when both parties have signed the related lease contract. Under US GAAP, lease commissions are deferred and amortized to income over the term of the respective leases. The US GAAP adjustment amounts to a loss of Ps. 9.0 million, Ps. 10.4 million and Ps. 3.2 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

v.2) Scheduled rent increases

Under Argentine GAAP, revenue from “non-cancelable” leases subject to rent escalation clauses is recognized when the escalated payment is due rather than recognizing the effects of the scheduled rent increases under the straight-line method over the lease term. Under US GAAP, the Company applied the provisions of ASC No. 840, “Leases”, (“ASC No. 840”), and accordingly recognized escalated rental revenue under the straight-line method over the term of the leases.

In the determination of the US GAAP adjustment, the Company considered the definition of a lease term in ASC No. 840. All lease agreements are cancelable pursuant to Law 23,091 as amended by Law 24,808. This law provides that after an initial six-month period tenants may rescind commercial lease agreements upon 60 days written notice by incurring non-significant monetary penalties (cancellations are subject to one-and-a-half month’s rent if rescinded during the first year of the lease and one month’s rent if rescinded after the first year of the lease).

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

v) Revenue recognition (continued)

ASC No. 840 provides that a lease that is cancelable (a) only upon the occurrence of some remote contingency, (b) only with the permission of the lessor, (c) only if the lessee enters into a new lease with the same lessor or (d) only if the lessee incurs a penalty in such amount that continuation of the lease appears, at inception, reasonably assured, shall be considered "noncancelable" for purposes of this definition.

Based on the provisions of ASC No. 840, the Company concluded that, even though the lease are cancelable, lessees would incur significant "economic penalties" if these agreements were to be rescinded prior to maturity. The Company considered that these economic penalties are of such an amount that continuation of the lease agreements by lessees appear to be reasonably assured at the inception of the respective agreements.

The Company reached this conclusion based on the factors mentioned in ASC No. 840, including (i) the offices and shopping centers' geographical location and accessibility; (ii) the nature and tenure of tenants, (iii) limited availability of identical space in certain neighborhoods; (iv) the tenants' brand image and other competitive considerations; (v) tenants' significant expenses in renovation, maintenance and improvements.

The Company believes that all of the above mentioned factors represent significant non-contractual penalties for the lessees which support the Company's view that it is reasonably assured at the inception of lease agreements that such leases will not be rescinded prior to maturity even though they are cancelable as permitted by law.

The US GAAP adjustment amounts to a gain of Ps. 26.5 million, Ps. 15.0 million and Ps. 17.0 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

v.3) Deferred insurance and origination fees

Under Argentine GAAP, the Company, through its investments in Tarshop, accounted for revenues from life and disability insurance and origination fees related to credit card and personal loans receivables on an up-front basis. Under US GAAP, revenue from life and disability insurance and origination fees is recognized to income on a straight line basis over the term of the respective underlying receivables. APSA sold an 80% in Tarshop on September 13, 2010, and deconsolidated the subsidiary as of that date. As from September 13, 2010, APSA maintains a 20% interest in Tarshop and accounts for its investment under the equity method of accounting. Therefore, there is no longer a US GAAP adjustment to equity for this item as of June 30, 2011 and 2012. The US GAAP adjustment to income for the fiscal year ended June 30, 2011 related to the deferral of these revenues through the date Tarshop was deconsolidated with APSA. Any US GAAP adjustment related to this item is included in the determination of the equity investment in Tarshop.

w) Non-controlling interest

Effective July 1, 2009, the Company applies the provisions of ASC 810 "Consolidation". Pursuant to ASC 810-10-45-15, non-controlling interest is (i) reported as part of equity of the consolidated group; (ii) recorded separately from the parent´s interests; and (iii) clearly identified and labeled to distinguish it from other components of

the parent´s equity. The Company has non-controlling interests in more than one subsidiary. The Company determined that all of its non-controlling interests should be reclassified to equity. This reclassification has been made retroactively for all periods presented.

The adjustment represents the effect of the foregoing US GAAP adjustments on the non-controlling interests under Argentine GAAP.

As described in Note 31.I.(c) above, the Company modified the amounts disclosed in previous years.

x) Amortization of fees related to Series II of APSA Non Convertible Notes

Under Argentine GAAP, fees and expenses relating to the Series II of APSA Non-Convertible Notes are amortized on a straight-line method over the term of the agreement. Under US GAAP, following ASC No. 310-20 "Receivables – Nonrefundable Fees and Other Costs" ("ASC 310-20"), such costs are amortized over the same period but using the effective interest method. The US GAAP adjustments amount to a loss of Ps. 0.05 million, Ps. 0.1 million and Ps. 0.1 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

y) Recognition of put option

In July 2008, the Company acquired a 30% in Metropolitan. This transaction included a put right exercisable through July 2011 to sell 50% of the equity interest acquired for a price equal to the original amount paid plus interest. Under Argentine GAAP, the Company recorded the put option at fair value and adjusted it on a monthly basis with fair value increases or decreases against income. Under US GAAP, the Company determined that the terms of the put option did not meet the definition of a derivative financial instrument for the fiscal year ended June 30, 2010. Accordingly, the value of the put option was derecognized under US GAAP in this fiscal year.

According to ASC No. 815, "Derivatives and Hedgings" (ASC No. 815), a financial instrument is a derivative financial instrument if it meets all three of the following characteristics must be met:

a. It has (i) one or more underlyings and (ii) one or more notional amounts or payment provisions or both.

b. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

c. Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from the net settlement.

ASC No. 815 provides that a contract fits the description of net settlement if its settlement provisions meet one of the following criteria: (a) neither party is required to deliver an asset that is associated with the underlying and that has a principal amount, stated amount, face value, number of shares, or other denomination that is equal to the notional amount (or the notional amount plus a premium or minus a discount); (b) one of the parties is required to deliver an asset of the type described in the guidance but there is a market mechanism that facilitates net settlement; (c) one of the parties is required to deliver an asset of the type described in the guidance, but that asset is readily convertible to cash or is itself a derivative instrument.

As of June 30, 2010 characteristics a. and b. were met since underlying is the quantity of shares to sell under the put option agreement and there was no initial net investment; however characteristic c. was not met since the Company was required to deliver an asset of the type described in the guidance but there is no market mechanism that facilitates net settlement nor the asset is readily convertible to cash or is itself a derivative instrument because shares of Metropolitan 885 Third Avenue LLC are not traded on public markets.

As of June 30, 2010, the fair value of the put option amounted to Ps. 48.5 million under Argentine GAAP. Due to foreign currency translation procedures a cumulative translation adjustment ("CTA") of Ps. 3.6 million was also generated for the recognition of the put option.

As part of the reorganization of Metropolitan, on December 30, 2010 the put option was surrendered and used as consideration for the increased interest of the emerging entity New Lipstick LLC. The US GAAP adjustment for the fiscal year ended June 30, 2011 represents a gain due to the recognition at fair value of the put option as the put option

was settled at the date of the reorganization. The US GAAP adjustment for the fiscal year ended June 30, 2010, represents the reversal of the recognition at fair value of the put option under Argentine GAAP.

z) Accounting for investment in Hersha Hospitality Trust and TGLT

Hersha Hospitality Trust

IRSA held a 9.13% and 12.1% interest in Hersha Hospitality Trust as of June 30, 2012 and 2011, respectively. Under Argentine GAAP, this investment has been valued at cost. Under US GAAP, since the investment in Hersha Hospitality Trust represents an investment in an equity security with a readily determinable fair value and not held for trading, the investment has been valued at fair value in accordance with ASC No. 320. Gains or losses resulting from changes in fair value are recognized in other comprehensive income in the shareholders equity.

The cost and estimated fair values of Hersha Hospitality Trust as of June 30, 2012 and 2011 were as follows:

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

z)Accounting for investment in Hersha Hospitality Trust and TGLT (continued)

	Amortized Cost Basis	Fair Value	Gross unrealized Gain
June 30, 2012			
Hersha Hospitality Trust	300,666	432,771	132,105
	300,666	432,771	132,105
June 30, 2011			
Hersha Hospitality Trust	216,757	355,893	139,136
	216,757	355,893	139,136

TGLT

Under Argentine GAAP, the Company held a 9.25% and 8.88% interest in TGLT as of June 30, 2012 and 2011, respectively, and accounted for this investment at acquisition cost since it is not held for trading. TGLT is a public company in Argentina whose shares are traded in the Buenos Aires Stock Exchange. Under US GAAP, the investment in TGLT represents an investment in equity securities with readily determinable fair value and not held for trading. Accordingly, under US GAAP, the Company also applies ASC No. 320 and accounts for this investment at fair value with unrealized gains or losses excluded from income and reported separately in shareholders' equity.

The cost and estimated fair value of TGLT as of June 30, 2012 and 2011 were as follows:

	Amortized Cost Basis	Fair Value	Gross unrealized gain
June 30, 2012			
TGLT	59,031	65,131	6,100
	59,031	65,131	6,100
June 30, 2011			
TGLT	56,381	68,636	12,255
	56,381	68,636	12,255

aa) Differences in basis relating to purchase accounting

Effective July 1, 2009, the Company applied the provisions of FASB Statement No. 141R "Business Combinations" (FAS 141R) or ASC No. 805 "Business Combinations" ("ASC No. 805"), for all business combinations for which the acquisition date is on or after the beginning of its fiscal year ended June 30, 2010, i.e. July 1, 2009. For all business combinations for which its acquisition date was prior to July 1, 2009, the Company applied the provisions of FAS

141.

Acquisition of Arcos del Gourmet

On November 27, 2009, the Company completed the acquisition of an 80% controlling interest in Arcos. Arcos is a company holder of a concession right to exploit the land and attached assets owned by the ONABE. The concession is for an initial term of sixteen years renewable at the option of the holder for an additional four year period. Under the concession, the Company is obligated to pay a monthly concession fee to ONABE. The land and attached assets (mainly old warehouses and adjacent spaces) are capable of being reconverted into a shopping mall, cultural complex and other recreational facilities after incurring significant capital expenditures. Under Argentine GAAP, the Company determined that the transaction represented the acquisition of a business. Accordingly, the Company accounted for the acquisition under the purchase method of accounting. Under the purchase method of accounting, the Company allocated the purchase price to tangible and intangible assets and liabilities assumed based

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

aa) Differences in basis relating to purchase accounting (continued)

on the respective fair values. Transaction costs are considered part of the consideration transferred. The acquisition date fair value of the net assets acquired exceeded the cost of the acquisition. The holders of the rights from ONABE were individual persons who did not have the financial feasibility, expertise and scale to obtain the projected returns from the concessioned assets as well-established real estate market participants in the arca have. Thus, they agreed to sell their rights to the Company for a fair amount of consideration although far below the fair value of the business. Under Argentine GAAP, the excess of the fair value of the net assets acquired over cost represents negative goodwill. When there is negative goodwill, Argentine GAAP requires a reassessment to determine all assets acquired, liabilities assumed, and consideration transferred. The Company performed a reassessment and has still concluded that it has negative goodwill. However, under Argentine GAAP, when negative goodwill exists, acquired intangible assets are reduced to absorb the negative goodwill even if they are assigned a zero value. Any remaining negative goodwill is accounted for as described in Note 3.f). In the acquisition of Arcos, the principal asset acquired was the concession right and since negative goodwill existed, this intangible was reduced by the amount of negative goodwill absorbing it completely. Therefore, no negative goodwill remained under Argentine GAAP. In addition, under Argentine GAAP, the minority interest was recognized at the proportionate share of the acquiree´s identifiable net assets (the proportionate share method) at the acquisition date.

Under US GAAP, the Company applied the provisions of ASC No. 805 and also determined that this transaction qualifies as a business acquisition. Accordingly, the Company accounted for the acquisition under the purchase method of accounting and allocated the purchase price to tangible and intangible assets and liabilities assumed based on the respective fair values. Under ASC No. 805, the non-controlling interest is recognized at fair value at the date of acquisition. Under ASC No. 805, any excess of the value assigned to the net identifiable assets acquired over the fair value of the consideration transferred and any previously held equity interest in the acquiree and any non-controlling interest is a bargain purchase gain and should be recognized in earnings. Acquisition-related costs are considered separate transactions and should not be included as part of the consideration transferred, but rather expensed as incurred.

As a result of the above explanation, the US GAAP adjustment as of June 30, 2010 for the acquisition of Arcos represents the net effect of (i) the recognition of a bargain purchase gain of Ps. 58.8 million; (ii) the recognition of the non-controlling interest at fair value for Ps. 12.1 million; and (iii) the charge expense of transaction costs for Ps. 0.4 million.

Pro forma results as if the acquisition had occurred as of the beginning of the comparative fiscal year have not been presented based on materiality grounds.

For disclosure purposes, under US GAAP the estimated fair values of assets acquired and liabilities assumed are summarized as follows:

Cash and cash equivalents acquired	13
Fair value of non-cash assets acquired	103,120

Fair value of liabilities assumed	(8,124)
Fair value of net assets acquired	95,009
Non-controlling interest	(12,077)
Purchase price	24,108
Seller financing	(14,213)
Cash and cash equivalents acquired	(13)
Advance payments	(2,254)
Net cash paid for the acquisition	7,628

Acquisition of Soleil Factory shopping center business

On July 1, 2010, the Company acquired the "Soleil" business from INCSA. Soleil is a shopping center located in San Isidro, Province of Buenos Aires. Under Argentine GAAP, the Company determined that the

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

aa) Differences in basis relating to purchase accounting (continued)

transaction represented the acquisition of a business, and accordingly, the Company accounted for the acquisition under the purchase method of accounting. Under the purchase method of accounting, the Company allocated the purchase price to tangible and intangible assets and liabilities assumed based on the respective fair values. Transaction costs are considered part of the consideration transferred. The acquisition date fair value of the net assets acquired exceeded the cost of the acquisition. Under Argentine GAAP, the excess of the fair value of the net assets acquired over cost represents negative goodwill. When there is negative goodwill, Argentine GAAP requires a reassessment to determine all assets acquired, liabilities assumed, and consideration transferred. The Company performed a reassessment and has still concluded that it has negative goodwill. However, under Argentine GAAP, when negative goodwill exists, acquired intangible assets are reduced to absorb the negative goodwill even if they are then assigned a zero value. Any remaining negative goodwill is accounted for as described in Note 3.f).

Under US GAAP, the Company applied the provisions of ASC No. 805 and also determined that this transaction qualifies as a business acquisition. Accordingly, the Company accounted for the acquisition under the purchase method of accounting and allocated the purchase price to tangible and intangible assets and liabilities assumed based on the respective fair values. Under ASC No. 805, any excess of the value assigned to the net identifiable assets acquired over the fair value of the consideration transferred and any previously held equity interest in the acquiree and any non-controlling interest is a bargain purchase gain and should be recognized in earnings. Acquisition-related costs are considered separate transactions and should not be included as part of the consideration transferred, but rather expensed as incurred.

As a result of the above explanation, the US GAAP adjustment as of June 30, 2011 for the acquisition of Soleil represents the net effect of (i) the charge expense of transaction costs for Ps. 2.8 million, (ii) the recognition of a bargain purchase gain of Ps. 18.5 million and (iii) the charge expense of amortization for Ps. 4.1 million. This bargain purchase gain arose due to the underperformance and undermanagement of the underlying "Soleil" shopping center business. Additionally, the purchase price was negotiated between the parties when a preliminary agreement was signed in December 2007, and was not subsequently modified. Since December 2007, there were periods on inflation in Argentina, generating a higher fair value of Soleil´s net assets at the date of acquisition. This increase in the fair value of net assets acquired without a corresponding increase in the purchase price, also generated this bargain purchase gain.

For disclosure purposes, under US GAAP the estimated fair values of assets acquired and liabilities assumed are summarized as follows:

Fair value of non-cash assets acquired (i)	81,093
Fair value of liabilities assumed	(1,108)
Fair value of net assets acquired	79,985
Purchase price	61,486
Seller financing	(33,403)
Advance payments (ii)	(28,083)

Net cash paid for the acquisition	-

(i) Corresponds to fixed assets of Ps. 67.0 million, intangible assets of Ps. 3.1 million, air space of Ps. 6.7 million and deferred income assets of Ps. 4.3 million.
(ii) Amount paid in 2007 when preliminary agreement was signed between INCSA and the Company.

In the period from acquisition to June 30, 2011, Soleil contributed revenues of Ps. 22.1 million and net income of Ps. 9.6 million to the Company's consolidated results. If Soleil had been acquired on July 1, 2009, combined revenues of the Company would have been Ps. 1,026.6 million (unaudited) and net income would have been Ps. 231.0 million (unaudited) for the fiscal year ended June 30, 2010. These amounts have been calculated using the Company's accounting policies and by adjusting the results of Soleil to reflect the additional depreciation and amortization, as appropriate, that would have been charged assuming the fair value adjustments to net assets acquired had been applied from July 1, 2009, together with its consequential tax effects.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

aa) Differences in basis relating to purchase accounting (continued)

Acquisition of BrasilAgro

On October 20, 2010 the Company acquired from Tarpon 9,581,750 shares of common stock of BrasilAgro, representing 16.40% of the outstanding stock and 64,000 warrants from the First Issue and 64,000 warrants from the Second Issue.

As mentioned in Note 2.b), Cresud is owner of 23,160,450 shares or 39.64% of BrasilAgro's outstanding stock as of June 30, 2012.

Under Argentine GAAP, the Company determined that the transaction represented the acquisition of a business and accordingly, the Company accounted for the acquisition under the purchase method of accounting. Under the purchase method of accounting, the Company allocated the purchase price to tangible and intangible assets and liabilities assumed based on the respective fair values. Transaction costs are immaterial and have not been considered part of the consideration transferred. The acquisition date fair value of the net assets acquired exceeded the cost of the acquisition. Under Argentine GAAP, the excess of the fair value of the net assets acquired over cost represents negative goodwill. When there is negative goodwill, Argentine GAAP requires a reassessment to determine all assets acquired, liabilities assumed, and consideration transferred. The Company performed a reassessment and has still concluded that it has negative goodwill. However, under Argentine GAAP, when negative goodwill exists, acquired intangible assets are reduced to absorb the negative goodwill even if they are then assigned a zero value. Any remaining negative goodwill is accounted for as described in Note 3.f). In addition, under Argentine GAAP, the minority interest was recognized at the proportionate share of the acquiree´s indentifiable net assets (the proportionate share method) at the acquisition date.

Under US GAAP, the Company applied the provisions of ASC No. 805 and also determined that this transaction qualifies as a business acquisition. Accordingly, the Company accounted for the acquisition under the purchase method of accounting and allocated the purchase price to tangible and intangible assets and liabilities assumed based on the respective fair values. Under ASC No. 805, any excess of the value assigned to the net identifiable assets acquired over the fair value of the consideration transferred and any previously held equity interest in the acquiree and any non-controlling interest is a bargain purchase gain and should be recognized in earnings. Acquisition-related costs are considered separate transactions and should not be included as part of the consideration transferred, but rather expensed as incurred.

As a result of the above explanation, the US GAAP adjustment as of June 30, 2011 for the acquisition of BrasilAgro represents the net effect of (i) the recognition of a bargain purchase gain of Ps. 72.9 million and (ii) the recognition of the non-controlling interest at fair value for Ps. 354.8 million, (iii) the gain from the re-measurement of the previously held interest at fair value of Ps. 162.4 million, and (iv) reversion of the amortization of negative goodwill and higher values under Argentine GAAP for Ps. (6.9) million.

In the period from acquisition to June 30, 2011, BrasilAgro contributed revenues of Ps. 210.9 million and net income of Ps. 23.1 million to the Company's consolidated results. If BrasilAgro had been acquired on July 1, 2010, combined revenues of the Company would have been Ps. 2,380.9 million (unaudited) and net income would have been Ps. 998.8 million (unaudited) for the fiscal year ended June 30, 2011. If BrasilAgro had been acquired on July 1, 2009, combined revenues of the Company would have been Ps. 1,748.6 million (unaudited) and net income would have

been Ps. 419.1 million (unaudited) for the fiscal year ended June 30, 2010. These amounts have been calculated using the Company's accounting policies and by adjusting the results of BrasilAgro to reflect the additional depreciation and amortization, as appropriate, that would have been charged assuming the fair value adjustments to net assets acquired had been applied from July 1, 2009 or 2010, as applicable, together with its consequential tax effects.

For disclosure purposes, under US GAAP the estimated fair values of assets acquired and liabilities assumed are summarized as follows (in thousands):

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

aa) Differences in basis relating to purchase accounting (continued)

Cash and cash equivalents acquired	413,165
Fair value of non-cash assets acquired	2,400,102
Fair value of liabilities assumed	(747,347)
Fair value of net assets acquired	2,065,920
Minority interest	(897,981)
Purchase price	263,669
Cash and cash equivalents acquired	413,165
Net cash paid for the acquisition	263,663

As of June 30, 2012 the adjustment represents the reversal of the amortization of negative goodwill and higher values recognized under Argentine GAAP for Ps. 16.3 million;

Subsequent to June 30, 2011, BrasilAgro sold to third parties certain of its assets (i.e. primarily farmlands). The gain on the sale of these assets was determined by comparison between their cost basis to the Company and the consideration received. These assets had a different cost basis between Argentine GAAP and US GAAP on the Company's books, resulting in a higher cost basis under US GAAP. Consequently, the reconciling item also includes the adjustment to account a loss to Ps. 26.8 million under US GAAP.

Acquisition of Apsamedia shares

On January 13, 2011, the Company completed the acquisition of an additional 50% interest in Apsamedia. As from that date, Apsamedia becomes a wholly-owned subsidiary of the Company. Under Argentine GAAP, the Company determined that the transaction represented the acquisition of a business. Accordingly, the Company accounted for the acquisition under the purchase method of accounting. Under the purchase method of accounting, the Company allocated the purchase price to tangible and intangible assets and liabilities assumed based on the respective fair values. Transaction costs are considered part of the consideration transferred. The acquisition date fair value of the net assets acquired exceeded the cost of the acquisition. Under Argentine GAAP, the excess of the fair value of the net assets acquired over cost represents negative goodwill. When there is negative goodwill, Argentine GAAP requires a reassessment to determine all assets acquired, liabilities assumed, and consideration transferred. The Company performed a reassessment and has still concluded that it has negative goodwill. However, under Argentine GAAP, when negative goodwill exists, acquired intangible assets are reduced to absorb the negative goodwill even if they are assigned a zero value. Any remaining negative goodwill is accounted for as described in Note 3.f).

Under US GAAP, the Company applied the provisions of ASC No. 805 and also determined that this transaction qualifies as a business acquisition. Accordingly, the Company accounted for the acquisition under the purchase method of accounting and allocated the purchase price to tangible and intangible assets and liabilities assumed based on the respective fair values. Under ASC No. 805, the acquirer's previously held equity interest is remeasured to fair value at the date the controlling interest is acquired. Any difference between the carrying value and the fair value of the previously held equity interest is recognized as a gain or loss in the statement of income. Under ASC No. 805, any

excess of the value assigned to the net identifiable assets acquired over the fair value of the consideration transferred and any previously held equity interest in the acquiree and any non-controlling interest is a bargain purchase gain and should be recognized in earnings. Acquisition-related costs are considered separate transactions and should not be included as part of the consideration transferred, but rather expensed as incurred. There were no significant transaction costs as part of the transaction.

As a result of the above explanation, the US GAAP adjustment as of June 30, 2011 for the acquisition of Apsamedia represents the effect of (i) the recognition of a bargain purchase gain of Ps. 2.4 million and (ii) the gain from the re-measurement of the previously held interest at fair value of Ps. 7.6 million.

For disclosure purposes, under US GAAP the estimated fair values of assets acquired and liabilities assumed are summarized as follows:

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

aa) Differences in basis relating to purchase accounting (continued)

Cash and cash equivalents acquired	2,279
Fair value of non-cash assets acquired (i)	75,414
Fair value of liabilities assumed	(41,680)
Fair value of net assets acquired	36,013
Purchase price	25,947
Net cash paid for the acquisition	25,947

(i) Corresponds mainly to intangible assets of Ps. 15.2 million, receivables of Ps. 55.6 million and other assets of Ps. 4.6 million.

In the period from acquisition to June 30, 2011, Apsamedia contributed revenues of Ps. 4.8 million and net income of Ps. 0.5 million to the Company's consolidated results. If Apsamedia had been acquired on July 1, 2010, combined revenues of the Company would have been Ps. 1,168.8 million (unaudited) and net income would have been 288.4 million (unaudited) for the fiscal year ended June 30, 2011. If Apsamedia had been acquired on July 1, 2009, combined revenues of the Company would have been Ps. 1,031.8 million (unaudited) and net income would have been 220.4 million (unaudited) for the fiscal year ended June 30, 2010. These amounts have been calculated using the Company's accounting policies and by adjusting the results of Apsamedia to reflect the additional depreciation and amortization, as appropriate, that would have been charged assuming the fair value adjustments to net assets acquired had been applied from July 1, 2009 or 2010, as applicable, together with its consequential tax effects.

Treatment of goodwill

Effectively July 1, 2002, the Company does not amortize goodwill under US GAAP. ASC No. 350 requires the Company to periodically test for goodwill impairment, at least annually, or sooner if evidence of possible impairment arises. The Company performs its annual impairment testing as of June 30, using a two-step process that begins with an estimation of the fair values of the reporting units that have goodwill.

Step 1 of impairment testing consists of determining and comparing the fair value of a reporting unit to the carrying value of the reporting unit. If step 1 is failed for a reporting unit, indicating a potential impairment, the Company is required to complete step 2, which is a more detailed test to calculate the implied fair value of goodwill, and compare that value to the carrying value of the goodwill. If the carrying value of goodwill exceeds its implied fair value, an impairment loss is required to be recorded.

The Company performed Step 1 of the goodwill impairment testing as of the end of its fiscal year June 30, 2010. The Step 1 tests indicated that the fair value of the reporting units -calculated primarily using discounted expected future cash flows- exceeded their carrying values as of that date. Accordingly, Step 2 of the goodwill impairment testing was not required and no impairment charges were necessary. There were no impairment indicators present as of June 30, 2011 and 2012, and therefore, no test was performed as of that date.

As a result of the explanation on this note, the US GAAP reconciling item represents the net effect of the followings adjustments:

	Fiscal Year ended June 30,	
	2012	2011
US GAAP adjustments:		
- Differences in the purchase price allocation process	(43,121)	(10,895)
- Bargain purchase	-	169,955
- Re-measurement of the previously held interest at fair value	-	93,651
- Recognition of the non-controlling interest at fair value	-	354,794
- Transaction costs	-	(2,768)
- Total	(43,121)	604,737

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

ab) Acquisition of non-controlling interest

1. Acquisition of non-controlling interest in IRSA

During fiscal years ended June 30, 2012 and 2011, the Company acquired an additional minority interest in IRSA of 6.5% and 0.22% for US$ 35.0 million and US$ 1.6 million, respectively. Under Argentine GAAP, the difference between the consideration paid and the carrying value of the minority interest acquired was treated as negative goodwill and amortized to income over a period of 20 years.

Under US GAAP, the Company applied the principles of ASC No. 810 “Consolidation” in accounting for changes in ownership interests. As per ASC No. 810-10-65, when an additional interest is obtained and control is maintained, the transaction is accounted for as an equity transaction. The Company does not recognize any additional acquisition adjustments to reflect the subsequent purchase of additional shares in the subsidiary if there is no change in control. Since under Argentine GAAP there were no additional acquisition adjustments recognized, there is no US GAAP adjustment in this regard. However, under US GAAP, the difference between the fair value of the consideration paid and the related carrying value of the non-controlling interest acquired is recognized in the controlling interest´s equity as a credit or debit to additional paid in capital. Therefore, no gain or loss is recognized in the statement of income and the carrying value of the non-controlling interest is reclassified from non-controlling interest to controlling interest´s equity.

In addition, under Argentine GAAP, negative goodwill is being amortized under the straight-line method over a period of 20 years. Consequently, the US GAAP adjustment also reflects the reversal of the amortization of negative goodwill under Argentine GAAP.

2. Acquisition of non-controlling interest in Cactus

During fiscal year ended June 30, 2012 the Company acquired an additional minority interest in Cactus of 20% for US$ 1.4 million. Under Argentine GAAP, the difference between the consideration paid and the carrying value of the minority interest acquired was treated as goodwill. The goodwill generated in this transaction was impaired as of June 30, 2012.

Under US GAAP, the Company applied the principles of ASC No. 810 “Consolidation” in accounting for changes in ownership interests. As per ASC No. 810-10-65, when an additional interest is obtained and control is maintained, the transaction is accounted for as an equity transaction. The Company does not recognize any additional acquisition adjustments to reflect the subsequent purchase of additional shares in the subsidiary if there is no change in control. Since under Argentine GAAP there were no additional acquisition adjustments recognized, there is no US GAAP adjustment in this regard. However, under US GAAP, the difference between the fair value of the consideration paid and the related carrying value of the non-controlling interest acquired is recognized in the controlling interest´s equity as a credit or debit to additional paid in capital. Therefore, no gain or loss is recognized in the statement of income and the carrying value of the non-controlling interest is reclassified from non-controlling interest to controlling interest´s equity.

Additionally, for the fiscal year ended June 30, 2012, the Company reversed the impairment charge on goodwill generated by the acquisition of the non-controlling interest in Cactus recognized under Argentine GAAP for an amount of Ps. 10.5 million.

3. Acquisition of non-controlling interest in Jaborandí

During fiscal year ended June 30, 2012 the Company acquired an additional minority interest in Jaborandí of 49% for Ps. 48.1 million paying a sum higher than the net assets acquired in order to own the whole of the Company. Under Argentine GAAP, the difference between the consideration paid and the carrying value of the minority interest acquired was treated as goodwill.

Under US GAAP, the Company applied the principles of ASC No. 810 "Consolidation" in accounting for changes in ownership interests. As per ASC No. 810-10-65, when an additional interest is obtained and control is

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

ab) Acquisition of non-controlling interest (continued)

maintained, the transaction is accounted for as an equity transaction. The Company does not recognize any additional acquisition adjustments to reflect the subsequent purchase of additional shares in the subsidiary if there is no change in control. Since under Argentine GAAP there were no additional acquisition adjustments recognized, there is no US GAAP adjustment in this regard. However, under US GAAP, the difference between the fair value of the consideration paid and the related carrying value of the non-controlling interest acquired is recognized in the controlling interest´s equity as a credit or debit to additional paid in capital. Therefore, no gain or loss is recognized in the statement of income and the carrying value of the non-controlling interest is reclassified from non-controlling interest to controlling interest´s equity.

4. Acquisition of non-controlling interest in APSA

On October 15, 2010, IRSA's Board of Directors resolved to exercise the option for the acquisition of the 29.55% minority interest in APSA held by PASA, cancelling the outstanding amount of US$ 120.0 million and thus increasing IRSA's interest in APSA to 94.89% as of June 30, 2011 (the "APSA Acquisition"). During the fiscal year ended June 30, 2012, E-Commerce acquired through successive purchases 44,232 shares of APSA, for a total amount of Ps. 0.7 million, which represents a 0.035% of APSA's capital stock. After such acquisitions, the direct and indirect interest of the Company in APSA amounts to 95.61% as of June 30, 2012.

Under Argentine GAAP, IRSA accounted for the APSA Acquisition under the purchase method of accounting. Under the purchase method of accounting, the purchase price paid is allocated to the net assets acquired based on its fair value. Assets, including goodwill, and liabilities of the acquired business are recognized using a cost accumulation approach (i.e. for the previous equity interests acquired). Any outstanding minority interest is recorded at its carrying amount.

The APSA Acquisition in 2011 generated negative goodwill since the fair value of the net tangible and intangible assets acquired exceeded the cost of acquisition.

Under Argentine GAAP, when negative goodwill exists, any identifiable acquired intangible assets are not recognized. Negative goodwill is recognized as follows, as appropriate in the circumstances: (i) the portion of negative goodwill associated with future expected losses is recognized in income as losses are incurred; and/or (ii) the amount of negative goodwill exceeding the amount represented by the interest acquired over the non-monetary assets is recognized in income at acquisition date; and/or (iii) the amount of negative goodwill not exceeding the amount represented by the interest acquired over the non-monetary assets is deferred and amortized to income under the straight line method over the weighted average useful lives of the identifiable net assets of the acquired company, not in excess of 20 years. Consequently, under Argentine GAAP, intangible assets were assigned a zero value and negative goodwill was recognized and amortized under the straight-line method over the weighted average useful lives of the identifiable net assets of APSA.

Under US GAAP, IRSA applied the principles of ASC No. 810 "Consolidation" in accounting for changes in ownership interests. As per ASC No. 810-10-65, when an additional interest is obtained and control is maintained, the transaction

is accounted for as an equity transaction. IRSA does not recognize any additional acquisition adjustments to reflect the subsequent purchase of additional shares in the subsidiary if there is no change in control.

Under US GAAP, the difference between the fair value of the consideration paid and the related carrying value of the non-controlling interest acquired is recognized in the controlling interest´s equity as a credit to additional paid in capital. Therefore, no gain or loss is recognized in the statement of income and the carrying value of the non-controlling interest is adjusted to reflect the change in the non-controlling ownership interest in APSA, amounting to Ps. 290.6 and Ps. 290.2 million for the fiscal years ended June 30, 2012 and 2011, respectively.

As a result of the above explanation, the US GAAP net income adjustment for the APSA Acquisition, amounting to Ps. 1.8 million for the fiscal year ended June 30, 2012, represents the net effect of (i) reversing the amortization of negative goodwill recorded under Argentine GAAP; and (ii) lower depreciation charges on lower carrying amounts of fixed assets under US GAAP. The US GAAP equity adjustment includes the above item and the recognition of an additional paid in capital under US GAAP of Ps. 207.9 million in shareholders' equity.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

ab) Acquisition of non-controlling interest (continued)

In addition, under Argentine GAAP, negative goodwill is being amortized under the straight-line method over a period of 20 years. Consequently, the US GAAP adjustment also reflects the reversal of the amortization of negative goodwill under Argentine GAAP.

5. Acquisition of non-controlling interest in Arcos del Gourmet

During the year ended June 30, 2012, the Company acquired an additional participation in Arcos del Gourmet.

Under Argentine GAAP, the Company accounted the acquisition of the non-controlling interests under the purchase method of accounting. Under the purchase method of accounting, the purchase price paid is allocated to the net assets acquired based on its fair value. Assets, including goodwill, and liabilities of the acquired business are recognized using a cost accumulation approach (i.e. for the previous equity interests acquired). These acquisitions generated goodwill since the cost of acquisition exceeded the fair value of the net tangible and intangible assets acquired.

Under US GAAP, the Company applied the principles of ASC-810-10-45 in accounting for changes in ownership interests. As per ASC 810-10-45, when an additional interest is obtained and control is maintained, the transaction is accounted for as an equity transaction. The Company does not recognize any additional acquisition adjustments to reflect the subsequent purchase of additional shares in the subsidiary if there is no change in control.

Under US GAAP, the difference between the fair value of the consideration paid and the related carrying value of the non-controlling interest acquired is recognized in the controlling interest's equity as a credit or debit to share premium. Therefore, no gain or loss is recognized in the statement of income and no additional goodwill is recognized. The carrying value of the non-controlling interest is adjusted to reflect the change in the non-controlling interest's ownership interest in the subsidiary.

Consequently, as of June 30, 2012, the Company: (i) derecognized goodwill for Ps. 5.7 million, (ii) recognized a decrease in non-controlling interest for an amount of Ps. 3.3 million and (iii) derecognized net assets for Ps. 9.0 million, and (iv) recognized a debit of Ps. 11.4 million against equity. Under Argentine GAAP there were no amortization or depreciation of net assets recognized thus, there was no adjustment on reconciliation of net income.

ac) Disposal of business

Disposal of equity interest in Tarshop

On September 13, 2010, APSA completed the disposal of an 80% controlling interest in Tarshop to BHSA, a related party to the Company. Under Argentine GAAP, the Company (i) derecognized the assets and liabilities at their carrying amounts at the date control was lost; (ii) recognized the fair value of the consideration received; (iii) recognized the non-controlling investment retained under the equity method at the date control was lost and (iv) recognized the resulting difference as a loss on the sale in the statement of income. Under Argentine GAAP, the

Company derecognized, as of June 30, 2011, net assets of Ps. 149.1 million, recognized a non-controlling investment of Ps. 28.9 million and recognized a loss on the sale of Tarshop of Ps. 13.9 million in the statement of income.

Under US GAAP, the Company applied the provisions of ASC No. 810. Under ASC No. 810, the loss of control in subsidiary results in the recognition of a gain or loss on the sale of the interest sold and on the revaluation of any retained non-controlling investment. A loss of control is an economic event, similar to that of gaining control, and, therefore, is a remeasurement event. As a result, under US GAAP, the Company (i) derecognized the assets and liabilities of Tarshop at their carrying amounts at the date control was lost (including associated goodwill); (ii) recognized the fair value of the consideration received; (iii) recognized the non-controlling investment retained at its fair value at the date control was lost and (iv) recognized the resulting difference as gain or loss in income

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

ac) Disposal of business (continued)

attributable to the Company. The resulting gain or loss is calculated as the difference between (1) the aggregate of (a) the fair value of the consideration received and (b) the fair value of the non-controlling investment retained in the former subsidiary on the date the subsidiary is deconsolidated; and (2) the carrying amount of the former subsidiary´s net assets. Under US GAAP, as of June 30, 2011 the Company derecognized net assets of Ps. 96.5 million, recognized a non-controlling investment of Ps. 19.1 million and determined a gain of Ps. 28.8 million. Under US GAAP, this resulting gain relates to both the interest sold and the non-controlling investment retained. The loss related to the remeasurement of the non-controlling investment retained to fair value is Ps. 0.2 million.

As a result of the above explanation, the US GAAP adjustments represent the difference between the Argentine GAAP loss on the sale and the US GAAP aggregate gain on the interest sold and non-controlling investment retained.

Disposal of Apsamedia's business

On January 13, 2011, APSA completed the disposal of Apsamedia's credit portfolio to Tarshop. Under Argentine GAAP, the Company as of June 30, 2011 (i) derecognized the assets at their carrying amounts at the date of disposal; (ii) recognized the fair value of the consideration received; and (iii) recognized the resulting difference as a gain on the sale in the statement of income. Under Argentine GAAP, the Company derecognized net assets of Ps. 22.2 million, and recognized a gain on the sale of Apsamedia's credit portfolio of Ps. 15.2 million in the statement of income.

Under US GAAP, the Company applies the provisions of ASC No. 810 and determined that this transaction qualifies as the loss of control of a group of assets that constitutes a business. As a result, under US GAAP, the Company (i) derecognized the assets at their carrying amounts at the date the control was lost; (ii) recognized the fair value of the consideration received; (iii) recognized the non-controlling investment retained at its fair value at the date control was lost; and (iv) recognized the resulting difference as gain or loss in income attributable to the Company. Under US GAAP, the Company derecognized net assets of Ps. 32.7 million and determined a gain of Ps. 5.3 million.

As a result of the above explanation, the US GAAP adjustment represents the difference between the Argentine GAAP and the US GAAP gain on the assets sold.

ad) Allowance for loan losses of credit card portfolio of Apsamedia

Under Argentine GAAP, the allowance for loan losses is calculated according to specific criteria. Loan loss reserves for consumer loans are based on the client's aging.

Under US GAAP purposes, the Company has performed a migration analysis for credit cards loans of Apsamedia following the ASC 450-20 and historical loss ratios were determined by analyzing historical losses, in order to calculate the allowance required for smaller-balance impaired loans and unimpaired loans for US GAAP purposes. Loss estimates are analyzed by loan type and thus for homogeneous groups of clients. Such historical ratios were updated to incorporate the most recent data reflecting current economic conditions, industry performance trends,

geographic or obligor concentrations within each portfolio segment, and any other pertinent information that may affect the estimation of the allowance for loan losses.

As a result of the analysis mentioned before, the Company recorded a gain of Ps. 1.6 million for the fiscal year ended June 30, 2012 and a loss of Ps. 2.1 million for the fiscal year ended June 30, 2011. No loss or gain was recognized under US GAAP for the fiscal year ended June 30, 2010.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

ae) Disposal of non-controlling interest in Jaborandí

During fiscal year ended June 30, 2012 the Company sold a minority interest in Jaborandí of 25%. Under Argentine GAAP, the Company accounted for disposals of minority interests based on its carrying value at the date of disposal, recognizing any difference between the carrying value of the non-controlling interest and the consideration received in the statement of income.

Under US GAAP, the Company applied the principles of ASC No. 810 “Consolidation” in accounting for changes in ownership interests. ASC 810-10 requires that changes in a parent’s ownership interest in a subsidiary while the parent retains its controlling financial interest are to be accounted for as equity transactions. Therefore, the difference between the fair value of the consideration received and the related carrying value of the controlling interest disposed is recognized in the controlling interest´s equity as a credit or debit to additional paid in capital. No gain or loss is recognized in the statement of income and the carrying value of controlling interest is reclassified from controlling interest to non-controlling interest´s equity.

As a result, as of June 30, 2012, the Company reversed a loss for an amount of Ps. 2.7 million in the statement of income, and recognized a debit of Ps. 2.7 million in shareholders’ equity.

af) Commodity linked debt

Under Argentine GAAP, there is no requirement to separate embedded derivatives from host contracts and account for them as derivatives. Borrowings are valued based on the best estimate of the discounted value of the amounts expected to be paid, using the interest rate effective at the time of the initial measurement.

US GAAP requires that an embedded derivative should be separated from the host contract and accounted for as a derivative if certain conditions are met. On September 7, 2011, the Company issued Class VII non-convertible notes which are denominated in US$ for a nominal amount of US$ 2.1 million. Class VII notes accrue interest at a floor rate of 4% plus a premium factor equivalent to 40% of the increase in the price of soy during the period from March 2011 to March 2013. Under US GAAP, the commodity-indexed feature is an embedded derivative that is not clearly and closely related to the debt host instrument because the risks inherent in the derivative (price of soy) and the host are dissimilar. Therefore, the Company separated the commodity-indexed feature and classified it as a derivative liability. The Company measured the carrying value of the debt host contract at initial recognition as the difference between the consideration received and the fair value of the embedded derivative. Subsequently, the Company measured the host foreign-currency debt at amortized cost using the effective interest rate method and then retranslated it at each reporting date using the closing US$/Peso exchange rate. The Company recognized changes in the fair value of the embedded derivative in profit or loss.

As a result, the Company adjusted borrowings for an amount of Ps. 0.1 million and Ps. 0.07 million as of June 30, 2011 and June 30, 2012.

ag) Settlement of BrasilAgro warrants

As discussed in Note 2.f), on April 12, 2012, the Company acquired 6,321 warrants pertaining to the First Issue of BrasilAgro to Agro Investment S.A. (unrelated party to the Company) for a total consideration of US$ 0.6 million. Brasilagro's warrants acquired by Cresud are eliminated in its consolidated financial statements.

Under Argentine GAAP, payments made by the Company for the acquisition of BrasilAgro warrants were capitalized in the statement of financial position.

Under US GAAP, payments made for the acquisition of an entity's own equity are accounted as a deduction from equity in accordance with ASC 505.

As a result, the Company reversed the payments capitalized under Argentine GAAP for an amount of Ps. 2.7 million as of June 30, 2012, against a deduction in the shareholders’ equity.

31. Differences between Argentine GAAP and US GAAP (continued)

I- Differences in measurement methods (continued)

ah) Impact of US GAAP adjustments on joint ventures

Under Argentine GAAP investments in entities in which the Company exercises joint control are accounted for under the proportionate consolidation method. Under the proportionate consolidation method, the financial statements of the Company reflect the Company's pro-rata equity interest in the jointly controlled entities on a line-by-line basis. The Company applied its pro-rata equity interest to the financial statements of its jointly-controlled entities prepared under Argentine GAAP.

Under US GAAP the Company assessed all of its interests in joint arrangements and determined that they are joint ventures under ASC 323-30. Accordingly, the Company accounted for its joint ventures under the equity method of accounting. The Company has assessed the impact of US GAAP adjustments on the financial statements of joint ventures prepared under Argentine GAAP prior to the application of the equity method.

The US GAAP adjustments on the joint ventures related primary to (i) revenue recognition and schedule rent increases of the lessees where the entity is the lessor; (ii) the reversal of the present value accounting for long-term tax credits; (iii) the reversal of capitalized exchange differences and (iv) the reversal of pre-operating expenses.

Consequently, the joint venture´s equity for US GAAP purpose amounts to Ps. (15.1) million and Ps. (13.1) million as of June 30, 2012 and 2011, respectively. For the fiscal years ended as of June 30, 2012, 2011 and 2010, a loss of Ps. 2.1 million, Ps. 3.1 million and Ps. 2.6 million was recognized in the statement of income, respectively.

ai) Accounting for preferred shares and warrants of Supertel

As discussed in Note 3.d), under Argentine GAAP, the preferred shares and warrants of Supertel were accounted for as financial assets at fair value through profit and loss. The purchase price paid was allocated to both instruments based on their relative fair values at the date of purchase. Subsequent changes in the fair value of these instruments are recognized in the income statement.

Under US GAAP, the Company applied the provisions of ASC No. 815 "Derivatives and hedging". The warrants of Supertel were accounted as a freestanding derivative and measured at fair value. In addition, under ASC 815, an embedded derivative instrument must be separated from the host contract and accounted for separately as a derivative instrument if certain specific criteria are met. The Company evaluated the characteristics of the preferred shares and concluded that the embedded conversion feature should be bifurcated from the host instrument and accounted for as a freestanding derivative. The purchase price paid was allocated first to the warrants and the embedded conversion feature based on their respective fair values while the residual was allocated to the preferred shares. Subsequent changes in the fair value of the warrants and the embedded conversion feature are recognized in the income statement. The preferred shares (i.e. host contract) are stated at cost.

Therefore, the US GAAP adjustment for an amount of Ps. 8.0 million includes: (i) the reversal of the changes in fair values of the preferred shares (i.e. host contract) recognized under Argentine GAAP, while it is stated at cost under US GAAP; and (ii) the recognition of the changes in the fair value of the embedded conversion feature under US GAAP, which was not bifurcated under Argentine GAAP.

II. Additional disclosure requirements

a) Statement of income classification differences

Should a US GAAP statement of income be presented in the Company´s consolidated financial statements, certain items shown in some line items of the statement of income under Argentine GAAP would have to be reclassified to affect other line items. The following reclassifications are intended to present Argentine GAAP numbers using a different criterion of classification under US GAAP. The numbers included below are not calculated under US GAAP.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

a) Statement of income classification differences (continued)

(i) Proportionate consolidation

Under Argentine GAAP, the Company accounts for certain investments where it exercise joint control under the proportionate consolidation method.

Under US GAAP, since the Company does not exercise control over these investments, proportionate consolidation is not appropriate and the equity method of accounting is used for all periods presented as disclosed in Note 31.II.t).

(ii) Adoption of RT No. 22 "Agricultural Activities"

Effective July 1, 2006, under Argentine GAAP, the Company applied RT No. 22 "Agricultural Activities" which established specific measurement and disclosure standards for the Company's business. The adoption of this standard did not have an impact on the Company's financial position and results of operations. There was no change in the determination of total gross profit and operating income of the Company. Rather it expanded the Company's disclosures and changed the format of the Company's statement of income above gross profit. RT No. 22 requires that a change in fair value less estimated point-of-sale costs of a biological asset be included in net profit or loss for the period in which it arises. In agricultural activity, a change in physical attributes of a living animal or plant directly enhances or diminishes economic benefits to the enterprise. Prior to the adoption of RT No. 22, the production income was presented as a reduction in the cost of sales of the Company. Under US GAAP, biologicalassets are measured at historical cost and, therefore, no production income is recognized in the statement of income. When these biological assets are subsequently sold the cost of sales under US GAAP is lower than the cost of sales under Argentine GAAP, as these biological assets were not previously re-measured at fair value less estimated point-of-sale costs under US GAAP. There is no difference in gross profit for the sale of biological assets between Argentine GAAP and US GAAP.

(iii) Unrealized gains or losses on inventories

Under Argentine GAAP, unrealized gains or losses on inventories are segregated and shown in a separate line within operating income. Under US GAAP, realized gains would be included as part of gross profit.

As a result of these differences in classification, gross profit under US GAAP would have been Ps. 1,215.2 million, Ps. 1,109.2 million and Ps. 974.8 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

(iv) Gross vs. net presentation

As part of the lease agreements, tenants are required to pay their proportionate share of common area maintenance expenses. The Company does not charge any mark up on reimbursable costs. These expenses are incurred and paid by the Company and then passed through to tenants as reimbursable costs.

Under Argentine GAAP, pass-through expenses, such as these reimbursable costs, are accounted for on a net basis and, as such, excluded from revenues and expenses in the consolidated financial statements. However, the total amount of expenses passed through to tenants by expense category with the corresponding offsetting amount have no impact in the consolidated costs of the Company. No amount is shown as revenues.

Under US GAAP, the Company accounts for pass-through revenue and expenses in accordance with ASC No. 605-45-15, "Statement of Income Characterization of Reimbursements Received for Out of Pocket Expenses Incurred" and include these costs incurred as a component of revenue and as a component of operating expenses in the statement of income. These costs, which are pass-through expenses to tenants included in both revenues and expenses were Ps. 504.1 million and Ps. 379 million for the fiscal years ended June 30, 2012 and 2011, respectively. As these expenses are fully reimbursed, without mark-up, by the tenants, there is no impact on operating income, net income, EPS, cash flows or the balance sheet.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

a) Statement of income classification differences (continued)

Should the US guidance be applied to the Argentine GAAP statement of income, net revenues under Argentine GAAP would have been Ps. 4.0 billion and Ps. 2.9 billion for the fiscal years ended June 30, 2012 and 2011, respectively.

(v) Operating income

Under Argentine GAAP, the Company reflected management fees, shareholders personal assets tax, other income and expenses, unrecoverable VAT receivable and lawsuits and contingencies as non-operating expenses; under US GAAP, should gains or losses on management fees, tax on shareholders' personal assets tax, lawsuits and contingencies, unrecoverable VAT receivable and other income and expenses be reclassified out of and into operating income, respectively, operating income under Argentine GAAP would have been Ps. 621.8 million, Ps. 690.4 million and Ps. 552.2 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively. Management fees, shareholders personal assets tax, unrecoverable VAT receivable, other income and expenses and lawsuits and contingencies would be included as operating expenses.

(vi) Consolidation of BrasilAgro

As discussed in Note 2f A), the Company acquired additional shares and warrants of BrasilAgro in October 2010. Under Argentine GAAP, the Company determined that based on the actual and potential votes obtained coupled with the shareholders agreement, consolidation of BrasilAgro was appropriate. However, Argentine GAAP also prescribes that consolidation is not appropriate when conditions for consolidation are temporary.

As a result, and as detailed in Note 2.b), the Company determined that the Company's ownership interest was temporary as of the date of acquisition. Accordingly, the Company determined that consolidation was not applicable.

Under Argentine GAAP, the Company evaluated the conditions for consolidation as of each quarter-end, As of June 30, 2011, the Company determined that these conditions were no longer temporary as of that date and therefore consolidation was appropriate as of June 30, 2011.

Under US GAAP, the Company evaluated the acquisition and its considerations and determined that consolidation was appropriate as of the date of acquisition. The notion of temporary suspension of consolidation does not exist under US GAAP. As a result, the Company started consolidating BrasilAgro's Accounts as from the date of acquisition.

b) Balance Sheet classification differences

Under Argentine GAAP, assets and liabilities are classified as current or non-current depending on their respective settlement dates. Under US GAAP, balance sheets of real estate companies generally do not present a classified balance sheet.

Under Argentine GAAP, the Company´s warrants are included into a Shareholder’s Equity. Under US GAAP, the Company´s warrants should be classified as current or non-current liabilities depending on their respective settlement dates.

Inventories

Under Argentine GAAP, the Company has classified the livestock for dairy production and other purposes not related to its sale as non-current inventory. Under US GAAP, this amount would be recorded as property and equipment on the consolidated balance sheet.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

b) Balance Sheet classification differences (continued)

Proportional consolidation

Under Argentine GAAP, the Company accounts for certain investments (the accounts of Cresca S.A., Apsamedia S.A., Canteras Natal Crespo S.A., Liveck, Cyrsa, Baicom Networks S.A. and Puerto Retiro S.A. as of June 30, 2012 and 2011 and Nuevo Puerto Santa Fe as of June 30, 2012) where it exercise joint control under the proportionate consolidation method.

Under US GAAP, since the Company does not exercise control over these investments, proportionate consolidation is not appropriate and the equity method of accounting is used for all periods presented as disclosed in Note 31.II.t).

Deferred taxes

In addition, under Argentine GAAP the Company has classified the net deferred tax liability as of June 30, 2012 amounting to Ps. 518.0 million and the net deferred tax liability as of June 30, 2011 amounting to Ps. 718.6 million, as follows: Ps. 77.8 million and Ps. 20.3 million as of June 30, 2012 and 2011, respectively, as non-current other receivables; and Ps. 595.8 million and Ps. 738.9 million as of June 30, 2012 and 2011, respectively, as non-current taxes payable. Under US GAAP, the classification of deferred taxes is determined by the classification of the asset or liability for financial reporting to which the temporary difference is related. A temporary difference is related to an asset or liability if reduction of the asset or liability causes the temporary difference to reverse. For deferred tax balances not related to an asset or liability for financial reporting (e.g. tax loss carryforwards), the classification is based on the expected realization date. As of June 30, 2012 and 2011, Ps. 93.1 million and Ps. 33.9 million, respectively, would have been classified as current assets, and Ps. 362.3 million and Ps. 255.8 million respectively, would have been classified as non-current assets. As June 30, 2012 and 2011 Ps. 30.2 million and Ps. 24.6 million, respectively, would have been classified as current liabilities and Ps. 943.2 million and Ps. 983.7 million, respectively, would have been classified as non-current liabilities.

Deferred debt costs

Furthermore, under Argentine GAAP, deferred debt costs are shown as a deduction of the corresponding liability. Under US GAAP, issue costs should be reported as deferred charges of Ps. 24,675.

As these differences have no effect on net income or on shareholders' equity, no reconciling items are presented for US GAAP purposes.

Treasury stock

As described in Note 5.f), under Argentine GAAP the acquisition cost of treasury stock is debited from the equity account "Reserve for new developments". Argentine GAAP also requires that a debit entry be made for the par value of the related capital stock account that was repurchased, regardless of whether the stock was retired. Under US GAAP the cost of treasury stock is also debited to an equity account, however the related capital stock account is not reduced

until the treasury stock is retired. This classification difference has no impact on the total shareholders' equity that is reported.

c) Disclosure about fair value of financial instruments

Under Argentine GAAP, there are no specific rules regarding disclosure of fair value of financial instruments.

Under US GAAP, Accounting Standard Codification No. 815 "Derivatives and Hedging" ("ASC No. 815") requires reporting entities to disclose certain information about financial instruments with off-balance sheet risk of accounting loss. Accounting Standard Codification No. 825, "Financial Instruments" ("ASC No. 825"), requires disclosure of fair value information about financial instruments whether or not recognized in the balance sheet, for which it is practicable to estimate fair value. Financial instruments include such items as cash and cash equivalents,

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

c) Disclosure about fair value of financial instruments (continued)

accounts receivable and accounts payable and other instruments. ASC No. 825 excludes from its disclosure requirements lease contracts and various significant assets and liabilities that are not considered to be financial instruments. Statement of Financial Accounting Standard No. 119 “Disclosure about Derivative Financial Instruments and Fair Value of Financial Instruments” requires reporting entities to disclose certain information for derivative financial instruments. ASC No. 815 superseded Statement of Financial Accounting Standard No. 105 “Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk” and Statement of Financial Accounting Standard No. 119 “Disclosure about Derivative Financial Instruments and Fair Value of Financial Instruments” and amended SFAS No. 107 to include in SFAS No. 107 the disclosure requirements of credit risk concentrations from SFAS No. 105. See Note 31.II.e) for details of concentration of credit risk.

The Company adopted Accounting Standard Codification No. 820 “Fair Value Measurements and Disclosures” (“ASC No. 820”) in the fiscal year ended June 30, 2009. In ASC No. 820, three levels of input, which are used to measure fair value, are as follows.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the assets or liabilities.

Level 3: Unobservable inputs for assets or liabilities.

Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and the relevant market information. Where available, quoted market prices are used. In other cases, fair values are based on estimates using other valuation techniques, such as discounting estimated future cash flows using a rate commensurate with the risks involved or other acceptable methods. These techniques involve uncertainties and are significantly affected by the assumptions used and the judgments made regarding risk characteristics of various financial instruments, prepayments, discount rates, and estimates of future cash flows, future expected loss experience, and other factors. Changes in assumptions could significantly affect these estimates. Derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in an immediate sale of the instrument. Also, because of differences in methodologies and assumptions used to estimate fair value, the Company's fair values should not be compared to those of other companies.

The following table summarizes the fair values of the assets measured at fair value on a recurring basis as of June 30, 2012 and 2011:

	June 30, 2012			
	Level 1	Level 2	Level 3	Total
ASSETS				
Cash and banks	338,054			338,054
Other investment, net (i)	144,471	-	-	144,471

Other receivables (ii)	1,028	1,499	-	2,527
Other investment, net (iii)	-	65,131	70,540	135,671
Other non-current investment, net (iv)	432,771	-	-	432,771
Total	916,324	66,630	70,540	1,053,494

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

c) Disclosure about fair value of financial instruments (continued)

	June 30, 2012			
	Level 1	Level 2	Level 3	Total
LIABILITIES				
Warrants	51,226	-	-	51,226
Long-term debt (v)	-	-	72	72
Other liabilities (ii)	22,294	19,121	-	41,415
Total	73,520	19,121	72	92,713

	June 30, 2011			
	Level 1	Level 2	Level 3	Total
ASSETS				
Cash and banks	193,949	-	-	193,949
Other investment, net (i)	227,818	-	-	227,818
Other receivables (ii)	9,876	9,090	-	18,966
Other investment, net (iii)	68,550	-	-	68,550
Other non-current investment, net (iv)	356,761	-	-	356,761
Total	856,954	9,090	-	866,044

	June 30, 2011			
	Level 1	Level 2	Level 3	Total
LIABILITIES				
Warrants	127,768	-	-	127,768
Long-term debt (v)	-	-	97	97
Other liabilities (ii)	672	1,297	-	1,969
Total	128,440	1,297	97	129,834

(i) Includes mutual funds, mortgage bonds issued by Banco Hipotecario S.A., shares of public companies and government bonds.
(ii) Corresponds to derivative financial instruments, classified as Level I and swaps and foreign exchange contracts classified as Level II.
(iii) As of June 30, 2012 and 2011, corresponds to investments in equity securities in TGLT. As of June 30, 2012 it also includes Supertel Hospitality Inc.
(iv) Corresponds to investment in equity securities in Hersha.
(v) Corresponds to the embedded derivative (commodity-indexed feature) related to Class VII non-convertible notes.

There were no liabilities measured at fair value on a recurring basis as of June 30, 2012.

The following is a description of the valuation methodologies used for the assets and liabilities measured at fair value, key inputs and significant assumptions:

Cash equivalents: Cash equivalents represent highly liquid investments with original maturities of three months or less. Generally, quoted market prices are used to determine the fair value of these instruments.

Marketable securities: Marketable securities and other securities investments include debt securities and equity securities. The Company uses quoted market prices for identical or similar assets or liabilities to measure fair value.

Derivative financial instruments: The Company estimates the fair value of derivative financial instruments using industry-standard valuation models that requires observable inputs including interest rates and foreign exchange rates, and the contractual terms. In other certain cases when market data is not available, key inputs to the fair value measurement include quotes from counterparties, and other market data. The Company's derivative fair value measurements consider assumptions about counterparty and our own non-performance risk, using such as credit default probabilities.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

c) Disclosure about fair value of financial instruments (continued)

Conversion features of preferred shares and warrants of Supertel: The fair value of the preferred shares' conversion feature of Supertel was determined using a "Convertible Bond Valuation" model based on a Binomial Tree. This pricing model traces the evolution of the underlying variables in discrete-time considering the possible exercise of the conversion option of the shares at each step. The fair value of the warrants was determined using a "Bloomberg option" valuation model based on Black & Scholes formula which is a widely used option valuation methodology. The following summarizes the fair value as of June 30, 2012:

Description	June 30, 2012 Ps. (*)
Preferred shares embedded derivative	48,009
Warrants derivative	22,531
	70,540

(*) The preferred shares embedded derivative and the warrant derivative were initially recorded on the date of acquisition at their fair value of Ps.52.7 million and Ps.22.4 million , respectively.

The following is a description of the valuation methodologies used for the assets and liabilities not measured at fair value, key inputs and significant assumptions:

Mortgages and leases receivable, net: The carrying amount of mortgages and leases receivables reported in the consolidated balance sheet approximates their fair value.

Accounts and notes receivable, net: Carrying amounts are considered to approximate fair value. All amounts that are assumed to be uncollectible within a reasonable time are written off and/or reserved.

Accounts and notes payable: The carrying amount of accounts and notes payable reported in the consolidated balance sheet approximates their fair value.

Short-term debt: The carrying amount of short-term debt reported in the consolidated balance sheet approximates fair value due to its short-term nature.

Long-term debt: As of June 30, 2012 and 2011, except for the Company´s Convertible Notes and Non-Convertible Notes as discussed below, the carrying amount of long-term debt reported in the consolidated balance sheet approximates their fair value.

The fair value of APSA Convertible and Non-Convertible Notes was Ps. 2,018.2 million and Ps. 2,667.1 million as of June 30, 2012 and 2011, respectively. Such fair value was determined based on the market price of the shares assuming full conversion of the notes at fiscal year-end.

The fair value of IRSA Notes was Ps. 1,118.8 million and Ps. 1,344.1 million as of June 30, 2012 and 2011, respectively and was determined based on the market price of the notes.

The fair value of Cresud Notes was Ps. 870.2 million and Ps. 371.5 million as of June 30, 2012 and 2011, was determined based on quoted market prices of the notes.

Other receivables and other liabilities: The carrying amount of other receivables and other liabilities reported in the consolidated balance sheet approximates fair value due to their short-term nature.

FASB issued ASC No. 815 "Derivatives and Hedging", ("ASC No. 815"), formerly SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Standard No. 133", to enhance the current disclosure framework in SFAS 133. ASC No. 815 amends and expands the disclosures required by SFAS No. 133 so that they provide an enhanced understanding of "(1) how and why an entity uses derivative

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

c) Disclosure about fair value of financial instruments (continued)

instruments, (2) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations, and (3) how derivative instruments affect an entity's financial position, financial performance, and cash flows.

d) Additional disclosures about derivative financial instruments

The Company adopted ASC No. 815 in the fiscal year ended June 30, 2009. The Company employs derivative financial instruments, including foreign exchange forward contracts, to manage its exposure to fluctuations in foreign currency exchange rates. The Company does not use derivatives for speculation or trading.

Undesignated derivative financial instruments

The Company uses future contracts, put and call option contracts, and foreign currency future and forward contracts, to manage its exposure to various risks including commodity prices, foreign currency exchange rate fluctuations and interest rate fluctuations from an economic perspective, and for which the Company is unable or has elected not to apply hedge accounting. The Company does not use derivatives for speculation or trading.

Fair value and gains or losses on derivative financial instruments

The following table summarizes the fair values of derivative financial instruments as of June 30, 2012 and 2011:

Derivatives not designated as hedging instruments under ASC No. 815
Fair Value of Derivative Instruments

	Assets and Liability Derivatives As of June 30			
	2012		2011	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign exchange contracts	Other receivables (Note 4.d))	540	Other receivables (Note 4.d))	7,223
	Other liabilities (Note 4.n))	(19,121)	Other liabilities (Note 4.l))	(1,297)
Crops derivatives	Other receivables (Note 4.d))	1,028	Other receivables (Note 4.d))	9,876
	Other liabilities (Note 4.n))	(22,294)	Other liabilities (Note 4.l))	(7,056)
Swaps	Other receivables (Note 4.d))	959	Other receivables (Note 4.d))	1,867
Total derivatives not designated as hedging instruments under Statement 133		(38,888)		10,613

The Notional amounts are summarized in Note 7.

The following table summarizes the gains and losses on derivative financial instruments reported in the consolidated statement of income for the fiscal years ended June 30, 2012, 2011 and 2010:

F-144

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

d) Additional disclosures about derivative financial instruments (continued)

Derivatives not designated as hedging instruments under statement 133	Location of gain or (loss) recognized in income on derivative	Amount of gain or (loss) recognized in income on derivative Fiscal Years ended June 30,		
		2012	2011	2010
Crops derivatives	Unrealized (loss) gain on inventories (Note 4.m))	(50,078)	(23,661)	(713)
Foreign exchange contracts	Financial results, net (Note 4.o))	(799)	1,522	5,412
Swaps contracts	Financial results, net (Note 4.o))	1,837	1,328	-
		(49,040)	(20,811)	4,699

The derivatives entered into by the Company do not contain credit risk related contingent features.

The Company executed derivative financial instruments with creditworthy financial institutions, its the contractual terms of a foreign currency instrument, the Company's risk is limited to the fair value of the instrument.

e) Concentration of credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash, cash equivalents, accounts receivable, and short-term investments.

The Company places its cash and cash equivalents, investments, and other financial instruments with various high credit quality financial institutions, thus mitigating the amount of credit exposure to any one institution.

The Company has not experienced any significant losses in such accounts.

Agriculture business

The Company's accounts receivable are derived primarily from sales of crops to independent purchasers, live beef cattle to local meat processing companies and milk products to domestic dairy companies, as further described below. The Company performs credit evaluations of its customers and generally does not require collateral. The Company does not believe that significant credit risk exists as of June 30, 2012 and 2011 due to the diversity of its customer base. However, as of June 30, 2012 and 2011, ten customers account for more than 43% and 46% of the Company´s consolidated revenues, respectively. Furthermore, only three customers, Brenco Companhia Brasileira de Energía Renovável, Molinos Río de la Plata S.A. y Bunge Alimentos S.A. as of June 30, 2012 and Cargill S.A. Molinos Río de la Plata S.A. y Bunge Argentina S.A. as of June 30, 2011 account for more than 25% and 26% of the Company´s consolidated revenues, respectively.

Mastellone S.A. is the only customer of milk production of the Company. Mastellone is the largest dairy company in Argentina. Sales to Mastellone amounted to Ps. 27.5 million, Ps. 28.4 million and Ps. 24.4 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively, representing 6%, 9.0% and 11.1% of the Company´s consolidated revenues, for those years, respectively. Although management believes that the Company will be able to continue to sell its milk production to Mastellone on favorable terms, there can be no assurance tha the Company would be able to maintain this relationship. Although management believes that other large dairy producers would be willing and able to purchase the Company's milk production, there can be no assurance that the Company could timely locate alternative customers to sell its products at prices comparable to those paid by its current major customers. The Company negotiated with Mastellone the prices of raw milk on a monthly basis in accordance with domestic supply and demand. The prices of the milk are mainly based on the percentage of fat and protein that it contains and the temperature at which it is cooled. The price we obtain from our milk also rises or drops based on the content of bacteria and somatic cells.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

e) Concentration of credit risk (continued)

The Company sells crops production mainly to exporters and manufacturers that process the raw materials to produce meal and oil, products that are sent to the export markets. The Argentine crop market is characterized by a few purchasers and a great number of sellers. Although most of the purchasers are international companies with strong financial conditions, it cannot assure you that this situation will remain the same in the future or that this market will not get more concentrated in the future.

The Company may not be able to maintain or form new relationships with customers or others who provide products and services that are important to Company's business.

Real Estate Business

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash, cash equivalents, accounts receivable, and short-term investments.

The Company places its cash and cash equivalents, investments, and other financial instruments with various high credit quality financial institutions, thus mitigating the amount of credit exposure to any one institution. The Company has not experienced any significant losses in such accounts.

The Company's accounts receivable are primarily derived from leases and services from the Company's shopping center and office buildings customers and origination of consumer loans and credit card receivables. The Company is not dependent on any single customer. Accounts receivable derived from leases and services are related to the Company's shopping center and office buildings operations. The Company has not experienced any significant losses resulting from non-performance of any counterpart to the lease contracts.

Consumer loan and credit card receivables arise primarily under open-end revolving credit accounts used to finance purchases of goods and services offered by the Company's shopping centers, hypermarkets and street stores, and financing and lending activities through the Company's subsidiaries Tarshop and Apsamedia. These accounts have various billing and payment structures, including varying minimum payment levels and finance charge rates.

The Company provides an allowance for uncollectible accounts based on impaired accounts, historical charge-off patterns and management judgment. Due to the economy recovery, customers experienced fewer delays in payments and also uncollectibility rates decreased during the fiscal year ended June 30, 2010. As of June 30, 2010, the allowance for doubtful accounts decreased Ps. 15.5 million, or 19.6%, as compared to June 30, 2009. Nevertheless, the Company continues closely monitoring the delays, delinquency and uncollectibility rates.

As discussed in Note 14, as of June 30, 2010, Tarshop sold receivables aggregating Ps. 960.9 million through securitization programs outstanding, for which the Company's credit risk exposure is contractually limited to the subordinated CPs held by the Company representing Ps. 136.0 million and Ps. 4.7 million escrow reserves for losses and Apsamedia sold receivables aggregating Ps. 235.8 million through securitization programs outstanding, for which the Company's credit risk exposure is contractually limited to the subordinated retained interests held by the Company

representing Ps. 7.1 million and Ps. 0.7 million escrow reserves for losses. For the three months ended September 30, 2010, no additional impairment charge related to the retained interests in securitized receivables was recorded.

f) Statement of cash flows classification differences

The statements of cash flows presented in the primary financial statements are prepared based on Argentine GAAP amounts. Under US GAAP, the Company should follow the guidance in ASC No. 230 "Statement of Cash Flows" (ASC No. 230).

Under ASC No. 230, the total amounts of cash and cash equivalents at the beginning and end of a period shown in the statement of cash flows are required to be the same amounts as similarly titled items shown on the face of the balance sheet as of the respective dates. Note 12 to the primary financial statements shows this reconciliation for cash and cash equivalents under Argentine GAAP. However, certain differences may exist between cash and cash equivalents under Argentine GAAP and US GAAP. As described in Note 12, under Argentine GAAP, the

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

f) Statement of cash flows classification differences (continued)

Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents. In particular, investments in mutual funds are considered to be cash equivalents by reference to the frequency with which liquidity is available according to Argentine GAAP practice and guidance. Under US GAAP, the original maturity is determined by reference to the stated term of the underlying securities or the timeframe for exercising any put features to the issuer and not by reference to the frequency with which liquidity may be available through an auction, a put feature to a third party, or otherwise. Therefore, for US GAAP purposes, certain mutual funds were not considered to be cash equivalents. In addition, under Argentine GAAP, the Company consolidated on a pro rata basis the accounts of CYRSA, Quality Invest, Nuevo Puerto Santa Fe, Canteras Natal Crespo, Liveck, Baicom Networks, Puerto Retiro and Cresca. Under US GAAP, proportionate consolidation is not appropriate since the Company did not exercise control over these investments. As a result, additional differences exist between the amounts of cash and cash equivalents reported in the primary statements of cash flows under Argentine GAAP than they would be reported under US GAAP.

The following table reconciles the amounts of cash and cash equivalents under Argentine GAAP with the amounts of cash and cash equivalents under US GAAP:

	For the fiscal year ended June 30,		
	2012	2011	2010
Cash and cash equivalents as shown in the statements of cash flows under Argentine GAAP (Note 12)	549,831	705,544	175,653
Less:			
Mutual funds not considered cash equivalents under US GAAP	-	-	(28,758)
Deconsolidation of pro-rata investments under US GAAP	(24,038)	(10,993)	(3,742)
Total cash and cash equivalents under US GAAP	525,793	694,551	143,153

Under Argentine GAAP, the effects of exchange rates changes on cash and cash equivalents are not disclosed separately by presenting a fourth category as it is required by ASC No. 230. The effect of exchange rate changes on cash and cash equivalents for the fiscal years ended June 30, 2012, 2011 and 2010 were Ps. 6.8 million, Ps. (7.1) million and Ps. (0.03) million, respectively.

Due to the difference in definition of cash and cash equivalents, there may be a difference in the amount reported for purchases and sales of investments not considered to be cash equivalents under investing activities in a statement of cash flows under US GAAP as compared to the same titled line items under Argentine GAAP.

Due to the deconsolidation of the pro rata investments under US GAAP, the cash flows from operating and investing activities under US GAAP differ from the respective cash flows under Argentine GAAP, since each line item excludes the pro rata equity interest of the respective cash inflow or outflow.

In addition, certain differences exist in the classification of cash inflows or outflows as operating, investing or financing activities under US GAAP as compared to Argentine GAAP. These differences are:

- Payments for the acquisition of a non-controlling interest are classified as investing activities under Argentine GAAP while classified as financing activities under US GAAP;
- Dividends collected are classified as investing activities under Argentine GAAP while classified as operating activities under US GAAP.
- Interest payment are classified as financing under Argentine GAAP while classified as operating activities under GAAP

Based on the foregoing, the following table shows the cash flows from operating, investing and financing activities as well as the effect of exchange rate changes on cash and cash equivalents that would be reported in a statement of cash flows:

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

f) Statement of cash flows classification differences (continued)

	Fiscal Year ended June 30,		
	2012	2011	2010
Net cash provided by operating activities	501,403	473,071	125,158
Net cash used in investing activities	(540,921)	(354,889)	(490,170)
Net cash (used in) provided by financing activities	(143,470	440,275	318,232
Effects of exchange rate changes	6,819	(7,059)	(28)
Net (decrease) increase in cash and cash equivalents	(176,169)	551,398	(46,808)

g) Earnings per share

As described in Note 3.ab), under Argentine GAAP the Company is required to disclose earnings per share information in accordance with RT 18 for all years presented, Note 11 to the consolidated financial statements disclose the computation of basic and diluted net income per common share under Argentine GAAP.

Guidance set forth in RT 18 is similar to the basic principles set forth in ASC No. 260, "Earnings per Share", ("ASC No. 260"), formerly SFAS No. 128 "Earnings per Share" (SFAS No.128) although certain differences exist.

Under US GAAP, basic and diluted earnings per share are presented in conformity with ASC No. 260.

Under Argentine GAAP, the Company has considered the dilutive effects of outstanding warrants, using the if converted method as applicable, Under US GAAP, dilutive options or warrants that are issued during a period or that expire or are cancelled during a period must be included in the weighted average number of shares outstanding for purposes of computing diluted EPS for the period that they were outstanding. Additionally, dilutive options or warrants exercised during the period must be included in the weighted average number of shares outstanding for purposes of computing diluted EPS for the period prior to actual exercise. Thereafter, the shares issued will be included in the weighted average calculation of shares outstanding used for both basic and diluted EPS. Under US GAAP, the Company applied the treasury-stock method.

The following tables set forth the computation of basic and diluted net income per common share under US GAAP for all periods presented:

	Fiscal Year ended June 30,		
	2012	2011	2010
Numerator:			
Net income attributable to Cresud	81,235	758,764	193,399
Plus (less): income (loss) impact of assumed conversions:			
Warrants (i)	(76,542)	23,022	23,812
Income tax effects	26,790	(8,058)	(8,334)
Management fee	4,975	(1,496)	(1,548)
Net income attributable to Cresud plus assumed conversions	36,458	772,232	207,329

	Fiscal Year ended June 30,		
	2012	2011	2010
Denominator:			
Weighted-average number of shares outstanding	496,561,780	496,560,206	486,545,863
Plus: incremental shares of assumed conversions:			
Warrants (i)	62,355,168	62,355,168	62,355,168
Adjusted weighted-average number of shares	558,916,948	558,915,374	548,901,031

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

g) Earnings per share (continued)

Basic and diluted EPS attributable to Cresud:			
Basic net income per common share	0.16	1.53	0.40
Diluted net income per common share	0.07	1.38	0.38

(i) Potential common shares related to these instruments have been calculated using the treasury-stock method as required by US GAAP.

h) Risks and uncertainties

The Company is subject to certain business risks arising in connection with its operations which include, among others:

Risks associated with Argentine operations: A substantial part of the Company's operations and properties are located in Argentina. As a result, the Company financial condition and results of operations depend to a significant extent on macroeconomic and political conditions prevailing in Argentina.

Agriculture business

Fresh produce is vulnerable to adverse weather conditions including windstorms, floods, drought and temperature extremes, which are quite common but difficult to predict. Fresh produce is also vulnerable to crop and beef cattle diseases and pests. These factors may result in lower sales volume and increased costs, but may also restrict supplies and lead to an increase in prices for fresh produce.

The Company's earnings are sensitive to fluctuations in the volatile market prices for its products, sales prices for crops are based on the market prices quoted in the Argentine grain exchanges, which largely reflect world commodity prices. Beef cattle prices are based on the major Argentine auction markets for cattle and are primarily determined by domestic supply and demand. Milk prices are also determined on the basis of domestic supply and demand.

As with any agribusiness enterprise, the Company's business operations are predominantly seasonal in nature. The harvest and sale of crop (corn, soybean and sunflower) generally occurs from February to June. The harvest of wheat generally occurs from December to January. Other segments of the Company's business, such as its cattle and milk sales, and its forestry activities, tend to be more successive than seasonal in nature.

Real Estate Business

The Company is subject to certain business risks arising in connection with its operations which include, among others:

Risks associated with Argentine operations: A substantial part of the Company's operations and properties are located in Argentina, As a result, the Company financial condition and results of operations depend to a significant extent on

macroeconomic and political conditions prevailing in Argentina.

Risks associated with office and other buildings leases: The Company’s lease revenues from its real estate operations may be adversely affected by (i) local or national economic conditions in the areas in which the properties are located, (ii) oversupply of office space or a reduction in demand for such space, (iii) increased competition from other real estate operators, (iv) changes in the ability of the Company or the tenants to provide for adequate maintenance and/or insurance, (v) increases in operating expenses, (vi) adverse changes in the regional or national economy, (vii) the bankruptcy or insolvency of, or a downturn in the business of, any of its major tenants, and/or (viii) the possibility that such tenants will not renew their leases as they expire. Unfavorable economic conditions could also result in the inability of tenants in certain sectors to meet their lease obligations and otherwise could adversely affect the Company’s ability to attract and retain desirable tenants.

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

h) Risks and uncertainties (continued)

Risks associated with development properties activities: Include (i) the potential abandonment of development opportunities; (ii) construction costs may exceed the Company's original estimates, possibly making a project uneconomical; (iii) occupancy rates and rents at a newly completed project may be insufficient to make the project profitable; (iv) the Company's inability to obtain financing on favorable terms for the development of the project; (v) construction and lease-up may not be completed on schedule, resulting in increased debt service expense and construction costs; and (vi) the Company's inability to obtain, or the delays in obtaining, all necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations; (vii) preconstruction buyers may default on their purchase contracts or units in new buildings may remain unsold upon completion of constructions, (viii) sales prices for residential units may be insufficient to cover development cost.

Risks associated with the hotel industry: The success of the Company's operated hotels will depend, in large part, upon the Company's ability to compete in areas such as access, location, quality of accommodations, room rate structure, quality and scope of food and beverage facilities and other services and amenities. The Company's hotels may face additional competition if other companies decide to build new hotels or improve their existing hotels such that they are more attractive to potential guests, In addition, the profitability of the Company's hotels depends on (i) the Company's ability to form successful relationships with international operators to run the hotels; (ii) changes in travel patterns, including seasonal changes; and (iii) taxes and governmental regulations which influence or determine wages, prices, interest rates, construction procedures and costs.

Shopping center operating risks: The development, administration and profitability of shopping centers are impacted by various factors including: the accessibility and the attractiveness of the area where the shopping center is located, the intrinsic attractiveness of the shopping center, the flow of people and the level of sales of each shopping center rental unit, increasing competition from internet sales, the amount of rent collected from each shopping center rental unit and the fluctuations in occupancy levels in the shopping centers, In the event that there is an increase in operational costs, caused by inflation or other factors, it could have a material adverse effect on the Company if its tenants are unable to pay their higher rent obligations due to the increase in expenses.

Since May 28, 1997, Law No. 24,808 provides that tenants may rescind commercial lease agreements after the initial six months upon not less than sixty days written notice, subject to penalties of only one-and-a-half months' rent if the tenant rescinds during the first year of the lease, and one-month rent if the tenant rescinds after the first year of the lease, The exercise of such rescission rights could materially and adversely affect the Company.

The Company's property is currently and will continue to be subject to risks incident to the ownership and operation of commercial real estate and residential development properties. The Company's lease sales from its real estate operations may be adversely affected by (i) local or national economic conditions in the areas in which the properties are located; (ii) oversupply of retail space or a reduction in demand for retail space; (iii) increased competition from other real estate operators; (iv) changes in the ability of the Company or the tenants to provide for adequate maintenance and/or insurance; (v) increases in operating expenses; and/or (vi) adverse changes in the regional or national economy. Other risks include the inability to collect rent due to bankruptcy or insolvency of tenants or otherwise, the need to periodically renovate, repair and release space and the costs thereof and the ability of a tenant to

provide adequate maintenance and insurance. In addition, the failure to sell the property to be constructed could have a material adverse effect on the Company.

An economic downturn in the areas in which the shopping centers are located might adversely affect the Company's sales (through bankruptcy of tenants and reduction in the shopping center sales due to lower variable income), Increases in operating costs due to inflation and other factors may result in some tenants being unable or unwilling to pay rent or expense increases. In addition, the Company has several tenants occupying space in more than one shopping center and, as a result, if any of such tenants should experience financial difficulties and cease paying rent, the Company's operating results could be adversely affected. Furthermore, as leases on properties expire, the Company may be unable to find new tenants or tenants may enter into new leases on terms that are less favorable to the Company. The failure to lease such properties could have a material adverse effect on the Company.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

i) Severance indemnities

Under Argentine law and labor agreements, the Company is required to make minimum severance payments to its dismissed employees without cause and employees leaving its employment in certain other circumstances, Under Argentine GAAP, severance payments are expensed as incurred, Under US GAAP, the Company follows the guidelines established by ASC No. 712 ("ASC No. 712") “Compensation – Nonretirement Post-employment Benefits formerly SFAS No. 112, “Employers' Accounting for Post-employment Benefits”, and ASC No. 710 ("ASC No. 710") formerly SFAS No. 43, “Accounting for Compensated Absences”, which requires the accrual of severance costs if they relate to services already rendered, are related to rights that make severance payments in the future, it is impossible to estimate the number of employees that will be dismissed without proper cause in the future, if any, and accordingly the Company has not recorded such liability.

j) Operating leases

This note discloses operating leases information of the Company and its controlled and jointly controlled subsidiaries:

- Operating lease information:

- Leases and services from office and other buildings

The Company enters into cancelable commercial leases with its tenants for terms ranging from three to five years, with most leases having terms of no more than 5 years. Tenants are charged a base rent on a monthly basis. Contingent rentals of Ps. 0.3 million, Ps. 0.1 million and Ps. 0.01 million were recorded for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

- Leases and services from shopping center operations

The Company enters into cancelable commercial leases with its tenants for terms ranging from three to ten years, with most leases having terms of no more than five years. Tenants are generally charged a rent, which consists of the higher of (i) the base rent and (ii) the percentage rent (which generally ranges between 4% and 10% of the tenants sales). Furthermore, pursuant to the rent escalation clause in most leases, a tenant’s base rent generally increases between 7% and 12% each fiscal year during the term of the lease. Included in lease revenues for the fiscal years ended June 30, 2012, 2011 and 2010 were contingent rentals of Ps. 214.0 million, Ps. 158.5 million and Ps. 95.6 million, respectively. Even though the leases are cancelable by law, the Company considered them to be non-cancelable for these purposes. See Note 31.I. (u.2) for more information as to how the Company considered this definition.

Minimum future rentals on non-cancelable leases as of June 30, 2012 for each of the five succeeding fiscal years are as follows:

2013	421,330
2014	336,737
2015	200,645

2016	86,576
2017	93,973
Thereafter	56,656
	1,195,917

- Farmland leases

The Company has obligations under cancelable operating leases, primarily for farmland as well as its office facilities. Generally, land leases have initial terms of one or two year. Certain agricultural land leases provide for contingent increases in minimum rentals based on production targets. Lease payments under a portion of the Company's operating leases are based on crop-sharing agreements. Under crop-sharing agreements, leases are paid

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

j) Operating leases (continued)

in kind based upon an agreed-upon percentage of the crops harvested. Land leases expense forms part of the total cost of production of the Company. Substantially all of the leases provide that the Company pays taxes, maintenance, insurance and certain other operating expenses applicable to the leased assets.

Total rent expense, including rents related to land leases, was Ps. 53.2 million, Ps. 64.5 million and Ps. 38.7 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

k) Equity investments

Pursuant to Rule 3-09 of Regulation S-X, the Company´s significant equity investees are Banco Hipotecario S.A. and New Lipstick. As of June 30, 2011 the Company´s significant equity investees wre Banco Hipotectario S.A. and Metropolitan (as described in Note 31.II.a), during the fiscal year ended June 3, 2011 Metropolitan was extinguished). Under Argentine GAAP, the Company´s gain on equity investees for the fiscal years ended June 30, 2012, 2011 and 2010 were Ps. 116.8 million, Ps. 138.4 million, and Ps. 160.4 million, respectively. Under Argentine GAAP, the Company´s share of the net assets of equity investees as of June 30, 2012 and 2011 were Ps. 1,339.4 million and Ps. 1,208.0 million, respectively.

The table below shows summarized financial information of the Company´s significant equity investees on a 100% basis:

	As of June 30, (*)	
New Lipstick (*)	2012	2011
Total assets	906,319	843,894
Total liabilities	997,294	793,518
Shareholders' equity (deficit)	(90,975)	50,376

	For the fiscal year ended June 30,	
	2012	2011
Revenues	201,207	94,518
Net loss	(147,955)	(70,244)

(*)Financial information prepared under US GAAP. As explained in Note 31 I (a), New Lipstick has applied fresh start accounting since December 30, 2010.

Summarized financial information in accordance with Central Bank's policies which prescribe the reporting and disclosure requirements for banks and financial institutions in Argentina ("Argentine Banking GAAP") of BHSA a significant equity investee (on a 100% basis) is as follows:

	As of and for the fiscal year ended June 30, (*)	
BHSA	2012	2011
Current assets	(i)	(i)
Non-current assets	(i)	(i)
Total assets	15,337,472	12,102,801
Current liabilities	(i)	(i)
Non-current liabilities	(i)	(i)
Total liabilities	11,906,643	8,968,430
Non-controlling interest	61,635	66,274
Shareholders´ equity	3,369,194	3,068,097

Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

k) Equity investments (continued)

	For the fiscal year ended June 30,		
	2012	2011	2010
Revenues (ii)	3,245,858	2,438,050	1,811,305
Gross profit (iii)	1,628,885	1,179,049	788,116
Net income (loss)	301,097	218,417	198,929

(i) Balance sheets of banking entities are unclassified.
(ii) Includes financial income, income from services and miscellaneous income.
(iii) Includes administrative expenses and income before income taxes and non-controlling interert.
(*) Financial information prepared in accordance with the rules of Banco Central de la República Argentina.

l) Investments in debt and equity securities

In accordance with ASC No. 320 ("ASC No. 320"), "Investments – Debt and Equity Securities", formerly SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities", the Company has classified mutual funds, its investments in IRSA Non-Convertible Notes, its investments in mortgage and government bonds as available-for-sale securities. The following are additional disclosure requirements in accordance with ASC No. 320:

Available-for-sale securities

The Company has classified the following investments in marketable securities as available for sale and, as such, the securities are carried at fair value. Unrealized gains and losses determined to be temporary are recorded as other comprehensive income, net of related deferred taxes, until realized, unrealized losses determined to be other than temporary are recognized in the period the determination is made. As of the date of these financial statements, the Company has not determined any unrealized losses to be other than temporary.

The cost and estimated fair values of marketable securities available for sale as of June 30, 2012, 2011 and 2010 were as follows:

	2012			
Instrument	Cost	Unrealized gain	Unrealized loss	Fair value
Mutual Funds	116,777	(1,436)	-	115,341
Dolphin Fund	21,163	-	(4,206)	16,957
Shares of public companies	9,167	2,501	-	11,668
Mortgage bonds	490	6	-	496
Government bonds	9	-	-	9
Total	147,606	1,071	(4,206)	144,471

Instrument	Cost	Unrealized gain	Unrealized loss	Fair value

Mutual Funds	189,237	1,362	-	190,599
Dolphin Fund (ii)	33,401	-	(4,162)	29,239
Mutual funds Cyrsa	4,549	31	-	4,580
Shares of public companies(ii)	3,550	-	(639)	2,911
Mortgage bonds	461	16	-	477
Government bonds (i)	16	-	(4)	12
Total	231,214	1,409	(4,805)	227,818

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

l) Investments in debt and equity securities (continued)

	2010			
Instrument	Cost	Unrealized gain	Unrealized loss	Fair value
Mutual Funds	114,345	975	-	115,320
Dolphin Fund (ii)	38,097	-	(4,696)	33,401
Shares of public companies(ii)	4,240	-	(166)	4,074
Mortgage bonds	823	95	-	918
Government bonds (i)	143	39	-	182
Total	157,648	1,109	(4,862)	153,895

(i) New cost basis includes an other-than-temporary impairment of Ps. 2.0 million as of June 30, 2009.
(ii) Unrealized loss position for less than 12 months.

Gross loss of Ps. 30.2 million and a gain of Ps. 12.2 million and gross loss of Ps. 3.5 for the fiscal years ended June 30, 2012, 2011 and 2010, respectively, were realized on those sales.

In evaluating whether a security was other than temporarily impaired, the Company considered the severity and length of time impaired for each security in a loss position and other qualitative data.

The information and the reconciliation item regarding the investment in Hersha Hospitality Trust and TGLT S.A., an available for sale securities for US GAAP purposes, have been included separately below.

m) Disclosure of the Stock Purchase Option Plans

Pursuant to ASC No. 710 “Stock Based Compensation” (“ASC No. 710”), the Company provides the following additional disclosures with respect to its share option plans. This section should be read in conjunction with Note 17 to the Consolidated Financial Statements.

As of June 30, 2012, the Company maintains, through its subsidiary BrasilAgro, a stock option plan (the “BrasilAgro’s Option Plan”), under which BrasilAgro grants equity-settled options to its employees. BrasilAgro incurred a charge of Rs. 1.1 million (Ps. 2.8 million) and Rs. 1 million (Ps. 2.6 million) for the fiscal years ended June 30, 2012 and 2011, respectively, related to the options granted under the BrasilAgro’s Option Plan.

The fair value of the options granted under the BrasilAgro’s Option Plan was measured at the date of grant using the Black-Scholes valuation technique. This valuation model takes into account factors such as non transferability, expected volatility, exercise restrictions and behavioral considerations.

Key grant-date fair value and other assumptions under the BrasilAgro’s Option Plan are detailed below:

Grant Date	August 2010
Expected volatility	67.48%
Expected life	5 years
Risk free rate	11.36%
Expected dividend yield	1.00%
Fair value per option	R$ 6.16 (Ps. 16.22)
Exercise price	R$ 8.97 (Ps. 23.61)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

A summary of option activity under the BrasilAgro's Option Plan as of June 30, 2012, and changes during the fiscal year then ended is presented below:

m) Disclosure of the Stock Purchase Option Plans (continued)

	Options	Weighted-average exercise price per share
Outstanding as of July 1, 2010	-	-
Granted	370,007	Ps. 23.61
Outstanding as of June 30, 2011	370,007	Ps. 23.61
Outstanding as of July 1, 2011	-	-
Granted		
Outstanding as of June 30, 2012	370,007	Ps. 14.85
Outstanding as of July 1, 2012	-	
Exercisable as of June 30, 2012	-	-

The grant-date fair value of options granted under the BrasilAgro's Option Plan during the fiscal year ended June 30, 2011 was Ps. 16.22. As of June 30, 2012, none of the options under the BrasilAgro's Option Plan were exercised. Additionally, as of June 30, 2012, there was Ps. 0.5 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the BrasilAgro's Option Plan. That cost is expected to be recognized over the next two months.

n) Long-term incentive program

As it is mentioned in note 15 to the consolidated financial statements, the Company has developed a long-term share-based incentive program (the "long-term incentive program"), which permits the grant of awards to management and key personnel for up to 7.5% of the employee's annual bonus. The Company believes that such awards better align the interests of its employees with those of its shareholders. The awards generally vest based on 5 years of continuous service.

During the fiscal year ended June 30, 2012, the Company granted Ps. 1.7 million of award of shares under the Long-term incentive program. None of these outstanding awards were vested as of June 30, 2012.

For the fiscal year ended June 30, 2012, the Company incurred a charge of Ps. 2.4 million related to the awards granted under the Long-term incentive program. The weighted-average grant-date fair value of awards granted during the fiscal year ended June 30, 2012 was Ps. 0.01. The fair value of the shares has been calculated as the average of the market value of the shares over a period of 60 days. As of June 30, 2012, there was Ps. 4.9 million of total unrecognized compensation cost related to non-vested awards granted under the Long-term incentive program. That cost is expected to be recognized over a weighted-average period of 4 years.

o) Maturities of long-term debt

Scheduled maturities of the long-term debt for the next fiscal years ended June 30 (excluding current portion and capitalized cost of issuance of debt), as of June 30, 2012, are as follows:

2014	782,602
2015	76,376
2016	60,169
Thereafter 2017	1,883,221
Total	2,802,368

F-155

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

p) Disclosure of related parties transactions

Pursuant to ASC No. 850 "Related Party Disclosures" ("ASC No. 850"), the Company provides the following additional disclosures of transactions with related parties. This section should be read in conjunction with Note 8 to the Consolidated Financial Statements.

- Consulting agreement: Pursuant to the terms of a consulting agreement with Consultores Asset Management S.A. ("CAMSA") CAMSA provides the Company advisory services on matters related to capital investments in all aspects of the agriculture business. A shareholder and director of the Company is the owner of 85% of the capital stock of CAMSA, while Cresud's first vice Chairman of the Board holds the other 15% of its capital stock. The Company pays CAMSA an annual fee equivalent to 10% of the after-tax net income for these services. Fees totaled Ps. 8.7 million, Ps. 23.6 million and Ps. 20.6 million for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

- Acquisitions: During the fiscal year ended June 30, 2012 and 2011, Cresud acquired 37,626,842 and 1,224,371 additional shares of IRSA, respectively. Consequently, Cresud´s share in IRSA as of June 30, 2012 amounts approximately to 64.20%.

During fiscal year 2010, IRSA acquired APSA's notes (Nominal Value Ps. 154 million and due 2012) for a nominal value of Ps. 46.5 million, at an average Ps. 0.61 quoted price. The amount paid amounted to US$ 8.2 million. This transaction generated Ps. 18,363 income (gain recognized on extinguishment of subsidiary debt).

During fiscal year 2011, IRSA sold APSA's notes for US$ 38.1 million. The difference has been treated as an implicit financial cost of the transaction, which shall accrue and be amortized against income over the term of the notes.

During fiscal year 2010, IRSA acquired additional shares of BHSA for Ps. 118.7 million, out of this total amount, Ps. 80.5 million were acquired from IFISA.

During fiscal year 2011, IRSA acquired additional shares of BHSA for PS. 36.2 million, exercising its preemptive right.

During fiscal year 2012, IRSA maintained its 29.77% equity interest in BHSA.

On January 13, 2011, APSA purchased 18,400,000 registered, non-endorsable shares of common stock with a face value of Ps. 1 each and entitled to one vote per Class B share, representing 50% of Apsamedia's common capital stock. As of June 30, 2011 APSA has 100% of Apsamedia´s common capital stock.

On January 13, 2011, and as an action subsequent to the purchase of the remaining 50% of Apsamedia's shares by IRSA, Apsamedia transferred the following assets to Tarshop:

i. Receivables from consumption transactions carried out through December 31, 2010 and that are performing or in default for not more than 60 days (both those in Apsamedia S.A.'s own portfolio and those assigned to Fideicomiso Financiero

Apsamedia S.A. Serie XV).

ii. The contractual position in the credit card issuance agreements whose customers did not have as of December 31, 2010 a default for over 60 days in complying with their obligations.

iii. All credit card customers or accounts and consumer loans.

iv. Lease agreements on certain branches and their personal property.

v. Labor agreements for payroll personnel.

During fiscal year 2011, APSA's Board of Directors approved the sale of a 80% interest in Tarshop to Banco Hipotecario S.A. ("BHSA") for a sale price of US$ 26.8 million. The transaction was approved by the Banco

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

p) Disclosure of related parties transactions (continued)

Central de la República Argentina, and subsequently was closed on September 13, 2010. APSA committed not to compete in the credit card or comsumer loan origination business market where Tarshop conducts business for a period of 5 years.

On October 13, 2010, APSA and TGLT, a real estate developer in Argentina, entered into an agreement to barter a plot of land located in Beruti street Nos. 3351/59 in the city of Buenos Aires for monetary consideration and future units to be constructed by TGLT on the land. The transaction was subject to certain precedent conditions including the completion by TGLT of its initial public offering. The transaction was agreed upon at US$ 18.8 million. TGLT plans to construct an apartment building with residential and commercial parking space. In consideration, TGLT may transfer APSA (i) a number of apartments to be determined representing 17.33% of the saleable square meters occupied by apartment units of the future building; (ii) a number of parking spaces to be determined representing 15.82% of the saleable square meters occupied by parking space of the future building; (iii) all spaces reserved for commercial parking in the future building and (iv) the amount of US$ 10.7 million payable upon delivering the deeds of title on the land.

TGLT completed its initial public offering in the Buenos Aires Stock Exchange on October 29, 2010 therefore; the precedent condition for the transaction was fulfilled on that date. TGLT paid the US$10.7 million on November 5, 2010. On December 16, 2010, the title deed to the Beruti plot of land was executed.

To secure performance of obligations assumed by TGLT under the deed of sale, a mortgage was granted in favor of IRSA.

On June 29, 2011, IRSA and TGLT also entered into an agreement to barter a plot of land located in the neighborhood of Caballito in the city of Buenos Aires for future units to be constructed by TGLT on the land. The transaction was agreed upon at US$ 12.8 million. TGLT plans to construct an apartment building with residential, offices and parking space. In consideration, TGLT paid US$ 0.2 million in cash and may transfer IRSA: (i) a number of apartments to be determined, which represents in all 23.10% of the square meters of the saleable houses; (ii) a number to be determined of complementary units (garages), which represents in all 21.10% of the square meters of the garages; and (iii) in case TGLT builds complementary storage rooms, a number to be determined, which represents 21.10% of the square meters of the storage rooms; of the future real estate that shall form part of the project.

TGLT is committed to build, finish and obtain authorization for the three buildings that shall make up the building project, within 36 to 48 months. To secure performance of obligations assumed by TGLT under the deed of sale, a mortgage was granted in favor of IRSA.

- Donations: For the fiscal years ended June 30, 2012, 2011 and 2010, the Company made unconditional promises to give money to two not-for-profit organizations, namely Fundación IRSA and Museo de los Niños, amounting Ps. 1.9 million, Ps. 3.1 million and Ps. 5.6 million as of June 30, 2012, 2011 and 2010 respectively.

Unconditional promises are paid in the subsequent year. A director and shareholder of the Company is the President of these organizations.

- Lease agreements: Our principal executive offices are located at Bolívar 108, in the City of Buenos Aires. In the past we subleased a portion of our headquarters from Consultores Assets Management S.A. (formerly Dolphin Fund Management) pursuant to two lease agreements dated June 30, 1997. As of November 25, 2003 Eduardo Elsztain is the owner of 100% of its capital stock. Consultores Assets Management S.A. leased such offices both from Elsztain e Hijos S.C.A., a company controlled by relatives of Eduardo S. Elsztain, our chairman, and also from Hamonet S.A., a company controlled by Fernando A. Elsztain, our director, and certain of his relatives.

- Mutual investment fund: The Company has investments in Dolphin Fund Plc, an open – ended investment fund which is related to the Company's directors. These investments are carried at market value as of fiscal year-end, with unrealized gains reported in earnings within "Financial results, net" in the accompanying consolidated statements of income.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

p) Disclosure of related parties transactions (continued)

The Company recognized net (loss) gain of Ps. (12.3) million, Ps. (4.2) million and Ps. 3.2 million for the fiscal years ended June 30, 2012, 2011 and 2010 respectively. During September and October 2012, IRSA made an additional investment of US$ 25 million in Dolphin Fund Plc.

- Corporate services: In view of the fact that the Company, IRSA and APSA have operating areas with certain similarities, IRSA´s Board of Directors deemed it appropriate to implement alternative initiatives aimed at reducing certain fixed costs in its activities in order to reduce their impact on operating results, thereby taking advantage of and optimizing individual efficiencies of each company in the different areas of operations management.

Within this context, on June 30, 2004, a Framework Agreement for the Exchange of Corporate Services was executed by and between the Company, IRSA and APSA, which was subsequently amended on August 23, 2007, August 14, 2008 and November 27, 2009.

The Framework Agreement for the Exchange of Corporate Services executed by and between the Company, IRSA and APSA currently involves the following areas in the exchange of services: Human Resources, Finance, Institutional Relations, Administration and Control, Systems and Technology, Insurance, Purchases and Procurement, Messenger Services, Contracts, Technical, Infrastructure and Services, Internal Audit, Planning and Development, Development of Works, Real Estate, Hotels and Tourism, and Risks and Processes.

The exchange of services consists in the provision of services for valuable consideration in relation to any of the above mentioned areas, carried out by one or more of the parties on behalf of the other party or parties, invoiced and payable primarily through offsetting based on the provision of services in any such areas, and secondarily in cash, in case of a difference in value of the services provided.

Under this agreement, the companies have hired an external consulting company to review and evaluate on a six-month basis the criteria used in the settlement of corporate services, as well as the bases of distribution and supporting documentation used in the process, to be reflected in a report prepared for each six-month period.

On March 12, 2010 we entered into a new amendment to the Service Sharing Agreement within the Company, IRSA and APSA so as to simplify the issues arising from the consolidation of the Financial Statements resulting from the increase of Cresud's interest in IRSA. In this regard, the IRSA´s Board of Directors has deemed it convenient and advisable for achieving such simplification, to transfer labor contracts, like those of APSA, to Cresud. Effective since January 1, 2010, labor costs of such employees were transferred to our payroll, which will continue to be distributed pursuant to the conditions of the Shared Services Agreement.

In the future, and in order to follow the policy of making the most efficient distribution of corporate resources among the different areas, this agreement may be extended to other areas share by the Company, IRSA and APSA.

It should be noted that, notwithstanding this procedure, the Company, IRSA and APSA maintain total independence in their strategic and commercial decisions, and that the allocation of costs and income is performed based on operating

efficiency and equity principles, without pursuing individual economic benefits for the companies. The implementation of this project does not impair the identification of the economic transactions or services involved, or the effectiveness of internal control systems or internal and external audit work of each company, or the disclosure of the transactions subject to the Agreement in accordance with Technical Resolution No. 21 of the FACPCE. Furthermore, Mr. Alejandro Gustavo Elsztain has been appointed to the position of General Coordinator, whereas Daniel E. Mellicovsky has been charged with the operation and implementation of the agreement on behalf of the Company, Abraham Perelman shall represent IRSA, and Cedric Bridger shall represent APSA. All these individuals are members of the Audit Committees of their respective companies.

On July 11, 2011 we entered into the Fourth Agreement for Implementation of Amendments to the Master Agreement of Corporate Services with APSA and IRSA. The purpose of the new amendments is to generate a more efficient allocation of the corporate resources between the parties, to ensure the most equitable allocation of costs while maintaining the efficiency of the group, and also to continue with the reduction of certain fixed costs of the parties activities, in order to decrease its impact on the operating results.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

p) Disclosure of related parties transactions (continued)

The Agreement for the exchange of Corporate Service was filed with the SEC in a report on Form 6-K dated July 1, 2004 and amendments to this agreement were filed in reports on Form 6-K dated September 19, 2007, the Second Agreement for Shared Corporate Services was filed on Form 6-K dated August 19, 2008, the Third Agreement was filed on Form 6-K dated December 15, 2009 and the Addendum to Corporate Services Master Agreement, was filed on Form 6-K dated March 17, 2010. The Forth Agreement for the implementation of amendments was filed on Form 6-K dated July 13, 2011.

- Legal services: During the fiscal years ended June 30, 2012, 2011 and 2010, the Company paid the law firm Zang, Bergel & Viñes an aggregate amount of approximately Ps. 8.3 million, Ps. 9.2 million and Ps. 4.9 million respectively, for legal services. Certain directors or alternative directors of the Company are partners of the law firm and an alternate director of the Company is off counsel of the law firm.

- Credit facility Inversiones Financieras del Sur S.A. (IFISA) - Cresud: On June 25, 2012, the Company entered into a credit facility with IFISA for an amount of up to US$ 6.0 million for a term of 180 days, at a rate of 7.75% (ANR), with the Company acting as Lender and IFISA as Borrower.

q) Comprehensive income

ASC No. 220 “Comprehensive Income” (“ASC No. 220”) establishes guidelines for the reporting and display of comprehensive income and its components (revenues, expenses, gains and losses) in a full set of general purpose Financial Statements. ASC No. 220 requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a Financial Statement that is displayed with the same prominence as other Financial Statements. Accumulated other comprehensive income is presented below, net of income tax benefit/expense:

	Fiscal Year ended June 30, 2012		
	Cresud	Non-controlling interest	Total
Net income under US GAAP	81,235	24,211	105,446
Changes in other comprehensive income items of equity investees	(1,446)	(806)	(2,252)
Impact of US GAAP adjustments on joint ventures	(183)	(102)	(285)
Foreign currency translation	(58,692)	(133,904)	(192,596)
Unrealized holding gain (loss) on available-for-sale securities outstanding at the end of the fiscal year (i)	(4,780)	(3,620)	(8,400)
Comprehensive income	16,134	(114,221)	(98,087)

(i) Net of income taxes of Ps. 4,523

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

q) Comprehensive income (continued)

	Fiscal Year ended June 30, 2011		
	Cresud	Non-controlling interest	Total
Net income under US GAAP	758,764	239,985	998,749
Changes in other comprehensive income items of equity investees	(48,180)	(35,321)	(83,501)
Foreign currency translation	100,754	9,844	110,598
Unrealized holding gain (loss) on available-for-sale securities outstanding at the end of the fiscal year (i)	18,843	11,236	30,079
Unrealized loss on retained interest in transferred mortgage and credit card receivables (ii)	1,036	1,800	2,836
Comprehensive income	831,217	227,544	1,058,761

(ii) Net of income taxes of Ps. (14,012)
(iii) Net of income taxes of Ps. (1,527)

	Fiscal Year ended June 30, 2010		
	Cresud	Non-controlling interest	Total
Net income under US GAAP	193,399	257,510	450,909
Changes in other comprehensive income items of equity investees	108,256	80,080	188,336
Foreign currency translation	29,768	-	29,768
Unrealized holding gain (loss) on available-for-sale securities outstanding at the end of the fiscal year (i)	35,699	27,067	62,766
Unrealized loss on retained interest in transferred mortgage and credit card receivables (ii)	540	945	1,485
Comprehensive income	367,662	365,602	733,264

(i) Net of income taxes of Ps. (34,189)
(ii) Net of income taxes of Ps. (796)

	As of June 30, 2012		
	Cresud	Non-controlling interest	Total
Changes in other comprehensive income items of equity investees	32,851	26,234	59,085
Foreign currency translation	108,511	(124,060)	(15,549)
Impact of US GAAP Adjustments on joint ventures	(183)	(102)	(285)
Unrealized holding gain on available-for-sale securities outstanding at the end of the fiscal year (net of income tax)	45,257	30,547	75,804
Unrealized loss on retained interest in transferred mortgage and credit card receivables	469	568	1,037
Accumulated other comprehensive income	186,905	(66,813)	120,092

F-160

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

q) Comprehensive income (continued)

	As of June 30, 2011		
	Cresud	Non-controlling interest	Total
Changes in other comprehensive income items of equity investees	34,297	27,040	61,337
Foreign currency translation	167,203	9,844	177,047
Unrealized holding gain on available-for-sale securities outstanding at the end of the fiscal year (net of income tax)	50,037	34,167	84,204
Unrealized loss on retained interest in transferred mortgage and credit card receivables	469	568	1,037
Accumulated other comprehensive income	252,006	71,619	323,625

	As of June 30, 2010		
	Cresud	Non-controlling interest	Total
Changes in other comprehensive income items of equity investees	82,477	62,361	144,838
Foreign currency translation	66,449	-	66,449
Unrealized holding gain on available-for-sale securities outstanding at the end of the fiscal year (net of income tax)	31,194	22,931	54,125
Unrealized loss on retained interest in transferred mortgage and credit card receivables	(567)	(1,232)	(1,799)
Accumulated other comprehensive income	179,553	84,060	263,613

For the fiscal year ended June 30, 2010, several accounting standards were effective for the Company, The Company provides below a description of those standards which are relevant to the Company´s business only and the impact of their adoption if any.

r) Disclosures about credit risk and credit quality of financing receivables and allowance for credit losses

a) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash, cash equivalents, accounts receivable, and short-term investments.

The Company places its cash and cash equivalents, investments, and other financial instruments with various high credit quality financial institutions, thus mitigating the amount of credit exposure to any one institution, The Company has not experienced any significant losses in such accounts.

The Company’s accounts receivable are primarily derived from leases and services from the Company’s shopping center and office buildings customers and origination of consumer loans and credit card receivables. The Company is not dependent on any single customer. Accounts receivable derived from leases and services are related to the Company's shopping center operations. The Company has not experienced any significant losses resulting from

non-performance of any counterpart to the lease contracts.

Consumer loan and credit card receivables arise primarily under open-end revolving credit accounts used to finance purchases of goods and services offered by the Company's shopping centers, hypermarkets and street stores, and financing and lending activities through the Company's subsidiaries Tarshop and Apsamedia.

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

r) Disclosures about credit risk and credit quality of financing receivables and allowance for credit losses (continued)

As of June 30, 2012 Apsamedia has sold receivables for an amount of about Ps. 39.1 million which were all allowed for.

As of June 30, 2012, Apsamedia has sold receivables aggregating Ps. 36.2 million through securitization programs outstanding for which the Company´s credit risk exposure is contractually limited to the subordinate retained interest held by the Company representing Ps. 8.2 million and Ps. 02 million escrow reserves for losses.

b) Disclosure about credit quality of financing receivables and allowance for credit losses

Financing receivables of the Company are mainly comprised of receivables from the sale of properties (i.e. real estate) and consumer financing receivables (including consumer loans and credit card transactions).

Farmlands

Additionally, as of June 30, 2012, the Company holds receivables arising from the sale of certain farmlands to third parties for an aggregate amount of Ps. 28.7 million. The Company measures impairment for these receivables on an individual basis, considering the borrower's overall financial condition, resources, and payment record, the prospects for support from any financially responsible guarantors and, if appropriate, the realizable value of any collateral. As of June 30, 2012, none of these receivables were past due nor impaired.

Receivables from the sale of properties

As of June 30, 2012, receivables from the sale of properties represented 0.8% of total assets. Following is a table which includes an aging analysis of past due receivables from the sale of properties by class as of June 30, 2012:

	1-30 days past due	30-60 days past due	60-180 days past due	180-365 days past due	365+ days past due	Total past due	Current	Total
June 30, 2012:								
Real estate:								
Real estate – residential	4,122	40	51	7	35	4,255	40,916	45,171
Real estate – offices	-	-	-	-	-	-	14,807	14,807

For this segment, the Company collectively evaluates for impairment smaller-balance homogeneous loans, based on grouping its portfolio in loans with similar characteristic, taking into account asset type, collateral type, past-due status and other relevant factors. The Company applies allowance factors, which in the judgment of management represent the expected losses over the life of the loans. In determining those factors, the Company considers the following: (i) delinquencies and overall risk ratings, (ii) loss history, (iii) trends in volume and terms of loans, (iv) effects of changes in lending policy, (v) the experience and depth of the borrowers' management, (vi) national and local economic trends, (vii) concentrations of credit by individual credit size and by class of loans, (viii) quality of loan review system, and

(ix) the effect of external factors (e.g. competition and regulatory requirements). As of June 30, 2012 all of these receivables are secured by mortgages.

The credit quality of these financing receivables is assessed by reference to historical information about counterparty default rates, as detailed in the table below:

	Real estate – Residential	Real estate – Offices	Total
June 30, 2012:			
Group 1	40,435	14,807	55,242
Group 2	748	-	748
Group 3	3,988	-	3,988

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

r) Disclosures about credit risk and credit quality of financing receivables and allowance for credit losses (continued)

- Group 1 - new customers (less than 3 years) with no defaults in the past.
- Group 2 - existing customers (more than 3 years) with no defaults in the past.
- Group 3 - existing customers (more than 3 years) with some defaults in the past.

Consumer financing receivables

Financing receivables of the Company are mainly comprised of consumer financing receivables (including consumer loans and credit card transactions). As of June 30, 2012 and 2011, consumer financing receivables represented 0.2% and 1.2% of total assets, respectively. Following is a table which includes an aging analysis of past due consumer financing receivables by class as of June 30, 2012 and 2011:

	To mature	1-30 days past due	30-60 days past due	60-180 days past due	180-365 days past due	365+ days past due	Total past due
June 30, 2012:							
Consumer:							
Consumer – credit card	2,580	181	85	261	1,178	8,108	9,813
Consumer – loans	192	38	10	35	168	3,156	3,407

	To mature	1-30 days past due	30-60 days past due	60-180 days past due	180-365 days past due	365+ days past due	Total past due
June 30, 2011:							
Consumer:							
Consumer – credit card	3,759	216	382	530	520	13,111	14,759
Consumer – loans	9,465	546	691	1,463	2,547	42,220	47,467

For its consumer financing segment, the Company has developed and documented a systematic methodology to determine its provision for loan losses, based on grouping its portfolio in loans with similar characteristic, taking into account asset type, collateral type, past-due status and other relevant factors. The Company applies allowance factors, which in the judgment of management represent the expected losses over the life of the loans, In determining those factors, the Company considers the following: (i) delinquencies and overall risk ratings, (ii) loss history, (iii) trends in volume and terms of loans, (iv) effects of changes in lending policy, (v) the experience and depth of the borrowers' management, (vi) national and local economic trends, (vii) concentrations of credit by individual credit size and by class of loans, (viii) quality of loan review system, and (ix) the effect of external factors (e.g., competition and regulatory requirements). As of June 30, 2012, the Company provided for losses with respect to consumer financing receivables for an amount of Ps. 59.9 million.

The following table present performing and nonperforming consumer financing receivables based on payment activity for the fiscal year ended June 30, 2012. Payment activity is reviewed by management on a monthly basis to determine how loans are performing. Loans are considered to be nonperforming when days delinquent is greater than 30 days.

	Consumer – credit card	Consumer - loans	Total
June 30, 2012:			
Performing	2,097	433	2,530
Non-performing	10,296	3,166	13,462

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

r) Disclosures about credit risk and credit quality of financing receivables and allowance for credit losses (continued)

	Consumer – credit card	Consumer - loans	Total
June 30, 2011:			
Performing	7,376	11,665	19,041
Non-performing	11,142	45,267	56,409

Other financing receivables

As of June 30, 2012 and 2011, the Company holds outstanding loans granted to related parties (mainly Cresud and Tarshop) for an aggregate amount of Ps. 35.0 million and 42.7 million, respectively. These loans are denominated in Argentine pesos and accrue interest at fixed interest rates ranging from 4% to 14%. The Company measures impairment for these receivables on an individual basis, considering the borrower's overall financial condition, resources, and payment record, the prospects for support from any financially responsible guarantors and, if appropriate, the realizable value of any collateral. As of June 30, 2012 and 2011, none of these receivables were past due nor impaired.

Allowance for credit losses

As of June 30, 2012 and 2011 the Company has estimated an allowance for credit losses. This estimation has been made taking into account those credits which are past due for more than 180 days, which were cancelled with bounced checks, credits which are under legal claim and expired documents. There have been no changes in the way that the Company estimates its allowance for credit losses from prior years.

The following table presents the activity in the allowance for credit losses for fiscal years ended June 30, 2012 and June 30, 2011:

Allowance for credit losses:	Consumer financing	Hotels	Sale of properties, leases and services	Total
June 30, 2012:				
Beginning balance	59,891	571	55,054	115,516
Write-downs	(45,632)(1)	(159)	(10,796)	(56,587)
Recoveries	(3,956)	(13)	(4,621)	(8,590)
Provision	3,413	785	11,356	15,554
Ending balance	13,716	1,184	50,993	65,893

(1) Included Ps. 39.1 million related to the allowance of the credit sale by Apsamedia.

s) Recently issued accounting standards

For the fiscal year ended June 30, 2012, several accounting standards were effective for the Company. The Company provides below a description of those standards which are relevant to the Company´s business only and the impact of their adoption if any.

As described in Note 29, the Company will adopt IFRS as issued by the IASB for its next fiscal year ended June 30, 2013. Accordingly, the Company will discontinue the reconciliation to US GAAP.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

s) Recently issued accounting standards (continued)

Recently Issued Accounting Standards

Financial Accounting Standard No. 141 (Revised 2007), "Business Combinations" ("FAS No. 141(R)") or Accounting Standards Codification ("ASC") 805, "Business Combinations"

The Company adopted FAS No. 141(R), or ASC 805, on July 1, 2009, the first day of the 2010 fiscal year. This topic significantly changed the accounting for business combinations. Under this topic, an acquiring entity is required to recognize all the assets acquired and all the liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. Transaction costs are no longer included in the measurement of the business acquired. Instead, these costs are expensed as they are incurred. This topic also includes a substantial number of new disclosure requirements. It applies to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, which for the Company was the beginning of the 2010 fiscal year. The adoption of this topic did have a material impact on the consolidated financial statements. See Notes 31.I.aa. and 31.I.ab. for details.

Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS No. 157") or ASC 820, "Fair Value Measurements and Disclosures"

The Company adopted FAS No. 157 or ASC 820, on July 1, 2008, the first day of the 2009 fiscal year. FASB Staff Position ("FSP") FAS No. 157-2, "Effective Date of Financial Accounting Standards Board ("FASB") Statement No. 157" ("FSP FAS No. 157-2"), or ASC 820-10, amended ASC 820 by delaying its effective date, by one year, for non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. In accordance with ASC 820-10, the Company adopted the provisions of ASC 820 to non-financial assets and non-financial liabilities on July 1, 2009, the first day of the 2010 fiscal year. The adoption did not have a material impact on the consolidated financial statements.

Financial Accounting Standards No. 160, "Non-controlling Interests in Consolidated Financial Statements-an Amendment of ARB No. 51" ("FAS No. 160") or ASC 810-10-65-1,"Consolidation — Transition"

The Company adopted FAS No. 160 or ASC 810-10-65-1, on July 1, 2009, the first day of the 2010 fiscal year. This topic establishes new accounting and reporting standards for non-controlling interests, previously known as minority interests, in a subsidiary and for the deconsolidation of a subsidiary. Specifically, this statement requires the recognition of non-controlling interests as equity in the consolidated financial statements separate from the parent's equity. The amount of net income or loss attributable to the non-controlling interests is included in consolidated net income on the face of the income statement. This topic clarifies that changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest. In addition, this statement requires that a parent recognize a gain or loss in net income attributable to the Company when a subsidiary is deconsolidated. Such gain or loss is measured using the fair value of the non-controlling equity investment on the deconsolidation date. This topic also includes expanded disclosure requirements regarding the interests of the parent and its non-controlling interests. This topic is applied prospectively

for fiscal years and interim periods within those fiscal years, beginning with the current fiscal year, except for the presentation and disclosure requirements, which are applied retrospectively for all periods presented. The adoption of this topic did not have a material impact on the consolidated financial statements.

FSP FAS No. 141(R)-1, "Accounting for Assets Acquired and Liabilities Assumed in a Business Combination that Arise from Contingencies" ("FSP FAS No. 141(R)-1") or new accounting guidance within ASC 805, "Business Combinations"

The Company adopted FSP FAS No. 141(R)-1, or ASC 805, on July 1, 2009, the first day of the 2010 fiscal year. This topic applies to all assets acquired and all liabilities assumed in a business combination that arise from contingencies. This topic states that the acquirer will recognize such an asset or liability if the acquisition-date fair value of that asset or liability can be determined during the measurement period. If it cannot be determined during the measurement period, then the asset or liability should be recognized at the acquisition date if the following criteria, consistent with the guidelines for accounting for contingencies, are met: (1) information available before the

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

s) Recently issued accounting standards (continued)

end of the measurement period indicates that it is probable that an asset existed or that a liability had been incurred at the acquisition date, and (2) the amount of the asset or liability can be reasonably estimated. The adoption of this topic did not have a material impact on the consolidated financial statements.

FSP FAS No. 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP FAS No. 142-3") or ASC 350-30-50-4

The Company adopted FSP FAS No. 142-3, or ASC 350-30-50-4, on July 1, 2009, the first day of the 2010 fiscal year. This topic amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FAS No. 142, "Goodwill and Other Intangible Assets" ("FAS No. 142"). This topic is intended to improve the consistency between the useful life of an intangible asset and the period of expected cash flows used to measure the fair value of the asset. This topic requires an entity to disclose information related to the extent to which the expected future cash flows associated with the asset are affected by the entity's intent and/or ability to renew or extend the arrangement. The adoption of this topic did not have a material impact on the consolidated financial statements.

Accounting Standards Update No. 2010-09 "Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements" ("ASU No. 2010-09")

On February 25, 2010, the FASB issued ASU No. 2010-09 Subsequent Events Topic 855 "Amendments to Certain Recognition and Disclosure Requirements," effective immediately. The amendments in the ASU remove the requirement for an SEC filer to disclose a date through which subsequent events have been evaluated in both issued and revised financial statements. Revised financial statements include financial statements revised as a result of either correction of an error or retrospective application of US GAAP. The FASB believes these amendments remove potential conflicts with the SEC's literature. The adoption of this ASU did not have a material impact on the consolidated financial statements.

Accounting Standards Update No. 2010-02 "Consolidation (Topic 810): Accounting and Reporting for Decreases in Ownership of a Subsidiary - a Scope Clarification" ("ASU No. 2010-02")

In January 2010, the FASB issued ASU No. 2010-02, Accounting and Reporting for Decreases in Ownership of a Subsidiary – a Scope Clarification. This update provides amendments to ASC 810-10, Consolidation – Overall (formerly SFAS No. 160, Non-controlling Interests in Consolidated Financial Statements) to clarify the scope of the decrease in ownership provisions of ASC 810-10 and related guidance. ASU 2010-02 also clarifies that the decrease in ownership guidance does not apply to certain transactions even if they involve businesses. ASU 2010-02 expands the disclosures required for a business combinations achieved in stages and deconsolidation activity within the scope of ASC 810-10. ASU 2010-02 is effective for both interim and annual periods ending on or after December 15, 2009. The amendments are to be applied retrospectively to the first period that an entity adopted ASU 810-10, Consolidation – Overall. The adoption of this ASU did not have an impact on the consolidated financial statements relative to non-controlling interests.

Accounting Standards Update No. 2009-09 "Accounting for Investments - Equity Method and Joint Ventures and Accounting for Equity-Based Payments to Non-Employees" ("ASU No. 2009-09")

In September 2009, the FASB issued ASU No. 2009-09, Accounting for Investments-Equity Method and Joint Ventures and Accounting for Equity-Based Payments to Non-Employees. This ASU represents a correction to Section 323-10-S99-4, Accounting by an Investor for Stock-Based Compensation Granted to Employees of an Equity Method Investee. Section 323-10-S99-4 was originally entered into the Codification incorrectly. The ASU was effective upon issuance. The adoption of ASU No. 2009-09 did not have material impact on the consolidated financial statements.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

s) Recently issued accounting standards (continued)

Financial Statement of Position (FSP) on Accounting Professional Board (APB) 14-1 "Debt with Conversion and Other Options" or ASC 470 "Debt"

In May 2008, the FASB issued revised guidance on Convertible Debt Instruments. The revised guidance which is now part of ASC 470-20 (formerly Staff Position No. Accounting Principles Board 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement). ASC 470-20 requires that the liability and equity components of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) be separately accounted for in a manner that reflects an issuer's nonconvertible debt borrowing rate. ASC 470-20 was effective for the Company on July 1, 2009, the first day of the 2010 fiscal year. The adoption of ASC 470-20 did not have an impact on the consolidated financial statements.

Accounting Standards Update No. 2010-06 "Improving Disclosures about Fair Value Measurements" (Topic 820) ("ASU No. 2010-6")

In January 2010, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2010-06, “Improving Disclosures about Fair Value Measurements”. ASU No. 2010-06 requires additional disclosures about fair value measurements including transfers in and out of Levels 1 and 2 and a higher level of disaggregation for the different types of financial instruments. For the reconciliation of Level 3 fair value measurements, information about purchases, sales, issuances and settlements are presented separately. ASU 2010-06 was effective for the Company on July 1, 2010, the first day of the 2011 fiscal year. The adoption of this topic did have a material impact on the consolidated financial statements since the Company does not have Level 2 or Level 3 fair value measurements. See Notes 31.II.c. for details.

Accounting Standards Update No. 2010-11 "Derivatives and Hedging (Topic 815): Scope Exception Related to Embedded Credit Derivatives" ("ASU No. 2010-11")

In March 2010, the FASB issued ASU No. 2010-11, “Derivatives and Hedging (Topic 815) - Scope Exception Related to Embedded Credit Derivatives.” ASU No. 2010-11 clarifies that the only form of an embedded credit derivative that is exempt from embedded derivative bifurcation requirements are those that relate to the subordination of one financial instrument to another. As a result, entities that have contracts containing an embedded credit derivative feature in a form other than such subordination may need to separately account for the embedded credit derivative feature. The provisions of ASU 2010-11 were effective on July 1, 2010, the first day of the 2011 fiscal year and did not have a significant impact on the Company’s consolidated financial statements.

Accounting Standards Update No. 2010-20 "Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses" ("ASU No. 2010-20")

In July 2010, the FASB issued ASU No. 2010-20, Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses, which requires new and expanded financial statement disclosures. An entity is required to provide qualitative and quantitative disclosures about the allowance for credit losses, credit quality, impaired loans, modifications, and nonaccrual and past due financing receivables. In addition, the disclosures must be

disaggregated by portfolio segment or class of financing receivable based on how a company develops its allowance for credit losses and how it manages its credit exposure. The provisions of ASU No.2010-20 were effective for the Company on July 1, 2010 the first day of the 2011 fiscal year. The adoption of ASU No. 2010-20 did not have a material impact on the consolidated financial statements.

Accounting Standards Update No. 2010-17 "Revenue Recognition-Milestone Method (Topic 605): Milestone Method of Revenue Recognition- A Consensus of the FASB Emerging Issues Task Force) ("ASU No. 2010-17")

In April 2010, the FASB issued ASU No. 2010-17, Revenue Recognition - Milestone Method (Topic 605): Milestone Method of Revenue Recognition. This ASU codifies the consensus reached in EITF Issue No. 08-9, "Milestone Method of Revenue Recognition." The amendments to the Codification provide guidance on defining a

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

s) Recently issued accounting standards (continued)

milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research or development transactions. Consideration that is contingent on achievement of a milestone in its entirety may be recognized as revenue in the period in which the milestone is achieved only if the milestone is judged to meet certain criteria to be considered substantive. Milestones should be considered substantive in their entirety and may not be bifurcated. An arrangement may contain both substantive and nonsubstantive milestones, and each milestone should be evaluated individually to determine if it is substantive. The provisions of ASU No. 2010-17 were effective for the Company on July 1, 2010, the first day of the 2011 fiscal year. The adoption of ASU No. 2010-17 did not have a material impact on the consolidated financial statements.

Accounting Standards Update No. 2010-29 "Business Combinations (Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations (a consensus of the FASB Emerging Issues Task Force)” ("ASU No. 2010-29")

In December 2010, the FASB issued ASU No. 2010-29, Business Combinations (Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations (a consensus of the FASB Emerging Issues Task Force). The amendments in this Update affect any public entity as defined by Topic 805 that enters into business combinations that are material on an individual or aggregate basis. The Company adopted the amendments of this Update are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The adoption of ASU 2010-29 did not have a material impact on the consolidated financial statements.

Accounting Standards Update No. 2011-02 “Receivables (Topic 310): A Creditor’s Determination of Whether a Restructuring Is a Troubled Debt Restructuring” (“ASU No. 2011-02”)

In April 2011, the FASB issued ASU No. 2011-02, Receivables (Topic 310): A Creditor’s Determination of Whether a Restructuring Is a Troubled Debt Restructuring. The amendments in this Update apply to all creditors, both public and nonpublic, that restructure receivables that fall within the scope of Subtopic 310-40, Receivables—Troubled Debt Restructurings by Creditors. The Company adopted the amendments of this Update on July 1, 2011, the first day of the 2012 fiscal year. The adoption of ASU 2011-02 did not have a material impact on the consolidated financial statements.

Accounting Standards Update No. 2011-08 “Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment” (“ASU No. 2011-08”)

In September 2011, the FASB issued ASU No. 2011-08, Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment. Under the amendments in this Update, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. However, if an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test by calculating the fair value of

the reporting unit and comparing the fair value with the carrying amount of the reporting unit, as described in paragraph 350-20-35-4. If the carrying amount of a reporting unit exceeds its fair value, then the entity is required to perform the second step of the goodwill impairment test to measure the amount of the impairment loss, if any, as described in paragraph 350-20-35-9. Under the amendments in this Update, an entity has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. An entity may resume performing the qualitative assessment in any subsequent period. The Company adopted the amendments of this Update on July 1, 2011, the first day of the 2012 fiscal year. The adoption of this ASU did not have a material impact on the consolidated financial statements.

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

s) Recently issued accounting standards (continued)

Accounting Standards Update No. 2011-03 “Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements” (“ASU No. 2011-03”)

In April 2011, the FASB issued ASU No. 2011-03, Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements. The amendments in this Update remove from the assessment of effective control (1) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (2) the collateral maintenance implementation guidance related to that criterion. The guidance in this Update is effective for the first interim or annual period beginning on or after December 15, 2011. The adoption of this ASU did not have a material impact on the Consolidated Financial Statements.

Accounting Standards Update No. 2011-04 “Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in US GAAP and IFRSs” (“ASU No. 2011-04”)

In May 2011, the FASB issued ASU No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in US GAAP and IFRSs. The amendments in this Update result in common fair value measurement and disclosure requirements in US GAAP and IFRSs. Consequently, the amendments change the wording used to describe many of the requirements in US GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the Board does not intend for the amendments in this Update to result in a change in the application of the requirements in Topic 820. Some of the amendments clarify the Board’s intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The amendments in this Update are to be applied prospectively. For public entities, the amendments are effective during interim and annual periods beginning after December 15, 2011. For nonpublic entities, the amendments are effective for annual periods beginning after December 15, 2011. Early application by public entities is not permitted. Nonpublic entities may apply the amendments in this Update early, but no earlier than for interim periods beginning after December 15, 2011. The adoption of this ASU did not have a material impact on the Consolidated Financial Statements.

Accounting Standards Update No. 2011-05 “Comprehensive Income (Topic 220): Presentation of Comprehensive Income” (“ASU No. 2011-05”)

In June 2011, the FASB issued ASU No. 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income. Under the amendments to Topic 220, Comprehensive Income, in this Update, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. In a single continuous statement, the entity is required to present the components of net income and total net income, the components of other comprehensive income and a total for other

comprehensive income, along with the total of comprehensive income in that statement. In the two-statement approach, an entity is required to present components of net income and total net income in the statement of net income. The statement of other comprehensive income should immediately follow the statement of net income and include the components of other comprehensive income and a total for other comprehensive income, along with a total for comprehensive income. Regardless of whether an entity chooses to present comprehensive income in a single continuous statement or in two separate but consecutive statements, the entity is required to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented (this last requirement was deferred by the FASB on November 8,2011). The amendments in this Update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The amendments do not change the option for an entity to present components of other comprehensive income either net of related tax effects or before related tax effects, with one amount shown for the aggregate income tax expense or benefit related

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

s) Recently issued accounting standards (continued)

to the total of other comprehensive income items. In both cases, the tax effect for each component must be disclosed in the notes to the financial statements or presented in the statement in which other comprehensive income is presented. The amendments do not affect how earnings per share is calculated or presented. The amendments in this Update should be applied retrospectively. For public entities, the amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. For nonpublic entities, the amendments are effective for fiscal years ending after December 15, 2012, and interim and annual periods thereafter. The adoption of this ASU did not have a material impact on the Consolidated Financial Statements.

Accounting Standards Update No. 2011-10 "Property, Plant, and Equipment (Topic 360): Derecognition of in Substance Real Estate—a Scope Clarification (a consensus of the FASB Emerging Issues Task Force)" ("ASU No. 2011-10")

In December 2011, the FASB issued ASU No. 2011-10, Property, Plant, and Equipment (Topic 360): Derecognition of in Substance Real Estate—a Scope Clarification (a consensus of the FASB Emerging Issues Task Force). Under the amendments in this Update, when a parent (reporting entity) ceases to have a controlling financial interest (as described in Subtopic 810-10) in a subsidiary that is in substance real estate as a result of default on the subsidiary's nonrecourse debt, the reporting entity should apply the guidance in Subtopic 360-20 to determine whether it should derecognize the in substance real estate. Generally, a reporting entity would not satisfy the requirements to derecognize the in substance real estate before the legal transfer of the real estate to the lender and the extinguishment of the related nonrecourse indebtedness. That is, even if the reporting entity ceases to have a controlling financial interest under Subtopic 810-10, the reporting entity would continue to include the real estate, debt, and the results of the subsidiary's operations in its consolidated financial statements until legal title to the real estate is transferred to legally satisfy the debt. For public entities, the amendments in this Update are effective for fiscal years, and interim periods within those years, beginning on or after June 15, 2012. For nonpublic entities, the amendments are effective for fiscal years ending after December 15, 2013, and interim and annual periods thereafter. The adoption of this ASU did not have a material impact on the Consolidated Financial Statements.

Accounting Standards Update No. 2011-11 "Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities" ("ASU No. 2011-11")

In December 2011, the FASB issued ASU No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offseting Assets and Liabilities. The amendments in this Update require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. An entity is required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented. The adoption of this ASU did not have a material impact on the Consolidated Financial Statements.

Accounting Standards Update No. 2011-12 "Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05" ("ASU No. 2011-12")

In December 2011, the FASB issued ASU No. 2011-12, Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05. In order to defer only those changes in Update 2011-05 that relate to the presentation of reclassification adjustments, the paragraphs in this Update supersede certain pending paragraphs in Update 2011-05. The amendments are being made to allow the Board time to redeliberate whether to present on the face of the financial statements the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income for all periods presented. While the Board is considering the operational concerns about the presentation requirements for reclassification adjustments and the needs of financial statement users for additional information about reclassification adjustments, entities should continue to report reclassifications out of accumulated other comprehensive income consistent with the presentation requirements in effect before Update 2011-05. The amendments in this Update are effective at the same time as the amendments in Update 2011-05 so that entities will

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

s) Recently issued accounting standards (continued)

not be required to comply with the presentation requirements in Update 2011-05 that this Update is deferring. For this reason, the transition guidance in paragraph 220-10-65-2 is consistent with that for Update 2011-05. The amendments in this Update are effective for public entities for fiscal years, and interim periods within those years, beginning after December 15, 2011. The adoption of this ASU did not have a material impact on the Consolidated Financial Statements.

Accounting Standards Update No. 2012-02 "Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment" ("ASU No. 2012-02")

In July 2012, the FASB issued ASU No. 2012-02, Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment. In accordance with the amendments in this Update, an entity has the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount in accordance with Subtopic 350-30. The amendments are effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The adoption of this ASU did not have a material impact on the Consolidated Financial Statements.

t) Pro-rata consolidation of jointly controlled companies

As discussed in Note 2.c). the Company accounted for its investments in Cresca S.A., Canteras Natal Crespo S.A., Apsamedia S.A., Puerto Retiro S.A., Liveck, Quality Investments, Baicom Networks S.A., Nuevo Puerto de Santa Fe S.A. and CYRSA, under the proportionate consolidation method under Argentine GAAP.

Accordingly, the Company deconsolidated jointly controlled companies and prospectively applied the equity method of accounting for these investments. Under US GAAP, since the Company did not exercise control over the subsidiaries, proportionate consolidation was not appropriate and the equity method of accounting was used for all periods presented.

Presented below is the consolidated condensed information of the Company as of June 30, 2012 and 2011 considering these companies as an equity investee (see Note 2.c):

	As of and for the fiscal year ended June 30, 2012			
	As reported	Eliminations of companies accounts	Inclusion as an equity investee	As adjusted
Current assets	1,922,229	(186,619)	-	1,735,610

Non-current assets	7,832,983	(219,714)	213,425	7,826,694
Total assets	9,755,212	(406,333)	213,425	9,562,304
Current liabilities	2,100,356	(103,742)	-	1,996,614
Non-current liabilities	3,600,797	(89,166)	-	3,511,631
Total liabilities	5,701,153	(192,908)	-	5,508,245
Non-controlling interest	1,990,778	-	-	1,990,778
Shareholders' equity	2,063,281	(213,425)	213,425	2,063,281
Revenues	3,457,815	(151,989)	-	3,305,826
Gross profit	1,231,937	(14,881)	-	1,217,056
Net income	78,263	(316)	316	78,263

F-171

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

t) Pro-rata consolidation of jointly controlled companies (continued)

	As of and for the fiscal year ended June 30, 2011			
	As reported	Eliminations of companies accounts	Inclusion as an equity investee	As adjusted
Current assets	2,265,588	(247,318)		2,018,270
Non-current assets	7,455,432	(173,662)	198,398	7,480,168
Total assets	9,721,020	(420,980)	198,398	9,498,438
Current liabilities	2,364,192	(148,732)		2,215,460
Non-current liabilities	2,992,290	(73,850)	-	2,918,440
Total liabilities	5,356,482	(222,582)	-	5,133,900
Non-controlling interest	2,262,857	-	-	2,262,857
Shareholders' equity	2,101,681	(198,398)	198,398	2,101,681
Revenues	2,540,308	(108,132)	-	2,432,176
Gross profit	1,054,014	(9,414)	-	1,044,600
Net income	221,933	1,057	(1,057)	221,933

	As of and for the fiscal year ended June 30, 2012			
	As reported	Eliminations of companies accounts	Inclusion as an equity investee	As adjusted
Cash and cash equivalents as of the beginning of the fiscal year	705,544	(10,993)	-	694,551
Cash and cash equivalents as of the end of the fiscal year	549,831	(24,038)	-	525,793
Net decrease in cash and cash equivalents	(155,713)	(13,045)	-	(168,758)
Cash Flows From Operating Activities	857,038	(21,554)	-	835,484
Cash Flows From Investing Activities	(728,777)	1,027	-	(727,750)
Cash Flows From Financing Activities	(283,974)	7,482	-	(276,492)
Net decrease in cash and cash equivalents	(155,713)	(13,045)	-	(168,758)

	As of and for the fiscal year ended June 30, 2011			
	As reported	Eliminations of companies accounts	Inclusion as an equity investee	As adjusted
	175,653	(10,575)	-	165,078

Cash and cash equivalents as of the beginning of the fiscal year				
Cash and cash equivalents as of the end of the fiscal year	705,544	(10,993)	-	694,551
Net increase (decrease) in cash and cash equivalents	529,891	(418)	-	529,473
Cash Flows From Operating Activities	553,237	15,427	-	568,664
Cash Flows From Investing Activities	(791,512)	(15,845)	-	(807,357)
Cash Flows From Financing Activities	768,166	-	-	768,166
Net increase (decrease)in cash and cash equivalents	529,891	(418)	-	529,473

F-172

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

u) Business combinations

1) Fair values of assets and liabilities acquired

The following table summarizes the estimated fair values of assets acquired and liabilities assumed at the date of acquisition for each transaction (in million):

	2011 BrasilAgro
Working capital (deficiency)	374.1
Inventories	165.1
Non-Current investments and other receivables	153.7
Long term debt	(210.5)
Non-controlling interest	(897.9)
Fixed assets	1,960
Intangible assets	5.3
Deferred income tax	(381.8)
Net assets acquired	1,168.0

2) Acquisition of BrasilAgro

The following schedule presents 2011 and 2010 supplemental unaudited pro forma information as if the transaction of BrasilAgro had occurred on July 1, 2010 and 2009, respectively. The unaudited pro forma information is presented based on information available, is intended for informational purposes only and is not necessarily indicative of and does not purport to represent what the Company's future financial condition or operating results will be after giving effect to the transactions and does not reflect actions that may be undertaken by management in integrating this business. In addition, this information does not reflect financial and operating benefits the Company expects to realize as a result of the transactions.

The following table summarizes the unaudited pro forma statement of income information of the Company for the fiscal year ended 2011 and 2010:

	Fiscal Year ended June 30,	
	2011	2010
Revenues	2,380,908	1,748,601
Net income	998,817	419,083

Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

(v) Investments in real estate and accumulated depreciation

The following is a summary of the Company's investments in real estate as of June 30, 2012 prepared in accordance with SEC Regulation S-X 12-28.

Description	Land	Buildings and improvements	Improvements/ additions/ deductions	Total buildings and improvements	Impairment	Total	Accumulated depreciation	Net carrying value as of June 30	Date of construction	Date acquired	Life on which depreciation in latest statement of income is computed
Alto Palermo Park	-	622	(622)	-	-	-	-	-	June 1996	November 1997	23
Av. de Mayo 595	1,347	6,622	-	6,622	-	7,969	(3,469)	4,500	July 1992	March 1992	19
Bouchard 551	100,554	72,560	-	72,560	-	173,114	(16,441)	156,673	N/A	March 2007	30
Bouchard 710	68,056	33,033	60	33,093	-	101,149	(13,828)	87,321	N/A	May - 2005	28
Constitución 1111	256	1,082	-	1,082	-	1,338	(527)	811	September 1994 March 1995	June 1994 January 1994	18
Constitución 1159	7,966	796	-	796	(1,814)	6,948	-	6,948	N/A	N/A	50
Costeros Dique IV	1,262	22,698	(19,837)	2,861	-	4,123	(907)	3,216	N/A	June 2001	28
Intercontinental Plaza	29,348	109,826	1,376	111,202	-	140,550	(45,223)	95,327	June 1996	November 1997	24
Hotel Intercontinental	22,299	122,201	3,717	125,918	-	148,217	(84,680)	63,537	N/A	N/A	N/A
Hotel Libertador	3,755	121,096	1,260	122,356	-	126,111	(87,844)	38,267	October 1973 November [illegible] December [illegible]	March 1998	16
Hotel Llao Llao	24,666	120,807	419	121,226	-	145,892	(52,159)	93,733	N/A	N/A	15
	100,862	1,804	6,479	8,283	-	109,145	-	109,145	N/A		27

Terreno Catalinas Norte										March 1999	
Libertador 498	5,385	14,487	(2,891)	11,596	-	16,981	(5,434)	11,547	N/A	December 1995	22
Predio San Martin	42,022	29,159	-	29,159	-	71,181	(1,390)	69,791	June 1995	November 1993	22
Madero 1020	218	293	-	293	-	511	(259)	252	N/A	December 1995	10
Maipú 1300	21,703	42,423	-	42,423	-	64,126	(19,416)	44,710	N/A	September 1995	23
Rivadavia 2768	291	296	-	296	-	587	(289)	298	N/A	N/A	10

Cresud Sociedad Anónima Comercial, Inmobiliaria,
Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)
(v) Investments in real estate and accumulated depreciation (continued)

Description	Land	Buildings and improvement	Improvements/ additions/ deductions	Total buildings and improvements	Impairment	Total	Accumulated depreciation	Net carrying value as of June 30	Date of construction	Da
Santa María del Plata	12,496	14	15	29	-	12,525	(4)	12,521	N/A	
Sarmiento 517	-	485	(485)	-	-	-	-	-	March 1995	
Suipacha 652	10,913	14,463	-	14,463	-	25,376	(8,725)	16,651	April-June 1994	
Della Paolera 265	72,140	85,522	-	85,522	-	157,662	(12,235)	145,427	N/A	
Museo Renault	-	4,970	(4,970)	-	-	-	-	-	N/A	
Edificio República	109,160	121,691	67	121,758	-	230,918	(19,986)	210,932	N/A	
Dique IV	9,195	63,433	-	63,433	-	72,628	(7,752)	64,876	Under Contruction	
Shopping Abasto	32,192	430,798	2,140	432,938	-	465,130	(132,010)	333,120	November 1998	
Shopping Alto Palermo	8,694	582,296	1,259	583,555	-	592,249	(344,207)	248,042	October 1990	
Shopping Alto Avellaneda	30,138	299,314	3,612	302,926	-	333,064	(173,564)	159,500	October 1995	
Shopping Paseo Alcorta	34,341	190,447	2,091	192,538	-	226,879	(81,139)	145,740	June 1992	
Alto Noa	3,646	68,326	366	68,692	-	72,338	(31,302)	41,036		

									September 1994	M S Ja
Buenos Aires Design	11,299	70,388	735	71,123	-	82,422	(63,607)	18,815	November and December 1993	I
Patio Bullrich	8,419	204,385	4,817	209,202	-	217,621	(95,568)	122,053	September 1988	O
Alto Rosario	26,721	138,216	200	138,416	-	165,137	(28,739)	136,398	November 2004	
Mendoza Plaza Shopping	11,156	173,105	5,339	178,444	-	189,600	(65,054)	124,546	June 1994	I
Neuquén Project	3,070	15,497	5,476	20,973	-	24,043	(566)	23,477	Under Contruction	S
Soleil	16,590	64,459	1,253	65,712	-	82,302	(7,828)	74,474	N/A	
Panamerican Mall	130,425	518,795	6,422	525,217	-	655,642	(65,985)	589,657	Under construction	N
Shopping Córdoba	5,009	103,615	1,641	105,256	-	110,265	(40,443)	69,822	March, 1990	I
Shopping La Ribera	-	-	21,696	21,696	-	21,696	(2,882)	18,814	N/A	
Other	1,526	10,841	(8,955)	1,886	-	3,412	(1,056)	2,356	N/A	
	967,120	3,860,865	32,680	3,893,545	(1,814)	4,858,851	(1,514,518)	3,344,333		

F-175

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

(v) Investments in real estate and accumulated depreciation (continued)

	Fiscal Year ended June 30,		
	2012	2011	2010
Balance, beginning of the fiscal year	4,815,450	3,512,764	3,411,553
Additions during the fiscal year:			
Effect of consolidation with IRSA	499	428,966	3,196
Acquisition	21,696	70,180	100,804
Improvements	58,905	806,431	51,848
Recovery of impairment	(561)	1,025	359
	4,895,989	4,819,366	3,567,760
Deductions during the fiscal year:			
Sales	(37,138)	(3,916)	(54,996)
	(37,138)	(3,916)	(54,996)
Balance, end of the fiscal year	4,858,851	4,815,450	3,512,764

Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries
Notes to the Consolidated Financial Statements (continued)
(Amounts in thousands of Argentine Pesos, except as otherwise indicated)

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

(w) Mortgage receivable on real estate

The following is a summary of the Company's mortgage receivable on real estate as of June 30, 2012 prepared in accordance with SEC S-X 12-29.

Col. A.	Col. B.		Col.C.	Col. D.	Col. E.	Col. F.	Col. G.	Col. H.
Description	Interest Rate		Final maturity date	Periodic payment term	Prior liens	Face amount of mortgages	Carrying amount of mortgages	Principal amount of receivable subject to delinquent principal or interest
Customer A	14	%	June-2012	Quaterly	None	29,688	12,755	None
Customer B	9	%	May-2014	Annual	None	46,228	44,651	None
Mortgages receivables Ps. 30 - Ps. 49	6-14-16-17	%	September 2009 – January 2011 – May 2013	Monthly	None	142	106	None
Mortgage receivables Ps. 50 -Ps. 69	12-14	%	April 2014 - April 2015 - July 2014	Monthly	None	163	23	None
Mortgage receivables Ps. 70-Ps. 99	12-14	%	June 2009 – May 2014 – April 2015	Monthly	None	220	71	None
Mortgage receivables Ps. 120-Ps. 139	14	%	June 2014	Monthly	None	128	28	None
Mortgage receivables Ps. 180-Ps. 199	6	%	December 2012-June 2013	Monthly	None	374	178	None
Mortgage receivables Ps. 200-Ps.219	6	%	August 2013	Monthly	None	210	135	None
Mortgage receivables Ps. 220-Ps. 239	6	%	June 2013-May 2014	Monthly	None	453	379	None
Mortgage receivables Ps. 260-Ps.279	6	%	August 2013	Monthly	None	272	189	None
Mortgage receivables Ps. 280-Ps.299	6	%	October 2012	Monthly	None	295	88	None

Mortgage receivables Ps. 300-Ps. 319	14	%	June 2012	Semiannual	None	316	136	None
Mortgage receivables Ps. 320-Ps. 329	6-10	%	November 2012-February 2017	Monthly	None	659	513	None
Mortgage receivables Ps. 360-Ps. 379	12	%	November 2012	Monthly	None	361	93	None

31. Differences between Argentine GAAP and US GAAP (continued)

II- Additional disclosure requirements (continued)

(w) Mortgage receivable on real estate (continued)

Col. A.	Col. B.	Col.C.	Col. D.	Col. E.	Col. F.	Col. G.	Col. H.
Description	Interest Rate	Final maturity date	Periodic payment term	Prior liens	Face amount of mortgages	Carrying amount of mortgages	