CRESUD INC
Form 6-K
May 20, 2011
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

PURSUANT TO RULE 13a-16 OR 15b-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

For the month of May, 2011

CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA

FINANCIERA Y AGROPECUARIA

(Exact name of Registrant as specified in its charter)

CRESUD INC.

(Translation of registrant s name into English)

Republic of Argentina

(Jurisdiction of incorporation or organization)

Moreno 877, 23rd Floor, (C1091AAQ)

Buenos Aires, Argentina

(Address of principal executive offices)

Form 20-F x Form 40-F ¨

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

Yes ¨ No x

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

(THE COMPANY)

REPORT ON FORM 6-K

Attached is a copy of the English translation of the Financial Statements for the nine-month period ended on March 31, 2011 and on March 31, 2010 filed by the Company with the *Bolsa de Comercio de Buenos* Aires and with the *Comisión Nacional de Valores.*

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Comercial, Inmobiliaria,

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Fiscal year No. 76 started on July 1, 2010

Unaudited Financial Statements for the period ended March 31, 2011

In comparative format with previous fiscal year (Note 1 - Consolidated Statements)

(in thousands of pesos)

Legal Address:	Moreno 877, 23 Floor Ciudad Autónoma de Buenos Aires
Principal Activity:	Agriculture, livestock and real-estate

DATES OF REGISTRATION AT THE PUBLIC REGISTRY OF COMMERCE

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

Of the by-laws:	February 19, 1937
Of the latest amendment:	July 28, 2008
Duration of the Company:	June 6, 2082

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

CAPITAL STATUS (Note 3 of basic financial statements)

SHARES

Type of stock	Authorized to be offered publicly	Subscribed	Paid-in
Ordinary certified shares of Ps. 1 face value and 1 vote each	501,561,060	501,561,060	501,561,060

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Balance Sheet as of March 31, 2011 and 2010 and June 30, 2010

(in thousands of pesos)

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

	March 31, 2011 (Notes 1 y 2)	June 30, 2010 (Notes 1 y 2)	March 31, 2010 (Notes 1 y 2)
ASSETS			
Current Assets			
Cash and banks (Note 4.a.)	219,459	80,919	83,302
Investments (nota 4.b)	286,073	278,968	237,272
Trade accounts receivable, net (Note 4.c.)	323,107	441,065	377,193
Other receivables (Note 4.d.)	218,005	251,908	256,556
Inventories (Note 4.e.)	551,476	400,521	369,303
Total Current Assets	1,598,120	1,453,381	1,323,626
Non-Current Assets			
Trade accounts receivable (Note 4.c.)	13,282	42,123	25,333
Other receivables (Note 4.d.)	226,265	248,315	236,552
Inventories (Note 4.e.)	276,371	204,218	203,238
Investments on equity investees (Note 4.b.)	2,655,591	1,881,135	1,960,493
Other investments (Note 4.b.)	328	18,935	5,301
Property and Equipment, net (Note 4.f.)	3,347,915	3,290,221	3,219,856
Intangible assets, net (Note 4.g.)	74,355	88,585	72,471
Subtotal Non-Current Assets	6,594,107	5,773,532	5,723,244
Goodwill, net (Note 4.h.)	(226,116)	(389,025)	(366,557)

	March 31, 2011 (Notes 1 y 2)	June 30, 2010 (Notes 1 y 2)	March 31, 2010 (Notes 1 y 2)
LIABILITIES			
Current Liabilities			
Trade accounts payable (Note 4.i.)	310,241	403,743	373,713
Short-term debt (Note 4.j.)	1,047,682	1,059,736	912,169
Salaries and social security payable (Note 4.k.)	48,394	61,484	43,581
Taxes payable (Note 4.l.)	102,622	108,558	113,933
Customer advances (Note 4.m.)	254,656	216,464	197,225
Other liabilities (Note 4.n.)	191,441	75,842	106,619
Provisions for lawsuits and contingencies (Note 4.o.)	2,845	2,890	4,212
Total Current Liabilities	1,957,881	1,928,717	1,751,452
Non-Current Liabilities			
Trade accounts payable (Note 4.i.)	58	23,368	11,425
Customer advances (Note 4.m.)	90,651	90,393	93,507
Long-term debt (Note 4.j.)	2,088,865	853,166	948,363
Salaries and social security payable (Note 4.k.)	689		
Taxes payable (Note 4.l.)	274,729	273,963	255,454
Other liabilities (Note 4.n.)	16,363	65,372	70,118
Provisions for lawsuits and contingencies (Note 4.o.)	12,398	9,708	7,507
Total Non-Current Liabilities	2,483,753	1,315,970	1,386,374
Total Liabilities	4,441,634	3,244,687	3,137,826
Minority interest	1,423,532	1,625,008	1,577,679

Total Non-Current Assets	6,367,991	5,384,507	5,356,687	**SHAREHOLDERS EQUITY**	2,100,945	1,968,193	1,964,808
Total Assets	7,966,111	6,837,888	6,680,313	**Total Liabilities and Shareholders Equity**	7,966,111	6,837,888	6,680,313

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

Fernando A. Elsztain

Director acting as President

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statements of Income

Corresponding to the nine-month periods beginning on July 1, 2010 and 2009

and ended March 31, 2011 and 2010

(in thousands of pesos)

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

	March 31, 2011	March 31, 2010
Agricultural production income (Note 5)	156,423	80,337
Cost of agricultural production (Note 5)	(113,719)	(78,801)
Production gain Agricultural	42,704	1,536
Sales crops, beef cattle, milk and others (Note 5)	238,866	159,411
Sales of farm (Note 5)	71,096	
Cost of sales crops, beef cattle, milk and others (Note 5)	(208,991)	(144,580)
Cost of sales of farms (Note 5)	(21,652)	
Sales profit Agricultural business	79,319	14,831
Sales of slaughtering and feed lot (Note 5)	59,531	
Cost of slaughtering and feed lot (Note 5)	(62,429)	
Sales (loss) Slaughtering and feed lot business	(2,898)	
Sales and development of properties (Note 5)	188,738	155,132
Income from lease and service of offices, shopping centers, hotels, consumer financing and others (Note 5)	824,797	809,011
Cost of sales and development of properties (Note 5)	(147,491)	(64,843)
Cost of lease and service offices, shopping centers, hotels, consumer financing and others (Note 5)	(263,742)	(294,137)
Sales profit Real estate business	602,302	605,163
Gross profit - Agricultural business	122,023	16,367
Gross loss - Slaughtering and Feed lot Business	(2,898)	
Gross profit - Real estate Business	602,302	605,163
Gross profit	721,427	621,530

Selling expenses (Note 5)	(123,980)	(150,858)
Administrative expenses (Note 5)	(187,891)	(171,801)
Gain from recognition of inventories at net realizable value (Note 5)	39,629	18,704
Unrealized gain (Note 4.p)	58,710	64,210
Net gain from retained interest in consumer finance trusts (Note 5)	4,707	34,824
Operating gain	512,602	416,609
Amortization of goodwill	27,806	38,758
Financial results		
Generated by assets		
Exchange gain	16,448	9,039
Interest income (Note 4.q)	17,729	14,052
Other unrealized gain (Note 4.q)	5,647	52,920
Subtotal	39,824	76,011
Generated by liabilities:		
Exchange gain	(60,473)	(24,931)
Loans and convertible notes	(207,685)	(139,482)
Other unrealized loss (Note 4.q)	(6,106)	(3,243)
Subtotal	(274,264)	(167,656)
Financial results, net	(234,440)	(91,645)
Gain on participation in equity investees	98,949	140,218
Other income and expenses, net (Note 4.r)	(14,738)	(17,811)
Management fee	(15,751)	(20,446)
Net income before income tax and minority interest	374,428	465,683
Income tax and minimum presumed income tax	(89,149)	(105,271)
Minority interest	(143,517)	(175,755)
Net income for the period	141,762	184,657
Earnings per share :		
Basic net gain per share (Note 9 to the basic financial statements)	0.29	0.38
Diluted net gain per share (Note 9 to the basic financial statements)	0.25	0.34

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

Fernando A. Elsztain

Director acting as President

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statements of Cash Flows

Corresponding to the nine-month periods beginning on July 1, 2010 and 2009

and ended March 31, 2011 and 2010

(in thousands of pesos)

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

	March 31, 2011	March 31, 2010
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	175,653	211,676
Cash and cash equivalents at the end of the period	450,354	120,801
Increase (decrease) net in cash and cash equivalents	274,701	(90,875)
Causes of changes in cash and cash equivalents Operating activities		
Income for the period	141,762	184,657
Income tax	89,149	105,271
Accrued Interest	183,646	141,131
Adjustments made to reach net cash flow from operating activities		
Gain on equity investees	(98,949)	(140,218)
Minority interest	143,517	175,828
Increase in allowances and provisions	50,583	51,786
Depreciation and amortization	133,317	135,989
Unrealized loss on Inventories	(58,710)	(64,210)
Financial results	37,446	(85,389)
Loss from sales of fixed assets and undeveloped parcels of land	18,978	18,984
Adjustment valuation to net realizable value in other assets	(39,629)	(18,704)
Amortization of goodwill	(27,806)	(38,758)
Gain on exchange of inventories	(19,332)	
Changes in operating assets and liabilities		
Increase in trade accounts receivable, leases and services	(87,429)	(88,842)
Increase in other receivables	(43,264)	(3,857)
Increase in inventories	(26,984)	(60,570)
Increase in intangible assets	(2,549)	(2,635)
Decrease in social security payables, taxes payable and customer advances	(55,447)	(82,766)
Decrease in trade accounts payable	(33,167)	(50,512)
(Decrease) increase in other liabilities	(13,212)	18,244
Cash flows provided by operating activities	291,920	195,429
Investing activities		
Dividends collected	11,170	4,186
Increase in interest on equity investments	(954,093)	(338,390)
Income from sale of companies, net of funds	68,616	
Payment for subsidiary acquired, net of cash acquired	(34,300)	(8,622)
Advances for purchase of shares	(1,473)	(23,028)

Advance sale of shares		19,952
Acquisition and upgrading of fixed assets	(105,762)	(98,165)
Sale of fixed assets		1,035
Increase of Intangible assets		(4,691)
Decrease of investment	85,450	112,001
Purchase of undeveloped parcels of lands	(159)	(29,937)
Collection of loans granted	41	309
Loans granted to related companies Law No. 19,550 Section 33 and related parties	(24,300)	
Collection of loans granted of Subsidiaries, related companies Law No. 19,550 Section 33 and related parties	34,283	
Collection of receivables of Subsidiaries, related companies Law No. 19,550 Section 33 and related parties		6,598
Cash flows applied to investing activities	(920,527)	(358,752)

Fernando A. Elsztain

Director acting as President

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Unaudited Consolidated Statements of Cash Flows (continued)

Corresponding to the nine-month periods beginning on July 1, 2010 and 2009

and ended March 31, 2011 and 2010

(in thousands of pesos)

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

	March 31, 2011	March 31, 2010
Financing activities		
Exercise of warrants and options	3	128
Expenses for repurchase of non-convertible notes		(12,000)
Issuance of non-convertible notes	966,103	129,204
Increase in loans	344,018	482,676
Cash Dividends paid	(132,060)	(95,291)
Decrease in loans	(295,638)	(235,350)
Proceeds from issuance of short-term negotiable values		22,720
Acquisition of minority interest		(23,919)
Loans from Subsidiaries		1,235
Payment on financial interest	(140,247)	(143,974)
Payment of Non-convertible Notes	(35,251)	
Contributions from minority shareholders	812	25,807
Proceeds from sale of Negotiable Obligations, net of expenses	281,882	
Canceling financed purchases	(31,065)	(78,788)
Outlays by repurchase of Non-convertible Notes	(55,249)	
Cash flows provided by financing activities	903,308	72,448
Net increase (decrease) in cash and cash equivalents	274,701	(90,875)

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

	March 31, 2011	March 31, 2010
Items not involving changes in cash and cash equivalents		
Inventory transferred to property and equipment	1,043	1,661
Increase in non-current investment through an increase in other debts		12,300
Increase in property and equipment through an increase in trade accounts payable	432	5,623
Increase in permanent investments by transitory conversion differences	72,626	
Undeveloped parcels of land transferred to inventories	3,030	
Issuance of certificaties of participation		13,070
Decrease in inventories through an increase in customer advances		3,110
Decrease in inventories through a decrease in customer advances	1,920	
Increase in non-current investment through an decrease in other receivables	39,770	8,838
Increase in non-current investment throgh an increase in other liabilities	139,136	
Decrease in other investments through an increase in inventories	64,150	

Increase in minority interest through a decrease in current other liabilities	20,557	14,512
Increase in non-current investment through a decrease in inventories		1,076
Property and equipment transferred to Inventories		39,144
Decrease in non-current investment through an increase in other receivables		25,711
Decrease in non-current investment through an increase in other receivables		6,359
Increase in inventories through a decrease in permanent investments	14,541	
Complementary information		
Income tax paid	33,649	61,402

Fernando A. Elsztain

Director acting as President

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Statements of Cash Flows (continued)

Corresponding to the nine-months periods beginning on July 1, 2010 and 2009

and ended March 31, 2011 and 2010

(in thousands of pesos)

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

	March 31, 2011	March 31, 2010
Acquisition of subsidiaries companies		
Trade Accounts Receivables, net	17,727	11
Other receivables	(25,318)	1,022
Investments	47,189	395
Inventories	17,454	
Non-Current Investments		289
Property and equipment, net	22,899	11,278
Intangible assets		
Goodwill		(2,718)
Trade accounts payable	(40,737)	
Financial loans	(23,170)	
Salaries and social security payable	(4,508)	(87)
Taxes payable	(1,732)	(27)
Provisions for lawsuits	(1,288)	
Minority interest	(10,151)	(5,294)
Other liabilities	(2)	
Acquired assets that do not affect cash, net value	**(1,637)**	**4,869**
Acquired funds	4,366	13
Net value of assets acquired	**2,729**	**4,882**
Minority interest	28,946	(897)
Equity method before of consolidation	10,307	
Goodwill generated by the purchase	(3,316)	21,478
Purchase value of subsidiaries companies	**38,666**	**25,463**
Acquires funds	(4,366)	(13)
Amount funded by sellers		(14,574)
Advanced amount		(2,254)
Purchase value of subsidiaries companies, net of cash acquired	**34,300**	**8,622**

	March 31, 2011	March 31, 2010

Sale of Subsidiaries	
Trade Accounts Receivables, net	254,345
Other receivables	28,606
Investment	138,930
Goodwill	7,827
Property and equipment	(92,022)
Financial liabilities	(91,173)
Trade accounts payable	(174,102)
Salaries and social security payable	(10,703)
Tax payables	(10,084)
Other liabilities	(62)
Provisions for lawsuits	214
Net value of sale assets not affecting cash	**51,776**
Advance funds	7,238
Impairment and sale of investment	(15,326)
Remaining investment	(28,968)
Amount financed by sellers	53,896
Income from sale of companies, net of funds transferred	**68,616**

Fernando A. Elsztain
Director acting as President

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 1: BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Basis of consolidation

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria (Cresud or the Company) consolidated on a line by line basis the Balance Sheet as of March 31, 2011 and 2010 and June 30, 2010, the Statements of Income and the Statements of Cash Flows for the periods ended as of March 31, 2011 and 2010 with the financial statements of subsidiaries, following procedures established by Technical Resolution No. 21 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE), aproved by Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires and Comisión Nacional de Valores.

Significant transactions and balances with subsidiaries have been eliminated from the consolidation.

The financial statements as of March 31, 2011 and 2010 and June 30, 2010 of the subsidiary companies Northagro S.A. (Northagro), Futuros y Opciones.Com S.A. (FyO.Com), Agrotech S.A. (Agrotech), Pluriagro S.A. (Pluriagro), FyO Trading S.A. (FyO Trading), Agrology S.A. (Agrology), Cactus Argentina S.A. (Cactus) and IRSA Inversiones y Representaciones Sociedad Anónima (IRSA) have been used in order to determine line by line consolidation.

These Financial Statements and the corresponding notes are presented in thousand of Argentine Pesos.

On December 23, 2010, Cresud made a capital contribution to Cactus in the amount of Ps. 16 million, including additional paid in capital. As a result of such capital contribution, our shareholding interest increased to 80% as of December 31, 2010.

As from December 31, 2010 Cresud consolidates its financial statements with those of Cactus, pursuant to the provisions of Accounting Standard Technical Resolution N° 21. Consequently, the consolidated financial statements of the Company as of June 30, 2010 and March 31, 2010 do not include consolidated information with Cactus.

The consolidated income statement as of March 31, 2011 includes income made by Cactus between January 1 and March 31, 2011.

On September 13, 2010, Alto Palermo S.A. (APSA) sold its 80% interest in Tarshop S.A. Consequently, the unaudited consolidated balance sheet as of this closing does not include Tarshop and the unaudited Statements of Income and the unaudited Statement of Cash Flows include such company only for the two-month period when APSA held control over it. Therefore, the compatibility of consolidated financial statements is affected.

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 1: (Continued)

Relevant totals from the Company s consolidated financial statements assuming that the sale of share of Tarshop S.A. had taken place on June 30, 2010 and March 31, 2010 disclosed comparatively are shown in the following chart:

Balance Sheet as of June 30, 2010

Item	Published Financial Statement as of June 30, 2010 (in pesos)	Tarshop S.A. as of June 30, 2010 (in pesos)	Financial Statements in the event of sale as of June 30, 2010 (in pesos)
Currents assets	1,453,381	(268,982)	1,184,399
Non-current assets	5,384,507	28,881	5,413,388
Total assets	**6,837,888**	**(240,101)**	**6,597,787**
Current liabilities	1,928,717	242,802	1,685,915
Non-current liabilities	1,315,970	(2,701)	1,318,671
Total liabilities	**3,244,687**	**240,101**	**3,004,586**
Minority Interest	1,625,008		1,625,008
Shareholders Equity	**1,968,193**		**1,968,193**

Balance Sheet as of March 31, 2010

Item	Published Financial Statement as of March 31, 2010 (in pesos)	Tarshop S.A. as of March 31, 2010 (in pesos)	Financial Statements in the event of sale as of March 31, 2010 (in pesos)
Currents assets	1,323,626	(284,315)	1,039,311
Non-current assets	5,356,687	17,632	5,374,319
Total assets	**6,680,313**	**(266,683)**	**6,413,630**

Current liabilities	1,751,452	(244,060)	1,507,392
Non-current liabilities	1,386,374	(22,623)	1,363,751
Total liabilities	**3,137,826**	**(266,683)**	**2,871,143**
Minority Interest	1,577,679		1,577,679
Shareholders Equity	**1,964,808**		**1,964,808**

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 1: (Continued)

Statement of income as of March 31, 2010

Item	Published Financial Statement as of March 31, 2010 (in pesos)	Tarshop S.A. as of March 31, 2010 (in pesos)	Financial Statements in the event of sale as of March 31, 2010 (in pesos)
Production profit Agricultural	1,536		1,536
Sales profit Agricultural Business	14,831		14,831
Sales profit Real State Business	605,163	(106,791)	498,372
Gross profit	**621,530**	**(106,791)**	**514,739**
Operating gain	416,609	(31,344)	385,265
Net income for the period	**184,657**		**184,657**

Statement of cash flows as of March 31, 2010

Item	Published Financial Statement as of March 31, 2010 (in pesos)	Tarshop S.A. as of March 31, 2010 (in pesos)	Financial Statements in the event of sale as of March 31, 2010 (in pesos)
Net cash provided by operating activities	195,429	77,638	273,067
Net cash used in investing activities	(437,540)	(23,419)	(460,959)
Net cash provided by (used in) financing activities	72,448	(53,799)	18,649

b) Comparative information

Certain reclassifications have been made on the Financial Statements as of June 30, 2010 and March 31, 2010 and originally issued for the purpose of your presentation with comparative figures as of March 31, 2011.

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Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 2: CORPORATE CONTROL

The Company s interest in other companies is shown in the following table:

Company	Consolidated direct and indirect percentage of voting shares owned
IRSA	57.49(1)
FyO.Com	65.85
Agrology S.A.	100.00
FyO Trading	67.09(2)
Agrotech S.A.	100.00(3)
Pluriagro S.A.	100.00(3)
Northagro S.A.	100.00(3)
Cactus S.A.	80.00
EAASA	79.98(4)

(1) Includes interests of 6.89% of Agrology S.A.
(2) Includes interests of 63.46% of FyO.Com
(3) Includes interests of 3% of Agrology S.A
(4) Includes interests of 99.94% of Cactus S.A.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the Subsidiaries mentioned in Note 2 have been prepared based on accounting principles consistent with those followed by the Company for the preparation of its financial statements, as detailed in Note 2 of the basic financial statements.

High relevant valuation and disclosure criteria applied in preparing the financial statements of consolidated companies and not explained in the valuation criteria note of the holding company are as follows:

a) Inventories

Slaughtering business
Slaughtering and meat processing in cold chambers:

They are stated at their net realizable value, net of any additional selling costs.

Real Estate Business

A property is classified as inventories upon determination by the Board of Directors that the property is to be marketed for sale in the normal course of business over the next several years.

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 3: (continued)

Properties classified as inventories have been valued at acquisition or construction cost restated as mentioned in Note 1.b. to the basic financial statements or estimated market value, whichever is lower. Costs include land and land improvements, direct construction costs, construction overhead costs, financial costs and real estate taxes.

Inventories on which advance payments that establish price have been received, and the operation s contract terms and conditions assure that the sale will be effectively accomplished and that the income will be realized, are valued at net realizable value. Profits arising from such valuation are shown in the Gain from valuation of assets at net realizable value caption of the Statements of Income.

Properties held for sale are classified as current or non-current based on the estimated date of sale and the time at which the related receivable is expected to be collected by the Company.

The amount recorded in inventories, net of allowances set up, does not exceed their estimated recoverable value at the end of the period/year.

Property units to receive:

IRSA has rights to receive certain property units to be built. The units have been valued according to the accounting measuring standards corresponding to inventories receivables (the price established in the deed or net realizable value, as applicable) and there have been disclosed under Inventories .

b) Current investments

Real Estate Business

As of June 30, 2010, current investments included retained interests in securitized receivables pursuant to the securitization programs of Tarshop S.A. and Metroshop S.A. with a realization term not exceeding twelve months, which have been accounted for under the equity method, net of the corresponding allowances for impairment. In addition, it includes public bonds, mutual funds and mortgage bonds carried at market value at the end of the year.

c) Non-current investments

Real Estate Business

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements (Continued)

(in thousands of pesos)

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NOTE 3: (continued)

Investments on equiry investees and other non-current investments

As of June 30, 2010, included retained interests in securitized receivables of Tarshop S.A., which have been accounted for under the equity method, net of the corresponding allowances for impairment, if applicable. In addition, the interests held in entities over which the Company does not exert control, joint control or significant influence have been measured for accounting purposes at cost plus any declared dividends.

Given the sale of 80% of Tarshop S.A. s shares described in Note 8 B.2.b, as of the date of issuance of these financial statements, APSA maintains a 20% investment in Tarshop S.A. which has been recognized by application of the equity method on account of the economic group being able to exercise significant influence on its decisions and of the economic group s intention to maintain it as a long-term investment.

The equity investments in TGLT S.A. and Hersha Hospitality Trust were valued at their acquisition cost.

The equity interest in Rigby 183 LLC, New Lipstick LLC and the acquisition of the additional ownership interest in APSA are currently undergoing the analysis of the fair value of the identifiable assets and liabilities that have been acquired in accordance with the guidelines under Technical Resolution No. 21, paragraph 1.3.1.

Banco Hipotecario S.A. and Banco de Crédito & Securitización S.A.:

The Financial Statements of Banco Hipotecario S.A. and Banco de Credito & Securitización S.A. are prepared in accordance with the Central Bank of the Argentine Republic (BCRA) standards. For the purpose of the valuation of the investment in IRSA, adjustments necessary to adequate the financial statements to the professional accounting standards have been considered.

In accordance with the regulations of the BCRA, there are certain restrictions on the distribution of profits by Banco Hipotecario S.A. to IRSA.

Tyrus S.A. and Torodur S. A.:

Uruguay-based Tyrus S.A. and Torodur S.A. have been classified as not integrated into the IRSA s operations in relation to its subsidiaries whose operations are carried out fully abroad.

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NOTE 3: (continued)

Tyrus s and Torodur s assets and liabilities were converted into Pesos at the exchange rate in force at the closing of the fiscal period/year. The Statement of Income accounts have been converted into Pesos at the exchange rates in force at the time of each transaction. Foreign exchange gains/losses arising from the conversion have been charged to the Shareholders equity caption in the line Translation Differences .

Undeveloped parcels of lands:

IRSA acquires undeveloped land in order to provide an adequate and well-located supply for its residential and office building operations. IRSA s strategy for land acquisition and development is dictated by specific market conditions where IRSA conducts its operations.

Land held for development and sale and improvements are stated at cost restated as mentioned in Note 1.b. to the basic financial statements or market value, whichever is lower.

Land and land improvements are transferred to inventories or fixed assets when construction and/or trade commence.

The obtained values, do not exceed their respective estimated recoverable values at the end of the period/year.

d) Business combinations

Real Estate Business

Significant entities on net asset acquired by the Company were recorded in line purchased method set forth in Technical Resolution No. 18. and Technical Resolution No. 21. All assets and liabilities acquired to third independent parties were adjusted to show their fair value. IRSA identified the assets and liabilities acquired including intangible assets such as: lease agreements acquired for prices and terms that are either higher or lower than in the market; costs of executing and delivering the lease agreements in force (costs that IRSA avoids incurring as a result of acquiring effective lease agreements); the value of acquired brands, the value of any deposits associated to the investment and the intangible value inherent in customer relations.

The process of identification and the determination of the purchased price paid is a matter that requires complex judgments and significant estimates.

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Notes to the Unaudited Consolidated Financial Statements (Continued)

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NOTE 3: (continued)

IRSA uses the information contained in valuations estimated by independent appraisers as primary base for assigning the price paid for the land, the building and the shopping centers. The amounts assigned to all the other assets and liabilities are based on independent valuations or on the IRSA´s own analysis on comparable assets and liabilities. The current value of tangible assets acquired considers the property value as if it was empty.

If the price paid is larger than the value of tangible and intangible assets and liabilities as identified, the excess is considered to be goodwill.

e) Property and equipment, net

Real Estate Business

Fixed assets comprise primarily of rental properties and other properties and equipment held for use by IRSA.

Fixed assets value, net of allowances set up, does not exceed estimated recoverable value at the end of the period/year.

Rental properties

Rental properties are carried at acquisition and/or construction cost, restated as mentioned in Note 1.b. to the basic financial statements, less accumulated depreciation and allowance for impairment at the end of the period/year. IRSA capitalizes the financial accrued costs associated with long-term construction projects.

Accumulated depreciation had been computed under the straight-line method over the estimated useful lives of each asset, applying annual rates in order to extinguish their values at the end of its useful life.

IRSA has allowances for impairment of certain rental properties.

Significant renewals and improvements, which improve or extend the useful life of the asset are capitalized and depreciated over its estimated remaining useful life. At the time depreciable assets are retired or otherwise disposed of, the cost and the accumulated depreciation of the assets are eliminated from the accounts and the resulting gain or loss is disclosed in the Statement of Income.

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NOTE 3: (continued)

Other properties and equipment

Other properties and equipment properties are carried at cost, restated as mentioned in Note 1.b. to the basic financial statements, less accumulated depreciation at the end of the period/year. Accumulated depreciation is computed under the straight-line method over the estimated useful lives of the assets.

Assets	Estimated useful life (years) on contract basis
Leasehold improvements	According to the duration of the lease
Furniture and fixtures	10
Vehicles	5
Machinery and equipment	10
Computer equipment	3

The cost of maintenance and repairs is charged to expense as incurred.

The cost of significant renewals and improvements are added to the carrying amount of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts.

f) Intangible assets

Real Estate Business

Intangible assets are carried at restated cost as mentioned in Note 1.b. to the basic financial statements, less accumulated amortization and corresponding allowances for impairment in value, if it applicable. Included in the Intangible assets caption are the following:

Concession

Intangible assets include Arcos del Gourmet S.A.´s concession right, which will be amortized over the life of the concession agreement once it opens to the public (see Note 8.2.c.).

Trademarks

Trademarks include the expenses and fees related to their registration.

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NOTE 3: (Continued)

Pre-operating expenses and organizational

Those expenses were amortized by the straight-line method in 3 years, beginning as from the date of opening.

The value of the intangible assets does not exceed their estimated recoverable value at the end of the period/year.

Non-Compete Agreement

These expenses were amortized by the straight-line method in 28 months period starting upon December 1st, 2009.

In the framework of the agreement executed with Banco Hipotecario S.A. for the sale of Tarshop S.A. s shares, APSA has signed a non-compete agreement in favor of BHSA and has thus has written off this intangible asset.

g) Goodwill, net

Real Estate Business

Amortizations were calculated through the straight line method on the basis of an estimated useful life considering the weighted average of the remaining useful life of the assets acquired.

The residual value of goodwill arising from the acquisition of net assets and shares in companies has been shown in the Goodwill, net caption. Amortizations were classified in the Amortization of goodwill caption of the statement of income. Goodwills related to the acquisition of interests in subsidiaries is included in non-current investments.

Values thus obtained do not exceed the respective estimated recoverable values at the end of the period/year.

h) Customer advances

Real Estate Business

Customer advances represent payments received in connection with the sale and rent of properties and has been valued according to the amount of money received.

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NOTE 3: (continued)

i) Allowances

Real Estate Business

Allowance for doubtful accounts: IRSA allows for losses relating to trade receivables, leases and other accounts receivable. The allowance for losses is recognized when, based on current information and events, it is probable that IRSA will be unable to collect all amounts due according to the terms of the agreements. The allowance is determined on a one-by-one basis considering the present value of expected future cash flows. When it comes to its mortgage-secured receivables, the Company applies the collateral s realization value upon analyzing the recoverability of receivables with hints of uncollectibility.

While Management uses the information available to make assessments, future adjustments to the allowance may be necessary if future economic conditions differ substantially from the assumptions used in making the assessments. Management has considered all events and/or transactions that are subject to reasonable and normal methods of estimations.

For impairment of assets: IRSA regularly asses its non-current assets for recoverability at the end of every period.

IRSA has estimated the recoverable value of rental properties based on their economic use value, which is determined based on estimated future cash flows discounted. For the rest of the assets (inventories and undeveloped parcels of land) IRSA makes a comparison with market values based on values of comparable properties. If the recoverable value of assets, which had been impaired in prior years, increases, IRSA records the corresponding reversals of impairment loss as required by accounting standards.

For lawsuits: IRSA has certain contingent liabilities with respect to existing or potential claims, lawsuits and other proceedings, including those involving labor issues. IRSA accrues liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated. Such accruals are based on developments to date, IRSA s estimates of the outcomes of these matters and IRSA s lawyers experience in contesting, litigating and settling other matters.

As the scope of the liabilities becomes better defined, there may be changes in the estimates of future costs, which could have an effect on IRSA s future results of operations and financial condition or liquidity.

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NOTE 3: (Continued)

At the date of issuance of these financial statements, IRSA s Management understands that there are no elements to foresee other potential contingencies having a negative impact on these financial statements.

j) Liabilities in kind related to barter transactions

Real Estate Business

Liabilities in kind corresponding to obligations to deliver units to be built are valued considering the cost of the assets received or the cost of construction of the units to deliver plus necessary additional costs to transfer the assets to the creditor, the major. Liabilities in kind have been shown in the Trade accounts payable .

k) Revenue recognition

Real Estate Business

1) Revenue recognition of IRSA

Sales of properties

IRSA records revenue from the sale of properties when all of the following criteria are met:

The sale has been consummated.

There is sufficient evidence to demonstrate the buyer s ability and commitment to pay for the property.

The Company s receivable is not subject to future subordination.

The Company has transferred the property to the buyer.

The Company uses the percentage-of-completion method of accounting with respect to sales of development properties under construction. Under this method, revenue is recognized based on the ratio of costs incurred to total estimated costs according to budgeted costs. The Company does not recognize results until construction activities have begun. The percentage-of-completion method of accounting requires the Company s Management to prepare budgeted costs in connection with sales of properties/units. All changes to estimated costs of completion are incorporated into revised estimates during the contract period.

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NOTE 3: (Continued)

Revenues from leases

Revenues from leases are recognized considering its term and conditions and over the life of the related lease contracts.

Hotel operations

IRSA recognizes revenues from its rooms, catering and restaurant facilities as accrued on the close of each business day.

Net operating results from each business unit are disclosed in Note 5.

2) Revenue recognition of Alto Palermo S.A. (APSA)

Revenues for admission rights and rental of stores and stands

Leases with tenants are accounted for as operating leases. Tenants are generally charged a rent, which consists of the higher of (i) a monthly base rent (the Base Rent) and (ii) a specified percentage of the tenant s monthly revenues (the Percentage Rent) (which generally ranges between 4% and 10% of tenant s gross revenues).

Furthermore, pursuant to the rent escalation clause in most leases, the tenant s Base Rent generally increases between 7% and 12% each year during the term of the lease. Minimum rental income is recognized following on the accrued criteria.

Certain lease agreements contain provisions, which provide for rents based on a percentage of revenues or based on a percentage of revenues volume above a specified threshold. APSA determines the compliance with specific targets and calculates the additional rent on a monthly basis as provided in the contracts. Thus, these contingent rents are not recognized until the required thresholds are exceeded.

Generally, APSA s lease agreements vary from 36 to 120 months. Law No. 24,808 provides that tenants may rescind commercial lease agreements after the initial six months, upon not less than 60 days written notice, subject to penalties which vary from one to one and a half months rent if the tenant rescinds after the first year of its lease, and one month of rent if the tenant rescinds after the first year of its lease.

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NOTE 3: (Continued)

Additionally, APSA charges its tenants monthly administration fees related to the administration and maintenance of the common area and the administration of contributions made by tenants to finance promotional efforts for the overall shopping centers operations. The administration fees are prorated among the tenants according to their leases which vary from shopping center to shopping center. Administration fees are recognized monthly when earned.

In addition to rent, tenants are generally charged admission rights , a non refundable admission fee, that tenants may be required to pay upon entering into a lease or upon lease renewal. Admission right is normally paid in one lump sum or in a small number of monthly installments. Admission rights are recognized in earnings using the straight-line method over the life of the respective lease agreements.

Credit card operations Consumer Financing

Revenues derived from credit card transactions consist of commissions and financing income, charges to clients for life and disability insurance and for statements of account, among other. Commissions are recognized at the time the merchants transactions are processed, while the rest financial income is recognized when accrued. Income generated from granting consumer loans mainly includes financial interests, which are recognized by the accrued method during the period whether collection has or has not been made.

Lease agent operations

Fibesa S.A., company in which APSA has an interest of 99.999%, acts as the leasing agent for APSA bringing together the Company and potential lessees for the retail space available in certain of APSA s shopping centers. Fibesa S.A. s revenues are derived primarily from collected commissions calculated as a percentage of the final rental income value, admission´s rights and commissions for rental of advertising space. Revenues are recognized at the time that the transaction is successfully concluded.

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NOTE 4: Details of consolidated balance sheet and consolidated statement of income accounts

As of March 31, 2011 and 2010, and as of June 30, 2010 the principal items of the financial statements are as follows:

a. Cash and banks

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Cash	2,430	5,005	5,534
Foreign currency	81	77	108
Banks in local currency	192,295	64,435	61,038
Banks in foreign currency	16,199	5,458	5,308
Checks to be deposited	8,454	5,944	11,314
	219,459	80,919	83,302

b. Investments

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Current			
Investments			
Mutual Funds (2)	283,633	153,699	94,115
Government Bonds, Bonds and Notes (1)			
- Participation trust certificates		2,846	4,820
-Certificates of participation - Tarshop S.A.		124,671	143,414
-Allowance for impairment of investments		(7,423)	(8,984)
-Global 2010 bonds		132	202
-Mortgage Bonds	479	918	1,098
Public shares (1)	1,944	4,075	2,552
Others investments (1)	17	50	55
	286,073	278,968	237,272

(1) Not considered as cash equivalents in Cash Flow Statements.
(2) As of March 31, 2011 and 2010 and June 30, 2010 includes Ps. 52,738, Ps. 56,616 and Ps. 58,965 respectively, related to mutual funds not considered as cash equivalents in Cash Flow Statement.

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NOTE 4: (Continued)

Non-current

Investments on equity investees:

	March 31, 2011	June 30, 2010	March 31, 2010
Agro-Uranga S.A.			
Shares	11,585	10,191	9,534
Higher property value	11,179	11,179	11,179
	22,764	21,370	20,713
Cactus Argentina S.A. (Cactus)			
Shares		2,071	15,701
Goodwill		4,978	4,015
Allowance for impairment of Cactus goodwill		(4,978)	
		2,071	19,716
Exportaciones Agroindustriales Argentinas S.A.			
Shares		5	76
		5	76
BrasilAgro Companhia Brasileira de Propriedades Agrícolas (BrasilAgro)			
Shares	558,217	290,832	300,250
Higher values (1)	49,645	6,887	6,887
Goodwill	6,965	6,965	6,965
Negative Goodwill	(9,790)	(14,765)	(16,140)
Warrants	27,199		
	632,236	289,919	297,962
Banco Hipotecario			
Shares	891,606	791,632	778,888
Higher values (2)	6,566	10,570	9,368
Goodwill	9,777	13,278	16,379

	907,949	815,480	804,635
Banco Crédito & Securitización S.A.			
Shares	6,300	5,996	5,927
	6,300	5,996	5,927
Manibil S.A.			
Shares	27,423	27,228	26,591
Goodwill	10	10	10
	27,433	27,238	26,601
Hersha Hospitality Trust			
Shares	283,586	204,553	224,339
	283,586	204,553	224,339

(1) Corresponds to Ps. 53,354 of higher value property and equipment and Ps. (3,709) of higher tax effect value.

(2) Corresponds to Ps. 241 of higher value intangible assets, Ps. 15,687 of lower value trade account payables and (Ps. 13,757) of higher value trade account receivable which belongs to the business combinations of Cresud and Agrology S.A., and Ps. 4,395 of IRSA.

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NOTE 4: (Continued)

	March 31, 2011	June 30, 2010	March 31, 2010
Tarshop S.A.			
Shares	51,149		
Higher values	332		
	51,481		
RIGBY 183 LLC			
Shares	94,553		
	94,553		
TGLT S.A.			
Shares	48,464		
	48,464		
New Lipstick			
Share	116,758		
	116,758		
Advances for shares purchases	1,862	23,735	23,028
	1,862	23,735	23,028
Undeveloped parcels of land :			
- Santa Maria del Plata	222,540	204,420	204,382
- Puerto Retiro (1)	66,223	66,551	66,375
- Plot of Land Berutti (2)		54,237	54,204
- Plot of Land Caballito	40,670	40,630	40,626
- Patio Olmos (3)	33,218	33,218	33,218
- Pereiraola			24,157
- Torres de Rosario plot of land	2,809	14,230	19,154
- Coto Air Space (5)	14,672	14,672	14,672
- Zetol Plot of Land (4)	31,089	14,348	13,443
- Canteras Natal Crespo	6,479	6,465	6,467
- Pilar	4,066	4,066	4,066
- Torres Jardin IV		3,038	3,038

- Vista al Muelle Plot of Land (4)	21,654	8,292	7,570
- Advances Catalinas Norte			22,259
- Other undeveloped parcels on land	18,785	26,601	23,865
	462,205	490,768	537,496
	2,655,591	1,881,135	1,960,493

(1) Note 7 B.1.a. to the consolidated financial statements.
(2) Note 9.B.2.c. to the consolidated financial statements.
(3) Note 9.B.2.a. to the consolidated financial statements.
(4) Note 8.B.1.e. to the consolidated financial statements.
(5) Note 9.B.2.d. to the consolidated financial statements.

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NOTE 4: (Continued)

Other Investments

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Certificates of participation Tarshop S.A. Trust		18,458	3,929
Allowance for impairment of investments		(1,165)	(254)
MAT	90	90	90
Coprolán	21	21	21
Other investments	217	1,531	1,515
	328	18,935	5,301

c. Trade accounts receivable

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Current			
Debtors from consumer financing	74,966	245,538	207,490
Leases, services and real estate receivables	78,755	76,565	83,103
Checks to be deposited	78,174	67,920	51,444
Debtors from expenses and collective promotion fund	30,589	19,917	34,422
Leases, services and real estate receivables under legal proceedings	47,238	42,117	35,607
Trade accounts receivable agricultural business	100,816	73,399	44,736
Trade accounts receivable real estate agricultural business		3,162	
Debtors from hotel activities	15,179	11,186	17,023
Documents receivable	5,783	4,207	6,534
Debtors from consumer financing collection agents	5,032	4,532	6,099
Credit cards receivable	279	877	258
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (note 4.s.)	7,359	6,500	7,481
Less:			

Allowance for doubtful accounts	(121,063)	(114,855)	(117,004)
	323,107	441,065	377,193
Non Current			
Debtors from consumer financing		25,824	24,026
Leases, services and real estate receivables	13,129	15,553	2,143
Documents receivable	153	399	660
Trade accounts receivable real estate agricultural business		1,597	
Less:			
Allowance for doubtful accounts		(1,250)	(1,496)
	13,282	42,123	25,333

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NOTE 4: (Continued)

d. Other receivables

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Current			
Call Option Metropolitan 885 Third Ave. LLC		48,461	46,826
Receivables from the sale of shares (1)		35,772	35,290
VAT receivables, net	76,982	50,994	74,541
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	44,369	10,876	11,715
Prepaid expenses	49,164	41,003	32,048
Income tax advances and tax credit (net of provision for income tax)	8,322	9,992	6,921
Guarantee deposits re. securitization programs		5,427	6,522
Loans granted	942	859	860
Gross sales tax credit and others	8,927	9,013	6,821
Receivable for services of consumer financing		4,880	4,105
Guarantee deposits	793	2,611	1,590
Pre-paid insurance	27	79	316
Minimum presumed income tax	2,752	1,056	3,188
Premiums collected	604		
Guarantee deposits for investment purchase	638		
Financial operations to liquidate	597	512	4,945
Other tax credits	214	745	789
Prepaid leases	23	4,823	124
VAT withholdings	952		
Transfer VAT debtors	719		
Gross sales withholdings	374		
Withholding income tax	751		
Financial derivatives instruments	524		
Expenses to be recovered	190	235	265
Others	20,141	24,570	19,690
	218,005	251,908	256.556

(1) Note 8.B.1.j

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NOTE 4: (Continued)

	226,265	226,265	226,265
	March 31, 2011	June 30, 2010	March 31, 2010
Non- current			
Deferred tax	42,549	66,245	66,261
Minimum presumed income tax	113,292	97,025	86,597
VAT receivables, net	56,989	65,088	57,252
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (note 4.s.)	9,222	15,010	20,724
Prepaid expenses	1,321	2,609	3,166
Mortgages receivables under legal proceeding	2,208	2,208	2,208
Allowance for doubtful accounts	(2,208)	(2,208)	(2,208)
Gross sales tax credit and others	1,014	935	944
Others	1,878	1,403	1,608
	226,265	248,315	236,552

e. Inventories

The breakdown for this item is as follow:

	226,265	226,265	226,265
	March 31, 2011	June 30, 2010	March 31, 2010
Current			
Agricultural business			
Crops	48.290	51.660	18.750
Materials and others	39.745	37.619	33.710
Beef cattle	26.271	16.053	30.927
Unharvested crops	127.069	26.807	86.384
Seeds and fodder	2.692	3.664	2.719
Slaughtered stock	10.877		
Real estate business			
Credit from barter transaction of Terreno Caballito (Koad)	8.779	27.115	12.040
Abril	1.114	1.839	1.148
Inventories (hotel business)	3.516	3.141	3.394
El Encuentro	4.756	5.777	890

Horizons	244.928	211.397	176.888
Credit from barter transaction of Terreno Rosario	28.375	3.379	
Other inventories	3.482	2.841	1.182
San Martin de Tours	424	433	132
Torres Jardin	32	68	23
Torres Rosario	1.126	8.728	
Terrenos Mendoza			1.116
	551.476	400.521	369.303

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NOTE 4: (Continued)

	1,600,714 March 31, 2011	1,600,714 June 30, 2010	1,600,714 March 31, 2010
Non-Current			
Agricultural Business			
Beef cattle	196,274	141,602	125,847
Real estate business			
Credit from barter transaction of Terreno Caballito (Cyrsa)		25,155	25,155
Credit from barter of transaction of Terreno Caballito (Koad)	2,429	6,991	20,700
Credit from barter transaction of Terreno Rosario		7,742	11,121
El Encuentro	5,273	6,222	11,172
Terrenos de Caballito		6,794	6,754
Terrenos Caballito	30,679		
Torres Jardín			45
Beruti	23,309		
Lands to receive Pereiraola	8,200	8,200	
Abril	256		690
Torres Rosario	9,897		
Other inventories	54	1,512	1,754
	276,371	204,218	203,238

f. Property and equipment, net

The breakdown for this item is as follows:

	1,600,714 March 31, 2011	1,600,714 June 30, 2010	1,600,714 March 31, 2010
Agricultural business	513,502	464,164	457,817
Real estate business			
Shopping Center	1,600,714	1,505,363	1,593,172
Office buildings	893,449	979,778	926,696
Hotels	205,519	204,721	207,792
Other fixed assets	134,731	136,195	34,379
	3,347,915	3,290,221	3,219,856

g. Intangible assets, net

The breakdown for this item is as follow:

	1,600,714	1,600,714	1,600,714
	March 31, 2011	June 30, 2010	March 31, 2010
Concession rights	20,760	41,483	21,512
Saving expenses of contracts in acquired leases	9,487	10,625	11,846
Pre-operating expenses	22,868	24,040	25,265
Tarshop s customers		2,610	2,683
Concession Arcos del Gourmet S.A.	20,873		
Non-compete agreement		9,131	10,435
Trademarks	317	646	675
Others	50	50	55
	74,355	88,585	72,471

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NOTE 4: (Continued)

h. Goodwill, net

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Goodwill			
IRSA	13,040	13,040	40.597
APSA	159,582	10,866	26.505
Torre BankBoston	4,910	5,033	5.742
Della Paolera 265 and Museo Renault	2,653	2,755	3.154
Fibesa S.A.		47	856
Conil S.A.	506	506	506
Arcos del Gourment S.A.			20.873
Baicom Network S.A.			174
Negative goodwill			
IRSA	(337,104)	(360,477)	(365.472)
APSA	(25,284)	(26,443)	(44.128)
Palermo Invest S.A.	(23,790)	(24,503)	(40.733)
Empalme S.A.I.C.F.A, y G.	(4,468)	(4,757)	(8.608)
Mendoza Plaza Shopping S.A.	(4,791)	(5,002)	(5.743)
Unicity S.A.	(3,601)		
Soleil Factory	(7,727)		
Emprendimiento Recoleta S.A.	(42)	(90)	(280)
	(226.116)	(389,025)	(366,557)

i. Trade accounts payable

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Current			
Suppliers	166,941	224,236	210,078
Provisions for inputs and other expenses	75,264	99,593	88,712

Debt related to purchase of farms	505	25,181	22,441
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	3,620	2,815	3,889
Liabilities in kind Horizons	47,559	46,451	46,451
Provisions for harvest expenses	3,589	3,284	1,460
Checks deferred	10,474		
Others	2,289	2,183	682
	310,241	403,743	373,713

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NOTE 4: (Continued)

	1,047,682	1,047,682	1,047,682
Non-Current			
Suppliers	58	11,210	11,425
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)		12,158	
	58	23,368	11,425

j. Short-term and long-term debts
The breakdown for this item is as follow:

	1,047,682 March 31, 2011	1,047,682 June 30, 2010	1,047,682 March 31, 2010
Current			
Bank loans	277,224	253,990	281,542
Bank Overdrafts	581,542	609,075	467,651
Short-term debt		23,019	22,720
Foreign financial entities	8,160	4,921	3,528
Debt for purchase of shares			19,386
Seller- financed debt	15,643	15,920	23,421
Non-convertible Notes - IRSA 2017	7,740	15,393	5,545
Non-convertible Notes Class I			15,547
Non-convertible Notes Class II		35,324	34,740
Non-convertible Notes Class III	12,319		
Non-convertible Notes Class IV	18,274		
Non-convertible Notes Class V	915		
Non-convertible Notes Class VI	566		
Non-convertible Notes Class VII	19		
Non-convertible Notes IRSA 2020	12,887		
Non-convertible Notes APSA US$ 120 M.	13,173	2,702	8.037
Convertible Notes APSA 2014 US$ 50 M. (Note 4.s)	1	2,719	1,185
Non-convertible Notes APSA 2011 Ps. 55 M.	44,652	44,165	240
Non-convertible Notes APSA 2011 US$ 6 M.	26,802	25,813	11
Non-convertible Notes APSA 2012 Ps. 154 M.	27,765	26,695	28,616

1,047,682	1.059.736	912.169

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NOTE 4: (Continued)

	March 31, 2011	June 30, 2010	March 31, 2010
Non-Current			
Foreign financial entities	8,917		
Non-convertible Notes-Class III	23,756		
Non-convertible Notes-Class IV	54,150		
Non-convertible Notes Class V	106,501		
Non-convertible Notes Class VI	130,701		
Non-convertible Notes Class VII	8,391		
Non-convertible Notes 2017 IRSA	590,509	440,670	433,745
Non-convertible Notes APSA US$ 120 M.	420,395	261,663	257,416
Bank loans	73,144	52,767	78,087
Non-convertible Notes IRSA 2020	589,283		
Convertible Notes 2014 APSA US$ 50 M. (Note 4.s.)	70	60,782	59,954
Non-convertible Notes 2011 APSA Ps. 55 M.			43,771
Non-convertible Notes 2011 APSA US$ 6 M.			25,393
Non-convertible Notes 2012 APSA 154 M.	13,127	24,848	37,878
Seller-financed debt	69,921	12,436	12,119
	2,088,865	853,166	948,363

k. Salaries and social security payable

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Current			
Provisions for vacation and bonuses	35,969	47,967	34,910
Social security payable	8,822	11,994	8,208
Salaries payable	3,075	1,019	205
Facilities for payment plan social security	225		
Others	303	504	258
	48,394	61,484	43,581

Not current

Facilities for payment plan social security	689

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NOTE 4: (Continued)

l. Taxes payable

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Current			
VAT payable, net	15,918	17,308	43,502
Tax payment facilities plan for VAT		13,235	
Income tax payable moratorium			1,509
Minimum presumed income tax	16,545	14,127	10,384
Income tax provision, net	36,541	38,213	31,900
Tax on shareholders` personal assets	11,738	4,360	11,683
Provisions Gross sales tax payable	3,553	4,729	4,989
Tax payment facilities plan for income tax	1,789	1,559	
Tax withholdings	8,869	12,482	4,490
Gross revenue tax moratorium	3,785	485	477
Others	3,884	2,060	4,999
	102,622	108,558	113,933

	March 31, 2011	June 30, 2010	March 31, 2010
Non-current			
Deferred income tax	250,185	248,722	227,920
Income tax payable moratorium	19,620	19,145	21,830
Tax on shareholders` personal assets moratorium	3,391	2,392	3,724
Gross revenue tax moratorium	1,316	1,320	1,952
Tax moratorium ABL		2,372	
Others	217	12	28
	274,729	273,963	255,454

m. Customer advances

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Current			
Admission rights	57,666	51,194	50,787
Advanced payments from customers	163,814	134,889	122,660
Leases and service advances (1)	33,176	30,381	23,778
	254,656	216,464	197,225

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NOTE 4: (Continued)

	March 31, 2011	June 30, 2010	March 31, 2010
Non-current			
Admission rights	63,808	59,469	61,382
Leases and service advances (1)	26,843	30,924	32,125
	90,651	90,393	93,507

(1) See note 12.A.2.a to the consolidated financial statements.

(a) Includes balances owed to NAI INTERNATIONAL II. INC., due to the financing agreement enclosed by Empalme S.A.I.C.F.A. y G.

(b) As of March 31, 2011 and June 30, 2010 includes advances of Ps. 7,642 and Ps. 9,501 respectively, received from Wall - Mart Argentina S.R.L. in the context of a rent contract entered into with Panamerican Mall S.A. (APSA´s Subsidiary), for a 30 years´ term.

n. Other liabilities

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Current			
Lower value of acquired contracts		1,929	4,724
Payables to Nationals Park Administration	1,100	2,589	12,632
Debt to purchase of investments	127,214		4,793
Other debts	16,004		
Guarantee deposits	6,457	5,243	5,051
Additional capital contribution payable			2.295
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	21,938	26,117	28,373
Premiums collected	2,659	595	23

Debt former minority shareholder Tashop S.A.		3,529	3,481
Provision for contract management (Nota 4.s.)	3,866	7,267	11,421
Forward contracts		178	
Profits to be made and improvements made by others to earn	375	516	524
Dividends payable	5,768		1,971
Advance sale of shares of S.A. Tarshop (Note 4.s.)		21,070	20,840
Others	6,060	6,809	10,491
	191,441	75,842	106,619

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NOTE 4: (Continued)

	March 31, 2011	June 30, 2010	March 31, 2010
Non-current			
Loans with shareholders of related parties	246	19,989	48,047
Contributed leasehold improvements to be accrued and unrealized gains	9,236	9,687	9,810
Guarantee deposits	3,088	4,073	3,930
Debt to the former minority shareholders of Tarshop S.A.		3,322	4,064
Hersha´s Option payable		16,693	
Additional capital contribution payable		5,897	3,462
Advanced on assignment of rights	3,299	3,166	
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties (Note 4.s.)	20	20	20
Others	474	2,525	785
	16,363	65,372	70,118

o. Provisions for lawsuits and contingencies

The breakdown for this item is as follow:

	March 31, 2011	June 30, 2010	March 31, 2010
Current			
Lawsuits and contingencies	2,845	2,890	4,212
	2,845	2,890	4,212
Non-current			
Lawsuits and contingencies	12,398	9,708	7,507
	12,398	9,708	7,507

p. Unrealized gain

The breakdown for this item is as follow:

		March 31, 2011	March 31, 2010
Unrealized gain on inventories	Beef cattle	71,516	64,531
Unrealized loss on inventories	Crops, raw materials and MAT	(12,806)	(321)
Total unrealized gain		58,710	64,210

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NOTE 4: (Continued)

q. Financial results, net

The breakdown for this item is as follow:

	March 31, 2011	March 31, 2010
Generated by assets		
Income interest		
Income interest	17,319	14,052
Interest for asset discount	410	
Sub-total	17,729	14,052
Other Unrealized gain		
Conversion differences	2,295	1,211
Gain on hedging operations	2,005	5,285
Tax on bank account operations	(5,988)	(4,617)
(Loss) gain on financial operations	(964)	51,311
Others	8,299	(270)
Sub-total	5,647	52,920
Generated by Liabilities		
Other Unrealized loss		
Others	(6,106)	(3,243)
Sub-total	(6,106)	(3,243)

r. Other income and expenses, net

The breakdown for this item is as follow:

	March 31, 2011	March 31, 2010
Other incomes:		

Recovery of allowances		145
Gains on the sales of other fixed assets		35
Lawsuits and contingencies	90	
Sale of consumer relationships	6,902	
Management fee	541	652
Others	1,047	958
Sub-total Other Income	8,580	1,790
Other expenses:		
Tax on shareholders´ personal assets	(10,234)	(10,036)
Lawsuits and contingencies	(1,870)	(138)
Unrecoverable VAT receivable	(1,032)	(4,633)
Donations	(5,622)	(4,252)
Others	(4,560)	(542)
Sub-total Other expenses	(23,318)	(19,601)
Total Other income and expenses, net	(14,738)	(17,811)

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NOTE 4: (Continued)

s. Subsidiaries related companies Law No. 19,550 Section 33 and others related parties:
Balances as of March 31, 2011, compared to the balances as of June 30, 2010 and March 31, 2010, held with related companies, persons and shareholders are as follows:

As of March 31, 2011

	Current Trade accounts receivable	Current Other receivables	Non-current Other receivable	Current Trade accounts payable	Current Other liabilities	Non-current Other liabilities
Agro-Uranga S.A. (2)	195	327		(35)		
Banco Hipotecario S.A. (2)	225			(51)		
Baicom Networks S.A. (2)	56	7	405			
BrasilAgro (2)	16					
Canteras Natal Crespo S.A. (4)	387	39		(25)		
Consorcio Dock del Plata S.A. (3)	269					
Consorcio Libertador S.A. (3)	145	106		(70)	(4)	
Consorcio Torre Boston .S.A. (3)	967	402		(1,158)		
Consultores Asset Management S.A. (3)	1,148	28		(10)	(3,866)	
CAM Communications LP Delawar (3)		4,845				
Cresca S.A. (4)	341	772	8,817			
Cyrsa S.A. (4)	1,492	272		(1,082)	(23)	
Directors (3)	18	230			(15,891)	(20)
Elsztain Managing Partners Lim (3)		109			(51)	
Elsztain Reality Partner Master Fund I (3)					(1,373)	
Elsztain Reality Partner Master Fund II (3)					(614)	
Elsztain Reality Partner Master Fund III (3)					(165)	
Estudio Zang, Bergel & Viñes (3)		23		(899)	(442)	
Fundación IRSA (3)	30	1		(138)	(1,073)	
Inversiones Financieras del Sur S.A. (1)		17,056				
IRSA Developments LP (3)		6			(4)	
IRSA Real Estate Strategies LP (3)		22			(8)	
Hersha Hospitality Trust (2)		2,252				
Museo de los niños S.A. (3)	1,601			(6)		
New Lipstick LLC (2)		363				
Lipstick Management LLC (2)		214				
Credits to employees (3)	8	3,325		(141)	(2,290)	
Puerto Retiro S.A. (2)	58	64		(5)		
Tarshop S.A. (2)	403	13,906				

Total	7,359	44,369	9,222	(3,620)	(25,804)	(20)

(1) Shareholder
(2) Related companies
(3) Related parties
(4) Direct or Indirect common control

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NOTE 4: (Continued)

As of June 30, 2010

	Current Trade accounts receivable	Current Other receivables	Non-current Other receivables	Inventories Receivable Caballito plot of land barter	Current Trade accounts payable	Non-current Trade accounts payable	Short-term debt	Long-term debt	Current Other liabilities	Non-current Other liabilities
Agro-Uranga S.A. (2)	7	39			(36)					
Banco Hipotecario S.A. (2)	354				(168)				(21,070)	
Baicom Networks S.A. (2)		1	323							
BrasilAgro (2)					(8)					
Cactus (2)	304				(632)					
Canteras Natal Crespo S.A. (4)	318	50								
Consorcio Dock del Plata S.A. (3)	883	2			(10)				(3)	
Consorcio Libertador S.A. (3)		20			(66)				(4)	
Consorcio Torre Boston .S.A. (3)	595	205								
Consultores Asset Management S.A. (3)	918	29			(7)				(7,267)	
Cresca S.A. (4)	182	5,219								
Cyrsa S.A. (4)	1,669	8		25,155	(1,006)					
Directors (3)	2	169			(36)				(24,994)	(20)
Estudio Zang, Bergel & Viñes (3)		22			(708)					
Fundación IRSA (3)	41	5							(1,073)	
Inversiones Financieras del Sur S.A. (1)		95								
Hersha Hospitality Trust (2)		2,087								
Metroshop S.A. (4)			14,687			(12,158)				
Museo de los niños S.A. (3)	1,111				(5)					

Parque Arauco S.A. (3)							(2,716)	(60,822)		
Credits to employees (3)	57	2,894			(128)					
Puerto Retiro S.A. (2)	59	31			(5)					
IRSA Developments LP (3)									(8)	
IRSA Real Estate Strategies LP (3)									(8)	
Elsztain Managing Partners Lim (3)									(27)	
Total	6,500	10,876	15,010	25,155	(2,815)	(12,158)	(2,716)	(60,822)	(54,454)	(20)

(1) Shareholder
(2) Related companies
(3) Related parties
(4) Direct or Indirect common control

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NOTE 4: (Continued)

As of March 31, 2010

	Current Trade accounts receivable	Current Other receivables	Non-current Other receivables	Inventories Receivable Caballito plot of land barter	Current Trade accounts payable	Short-term debt	Long-term debt	Current Other liabilities	Non-current Other liabilities
Agro-Uranga S.A. (2)		215			(594)				
Banco Hipotecario S.A. (2)	340							(20,840)	
Baicom Networks S.A. (2)			277						
BrasilAgro (2)	53								
Cactus (2)	114	12			(32)				
Canteras Natal Crespo S.A. (4)	243	1,102							
Consorcio Dock del Plata S.A. (3)	1,382	16			(53)				
Consorcio Libertador S.A. (3)	841	111			(265)			(4)	
Consultores Asset Management S.A. (3)	692	1			(7)			(11,421)	
Cresca S.A. (4)	20	3,637							
Cyrsa S.A. (4)	2,565	32		25,155	(998)				
Directors (3)	2	161			(29)			(24,273)	(20)
Dolphin Fund PLC (3)								(3,023)	
Estudio Zang, Bergel & Viñes (3)		20			(1,403)				
Fundación IRSA (3)	31	3			(474)			(1,073)	
Inversiones Financieras del Sur S.A. (1)		69							
Hersha Hospitality Trust (2)		1,928							
Metroshop S.A. (4)		2,265	20,443						
Museo de los niños S.A. (3)	1,082				(5)				
Parque Arauco S.A. (3)						(1,185)	(60,002)		
Credits to employees (3)	64	2,046	4		(29)				
Puerto Retiro S.A. (2)	52	97							
Total	7,481	11,715	20,724	25,155	(3,889)	(1,185)	(60,002)	(60,634)	(20)

(1) Shareholder
(2) Related companies
(3) Related parties
(4) Direct or Indirect common control

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NOTE 4: (Continued)

The results for the fiscal years ended March 31, 2011 and 2010, held with related companies, persons and shareholders are as follows:

As of March 31, 2011

	Gain from leases	Beef cattle expenses	Fees	Interest Income (loss)	Other income and expenses and current personal asset s tax	Administration services	Sales and fees for shared services	Donations
Agro-Uranga S.A. (2)					989			
Cactus (2)		(215)			4	24		
Canteras Natal Crespo S.A. (4)				3			36	
Consorcio Torre Boston (3)							241	
Consorcio Libertador S.A. (3)	9						92	
Consorcio Dock del Plata S.A. (3)							78	
Consultores Asset Management S.A. (3)	14		(47,394)					
Cresca S.A. (4)						492		
Cyrsa S.A. (4)	3							
Directors (3)			(35,547)	(3)				
EAASA (2)							226	
Estudio Zang, Bergel & Viñes (3)			(5,785)					
Fundación IRSA (3)			(2,317)					(2,530)
Inversiones Financieras del Sur S.A. (1)				2,021				
Parque Arauco S.A. (3)				(315)				
Credits to employees (3)				201				
Tarshop S.A. (2)	2,884			80			533	
Total	2,910	(215)	(91,043)	1,987	993	516	1,206	(2,530)

(1) Shareholder
(2) Related companies
(3) Related parties
(4) Direct or Indirect common control

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NOTE 4: (Continued)

As of March 31, 2010

	Gain from leases	Beef cattle expenses	Fees	Interest Income/ (loss)	Other	Other income and expenses and current tax on shareholders personal assets	Administration services	Salaries and wages	Sales and fees for shared services	Donations
Shareholders in general (1)						(328)				
Agro-Uranga S.A. (2)				9	437					
Cactus (2)		(1,199)		9	(797)		111			
Canteras Natal Crespo S.A. (4)				74					36	
Consorcio Libertador S.A. (3)	8								92	
Consorcio Dock del Plata S.A. (3)									169	
Consultores Asset Management S.A. (3)			(20,446)							
Cresca S.A. (4)							541			
Cyrsa S.A. (4)	47								146	
Directors (3)			(40,177)					(428)		
Estudio Zang, Bergel & Viñes (3)			(3,502)	(6)						
Fundación IRSA (3)										(409)
Parque Arauco S.A. (3)				(5,697)						
Credits to employees (3)				99						
Total	55	(1,199)	(64,125)	(5,512)	(360)	(328)	652	(428)	443	(409)

(1) Shareholder
(2) Related companies
(3) Related parties
(4) Direct or Indirect common control

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NOTE 5: SEGMENT REPORTING

As of March 31, 2011:

Agricultural										Real estate			
ops						Subtotal		Develop - ment					Financial
Interna- cional	Beef cattle	Milk	Sale of farms	Others	Non Operating	Agri - cultural business	Slaugh- tering / Feed Lot	and sale of properties	Office and Others	Shopping Centers	Hotel operations	Consumer financing	operations and others
28,392	30,797	24,581				156,423							
(21,087)	(18,413)	(18,156)				(113,719)							
7,305	12,384	6,425				42,704							
31,947	44,040	22,274	71,096	36,377		309,962	59,531	188,738	122,243	482,757	154,015	65,782	
(29,472)	(43,074)	(22,274)	(21,652)	(26,699)		(230,643)	(62,429)	(147,491)	(25,432)	(124,063)	(91,792)	(22,455)	
2,475	966		49,444	9,678		79,319	(2,898)	41,247	96,811	358,694	62,223	43,327	
9,780	13,350	6,425	49,444	9,678		122,023	(2,898)	41,247	96,811	358,694	62,223	43,327	
(3,540)	(1,810)	(1,090)		(3,739)		(34,885)	(4,118)	(8,231)	(7,090)	(29,011)	(15,859)	(24,786)	
(4,334)	(10,106)	(1,592)	(4,299)	(2,320)		(35,664)	(2,280)	(31,296)	(32,813)	(48,705)	(30,846)	(6,287)	
								39,629					
1,391	71,101			37		58,294	416						
												4,707	

3,297	72,535	3,743	45,145	3,656		109,768	(8,880)	41,349	56,908	280,978	15,518	16,961	
835,388	338,483	56,975		60,129	193,041	1,859,876	71,703	748,979	1,302,267	2,003,292	242,372	35,286	1,702,336
867	516	1,978		7,596	1,043,578	1,145,344	16,056	466,365	515,691	1,762,276	241,408	31,112	263,382
632,236	185	3,522				654,999		287,208			283,586	51,481	914,250
4,666	17,281	252		183	7,094	50,338	22,904	14	14,820	32,125	6,549	2,960	
248	1,832	335		185	223	6,540		154	21,120	93,592	11,011	900	

(1) The balance corresponds to equity interest in BrasilAgro, Agro Uranga S.A., Banco Hipotecario S.A., Banco Crédito and Securitización S.A., Manibil S.A., Tarshop S.A. and Hersha Hospitality Trust, Rigby 183 LLC, New Lipstick y TGLT S.A.

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NOTE 5: (Continued)

As of March 31, 2010:

	Agricultural									Real estate					
	Crops						Subtotal		Development					Financial	Sul
				Sale					and sale	Office				operations	r
		Beef		of		Non	Agricultural	Slaughtering / Feed	of	and	Shopping	Hotel	Consumer	and	es
l	Internacional	cattle	Milk	Farms	Other	Operating	business	Lot	properties	Others	Centers	operations	financing	others	bus
93	20,165	13,458	17,621				80,337								
26)	(18,629)	(15,261)	(14,185)				(78,801)								
33)	1,536	(1,803)	3,436				1,536								
37	22,918	21,141	16,366		38,349		159,411		155,132	119,030	384,907	123,100	181,974		9
20)	(20,575)	(20,060)	(16,366)		(30,759)		(144,580)		(64,843)	(26,678)	(116,669)	(76,056)	(74,734)		(3
17	2,343	1,081			7,590		14,831		90,289	92,352	268,238	47,044	107,240		6
84	3,879	(722)	3,436		7,590		16,367		90,289	92,352	268,238	47,044	107,240		6
35)	(3,549)	(973)	(345)		(1,736)		(17,038)		(1,774)	(338)	(26,186)	(11,832)	(93,690)		(1
37)	(3,777)	(10,324)	(2,364)		(2,055)		(30,957)		(27,114)	(34,403)	(37,114)	(26,143)	(16,070)		(1
									18,704						
47)	(91)	64,531			(83)		64,210								
													34,824		

35)	(3,538)	52,512	727		3,716		32,582		80,105	57,611	204,938	9,069	32,304		3
68	323,578	270,131	47,498	7,642	14,635	134,995	1,296,747	19,823	674,482	972,991	1,884,867	239,449	254,420	1,337,534	5,3
33	35,901	1,874	643		4,947	625,628	699,726	28	304,031	414,103	1,030,486	256,605	295,422	137,425	2,4
95	297,962	113	2,144			1,337	318,751	19,716	26,602					1,034,900	1,0
09		10,118	584		844	4	33,859		7	480	67,593	3,517	1,696		
47		1,422	507		431	501	6,308		14,956	18,469	78,448	12,774	5,034		1

(1) The balance corresponds to equity interest in BrasilAgro, Cactus, Agro Uranga S.A., Exportaciones Agroindustriales Argentinas S.A., Banco Hipotecario S.A., Banco Crédito and Securitización S.A. Manibil S.A. and Hersha Hospitality Trust.

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NOTE 6: LAWSUITS AND CLAIMS IN COURSE

A. Agricultural Business

1. Ongoing litigation with the city of Villa Mercedes.

The Misdemeanours Court Judge to the city of Villa Mercedes issued resolution No. 2980/08 about the situation of Cactus in such city, determining that the Company had a 36-month term to stop operating and transferring the establishment located on the Provincial Route 2B.

In such 36-month period, the Company shall not host over 18,500 head of cattle.

Such brief was appealed by Cactus before the Municipality, which was negatively answered on April 7, 2009, by means of Decree No. 0662/09, thus ratifying the Misdemeanour Court Judge s ruling. Under the administrative justice of the city of Villa Mercedes, Cactus would have until April 7, 2012 to conclude its operations and transfer the establishment.

Cactus has filed appeals with the High Court of Justice of the Province of San Luis, objecting the lawfulness of the rulings entered by the Misdemeanours Court Judge of Villa Mercedes. The appeals are pending and the High Court has not ruled on them.

The Company s legal advisors are optimistic about the possibilities of reversing the Misdemeanours Court Judge s ruling.

Irrespective of the above, 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.

B. Real Estate Business

1. Provision for unexpired claims against Llao Llao Holding S.A.

The Llao Llao Holding S.A. (LLH) Company (in liquidation process following the merger with and into the Company), predecessor of Llao Llao Resorts S.A. (LLR) as operator of the Llao Llao Hotel, was sued in 1997 by the National Parks Administration seeking collection of the unpaid balance of the additional sale price, in Argentine External Debt Bond (EDB) amounting to US$ 2.9 million. A ruling of the court of original jurisdiction sustained the claim. That ruling was appealed and the Court of Appeals confirmed the judgment of the court of original jurisdiction, demanding payment from the company of US$ 3.8 million, plus interest accrued through payment, punitive interest and attorney s fees. In March 2004, LLH paid Ps. 9,156 in cash and EDB.

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NOTE 6: (Continued)

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 has been questioned by LLR. 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 to the National Supreme Court for the denial of the extraordinary recourse soliciting that the debt be converted to pesos.

In July 2008, the Court of Appeals 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 incidental procedure 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.

After LLR s filing was duly notified to the plaintiff, the latter in turn stated that the amounts deposited were in line with the settlement that, having taken place on June 30, 2007, was eventually approved in the framework of these proceedings on December 5, 2007. As a result, the Argentine Agency of National Parks argued that the interest accrued until actual payment were to be adjusted by application of the Argentine Central Bank s borrowing interest rate. As estimated by the Argentine Agency of National Parks, the outstanding balance, to be deposited by LLR would amount to US$ 659.

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.

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.

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NOTE 6: (Continued)

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 elevetad 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.

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 case was remanded to the Court of Appeals on February 22, 2011 and is awaiting a decision.

Based on the information provided by the legal advisors litigating these proceedings, LLR has booked under Other current liabilities Payables to National Parks Administration , the fees that refer in the previous paragraph.

NOTE 7: RESTRICTED ASSETS

A. Agricultural Business

Pledge on BrasilAgro s shares and warrants

Based on Note 8.A.1, as guarantee for the payment of the outstanding balance from the acquisition of BrasilAgro s shares and warrants, 3,864,086 shares and 37,325 warrants from the first issue are pledged. (See note 16)

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NOTE 7: (Continued)

B. Real Estate Business

1. IRSA

a. Puerto Retiro S.A.

On April 18, 2000, Puerto Retiro S.A (indirect subsidiary of IRSA) was notified of a filing made by the National Government, through the Ministry of Defense, to extend the petition in bankruptcy of Inversora Dársena Norte S.A. (Indarsa) to Puerto Retiro S.A. At the request of plaintiff, the bankruptcy court granted an order restraining the ability of Puerto Retiro S.A. to sell or dispose in any manner the acquired real estate property from Tandanor S.A. in June 1993.

Indarsa had acquired 90% of the capital stock of Tandanor S.A. to a formerly estate owned company privatized in 1991, engaged in the shipyard industry.

Indarsa did not comply with the payment of the outstanding price for the acquisition of the stock of Tandanor, and therefore the Ministry of Defense requested the bankruptcy of Indarsa, pursuing to extend the bankruptcy to Puerto Retiro S.A.

The evidence steps of the legal procedures have been completed. Puerto Retiro S.A. appealed the precautionary measure, being the same confirmed by the Court on December 14, 2000. The parties have submitted their claims in due time. The file was passed for the judge to issue a pronouncement, the judge issued a decree adjourning the summoning of decisions to pronouncement in the understanding that there exists pre-judgment in respect of the penal cause filed against ex-officers of the Ministry of Defense and ex-directors of the Company. Consequently, the matter will not be solved until there is final judgment in penal jurisdiction.

The Management and legal advisors of Puerto Retiro S.A. estimate that there are legal and technical issues sufficient to consider that the request for bankruptcy will be denied by the court. However, taking the circumstances into account and the progress of the legal action, this position cannot be considered final.

b. 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), 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%, being the last of US$ 5.07 due in March 2010.

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NOTE 7: (Continued)

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 installment of the loan received having been repaid on March 15, 2010, CSFB reimbursed the deposit to IRSA. In connection with this matter, HASA borrowed funds from Standard Bank Argentina again, in the amount of Ps. 19,000, which will accrue interest at a fixed nominal 16.25% interest rate per annum, payable on a quarterly basis and with principal becoming due on March 15, 2011.

As a security interest for this transaction, IRSA entered into a put option agreement with Standard Bank 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 s default.

c. IRSA and its subsidiaries has mortgaged on the following properties:

Property	Book value as of March 31, 2011
República Building	216,336
Terreno Caballito	40,670
Terreno Bariloche	27,051
Terreno Zetol	31,089
Suipacha 652	17,716
Terreno Vista al Muelle	21,654

d. IRSA maintains a pledge over Metropolitan 885 Third Avenue Leasehold LLC s shares

e. To guarantee due compliance with all the covenants assumed by Liveck S.A., and the minority shareholder of Zetol S.A. s and Vista al Muelle S.A. s pursuant to the stock purchase agreement for 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 in Vista al Muelle S.A. and Zetol S.A.

f. IRSA has raised a mortgage over the property designated as Suipacha 652 to secure compliance with its obligation to erect a building and to convey the units to be constructed in the building as this obligation represents the balance outstanding for the acquisition of a plot of land in Av. Del Libertador 1755.

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NOTE 7: (Continued)

g. In May 2008, IRSA bought a 49% shareholding in Manibil S.A. from Land Group S.A. Manibil S.A. had been created to transact business in real estate and construction and to carry out financial transactions and made contributions proportional to its shareholder possession for Ps. 23.9 million. By virtue of the contracts signed, IRSA agreed not to transfer its shares or any rights related thereto for a term of three years.

h. IRSA carries a mortgage on the property designated as Edificio República in connection with the loan granted by Banco Macro for the acquisition of said property.

2. APSA

a. As of March 31, 2010 under other current receivables, APSA has deposits that are restricted under due to different court attachments.

b. The accounts receivable guarantee deposits in Other current receivables and programs included the contingency and expenses funds of financial trust as credit protection for investors that as of June 30, 2010 amounted to Ps. 4,749. They were restricted availability credits until settlement in accordance with the respective prospectus.

c. As regards the case Alto Palermo S.A. (APSA) with Dirección General Impositiva in re: Appeal , Case file No. 25.030-I, currently heard by Room A, Office of the 3rd Nomination, the property located at Av. Olegario Andrade 367, Caballito, Buenos Aires City has been encumbered, and its value as of March 31, 2011 amounts to Ps. 36,785 (disclosed in other Non-current investments-Undeveloped parcels of land).

d. Other current investments account, as of June 30, 2010 included BONTE 2006 bonds for Ps. 34; which were deposited as rental guarantee.

e. As of June 30, 2010, Tarshop S.A. had granted a pledge over Certificates of Participation related to the Fideicomisos Financieros Tarjeta Shopping, (CP) according to the following detail:

To Standard Bank Argentina S.A., CP related to the Fideicomisos Financieros Tarjeta Shopping Series XLI, XLIV, XLVII, LVII and LIX (loan of Ps. 15,371).

To Banco Itaú Buen Ayre S.A., CP related to the Fideicomisos Financieros Tarjeta Shopping Series XXXIX and XL (loan of Ps. 3,724).

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NOTE 7: (Continued)

To Banco Supervielle S.A., CP related to the Fideicomisos Financieros Tarjeta Shopping Series XXXII, XXXVIII y L, (loan of Ps. 7).

To Banco Hipotecario S.A., CP related to Fideicomisos Financieros Tarjeta Shopping Series XLVII, XLIX y LVI, (loan of Ps. 20,149).

f. As regards the case styled Case File N° 88.390/03 with María del Socorro Pedano; for Tres Ce S.A. o Alto Palermo S.A. (APSA), the building located at Av. Virrey Toledo 702, Salta, has been encumbered for an amount of Ps. 180 (disclosed in Property and equipment).

g. Guarantee Tarshop S.A.: On May 13, 2009, the Board of Directors of Alto Palermo S.A. resolved to approve that APSA stands as surety before Banco Itaú for the payment of emerging obligations for Tarshop S.A. as regards the organization of a new financial trust with such bank for up to a maximum amount equivalent to 10% of the face value of VDG s (trust debt securities) subscribed by Banco Itaú. The total maximum amount of this surety stands at Ps. 5,000 and extended through the actual settlement of VDF s. Likewise, it was resolved that APSA assumes the obligation to act as Substitute Manager in the eventual case that Tarshop were removed from its function as Manager under the trust agreement.

On September 30, 2010, the last payment of the VDF s issued by the Financial Trust was made. At present, such Financial Trust is liquidated and with it the accessory obligation assumed at the time by APSA in the process of liquidation.

h. As of June 30, 2010 included cash as guarantee for leases granted by Tarshop S.A., related to the stores where its branches operated, which were included in other non current receivables for an amount of Ps. 217.

j. Under the agreement executed with Banco Hipotecario S.A. for the sale of Tarshop S.A. s shares, APSA granted to Banco Hipotecario S.A. a two-year security agreement over the Company s Class III Notes, issued on November 13, 2009, for a face value of Ps. 5.0 million, which will work as guarantee upon any price adjustment that may result in favor of Banco Hipotecario S.A. as provided by the purchase agreement.

NOTE 8: ACQUISITION, CONSTITUTION AND RESTRUCTURING OF COMPANIES

A. Agricultural Business

1. Purchase of shares and warrant BrasilAgro

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NOTE 8: (Continued)

On October 20 and December 23, 2010, the Company and its subsidiary Helmir executed with Tarpon an addendum to the Share Purchase Agreement of April 28, 2010, under which the Company either directly or indirectly acquired 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. Consequently, Cresud paid Rs. 25.2 million on October 20, 2010, Rs. 50.8 million on December 23, 2010 and the price remainder equivalent to Rs. 52.5 million should be paid on April 27, 2011, which is guaranteed by a security interest over 3,864,086 shares and 37,325 warrants from the First Issue. It should be noted that this balance was paid following the end of these financial statements (See Note 16 to the financial statements).

Consequently, Cresud is either directly or indirectly the owner of 20,883,916 shares or 35.75% of the Company s outstanding stock as of March 31, 2011 (see note 13.1.a to the Basic Financial Statement). It should be noted that acquiring shares does not imply a change in the control over BrasilAgro; and that BrasilAgro s Shareholders Agreement will remain effective with the amendments that may be required to sell all shares owned by Tarpon and its affiliates.

Likewise, due to the transaction, Cresud owns directly and indirectly 168,902 BrasilAgro s First Issuance Warrants and 168,902 BrasilAgro s Second Issuance Warrants.

As of March 31, 2011 the Company registered an asset for Ps. 27,199 for the acquisition of these warrants (Note 4.b).

2. Expanding business into the Republic of Paraguay

Under the framework of a series of transactions that constitute for Cresud a new expansion of the agricultural and livestock businesses in South America, Cresud participates together with Carlos Casado (with a 50% interest each) in Cresca S.A. a stock company organized under the law of the Republic of Paraguay, under which Cresud will assume the capacity of advisor under an advisory agreement, for the agricultural, livestock and forestry exploitation of an important rural area in Paraguay and possibly of up to 100,000 hectares, which are derived from the purchase option granted by Carlos Casado to Cresca S.A. It should be mentioned that this option was exercised on September 3, 2008. The option will be in force for a term of 10 years and will be automatically extended for two additional ten-year terms, and it may also be renewed.

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NOTE 8: (Continued)

Cresud has additionally executed a pre-purchase agreement as committed to acquire for a 50% interest in 41,931 hectares in Paraguay, owned by Carlos Casado S.A. for a total and agreed-upon amount of US$ 5.2 million in turn, to be contributed in kind to the Company aiming at developing the agricultural and forestry business in the neighboring country.

On January 23, 2009, Agrology S.A. directly and indirectly controlled by 99.99% by Cresud made a contribution in kind to the Paraguayan company, Cresca S.A. Such contribution is made up of undivided 50% of five plots of land with whatever they have on, located in Mariscal José Félix Estigarribia, Dept. of Boquerón, Chaco Paraguayo, Republic of Paraguay, for 41,931 hectares, acquired from the Company Carlos Casado S.A.

Consequently, together with Carlos Casado S.A. s contribution, the total contribution to Cresca S.A. stands at US$ 10.5 million.

On February 3, 2009, the amount of US$ 5.1 million was paid for the balance of the price originated by the capital contribution made by Carlos Casado S.A. to Cresca S.A. on behalf of Agrology S.A.

Finally, on June 29, 2010 a notarial deed was executed for the conveyance of title on the real property subject to the option for an amount of 3,646 hectares which were transferred to Cresca S.A. (1,807 of which corresponds to Agrology).

As agreed in the Option Agreement, Cresca S.A. paid Carlos Casado S.A. US$ 350 per hectare, the last payment was made on March 4, 2011.

B. Real Estate Business

1. IRSA

a. Constitution of CYRSA Horizons Project

In January 2007, IRSA acquired two adjacent plots of land adjacent located in Vicente López, Province of Buenos Aires (one of them through the acquisition of the total share of Rummaala S.A, actually merged with CYRSA). The purchase price was US$ 36.2 million, from which US$ 30.3 million will be canceled by handing over certain units of the building to be constructed. As security for compliance, Rummaala S.A. shares were pledged and the Building located in Suipacha 652 (owned property) was mortgaged.

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NOTE 8: (Continued)

In April, 2007, IRSA constituted CYRSA S.A. (CYRSA), and in August 2007, CYRELA was incorporated with the ownership of 50% of CYRSA capital stock. IRSA contributed with the plots of land and the liability in kind related in the amount of Ps. 21,495 and CYRELA contributed Ps. 21,495 in cash.

Then, a major real estate development known as Horizons was launched on the two plots of land mentioned.

From May 2008, CYRSA continued the marketing process of the building units to be constructed on the plot referred to above. Certain clients had made advances by means of signing preliminary sales contracts, reaching 100% of the units to be marketed, which are disclosed in Customer advances .

The purchase-sale price set forth in these preliminary sales contracts are made of a fixed and determined portion and another portion to be determined in line with the future construction expenses.

The buyer can choose from the following purchase plans:

- The balance will be cancelled in installments and will be fully paid at the time of transfer and signature of deeds, or,

- Partial cancellation will be on installments payable up to the time of transfer/signatures of deeds, and remaining balance will be financed during 90 months´ term with units having mortgaged guarantees.

As of March 31, 2011, the total percentage of completion of the Horizons project was 94.28%. Two of the six towers included in the project have already been completed and are currently going through the process of signature of deeds. Furthermore, the work on the other towers is in the last stage and delivery and signature of deeds is expected in the following months.

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NOTE 8: (Continued)

b. Acquisition of shares in Hersha Hospitality Trust (Hersha)

On August 4, 2009, IRSA, through Real Estate Investment Group L.P. (REIG) acquired 5.7 million shares representing approximately 10.4% of Hersha´s common stock and a call option that matures on August 4, 2014 to purchase an additional 5.7 million shares at an exercise price of US$ 3.00 per share. Under the agreement, if starting on August 4, 2011 the quoted market price of Hersha´s share were to exceed US$ 5.00 per share during 20 consecutive trading sessions, Hersha may settle the call option by issuing and delivering a variable amount of shares to be determined in accordance with certain market values.

The total purchase price paid was US$ 14.3 million. As part of the agreement, IRSA´s Chairman and CEO, Mr. Eduardo S. Elsztain, has been appointed to Hersha s Board of Trustees.

In January 2010, March 2010, and October 2010, REIG purchased 11,606,542 additional shares of Hersha s common stock for an aggregate purchase price of US$ 47.9 million. (4,789,917 for US$ 3.00 per share and 3,864,000 for US$ 4.25 per share and 2,952,625 a US$ 5.80 per share).

During December 2010 and March 2011, IRSA through its subsidiaries sold 1,500,000 and 738,800 common shares, respectively, in Hersha for a total of US$ 14.3 million, which resulted in approximately US$ 10.1 million gain.

As of March 31, 2011 IRSA´s direct and indirect interest in Hersha represents 9.39%. On the other hand, upon exercise of the call option and assuming any Company´s interest is not diluted due to newly issued shares, IRSA´s interest in Hersha would be 12.34%. IRSA accounts for its investment in Hersha at cost while the call option has been accounted for at its fair value.

Hersha is a Real Estate Investment Trust (REIT) listed in the New York Stock Exchange (NYSE) under the HT symbol that holds majority interests in 78 hotels throughout the United States of America totaling approximately 10,443 rooms. These hotels are rated as select service and upscale hotels and they are mainly located in the Northeast coast of the US, including New York, New Jersey, Boston, Washington D.C. and Philadelphia, whilst a few are located in northern California and some others in Arizona. These properties are operated under franchises that are leaders and enjoy widespread recognition in their markets, such as Marriot International, Intercontinental Hotel Group, Starwood Hotels, Hilton Hotels Corporation, Global Hyatt Corporation and Choice Hotels International.

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NOTE 8: (Continued)

c. Acquisition Lipstick, New York Building

In July 2008, IRSA (through its subsidiaries) acquired a 30% interest in Metropolitan 885 Metropolitan 885 Third Avenue. LLC (o Metropolitan), through its subsidiaries which main asset is a rental office building in New York City known as the Lipstick Building and debt related to that asset. The transaction included the acquisition of (i) a put right exercisable until July 2011 to sell a 50% of the interest acquired at the same value paid plus interest at 4.5% per annum and (ii) a right of first offer to acquire a 60% portion of the 5% interest of the shareholding. The total price paid was US$ 22.6 million.

During 2009, Metropolitan incurred significant losses, which resulted in negative equity mainly due to an impairment recognized in connection with the building. Since IRSA s share in Metropolitan s losses exceeded its equity interest; IRSA recognized a zero value on its investment although a liability of US$ 1.5 million was booked representing it s maximum commitment to fund Metropolitan s operations.

In December 2010 the negotiations geared towards restructuring the amounts owed under mortgage to Royal Bank of Canada came to a successful conclusion. The debt was reduced from US$ 210.0 million to US$ 130.0 million (excluding accrued interest) at a Libor plus 400 bp rate, which may not exceed a maximum rate of 6.25% and with a maturity date fixed at seven years. The junior indebtedness to Goldman, Sachs & Co., which had amounted to US$ 45.0 million (excluding accrued interest), was cancelled through a US$ 2.25 million payment.

Metropolitan 885 Third Avenue Leasehold LLC (Metropolitan Leasehold) will maintain the existing ground leases in the same terms and conditions in which they had been initially agreed upon, for a remaining 66 years term. The final consent to this restructuring has already been tendered by all the parties concerned and the closing was consummated on December 30, 2010, as that is when the company New Lipstick LLC (New Lipstick), a new Metropolitan Leasehold holding company, made a US$ 15.0 million principal payment as repayment of the newly restructured mortgage debt, thus reducing it from US$ 130.0 million to US$ 115.0 million.

As a consequence of said closing, the Company has indirectly through New Lipstick increased its ownership interest in the Lipstick Building to 49%. This increase originated in a US$ 15.3 million capital contribution and in the fact that the put option for 50% of the shareholding initially acquired in Metropolitan, which had amounted to approximately US$ 11.3 million plus accrued interest, has been rendered ineffectual. Besides, the above-mentioned commitment, for US$ 1.5 million, ceased to be in effect.

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NOTE 8: (Continued)

d. Acquisition of shares in Banco Hipotecario S.A.

During the last fiscal years and in the current fiscal year, IRSA has been conducting different purchase and sale transactions of BHSA shares, as a result of which, as of March 31, 2011, IRSA´s ownership interest in BHSA is 29.77% of BHSA´s capital stock (without considering treasury shares).

e. Acquisition of companies in the Oriental Republic of Uruguay

During the fiscal year ended June 30, 2009, IRSA (through Tyrus) acquired by a minimum payment a 100% stake in Liveck S.A. (Liveck), a company organized under the laws of the Oriental Republic of Uruguay.

At the same time Liveck acquired, a 90% interest over the shares of the companies Zetol S.A (Zetol) and Vista al Muelle S.A. (Vista al Muelle), both property owners in Uruguay´s Canelones Department. The remaining 10% ownership interest in the capital stock of both companies is held by Banzey S.A. (Banzey).

IRSA and its shareholders intend to develop an urban project that will consist in the construction of apartment buildings to be subsequently sold. The project has already been conferred the Urban Feasibility status by Canelones Mayor s Office and its Legislative Council.

The total price for the purchase of Zetol was US$ 7.0 million, of which US$ 2.0 million were paid, the balance will be paid in 5 installments of US$ 1.0 million each with anannual 3.5% compensatory interest calculated on the total outstanding amount tied to the consummation of the release to the market of the real estate projects or within a maximum term of 93 months counted as from the date of acquisition of IRSA. The sellers of the shares of Zetol may choose to receive, in lieu of the amounts outstanding in cash (capital plus interest) the ownership rights to the units to be built in the real estate owned by Zetol representative of 12% of the total marketable square meters to built.

The total price for the purchase of all the shares in Vista al Muelle amounted to US$ 0.83 million, and accrued an annual 8% interest on the total outstanding amount. As of September 10, 2010 this operation was completely paid.

To guarantee compliance with the duties agreed by Liveck in the above transactions, Ritelco S.A. has tendered a surety bond guaranteeing payment of 45% of the outstanding balance, interest thereon and the option rights of the sellers.

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In the framework of the purchase agreement of Zetol and Vista al Muelle and their respective addenda, Liveck has agreed to buy the shares held by Banzey (or by Ernesto Kimelman or by a company owned by Ernesto Kimelman, as applicable), of Vista al Muelle and Zetol and the latter have agreed to sell them, in exchange for the amount of US Dollars or Uruguayan Pesos, as the case may be, that Banzey (or by Ernesto Kimelman or by a company owned by Ernesto Kimelman, as applicable), would have actually contributed to Zetol and Vista al Muelle until the execution of the transaction.

Both parties have agreed that all the obligations mentioned above shall be rendered ineffectual if the parties entered into a shareholder agreement no later than July 1st, 2011. If no such shareholder agreement is signed, this sale shall be executed and delivered on July 11, 2011.

Later, in June 2009, IRSA sold 50% of its stake in Liveck to Cyrela Brazil Realty S.A. (Cyrela) for a price of US$ 1.3 million.

In December 2009, Vista al Muelle acquired other properties totaling US$ 2.7 million in exchange for a US$ 0.3 million down payment, with the balance to be cancelled through the delivery of home units and/or stores to be built and equivalent to 12% out of 65.54% of the sum of the prices of all of the units covered by the Launching Price List for Sector B (the parties have already signed a plat of subdivision to this end).

In February 2010, it acquired additional real estate for a total of US$ 1.0 million in exchange for a down payment of US$ 0.15 million with the balance to be paid in 3 consecutive and equal installments maturing on December 31, 2011, June 30, 2013 and December 31, 2014 and accruing an annual 3% interest rate on the outstanding balance, payable quarterly and on arrears as from December 31, 2009.

On December 17, 2010, IRSA and Cyrela signed a stock purchase agreement whereby a 50% interest in Liveck s capital stock was reacquired from Cyrela for US$ 2.7 million. This amount is equivalent to the contributions made in Liveck by Cyrela. Therefore, IRSA´s interest in Liveck amounted to 100% (through Tyrus).

As part of the agreement, IRSA agreed to hold Cyrela harmless in the event of claims asserted by Zetol s sellers. Besides, if within a term of 24 months as from the date of the agreement Cyrela were not released from the guarantee tendered in favor of the above-mentioned sellers, IRSA will be obliged to post a new guarantee in favor of Cyrela, equivalent to 45% of the price balance, interest thereon and the option rights to which Zetol s sellers are entitled.

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f. Merger and spin-off/merger between IRSA and Patagonian Investment S.A.; and spin-off/merger with Palermo Invest S.A. and Inversora Bolívar S.A. (IBOSA)

IRSA s shareholders meeting held on November 27, 2009 approved, amongst other decisions, the corporate reorganization consisting in the merger by absorption of Patagonian Investment S.A. into IRSA, and the spin-off of Palermo Invest S.A. to be subsequently merged with Inversora Bolívar S.A. as well as all the documentation concerning these transactions. Afterwards, on January 22, 2010, a public deed was drawn to formalize the Final Merger Agreement (the Merger Agreement) in due time filed with the oversight authorities.

g. Option to acquire an interest in APSA

In January, 2010, Parque Arauco S.A. accepted the bid submitted by IRSA, and acquired, through a purchase option, the 29.55% interest in APSA and the held of face value of US$ 15.5 million of APSA s Convertible Notes 2014 .

The acceptance of the bid grants IRSA the right to exercise the purchase option mentioned above until August 31, 2010, which term may be extended until November 30, 2010 subject to compliance with certain conditions.

The strike price has been fixed at the total and final amount of US$ 126 million. IRSA transferred US$ 6 million to Parque Arauco S.A., non refundable, as payment in exchange for the option, to be computed towards cancellation of the final price.

On September 21, 2010, IRSA s Board of Directors resolved to exercise the option, which was consummated on October 15, 2010 through the payment of the price balance and the transfer of the shares. According to the terms of the option, the dividends paid by APSA for the fiscal year ended on June 30, 2010 were deducted from the price.

As a consequence of the transaction, as of March 31, 2011, IRSA s interest in APSA rises to 94.89%.

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NOTE 8: (Continued)

h. Sale of ownership interest in Pereiraola S.A.I.C.I.F. y A. (Pereiraola).

In June 2010, IRSA closed the sale and transfer of Pereiraola shares for US$ 11.8 million, for which it has collected US$ 1.94 million. The balance shall be paid through a transfer to the name of IRSA of the higher of 6% of the marketable lots, or 39,601 square meters in the gated neighborhood that the buyer has agreed to develop in the property owned by Pereiraola, equivalent to US$ 2.1 million and four consecutive, half-yearly installments of US$ 1.94 million each plus an annual 14% interest rate on the balances, which interest shall be paid in the same conditions as principal, the first installment of which has already been paid in December 2010.

i. Acquisition of Torodur S.A.

In May 2010 IRSA acquired a 100% stake in Torodur S.A. s capital stock for US$ 0.01 million. Later on, IRSA transferred a 2% ownership interest to CAM Communications LP, at cost.

j. Acquisition of Unicity S.A.

On September 1, 2010, and through E-Commerce Latina S.A. (subsidiary of IRSA) acquired a 100% stake in Unicity S.A. (Unicity) for US$ 2.53 million. Unicity s main asset consists in 31,491,932 shares representative of 10% of the capital stock of Solares de Santa María S.A. and for which it carries a liability to IRSA on the purchase price balance, which as of the date hereof is US$ 9.1 million. On September 28, the debt was capitalized and IRSA received 36,036,000 shares representing 88.61% of Unicity, being held by E-Commcerce the remaining 11.39%

k. Sale of Torres Jardín IV

On October 25, 2010, IRSA executed a preliminary sales agreement whereby it sold the lot that fronts, at 220/254/256 Gurruchaga street, at the intersection with Murillo street in the Autonomous City of Buenos Aires (Torres Jardín IV) designated as lot 2 . The total price of the transaction had been fixed at US$ 2.9 million and the terms of payment were: US$ 0.9 million to be collected upon signing the preliminary sales agreement and the price balance, US$ 2.0 million, to be collected when possession is conveyed and the title deed over the property is executed, which took place in January 2011.

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NOTE 8: (Continued)

l. Purchase of TGLT S.A. s shares

In December 2010, IRSA acquired 9,598 non-endorsable common shares in book entry form of 1 vote each, representing 0.01% of TGLT S.A. s capital stock. The total price paid was Ps. 0.1 million.

m. Sale of interest stake in Quality

On March 31, 2011, IRSA and Palermo Invest S.A. sold to EFESUL S.A. (EFESUL) 50% of the capital stock of Quality. As a result of such sale, Quality became jointly controlled by IRSA and EFESUL.

n. Purchase of BACS shares

On March 10, 2011, IRSA signed an stock purchase agreement with International Finance Corporation (IFC) for a total of 796,875 common shares, which represents a 1.28% of BACS capital stock in an aggregate amount of US$ 0.32 million, US$ 0.06 million of which were paid upon execution of the agreement, and the balance of US$ 0.26 million (supported by respective promissory notes) are to be repaid at the time of closing of the transaction, that is within 12 business days as from approval of the transaction by the BCRA, which is still pending.

2. APSA

a. Capital increase and capital contributions to Tarshop S.A.

On October 30, 2009, Tarshop S. A., capitalized irrevocable contributions made by APSA, thus APSA s participation increased to 98.5878%.

During January 2010, APSA acquired the minority interest (1.4122%) property of the minority shareholder for US$ 0.54 million, reaching the 100% of share interest.

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b. Sales of the equity interest in Tarshop S.A.

On December 22, 2009, APSA reported the approval by its Board of Directors of the sale assignment and transfer of the 80% of the equity interest in Tarshop S.A. to Banco Hipotecario S.A. Such interest represents 80% of the capital stock issued and outstanding, this is 107,037,152 registered, nonendorsable shares of common stock with a face value of Ps. 1 and entitled to 1 vote each.

In this line of thought, on December 29, 2009, contractual documents related to the transaction were executed, which was subject to the approval by the Argentine Central Bank granted on August 30, 2010. Consequently, on September 13, 2010, the respective memorandum of closure was executed. The total price paid for the purchase of shares stood at US$ 26.8 million. Under this transaction, APSA granted Banco Hipotecario S.A. a two-year security agreement over APSA Class III Notes, issued on November 13, 2009, for a face value of Ps. 5 million, which will work as guarantee upon any price adjustment that may result in favor of Banco Hipotecario S.A. as provided by the purchase agreement.

In compliance with the conditions defined in the agreement in question, APSA committed itself to not competing for 5 years in the credit card and/or consumer loan business in which Tarshop S.A. has a presence.

Additionally, under this transaction, receivables and payables between APSA and Tarshop S.A. have been compensated.

c. Acquisition of Arcos del Gourmet S.A. s shares

On November 27, 2009, APSA acquired 7,916,488 shares of common stock with a face value of Ps. 1 each, entitled to 1 vote per share, representing 80% of the capital stock of Arcos del Gourmet S.A. The price was established at fixed amount of US$ 5.14 million plus a variable amount equal to the 20% of the investment required in order to develop the project, up to a maximum of US$ 6.9 million. The remaining unpaid balance as of March 31, 2011 is made up as follows: (i) one US$ 1 million installment, falling due on November 27, 2011 disclosed in Short-term debt and (ii) 100% of the variable amount which will be paid off upon the possible increase of the capital required to develop the project.

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A Consultative Opinion request was filed by APSA with the Argentine Competition Defense Commission, still pending resolution, seeking to issue an opinion on the obligation or lack thereof to notify the sale. Such commission opinion was that the operation should be notified. Accordingly, on December 16, 2010, the sale was notified.

On February 17, 2010, Arcos del Gourmet S.A. held a shareholders meeting that approved a capital increase of US$ 2.7 million, equivalent to Ps. 10.4 million. Consequently, 3,515,596 registered non-endorsable shares of common stock will be issued, with a face value of Ps. 1 and entitled to one vote per share, with a subscription price of Ps. 2.9622 per share, of which Ps. 1 is the face value and Ps. 1.9622 is additional paid-in capital, of which APSA is entitled to 80% thereof. The issue has been fully subscribed and paid in on the balance sheet date.

On June 25, 2010, APSA (purchaser) and Eduardo Giana, Pablo Bossi, Patricio Tobal and Abuam S.A. (sellers) subscribed an agreement for the option to purchase shares of Arcos del Gourmet S.A., for the total number of shares owned by them, which represent at least 17.54% of capital stock and votes of Arcos del Gourmet S.A. The exercise of the option was subject to the condition that the grantor of the Use Concession Agreement calls a bidding process whose purpose will be the sale of the real estate properties involved, assumption under which Arcos del Gourmet S.A. holds the preemptive right. The price of the shares owned by the sellers was established at US$ 1.4 million. The option price of US$ 0.4 million was fully cancelled. In the event APSA exercised the option, its price will be considered towards the share price.

d. Acquisition of a commercial center goodwill

On December 28, 2007, APSA signed an agreement for Partial transfer of goodwill with INCSA for acquiring one of the part of the Goodwill established by a commercial center where Soleil Factory currently develops activities. The total price of the operation was of US$ 20.7 million of which US$ 7.1 million were paid at the time the preliminary purchase contract was entered into.

Once the signature of the definitive instrument took place on July 1, 2010, the remaining amount of US$ 13.6 million will accrue 5% annual interest plus VAT. The interest will be repaid in 7 annual and consecutive installments maturing the first installment on July 1, 2011. Principal will be settled as follows: i) US$ 1 millon with the delivery of the title deed and ii) US$ 12.6 million upon paying the last interest installment or upon delivering the title deed, whichever later.

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On July 1, 2010, APSA and INCSA executed the definitive instrument for the partial transfer of the goodwill and memorandum of closure by which INCSA transferred the goodwill of the commercial center known as Soleil Factory ; becoming operational on such date. The Commercial Center Soleil Factory includes a building and real properties. Possession thereof was handed over upon execution. Considering the goodwill value structure, the Company has booked in as fixed assets until the process to allocate the price paid for the assets and liabilities acquired is completed. Guidelines provide that INCSA does not transfer APSA its receivables or its payables originated before executing the agreement. Within 30 working days as from registering the co-ownership and administration regulations with the Argentine Real Property Registry, INCSA will grant APSA the title deed of the building. It should be noted that the goodwill and the building related to the hypermarket transaction located on the same premises are excluded from the transaction.

On April 12, 1011, the National Antitrust Commission notified us of its authorization of this transaction.

Furthermore, APSA signed an offering letter for acquiring, building and running a commercial centre in a real estate owned by INCSA located in the City of San Miguel de Tucumán, Province of Tucumán. The price of this transaction is US$ 1.3 million, of which US$ 0.05 million were paid on January 2, 2008. Such disbursement was recorded as suppliers advances. This transaction was subject to certain conditions precedent, among which APSA should acquire from INCSA the goodwill constituted by the commercial center operating in Soleil Factory. Having complied with such condition, on July 1, 2010, APSA shall start the works i) 12 months after complying with such conditions, or ii) on May 2, 2011, whichever earlier. However, before starting with the works, INCSA should have: i) granted the title deeds to APSA s future units to APSA, and ii) transferred to APSA the rights to the registered architectural project and the effective permits and authorizations to be carried out in APSA s future units. On the balance sheet date the situations described under subsection i) or ii) have not occurred.

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e. Acquisition of Metroshop S.A. s shares

On May 21, 2010, APSA and Tarshop S.A. executed an agreement to formalize the transfer of shares by which Tarshop S.A. has sold APSA 18,400,000 registered nonendorsable shares of common stock with a face value of Ps. 1 each and entitled to 1 vote per Class A share representing 50% of Metroshop S.A. s capital stock. The transaction price was set at Ps. 0.001 for the total shares.

On January 13, 2011, and as an action subsequent to the purchase of the remaining 50% of Metroshop S.A. s shares by APSA, Metroshop S.A. made two offers to Tarshop S.A., later accepted by Tarshop S.A., to grant the following assets:

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 Metroshop S.A. s own portfolio and those assigned to Fideicomiso Financiero Metroshop S.A. Serie XV previous return of them).

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.

APSA is currently analyzing the different possibilities to define the future operations of Metroshop S.A.

f. Purchase of TGLT S.A. s shares

On November 4, 2010, APSA acquired 5,214,662 registered, non-endorsable shares of common stock, entitled to one vote per shares, issued by the Company TGLT S.A. for a total amount equivalent to Ps. 47.1 million under the initial public offering of the latter.

In December, 2010, the company acquired 42,810 shares for the price of Ps. 0.4 million.

Later, during January 2011, there was a new purchase of 98,000 shares for a total amount of Ps. 0.9 million.

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NOTE 9: PURCHASE, SALE AND BARTER OF PROPERTIES

A. Agricultural Business

1. Acquisitions of land in the Republic of Bolivia

a. On July 28, 2008, the Company acquired Las Londras farm, a 4,566 hectare property located in the Province of Guarayos, Bolivia for an aggregate purchase price of US$ 11.4 million, of which US$ 1.1 million was paid upon executing the purchase agreement, US$ 3.8 million on January 22, 2009 date in which the contracts protocol was signed and US$ 4.0 million on November 9, 2009 and US$ 2.5 million on February 15, 2011.

b. On July 28, 2008, the Company acquired San Cayetano and San Rafael farms, a 883 hectare and a 2,969 hectare properties located in the Province of Guarayos, Bolivia for an aggregate purchase price of US$ 8.9 million out of which US$ 0.9 million was paid upon executing the purchase agreement, US$ 2.9 million in November 19, 2008 date in which the contracts protocol was signed and US$ 3.1 million in November 9, 2009 and US$ 2.0 million in November 11, 2010.

c. On July 28, 2008, the Company acquired La Fon Fon farm, a 3,748 hectare property located in the Province of Obispo Santiesteban, Bolivia for an aggregate purchase price of US$ 8.6 million out of which US$ 1.4 million was paid upon executing the purchase agreement, US$ 2.3 million in November 19, 2008 date in which the contracts protocol was signed and US$ 3.0 million in November 9, 2009 and US$ 1.9 million in November 11, 2010.

B. Real Estate Business

1. IRSA

a. Acquisition of Catalinas Norte plots of land

On December 2009 IRSA acquired by public sale a plot of land of 3,649 square meters and located in the area known as Catalinas Norte in the Autonomous City of Buenos Aires.

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The total amount payed was Ps. 95.0 million, of which: Ps. 19.0 million was paid together with the sign to the preliminary sales agreement and the outstanding balance of Ps. 76.0 million was paid at the time of executing and delivering the corresponding title deed, which took place during May, 2010.

Acquisition of a building located at 183 Madison Avenue, New York, NY

On August 26, 2010, IRSA together with some U.S. partners, executed an acquisition of a real estate property located at 183 Madison Avenue, New York, NY, through Rigby 183 LLC (Rigby 183).

The transaction was closed on December 15, 2010 and the price paid by Rigby 183 was US$ 85.1 million, such payment has been structured through a financing of US$ 40.0 million obtained by Rigby 183 and the amount of US$ 45.1 million paid in cash. Moreover, Rigby 183 has obtained and additional financing of US$ 10.0 million, in order to perform refurbishments and improvements on the building, which is being disbursed according to the works progress.

On March 31, 2011, the Company sold 8% of its interest in Rigby 183, owned by Real Estate Strategies LLC (RES), a company indirectly controlled through Tyrus, in the amount of US$ 3.8 million. As a result, the Company has a 49% interest in Rigby 183 through IMadison LLC (IMadison).

The building is located in a Manhattan area known as Midtown South , at the intersection of Madison Avenue and 334th Street. There are several landmark buildings in the area, such as the Empire State Building, Macy s Herald Square and Madison Square Garden. This commercial property will be used for rentals of office space and retail stores in the lowest of its 18 stories. Its net leasable area is approximately 22,000 square meters. Based on what has already been discussed, the implicit value per square meter as acquired has been US$ 3,717.

Preliminary sales agreement

On March 31, 2011 Quality Invest S.A. executed a preliminary sales agreement for the purchase of a plot of land located in the province of Buenos Aires, for a total consideration of US$ 33,0 million, US$ 6.6 million of which had already been paid as of the balance sheet date.

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2. APSA

Acquisition of the building known as ex-escuela Gobernador Vicente de Olmos (City of Córdoba)

On November 20, 2006, APSA acquired, through a public bidding, the building known as Ex Escuela Gobernador Vicente de Olmos (Patio Olmos) located in the city of Córdoba for the amount of Ps. 32,522.

The building is under a concession agreement, effective for 40 years, falling due in February 2032, which grants the concession holder the commercial exploitation of the property. Such agreement provides for paying a staggered fee in favor of the concession principal which shall be increased by Ps. 2.5 every 47 months. As of the issuance date of these financial statements, the concession is at the 229 month, with a current monthly fee of Ps. 12.6 while the next increase is scheduled for the 234 month.

On September 25, 2007, the transfer deed the buiding was signed with the Government of the Province of Córdoba and the transference of the respective concession contract. This transaction was recorded as Non-current investments.

Barter with Condominios del Alto S.A.

On October 11, 2007, APSA subscribed with Condominios del Alto S.A. a barter contract in connection with an own plot of land (plot 2 G), located in the City of Rosario, Province of Santa Fe.

As partial consideration for such barter, Condominios del Alto S.A. agreed to transfer the full property, possession and dominium in favor of APSA of the following future Real Estate: (i) fifteen (15) Functional Housing Units (apartments), with an own constructed surface of 1,504.45 square meters, which represent and will further represent jointly 14.85% of the own covered square meters of housing (apartments) of the building that Condominios del Alto S.A. will build in Plot G, and (ii) fifteen (15) parking spaces, which represent and will further represent jointly 15% of the own covered square meters of parking spaces in the same building.

On March 17, 2010, APSA and Condominios del Alto S.A. subscribed a supplementary deed specifically determining the units committed for bartering that will be transferred to APSA and the ownership title to 15 parking spaces.

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The parties have determined that the value of each undertaking is of US$ 1.1 million.

APSA also granted Condominios del Alto S.A. an acquisition option through barter of plot 2 H. On November 27, 2008, the title deed for the plot of land 2 H was executed for US$ 2.3 million, a value that the parties have determined for each of their considerations.

As partial consideration for the above-mentioned barter, Condominios del Alto S.A. agreed to transfer the full property, possession and ownership in favor of APSA of the following future real estates: (i) forty two (42) Functional Housing Units (apartments), which represent and will further represent jointly 22% of the own covered square meters of housing (apartments) of the building that Condominios del Alto S.A. will construct in Plot H; and (ii) forty seven (47) parking spaces, which represent and will further represent jointly 22% of the own covered square meters of parking spaces units in the same building.

Beruti plot of land

On October 13, 2010, TGLT S.A. (TGLT) and APSA subscribed an agreement of purchase by which APSA sells a plot of land located on Beruti 3351/59. The transaction was agreed upon at US$ 18.8 million. TGLT plans to construct a department building with residential and commercial parking. In consideration, TGLT S.A. commits to transferring APSA: (i) a number to be determined of departments representing altogether 17.33% of proprietary square meters that may be sellable in departments in the building to be constructed; (ii) a number to be determined of complementary/functional parking units representing altogether 15.82% of square meters in parking in the same building; (iii) all units earmarked for commercial parking and the amount of US$ 10.7 million payable upon granting the title deed. Such amount has been paid as of the date of these unaudited financial statements.

In compliance with what was agreed upon in the previously mentioned agreement of sale, on December 16, 2010, it was executed the title deed by which APSA transfer the entire ownership and title to TGLT S.A. to the previously mentioned plot of land.

The above is disclosed in the accounts Inventories and Property an equipment.

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Barter with Cyrsa S.A.

On July 31, 2008, a conditioned barter commitment was executed by which APSA would transfer Cyrsa S.A. (Cyrsa) 112 parking spaces and the rights to increase the height of the property to build a two tower in preserve on the air space COTO.

On December 17, 2010, APSA and Cyrsa signed an agreement in order to finish off the barter agreement.

Plot of land Paraná:

On June 30, 2009, APSA subscribed a Letter of Intent , by which it stated its intention to acquire a plot of land of about 10,022 square meters located in Paraná, Province of Entre Ríos, to be used to build, develop and exploit a shopping center or mall.

On August 12, 2010, the agreement of purchase was executed. The purchase price stood at US$ 0.5 million to be paid as follows:

i) US$ 0.05 million was settled as prepayment on July 14, 2009,

ii) US$ 0.1 million was settled upon executing such agreement, and

iii) US$ 0.35 million will be paid upon executing the title deed.

The title deed, at the same time of surrendering ownership, will be executed within 60 days running as from: i) the date on which APSA obtains the municipal clearance, or ii) the date on which the seller obtain the lot subdivision, whichever later. On March 18, 2011 the Municipality of Paraná granted the municipal clearance for constructing the shopping mall.

APSA will be the only party in charge of carrying out administrative formalities before the Municipality and/or other agency to obtain the municipal clearance for using the shopping mall. It will bear all costs and expenses related to obtaining the municipal clearance.

Plot of land Guaymallén

On March 26, 2010, APSA executed an agreement of purchase without possession by which the Company sold a building located in the district of Guaymallén, Province of Mendoza. The total agreed-upon price stood at US$ 0.3 million, which has been full cancelled.

Plot of land Rosario

APSA has subscribed the following acceptance offers for the plot of land of the building located in the District of Rosario, City of Rosario, Province of Santa Fe.

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Lots	Offer acceptance	Agreed price (in thousands of US$)	Collected amount (in thousands of US$)	Title deed s date
2 A	04/14/2010	4,200	1,050	
2 E	05/03/2010	1,430	1,430	09/29/10
2 F	11/10/2010	1,931	917	
2 B	12/03/2010	1,507	1,507	
2 C	12/03/2010	1,507	1,507	
2 D	12/03/2010	1,539	256	

The lots subject to these transactions have been recorded to the inventory account.

NOTE 10: **GRANTED GUARANTEES OF FYO.COM**

By means of brokerage of agreement with guarantee, FyO.Com assumes before the purchaser the obligation to comply with the agreement in the event the seller did not deliver the merchandise. This compliance is implemented by returning the amounts agreed upon by such transaction that may be pending delivery, as well as the price difference that may arise between the price at which the agreement was executed and the price of the merchandise on the date the agreement is cancelled.

As of March 31, 2011 and June 30, 2010, the balance of brokerage transactions carried out by means of such agreement with guarantee, which was pending delivery, within the established contractual terms, amounted to Ps. 11,165 and Ps. 9,498 respectively.

As of March 31, 2011 and June 30, 2010, there are no agreements that failed to be complied with for which FyO.Com may have been claimed in its capacity of guarantor.

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NOTE 11: CONVERTIBLE AND NON CONVERTIBLE NOTES PROGRAM

A. Real Estate Business

1. IRSA
Convertible Notes Due date 2017

In February 2007, IRSA issued non-convertible Notes (Non convertible notes-2017) for US$ 150 million to become due in February 2017 under the framework of the Global Program for Issuing Non convertible notes (the Program) in a face value of up to US$ 200 million authorized by the National Securities Commission. Non convertible notes-2017 accrues an annual fixed interest rate of 8.5%, payable every six months, starting in August, 2007. The principal will be fully paid on maturity. Non convertible notes-2017 contains customary covenants including restrictions to pay dividends in accordance with certain limits.

On February 25, 2010, the IRSA´s Board of Directors approved the extension of the maximum nominal value of the program by an additional US$ 200 million, reaching a total amount of US$ 400 million, as approved by the Ordinary Meeting of Shareholders held on October 29, 2009.

Within this framework, on July 20, 2010, IRSA issued non-convertible notes for a face value of US$ 150 million (Non-convertible Notes Class II) maturing on July 20, 2020. The issuance price was 97.838% of par value and they accrue interest at a nominal interest rate of 11.5% per annum, to be paid semi-annually on January 20 and June 20 each year, starting on January 20, 2011. The expenses related to the issuance amounted to Ps. 7.1 million.

On November 2, 2010, the General Shareholders Meeting approved a new expansion of the Program in force for up to a further US$ 50 million bringing it to US$ 450 million.

2. APSA

a. Issuance of convertible notes
On July 19, 2002, APSA issued Series I of Convertible Notes (ONC) for up to US$ 50 million with a face value of Ps. 0.1 each. That series was fully subscribed and paid-up.

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This issuance was resolved at the Ordinary and Extraordinary Meeting of Shareholders held on December 4, 2001, approved by the National Securities Commission Resolution No. 14,196 dated March 15, 2002 and authorized to list for trading on the Buenos Aires Stock Exchange on July 8, 2002.

The main issue terms and conditions of the Convertible Notes are as follows:

Issue currency: US dollars.

Due date: On July 19, 2014.

Interest: at a fixed nominal rate of 10% per annum. Interest is payable semi-annually.

Payment currency: US dollars or its equivalent in pesos.

Conversion right: the notes can be converted at any time at the option of each holder into ordinary shares at a conversion price equivalent to the higher of the result from dividing the face value of the Company s shares (Ps. 0.1) by the exchange rate and US$ 0.0324, which means that each note is potentially exchangeable for 30.864 shares of Ps. 0.1 par value each.

Right to collect dividends: the shares underlying the conversion of the convertible notes will be entitled to the same right to collect any dividends to be declared after the conversion as the shares outstanding at the time of the conversion.

On October 7, 2010, the holders of Notes convertible into APSA s shares exercised the conversion right, issuing 477,544,197 shares of common stock, with a face value of Ps. 0.1 each and retiring Notes for a face value for US$ 15.5 million. As from the conversion, the number of APSA S shares went from 782,064,214 to 1,259,608,411.

Thus, the holders of APSA s Notes (convertible into ordinary shares) exercised conversion rights for a total amount of US$ 18.3 million, issuing ordinary shares with a face value of Ps. 0.1 each.

As of March 31, 2011, APSA s Convertible Notes amounts to US$ 31.8 million.

b. Issuance of non-convertibles notes

On May 11, 2007, APSA issued two series of notes for a total amount of US$ 170 million.

Series I corresponds to the issuance of US$ 120 million maturing on May 11, 2017, which accrue interest at a fixed rate of 7.875% paid semiannually on May 11 and November 11 of each year as from November 11, 2007.

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NOTE 11: (Continued)

Series II corresponds to the issuance of Ps. 154,020 (equivalent to US$ 50 million). Principal will be settled in seven, equal and consecutive semi- annual installments as from June 11, 2009, and accrues interest at 11% per annum, maturing on June 11, and December 11 of each year as from December 11, 2007.

As of March 31, 2011 total Series I and Series II Notes repurchased by APSA amount to US$ 5.0 million and US$ 4.8 million, respectively. Such notes had been valued at face value and are disclosed netting the current and non-current capital and interest owed.

On October 12, 2010, the Company sold APSA s Series I negotiable obligations through the secondary market for a face value of US$ 39.6 million that it had acquired in the course of fiscal year 2009. The total amount collected from the transaction was 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 Non-Convertible.

IRSA holds Non-Convertible Series II in the face amount of Ps. 33.2 million. Moreover, Cresud S.A.C.I.F. y A. holds Non-Convertible Series I for a face value of US$ 5.0 million.

These issuances correspond to Classes 1 and 2 within the Global Program for Issuing Negotiable Obligations, having a face value of up to US$ 200 million authorized by the National Securities Commission Resolution No. 15,614 dated April 19, 2007.

The APSA´s Shareholders Meeting held on October 29, 2009 approved the increase in the amount of the Global Program for the Issuance of Notes in place up to US$ 200 million. It also approved the creation of the Global Program for the issuance of securities representing short-term debt (VCP) in the form of simple notes not convertible into shares, denominated in pesos, US dollars or any other currency with unsecured, special, floating and/or any other guarantee, including third party guarantee, either subordinated or not, for a maximum outstanding amount at any time that may not exceed the equivalent in Ps. of US$ 50 million.

Under such Global Issuance Program of Notes, on November 10, 2009, the placement of the Second Series of Notes for a total value of Ps. 80.7 million, was completed in two series.

Series III relates to the issuance of Ps. 55.8 million maturing on May 12, 2011, which accrue interest at variable BADLAR plus a 3% margin payable on a quarterly basis.

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NOTE 11: (Continued)

Series IV relates to the issuance of Ps. 24.9 million (equivalent to US$ 6.6 million) maturing on May 12, 2011, which accrues interest at a fixed 6.75% rate applied to the principal in US dollars, payable on a quarterly basis.

As of March 31, 2011 Emprendimiento Recoleta S.A. holds Series III Notes for Ps. 12 million in face value.

NOTE 12: SIGNIFICANT EVENTS

A. Real Estate Business

1. IRSA

a. Investment in Banco Hipotecario S.A.

Exposure to the non-financial public sector

As of March 31, 2011, Banco Hipotecario S.A. has assets with the non-financial public sector for Ps. 1,113,068 booked in its financial statements.

The exposure of Banco Hipotecario S.A. to the Public Sector originated in compensations granted by the National Government as a result of year 2002 crisis, principally related to the asymmetric pesification of assets and liabilities, through Communication A 4546 of July 9, 2006, regarding the assistance to the Public Sector, it was established that as from July 1, 2007, such limit was 35% (average measured) of total Assets of the last day of the previous month.

As of March 31, 2011 and June 30, 2010 the assistance to the Public Sector reaches 9.7% and 20.2% from total Assets, respectively.

Banco Hipotecario S.A. s Treasury Shares

In the course of fiscal year ended June 30, 2009 and with the Total Return Swap dated January 29, 2004 having expired, Banco Hipotecario S.A. received treasury shares Class D totaling 71.1 million.

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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 36.64 million and entail an increase in the IRSA s ownership interest. As considered for valuation purposes, they have risen from 29.77% to 31.51%.

b. Transactions pending solution by the Argentine Antitrust Commission (CNDC)

On November 20, 2009, after the sale of the building Edificio Costeros (Dock II), IRSA applied to the CNDC for a consultative opinion on whether IRSA had to notify that transaction or not. The CNDC found that there was an obligation to notify the same, but IRSA appealed that decision. As of the date of issuance of these financial statements, the CNDC had not yet handed down a resolution.

In addition, as regards the acquisition of Torre Bank Boston, on August 30, 2007 IRSA applied to the CNDC for a consultative opinion as to whether IRSA had to notify the transaction. On November 22, 2007 the CNDC stated that there was indeed a duty to notify the transaction. IRSA filed an appeal against this decision. The resolution from the matter in court was favorable to the CNDC. On November 3, 2010 was notified to the CNDC. As of the date of issuance of these financial statements, the autorization is in process of notificating the operation.

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NOTE 12: (Continued)

c. APSA interim dividend

On March 30, 2011, the Board of Directors of APSA informed shareholders that it shall pay, as from April 11, 2011, an interim cash dividend in the amount of Ps. 130.8 million, for the fiscal year beginning July 1, 2010 for income made as of December 31, 2010.

On April 11, 2011, APSA paid the interim dividend as indicated in the previous paragraph.

B. APSA

a) Financing and occupation agreement with NAI INTERNATIONAL 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 1st, 2009) executed an agreement with NAI INTERNATIONAL II, INC. (subsequently transferred to NAI INTERNACIONAL 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 Property and Equipment, net.

According to the agreement of occupation related to the loan contract, 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 once 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 a new 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 property right.

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Principal owed as of March 31, 2011 and interest accrued unpaid through that date, due to the original loan agreement and respective amendments are disclosed under Customer advances Lease advances together with other advances not included in this agreement.

b) Neuquén Project

The main asset of Shopping Neuquén S.A., controlled by APSA, is a plot of land of 50,000 square meters approximately, in which a mixed use center would be built. The project includes the building of a shopping center, cinemas, a hypermarket, apartments, private hospital and other compatible purposes.

On December 13, 2006, Shopping Neuquén S.A. entered into an agreement with the Municipality and with the Province of Neuquén 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 that one on which the shopping center will 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.

On June 12, 2009, Shoppping Neuquén S.A. and the Municipality of Neuquén executed a new agreement by which Shoppping Neuquén S.A. committed itself to presenting a new road project and to making those amendments that may be necessary to the general project. On October 19, 2009, the respective amendments to the previously mentioned projects were filed. Subsequently, the Municipality of Neuquén made some remarks to them, which were duly replied. On January 18, 2010, the Municipality of Neuquén requested changes to the plans filed, granting a 30-day term to be filed.

Finally, on July 5, 2010, Shopping Neuquen S.A. began the committed works for the first stage, which should be completed at a maximum 22 month terms starting upon beginning construction. In the case of failing to comply the conditions established in the agreement, the Municipality of Neuquén 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 of Neuquén.

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NOTE 12: (Continued)

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.

c) Contributed leasehold improvements - Other liabilities

In March 1996 Village Cinema S.A. inaugurated ten multiplex system cinema theatres, with an approximate surface of 4,100 square meters. This improvement of the building of Mendoza Plaza Shopping S.A. was capitalized with a balancing entry as a fixed asset, recognizing the depreciation charges and the profits over a 50-year period. The lease is for a time limit of 10 years to be renewed every four equivalent and consecutive periods, at the option of Village Cinema S.A. At the end of period / year the remaining pending accrual shown under other liabilities, in line improvements made by others to be accrued.

d) Agreement with the former minority shareholder of Tarshop S.A.

During January 2010, APSA executed an agreement with Mr. León Halac (LH), by which the latter assumed the obligation to abstain during 28 running months from performing any role or developing and participating in any manner whatsoever in any new credit card companies other than those existing on the market, or in the regions in which at present Tarjeta Shopping is developed. Such agreement also contemplates the impossibility by the same period of time that LH participates in developing, under any method, shopping malls or commercial center of over 20,000 square meters within the territory of Buenos Aires City, Argentine Republic. APSA, shall pay in consideration of the obligations assumed by the other party a total and definitive price of US$ 2.2 million payable. On the balance sheet date, there is no outstanding balance due.

NOTE 13: SALES OF BUILDINGS

Real Estate Business

During the nine-month period ended March 31, 2011 and 2010, IRSA conducted several transactions for the sale of some office rental properties that made up its portfolio, representative of a gross leasable area of 620 square meters and 13,330 square meters, respectively, for a total of Ps. 10.5 million and Ps. 149.7 million, respectively. The gross income generated by these transactions amounted to Ps. 8.1 million and 105.8 million, respectively.

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

NOTE 14: CAPITALIZATION PROGRAM FOR EXECUTIVE MANAGEMENT

As of March 31, 2011 Cresud and IRSA had made contributions to the capitalization program for executive management that amount Ps. 4,596.

NOTE 15: DERIVATIVE FINANCIAL INSTRUMENTS

Real Estate Business

Futures contracts Ritelco S.A.

In the course of the period, Ritelco S. A. conducted certain shorting and covering transactions involving futures. According to the Company s risk management policies, these deals are used for speculative purposes.

In connection with the futures transactions that took place during de fiscal year, the Company booked realized loss for US$ 29 (equivalent to Ps. 115) in the Other holding results line of its Income statement.

On March 31, 2011 Ritelco had open interests in derivatives which resulting in an unrealized loss of US$ 3 (equal to Ps. 13).

Futures IRSA

The table below lists the financial derivative transactions conducted during the period and the corresponding gains/losses thereon

Futures	Bank	Amount US$	Due date	Gain
Open operations				
Sale of dollar	Santander Río BankS.A.	7,987	04/14/2011	316
Sale of dollar	Itaú Argentina Bank S.A.	2,210	04/29/2011	18
Sale of dollar	Standard Bank Argentina S.A.	10,291	06/15/2011	152
Subtotal				486
Closing operations				909
Result for derivaties instruments				1,395

Futures HASA

In order to reduce financing costs related to loans granted by Standard Bank Argentina S.A., HASA entered into non-deliverable forwards (NDF) for the purchase of US Dollars. The Company has recognized a gain on such transactions that amounts to Ps. 953 included under Other holding gains/losses of the income statement.

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NOTE 16: SUBSEQUENT EVENTS

A. Agricultural business

Stock purchase agreement and warrants to Tarpon

In relation to the acquisition of shares and warrants of BrasilAgro mentioned in Note 8.A.1, Cresud has paid the outstanding balance due and, as a result, the shares pledge as security thereof have been released.

B. Real Estate Business

APSA

Purchase of TGLT S.A.´s shares

On April 4, 2011, APSA acquired 876,474 registered, nonendorsable shares of common stock entitled to one vote per share, issued by TGLT S.A., for the price of Ps. 7.9 million, reaching an 8.86% in TGLT s common capital stock.

Call to General Shareholders Meeting

On April 28, 2011, the Board of Directors of APSA decided to call a General Regular and Special Shareholders Meeting to be held on May 26, 2011, at 2pm, at Moreno 809, to transact the following businesses:

Increase of capital stock by up to Ps. 205 million through the issuance of up to 2,050,000,000 new common shares in book-entry form of 0.10 pesos par value each, in one or more tranches, with our without additional paid in capital and a right to one vote each, with dividend rights *pari passu* the shares then outstanding, to be placed through public offerings in the domestic and/or foreign markets.

Delegation onto the Board of Directors to define the terms and conditions for the issuance of one or more tranches, not expressly determined by the shareholders meeting, with powers to delegate such functions in one or more directors or managers of the Company, or any designee.

Reduction of the term for exercising the pre-emptive rights and rights of first refusal to a term of up to 10 running days for each issue, pursuant to section 194 of Act 19.550 and applicable regulations.

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NOTE 16: (Continued)

Consideration of disposition alternatives for Non-Convertible convertible into common shares at an annual rate of 10% currently outstanding in the amount of US$ 31,755,502 nominal value, issued on July 19, 2002, contingent upon the effective capital increase being considered in this meeting, including without limitation, the repurchase offer, the call to a meeting of note holders to modify one or more terms and conditions of issue.

Given the capital increase to be considered by APSA Shareholders Meeting, the Board of Directors decided to call a Regular and Special Shareholders Meeting to be held on May 26, 2011, at 12 pm, outside the registered office, at Moreno 809 to transact the following businesses:

Alternatives available for the disposition of convertible Non-Convertible issued by APSA due in 2014, contingent upon the effective increase of APSA capital stock. Consideration, if applicable, of such alternatives including without limitation, repurchase offer and determination of minimum and maximum thresholds for sale, potential actions in the event of a call to note holders meeting for the amendment of one or more terms and conditions of issue.

Procedure to be followed by the Company as to its current pre-emptive right and right of first refusal, in order to facilitate a new public offering without losing its controlling shareholder quality. Alternatives to be considered for the use, assignment and any other form of disposition, whether or not for valuable consideration, and the different forms or methods, as to the exercise of pre-emptive rights and rights of first refusal, in order to make a new public offering of APSA capital stock effective.

Delegation of powers on the Board of Directors to structure motions and mandate to be granted in APSA Shareholders Meeting and a possible adjournment thereof, as indicated in the item and in respect to the capital increase of the company.

Consideration of payment of a dividend only in cash out of retained earnings as of June 30, 2010 and/or total or partial reversal of optional reserves, as provided for in the Shareholders Meeting.

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Cresud Sociedad Anónima,

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Unaudited Basic Financial Statements

Corresponding to the nine-month periods

ended March 31, 2011 and 2010

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Balance Sheet as of March 31, 2011 and 2010 and June 30, 2010

(in thousands of pesos)

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

	March 31, 2011 (Notes 1 and 2)	June 30, 2010 (Notes 1 and 2)	March 31, 2010 (Notes 1 and 2)		March 31, 2011 (Notes 1 and 2)	June 30, 2010 (Notes 1 and 2)	March 31, 2010 (Notes 1 and 2)
ASSETS				**LIABILITIES**			
Current Assets				**Current Liabilities**			
Cash and banks (Note 8 a.)	20,606	3,810	4,158	Trade accounts payable (Note 8 f.)	68,523	83,126	56,059
Investments (Note 8 b.)	6,936	24,631	6,856	Short-term debt (Note 8 g.)	341,435	449,311	440,977
Trade accounts receivable, net (Note 8 c.)	60,939	85,492	56,585	Salaries and social security payable (Note 8 h.)	19,086	23,330	13,777
Other receivables (Note 8 d.)	112,712	61,916	99,968	Taxes payable (Note 8 i.)	11,080	4,659	7,757
Inventories (Note 8 e.)	215,741	100,454	146,566	Customer advances (Nota 8.j.)			1,939
Total Current Assets	416,934	276,303	314,133	Other liabilities (Note 8 k.)	29,211	42,612	46,427
				Total Current Liabilities	469,335	603,038	566,936
				Non-Current Liabilities			
Non-Current Assets				Long-term debt (Note 8.g.)	333,634		
Other receivables (Note 8 d.)	53,838	60,214	30,911	Taxes payable (Note 8 i.)	95,356	75,822	69,676
Inventories (Note 8 e.)	196,274	141,602	125,847	Other liabilities (Note 8 k.)	5,571	3,166	
Investments on equity investees (Note 8 b.)	1,966,260	1,800,764	1,762,590	Provisions for pending lawsuits (Schedule E)	1,678	1,768	1,791
Other investments (Note 8 b.)	11,282	82,042	78,418	**Total Non-Current Liabilities**	436,239	80,756	71,467
Property and equipment, net (Schedule A)	340,327	289,991	290,165	**Total Liabilities**	905,574	683,794	638,403
Intangible assets, net (Schedule B)	21,604	1,071	1,147				
Total Non-Current Assets	2,589,585	2,375,684	2,289,078	**SHAREHOLDERS EQUITY**	2,100,945	1,968,193	1,964,808
Total Assets	3,006,519	2,651,987	2,603,211	**Total Liabilities and Shareholders Equity**	3,006,519	2,651,987	2,603,211

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

Femando A. Elsztain
Director acting as President

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Cresud Sociedad Anónima,

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Unaudited Statement of Income

Corresponding to the nine-month periods beginning as from July 1, 2010 and 2009 and

ended March 31, 2011 and 2010

(in thousands of pesos)

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

	March 31, 2011	March 31, 2010
Production income:		
Crops	72,653	28,106
Beef cattle	29,622	13,458
Milk	24,581	17,621
Total production income	**126,856**	**59,185**
Cost of production (Schedule F.2)		
Crops	(56,326)	(27,258)
Beef cattle	(17,736)	(15,261)
Milk	(18,156)	(14,185)
Total cost of production	**(92,218)**	**(56,704)**
Production gain	**34,638**	**2,481**
Sales:		
Crops	104,228	57,471
Beef cattle	44,387	21,141
Milk	22,274	16,366
Establishments	71,096	
Other	10,144	10,973
Total sales	**252,129**	**105,951**
Cost of sales:		
Crops (Schedule F.1)	(87,472)	(54,231)
Beef cattle (Schedule F.1)	(43,102)	(20,060)
Milk (Schedule F.1)	(22,274)	(16,366)
Establishments	(21,652)	
Other (Schedule F.1)	(2,507)	(5,261)
Total cost of sales	**(177,007)**	**(95,918)**
Sales profit	**75,122**	**10,033**
Gross profit	**109,760**	**12,514**

Selling expenses (Schedule H)	(29,652)	(11,211)
Administrative expenses (Schedule H)	(30,491)	(27,284)
Unrealized gain on inventories-beef cattle (Schedules F.1 and F.2)	70,970	64,531
Unrealized loss on inventories-crops, raw materials and MAT	(14,440)	302
Operating gain (loss)	**106,147**	**38,852**
Financial results:		
Generated by assets:		
Exchange gains	4,625	1,701
Interest income (Note 8.l)	8,740	13,049
Other unrealized gain (Note 8.l)	261	10,471
	13,626	25,221
Generated by liabilities:		
Exchange gains	(8,343)	(5,437)
Interest loss (Note 8.l)	(37,352)	(28,679)
Other unrealized loss	(1,699)	(335)
	(47,394)	(34,451)
Other income and expenses, net:		
Shareholders Personal asset tax	(6,900)	(6,166)
Others	1,183	1,180
	(5,717)	(4,986)
Gain on equity investees (Note 8 m.)	111,909	181,881
Management agreement fee (Note 5)	(15,751)	(20,446)
Net income before income tax	**162,820**	**186,071**
Income tax (Note 6)	(21,058)	(1,414)
Net income for the period	**141,762**	**184,657**
Earnings per share:		
Basic (Note 9)	0.29	0.38
Diluted (Note 9)	0.25	0.34

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

Femando A. Elsztain
Director acting as President

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Cresud Sociedad Anónima,

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Unaudited Statement of Changes in Shareholders Equity

Corresponding to the nine-month periods beginning as from July 1, 2010 and 2009 and

ended March 31, 2011 and 2010 (Notes 1 and 2)

(in thousands of pesos)

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

	Shareholders contributions										
	Capital (Note 3)		Inflation adjustment				Retained earnings				Total as of
Items	Common stock	Treasury stock	Common stock	Treasury Stock	Paid-in capital (1)	Subtotal	Legal Reserve	New Projects Reserve	Retained earnings	Translation differences	March 31, 2011
Balances as of June 30, 2009	471,539	30,000	156,276	9,942	879,218	1,546,975	16,792	85,543	126,893	36,681	1,812,884
Exercise of Options	21				107	128					128
Shareholders meeting held on 10.29.2009:											
-Legal Reserve							6,231		(6,231)		
-Cash Dividends									(60,000)		(60,000)
-Reserve for new developments								58,385	(58,385)		
-Atribution of proprietary treasury shares	24,999	(24,999)	8,285	(8,285)							
Transitory conversion differences for the period										27,139	27,139
Net income for the period									184,657		184,657
Balances as of March 31, 2010	496,559	5,001	164,561	1,657	879,325	1,547,103	23,023	143,928	186,934	63,820	1,964,808
Balances as of June 30, 2010	496,560	5,001	164,561	1,657	879,331	1,547,110	23,023	143,928	187,683	66,449	1,968,193
Exercise of Options					3	3					3
Shareholders meeting held on 10.29.2010:											
-Legal Reserve							9,270		(9,270)		
-Reserve for new developments								176,136	(176,136)		
Shareholders meeting held on 12.9.2010:											

-Cash Dividends								(69,000)			(69,000)
The Board of Director Meeting held on 03.11.11											
Reallocation of the dividend approved by the Shareholders Meeting held on December 9, 2010 as dividend advances for the current year (Note 23)								69,000	(69,000)		
Transitory conversion differences for the period										59,987	59,987
Net income for the period									141,762		141,762
Balances as of March 31, 2011	496,560	5,001	164,561	1,657	879,334	1,547,113	32,293	320,064	75,039	126,436	2,100,945

(1) See notes 2.q. and 16.

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

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Cresud Sociedad Anónima,

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Unaudited Statement of Cash Flow

Corresponding to the nine-month periods beginning as from July 1, 2010 and 2009 and

ended March 31, 2011 and 2010 (Notes 1 and 2)

(in thousands of pesos)

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	March 31, 2011	March 31, 2010
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the fiscal year	18,364	15,991
Cash and cash equivalents at the end of the period	23,628	8,196
Net increase (decrease) in cash	5,264	(7,795)
Causes of changes in cash and cash equivalents		
Operating activities		
Net Income for the period	141,762	184,657
Income tax	21,058	1,414
Accrued interest during the period	36,266	27,180
Adjustments made to reach net cash flows from operating activities		
Gain on equity investees	(111,909)	(181,881)
Increase in allowances and provisions	7,903	(4,544)
Depreciations of Property and Equipment	5,147	4,334
Depreciations of Intangible Assets	564	
Unrealized loss on Inventories	(56,530)	(64,833)
Financial results	(7,511)	(13,232)
Gain on the sale of fixed assets	18,144	31
Changes in operating assets and liabilities		
Decrease (increase) in trade accounts receivable	30,161	(9,970)
(Increase) decrease in other receivables	(4,536)	3,095
Increase in inventories	(100,067)	(44,305)
Increase in social security payable and taxes payable and customer advances	136	12,233
(Decrease) increase in trade accounts payable	(25,875)	10,724
Increase in other debts	15,707	13,998
Cash flows applied to operating activities	(29,580)	(61,099)
Investing activities		
Increase in interest on equity method investees (except IRSA)	(67,317)	(107,158)
Decrease in investments	143,954	4,874
Increase in interest in IRSA		(5,736)
Increase in related companies loans	(160,859)	(38,723)
Collection of loans from related companies	8,019	
Dividends collected	63,436	18,344
Acquisition and upgrading of fixed assets	(34,962)	(12,104)
Incorporated cash by merger	579	1,161

Cash flows applied to investing activities	(47,150)	(139,342)
Financing activities		
Cash Dividends paid	(69,000)	(60,000)
Increase in financial loans	147,817	228,048
Decrease in financial loans	(255,503)	(33,711)
Cancellation of financial interests	(31,186)	(21,826)
Loans granted to controlled companies		30,585
Payment of loans taken to subsidiaries	(33,540)	
Issuance of Non-convertible Notes (Note 20)	358,654	49,422
Cancellation of Non-convertible Notes	(35,251)	
Exercise of Warrants and Options	3	128
Cash flows provided by financing activities	81,994	192,646
Net increase (decrease) in cash and cash equivalents	5,264	(7,795)

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

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Unaudited Statement of Cash Flow (Continued)

Corresponding to the nine-month periods beginning as from July 1, 2010 and 2009 and

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(in thousands of pesos)

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	March 31, 2011	March 31, 2010
Operations not involving changes in cash and cash equivalents		
Inventories transferred to property and equipment	1,043	1,661
Increase in related companies interest by transitoty conversion differences	(59,987)	(27,139)
Increase in related companies interest by a decrease in trade account receivables	(3,541)	
Increase in non-current investments through a decrease in other receivables	(122,601)	(6,593)

	March 31, 2011	March 31, 2010
Complementary information		
Income tax paid	4,632	5,948

	March 31, 2011	March 31, 2010
Balances incorporated by merger (Note 14)		
- Trade account receivables	9,134	1,632
- Other receivables	9,431	1,360
- Inventories	14,408	3,214
- Property and equipment	37,622	5,835
- Intangible assets	1,511	
- Non-current Investments	(63,631)	(10,777)
- Trade account payables	(7,132)	(408)
- Loans	(1,145)	
- Salaries and social security payable	(111)	(37)
- Tax payables	(408)	(523)
- Provisions	(258)	(1,457)
Incorporated cash	(579)	(1,161)

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NOTE 1: ACCOUNTING STANDARDS

Below there is a description of the most relevant accounting standards used by the Company in the preparation of these Financial Statements, which have been applied on a consistent basis from the previous period.

a. Presentation standards

These financial statements are stated in Argentine Pesos (Ps.) and have been prepared in accordance with the disclosure and valuation accounting standards contained in the Technical Resolutions issued by the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE), as approved, with resolutions issued by the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (CPCECABA) and the Comisión Nacional de Valores (CNV).

The Company s results for the nine-month periods ended March 31, 2011 and 2010 have not been audited. The Company s management estimates that they include all the adjustments necessary to present fairly the results for each period.

The Company s nine-month periods ended March 31, 2011 and 2010 results do not necessarily reflect the proportion of the Company s full-year results.

b. The effects of inflation

The financial statements have been prepared in constant currency units recognizing the effects of inflation up to August 31, 1995. As from this date and under professional accounting standards and as required by the enforcement agency, financial statements as of December 31, 2001 were no longer restated. As from January 1st, 2002 and under professional accounting standards, effects for inflation restarted to be recognized considering that accounting measurements restated for the change in the currency purchasing power until August 31, 1995, as those whose original date fell between such date and December 31, 2001, were stated in pesos as of such last date.

On March 25, 2003, the Federal Executive issued Decree No. 664, which established that the financial statements for year ended after such date should be stated in nominal currency. Consequently, in conformity with Resolution No. 441/03 issued by the CNV, the Company discontinued the restatement of financial statements as from March 1, 2003. Such method does not agree with current professional accounting standards, which require that financial statements should be restated until September 30, 2003. However, given the little significance of inflation rates from March through September 2003, this departure has not generated a significant effect on the financial statements taken as a whole.

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NOTE 1: (Continued)

The rate used for restatement of items until February 28, 2003 was the domestic whole revenue price index published by the National Institute of Statistics and Census.

c. Comparative Information

Amounts as of June 30, 2010 and March 31, 2010, and the results for the period ended March 31, 2010, which are disclosed in these financial statements for comparative purposes have been taken from the financial statements as of such dates.

The financial statements as of June 30, 2010 and March 31, 2010 originally issued have been subject to certain reclassifications required in order to present these figures comparatively with this period.

These financial statements have been prepared giving effect to the spin-off merger mentioned in Note 14.2; consequently, the stand-alone financial statements as of March 31, 2011 are not comparable with those issued as of June 30, 2010 and March 31, 2010.

d. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assessments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at that date and the reported amounts of revenues and expenses during the period.

Estimates are used when accounting for the allowance for doubtful accounts, depreciations and amortizations, income taxes, deferred liabilities, translation differences, provisions for lawsuits and contingencies, accrual for expenses and assets recoverable value and classification of the current and non-current assets and the current value of the assets and liabilities acquired in business combinations. Actual results could differ from these estimates.

e. Adoption of the International Financial Reporting Standards

The National Securities Commission, through the Resolution 562, has mandated that the Technical Resolution No. 26 of the FACPCE is to be applied by the companies admitted to the public offering system under Law No. 17,811 in connection with either their capital stock and/or negotiable obligations, and/or by the companies that have applied for admission to the public offering system. FACPCE s Technical Resolution No. 26 adopts the International Financial Reporting Standards issued by the International Accounting Standards Board. The Company shall apply the IFRS as from the fiscal year beginning on July 1st, 2012.

Cresud Sociedad Anónima, Comercial,

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Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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NOTE 1: (Continued)

On April 29, 2010, the Company´s Board of Director has approved the specific implementation plan to the application of IFRS which is currently under way.

NOTE 2: MORE RELEVANT ACCOUNTING POLICIES

a. Cash and banks

Cash on hand has been valued at face value.

b. Foreign currency assets and liabilities

Assets and liabilities denominated in foreign currency have been valued at the exchange rates prevailing at the end of the period/ fiscal year.

c. Temporary investments

The units of ownership of mutual funds, the mortgage certificates and bonds were valued at quotation value net of sales expenses as of the end of the period/ fiscal year. Therefore, interests to collect corresponding to non-convertible notes of IRSA and APSA which are measured according to the mentioned in Note 2.k. are included. Temporary investments do not exceed their recoverable value at the date of the financial statements.

d. Trade accounts receivable and payable

Trade accounts receivable and payable have been valued at nominal value. Values obtained by this do not differ significantly from those that had been valued at their cash price estimated at the time of the transaction, plus interest and implied financial components accrued on the basis of the internal rate of return determined at such time.

e. Credits and short-term debts

Credits and short-term debts have been valued at nominal value plus accrued interest at the end of the period/fiscal year. Values obtained by this do not differ significantly from those obtained from the sum of money delivered and/or received, respectively, net of transaction costs, plus financial results accrued at the internal rate of return determined at the moment of the initial measurement.

f. Derivates financial instruments

Forwards relate to cereal commitments deliverable and receivable at a previously agreed price and to purchase and sale of US Dollars and interest rate swaps agreements.

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(in thousands of pesos)

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NOTE 2: (Continued)

Premiums collected or paid correspond to options bought or written, respectively, and are included in Other debts and Other receivables, respectively, until its due date.

The assets and liabilities originated in derivatives instruments have been valued at their market value at the date of the financial statements and/or at the best possible estimate of the amount receivable of payable, discounted by applying a rate that reflects the market the time value of money and the specific risks of the assets.

Differences generated by the application of the above mentioned valuation criteria to assets and liabilities and derivative instruments corresponding to crops have been recognized under net income of the period under Unrealized gain on inventories Crops, raw materials and MAT .

Results of purchases and sales of forward transactions with US dollars operations, as well as any gain/loss resulting from interest rate swaps are included under the Financial Results.

g. Other receivables and liabilities

Other current receivables (except VAT receivables) have been valued at face value plus the financial results accrued at the end of the corresponding period/fiscal year. The figures thus obtained are not significantly different from those that would have been obtained if valued on the basis of the best possible estimate of the amounts receivable and payable, respectively, discounted by application of a rate that reflects the time value of money and the specific risks inherent in the transaction estimated at the time of recognizing the item in assets and liabilities, respectively.

The VAT receivables have been valued based on the best possible estimate of the discounted amount using a rate that reflects the time value of money and the specific risks inherent in the transaction estimated as of the date of these financial statements.

h. Balances corresponding to financial transactions and receivables and payables with related parties

Receivables and payables with related parties generated by financial transactions and other transactions were valued in accordance with the terms agreed by the parties.

i. Inventories

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NOTE 2: (Continued)

1. Biological Assets (under development): Unharvested crops and Cattle: have been measured at replacement cost of goods and services needed to obtain a similar asset, which does not exceed the net realization value as of each period/fiscal year-end.

Include:

Unharvested crops

Calves

2. Biological Assets (in production): Cattle: Have been measured at the direct replacement cost of a similar asset, acquired to third parties in the markets in which the Company regularly operates, and do not exceed the net realization value as of each period/fiscal year-end.

Include:

Dairy cattle

Breeding cows

3. Biological Assets (finished): Cattle: have been measured at their net realization value (NRV) represented by the respective quotations as of each period/fiscal year-end in the markets in which the Company regularly operates, net of additional costs generated by marketing.

Include:

Steers and heifers

Cattle round-up and mares

4. Farming Products: Crops: have been measured at their net realization value, representing the different quotations as of each period/fiscal year-end in the markets in which the Company regularly operates, net of additional costs generated by marketing.

Include

Harvested crops

5. Farming Products - Raw material: Seeds and different goods: have been measured at reproduction or replacement cost as of each period/fiscal year-end, which does not exceed the net realization value.

Include:

Seeds

Agrochemicals

Semen - Cattle raising and dairy

Food and by-products

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NOTE 2: (Continued)

Packs and bundles

Poles

Bags and blankets

Silos raw materials

6. The remaining inventories were valued at their replacement cost.

The carrying values of inventories, which are determined as discussed above, do not exceed their estimated recoverable values as of each period/fiscal year-end.

j. Long term investments in other companies

1. Investments in equity investees

The investments in subsidiaries and affiliates in which the Company has control or significant influence have been accounted under the equity method, as required by Technical Resolution No. 21 of the FACPCE approved by CNV.

The accounting standards used by the subsidiaries to prepare their financial statements are the same as those used by the Company.

The values thus obtained, do not exceed their respective estimated recoverable values at the end of the period/fiscal year.

Interests in subsidiaries and affiliates as of March 31, 2011 are as follows:

Subsidiaries and affiliates	% Equity interest
Agrology S.A. (Note13.1.b)	100.00
FyO.Com (Note13.2.f) (1)	65.85
Cactus (Note13.2.a) (2)	80.00
Agro Uranga S.A.	35.72
IRSA (Note13.2.b)	50.60
BrasilAgro (Note13.1.a)	29.13

FyO Trading	3.63
Exportaciones Agroindustriales Argentinas S.A. (EAASA)	0.03
Agrotech S.A. (Note13.2.e)	97.00
Pluriagro S.A. (Note13.2.e)	97.00
Northagro S.A. (Note13.2.e)	97.00

(1) It´s the owner of the 96.37% of the FyO Trading shares.
(2) It´s the owner of the 99.94% of the Exportaciones Agroindustriales Argentinas S.A.

2. Acquisitions of equity interests in companies

The significant acquisitions of companies are booked according to the acquisition method as established by Technical Resolution No. 18 and Technical Resolution No. 21. This implies identifying and determining the current values of assets and liabilities acquired, a process requiring complex judgments and significant estimations.

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NOTE 2: (Continued)

As regards the acquisition of BrasilAgro s shares and the increase in the interest in Cactus during the current year, the Company is in the process of analyzing the current values of the assets and liabilities acquired identifiable as provided by Technical Resolution No. 21, point 1.3.1.

3. Goodwill

Goodwill

The goodwill represents the excess acquisition cost above the market value of net assets from those subsidiaries acquired at the equity percentage.

The residual value of the goodwill generated by acquiring interests in the companies has been disclosed in the Investments on controlled and related companies account (Schedule C).

Upon defining the useful life, the following factors have been considered: (i) nature and expected life of acquired businesses; (ii) stability and expected life of the respective industry branch; (iii) effects that the obsolescence of products, changes in demand and other economic factors may have on the acquired business; (iv) feasibility of maintaining the required disbursement value to obtain future economic benefits from the acquired business and (v) the control period over the acquired business and legal or contractual provisions that may affect its useful life.

Based on these factors, the Company has estimated that it is not possible to estimate the specific useful life for the goodwill generated by applying the acquisition method provided by Technical Resolution No. 18, and it has therefore determined that they shall have an undefined useful life.

The values thus obtained, do not exceed their respective estimated recoverable values at the end of the period/fiscal year.

Negative goodwill

The negative goodwill represents the excess market value of net assets from those subsidiaries acquired at the equity percentage above the acquisition cost. Negative goodwill has been restated following the guidelines mentioned in Note 1.b. to the financial statements and amortization has been calculated by the straight-line method based on estimated useful life, considering the weighted-average of the reaming useful life of identifiable assets acquired subject to depreciation, or in an accelerated way the proporcional parts corresponds to the negative goodwill, when the subsidiaries required disposed theirs issues.

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NOTE 2: (Continued)

The useful lives of negative goodwill generated by IRSA acquisition was established between 20 to 30 years. The useful life for the negative goodwill generated by the acquisition of an interest in BrasilAgro was established at 5 years.

Amortizations have been classified in the account Gain on equity investees in the Statement of Income.

The residual value of the goodwill generated by acquiring interests in the companies has been disclosed in the Investments on controlled and related companies account (Schedule C).

k. Other investments

Investments in debt securities

IRSA and APSA s non-convertible notes were valued based on the best estimate of the discounted amount receivable, applying the corresponding internal rate of return estimated at the time of incorporation to assets.

l. Property and Equipment

Property and equipment were valued at its acquisition cost, restated as mentioned in Note 1.b., less accumulated depreciation.

Depreciations have been calculated by the straight-line method based on the estimated useful lives of each asset, applying annual rates sufficient to extinguish their values at the end of its useful life.

The value of these assets does not exceed its economic use value as of period/fiscal year-end.

m. Intangible assets

Pre-operating expenses resulted from developing new activities in Bolivia and Paraguay. Such expenses were valued at acquisition cost less the respective accumulated amortization, as disclosed in Schedule B.

Amortizations were calculated through the straight-line method on the basis of an estimated useful life of five years.

Amortizations were classified in Gain on equity investees in the statement of income.

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NOTE 2: (Continued)

The company, through the merger into ANTA mentioned in Note 14.2. among other goods and rights, has the concession planning and execution of an integral development project including: biological, economical and social issues on several real estates located in the department of Anta, province of Salta. The company is also duty authorized to perform a significant agricultural, cattle farming and forestry project which was awarded under Resolution No. 190/99 and Bidding No. 58/98 of the Ministry of Production and Employment.

Such concession was granted for a 35 year term with a postponement option of 29 additional years by ANTA.

The amortization of the concession right of ANTA is calculated according to its duration, whose remaining time is 29 years.

On July 2, 2008, a memorandum of understanding was executed by which the concession agreement mentioned in Note 21 was renegotiated.

The value of these assets does not exceed their estimated recoverable value at the end of the period/fiscal year.

n. Provisions

Allowance for doubtful accounts: this allowance was booked on the basis of a case-by-case analysis of the receivables portfolio recoverability.

Provision for lawsuits and contingencies: it was booked to cover possible labor and commercial contingencies and other risks that could generate obligations for the Company. The Company s external legal counsel s opinion was taken into account to estimate the amounts and possibility of occurrence. In addition, the insurance purchased by the Company has also been taken into account.

The evolution of provisions during the period/fiscal year is detailed in Schedule E.

At the date of issuance of these financial statements, the Company´s Management understands that there are no elements to foresee other potential contingencies having a negative impact in these financial statements.

o. Shareholders equity

Amounts of shareholders equity accounts have been restated following the guidelines detailed in Note 1.b.

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NOTE 2: (Continued)

The Capital Stock account has been stated at historical nominal value. The difference between the value restated in constant pesos and the historical nominal value has been disclosed in the account inflation adjustment to capital stock in the shareholders equity.

p. Treasury stock

The acquisition cost of treasury stock has been debited from the account Reserve for new developments as provided by sec. 220, subsec. 2, Law No. 19,550.

Likewise, the Common stock account was debited for the face value of purchased shares and the Inflation adjustment of common stock account , for the proportional portion of the adjustment for inflation related to the shares acquired. In turn, the accounts Treasury stock and Inflation adjustment of treasury stock were respectively credited (Note 19).

q. Paid-in capital

Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: Increases or decreases of the equity value of investment in IRSA generated on the basis of changes in their shareholders equity, arising from transactions of shareholders different from the Company and its subsidiaries, were included in this caption as established in caption 9 second part of Technical Resolution No. 17 of the FACPCE and Resolution CD No. 243/01 of the CPCECABA.

Options issued: the value of options issued by the Company, which was determined as provided in Note 16, has been allocated to the account Paid-in Capital.

r. Conversion of financial statements of companies located abroad

Not integrated companies

Assets and liabilities of the companies located abroad were converted to Argentine pesos using the exchange rate effective as of the period/year-end. Income statement accounts have been converted by using the average exchange rate for the period. Exchange differences have been appropriated to the shareholders equity in the Translation differences account.

BrasilAgro and the indirect interests in companies located in Bolivia and Paraguay are considered to be not integrated.

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NOTE 2: (Continued)

The foreign companies previously mentioned have been classified as not integrated to the Company s operations because they are engaged in agricultural exploitation, developing its operations entirely carried out abroad, with a considerable degree of autonomy from the Company.

Likewise, the conversion difference resulting from our indirect interest in foreign companies through our subsidiary IRSA is included.

Integrated companies

Assests and liabilities denominated in foreign-currency at the closing date of the company located abroad were converted into Argentine pesos using the exchange rate prevailing as of the period/year-end. Assets and liabilities denominated in foreign currency prior-year end of the company located abroad were converted into Argentine pesos using the respective historical exchange rates. Income statement accounts have been converted by using the average exchange rate for the period. Translation differences have been allocated to the Gain on equity investees from the Statements of Income.

The indirect interest in the company located in Uruguay is considered to be integrated.

The foreign company previously mentioned has been qualified as integrated with the Company transactions because it conducts its operations with a considerable degree of dependence and they are financed by funds from the Company.

s. Results for the period

Production income has been determined based on quantitative and qualitative changes of stocks subject to the biological transformation process measured from the beginning of the year to the closing date of these financial statements.

Grain, cattle and milk production cost is calculated to reflect production income is reflected in Schedule F.2.

The sales revenues are booked when the products are liquidated by the customers.

Cost of sales is determined considering the NRV of products in the month in which they are sold.

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NOTE 2: (Continued)

The adjustment for valuation to NRV of grain has been calculated as the difference between the production value at NRV upon harvesting and the value of the same production valued at NRV as of the closing date of these financial statements.

Unrealized gain (loss) on inventories Beef Cattle is disclosed in a line of the Statements of Income and Schedules F.1 and F.2.

The results generated by futures and options on the Futures Market are recognized under Unrealized gain (loss) on inventories Crops, raw materials and MAT on the Statements of Income. The results of closed positions are recognized as a difference between the exercise price and their close year; and the results of open positions are recognized at the period-end, as the difference between their exercise price and the market price for futures, and as a difference between the exercise premium and the market price for options in the same condition.

The charges for consumption of assets were determined based on the values of such assets. The rest of the results for the period is disclosed at incurred cost.

Financial results, segregated into that generated by assets and by liabilities, are disclosed in the Statements of Income.

t. Income tax

The Company has recognized the income tax on the basis of the deferred tax method, thus considering temporary differences between registration of assets and liabilities for accounting and tax purposes. The principal temporary differences originate in the valuation of beef cattle and the sale and replacement of fixed assets.

In order to determine deferred assets and liabilities the tax rate expected to be in effect at the temporary of reversal or use has been applied on the temporary differences identified and tax loss carryforwards, considering the laws enacted as of the date of issuance of these financial statements (35%) (Note 6).

Assets and liabilities generated by the application of the deferred tax method have been valued at face value.

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NOTE 2: (Continued)

u. Minimum presumed income tax

The Company determines the minimum presumed income tax applying the prevailing rate of 1% on computable assets at period-end. This tax is supplementary to the income tax. The Company s tax liability for each period/year will be the higher of these two taxes.

However, if the minimum presumed income tax exceeds the income tax in any fiscal year, such excess may be computed as payment on account of the income tax that may be payable in any of the following 10 (ten) fiscal years.

The Company has recognized the minimum presumed income tax accrued in the period and paid in previous years as a credit, because it considers that it may be computed as payment on account of income tax in future periods.

v. Issuance of debt expenses

Expenses incurred in connection with the issuance of debt are amortized over the life of the related issuances. In the case of redemption or conversion of these notes, the related expenses are amortized using the accelerated amortization method.

Amortizations have been recorded under Financial results, net in the Statements of Income as a greater financing expense.

NOTE 3: COMMON AND TREASURY STOCK

The activity in the Company s shares during the last three financial years was as follows:

	Authorized Face value	Subscribed Face value	Paid-in Face value
Common and treasury stock as of June 30, 2008	501,531,865	501,531,865	501,531,865
Exercise of Options (Note 16) - Fiscal Year 2009	6,745	6,745	6,745
Exercise of Options (Note 16) - Fiscal Year 2010	21,898	21,898	21,898
Exercise of Options (Note 16) - Fiscal Year 2011	552	552	552
Common and treasury stock as of March 31, 2011 (1)	501,561,060	501,561,060	501,561,060

(1) As of March 31, 2011, there are 5,000,754 own treasury shares that were acquired during the fiscal year 2009.

As of March 31, 2011, the capital authorized to be publicly offered is formed of 501,561,060 common, book-entry shares of Ps. 1 par value each and entitled to one vote per share.

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NOTE 4: DERIVATIVE FINANCIAL INSTRUMENTS

As of March 31, 2011 the Company had arranged futures and options on the Futures Market as follows:

Cereal / Currency	Tons	Margins	Premium paid or (collected)	Premium at fair value	Gain (loss) for valuation at period-end at fair value
Futures					
Purchase					
Rice	720				163
Sell					
Corn	12,500	366			(2,267)
Soybean	2,900	116			(771)
US$					(a) 597
Options					
Sell Put					
Corn	7,620		407	255	(152)
Soybean	17,000	(19)	651	348	(303)
Sell Call					
Soybean	8,200	330	(235)	(2,356)	(2,121)
Purchase Put					
Corn	8,890		(109)	(68)	41
Swap					
Interes rate					(b) 524
Total	**57,830**	**793**	**714**	**(1,821)**	**(4,289)**

(a) Corresponds to: a future sale of 35,3 million US$ dollars consists of: (i) US$ 12.8 million with Standard Bank maturing on April 29, 2011, (ii) US$ 10.1 million, US$ 10.2 million and US$ 2.2 million with Banco Santander Rio maturing on April 11, 2011, April 12, 2011 and April 14, 2011, respectively. The profit generated by March 31, 2011 is included in the financial results of the Income Statement.

(b) Corresponds to an interest rate swap for a notional amount of Ps. 80 million structured as follows: (i) Ps. 30 million entered into with Standard Bank due on December 10, 2012 whereby the Company agrees to pay a fixed rate of 14% and the counterparty the Badlar variable rate; (ii) Ps. 20 million entered into with Standard Bank due on December 10, 2012 whereby the Company agrees to pay a fixed rate of 14.1% and the counterparty the Badlar variable rate; (iii) Ps. 30 million entered into with Banco Santander Río due on December 10, 2012 whereby the Company agrees to pay a fixed rate of 14.25% and the counterparty the Badlar variable rate.

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NOTE 4: (Continued)

As of March 31, 2010 the Company had arranged futures and options on the Futures Market as follows:

Cereal / Currency	Tons	Margins	Premium paid or (collected)	Premium at fair value		Gain (loss) for valuation at period-end at fair value
Futures						
Purchase						
Wheat	5,000	134				(149)
US$					(a)	(1,724)
Sell						
Corn	8,700	234				272
Soybean	28,200	1,082				1,212
US$					(b)	4,944
Options						
Purchase Call						
Soybean	5,440		443	1		(442)
Corn	2,540		85			(85)
Sell Call						
Soybean	9,400	140	(278)	(23)		255
Total	**59,280**	**1,590**	**250**	**(22)**		**4,283**

(a) Corresponds to a future to purchase US$ 25.9 million composed: (i) US$ 10.3 million and US$ 2.7 million in Standard Bank with mature date on May 31, 2010 y July 30, 2010 respectively; (ii) US$ 2 million and US$ 3 million in Banco Itaú with mature date on April 30, 2010 y May 31, 2010 respectively; (iii) US$ 3.5 million and US$ 4.4 million in Banco Santander Río with mature date on April 30, 2010 y June 30, 2010 respectively. Losses generated as of March 31, 2010 are included in Financial Results, net of the Statement of Income.

(b) Corresponds to a future to sell US$ 25.9 million composed: (i) US$ 3.5 million, two of US$ 2.7 million and US$ 2.7 million in Standard Bank with mature date on April 30, 2010, May 31, 2010 and May 31, 2010 respectively; (ii) US$ 2 million and US$ 7 million in Banco Itaú with mature date el April 30, 2010 and May 31, 2010 respectively; and (iii) US$ 1 million and US$ 4.3 million in Banco Santander Río with mature date on May 31, 2010 and June 30 2010 respectively. Gain generated as of March 31, 2010 is included in Financial Results, net of the Statement of Income

Crops: As of March 31, 2011 and 2010 the Company recognized results of Ps. 27,466 (loss) and Ps. 858 (gain), respectively, to reflect the closing of the transactions carried out during such periods. This results are disclosed as part of the line Unrealized gain (loss) on inventories Crops, raw materials and MAT in the Statements of Income.

US Dollars: As of March 31, 2011 and 2010 the Company recognized results Ps. 2,005 (gain) and Ps. 7,867 (gain), respectively, for those transactions carried out during such periods. These results are disclosed as part of the line Financial Results Generated by assets Other unrealized gain in the Statements of Income.

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NOTE 5: MANAGEMENT AGREEMENT

The Company signed a management agreement with Dolphin Fund Management S.A. (now called Consultores Asset Management S.A.), for consulting in relation to livestock and farming activities, serving as an intermediary in transactions and investment consulting in relation to security investments.

In exchange for its services, such company will receive a payment equivalent to 10% of the net income resulting from the annual or the special financial statements.

Since certain directors of Cresud are also executive directors and shareholders of Dolphin Fund Management S.A., the above-mentioned agreement was approved by the Extraordinary Shareholders Meeting held on October 25, 1994, in compliance with Section No. 271 of Law No. 19,550.

In November 2003, Dolphin Fund Management S.A. was divided into two companies: Consultores Asset Management S.A. and Dolphin Fund Management S.A. As from that moment the management agreement is held by Consultores Asset Management S.A.

The financial statements as of March 31, 2011 and 2010 include a charge in the Statements of Income by this concept for Ps. 15,751 and Ps. 20,446 respectively.

NOTE 6: INCOME TAX DEFERRED TAX

The evolution and composition of deferred tax assets and liabilities, during the nine-month period ended March 31, 2011 are detailed in the following table:

	Cumulative tax loss carry-forwards	Cash in foreign currency	Investments	Fixed Assets	Inventories	Provisions	Total
Balance as of June 30, 2010	13,365	(38)		(49,091)	(42,214)	4,548	(73,430)
Incorporated by merger	638	496		161			1,295
Gain (loss) recognized	14,669	(111)		(19,058)	(17,198)	640	(21,058)
Balance as of March 31, 2011	28,672	347		(67,988)	(59,412)	5,188	(93,193)

As of March 31, 2011, net liabilities at period-end as per the information included in the preceding table amount to Ps. 93,193.

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NOTE 6: (Continued)

The evolution and composition of deferred tax assets and liabilities, during the fiscal year ended June 30, 2010 are detailed in the following table:

	Cumulative tax loss carry-forwards	Cash in foreign currency	Investments	Fixed Assets	Inventories	Provisions	Total
Balance as of June 30,2009	261	(437)		(43,603)	(21,795)	302	(65,272)
Incorporated by merger			(8)	(95)	(929)	510	(522)
Gain (loss) recognized	13,104	399	8	(5,393)	(19,490)	3,736	(7,636)
Balance as of June 30,2010	13,365	(38)		(49,091)	(42,214)	4,548	(73,430)

As of June 30, 2010, net liabilities at year-end as per the information included in the preceding tables amount to Ps. 73,430.

The Company in accordance with the accounting standards has decided not to recognize the deferred income tax liability generated by the effect of the adjustment for inflation on the fixed assets and other non-monetary assets, which as of the end of the period amounts to Ps. 78,742 The above-mentioned liability would probably be reverted according to the detail that follows:

Term	Total
1 year	4,688
2 years	5,120
3 years	4,089
Over 3 years	54,152
No term	10,693
Total	78,742

Cumulative tax loss carryforwards recorded by the Company which are pending of utilization at present period-end amount to approximately Ps. 81,916 and may be offset by taxable income of future years, as follows:

Origination year	Amount	Expiration year
2010	36,247	2015
2011	45,669	2016

Minimum presumed income tax credits booked by the Company, which were pending to use as of the present period-end, amount to Ps. 38,007 and under current regulations, they may be offset by taxable income for future years according to the following detail:

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NOTE 6: (Continued)

Origination year	Amount	Expiration Year
2005	2	2015
2006	1,964	2016
2007	5,401	2017
2008	10,796	2018
2009	6,247	2019
2010	7,535	2020
2011	6,062	2021

Below there is a reconciliation between the income tax recognized and that which would result from applying the prevailing tax rate on the Net Income for accounting purposes:

Description	March 31, 2011	March 31, 2010
Net income before income tax	162,820	186,071
Tax rate	35%	35%
Net income at tax rate	56,987	65,125
Permanent differences at tax rate:		
Inflation adjustment	1,995	91
Donations	79	8
Results from equity investees companies	(40,612)	(66,011)
Shareholders´ personal asset tax	2,415	2,158
Miscellaneous permanent differences	194	43
Income tax expense	21,058	1,414

During this period the income tax rate was 35%.

A reconciliation between the tax recognized and that which was determined tax for fiscal purposes is as follows:

Description	March 31, 2011	March 31, 2010
Total income tax expense	21,058	1,414
Transitory differences		
- Additions		
Cumulative tax loss carry-forwards	14,669	13,313

Cash in foreign currency	(111)	457
Investments		8
Fixed assets	(19,058)	207
Inventories	(17,198)	(18,162)
Provisions	640	2,763

Total income tax determined for fiscal purposes

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NOTE 7: BALANCES AND RESULTS WITH SUBSIDIARIES, RELATED COMPANIES LAW No. 19,550 SECTION 33 AND RELATED PARTIES:

a. Balances as of March 31, 2011 and 2010 and June 30, 2010 with subsidiaries, related companies and related parties are as follows:
As of March 31, 2011:

	Current Investments	Non-current Investments	Current Trade accounts receivables	Current Other receivables	Current Trade accounts payable	Short term debts	Long-term debt	Current Other liabilities
Acres (1)			669	4,808				
Agro-Uranga S.A. (2)			195	327	(7)			
APSA (1)	621	11,261		9,453				(13,807)
BrasilAgro (2)			16					
Cactus (2)			198		(124)			
Consultores Asset Management S.A. (3)								(3,866)
Cresca S.A. (4)			682					
Cyrsa S.A. (4)			21					(46)
Directors (3)			16	60				(293)
EAASA (1)			415	24				
Emprendimento Recoleta S.A. (1)				50		(44)	(10,135)	
Estudio Zang, Bergel & Viñes (3)								(442)
Fundación IRSA (3)								(1,073)
FyO.Com (1)			21,641		(9,976)			
Helmir S.A. (4)				9,949				
IRSA (1)				4,188				(7,197)
Northagro S.A. (1)				317				
Nuevas Fronteras S.A. (1)								(4)
Ombú (1)				17,617				
Panamerican Mall (1)								(5)
Pluriagro S.A. (1)				317				
Credits to employees (3)				1,089				
Tarshop S. A. (1)				191				
Yatay (1)				8,337				
Yuchán (1)				9,426				
Total	621	11,261	23,853	66,153	(9,807)	(44)	(10,135)	(26,733)

(1) Direct or indirect subsidiary.
(2) Related companies.

(3) Related parties.
(4) Direct or indirect common control.

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Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 7: (Continued)

As of June 30, 2010:

	Current Investments	Non-current Investments	Current Trade accounts receivables	Current Other receivables	Non-Current Other receivables	Current Trade accounts payable	Current Other liabilities
Acres (1)			61				
Agro-Uranga S.A. (2)				39		(3)	
Aguaribay (1)					131		
ANTA (1)			1,574			(1)	
APSA (1)	215	9,847		16,230		(6,019)	
Banco Hipotecario S.A. (2)						(9)	
BrasilAgro (2)						(8)	
Cactus (2)			286			(542)	
Caldén (1)					131		
Consultores Asset Management S.A. (3)			101				(7,267)
Cresca S.A. (4)			364				
Cyrsa S.A. (4)			21			(46)	
Directors (3)							(582)
Estudio Zang, Bergel & Viñes (3)						(132)	
Fundación IRSA (3)							(1,073)
FyO.Com (1)			28,645	24		(9,649)	
IGSA (1)			30				
IRSA (1)	4,616	72,174		6,748		(3,604)	(32,917)
Itín (1)					2,926		
Nuevas Fronteras S.A. (1)						(3)	
Ñandubay (1)					2,396		
Ombú (1)					2,177		
Credits to employees (3)				551			
Tarshop S. A. (1)			678				
Yatay (1)					3,857		
Yuchán (1)					5,157		
Total	4,831	82,021	31,760	23,592	16,775	(20,016)	(41,839)

(1) Direct or indirect subsidiary.
(2) Related companies.
(3) Related parties.

(4) Direct or indirect common control.

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Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Financial Statements (Continued)

(in thousands of pesos)

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

NOTE 7: (Continued)

As of March 31, 2010:

	Current investments	Non-current investments	Current Trade accounts receivables	Current Other receivables	Current Trade accounts payables	Current Other liabilities
Agrology S.A. (1)			142			
Acres (1)			2,358			
Agro-Uranga S.A. (2)				215		
Aguaribay (1)				6,931		
ANTA (1)			1,401			
APSA (1)	594	9,363	3,360	1		
BrasilAgro (2)			53			
Cactus (2)			96	11		
Caldén (1)				6,938		
Consultores Asset Management S.A. (3)						(11,421)
Cresca S.A. (4)			39			
Cyrsa S.A. (4)					(26)	
Directors (3)						(158)
Estudio Zang, Bergel & Viñes (3)					(693)	
Fibesa S.A. (1)			33			
Fundación IRSA (3)						(1,073)
FyO.Com (1)			10,476	24		
Helmir S.A. (1)			23			
IRSA (1)	1,821	69,034	3,468			(32,012)
Itín (1)				4,794		
Ñandubay (1)				4,268		
Ombú (1)				5,212		
Credits to employees (3)				301		
Tarshop S.A. (1)			628			
Yatay (1)				6,234		
Yuchán (1)				5,732		
Total	2,415	78,397	22,077	40,661	(719)	(44,664)

(1) Direct or indirect subsidiary.
(2) Related companies.
(3) Related parties.

(4) Direct or indirect common control.

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NOTE 7: (Continued)

b. Gain and losses provided by subsidiaries, related companies and related parties corresponding to the periods ended March 31, 2011 and 2010 are as follows:

As of March 31, 2011: