

CRESUD INC  
Form 6-K  
May 30, 2006  
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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 6-K

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REPORT OF FOREIGN ISSUER

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

For the month of May, 2006

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# 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)

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**Republic of Argentina**

(Jurisdiction of incorporation or organization)

**Moreno 877, 23<sup>rd</sup> Floor, (C1091AAQ)**

**Buenos Aires, Argentina**

(Address of principal executive offices)

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Form 20-F   T   Form 40-F

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

Yes \_\_\_\_\_ No   T  

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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 Unaudited Consolidated Financial Statements For the nine -month period ended March 31, 2006 and 2005.

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**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera**

**y Agropecuaria**

For the nine-month periods ended March 31, 2006 and 2005

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**Cresud Sociedad Anónima**

**Comercial, Inmobiliaria, Financiera y Agropecuaria**

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

Legal Address: Moreno 877, 23rd Floor  
 Ciudad Autónoma de Buenos Aires

Principal Activity: Agriculture, livestock and real-estate  
 Financial Statements for the nine-month period  
 ended March 31, 2006 presented in  
 comparative form with the previous year and  
 with the same period of the previous year.  
 Financial period No. 71 started on July 1, 2005

DATES OF REGISTRATION AT THE PUBLIC REGISTRY OF COMMERCE

Of the by-laws: February 19, 1937  
 Of the latest amendment: June 2, 1997  
 Duration of the Company: June 6, 2082  
 Information on controlled companies in Note 2 to the consolidated Financial Statements

CAPITAL STATUS ( Note 3 of basic financial statements)

SHARES

| Type of stock  | Authorized Pesos | Subscribed Pesos | Paid-in Pesos |
|--|------------------|------------------|---------------|
| Ordinary certified shares of Ps.1 face value and 1 vote each | 176,199,596      | 176,199,596      | 176,199,596   |

**Table of Contents****Cresud Sociedad Anónima****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Consolidated Balance Sheet as of March 31, 2006 and 2005 and June 30, 2005**

|   | March 31, 2006<br>(Notes 1, 2 and 3) | June 30, 2005<br>(Notes 1, 2 and 3) | March 31, 2005<br>(Notes 1, 2 and 3) |
|---|--------------------------------------|-------------------------------------|--------------------------------------|
|   | Pesos                                | Pesos                               | Pesos                                |
| <b>ASSETS</b>   |                                      |                                     |                                      |
| <b>Current Assets</b>                                       |                                      |                                     |                                      |
| Cash and banks (Note 4.a.)                                  | 10,046,193                           | 14,468,151                          | 18,332,689                           |
| Investments (Note 4.b.)                                     | 7,896,475                            | 59,978,002                          | 100,660,590                          |
| Trade accounts receivable (Note 4.c.)                       | 8,696,345                            | 9,788,312                           | 6,239,368                            |
| Other receivables (Note 4.d.)                               | 17,892,670                           | 22,214,019                          | 15,917,702                           |
| Inventories (Note 4.e.)                                     | 50,714,748                           | 46,293,640                          | 47,076,758                           |
| <b>Total current assets</b>                                 | <b>95,246,431</b>                    | <b>152,742,124</b>                  | <b>188,227,107</b>                   |
| <b>Non-current assets</b>                                   |                                      |                                     |                                      |
| Other receivables (Note 4.d.)                               | 15,093,109                           | 6,480,334                           | 5,277,421                            |
| Inventories (Note 4.e.)                                     | 60,787,150                           | 53,223,179                          | 55,078,987                           |
| Investments on controlled and related companies (Note 4.b.) | 320,377,323                          | 289,391,269                         | 303,368,115                          |
| Other investments (Note 4.b.)                               | 86,946,920                           | 105,508,513                         | 106,604,680                          |
| Fixed assets, net (Schedule A)                              | 219,686,357                          | 166,497,596                         | 158,061,206                          |
| <b>Subtotal Non-Current Assets</b>                          | <b>702,890,859</b>                   | <b>621,100,891</b>                  | <b>628,390,409</b>                   |
| Goodwill (Note 4.b.)  | (17,023,514)                         | (30,430,822)                        | (43,320,138)                         |
| <b>Total Non-Current Assets</b>                             | <b>685,867,345</b>                   | <b>590,670,069</b>                  | <b>585,070,271</b>                   |
| <b>Total Assets</b>   | <b>781,113,776</b>                   | <b>743,412,193</b>                  | <b>773,297,378</b>                   |
| <b>LIABILITIES</b>  |                                      |                                     |                                      |
| <b>Current Liabilities</b>                                  |                                      |                                     |                                      |
| <b>Debts:</b>   |                                      |                                     |                                      |
| Trade accounts payable (Note 4.f.)                          | 22,571,638                           | 17,894,529                          | 11,213,357                           |
| Loans (Note 4.g.)   | 37,336,082                           | 11,499,782                          | 26,199,626                           |
| Salaries and social security payable (Note 4.h.)            | 1,294,282                            | 1,748,138                           | 1,066,091                            |
| Taxes payable (Note 4.i.)                                   | 2,052,600                            | 20,203,393                          | 23,578,691                           |
| Other debts (Note 4.j.)                                     | 2,874,729                            | 14,634,298                          | 15,560,123                           |
| <b>Total Debts</b>  | <b>66,129,331</b>                    | <b>65,980,140</b>                   | <b>77,617,888</b>                    |
| <b>Total current liabilities</b>                            | <b>66,129,331</b>                    | <b>65,980,140</b>                   | <b>77,617,888</b>                    |
| <b>Non-current liabilities</b>                              |                                      |                                     |                                      |
| Trade accounts payable (Note 4.f.)                          | 981,422                              |                                     |                                      |
| Taxes payable (Note 4.i.)                                   | 50,572,947                           | 39,285,385                          | 35,485,840                           |
| Loans (Note 4.g.)   | 109,201,097                          | 114,693,553                         | 115,881,389                          |

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|  |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| Other debts (Note 4.j.)                          | 434,309            | 1,000              | 1,000              |
| Provisions (Schedule E)                          | 106,570            | 104,198            | 38,327             |
| <b>Total Non-current liabilities</b>             | <b>161,296,345</b> | <b>154,084,136</b> | <b>151,406,556</b> |
| <b>Total Liabilities</b>                         | <b>227,425,676</b> | <b>220,064,276</b> | <b>229,024,444</b> |
| <b>Minority interest</b>                         | <b>320,465</b>     | <b>276,947</b>     | <b>355,930</b>     |
| <b>SHAREHOLDERS EQUITY</b>                       | <b>553,367,635</b> | <b>523,070,970</b> | <b>543,917,004</b> |
| <b>Total Liabilities and Shareholders Equity</b> | <b>781,113,776</b> | <b>743,412,193</b> | <b>773,297,378</b> |

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

Eduardo S. Elsztain  
Chairman



**Table of Contents****Cresud Sociedad Anónima****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Consolidated Statement of Income**

For the nine-month periods beginning on July 1, 2005 and 2004

and ended March 31, 2006 and 2005

|  | March 31, 2006<br>(Notes 1, 2 and 3)<br>Pesos | March 31, 2005<br>(Notes 1, 2 and 3)<br>Pesos |
|--|---|---|
| Sales                                    |   |   |
| Crops                                    | 31,649,131                                    | 15,030,047                                    |
| Beef cattle                              | 25,011,983                                    | 27,112,319                                    |
| Milk                                     | 5,862,005                                     | 2,217,786                                     |
| Feed Lot                                 | 1,782,828                                     | 1,762,486                                     |
| Others                                   | 4,450,432                                     | 3,749,554                                     |
| <b>Total Sales</b>                       | <b>68,756,379</b>                             | <b>49,872,192</b>                             |
| Cost of sales (Schedule F)               |   |   |
| Crops                                    | (22,565,103)                                  | (11,777,221)                                  |
| Beef cattle                              | (20,715,275)                                  | (22,159,509)                                  |
| Milk                                     | (3,323,002)                                   | (1,068,897)                                   |
| Feed Lot                                 | (1,498,624)                                   | (1,601,788)                                   |
| Others                                   | (1,850,086)                                   | (886,014)                                     |
| Total cost of sales                      | (49,952,090)                                  | (37,493,429)                                  |
| <b>Gross profit</b>                      | <b>18,804,289</b>                             | <b>12,378,763</b>                             |
| Selling expenses (Schedule H)            | (5,974,705)                                   | (3,926,394)                                   |
| Administrative expenses (Schedule H)     | (6,348,710)                                   | (4,779,496)                                   |
| Net gain on sale of farms                | 9,897,186                                     | 7,657,269                                     |
| Gain from inventory holding (Schedule F) | 2,296,228                                     | 9,321,932                                     |
| <b>Operating income</b>                  | <b>18,674,288</b>                             | <b>20,652,074</b>                             |
| Financial gain (loss)                    |   |   |
| Generated by assets:                     |   |   |
| Exchange differences and discounts       | 10,668,341                                    | (4,766,644)                                   |
| Interest income                          | 311,933                                       | 418,596                                       |
| Doubtful Accounts (Schedule E)           | (25,083)                                      | 2,826   |
| Tax on banking debits and credits        | (1,283,625)                                   | (1,096,727)                                   |
| Gain on sale of Convertible Notes        | 14,872,000                                    | 68,754,172                                    |
| Interest on Notes                        | 6,239,486                                     | 7,994,072                                     |
| Others                                   | 1,922,446                                     | 229,913                                       |
|  | 32,705,498                                    | 71,536,208                                    |
| Generated by liabilities:                |   |   |

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|   |                   |                   |
|---|-------------------|-------------------|
| Reference stabilization index (CER)                       | (17,996)          | (2,396)           |
| Interest paid   | 41,386            | (99,837)          |
| Financial expenses:                                       |                   |                   |
| Interest on Convertible Notes (Note 7)                    | (6,534,054)       | (7,419,382)       |
| Others  | (1,783,438)       | (1,737,116)       |
| Exchange differences and discounts                        | (9,191,889)       | 1,892,887         |
|   | (17,485,991)      | (7,365,844)       |
| Other income and expenses, net                            |                   |                   |
| Gains from other fixed assets sales                       | 34,468            | 36,281            |
| Others  | (17,528)          | (3,352,530)       |
| Shareholders' personal assets tax and miscellaneous       | (1,352,988)       |                   |
|   | (1,336,048)       | (3,316,249)       |
| Income from related companies                             | 11,459,724        | 20,861,453        |
| Management fee  | (2,600,512)       | (6,905,699)       |
| <b>Net Income before income tax and minority interest</b> | <b>41,416,959</b> | <b>95,461,943</b> |
| Income tax expense  | (18,176,414)      | (33,420,169)      |
| Minority interest   | 136,482           | 109,521           |
| <b>Net income for the period</b>                          | <b>23,377,027</b> | <b>62,151,295</b> |

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

Eduardo S. Elsztain  
Chairman

**Table of Contents****Cresud Sociedad Anónima****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Consolidated Statement of Cash Flows**

For the nine-month periods beginning on July 1, 2005 and 2004

and ended March 31, 2006 and 2005

|   | March 31, 2006<br>(Notes 1, 2 and 3)<br>Pesos | March 31, 2005<br>(Notes 1, 2 and 3)<br>Pesos |
|---|---|---|
| <b>Changes in cash and cash equivalents</b>                                     |   |   |
| Cash and cash equivalents at the beginning of the period                        | 67,462,547                                    | 13,138,533                                    |
| Cash and cash equivalents at the end of the period                              | 10,836,971                                    | 112,792,891                                   |
| Net (decrease) increase in cash and cash equivalents                            | (56,625,576)                                  | 99,654,358                                    |
| <b>Causes of changes in cash and cash equivalents</b>                           |   |   |
| <b><u>Operating activities</u></b>  |   |   |
| Income for the period   | 23,377,027                                    | 62,151,295                                    |
| Accrued interest  | 7,092,959                                     | 7,319,715                                     |
| Income tax  | 18,176,414                                    | 33,420,169                                    |
| <b>Adjustments made to reach net cash flow from operating activities</b>        |   |   |
| Income from interest in related companies                                       | (11,459,724)                                  | (20,861,453)                                  |
| Minority interest   | (136,482)                                     | (109,521)                                     |
| Increase in allowances, provisions and accruals                                 | 8,523,343                                     | 9,108,206                                     |
| Depreciation  | 3,515,509                                     | 2,633,851                                     |
| Gain from inventory holdings  | (2,296,228)                                   | (9,321,932)                                   |
| Financial results   | (5,185,619)                                   | (7,078,085)                                   |
| Gain on sale of Convertible Notes   | (14,872,000)                                  | (68,754,172)                                  |
| Gain from sale of fixed assets  | (9,931,654)                                   | (7,693,550)                                   |
| <b>Changes in operating assets and liabilities</b>                              |   |   |
| Decrease in current investments   | 5,800,768                                     | 2,693,282                                     |
| Decrease (Increase) in trade accounts receivable                                | 1,066,967                                     | (881,684)                                     |
| (Increase) Decrease in other receivables  | (1,236,566)                                   | 5,412,245                                     |
| Increase in inventories   | (10,187,085)                                  | (13,298,610)                                  |
| Decrease in social security payables, taxes payable and advances from customers | (25,496,535)                                  | (3,184,669)                                   |
| Decrease in trade accounts payable  | (7,469,690)                                   | (1,832,153)                                   |
| Dividends collected   | 988,307                                       | 1,011,469                                     |
| Increase in other debts   | 47,934  | 1,964,862                                     |
| <b>Cash flows applied to operating activities</b>                               | <b>(19,682,355)</b>                           | <b>(7,300,735)</b>                            |
| <b><u>Investment activities</u></b>   |   |   |
| Decrease in non-current investments   |   | 93,528,147                                    |
| Increase in interest in related companies                                       | (4,034,772)                                   | (6,349,709)                                   |
| Acquisition and upgrading of fixed assets                                       | (49,574,732)                                  | (8,978,683)                                   |
| Collection of receivables from sale of fixed assets                             | 5,736,964                                     | 1,127,138                                     |
| Sale of fixed assets  | 9,870,951                                     | 8,572,815                                     |
| <b>Cash flows (applied to) provided by investment activities</b>                | <b>(38,001,589)</b>                           | <b>87,899,708</b>                             |

**Financing activities**

|   |                     |                   |
|---|---------------------|-------------------|
| Capital contributions from minority shareholders            | 180,000             | 400,000           |
| Exercise of Warrants  | 8,649,027           | 10,605,734        |
| Effective incentive plan                                    |                     | 240,000           |
| Dividends payment   | (10,000,000)        | (3,000,000)       |
| Increase in financial loans                                 | 33,455,667          | 44,356,365        |
| Decrease in financial loans                                 | (14,712,326)        | (33,546,714)      |
| Decrease in other liabilities                               | (16,514,000)        |                   |
| <b>Cash flows provided by financing activities</b>          | <b>1,058,368</b>    | <b>19,055,385</b> |
| <b>Net (decrease) increase in cash and cash equivalents</b> | <b>(56,625,576)</b> | <b>99,654,358</b> |

**Items not involving changes in cash and cash equivalents**

|   |            |           |
|---|------------|-----------|
| Transfer of inventory to fixed assets   | 498,234    | 646,712   |
| Increase in other receivables by sale of fixed assets                               | 8,572,080  | 8,077,546 |
| Increase in fixed assets by increase in other liabilities                           | 7,160,617  |           |
| Decrease in other liabilities by decrease in fixed assets                           | 2,055,200  |           |
| Repayment of financial loans through issue of stock by exercise of conversion right | 13,427,766 | 8,751,779 |

**Complementary information**

|                         |            |           |
|-------------------------|------------|-----------|
| Interest paid           | 6,534,054  | 5,119,411 |
| Income tax expense paid | 27,564,661 | 562,791   |

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

Eduardo S. Elsztain  
Chairman

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**Cresud Sociedad Anónima,**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Notes to the Consolidated Financial Statements**

For the nine-month periods ended March 31, 2006 and 2005

**NOTE 1: BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS**

As a consequence of the application of General Resolutions No. 368/01, 434/03, 441/03 and 459/04 of the Comisión Nacional de Valores (C.N.V.), which require that consolidated Financial Statements be presented as established by Technical Resolution No. 21 of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (F.A.C.P.C.E.), the Balance Sheet as of March 31, 2006 and 2005 and the Statements of Income and the Statements of Cash Flows for the nine-month periods then ended were consolidated on a line by line basis with the financial statements of such companies in which it holds a majority of the voting shares for investments in which it has joint control. (see Note 1.b and 1.c to the basic financial statements).

The Company applies Technical Resolution No. 21 as concerns the proportional consolidation with Cactus Argentina S.A. on a 50% basis on account of the joint control held, and applied the same percentage for elimination of balances existing between them.

The financial statements as of March 31, 2006 and 2005 of the subsidiary companies Inversiones Ganaderas S.A., Futuros y Opciones.Com S.A. and Agropecuaria Cervera S.A. (at March 31, 2006) and Cactus Argentina S.A. as of March 31, 2006 and 2005 have been used in order to determine the investment at its equity value, line by line consolidation and proportional consolidation, respectively.

For purposes of comparability, reclassifications have been made on the information as of March 31, 2005.

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

**NOTE 2: CORPORATE CONTROL**

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

| <b>COMPANY</b>              | <b>CRESUD PERCENTAGE<br/>OF VOTING SHARES<br/>OWNED</b> | <b>CONSOLIDATED<br/>PERCENTAGE OF<br/>VOTING SHARES<br/>OWNED</b> |
|-----------------------------|---|---|
| Inversiones Ganaderas S.A.  | 99.99   | 99.99   |
| Futuros y Opciones.Com S.A. | 70.00   | 70.00   |
| Agropecuaria Cervera S.A.   | 90.00   | 99.99(*)  |
| <b><u>JOINT CONTROL</u></b> |   |   |
| Cactus Argentina S.A.       | 50.00   | 50.00   |

(\*) Includes Interests in Participations of Inversiones Ganaderas S.A.

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**Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**NOTE 3: SIGNIFICANT ACCOUNTING POLICIES**

The Financial Statements of the Subsidiary Companies mentioned in Note 2. have been prepared based on accounting principles consistent with those followed by Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria for the preparation of its Financial Statements, as detailed in Note 2. of the basic financial statements.

High relevant valuation and disclosed criteria applied in preparing the financial statements of Agropecuaria Cervera S.A. (ACER) and not explained in the valuation criteria note of the holding company are as follows:

**Valuation criteria - fixed assets**

The tree plantations included in the caption have been valued at replacement cost in accordance with the Tree Plantation Increase Report made in December 2003 by a forestry expert at the request of ACER previous shareholders.

Tree plantations have been transferred from inventories as ACER has no intention of sell it but to use it in the production process.

ACER former board of directors based on such report as well as on own estimates accepted the value of Ps. 4,320,000 and recorded an equal amount in other reserves in shareholders equity.

ACER s current board of directors and shareholders will reestimate the above mentioned valuation considering the application of current accounting standards.

**Other considerations concessions granted**

Among other goods and rights ACER has the concession planning an execution of an integral development project including biological, economy 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 ACER.

Among other obligations ACER has to invest Ps 16 million in agriculture, cattle farming, hydraulic resources, continuing education, forestry development, forest planting, fauna, natural reserve and eco-tourism, and has to pay an annual US\$ 60,000 cannon to the province of Salta to be paid as from the 20th year as from the commencement of the concession.

**Table of Contents****Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****NOTE 4: Details of consolidated balance sheet and consolidated statement of income accounts****a. Cash and banks**

|  | <b>March 31,<br/>2006<br/>Pesos</b> | <b>June 30,<br/>2005<br/>Pesos</b> | <b>March 31,<br/>2005<br/>Pesos</b> |
|--|-------------------------------------|------------------------------------|-------------------------------------|
| Cash   | 65,976                              | 31,983                             | 42,174                              |
| Foreign currency (Schedule G)                  | 90,010                              | 76,607                             | 77,370                              |
| Local currency checking account                | 1,227,017                           | 2,022,467                          | 343,824                             |
| Foreign currency checking account (Schedule G) | 8,218,713                           | 3,897,430                          | 6,331,295                           |
| Local currency saving account                  | 28,197                              | 17,505                             | 15,115                              |
| Foreign currency saving account (Schedule G)   | 6,357                               | 8,026,165                          | 11,252,686                          |
| Checks to be deposited                         | 409,923                             | 395,994                            | 270,225                             |
|  | 10,046,193                          | 14,468,151                         | 18,332,689                          |

**b. Investments and Goodwill**

|  | <b>March 31,<br/>2006<br/>Pesos</b> | <b>June 30,<br/>2005<br/>Pesos</b> | <b>March 31,<br/>2005<br/>Pesos</b> |
|--|-------------------------------------|------------------------------------|-------------------------------------|
| <b>Investment</b>                              |                                     |                                    |                                     |
| Investment (Schedule C and G)                  | 7,896,475                           | 59,978,002                         | 100,660,590                         |
|  | 7,896,475                           | 59,978,002                         | 100,660,590                         |
| <b>Investment</b>                              |                                     |                                    |                                     |
| Investment from related companies (Schedule C) | 320,377,323                         | 289,391,269                        | 303,368,115                         |
|  | 320,377,323                         | 289,391,269                        | 303,368,115                         |
| <b>Other investments</b>                       |                                     |                                    |                                     |
| Other investments (Schedule C and G)           | 86,946,920                          | 105,508,513                        | 106,604,680                         |
|  | 86,946,920                          | 105,508,513                        | 106,604,680                         |
| <b>Goodwill</b>                                |                                     |                                    |                                     |
| Goodwill (Schedule C)                          | (17,023,514)                        | (30,430,822)                       | (43,320,138)                        |
|  | (17,023,514)                        | (30,430,822)                       | (43,320,138)                        |

## c. Trade accounts receivable

|  | March 31,<br>2006<br>Pesos | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Current</b>   |                            |                           |                            |
| Accounts receivable in local currency  | 8,825,022                  | 8,771,084                 | 5,483,423                  |
| Less:  |                            |                           |                            |
| Allowance for doubtful accounts (Schedule E)                                   | (356,214)                  | (386,344)                 | (370,709)                  |
| Accounts receivable in foreign currency (Schedule G)                           | 181,491                    | 1,010,091                 | 1,061,542                  |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |                            |                           |                            |
| Cactus Argentina S.A.  | 46,046                     | 393,087                   | 65,112                     |
| IRSA Inversiones y Representaciones S.A.                                       |                            | 394                       |                            |
|  | 8,696,345                  | 9,788,312                 | 6,239,368                  |



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**Cresud Sociedad Anónima,**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**NOTE 4:** (Continued)**d. Other receivables**

|  | March 31,<br>2006<br>Pesos | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Current</b>   |                            |                           |                            |
| Prepaid leases   | 125,465                    | 6,512,492                 | 165,910                    |
| Tax on Minimum Presumed Income (Note 2.p.)                                     | 7,425,960                  | 54,872                    | 38,006                     |
| Guarantee deposits and premiums (Schedule G)                                   | 1,564,245                  | 2,675,032                 | 1,951,565                  |
| Secured by mortgage (Schedule G)   | 3,141,226                  | 8,217,166                 | 8,164,858                  |
| Prepaid expenses   | 692,671                    | 2,125,903                 | 989,895                    |
| Gross sales tax credit   | 3,816                      |                           |                            |
| Tax prepayments (net of accrual)   | 3,890,413                  | 1,945,005                 | 2,946,290                  |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |                            |                           |                            |
| Cactus Argentina S.A.  | 185,390                    | 166,104                   | 681,982                    |
| IRSA Inversiones y Representaciones S.A.                                       | 1,331                      |                           |                            |
| Agro-Uranga S.A.   | 160,609                    | 39,993                    | 694,981                    |
| Credits to employees   | 75,818                     | 36,582                    | 41,801                     |
| Directors  | 10,940                     |                           |                            |
| Others   | 614,786                    | 440,870                   | 242,414                    |
|  | 17,892,670                 | 22,214,019                | 15,917,702                 |
| <b>Non-current</b>   |                            |                           |                            |
| Prepaid leases   |                            | 75,915                    | 75,916                     |
| Tax prepayments  | 5,672,316                  | 6,328,177                 | 5,080,327                  |
| Secured by mortgage (Schedule G)   | 8,254,430                  |                           |                            |
| Tax on Minimum Presumed Income   | 82,006                     | 60,818                    | 72,849                     |
| Deferred tax   | 74,374                     | 14,874                    | 44,044                     |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |                            |                           |                            |
| Credits to employees   |                            |                           | 3,385                      |
| Cactus Argentina S.A.  | 9,814                      |                           |                            |
| Alto Palermo S.A. (Schedule G)   | 686,996                    |                           |                            |
| IRSA Inversiones y Representaciones S.A.                                       | 176,656                    |                           |                            |
| Others   | 136,517                    | 550                       | 900                        |
|  | 15,093,109                 | 6,480,334                 | 5,277,421                  |

**e. Inventories**

**March 31,      June 30,      March 31,**

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|                       | 2006<br>Pesos | 2005<br>Pesos | 2005<br>Pesos |
|-----------------------|---------------|---------------|---------------|
| <b>Current</b>        |               |               |               |
| Livestock             | 13,609,916    | 15,152,813    | 13,364,281    |
| Crops                 | 14,800,090    | 24,930,778    | 12,077,749    |
| Unharvested crops     | 18,025,519    | 826,336       | 17,777,895    |
| Seeds and fodder      | 294,515       | 319,169       | 500,487       |
| Materials and others  | 3,361,494     | 4,617,843     | 2,779,406     |
| Advances to suppliers | 623,214       | 446,701       | 576,940       |
|                       | 50,714,748    | 46,293,640    | 47,076,758    |
| <b>Non-Current</b>    |               |               |               |
| Livestock             | 60,787,150    | 53,223,179    | 55,078,987    |
|                       | 60,787,150    | 53,223,179    | 55,078,987    |

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**Cresud Sociedad Anónima,**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**NOTE 4:** (Continued)**f. Trade accounts payable**

|  | March 31,  | June 30,   | March 31,  |
|--|------------|------------|------------|
|  | 2006       | 2005       | 2005       |
|  | Pesos      | Pesos      | Pesos      |
| <b>Current</b>   |            |            |            |
| Suppliers in local currency  | 5,361,413  | 3,870,091  | 4,351,058  |
| Suppliers in foreign currency (Schedule G) (1)                                 | 9,806,871  | 6,611,576  | 2,315,281  |
| Interest to be accrued (Schedule G) (2)  | (272,250)  |            |            |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |            |            |            |
| Inversora Bolívar S.A.   | 105,180    | 5,445      | 6,777      |
| Alto City.Com. S.A.  | 900        |            | 298        |
| Alto Palermo S.A.  | 60,409     | 193,053    | 74,664     |
| IRSA Inversiones y Representaciones S.A.                                       |            | 43,822     | 159,268    |
| Cactus Argentina S.A.  | 223,455    | 11,953     | 206,902    |
| Estudio Zang, Bergel & Viñes   | 191,597    | 34,297     | 76,847     |
| Fundación IRSA   | 1,900,000  | 1,900,000  | 1,177,988  |
| Directors  |            |            | 2,159      |
| Accrual for other expenses (Schedule G)  | 4,517,773  | 5,075,352  | 2,513,471  |
| Short- term debts  | 23,510     | 98,479     |            |
| Accrual for harvest expenses   | 652,780    | 50,461     | 328,644    |
|  | 22,571,638 | 17,894,529 | 11,213,357 |
| <b>Non-Current</b>   |            |            |            |
| Accrual for other expenses (Schedule G)  | 981,422    |            |            |
|  | 981,422    |            |            |

- (1) Includes as of March 31, 2006 U\$S 2,500,000 for the acquisition of farm San Pedro corresponding to suppliers in foreign currency secured by mortgage. See note 11
- (2) Corresponds to the liability mentioned in (1).

**g. Loans**

|           | June 30, | March 31, |
|-----------|----------|-----------|
|           | 2005     | 2005      |
|           | Pesos    | Pesos     |
| March 31, |          |           |
| 2006      |          |           |

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| <b>Current</b>   |             |             |             |
|--|-------------|-------------|-------------|
| Local financial loans (Note 16)  | 34,014,572  | 10,315,556  | 22,554,698  |
| Convertible Notes 2007 Interest payable (Schedule G)                           | 1,602,388   | 476,343     | 1,468,115   |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |             |             |             |
| Shareholders   | 1,715,992   | 706,891     | 2,173,764   |
| Directors  | 3,130       | 992         | 3,049       |
|  | 37,336,082  | 11,499,782  | 26,199,626  |
| <b>Non-Current</b>   |             |             |             |
| Convertible Notes 2007 third parties (Schedule G)                              | 53,022,519  | 45,815,657  | 47,189,423  |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |             |             |             |
| Shareholders   | 56,776,844  | 69,934,463  | 69,870,974  |
| Directors  | 103,555     | 98,100      | 98,011      |
| Convertible Notes 2007 expenses  | (701,821)   | (1,154,667) | (1,277,019) |
|  | 109,201,097 | 114,693,553 | 115,881,389 |

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**Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

NOTE 4: (Continued)

**h. Salaries and social security payable**

|   | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 |
|---|-------------------|------------------|-------------------|
|   | Pesos             | Pesos            | Pesos             |
| <b>Current</b>                                  |                   |                  |                   |
| Accrual for vacation and statutory annual bonus | 1,091,873         | 1,423,925        | 874,254           |
| Social security taxes payable                   | 147,545           | 224,914          | 114,964           |
| Salaries payable                                | 32,622            | 81,488           | 53,422            |
| Health care payable                             | 12,856            | 7,185            | 12,180            |
| Others  | 9,386             | 10,626           | 11,271            |
|   | 1,294,282         | 1,748,138        | 1,066,091         |

**i. Taxes payable**

|  | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 |
|--|-------------------|------------------|-------------------|
|  | Pesos             | Pesos            | Pesos             |
| <b>Current</b>                         |                   |                  |                   |
| Accrual for income tax                 | 153,632           | 24,772,007       | 24,289,677        |
| Advances to Income tax                 |                   | (5,148,500)      | (2,651,051)       |
| Tax on Minimum Presumed Income         | 64,350            | 70,508           | 68,773            |
| Value added tax                        | 43,781            |                  | 6,755             |
| Property tax payable                   | 216,721           | 86,960           | 80,182            |
| Taxes withheld for income tax          | 105,850           | 165,166          | 68,995            |
| Gross sales tax payable                | 86,864            | 215,145          | 80,846            |
| Taxes withheld-Gross sales tax payable | 4,397             |                  |                   |
| Taxes withheld-Value added tax payable | 30,757            | 41,215           | 10,036            |
| Others                                 | 1,346,248         | 892              | 1,624,478         |
|  | 2,052,600         | 20,203,393       | 23,578,691        |
| <b>Non-current</b>                     |                   |                  |                   |
| Deferred tax                           | 50,572,947        | 39,285,385       | 33,961,761        |
| Tax on Minimum Presumed Income         |                   |                  | 1,524,079         |
|  | 50,572,947        | 39,285,385       | 35,485,840        |

## j. Other debts

|  | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 |
|--|-------------------|------------------|-------------------|
|  | Pesos             | Pesos            | Pesos             |
| <b>Current</b>   |                   |                  |                   |
| Security transactions payable (Schedule G)                                     |                   | 4,180,593        |                   |
| Advances from customers (Schedule G)   |                   | 2,055,200        | 7,889,200         |
| Management fees accrual  | 2,600,512         | 8,239,263        | 6,905,699         |
| Other income to be accrued   | 40,623            |                  |                   |
| Loan to FYO minority shareholders  | 134,196           | 134,196          | 134,196           |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |                   |                  |                   |
| Directors  | 32,400            | 3,393            |                   |
| Cactus Feeders Inc.  | 46,502            | 1,268            | 513,253           |
| Others   | 20,496            | 20,385           | 117,775           |
|  | 2,874,729         | 14,634,298       | 15,560,123        |
| <b>Non-current</b>   |                   |                  |                   |
| Other income to be accrued   | 433,309           |                  |                   |
| Guarantee deposit  | 1,000             | 1,000            | 1,000             |
|  | 434,309           | 1,000            | 1,000             |

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**Cresud Sociedad Anónima,**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**NOTE 5:****a) Assets based on their estimated collection term (in pesos)**

| Based on their estimated collection term | Current and non-current |                          |                |                           |                |                   |               |                |                |
|--|-------------------------|--------------------------|----------------|---------------------------|----------------|-------------------|---------------|----------------|----------------|
|  | March 31, 2006          | Investment June 30, 2005 | March 31, 2005 | Trade accounts receivable |                | Other receivables |               |                | March 31, 2005 |
|  |                         |                          | March 31, 2006 | June 30, 2005             | March 31, 2005 | March 31, 2006    | June 30, 2005 | March 31, 2005 |                |
| 1st quarter 2005/2004 financial period   |                         |                          |                |                           |                |                   |               |                |                |
| 2nd quarter 2005/2004 financial period   |                         |                          |                |                           |                |                   |               |                |                |
| 3rd quarter 2005/2004 financial period   |                         |                          |                |                           |                |                   |               |                |                |
| 4th quarter 2005/2004 financial period   |                         |                          | 3,338,226      |                           |                | 6,214,368         |               |                | 3,748,270      |
| 1st quarter 2006/2005 financial period   |                         |                          |                |                           | 9,787,593      |                   |               | 9,655,284      | 8,172,640      |
| 2nd quarter 2006/2005 financial period   |                         | 1,078,320                |                |                           |                |                   |               | 1,388,408      | 646,991        |
| 3rd quarter 2006/2005 financial period   |                         |                          |                |                           |                |                   |               | 4,115,610      | 825            |
| 4th quarter 2006/2005 financial period   | 2,604,146               |                          |                | 8,548,703                 |                |                   | 5,400,453     | 5,324          | 3,385          |
| 1st quarter 2007/2006 financial period   |                         |                          |                |                           |                |                   | 2,838,966     |                |                |
| 2nd quarter 2007/2006 financial period   |                         |                          |                |                           |                |                   | 8,007,137     |                | 25,582         |
| 3rd quarter 2007/2006 financial period   |                         |                          |                |                           |                |                   | 547,723       |                |                |
| 4th quarter 2007/2006 financial period   |                         |                          |                |                           |                |                   | 10,128        |                |                |
| 1st quarter 2008/2007 financial period   |                         | 105,487,796              |                |                           |                |                   | 2,180,582     |                |                |
| 2nd quarter 2008/2007 financial period   | 86,166,588              |                          | 106,583,963    |                           |                |                   | 10,128        |                |                |
| 3rd quarter 2008/2007 financial period   |                         |                          |                |                           |                |                   | 437,517       |                |                |
| 4th quarter 2008/2007 financial period   |                         |                          |                |                           |                |                   | 10,128        |                |                |
| 1st quarter 2009/2008 financial period   |                         |                          |                |                           |                |                   | 2,174,871     |                |                |
| 2nd quarter 2009/2008 financial period   |                         |                          |                |                           |                |                   | 1,964         |                |                |
| 1st quarter 2010/2009 financial period   |                         |                          |                |                           |                |                   | 1,744,050     |                |                |
| 1st quarter 2011/2010 financial period   |                         |                          |                |                           |                |                   | 1,743,066     |                |                |
| Overdue                                  |                         |                          |                |                           |                |                   | 25,000        |                |                |

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|                                 |            |             |             |           |           |           |            |            |            |
|---------------------------------|------------|-------------|-------------|-----------|-----------|-----------|------------|------------|------------|
| With no stated current term     | 5,292,329  | 58,899,682  | 97,322,364  | 147,642   | 719       |           | 1,098,391  | 7,049,393  | 3,348,976  |
| With no stated non-current term | 780,332    | 20,717      | 20,717      |           |           |           | 6,780,675  | 6,480,334  | 5,248,454  |
| Total                           | 94,843,395 | 165,486,515 | 207,265,270 | 8,696,345 | 9,788,312 | 6,239,368 | 32,985,779 | 28,694,353 | 21,195,123 |

**b) Assets classified according to their interest rate (in pesos)**

**Current and non-current**

| Interest rate that they accrue | Investment<br>June 30, |             | Trade accounts receivable |                   |                  | Other receivables |                   |                  |                   |
|--------------------------------|------------------------|-------------|---------------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
|                                | March 31,<br>2006      | 2005        | March 31,<br>2005         | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 |
| At fixed interest rate         | 86,166,588             | 105,487,796 | 106,583,964               |                   |                  |                   | 11,111,155        | 8,095,402        | 8,143,356         |
| At variable interest rate      | 5,292,328              | 58,899,682  | 94,877,040                |                   |                  |                   | 2,449,378         | 2,314,696        | 910,592           |
| Non-interest bearing           | 3,384,479              | 1,099,037   | 5,804,266                 | 8,696,345         | 9,788,312        | 6,239,368         | 19,425,246        | 18,284,255       | 12,141,175        |
| Total                          | 94,843,395             | 165,486,515 | 207,265,270               | 8,696,345         | 9,788,312        | 6,239,368         | 32,985,779        | 28,694,353       | 21,195,123        |



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**Cresud Sociedad Anónima,**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**NOTE 5:** (Continued)Liabilities based on their estimated payment term:

| Based on their<br>estimated payment term | Trade accounts payable |                  |                   |                   | Loans<br>June 30, | Salaries and social security payable |                   |                  |                   |
|--|------------------------|------------------|-------------------|-------------------|-------------------|--------------------------------------|-------------------|------------------|-------------------|
|  | March 31,<br>2006      | June 30,<br>2005 | March 31,<br>2005 | March 31,<br>2006 | June 30,<br>2005  | March 31,<br>2005                    | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 |
| 1 <sup>st</sup> quarter 2005/2004        |                        |                  |                   |                   |                   |                                      |                   |                  |                   |
| 2 <sup>nd</sup> quarter 2005/2004        |                        |                  |                   |                   |                   |                                      |                   |                  |                   |
| 3 <sup>rd</sup> quarter 2005/2004        |                        |                  |                   |                   |                   |                                      |                   |                  |                   |
| 4 <sup>th</sup> quarter 2005/2004        |                        |                  | 11,213,357        |                   |                   | 16,086,293                           |                   |                  | 507,601           |
| 1 <sup>st</sup> quarter 2006/2005        |                        | 12,623,191       |                   |                   | 10,315,556        | 10,113,333                           |                   | 1,721,673        | 558,490           |
| 2 <sup>nd</sup> quarter 2006/2005        |                        | 4,308,000        |                   |                   | 1,184,226         |                                      |                   | 6,583            |                   |
| 3 <sup>rd</sup> quarter 2006/2005        |                        |                  |                   |                   |                   |                                      |                   | 19,882           |                   |
| 4 <sup>th</sup> quarter 2006/2005        | 15,258,186             |                  |                   | 3,321,510         |                   |                                      | 458,460           |                  |                   |
| 1 <sup>st</sup> quarter 2007/2006        | 7,277,500              |                  |                   | 13,398,902        |                   |                                      | 588,579           |                  |                   |
| 2 <sup>nd</sup> quarter 2007/2006        |                        |                  |                   |                   |                   |                                      | 72,719            |                  |                   |
| 3 <sup>rd</sup> quarter 2007/2006        |                        |                  |                   |                   |                   |                                      | 174,524           |                  |                   |
| 4 <sup>th</sup> quarter 2007/2006        |                        |                  |                   |                   |                   |                                      |                   |                  |                   |
| 1 <sup>st</sup> quarter 2008/2007        |                        |                  |                   |                   | 114,693,553       | 115,881,389                          |                   |                  |                   |
| 2 <sup>nd</sup> quarter 2008/2007        |                        |                  |                   | 109,201,097       |                   |                                      |                   |                  |                   |
| 3 <sup>rd</sup> quarter 2008/2007        |                        |                  |                   |                   |                   |                                      |                   |                  |                   |
| 4 <sup>th</sup> quarter 2008/2007        |                        |                  |                   |                   |                   |                                      |                   |                  |                   |
| 1 <sup>st</sup> quarter 2009/2008        |                        |                  |                   |                   |                   |                                      |                   |                  |                   |
| 2 <sup>nd</sup> quarter 2009/2008        |                        |                  |                   |                   |                   |                                      |                   |                  |                   |
| Overdue                                  |                        |                  |                   |                   |                   |                                      |                   |                  |                   |
| With no stated current term              | 35,952                 | 963,338          |                   | 20,615,670        |                   |                                      |                   |                  |                   |
| With no stated non-current term          | 981,422                |                  |                   |                   |                   |                                      |                   |                  |                   |
| Total                                    | 23,553,060             | 17,894,529       | 11,213,357        | 146,537,179       | 126,193,335       | 142,081,015                          | 1,294,282         | 1,748,138        | 1,066,091         |

| Based on their<br>estimated payment term | Taxes payable     |                  |                   | Other debts       |                  |                   | Provisions        |                  |                   |
|--|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
|  | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 |
| 1 <sup>st</sup> quarter 2005/2004        |                   |                  |                   |                   |                  |                   |                   |                  |                   |
| 2 <sup>nd</sup> quarter 2005/2004        |                   |                  |                   |                   |                  |                   |                   |                  |                   |
| 3 <sup>rd</sup> quarter 2005/2004        |                   |                  |                   |                   |                  |                   |                   |                  |                   |
| 4 <sup>th</sup> quarter 2005/2004        |                   |                  |                   | 1,863,094         |                  |                   | 7,023,474         |                  |                   |
| 1 <sup>st</sup> quarter 2006/2005        |                   | 509,378          |                   |                   | 14,500,103       | 7,889,200         |                   |                  |                   |
| 2 <sup>nd</sup> quarter 2006/2005        |                   | 19,694,015       | 21,715,597        |                   |                  |                   |                   |                  |                   |
| 3 <sup>rd</sup> quarter 2006/2005        |                   |                  |                   |                   |                  |                   |                   |                  |                   |
| 4 <sup>th</sup> quarter 2006/2005        | 1,834,618         |                  |                   | 2,528,060         |                  |                   |                   |                  |                   |
| 1 <sup>st</sup> quarter 2007/2006        |                   |                  |                   |                   |                  |                   |                   |                  | 13,541            |
| 2 <sup>nd</sup> quarter 2007/2006        |                   | 217,982          |                   |                   |                  |                   |                   |                  | 13,541            |
| 3 <sup>rd</sup> quarter 2007/2006        |                   |                  |                   |                   |                  |                   |                   |                  |                   |

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|                                   |            |            |            |           |            |            |         |         |        |  |
|-----------------------------------|------------|------------|------------|-----------|------------|------------|---------|---------|--------|--|
| 4 <sup>th</sup> quarter 2007/2006 |            |            |            |           | 1,472      |            |         |         |        |  |
| 1 <sup>st</sup> quarter 2008/2007 |            |            |            |           | 1,472      |            |         |         |        |  |
| 2 <sup>nd</sup> quarter 2008/2007 |            |            |            |           | 1,472      |            |         |         |        |  |
| 3 <sup>rd</sup> quarter 2008/2007 |            |            |            |           | 1,472      |            |         |         |        |  |
| 4 <sup>th</sup> quarter 2008/2007 |            |            |            |           | 1,472      |            |         |         |        |  |
| 1 <sup>st</sup> quarter 2009/2008 |            |            |            |           | 1,472      |            |         |         |        |  |
| 2 <sup>nd</sup> quarter 2009/2008 |            |            |            |           | 982        |            |         |         |        |  |
| <b>Overdue</b>                    |            |            |            |           |            |            |         |         |        |  |
| With no stated current term       |            |            |            |           | 319,587    | 134,195    | 647,449 |         |        |  |
| With no stated non-current term   | 50,572,947 | 39,285,385 | 35,485,840 | 424,495   | 1,000      | 1,000      | 106,570 | 104,198 | 38,327 |  |
| <b>Total</b>                      | 52,625,547 | 59,488,778 | 59,064,531 | 3,309,038 | 14,635,298 | 15,561,123 | 106,570 | 104,198 | 38,327 |  |

Liabilities classified according to their interest rate:

| Interest in rate that they accrue | Trade accounts payable |               |                |                | Loans         | Salaries and social security payable |                |               |                |  |
|-----------------------------------|------------------------|---------------|----------------|----------------|---------------|--------------------------------------|----------------|---------------|----------------|--|
|                                   | March 31, 2006         | June 30, 2005 | March 31, 2005 | March 31, 2006 | June 30, 2005 | March 31, 2005                       | March 31, 2006 | June 30, 2005 | March 31, 2005 |  |
| At fixed interest rate            | 6,552,112              |               |                | 143,917,490    | 126,163,776   | 139,713,106                          |                |               |                |  |
| At variable interest rate         |                        |               |                |                |               |                                      |                |               |                |  |
| Non-interest bearing              | 17,000,948             | 17,894,529    | 11,213,357     | 2,619,689      | 29,559        | 2,367,909                            | 1,294,282      | 1,748,138     | 1,066,091      |  |
| <b>Total</b>                      | 23,553,060             | 17,894,529    | 11,213,357     | 146,537,179    | 126,193,335   | 142,081,015                          | 1,294,282      | 1,748,138     | 1,066,091      |  |

| Interest in rate that they accrue | Taxes payable  |               |                |                | Other debts   | Provisions     |                |               |                |  |
|-----------------------------------|----------------|---------------|----------------|----------------|---------------|----------------|----------------|---------------|----------------|--|
|                                   | March 31, 2006 | June 30, 2005 | March 31, 2005 | March 31, 2006 | June 30, 2005 | March 31, 2005 | March 31, 2006 | June 30, 2005 | March 31, 2005 |  |
| At fixed interest rate            |                |               |                |                |               |                |                |               |                |  |
| At variable interest rate         |                |               |                | 1,662,660      |               |                |                |               |                |  |
| Non-interest bearing              | 52,625,547     | 59,488,778    | 59,064,531     | 1,686,378      | 14,635,298    | 15,561,123     | 106,570        | 104,198       | 38,327         |  |
| <b>Total</b>                      | 52,625,547     | 59,488,778    | 59,064,531     | 3,309,038      | 14,635,298    | 15,561,123     | 106,570        | 104,198       | 38,327         |  |

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**Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**NOTE 6: EARNINGS PER SHARE**

Following is conciliation between the average appraised ordinary stock in circulation and the average appraised diluted ordinary stock. The last one has been determined considering the possibility that the bearers of convertible bonds into company's ordinary stock for up to an amount of U\$50,000,000 mentioned in Note 13 of the basic financial statements, exercise their right to convert into stock the titles they bear.

|  | <b>March 31,<br/>2006</b> | <b>March 31,<br/>2005</b> |
|--|---------------------------|---------------------------|
| Average appraised stock in circulation                     | 166,847,072               | 152,945,734               |
| Average appraised diluted ordinary stock                   | 321,214,392               | 321,214,392               |
|  | <b>March 31,<br/>2006</b> | <b>March 31,<br/>2005</b> |
| Earnings for the calculation of basic earnings per share   | 23,377,027                | 62,151,295                |
| Exchange differences                                       | 7,482,465                 | 7,419,382                 |
| Financing expenses   | 6,534,054                 | (1,677,679)               |
| Income tax   | (4,575,341)               | (1,874,235)               |
| Management fees  | (944,118)                 | (386,747)                 |
| Earnings for the calculation of diluted earnings per share | 31,874,087                | 65,632,016                |
|  | <b>March 31,<br/>2006</b> | <b>March 31,<br/>2005</b> |
| <b>BASIC Earnings per share</b>                            |                           |                           |
| Earnings   | 23,377,027                | 62,151,295                |
| Number of shares   | 166,847,072               | 152,945,734               |
| Earnings per share   | 0.14                      | 0.41                      |
|  | <b>March 31,<br/>2006</b> | <b>March 31,<br/>2005</b> |
| <b>DILUTED Earnings per share</b>                          |                           |                           |
| Earnings   | 31,874,087                | 65,632,016                |
| Number of shares   | 321,214,392               | 321,214,392               |
| Earnings per share   | 0.10                      | 0.20                      |

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**Cresud Sociedad Anónima,**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**NOTE 7: SEGMENT INFORMATION**As of March 31, 2006:

| Description                   | Crops       | Milk                |            |                  | Others    | Without specific allocation | Total              |
|-------------------------------|-------------|---------------------|------------|------------------|-----------|-----------------------------|--------------------|
|                               | (pesos)     | Beef Cattle (pesos) | (pesos)    | Feed Lot (pesos) |           |                             |                    |
| Sales                         | 31,649,131  | 25,011,983          | 5,862,005  | 1,782,828        | 4,450,432 |                             | <b>68,756,379</b>  |
| Assets                        | 144,028,508 | 144,529,295         | 20,361,462 | 3,883,139        | 2,558,810 | 465,752,562                 | <b>781,113,776</b> |
| Liabilities                   | 7,035,020   | 1,018,682           | 26,575     | 827,696          | 966,896   | 217,550,807                 | <b>227,425,676</b> |
| Fixed asset additions         | 10,394,410  | 9,145,356           | 1,182,903  | (731,423)        | (79,770)  | 42,750,737                  | <b>62,662,213</b>  |
| Depreciation of fixed assets  | 1,507,882   | 852,737             | 359,300    | 229,575          | 47,273    | 518,742                     | <b>3,515,509</b>   |
| Income from related companies | 1,098,374   | 9,749               | 229,719    |                  |           | 10,121,882                  | <b>11,459,724</b>  |

As of March 31, 2005:

| Description                   | Crops      | Milk                |            |                  | Others    | Without specific allocation | Total              |
|-------------------------------|------------|---------------------|------------|------------------|-----------|-----------------------------|--------------------|
|                               | (pesos)    | Beef Cattle (pesos) | (pesos)    | Feed Lot (pesos) |           |                             |                    |
| Sales                         | 15,030,047 | 27,112,319          | 2,217,786  | 1,762,486        | 3,749,554 |                             | <b>49,872,192</b>  |
| Assets                        | 96,005,996 | 117,973,933         | 25,970,893 | 4,331,624        | 1,463,144 | 527,551,788                 | <b>773,297,378</b> |
| Liabilities                   | 5,414,854  | 580,566             | 201,135    | 1,311,996        | 517,011   | 220,998,882                 | <b>229,024,444</b> |
| Fixed asset additions         | 1,932,891  | 1,302,443           | 2,688,570  | 119,954          | 63,029    | 2,871,796                   | <b>8,978,683</b>   |
| Depreciation of fixed assets  | 903,728    | 732,112             | 103,496    | 223,517          | 60,213    | 610,785                     | <b>2,633,851</b>   |
| Income from related companies | 1,200,538  | 48,109              | 167,474    |                  | 433,817   | 19,011,515                  | <b>20,861,453</b>  |

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**Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Consolidated Fixed Assets**

For the nine-month periods ended March 31, 2006 and 2005

and the year ended June 30, 2005

(Notes 1, 2, and 3)

**Schedule A**

| Principal Account           | Depreciation                         |                            |                             |                                |          |  |                        |                |                                      |                            | Net carrying value as of March 31, 2006 | Net carrying value as of June 30, 2005 | Net carrying value as of March 31, 2004 |                           |                            |
|-----------------------------|--------------------------------------|----------------------------|-----------------------------|--------------------------------|----------|--|------------------------|----------------|--------------------------------------|----------------------------|---|--|---|---------------------------|----------------------------|
|                             | Value at the beginning of the period | Additions And/or transfers | Deductions and/or Transfers | Value at the end of the period | Rate %   | Accumulated at the beginning of the period | Decrease of the period | Current Period | Accumulated at the end of the period | value as of March 31, 2006 |   |  |   | value as of June 30, 2005 | value as of March 31, 2004 |
|                             |                                      |                            |                             |                                |          |  |                        |                |                                      |                            |   |  |   |                           |                            |
| Real estate                 | 127,920,136                          | 23,076,613                 | 5,691,493                   | 145,305,256                    |          |  |                        |                |                                      | 145,305,256                | 127,920,136                             | 117,902,000                            |   |                           |                            |
| Fences                      | 4,815,906                            | 23,884                     | 181,072                     | 4,658,718                      | 3        | 1,126,302                                  | 54,868                 | 120,977        | 1,192,411                            | 3,466,307                  | 3,689,604                               | 3,812,000                              |   |                           |                            |
| Draining troughs            | 3,549,725                            | 105,800                    | 254,865                     | 3,400,660                      | 5        | 1,090,500                                  | 100,736                | 127,478        | 1,117,242                            | 2,283,418                  | 2,459,225                               | 2,529,000                              |   |                           |                            |
| Leucaena fields and rows    | 3,265,110                            | 890,877                    | 1,282,571                   | 2,873,416                      | 12-25-50 | 2,020,885                                  | 1,199,476              | 433,545        | 1,254,954                            | 1,618,462                  | 1,244,225                               | 704,000                                |   |                           |                            |
| Buildings and constructions | 5,982,037                            | 23,750,313                 | 58,895                      | 29,673,455                     | 2        | 1,901,144                                  | 10,112                 | 444,475        | 2,335,777                            | 27,337,678                 | 4,080,893                               | 3,739,000                              |   |                           |                            |
| Machinery                   | 9,610,388                            | 933,896                    | 15,045                      | 10,529,239                     | 10       | 6,152,583                                  | 12,036                 | 724,279        | 6,864,826                            | 3,664,413                  | 3,457,805                               | 2,167,000                              |   |                           |                            |
| Trucks                      | 1,520,010                            | 356,093                    | 48,864                      | 1,827,239                      | 20       | 870,378                                    | 48,864                 | 219,685        | 1,041,199                            | 786,040                    | 649,632                                 | 660,000                                |   |                           |                            |
| Tractors                    | 193,155                              | 4,565                      |                             | 197,720                        | 10       | 139,216                                    |                        | 10,239         | 149,455                              | 48,265                     | 53,939                                  | 52,000                                 |   |                           |                            |
| Furniture and equipment     | 1,149,488                            | 54,571                     |                             | 1,204,059                      | 10       | 716,045                                    |                        | 86,662         | 802,707                              | 401,352                    | 433,443                                 | 370,000                                |   |                           |                            |
| Leasing and leading         | 670,101                              | 28,215                     |                             | 698,316                        | 3        | 130,029                                    |                        | 17,256         | 147,285                              | 551,031                    | 540,072                                 | 509,000                                |   |                           |                            |
| Trucks                      | 1,057,888                            | 89,688                     | 25,160                      | 1,122,416                      | 10       | 689,480                                    | 12,580                 | 81,939         | 758,839                              | 363,577                    | 368,408                                 | 370,000                                |   |                           |                            |
| Utilities                   | 11,596,648                           | 189,413                    | 26,008                      | 11,760,053                     | 10-20-33 | 4,647,034                                  | 24,295                 | 859,191        | 5,481,930                            | 6,278,123                  | 6,949,614                               | 3,311,000                              |   |                           |                            |
| Computer equipment          | 1,188,319                            | 176,073                    | 14,256                      | 1,350,136                      | 20       | 844,095                                    | 14,256                 | 123,142        | 952,981                              | 397,155                    | 344,224                                 | 370,000                                |   |                           |                            |
| Plants                      | 1,169,114                            |                            | 72,595                      | 1,096,519                      | 5        | 378,719                                    | 31,942                 | 44,765         | 391,542                              | 704,977                    | 790,395                                 | 800,000                                |   |                           |                            |
| Lot                         | 3,871,779                            | 60,445                     |                             | 3,932,224                      |          | 1,357,519                                  |                        | 221,606        | 1,579,125                            | 2,353,099                  | 2,514,260                               | 2,521,000                              |   |                           |                            |
| Constructions in process    | 10,918,842                           | 7,213,077                  | 252,150                     | 17,879,769                     |          |  |                        |                |                                      | 17,879,769                 | 10,918,842                              | 17,943,000                             |   |                           |                            |
| Advances to suppliers       | 82,879                               |                            | 42,368                      | 40,511                         |          |  |                        |                |                                      | 40,511                     | 82,879                                  | 284,000                                |   |                           |                            |
| Raw Materials - Products    |                                      | 70,384                     |                             | 70,384                         |          |  |                        |                |                                      | 70,384                     |   |  |   |                           |                            |
| Raw Materials - Products    |                                      | 4,320,000                  |                             | 4,320,000                      |          |  |                        |                |                                      | 4,320,000                  |   |  |   |                           |                            |
| Advances to parties         |                                      | 1,816,540                  |                             | 1,816,540                      |          |  |                        |                |                                      | 1,816,540                  |   |  |   |                           |                            |
| Total as of March 31, 2006  | 188,561,525                          | 63,160,447                 | 7,965,342                   | 243,756,630                    |          | 22,063,929                                 | 1,509,165              | 3,515,509      | 24,070,273                           | 219,686,357                |   |  |   |                           |                            |

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|                         |             |            |            |             |            |           |           |            |             |
|-------------------------|-------------|------------|------------|-------------|------------|-----------|-----------|------------|-------------|
| as of June 30,          | 179,919,641 | 27,067,824 | 18,425,940 | 188,561,525 | 19,893,168 | 1,998,378 | 4,169,139 | 22,063,929 | 166,497,596 |
| as of<br>March 31, 2005 | 179,919,641 | 9,625,395  | 9,334,882  | 180,210,154 | 19,893,168 | 378,071   | 2,633,851 | 22,148,948 | 158,061,596 |

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**Cresud Sociedad Anónima,**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**  
**Consolidated Investments**

For the nine-month periods ended March 31, 2006 and 2005 and the year ended June 30, 2005

(Notes 1, 2, and 3)

Schedule C

| Type and characteristics<br>Of the securities                                  | INFORMATION ON THE ISSUER<br>Latest financial statements |                            |                           |                            |                          |                       |                  |                                   |                                  |
|--|--|----------------------------|---------------------------|----------------------------|--------------------------|-----------------------|------------------|-----------------------------------|----------------------------------|
|  | Amount   | Value at                   | Value at                  | Value at                   | Market<br>Value<br>Pesos | Principal<br>activity | Capital<br>Pesos | Income<br>for the period<br>Pesos | Shareholders'<br>Equity<br>Pesos |
|  |  | March 31,<br>2006<br>Pesos | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |                          |                       |                  |                                   |                                  |
| <b>Current Investments</b>   |  |                            |                           |                            |                          |                       |                  |                                   |                                  |
| Mutual Funds   |  |                            |                           |                            |                          |                       |                  |                                   |                                  |
| Bony Hamilton Fund in dollars  | 15,325   | 46,617                     | 52,439,110                | 93,601,984                 | 3,041,978                |                       |                  |                                   |                                  |
| Banco Río Special Fund in pesos  | 0  | 465,382                    | 50,034                    | 206,901                    |                          |                       |                  |                                   |                                  |
| Banco Río Plazo fijo Fund in dollars   | 0  |                            | 2,395                     | 2,523                      |                          |                       |                  |                                   |                                  |
| Bank Boston 1784 Fund  |  | 40,013                     |                           |                            |                          |                       |                  |                                   |                                  |
|  |  | 552,012                    | 52,491,539                | 93,811,408                 |                          |                       |                  |                                   |                                  |
| Notes and Convertible Bonds  |  |                            |                           |                            |                          |                       |                  |                                   |                                  |
| Interest on IRSA Convertible Notes 2007 (US\$)                                 |  |                            |                           |                            |                          |                       |                  |                                   |                                  |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |  |                            |                           |                            |                          |                       |                  |                                   |                                  |
| IRSA Inversiones y Representaciones S.A.                                       |  | 2,604,146                  | 1,078,320                 | 3,338,226                  |                          |                       |                  |                                   |                                  |
| Global 2010 Bonds  | 110,000  | 103,732                    | 100,997                   | 95,732                     | 0.943018                 |                       |                  |                                   |                                  |
| Bocon Pro 1  | 157,647  | 630                        | 630                       | 630                        | 0.003996                 |                       |                  |                                   |                                  |
| Arg Discount Bonds   | 0  |                            |                           | 2,445,324                  |                          |                       |                  |                                   |                                  |
| Nobacs   | 3,000,000  | 2,982,000                  | 3,003,000                 |                            | 0.994000                 |                       |                  |                                   |                                  |
| Arg Discount 2033 Bonds  |  |                            | 1,073,823                 |                            |                          |                       |                  |                                   |                                  |
| Raymond James Interest of Bonds  | 0  |                            | 20,235                    |                            |                          |                       |                  |                                   |                                  |
| Mortgage Bonds   | 1,408,148  | 1,415,189                  | 1,706,662                 |                            | 1.005000                 |                       |                  |                                   |                                  |
| Letes  | 0  |                            |                           | 320,571                    |                          |                       |                  |                                   |                                  |
|  |  | 7,105,697                  | 6,983,667                 | 6,200,483                  |                          |                       |                  |                                   |                                  |
| Deposits in foreign banks in dollars   |  | 238,766                    | 502,796                   | 648,699                    |                          |                       |                  |                                   |                                  |

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|   |                     |                     |                     |             |             |             |             |            |               |
|---|---------------------|---------------------|---------------------|-------------|-------------|-------------|-------------|------------|---------------|
|   | 238,766             | 502,796             | 648,699             |             |             |             |             |            |               |
| <b>Total current investments</b>  | <b>7,896,475</b>    | <b>59,978,002</b>   | <b>100,660,590</b>  |             |             |             |             |            |               |
| <b>Non-current investments</b>  |                     |                     |                     |             |             |             |             |            |               |
| <b>Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:</b> |                     |                     |                     |             |             |             |             |            |               |
| AGRO-URANGA S.A.  |                     |                     |                     | Unlisted    | Agriculture | 2,500,000   | 1,038,398   | 12,889,465 |               |
| Shares  | 893,069             | 5,573,730           | 5,344,811           | 4,932,749   |             |             |             |            |               |
| Contribution on account of future subscriptions of shares                             |                     | 7,865               | 7,865               | 7,865       |             |             |             |            |               |
| Higher property value   |                     | 11,179,150          | 11,179,150          | 11,179,150  |             |             |             |            |               |
|   |                     | 16,760,745          | 16,531,826          | 16,119,764  |             |             |             |            |               |
| <b>IRSA Inversiones y Representaciones S.A.</b>                                       |                     |                     |                     |             |             |             |             |            |               |
| Shares (Note 14)  | 87,025,013          | 303,616,578         | 272,859,443         | 287,248,351 | 3.550000    | Real Estate | 368,447,884 | 28,987,509 | 1,301,356,122 |
|   |                     | 303,616,578         | 272,859,443         | 287,248,351 |             |             |             |            |               |
|   |                     | 320,377,323         | 289,391,269         | 303,368,115 |             |             |             |            |               |
| <b>Other Investments</b>  |                     |                     |                     |             |             |             |             |            |               |
| <b>IRSA Convertible Notes 2007 (US\$)</b>   |                     |                     |                     |             |             |             |             |            |               |
| <b>Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:</b> |                     |                     |                     |             |             |             |             |            |               |
| IRSA Inversiones y Representaciones S.A.  | 27,958,011          | 86,166,588          | 105,487,896         | 106,583,963 |             |             |             |            |               |
| BrasilAgro-Companhia Brasileira de Propiedades Agricolas (in formation)               |                     | 759,615             |                     |             |             |             |             |            |               |
| Coprolán  |                     | 20,717              | 20,717              | 20,717      | Unlisted    |             |             |            |               |
| <b>Subtotal</b>   | <b>86,946,920</b>   | <b>105,508,513</b>  | <b>106,604,680</b>  |             |             |             |             |            |               |
| <b>Goodwill</b>   |                     |                     |                     |             |             |             |             |            |               |
| Goodwill  |                     |                     |                     | 164,919     |             |             |             |            |               |
| IRSA negative goodwill  | (40,605,160)        | (30,430,822)        | (43,485,057)        |             |             |             |             |            |               |
| Agropecuaria Cervera S.A. goodwill  | 23,581,646          |                     |                     |             |             |             |             |            |               |
| <b>Subtotal</b>   | <b>(17,023,514)</b> | <b>(30,430,822)</b> | <b>(43,320,138)</b> |             |             |             |             |            |               |
| <b>Total non-current investments</b>  | <b>390,300,729</b>  | <b>364,468,960</b>  | <b>366,652,657</b>  |             |             |             |             |            |               |



**Table of Contents**

**Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Consolidated Allowances and Provisions**

For the nine-month periods ended March 31, 2006 and 2005

and the year ended June 30, 2005

(Notes 1, 2, and 3)

**Schedule E**

| Item   | Balances at<br>the beginning<br>of the period<br>Pesos | Increases<br>(1)<br>Pesos | Decreases<br>(2)<br>Pesos | Applications<br>Pesos | Value at<br>March 31,<br>2006<br>Pesos | Value at<br>June 30,<br>2005<br>Pesos | Value at<br>March 31,<br>2005<br>Pesos |
|--|--|---------------------------|---------------------------|-----------------------|--|---------------------------------------|--|
| <b>Deducted from assets</b>                        |  |                           |                           |                       |  |                                       |  |
| Allowance for doubtful accounts                    | 381,214  | 50,000                    | (25,000)                  | (50,000)              | 356,214                                | 386,344                               | 370,709                                |
| <b>Included in liabilities</b>                     |  |                           |                           |                       |  |                                       |  |
| Non-current law contingencies for pending lawsuits | 104,198  | 2,372                     |                           |                       | 106,570                                | 104,198                               | 38,327                                 |
| Total at March 31, 2006                            | 485,412  | 52,372                    | (25,000)                  | (50,000)              | 462,784                                |                                       |  |
| Total at June 30, 2005                             | 450,394  | 85,504                    | (5,824)                   | (38,532)              |  | 490,542                               |  |
| Total at March 31, 2005                            | 450,394  |                           | (2,826)                   | (38,532)              |  |                                       | 409,036                                |

(1) Included in Other Income and Other Expense.

(2) Included in Allowance for Doubtful Accounts.

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**Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Consolidated Cost of Sales**

For the nine-month periods ended March 31, 2006 and 2005

and year ended June 30, 2005

(Notes 1, 2, and 3)

**Schedule F**

| Crops             |                   | Beef cattle       |                   | Milk              |                   | Feed Lot          |                   | Others            |                   | March 31,  | Total        | March      |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------|--------------|------------|
| March 31,<br>2006 | March 31,<br>2005 | March 31,<br>2006 | March 31,<br>2005 | March 31,<br>2006 | March 31,<br>2005 | March 31,<br>2006 | March 31,<br>2005 | March 31,<br>2006 | March 31,<br>2005 | 2006       |              | 2006       |
| Pesos             | Pesos             | Pesos             | Pesos             | Pesos             | Pesos             | Pesos             | Pesos             | Pesos             | Pesos             | Pesos      |              | Pesos      |
|                   |                   | 61,552,248        | 59,418,980        | 6,823,744         | 4,150,630         |                   |                   |                   |                   | 68,375,992 |              | 63,569,610 |
| 24,930,778        | 8,639,910         |                   |                   |                   |                   |                   |                   |                   |                   | 24,930,778 |              | 8,639,910  |
| 826,336           | 1,603,897         |                   |                   |                   |                   |                   |                   |                   |                   | 826,336    |              | 1,603,897  |
| 128,575           |                   | 172,941           | 134,870           | 17,653            | 103,508           |                   |                   |                   | 3,138             | 319,169    |              | 241,516    |
| 3,768,385         | 3,842,219         |                   |                   | 65,430            | 44,982            | 155,791           | 601,626           | 628,237           | 197,822           | 4,617,843  |              | 4,686,649  |
| 29,654,074        | 14,086,026        | 61,725,189        | 59,553,850        | 6,906,827         | 4,299,120         | 155,791           | 601,626           | 628,237           | 200,960           |            | 99,070,118   |            |
|                   |                   | 1,914,483         | 9,062,762         | 375,173           | 259,170           | 6,572             |                   |                   |                   |            | 2,296,228    |            |
| (438,424)         | 2,924,090         |                   |                   |                   |                   | (9,499)           | 4,528             |                   |                   |            | (447,923)    |            |
| (91,722)          | (149,403)         | (30,020)          | 27,851            |                   |                   |                   | (65,938)          | (601,402)         |                   |            | (723,144)    |            |
| (346,306)         | (572,364)         | 791,868           |                   |                   |                   | (791,868)         |                   | (151,928)         | (74,348)          |            | (498,234)    |            |
| (14,052,802)      | (11,608,487)      | (382,865)         | (400,174)         | (1,018,566)       | (480,058)         |                   |                   | (360,753)         | (370,876)         |            | (15,814,986) |            |
| 28,609,741        | 27,919,030        | 317,795           | 150,440           | (317,795)         | (150,440)         | 1,698,059         | 660,306           | 1,103,310         | 565,247           |            | 43,547,555   |            |
| 14,946,376        | 11,322,950        | 12,824,503        | 12,912,144        | 3,571,080         | 1,459,122         | 624,004           | 571,786           | 1,435,197         | 835,014           |            | 33,401,160   |            |

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|              |              |              |             |             |           |           |           |           |             |               |              |
|--------------|--------------|--------------|-------------|-------------|-----------|-----------|-----------|-----------|-------------|---------------|--------------|
|              | (65,269,557) | (63,474,828) | (9,127,509) | (4,968,440) |           |           |           |           |             | (74,397,066)  | (68,443,268) |
| (14,800,090) | (12,077,749) |              |             |             |           |           |           |           |             | (14,800,090)  | (12,077,749) |
| (18,025,519) | (17,777,895) |              |             |             |           |           |           |           |             | (18,025,519)  | (17,777,895) |
| (20,000)     | (174,511)    | (271,597)    | (100,004)   | (228,890)   |           |           |           |           |             | (294,515)     | (500,487)    |
| (2,870,225)  | (2,288,977)  |              | (104,259)   | (49,926)    | (184,435) | (170,520) | (202,575) | (269,983) | (3,361,494) | (110,878,684) | (2,779,406)  |
| 22,565,103   | 11,777,221   | 20,715,275   | 22,159,509  | 3,323,002   | 1,068,897 | 1,498,624 | 1,601,788 | 1,850,086 | 886,014     |               | 49,952,090   |

- 
- (1) Includes cattle births of the fiscal period.
  - (2) Includes cattle production amounting Ps. 18,702,618 and Ps. 21,157,057 as of March 31, 2006 and 2005, respectively.
  - (2) Includes grains production amounting to Ps. 16,972,639 and Ps. 14,303,618 as of March 31, 2006 and 2005, respectively.

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**Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Consolidated foreign currency assets and liabilities**

For the nine-month periods ended March 31, 2006 and 2005

(Notes 1, 2, and 3)

Schedule G

| Item                                       | As of March 31, 2006                |                     |                                | As of June 30, 2005                 |                                | As of March 31, 2005                |                                |
|--|-------------------------------------|---------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|
|  | Type and amount of foreign Currency | exchange rate Pesos | Amount in local currency Pesos | Type and amount of foreign Currency | Amount in local currency Pesos | Type and amount of foreign Currency | Amount in local currency Pesos |
| <b>Current Assets</b>                      |                                     |                     |                                |                                     |                                |                                     |                                |
| Cash and banks                             |                                     |                     |                                |                                     |                                |                                     |                                |
| Cash and banks                             | US\$ 2,733,315                      | 3.042               | 8,314,743                      | US\$ 4,215,034                      | 12,000,202                     | US\$ 6,138,808                      | 17,661,351                     |
| Cash and banks                             | Rs 250                              | 1.348               | 337                            |                                     |                                |                                     |                                |
| Investments:                               |                                     |                     |                                |                                     |                                |                                     |                                |
| Mutual funds                               | US\$ 15,324                         | 3.042               | 46,617                         | US\$ 18,419,917                     | 52,441,505                     | US\$ 32,535,456                     | 93,604,507                     |
| Interest of IRSA Convertible Notes 2007    |                                     |                     |                                |                                     |                                |                                     |                                |
| Subsidiaries, related companies Law 19,550 |                                     |                     |                                |                                     |                                |                                     |                                |
| Section 33 and related parties:            |                                     |                     |                                |                                     |                                |                                     |                                |
| IRSA Inversiones y Representaciones S.A.   | US\$ 844,953                        | 3.082               | 2,604,146                      | US\$ 373,509                        | 1,078,320                      | US\$ 1,144,404                      | 3,338,226                      |
| Deposits in foreign banks                  | US\$ 78,490                         | 3.042               | 238,766                        | US\$ 176,606                        | 502,796                        | US\$ 225,478                        | 648,699                        |
| Trade accounts receivable:                 |                                     |                     |                                |                                     |                                |                                     |                                |
| Trade accounts receivable                  | US\$ 59,662                         | 3.042               | 181,491                        | US\$ 354,791                        | 1,010,091                      | US\$ 368,975                        | 1,061,542                      |
| Other receivables:                         |                                     |                     |                                |                                     |                                |                                     |                                |
| Secured by mortgage                        | US\$ 1,032,619                      | 3.042               | 3,141,226                      | US\$ 2,886,254                      | 8,217,166                      | US\$ 2,837,976                      | 8,164,858                      |
| Guarantee deposits                         | US\$ 514,216                        | 3.042               | 1,564,245                      | US\$ 939,597                        | 2,675,032                      | US\$ 678,333                        | 1,951,565                      |
| Subsidiaries, related companies Law 19,550 |                                     |                     |                                |                                     |                                |                                     |                                |
| Section 33 and related parties:            |                                     |                     |                                |                                     |                                |                                     |                                |
| Cactus Argentina S.A                       | US\$ 3,184                          | 3.082               | 9,814                          |                                     |                                |                                     |                                |
| Others                                     | US\$ 15,922                         | 3.082               | 49,071                         |                                     |                                |                                     |                                |
| <b>Non current assets</b>                  |                                     |                     |                                |                                     |                                |                                     |                                |
| Other receivables                          |                                     |                     |                                |                                     |                                |                                     |                                |
| Secured by mortgage                        | US\$ 2,713,488                      | 3.042               | 8,254,430                      |                                     |                                |                                     |                                |
| Subsidiaries, related companies Law 19,550 |                                     |                     |                                |                                     |                                |                                     |                                |
| Section 33 and related parties:            |                                     |                     |                                |                                     |                                |                                     |                                |
| Alto Palermo S.A                           | US\$ 222,906                        | 3.082               | 686,996                        |                                     |                                |                                     |                                |
| IRSA Inversiones y Representaciones S.A.   | US\$ 57,319                         | 3.082               | 176,656                        |                                     |                                |                                     |                                |
| Others                                     | US\$ 31,844                         | 3.082               | 98,142                         |                                     |                                |                                     |                                |
| <b>Investments:</b>                        |                                     |                     |                                |                                     |                                |                                     |                                |
| IRSA Convertible Notes 2007                |                                     |                     |                                |                                     |                                |                                     |                                |
| Subsidiaries, related companies Law 19,550 |                                     |                     |                                |                                     |                                |                                     |                                |
| Section 33 and related parties:            |                                     |                     |                                |                                     |                                |                                     |                                |
| IRSA Inversiones y Representaciones S.A.   | US\$ 27,958,010                     | 3.082               | 86,166,588                     | US\$ 36,538,897                     | 105,487,796                    | US\$ 36,538,897                     | 106,583,963                    |
| US\$                                       | US\$ 36,281,252                     |                     | 111,532,931                    | US\$ 63,904,605                     | 183,412,908                    | US\$ 80,468,327                     | 233,014,711                    |
| Rs   | Rs 250                              |                     | 337                            |                                     |                                |                                     |                                |

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|  |       |           |             |            |             |           |             |       |         |           |
|--|-------|-----------|-------------|------------|-------------|-----------|-------------|-------|---------|-----------|
| <b>Total Assets</b>                        |       |           | 111,533,268 |            | 183,412,908 |           | 233,014,711 |       |         |           |
| <b>Current liabilities</b>                 |       |           |             |            |             |           |             |       |         |           |
| Trade accounts payable:                    |       |           |             |            |             |           |             |       |         |           |
| Suppliers                                  | U\$\$ | 3,181,983 | 3.082       | 9,806,871  | U\$\$       | 2,290,120 | 6,611,576   | U\$\$ | 793,720 | 2,315,281 |
| Accrual for other expenses                 | U\$\$ | 1,373,600 | 3.082       | 4,233,435  | U\$\$       | 607,354   | 2,592,869   | U\$\$ | 607,354 | 1,771,652 |
| Interest to be accrued                     | U\$\$ | (88,335)  | 3.082       | (272,250)  | U\$\$       |           |             | U\$\$ |         |           |
| Loans:                                     |       |           |             |            |             |           |             |       |         |           |
| Local Banks                                | U\$\$ | 4,347,470 | 3.082       | 13,398,902 | U\$\$       |           |             | U\$\$ |         |           |
| Interest of Convertible Notes 2007         | U\$\$ | 519,918   | 3.082       | 1,602,388  | U\$\$       | 164,996   | 476,343     | U\$\$ | 503,296 | 1,468,115 |
| Subsidiaries, related companies Law 19,550 |       |           |             |            |             |           |             |       |         |           |
| Section 33 and related parties:            |       |           |             |            |             |           |             |       |         |           |
| Shareholders                               | U\$\$ | 556,779   | 3.082       | 1,715,992  | U\$\$       | 244,853   | 706,891     | U\$\$ | 745,205 | 2,173,764 |
| Directors                                  | U\$\$ | 1,016     | 3.082       | 3,130      | U\$\$       | 344       | 992         | U\$\$ | 1,045   | 3,049     |

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**Cresud Sociedad Anónima,  
Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries**

**Consolidated foreign currency assets and liabilities**

For the nine-month periods ended March 31, 2006 and 2005

(Notes 1, 2, and 3)

Schedule G (Cont.)

| Item  | Type and amount of foreign Currency | As of March 31, 2006  |                          |                          | As of June 30, 2005                 |                          | As of March 31, 2005                |                          |
|---|-------------------------------------|-----------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
|   |                                     | Current exchange rate | Amount in local currency | Amount in local currency | Type and amount of foreign Currency | Amount in local currency | Type and amount of foreign Currency | Amount in local currency |
|   |                                     | Pesos                 | Pesos                    | Pesos                    |                                     | Pesos                    | Currency                            | Pesos                    |
| <b>Other debts:</b>   |                                     |                       |                          |                          |                                     |                          |                                     |                          |
| Security transactions payable   | U\$S                                |                       |                          |                          | U\$S 1,448,075                      | 4,180,593                | U\$S                                |                          |
| Advances from customers   | U\$S                                |                       |                          |                          | U\$S 711,881                        | 2,055,200                | U\$S 2,704,559                      | 7,889,200                |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties |                                     |                       |                          |                          |                                     |                          |                                     |                          |
| Cactus Feeders  |                                     |                       |                          |                          |                                     |                          | U\$S 13,961                         | 40,274                   |
| <b>Non-current liabilities</b>  |                                     |                       |                          |                          |                                     |                          |                                     |                          |
| Accrual for other expenses  | U\$S                                | 318,437               | 3,082                    | 981,422                  |                                     |                          |                                     |                          |
| <b>Loans:</b>   |                                     |                       |                          |                          |                                     |                          |                                     |                          |
| Convertible Notes 2007  | U\$S                                | 17,203,932            | 3,082                    | 53,022,519               | U\$S 15,869,642                     | 45,815,657               | U\$S 16,177,382                     | 47,189,423               |
| Subsidiaries, related companies Law 19,550 Article 33 and related parties:    |                                     |                       |                          |                          |                                     |                          |                                     |                          |
| Shareholders  | U\$S                                | 18,422,078            | 3,082                    | 56,776,844               | U\$S 24,223,922                     | 69,934,463               | U\$S 23,953,025                     | 69,870,974               |
| Directors   | U\$S                                | 33,600                | 3,082                    | 103,555                  | U\$S 33,980                         | 98,100                   | U\$S 33,600                         | 98,011                   |
| <b>Total Liabilities</b>  | U\$S                                | 45,870,478            |                          | 141,372,808              | U\$S 45,595,167                     | 132,472,684              | U\$S 45,533,147                     | 132,820,193              |

U\$S - US dollars

RS Brazilian Reais

**Table of Contents****Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries****Consolidated Information submitted in compliance with Section 64, subsection B of Law No.19,550**

For the nine-month periods ended March 31, 2006 and 2005

(Notes 1, 2, and 3)

**Schedule H**

| Items                              | Total as of    | Total      | Crops      | Operating Expenses |           |          | Expenses |           |                | Total as of    |
|------------------------------------|----------------|------------|------------|--------------------|-----------|----------|----------|-----------|----------------|----------------|
|                                    | March 31, 2006 |            |            | Beef cattle        | Milk      | Feed Lot | Others   | Selling   | Administrative | March 31, 2005 |
|                                    | Pesos          | Pesos      | Pesos      | Pesos              | Pesos     | Pesos    | Pesos    | Pesos     | Pesos          |                |
| Directors fees                     | 185,724        |            |            |                    |           |          |          | 185,724   | 90,169         |                |
| Fees and payments for services     | 1,958,020      | 303,983    | 1,669      | 167,654            | 76,285    |          | 58,375   | 1,654,037 | 995,406        |                |
| Salaries and wages                 | 5,862,710      | 3,244,681  | 591,875    | 1,326,763          | 612,899   |          | 713,144  | 78,567    | 2,539,462      | 4,735,448      |
| Social security taxes              | 1,044,586      | 547,111    | 227,132    | 152,988            | 31,154    |          | 135,837  | 14,965    | 482,510        | 830,802        |
| Taxes, rates and contributions     | 626,223        | 508,489    | 235,233    | 83,698             | 47,974    |          | 141,584  | 589       | 117,145        | 376,881        |
| Gross sales taxes                  | 479,577        |            |            |                    |           |          |          | 479,577   |                | 410,200        |
| Office and administrative expenses | 803,128        | 179,291    |            | 7,255              |           |          | 172,036  | 1,773     | 622,064        | 598,415        |
| Bank commissions and expenses      | 26,579         | 26,579     | 6,599      | 3,029              | 504       |          | 16,447   |           |                | 22,051         |
| Depreciation of fixed assets       | 3,515,509      | 3,268,834  | 1,797,645  | 813,484            | 393,548   | 210,526  | 53,631   |           | 246,675        | 2,633,851      |
| Vehicle and traveling expenses     | 621,144        | 406,720    | 164,380    | 186,059            | 12,456    |          | 43,825   | 9,358     | 205,066        | 491,224        |
| Spare parts and repairs            | 1,315,555      | 1,308,064  | 720,895    | 481,871            | 105,298   |          |          |           | 7,491          | 1,022,348      |
| Insurance                          | 207,347        | 44,591     | 19,622     | 15,961             | 1,305     |          | 7,703    |           | 162,756        | 193,552        |
| Benefits to Employees              | 296,991        | 194,208    | 54,895     | 112,979            | 8,529     |          | 17,805   |           | 102,783        | 276,421        |
| Livestock expenses (1)             | 9,925,274      | 9,284,095  |            | 9,284,095          |           |          |          | 641,179   |                | 10,338,566     |
| Dairy farm expenses (2)            | 2,264,870      | 2,264,870  |            |                    | 2,264,870 |          |          |           |                | 896,496        |
| Agricultural expenses (3)          | 15,554,087     | 10,867,378 | 10,867,378 |                    |           |          |          | 4,686,709 |                | 11,104,307     |
| Feed lot expenses                  | 413,478        | 413,478    |            |                    |           | 413,478  |          |           |                | 367,016        |
| Silo expenses                      | 24,950         | 24,950     | 24,950     |                    |           |          |          |           |                | 97,032         |
| Coal expenses                      | 202            |            |            |                    |           |          |          | 202       |                |                |

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|                            |            |            |            |            |           |         |           |           |           |            |
|----------------------------|------------|------------|------------|------------|-----------|---------|-----------|-----------|-----------|------------|
| ACER expenses              | 21,649     | 21,649     |            |            |           |         | 21,649    |           |           |            |
| FyO expenses               | 61,391     | 6,750      |            |            |           |         | 6,750     | 54,641    |           | 52,616     |
| General expenses           | 515,581    | 485,439    | 243,103    | 188,667    | 16,258    |         | 46,411    | 7,145     | 22,997    | 274,105    |
| Total as of March 31, 2006 | 45,724,575 | 33,401,160 | 14,946,376 | 12,824,503 | 3,571,080 | 624,004 | 1,435,197 | 5,974,705 |           | 6,348,710  |
| Total as of March 31, 2005 |            | 27,101,016 | 11,322,950 | 12,912,144 | 1,459,122 | 571,786 | 835,014   | 3,926,394 | 4,779,496 | 35,806,906 |

- 
- (1) Includes cattle food and additives, lodging, animal health and others.
  - (2) Includes cattle food and additives, animal health and others.
  - (3) Includes seeds, agrochemicals, irrigation, services hired, leases and others.



**Table of Contents****Cresud Sociedad Anónima,****Comercial, Inmobiliaria, Financiera y Agropecuaria****Balance Sheet as of March 31, 2006 and 2005 and June 30, 2005**

|   | March 31, 2006<br>(Notes 1 and 2)<br>Pesos | June 30, 2005<br>(Notes 1 and 2)<br>Pesos | March 31, 2005<br>(Notes 1 and 2)<br>Pesos |
|---|--|---|--|
| <b>ASSETS</b>   |  |   |  |
| <b>Current Assets</b>                                       |  |   |  |
| Cash and banks (Note 8.a.)                                  | 9,101,296                                  | 13,807,272                                | 18,162,361                                 |
| Investments (Note 8.b.)                                     | 7,152,314                                  | 59,425,172                                | 99,805,081                                 |
| Trade accounts receivable (Note 8.c.)                       | 6,472,743                                  | 9,406,400                                 | 5,330,354                                  |
| Other receivables (Note 8.d.)                               | 16,802,356                                 | 21,353,798                                | 16,070,289                                 |
| Inventories (Note 8.e.)                                     | 49,263,569                                 | 43,647,216                                | 46,258,634                                 |
| <b>Total Current Assets</b>                                 | <b>88,792,278</b>                          | <b>147,639,858</b>                        | <b>185,626,719</b>                         |
| <b>Non-Current Assets</b>                                   |  |   |  |
| Other receivables (Note 8.d.)                               | 16,530,828                                 | 6,404,092                                 | 5,156,243                                  |
| Inventories (Note 8.e.)                                     | 57,206,925                                 | 48,743,639                                | 49,804,357                                 |
| Investments on controlled and related companies (Note 8.b.) | 341,441,146                                | 306,089,140                               | 318,339,764                                |
| Other investments (Note 8.b.)                               | 86,946,920                                 | 105,508,513                               | 106,604,680                                |
| Fixed assets, net (Schedule A)                              | 204,991,842                                | 158,082,019                               | 149,675,795                                |
| <b>Subtotal Non-Current Assets</b>                          | <b>707,117,661</b>                         | <b>624,827,403</b>                        | <b>629,580,839</b>                         |
| Goodwill (Note 8.b.)  | (18,694,399)                               | (30,430,822)                              | (43,320,138)                               |
| <b>Total Non-Current Assets</b>                             | <b>688,423,262</b>                         | <b>594,396,581</b>                        | <b>586,260,701</b>                         |
| <b>Total Assets</b>   | <b>777,215,540</b>                         | <b>742,036,439</b>                        | <b>771,887,420</b>                         |
| <b>LIABILITIES</b>  |  |   |  |
| <b>Current Liabilities</b>                                  |  |   |  |
| <b>Debts:</b>   |  |   |  |
| Trade accounts payable (Note 8.f.)                          | 21,288,319                                 | 16,993,710                                | 10,720,217                                 |
| Loans (Note 8.g.)   | 37,336,082                                 | 11,499,782                                | 26,199,626                                 |
| Salaries and social security payable (Note 8.h.)            | 1,058,735                                  | 1,564,647                                 | 913,151                                    |
| Taxes payable (Note 8.i.)                                   | 1,659,998                                  | 20,041,396                                | 23,444,691                                 |
| Other debts (Note 8.j.)                                     | 2,653,212                                  | 16,104,211                                | 16,646,149                                 |
| <b>Total Debts</b>  | <b>63,996,346</b>                          | <b>66,203,746</b>                         | <b>77,923,834</b>                          |
| <b>Total Current Liabilities</b>                            | <b>63,996,346</b>                          | <b>66,203,746</b>                         | <b>77,923,834</b>                          |
| <b>Non-Current Liabilities</b>                              |  |   |  |
| Trade accounts payable (Note 8.f.)                          | 981,422                                    |   |  |
| Loans (Note 8.g.)   | 109,201,097                                | 114,693,553                               | 115,881,389                                |
| Taxes payable (Note 8.i.)                                   | 49,600,797                                 | 37,987,388                                | 33,961,761                                 |
| Other debts (Note 8.j.)                                     |  | 14,911                                    | 203,432                                    |
| Provisions (Schedule E)                                     | 68,243                                     | 65,871                                    |  |

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|  |             |             |             |
|--|-------------|-------------|-------------|
| <b>Total Non-Current Liabilities</b>             | 159,851,559 | 152,761,723 | 150,046,582 |
| <b>Total liabilities</b>                         | 223,847,905 | 218,965,469 | 227,970,416 |
| <b>SHAREHOLDERS EQUITY</b>                       | 553,367,635 | 523,070,970 | 543,917,004 |
| <b>Total Liabilities and Shareholders Equity</b> | 777,215,540 | 742,036,439 | 771,887,420 |

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

Eduardo S. Elsztain

Chairman

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**Cresud Sociedad Anónima,**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Statement of Income**

For the nine-month periods ended March 31, 2006 and 2005

|  | March 31, 2006<br>(Notes 1 and 2)<br>Pesos | March 31, 2005<br>(Notes 1 and 2)<br>Pesos |
|--|--|--|
| Sales  |  |  |
| Crops  | 31,649,131                                 | 15,030,047                                 |
| Beef cattle  | 19,725,313                                 | 26,261,038                                 |
| Milk   | 5,862,005                                  | 2,217,786                                  |
| Other  | 2,709,371                                  | 2,995,176                                  |
| <b>Total Sales</b>   | <b>59,945,820</b>                          | <b>46,504,047</b>                          |
| Cost of sales (Schedule F)   |  |  |
| Crops  | (22,565,103)                               | (11,777,221)                               |
| Beef cattle  | (14,473,492)                               | (22,035,238)                               |
| Milk   | (3,323,002)                                | (1,068,897)                                |
| Other  | (8,564)                                    | (1,161)                                    |
| <b>Total cost of sale</b>  | <b>(40,370,161)</b>                        | <b>(34,882,517)</b>                        |
| <b>Gross profit</b>  | <b>19,575,659</b>                          | <b>11,621,530</b>                          |
| Selling expenses (Schedule H)  | (5,677,277)                                | (3,760,424)                                |
| Administrative expenses (Schedule H)   | (5,797,957)                                | (4,347,610)                                |
| Net gain on sale of farms  | 9,872,997                                  | 7,657,269                                  |
| Gain from inventory holding (Schedule F)                                       | 1,908,341                                  | 8,634,649                                  |
| <b>Operating income</b>  | <b>19,881,763</b>                          | <b>19,805,414</b>                          |
| Financial gain (loss)  |  |  |
| Generated by assets:   |  |  |
| Exchange differences and discounts   | 10,626,544                                 | (4,720,303)                                |
| Interest income  | 399,182                                    | 420,120                                    |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |  |  |
| Interest on Notes (Note 7)   | 6,239,486                                  | 7,994,072                                  |
| Doubtful accounts (Schedule E)   |  | 2,826                                      |
| Tax on banking debits and credits  | (1,047,795)                                | (962,665)                                  |
| Holding result and operations security stock:                                  |  |  |
| Gain on sale of Negotiable Notes   | 14,872,000                                 | 68,754,172                                 |
| Others   | 1,808,564                                  | 126,915                                    |
|  | 32,897,981                                 | 71,615,137                                 |
| Generated by liabilities:  |  |  |
| Financial expenses:  |  |  |
| Interest on Convertible Notes (Note 7)   | (6,534,054)                                | (7,419,382)                                |

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|   |                   |                   |
|---|-------------------|-------------------|
| Others  | (1,782,245)       | (1,726,096)       |
| Exchange differences and discounts                | (9,141,170)       | 1,906,481         |
|   | (17,457,469)      | (7,238,997)       |
| <b>Other income and expenses, net:</b>            |                   |                   |
| Gains from other fixed assets sales               | 29,157            | 40,175            |
| Shareholders Personal asset tax and miscellaneous | (1,352,988)       | (3,320,033)       |
|   | (1,323,831)       | (3,279,858)       |
| Income from controlled and related companies      | 10,360,623        | 21,172,218        |
| Management fee (Note 5)                           | (2,600,512)       | (6,905,699)       |
| <b>Net Income before income tax</b>               | <b>41,758,555</b> | <b>95,168,215</b> |
| Income tax expense (Note 6)                       | (18,381,528)      | (33,016,920)      |
| <b>Net income for the period</b>                  | <b>23,377,027</b> | <b>62,151,295</b> |

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

Eduardo S. Elsztain

Chairman

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**Cresud Sociedad Anónima,**  
**Comercial, Inmobiliaria, Financiera y Agropecuaria**

**Statement of Changes in Shareholders' Equity**

For the nine-month periods ended March 31, 2006 and 2005

(Notes 1 and 2)

| Items   | Capital (Note 3)         |                            | Shareholders' contributions                            |                                 | Subtotal    | Retained earnings         |                               | Total as of<br>March 31,<br>2006 | Total as of<br>March 31,<br>2005 |
|---|--------------------------|----------------------------|--|---------------------------------|-------------|---------------------------|-------------------------------|----------------------------------|----------------------------------|
|   | Common<br>stock<br>Pesos | Treasury<br>stock<br>Pesos | Inflation<br>adjustment<br>of Common<br>stock<br>Pesos | Paid-in<br>capital (1)<br>Pesos |             | Legal<br>reserve<br>Pesos | Retained<br>earnings<br>Pesos |                                  |                                  |
| Balances at the beginning of the fiscal year            | 162,784,579              |                            | 166,218,124  | 78,175,196                      | 407,177,899 | 7,692,591                 | 108,200,480                   | 523,070,970                      | 465,168,196                      |
| Subscription of incentive plan (Note 12)                |                          |                            |  |                                 |             |                           |                               |                                  | 240,000                          |
| Conversion of Notes in common stock (Note 13)           | 8,798,601                |                            |  | 4,629,165                       | 13,427,766  |                           |                               | 13,427,766                       | 8,751,779                        |
| Exercise of Warrants (Note 13)                          | 4,616,416                |                            |  | 4,032,611                       | 8,649,027   |                           |                               | 8,649,027                        | 10,605,734                       |
| Shareholders meeting held on 11.29.05:                  |                          |                            |  |                                 |             |                           |                               |                                  |                                  |
| Legal Reserve   |                          |                            |  |                                 |             | 3,839,946                 | (3,839,946)                   |                                  |                                  |
| Cash dividends  |                          |                            |  |                                 |             |                           | (10,000,000)                  | (10,000,000)                     | (3,000,000)                      |
| Related companies Law 19,550 Section 33: IRSA (Note 14) |                          |                            |  | (5,157,155)                     | (5,157,155) |                           |                               | (5,157,155)                      |                                  |
| Net income for the period                               |                          |                            |  |                                 |             |                           | 23,377,027                    | 23,377,027                       | 62,151,295                       |
| Balances as of March 31, 2006                           | 176,199,596              |                            | 166,218,124  | 81,679,817                      | 424,097,537 | 11,532,537                | 117,737,561                   | 553,367,635                      |                                  |
| Balances as of March 31, 2005                           | 162,534,470              |                            | 166,218,124  | 113,918,962                     | 442,671,556 | 7,692,591                 | 93,552,857                    |                                  | 543,917,004                      |

(1) See notes 2 n and 14

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

Eduardo S. Elsztain

Chairman

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For the nine-month periods ended March 31, 2006 and 2005

|   | <b>March 31, 2006</b><br><b>(Notes 1 and 2)</b><br><b>Pesos</b> | <b>March 31, 2005</b><br><b>(Notes 1 and 2)</b><br><b>Pesos</b> |
|---|---|---|
| <b>Changes in cash and cash equivalents</b>                                   |   |   |
| Cash and cash equivalents at the beginning of the fiscal year                 | 66,248,838  | 12,527,042  |
| Cash and cash equivalents at the end of the period                            | 9,147,913   | 111,767,020   |
| Net (decrease) increase in cash and cash equivalents                          | (57,100,925)  | 99,239,978  |
| <b>Causes of changes in cash and cash equivalents</b>                         |   |   |
| <b>Operating activities</b>   |   |   |
| Income for the period   | 23,377,027  | 62,151,295  |
| Accrued interest  | 7,092,959   | 7,319,715   |
| Income tax  | 18,381,528  | 33,016,920  |
| <b>Adjustments made to reach net cash flow from operating activities</b>      |   |   |
| Income from interest in controlled and related companies                      | (10,360,623)  | (21,172,218)  |
| Increase in allowances, provisions and accruals                               | 8,498,343   | 9,111,032   |
| Depreciation  | 3,122,307   | 2,234,423   |
| Gain from inventory holdings  | (1,908,341)   | (8,634,649)   |
| Financial results   | (5,185,619)   | (6,981,621)   |
| Gain on sale of Negociable Notes  | (14,872,000)  | (68,754,172)  |
| Gain from sale of fixed assets  | (9,902,154)   | (7,697,444)   |
| <b>Changes in operating assets and liabilities</b>                            |   |   |
| Decrease in current investments   | 5,800,768   | 2,596,816   |
| Decrease (Increase) in trade accounts receivable                              | 2,933,657   | (1,752,734)   |
| (Increase) Decrease in other receivables                                      | (2,758,460)   | 6,466,525   |
| Increase in inventories   | (12,669,532)  | (12,762,257)  |
| Decrease in social security payable & taxes payable and advances to customers | (25,655,429)  | (2,911,877)   |
| Decrease in trade accounts payable  | (7,783,438)   | (2,536,152)   |
| Dividends collected   | 988,307   | 1,011,469   |
| (Decrease) increase in other debts  | (1,604,227)   | 1,670,362   |
| <b>Cash flows applied to operating activities</b>                             | <b>(22,504,927)</b>   | <b>(7,624,567)</b>  |
| <b>Investment activities</b>  |   |   |
| Decrease in non-current investments   |   | 93,528,147  |
| Increase in interest in related companies                                     | (2,223,325)   | (6,349,709)   |
| Acquisition and upgrading of fixed assets                                     | (48,577,205)  | (8,650,536)   |
| Collections of receivables from sale of fixed assets                          | 5,736,964   | 1,127,138   |
| Sale of fixed assets  | 9,589,200   | 8,554,120   |
| <b>Cash flows (applied to) provided by investment activities</b>              | <b>(35,474,366)</b>   | <b>88,209,160</b>   |
| <b>Financing activities</b>   |   |   |
| Exercise of Warrants  | 8,649,027   | 10,605,734  |
| Dividends paid  | (10,000,000)  | (3,000,000)   |
| Subscription of incentive plan  |   | 240,000   |
| Increase in financial loans   | 33,455,667  | 44,356,365  |

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|   |                     |                   |
|---|---------------------|-------------------|
| Decrease in financial loans   | (14,712,326)        | (33,546,714)      |
| (Decrease) in others liabilities  | (16,514,000)        |                   |
| <b>Cash flows provided by financing activities</b>                                    | 878,368             | 18,655,385        |
| <b>Net (decrease) increase in cash and cash equivalents</b>                           | <b>(57,100,925)</b> | <b>99,239,978</b> |
| <b>Items not involving changes in cash and cash equivalents</b>                       |                     |                   |
| Transfer of inventory to fixed assets   | 498,234             | 646,712           |
| Increase in interest in related companies trough a decrease of non-current investment | 15,608,956          |                   |
| Increase in other receivables by sale of fixed assets                                 | 8,572,080           | 8,077,546         |
| Repayment of financial loans through issue of stock by exercise of conversion right   | 13,427,766          | 8,751,779         |
| Increase in fixed assets due to an increase in other debts                            | 7,160,617           |                   |
| Decrease in other debts through a decrease in fixed assets                            | 2,055,200           |                   |
| <b>Complementary information</b>  |                     |                   |
| Interest paid   | 6,534,054           | 5,107,038         |
| Income tax paid   | 27,564,661          | 244,857           |

Eduardo S. Elsztain

Chairman



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**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

For the nine-month periods ended March 31, 2006 and 2005

**Notes to the Financial Statements**

**NOTE 1: ACCOUNTING STANDARDS**

Below 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, and have been prepared in accordance with the disclosure and valuation accounting standards contained in the Technical Resolutions issued by the F.A.C.P.C.E., as approved, with resolutions issued by the Consejo Profesional de Ciencias Económicas de la Ciudad Autónoma de Buenos Aires (C.P.C.E.C.A.B.A.) and the C.N.V.

b. New Accounting Standards

The C.P.C.E.C.A.B.A. enacted the following technical resolutions: No. 16: Conceptual regime for professional accounting regulations ; No. 17: Professional accounting regulations: development of matters of general application , No. 18: Professional accounting regulations: development of some matters of particular application and No. 19 Modifications to technical resolutions No. 6, 8, 9, 11 and 14 and No. 20 Derivative instruments and hedging transactions , through Resolutions C 238/01, C 243/01, C 261/01, C 262/01 and C 187/02, respectively; establishing that such technical resolutions and the modifications incorporated, will be in force for periods initiated as from July 1, 2002 (other than Technical Resolution No. 20, which shall become effective for fiscal years beginning as from January 1, 2003).

The C.N.V., through Resolution No. 434/03 has adopted such technical resolutions with some exceptions and modifications, which have been in force for fiscal years initiated as from January 1, 2003.

The last changes basically result from the registration of income tax under the deferred tax method, as concerns agreements involving derivative instruments at their fair value and the valuation of receivables and payables with no stated rate at their discounted value.

As at February 19, 2003, the C.P.C.E.C.A.B.A., enacted Technical Resolution No. 21 Proportional value- consolidation of financial statements-information to provide on related parties through Resolution M.D. No. 5/2003.

The above mentioned Technical Resolution and the amendments introduced became effective for fiscal years ended as from April 1, 2003. Furthermore, The C.N.V. has adopted such Technical Resolution, through Resolution No. 459/04 introducing some modifications, which will be in force for fiscal years started as from April 1, 2004, consequently the Company has considered their application.

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 1:** (Continued)

On January 12, 2005, the C.P.C.E.C.A.B.A. approved Technical Resolution No. 22, Professional accounting rules: agricultural business under its Resolution M.D. No. 01/2005 effective for fiscal years starting as from July 1, 2005. The C.N.V. adopted such Technical Resolution through its Resolution No. 485 of December 29, 2005, effective for complete or interim periods of fiscal years commencing as from January 1, 2006. In accordance with the Company's evaluation, the application of such resolution will not produce an impact on respect of the valuation of biological assets and it represents an improvement in the exposure. To such extent, production of meat is shown in these financial statements in Schedule F.

On August 10, 2005, the Professional Council in Economic Sciences of the City of Buenos Aires (C.P.C.E.C.A.B.A.) through its Resolution CD 93/2005 approved the consolidation of the professional accounting principles of its jurisdiction with those issued by the Argentine Federation of Professional Councils in Economic Sciences.

For the purpose of such Resolution, the issuance of reports from Certified Public Accountants on Financial Statements, Audit Standards, Statutory Audit Committee Standards and Professional Accounting Principles which are to be applied on a mandatory basis in the City of Buenos Aires, are contained in:

- a) Technical Resolutions 6, 7, 8, 9, 11, 14, 15, 16, 17, 18, 21 and 22 of the Argentine Federation of Professional Councils in Economic Sciences including the changes therein made by such entity up to April 1, 2005;
- b) Resolution No. 287/03 of the Governing Body of such Federation;
- c) Other interpretations of the accounting and audit standards 1, 2, 3 and 4 of such Federation with the changes therein made by such entity up to April 1, 2005

The above-mentioned standards will become effective for complete or interim periods of fiscal years commencing as from January 1, 2006 their anticipated application being admitted, and will substitute those standards contained in Resolutions CD No. 87/2003 and MD No. 1/2005 of the Professional Council of Economic Sciences of the City of Buenos Aires.

On December 29, 2005, through Resolutions 485 and 487, the National Securities Commission (CNV) adopted with certain changes the standards of the C.P.C.E.C.A.B.A. The standards adopted will become effective for the Company on July 1, 2006 (date of beginning of the next fiscal period). The principal change arising from the consolidation of the accounting standards is related to the treatment given to the adjustment for inflation in the calculation of the deferred tax, which can be taken as a temporary difference, according to the Company's criteria. The adjustment for inflation is currently considered as a permanent difference in the calculation of the deferred tax. The Company has decided to maintain this accounting criteria.

Under the dispositions of Resolution 487 of the National Securities Commission (CNV) and according to the Company decision, informed to the CNV by note of March 31, 2006, of including the quantification in a note to the financial statements, we inform that the amount is \$ 60,070,168 as of closing of these financial statements.

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 1:** (Continued)

The financial statements for the nine-month period ended as of March 31, 2006 and 2005 have not been audited. The Company management estimates that all necessary adjustments are included to reasonably present the income statements accounts of each year. The nine-month periods income statements accounts as of March 31, 2006 and 2005 do not necessarily reflect the proportion of the Company's income statements accounts for the complete periods.

c. Accounting for inflation

The Company's financial statements have been prepared in accordance with Resolution M.D. 3/02 of the C.P.C.E.C.A.B.A., which has established the application of Technical Resolution No. 6, as amended by Technical Resolution No. 19 of the F.A.C.P.C.E., as from fiscal years or interim periods ended on or after March 31, 2002.

On March 25, 2003, the National Executive Power issued Decree No. 664 establishing that financial statements for fiscal years ended as from that date should be stated in nominal currency.

Therefore, in accordance with Resolution No. 441 issued by the C.N.V. on April 8, 2003, the Company discontinued restatement of its financial statements effective March 1, 2003. This criteria does not comply with Resolution M.D. 041/2003, enacted by the C.P.C.E.C.A.B.A., by means of which the restatement of financial statements as of October 1, 2003 is no longer compulsory. However, as of March 31, 2006, this deviation did not have a material effect on the Company's financial statements.

As a consequence of the above mentioned, the initial balances at the Company's financial statements are presented in constant currency as of February 28, 2003, having considered the accounting measurements restated by the changes in the purchasing power money until interruption of the adjustment and those arising in the period of stability, restated into currency of December 2001. Transactions subsequent to February 28, 2003 have been recorded at their historical values.

The coefficients prepared based on the domestic wholesale price index, published by the Instituto Nacional de Estadísticas y Censos, have been applied for purposes of the abovementioned restatement of comparative information.

d. Comparative Information

For comparison purposes certain, reclassifications have been made as of March 31, 2005.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

a. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates are used when accounting for the allowance for conversion of convertible bonds into shares of stock, doubtful accounts, depreciation, impairment of current and non-current assets, income taxes, deferred liabilities and provisions for contingencies, accrual for expenses, donations and assets recoverable value of the current and non-current assets. Actual results could differ from those estimates.



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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 2:** (Continued)

b. Local currency assets and liabilities

The local currency assets and liabilities are stated at period-end nominal currency.

c. Foreign currency assets and liabilities

Assets and liabilities denominated in foreign currency have been valued at the amount of such currency as of the date of the financial statements, converted at the buying and selling exchange rate, respectively, prevailing at period-end.

d. Temporary investments

The units of ownership of common investment funds, the mortgage certificates, nobacs and bonds were valued at quotation value at period-end net of sales expenses. Temporary investments do not exceed their recoverable value at the date of the financial statements.

e. Trade accounts receivable and payable

Trade accounts receivable and payable have 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, provided they are significant.

f. Credits and loans

Credits and loans have been valued in accordance with the sum of money delivered and received, respectively, net of transaction costs, plus financial results accrued on the basis of the rate estimated at such time as of period-end.

g. Derivates financial instruments

Futures relate to cereal commitments deliverable at a previously agreed price (see note 4), to dollars commitments with Banco Río and to metals traded in Chicago market.

Premiums collected or paid correspond to options bought or written or bought and are included in Other receivables.

The assets or liabilities originated in derivatives instruments have been valued at their market value at period-end (see Note 4).

Differences generated by the application of the above mentioned valuation criteria to assets and liabilities from derivative instruments corresponding to crops, dollars and metals have been recognized under net income of the period under Cost of sales and under Financial Results in the Income Statement, respectively.

h. Other receivables and payables

Other receivables and payables have been valued on the basis of the agreed values plus interest accrued as of the date of these financial statements.

Other receivables and payables in foreign currency have been valued at their amount in such currency at the period-end closing date, converted to the buyer and seller exchange rate, respectively, prevailing at the period-end closing date.

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 2:** (Continued)

i. Balances with related parties

Receivables and payables with related parties have been valued in accordance with the conditions agreed between the parties involved.

j. Inventories

1. Livestock for raising and grazing cattle have been stated at their market value at the end of the period, net of estimated selling expenses. The livestock for dairy production and other purposes not related to direct sale over the next 12 months were valued at replacement cost.

Holding gain on cattle was calculated as the price difference of the heifer kilogram between stocks at beginning and closing of period.

Production of cattle is shown in Schedule F, as mentioned in Note 1.b).

Considering the seasonal nature of agricultural activities, there are no results shown for production of grains to the date of these financial statements.

2. Crops: at their quoted market value at the end of the period, less estimated sale expenses.

The cost of cereals includes the holding gain of grains.

Production of cereal is shown en Schedule F, as mentioned in Note 1.b.)

3. Sown lands: Sown lands are valued at the replacement cost of the supplies used, plus expenses accrued as of the date of these financial statements.

4. The remaining inventories were valued at replacement value.

The carrying values of inventories, which are determined as discussed above, do not exceed their estimated recoverable values at the end of the period.

k. Long term investments in other companies

1. Investments in subsidiaries and affiliates

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The investments in subsidiaries and affiliates in which the Company has significant influence have been accounted for under the equity method, as required by Technical Resolution No. 21 of the F.A.C.P.C.E. approved by C.N.V.



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**Cresud Sociedad Anónima, Comercial,**  
**Inmobiliaria, Financiera y Agropecuaria**  
**Notes to the Financial Statements (Continued)**

**NOTE 2:** (Continued)

Interests in subsidiaries and affiliates at March 31, 2006 are as follows:

| <b>Subsidiaries and affiliates</b>                   | <b>% Equity interest</b> |
|--|--------------------------|
| Inversiones Ganaderas S.A.                           | 99.99                    |
| Agropecuaria Cervera S.A.                            | 90.00                    |
| Futuros y Opciones.Com S.A.                          | 70.00                    |
| Cactus Argentina S.A.                                | 50.00                    |
| Agro Uranga S.A.                                     | 35.72                    |
| IRSA Inversiones y Representaciones Sociedad Anónima | 22.65                    |

Consolidated financial statements with Inversiones Ganaderas S.A., Futuros y Opciones.Com, Agropecuaria Cervera S.A. and Cactus Argentina S.A. in proportional consolidation of 50% at March 31, 2006 and 2005 are presented as complementary information.

**2. Goodwill**

The goodwill relating to the purchase of the subsidiary Futuros y Opciones.Com S.A. has been valued at its restated cost as of February 28, 2003, calculated as the difference between the price paid for such investment and its equity value calculated at the time of purchase, which was also restated as of that date (Note. 1.c.).

Depreciation was calculated in accordance with the estimated useful life, which was 5 years and has been classified under Gain from controlled and related companies in the statement of income. As of March 31, 2006 the above mentioned goodwill is fully amortized.

The negative goodwill corresponding to the investment in Inversiones y Representaciones S.A. had been valued at cost restated as of February 28, 2003, and calculated as a difference between the market value of such investment and its equity value at the time of changing the March 2002-valuation method, and in each one of the purchases restated, if any, at that same date (Note 1.c).

Depreciation is calculated in accordance with the estimated useful life, which is 20 years and has been classified under Gain from controlled companies and related companies in the statement of income.

Current valuations and economic conditions tend to make less risky any permanent investment opportunity and also help increasing the possibility to obtain significant long-term profits through IRSA shares.

The goodwill of the business (positive) for the purchase of the subsidiary Agropecuaria Cervera S.A. (ACER) has been valued at cost value, which was calculated as a difference between the value paid for such investment and the estimated current value of the assets added. The Company is currently analyzing the current value assigned to the assets acquired in line with the guidelines of Technical Resolution No. 21.

The amortization of the goodwill of ACER will be calculated in accordance with the duration of the project (Note 12), which was established in 35 year's term with an option of 29 additional years. The goodwill of the project will be amortized as from the start.

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 2:** (Continued)

3. Other Investments

- Investments in debt securities

IRSA's Convertible Bonds were valued taking into account the face value at period-end in dollars, at the sellers' exchange rate plus interest accrued as of the date of these financial statements.

BrasilAgro - Companhia Brasileira de Propiedades Agrícolas (undergoing incorporation process)

The investment in BrasilAgro has been valued at incurred cost as it is currently under capitalization stage.

- Other investments

The remaining investments correspond to non-listed securities and were valued at their restated cost as of February 28, 2003 (Note 1.c.).

1. Fixed assets

- Purchase value

Valued at cost restated applying the coefficients mentioned in Note 1.c., based on the corresponding dates of origin.

- Depreciation

Calculated by the straight-line method based on the estimated useful lives of the assets as from the period of addition.

- The carrying value

The carrying value of fixed assets does not exceed their recoverable value at the end of the period.

m. Shareholders' equity

Initial balances have been restated in accordance with the criteria set forth in Note 1.c. Movements for the period are recorded at their historical values.

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n. Paid-in capital - Related Companies Law No. 19,550 Section 33

Increases or decreases of the equity value of investments in IRSA Inversiones y Representaciones S.A. and Futuros y Operaciones.Com S.A. 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 Technical Resolution 17 of the F.A.C.P.C.E. and Resolution CD 243/01 of the C.P.C.E.C.A.B.A.

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 2:** (Continued)

o. Results for the period

Charges for assets consumed are calculated considering the values of the assets.

Holding gain and loans of livestock are disclosed in one line in the Income Statement and in Schedule F and is calculated as explained in note 2.j.1.

Cost of sale is calculated by inventory difference and cattle and corns production is disclosed in Schedule F (see notes 2.j.1 and 2.j.2)

The remaining results for the period are disclosed in the paid cost.

The income statement shows the financial gains and losses, discriminating those generated by assets and those generated by liabilities.

p. Income Tax

The Company has recognized the income tax on the basis of the deferred tax liability 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 livestock 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%).

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

q. Tax on minimum presumed income

The Company determines the tax on minimum presumed income 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 will be the higher of these two taxes. However, if the tax on minimum presumed income exceeds the income tax in any period, such excess may be computed as payment on account of the income tax that may be payable in any of the following ten fiscal years.

r. Revenue recognition

Revenue is recognized on sales of products when the customer receives title to the goods, generally upon delivery.

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Notes to the Financial Statements (Continued)**

**NOTE 3: COMMON AND TREASURY STOCK**

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

|   | Authorized  | Subscribed  | Paid in     |
|---|-------------|-------------|-------------|
|   | Pesos       | Pesos       | Pesos       |
| Common and treasury stock at June 30, 2003  | 124,098,095 | 124,098,095 | 124,098,095 |
| Incentive Plan (Note 12) - Fiscal Year 2004   | 332,437     | 332,437     | 332,437     |
| Conversion of bonds in common stock (Note 13) - Fiscal Year 2004  | 13,136,577  | 13,136,577  | 13,136,577  |
| Exercise of Warrants (Note 13) - Fiscal Year 2004   | 12,965,710  | 12,965,710  | 12,965,710  |
| Incentive Plan (Note 12) - Fiscal Year 2005   | 240,000     | 240,000     | 240,000     |
| Conversion of bonds in common stock (Note 13) - Fiscal Year 2005  | 5,918,871   | 5,918,871   | 5,918,871   |
| Exercise of Warrants (Note 13) - Fiscal Year 2005   | 6,092,889   | 6,092,889   | 6,092,889   |
| Conversion of bonds in common stock (Note 13) - Fiscal Year 2006-1 <sup>st</sup> ,<br>2 <sup>nd</sup> and 3 <sup>rd</sup> quarter | 8,798,601   | 8,798,601   | 8,798,601   |
| Exercise of Warrants (Note 13) - Fiscal Year 2005-2006 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup><br>quarter           | 4,616,416   | 4,616,416   | 4,616,416   |
| Common and treasury stock at 2005   | 176,199,596 | 176,199,596 | 176,199,596 |

As of March 31, 2006, the capital authorized to be publicly offered is formed of 176,199,596 common, book-entry shares of Ps.1 par value each and entitled to one vote per share, all of which were outstanding.

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**Notes to the Financial Statements (Continued)**

**NOTE 4: DERIVATIVE FINANCIAL INSTRUMENTS**

At March 31, 2006 the Company had arranged futures and options on the Futures Market as follows:

| Cereal                | Tons           | Margins<br>Ps. | Premium<br>paid or<br>(collected)<br>Ps. | Premium at<br>fair value<br>Ps. | Gain (loss) for<br>valuation at<br>fair value<br>Ps. |
|-----------------------|----------------|----------------|--|---------------------------------|--|
| <b><u>Futures</u></b> |                |                |  |                                 |  |
| <b>Purchase</b>       |                |                |  |                                 |  |
| Corn                  | 14,700         | 34,070         |  |                                 | 298,518  |
| <b>Sell</b>           |                |                |  |                                 |  |
| Corn                  | 2,924          | 25,553         |  |                                 | (24,776)   |
| Soybean               | 6,600          | 200,772        |  |                                 | 12,016   |
| Wheat                 | 1,700          | 36,200         |  |                                 | 2,434  |
| U\$S                  |                |                |  |                                 | (a) 5,554  |
| <b><u>Options</u></b> |                |                |  |                                 |  |
| <b>Purchase Call</b>  |                |                |  |                                 |  |
| Corn                  | 6,350          |                | 106,470                                  | 65,590                          | (40,880)   |
| Soybean               | 2,040          |                | 9,240                                    | 6,271                           | (2,969)  |
| Wheat                 | 6,800          |                | 153,621                                  | 98,809                          | (54,812)   |
| <b>Sell Call</b>      |                |                |  |                                 |  |
| Corn                  | 11,430         |                | (97,724)                                 | (130,609)                       | (32,885)   |
| Soybean               | 16,120         | 26,316         | (393,361)                                | (188,243)                       | 205,118  |
| Wheat                 | 6,800          |                | (86,697)                                 | (49,405)                        | 37,292   |
| <b>Purchase Put</b>   |                |                |  |                                 |  |
| Corn                  | 17,780         |                | 102,287                                  | 51,711                          | (50,576)   |
| Soybean               | 25,980         | (2,807)        | 818,024                                  | 635,145                         | (182,879)  |
| <b>Sell Put</b>       |                |                |  |                                 |  |
| Corn                  | 6,350          |                | (17,111)                                 | (3,802)                         | 13,309   |
| Wheat                 | 6,800          |                | (94,302)                                 | (106,410)                       | (12,108)   |
| <b>Total</b>          | <b>132,374</b> | <b>320,824</b> | <b>500,447</b>                           | <b>379,057</b>                  | <b>172,356</b>                                       |

(a) Corresponds to 5,048,886 dollars. The gain generated as of March 31, 2006 is included in financial results of the income statement.  
Crops:

As of March 31, 2006 and 2005 the Company charged to income Ps. 438,424 (gain) and Ps. 2,924,090 (loss), respectively, to reflect the closing of the transactions carried out during those periods. These results are disclosed under the cost of crops in a line of Schedule F.



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**Notes to the Financial Statements (Continued)**

**NOTE 4:** (Continued)

At March 31, 2005 the Company had arranged futures and options on the Forward Market as follows:

|                       |                | Margins        | Premium paid<br>or (collected) | Premium at fair<br>value | Gain (loss) for<br>valuation at fair<br>value |
|-----------------------|----------------|----------------|--------------------------------|--------------------------|---|
|                       | Tons           | Ps.            | Ps.                            | Ps.                      | Ps.   |
| <b>Cereal</b>         |                |                |                                |                          |   |
| <b><u>Futures</u></b> |                |                |                                |                          |   |
| <b>Sell</b>           |                |                |                                |                          |   |
| Corn                  | 31,750         |                |                                |                          | 19,778  |
| Soybean               | 9,200          | 264,684        |                                |                          | (47,263)                                      |
| Wheat                 | 3,800          | 76,528         |                                |                          | (14,627)                                      |
| <b>Purchase</b>       |                |                |                                |                          |   |
| Silver                |                |                |                                |                          | (291,781)(a)                                  |
| <b><u>Options</u></b> |                |                |                                |                          |   |
| <b>Purchase Call</b>  |                |                |                                |                          |   |
| Corn                  | 31,750         |                | 270,424                        | 151,035                  | (119,389)                                     |
| Soybean               | 11,560         |                | 350,437                        | 246,923                  | (103,514)                                     |
| <b>Sell Call</b>      |                |                |                                |                          |   |
| Corn                  | 46,355         |                | (327,385)                      | (258,017)                | 69,368  |
| Soybean               | 28,380         | 15,205         | (563,174)                      | (470,887)                | 92,287  |
| Wheat                 | 3,920          | 24,167         | (73,339)                       | (120,361)                | (47,022)                                      |
| <b>Purchase Put</b>   |                |                |                                |                          |   |
| Corn                  | 14,605         |                | 273,301                        | 300,810                  | 27,509  |
| Soybean               | 16,820         | (115)          | 783,399                        | 811,001                  | 27,602  |
| <b>Total</b>          | <b>198,140</b> | <b>380,469</b> | <b>713,663</b>                 | <b>660,504</b>           | <b>(387,052)</b>                              |

(a) Corresponds to 705,000 troyan ounces. The loss generated as of March 31, 2005 is included in financial results of the Income statement.

**NOTE 5: MANAGEMENT AGREEMENT**

The Company signed a management agreement with Dolphin Fund Management S.A. (formerly 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 Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria are also executive directors and shareholders of Dolphin Fund Management S.A., the above-mentioned agreement was approved by the Extraordinary Shareholders' Meeting



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held on October 25, 1994, in compliance with Section No. 271 of Law No. 19,550.

On 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 contract is held by Consultores Asset Management S.A.

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**Cresud Sociedad Anónima, Comercial,**  
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**Notes to the Financial Statements (Continued)**

**NOTE 5:** (Continued)

The financial statements as of March 31, 2006 and 2005 include a charge in the Statement of Income of Ps. 2,600,512 and Ps. 6,905,699 and a provision of the same amounts as the mentioned dates respectively.

**NOTE 6: INCOME TAX DEFERRED TAX**

The following tables show the evolution and composition of deferred tax Assets and Liabilities.

- Deferred assets as of March 31, 2006:

|                    | <b>Cumulative<br/>tax loss<br/>carryforwards</b> | <b>Other</b> | <b>TOTAL</b> |
|--------------------|--|--------------|--------------|
| Initial Balance    | 2,367,216  | 494,355      | 2,861,571    |
| Income Tax expense | (364,410)  | (454,795)    | (819,205)    |
| Closing Balance    | 2,002,806  | 39,560       | 2,042,366    |

- Deferred liabilities as of March 31, 2006:

|                    | <b>Fixed Assets</b> | <b>Inventories</b> | <b>Investments</b> | <b>Accruals</b> | <b>Others</b> | <b>TOTAL</b> |
|--------------------|---------------------|--------------------|--------------------|-----------------|---------------|--------------|
| Initial Balance    | (22,615,009)        | (14,240,940)       | (2,730,064)        | (1,271,064)     | 9,282         | (40,847,795) |
| Income Tax expense | (4,575,451)         | (517,132)          | (5,419,220)        | (283,566)       |               | (10,795,368) |
| Closing Balance    | (27,190,460)        | (14,758,072)       | (8,149,284)        | (1,554,630)     | 9,282         | (51,643,163) |

As of March 31, 2006, net liabilities at period-end as per the information included in the preceding tables amount to Ps. 49,600,797.

Below is a conciliation between the Income Tax expensed and that which would result from applying the prevailing tax rate on the Net Income for accounting purposes:

| <b>Description</b>           | <b>March 31,<br/>2006</b> | <b>March 31,<br/>2005</b> |
|------------------------------|---------------------------|---------------------------|
| Net Income before income tax | 41,758,555                | 95,168,215                |
| Tax rate                     | 35%                       | 35%                       |

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|  |             |             |
|--|-------------|-------------|
| Net income at tax rates:                   | 14,615,494  | 33,308,875  |
| Permanent differences at tax rate:         |             |             |
| Restatement into constant currency         | 1,583,160   | 4,066,732   |
| Penalties                                  | 1,050       | 159         |
| Donations                                  | 7,827       | 3,050       |
| Amortization FYO Goodwill                  |             | 83,465      |
| Gain from purchase and sale of stock       |             | 2,398,665   |
| Loss from controlled and related companies | (3,626,218) | (7,410,276) |
| Personal asset tax                         | 467,200     | 1,157,197   |
| Conversion of notes in common stock        | 5,419,175   | 1,509,585   |
| Miscellaneous permanent differences        | (86,160)    | (2,100,532) |
| Income tax expense                         | 18,381,528  | 33,016,920  |

During this period the Income Tax rate was 35%.

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**Cresud Sociedad Anónima, Comercial,**  
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**Notes to the Financial Statements (Continued)**

Cumulative tax loss carryforwards recorded by the Company pending utilization at period-end amount to approximately Ps. 2,002,806 and may be offset against taxable income of future periods, as follows:

**NOTA 6:** (Continued)

| Origination year | Amount    | Expiration Year |
|------------------|-----------|-----------------|
| 2003             | 1,839,952 | 2008            |
| 2005             | 162,854   | 2010            |

- Deferred assets as of March 31, 2005:

|                    | Cumulative<br>tax loss<br>carryforwards | Provisions | Others | TOTAL     |
|--------------------|---|------------|--------|-----------|
| Initial Balance    | 2,224,649                               | 20         | 1,191  | 2,225,860 |
| Income Tax expense | (20,840)                                |            | 80,289 | 59,449    |
| Closing Balance    | 2,203,809                               | 20         | 81,480 | 2,285,309 |

- Deferred liabilities as of March 31, 2005:

|                    | Fixed Assets | Inventories  | Investments | Accruals    | TOTAL        |
|--------------------|--------------|--------------|-------------|-------------|--------------|
| Initial Balance    | (13,522,161) | (11,545,458) | (1,220,989) | (1,069,822) | (27,358,430) |
| Income Tax expense | (4,308,268)  | (2,535,921)  | (1,509,115) | (535,336)   | (8,888,640)  |
| Closing Balance    | (17,830,429) | (14,081,379) | (2,730,104) | (1,605,158) | (36,247,070) |

As of March 31, 2005, the net liability related to the schedule detailed is an amount of Ps. 33,961,761.

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**Cresud Sociedad Anónima, Comercial,  
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Notes to the Financial Statements (Continued)**

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

a. Balances at March 31, 2006 and 2005 and June 30, 2005 with Subsidiaries, related companies and related parties:

|   | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 |
|---|-------------------|------------------|-------------------|
| <b><u>IRSA Inversiones y Representaciones S.A.(3)</u></b> |                   |                  |                   |
| Current Investments                                       |                   |                  |                   |
| -Interest of Convertible Bonds 2007-IRSA (U\$S)           | 2,604,146         | 1,078,320        | 3,338,226         |
| Non-Current Investments                                   |                   |                  |                   |
| -Convertible Bonds 2007-IRSA (U\$S)                       | 86,166,588        | 105,487,796      | 106,583,963       |
| Current other receivables                                 | 1,331             |                  |                   |
| Non-current other receivables                             | 176,656           |                  |                   |
| Current Trade accounts payable                            |                   | 43,822           | 159,268           |
| <b><u>Inversiones Ganaderas S.A.(1)</u></b>               |                   |                  |                   |
| Current Trade accounts receivable                         |                   | 30,814           | 10,348            |
| Non-current other receivables                             | 1,257,743         |                  |                   |
| Current trade accounts payable                            | 147,642           |                  |                   |
| Current Other debts                                       |                   | 1,605,463        | 1,630,854         |
| Non-Current Other debts                                   |                   | 14,911           | 203,432           |
| <b><u>Futuros y opciones.Com S.A.(1)</u></b>              |                   |                  |                   |
| Current Trade accounts receivable                         | 757,729           | 897,389          | 693,540           |
| Current Other receivables                                 | 23,603            | 23,603           | 23,603            |
| Current Other debts                                       |                   |                  | 102,896           |
| <b><u>Cactus Argentina S.A.(3)</u></b>                    |                   |                  |                   |
| Current Trade accounts receivable                         | 38,921            | 785,849          | 45,164            |
| Current Other receivables                                 | 370,781           | 332,209          | 1,363,965         |
| Non-current other receivables                             | 19,628            |                  |                   |
| Current Trade accounts payable                            | 415,222           |                  | 413,804           |
| <b><u>Agro-Uranga S.A.(3)</u></b>                         |                   |                  |                   |
| Current Other receivables                                 | 160,609           | 39,993           | 694,981           |
| <b><u>Fundación IRSA (4)</u></b>                          |                   |                  |                   |
| Current Trade accounts payable                            | 1,900,000         | 1,900,000        | 1,177,988         |
| <b><u>Inversora Bolívar (4)</u></b>                       |                   |                  |                   |
| Current Trade accounts payable                            | 105,180           | 5,445            | 6,777             |
| <b><u>Alto Palermo S.A.(4)</u></b>                        |                   |                  |                   |
| Non-current other receivables                             | 686,996           |                  |                   |
| Current Trade accounts payable                            | 60,409            | 193,053          | 74,664            |
| <b><u>Alto City com (4)</u></b>                           |                   |                  |                   |

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|  |           |           |           |
|--|-----------|-----------|-----------|
| Current Trade Payable  | 900       |           | 298       |
| <b><u>Agropecuaria Cervera S.A (4)</u></b>                               |           |           |           |
| Current other receivables  | 14,398    |           |           |
| Non- current other receivables   | 364,917   |           |           |
| <b><u>Consultores Asset Management S.A.(4)</u></b>                       |           |           |           |
| Management Fees  | 2,600,513 | 8,239,263 | 6,905,699 |
| <b><u>Credits to employees (4)</u></b>                                   |           |           |           |
| Current credits to Senior management, directors and staff of the company | 71,942    | 29,397    | 35,114    |
| <b><u>Estudio Zang, Bergel &amp; Viñes (4)</u></b>                       |           |           |           |
| Current Trade accounts payable   | 163,592   | 21,092    | 75,154    |
| <b><u>Directors (4)</u></b>  |           |           |           |
| Current other receivables  | 10,940    |           |           |
| Current trade accounts payable   |           |           | 2,159     |
| <b>Current Loans</b>   |           |           |           |
| <b>Convertible Bonds 2007 Interest payable (Schedule G)</b>              |           |           |           |
| Directors  | 3,130     | 992       | 3,049     |
| <b>Non Current Loans</b>   |           |           |           |
| <b>Convertible Bonds 2007 (Schedule G)</b>                               |           |           |           |
| Directors  | 103,555   | 98,100    | 98,011    |
| Other current debts  | 32,400    | 3,393     |           |

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Notes to the Financial Statements (Continued)**

**NOTE 7:** (Continued)

|  | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 |
|--|-------------------|------------------|-------------------|
| <b><u>Shareholders (2)</u></b>                       |                   |                  |                   |
| Current Loans  |                   |                  |                   |
| Convertible Bonds 2007 Interest payable (Schedule G) |                   |                  |                   |
| Shareholders   | 1,715,922         | 706,891          | 2,173,764         |
| Non-Current Loans                                    |                   |                  |                   |
| Convertible Bonds 2007 (Schedule G)                  |                   |                  |                   |
| Shareholders   | 56,776,844        | 69,934,463       | 69,870,974        |

- 
- (1) Controlled company
  - (2) Shareholder
  - (3) Related company
  - (4) Related party

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**Notes to the Financial Statements (Continued)**

**NOTE 7:** (Continued)

b. Gain and losses provided by Subsidiaries, related companies and related parties corresponding to the periods ended at March 31, 2006 and 2005.

**Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:**

|  | Year | Sales and Fees for shared services | Interest paid | Salaries    | Fees      | Livestock expenses | Interest income | Administrative services | Others    |
|--|------|------------------------------------|---------------|-------------|-----------|--------------------|-----------------|-------------------------|-----------|
| Shareholders                             | 2006 |                                    | (3,375,552)   |             |           |                    |                 |                         |           |
|  | 2005 |                                    | (4,424,774)   |             |           |                    |                 |                         |           |
| Agro-Uranga S.A.                         | 2006 |                                    |               |             |           |                    |                 |                         | 28,001    |
|  | 2005 |                                    |               |             |           |                    |                 |                         | 106,780   |
| Alto Palermo S.A.                        | 2006 | (464,856)                          |               |             |           |                    |                 |                         |           |
|  | 2005 | (89,961)                           |               |             |           |                    |                 |                         |           |
| Consultores Asset Management S.A.        | 2006 |                                    |               |             |           |                    |                 |                         |           |
|  | 2005 |                                    |               |             |           |                    |                 |                         |           |
| Cactus Argentina S.A.                    | 2006 |                                    |               |             |           | (2,048,973)        | 22,134          | 100,640                 | 6,659     |
|  | 2005 |                                    |               |             |           | (3,545,306)        | 17,101          | 108,720                 | 28,573    |
| Directors                                | 2006 |                                    | (6,157)       | (2,458,174) | (185,724) |                    |                 |                         |           |
|  | 2005 |                                    | (6,207)       | (193,269)   | (90,169)  |                    | 13,772          |                         |           |
| Estudio Zang, Bergel & Viñes             | 2006 |                                    |               |             | (201,212) |                    |                 |                         |           |
|  | 2005 |                                    |               |             | (95,104)  |                    |                 |                         |           |
| Fundación IRSA                           | 2006 |                                    |               |             |           |                    |                 |                         |           |
|  | 2005 |                                    |               |             |           |                    |                 |                         |           |
| Futuros y opciones.Com S.A.              | 2006 |                                    |               |             |           |                    |                 | 123,300                 | (75,048)  |
|  | 2005 |                                    |               |             |           |                    |                 | 28,800                  | (608)     |
| Inversiones Ganaderas S.A.               | 2006 |                                    | (121,134)     |             |           |                    | 28,549          | 52,497                  | (119,194) |
|  | 2005 |                                    | (92,935)      |             |           |                    |                 | 60,136                  | 132,569   |
| Inversora Bolívar S.A.                   | 2006 |                                    |               |             |           |                    |                 |                         | (79,569)  |
|  | 2005 |                                    |               |             |           |                    |                 |                         | (125,329) |
| IRSA Inversiones y Representaciones S.A. | 2006 | (18,640)                           |               |             |           |                    | 6,239,486       |                         |           |
|  | 2005 | (104,113)                          |               |             |           |                    | 7,994,072       |                         |           |
| Credits to employees                     | 2006 |                                    |               |             |           |                    | 3,038           |                         |           |
|  | 2005 |                                    |               |             |           |                    | 14,793          |                         |           |
| Senior Management                        | 2006 |                                    |               | (998,015)   |           |                    |                 |                         |           |



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2005 (864,019)

|            |           |             |             |           |             |           |         |           |
|------------|-----------|-------------|-------------|-----------|-------------|-----------|---------|-----------|
| Total 2006 | (483,496) | (3,502,843) | (3,456,189) | (386,936) | (2,048,973) | 6,293,207 | 276,437 | (239,151) |
| Total 2005 | (194,074) | (4,523,916) | (1,057,288) | (185,273) | (3,545,306) | 8,039,738 | 197,656 | 141,985   |

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**NOTE 8: Details of balance sheet and income statement accounts****a. Cash and banks**

|  | <b>March 31,<br/>2006<br/>Pesos</b> | <b>June 30,<br/>2005<br/>Pesos</b> | <b>March 31,<br/>2005<br/>Pesos</b> |
|--|-------------------------------------|------------------------------------|-------------------------------------|
| Cash   | 50,806                              | 25,360                             | 34,138                              |
| Foreign currency (Schedule G)                  | 88,912                              | 74,354                             | 75,139                              |
| Local currency checking account                | 439,391                             | 1,728,632                          | 318,678                             |
| Foreign currency checking account (Schedule G) | 8,182,807                           | 3,854,669                          | 6,282,300                           |
| Local currency saving account                  | 28,197                              | 17,505                             | 15,115                              |
| Foreign currency saving account (Schedule G)   | 6,357                               | 8,026,165                          | 11,252,686                          |
| Checks to be deposited                         | 304,826                             | 80,587                             | 184,305                             |
|  | 9,101,296                           | 13,807,272                         | 18,162,361                          |

**b. Investments and Goodwill**

|   | <b>March 31,<br/>2006<br/>Pesos</b> | <b>June 30,<br/>2005<br/>Pesos</b> | <b>March 31,<br/>2005<br/>Pesos</b> |
|---|-------------------------------------|------------------------------------|-------------------------------------|
| <b>Investment</b>   |                                     |                                    |                                     |
| Investment (Schedule C and G)                               | 7,152,314                           | 59,425,172                         | 99,805,081                          |
|   | 7,152,314                           | 59,425,172                         | 99,805,081                          |
| <b>Investment</b>   |                                     |                                    |                                     |
| Investment on controlled and related companies (Schedule C) | 341,441,146                         | 306,089,140                        | 318,339,764                         |
|   | 341,441,146                         | 306,089,140                        | 318,339,764                         |
| <b>Other investments</b>                                    |                                     |                                    |                                     |
| Other investments (Schedule C and G)                        | 86,946,920                          | 105,508,513                        | 106,604,680                         |
|   | 86,946,920                          | 105,508,513                        | 106,604,680                         |
| <b>Goodwill</b>   |                                     |                                    |                                     |
| Goodwill (Schedule C)                                       | (18,694,399)                        | (30,430,822)                       | 43,320,138                          |

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(18,694,399) (30,430,822) 43,320,138

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**Cresud Sociedad Anónima, Comercial,**  
**Inmobiliaria, Financiera y Agropecuaria**  
**Notes to the Financial Statements (Continued)**

**NOTE 8:** (Continued)**c. Trade accounts receivable**

|  | March 31,<br>2006<br>Pesos | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Current</b>   |                            |                           |                            |
| Accounts receivable in local currency  | 5,870,446                  | 7,099,969                 | 3,937,855                  |
| Less:  |                            |                           |                            |
| Allowance for doubtful accounts (Schedule E)                                   | (356,214)                  | (356,214)                 | (345,709)                  |
| Accounts receivable in foreign currency (Schedule G)                           | 161,861                    | 948,593                   | 989,156                    |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |                            |                           |                            |
| Inversiones Ganaderas S.A.   |                            | 30,814                    | 10,348                     |
| Futuros y Opciones.Com S.A.  | 757,729                    | 897,389                   | 693,540                    |
| Cactus Argentina S.A.  | 38,921                     | 785,849                   | 45,164                     |
|  | 6,472,743                  | 9,406,400                 | 5,330,354                  |

**d. Other receivables**

|  | March 31,<br>2006<br>Pesos | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Current</b>   |                            |                           |                            |
| Prepaid leases   | 125,465                    | 6,512,492                 | 165,910                    |
| Income tax credit and advances (net of accrual) (1)                            | 7,425,960                  |                           |                            |
| Guarantee deposits and premiums (Schedule G)                                   | 1,557,857                  | 2,675,032                 | 1,951,565                  |
| Secured by mortgage (Schedule G)   | 3,141,226                  | 8,217,166                 | 8,164,858                  |
| Prepaid expenses   | 649,087                    | 2,045,319                 | 973,269                    |
| Tax prepayments (net of accruals)  | 2,951,166                  | 1,063,379                 | 2,481,699                  |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |                            |                           |                            |
| Cactus Argentina S.A. (Schedule G)   | 370,781                    | 332,209                   | 1,363,965                  |
| Futuros y Opciones.Com S.A.  | 23,603                     | 23,603                    | 23,603                     |
| Agropecuaria Cervera S.A.  | 14,398                     |                           |                            |
| IRSA Inversiones y Representaciones S.A  | 1,331                      |                           |                            |
| Agro-Uranga S.A.   | 160,609                    | 39,993                    | 694,981                    |
| Credits to employees   | 71,942                     | 29,397                    | 35,114                     |
| Directors  | 10,940                     |                           |                            |
| Others (Schedule G)  | 297,991                    | 415,208                   | 215,325                    |

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|  |            |            |            |
|--|------------|------------|------------|
|  | 16,802,356 | 21,353,798 | 16,070,289 |
| <b>Non-current</b>   |            |            |            |
| Secured by mortgage (Schedule G)   | 8,254,430  |            |            |
| Tax prepayments  | 5,672,316  | 6,328,177  | 5,080,327  |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |            |            |            |
| Inversiones Ganaderas S.A.   | 1,257,743  |            |            |
| Cactus Argentina S.A.  | 19,628     |            |            |
| Agropecuaria Cervera S.A   | 364,917    |            |            |
| Alto Palermo S.A. (Schedule G)   | 686,996    |            |            |
| IRSA Inversiones y representaciones S.A  | 176,656    |            |            |
| Prepaid leases   |            | 75,915     | 75,916     |
| Others   | 98,142     |            |            |
|  | 16,530,828 | 6,404,092  | 5,156,243  |

(1) Accrual for income tax amounts to Ps 6,605,519 as of March 31, 2006. Comparative figures are presented in Taxes Payable.

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 8:** (Continued)**e. Inventories**

|                       | March 31,<br>2006<br>Pesos | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |
|-----------------------|----------------------------|---------------------------|----------------------------|
| <b>Current</b>        |                            |                           |                            |
| Livestock             | 12,445,288                 | 13,099,574                | 12,745,725                 |
| Crops                 | 14,800,090                 | 24,930,778                | 12,077,749                 |
| Unharvested crops     | 18,025,519                 | 826,336                   | 17,777,895                 |
| Seeds and fodder      | 294,515                    | 319,169                   | 500,487                    |
| Materials and others  | 3,074,943                  | 4,024,658                 | 2,579,838                  |
| Advances to suppliers | 623,214                    | 446,701                   | 576,940                    |
|                       | 49,263,569                 | 43,647,216                | 46,258,634                 |
| <b>Non-Current</b>    |                            |                           |                            |
| Livestock             | 57,206,925                 | 48,743,639                | 49,804,357                 |
|                       | 57,206,925                 | 48,743,639                | 49,804,357                 |

**f. Trade accounts payable**

|  | March 31,<br>2006<br>Pesos | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Current</b>   |                            |                           |                            |
| Suppliers in local currency  | 3,972,974                  | 3,292,862                 | 3,905,339                  |
| Suppliers in foreign currency (Schedule G and Note 11) (1)                     | 9,777,918                  | 6,580,931                 | 2,302,374                  |
| Interest to be accrued (Schedule G) (2)  | (272,250)                  |                           |                            |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |                            |                           |                            |
| Inversora Bolívar S.A.   | 105,180                    | 5,445                     | 6,777                      |
| Alto Palermo S.A.  | 60,409                     | 193,053                   | 74,664                     |
| Inversiones Ganaderas S.A  | 147,642                    |                           |                            |
| Alto City.Com S.A  | 900                        |                           | 298                        |
| IRSA Inversiones y Representaciones S.A.                                       |                            | 43,822                    | 159,268                    |
| Cactus Argentina S.A.  | 415,222                    |                           | 413,804                    |
| Estudio Zang, Bergel & Viñes   | 163,592                    | 21,092                    | 75,154                     |
| Fundación IRSA   | 1,900,000                  | 1,900,000                 | 1,177,988                  |

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|   |            |            |            |
|---|------------|------------|------------|
| Directors                               |            |            | 2,159      |
| Accrual for other expenses (Schedule G) | 4,363,952  | 4,906,044  | 2,273,748  |
| Accrual for cereal expenses             | 652,780    | 50,461     | 328,644    |
|   | 21,288,319 | 16,993,710 | 10,720,217 |

**Non-Current**

|   |         |  |  |
|---|---------|--|--|
| Accrual for other expenses (Schedule G) | 981,422 |  |  |
|   | 981,422 |  |  |

- 
- (1) Includes as of March 31, 2006 U\$S 2,500,000 for the acquisition of farm San Pedro corresponding to suppliers in foreign currency secured by mortgage. See Note 11.
- (2) Corresponds to the liability mentioned in (1).

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 8:** (Continued)**g. Loans**

|  | March 31,<br>2006<br>Pesos | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Current</b>   |                            |                           |                            |
| Local financial loans (Note 16)  | 34,014,572                 | 10,315,556                | 22,554,698                 |
| Convertible Bonds 2007 Interest payable (Schedule G)                           | 1,602,388                  | 476,343                   | 1,468,115                  |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |                            |                           |                            |
| Shareholders   | 1,715,992                  | 706,891                   | 2,173,764                  |
| Directors  | 3,130                      | 992                       | 3,049                      |
|  | 37,336,082                 | 11,499,782                | 26,199,626                 |
| <b>Non-Current</b>   |                            |                           |                            |
| Convertible Bonds 2007 (Schedule G)  | 53,022,519                 | 45,815,657                | 47,189,423                 |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |                            |                           |                            |
| Shareholders   | 56,776,844                 | 69,934,463                | 69,870,974                 |
| Directors  | 103,555                    | 98,100                    | 98,011                     |
| Convertible Bonds 2007 expenses  | (701,821)                  | (1,154,667)               | (1,277,019)                |
|  | 109,201,097                | 114,693,553               | 115,881,389                |

**h. Salaries and social security payable**

|   | March 31,<br>2006 | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |
|---|-------------------|---------------------------|----------------------------|
| <b>Current</b>                                  |                   |                           |                            |
| Accrual for Vacation and statutory annual bonus | 912,933           | 1,288,720                 | 760,536                    |
| Social security taxes payable                   | 115,335           | 185,771                   | 111,169                    |
| Salaries payable                                | 13,205            | 79,095                    | 27,545                     |
| Health care payable                             | 11,777            | 5,129                     | 10,093                     |
| Others  | 5,485             | 5,932                     | 3,808                      |
|   | 1,058,735         | 1,564,647                 | 913,151                    |





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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 8:** (Continued)**i. Taxes payable**

|                                | March 31,<br>2006<br>Pesos | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |
|--------------------------------|----------------------------|---------------------------|----------------------------|
| <b>Current</b>                 |                            |                           |                            |
| Accrual for income tax         |                            | 24,772,007                | 24,289,677                 |
| Advances to Income tax         |                            | (5,148,500)               | (2,651,051)                |
| Property tax payable           | 213,307                    | 80,510                    | 80,182                     |
| Taxes withheld for income tax  | 23,485                     | 95,772                    | 30,590                     |
| Gross sale tax payable         | 74,957                     | 204,677                   | 71,128                     |
| Taxes withheld-Value Added Tax | 12,710                     | 36,248                    | 10,032                     |
| Others (1)                     | 1,335,539                  | 682                       | 1,614,133                  |
|                                | 1,659,998                  | 20,041,396                | 23,444,691                 |
| <b>Non-Current</b>             |                            |                           |                            |
| Deferred tax                   | 49,600,797                 | 37,987,388                | 33,961,761                 |
|                                | 49,600,797                 | 37,987,388                | 33,961,761                 |

(1) Includes shareholders personal assets tax.

**j. Other debts**

|  | March 31,<br>2006<br>Pesos | June 30,<br>2005<br>Pesos | March 31,<br>2005<br>Pesos |
|--|----------------------------|---------------------------|----------------------------|
| <b>Current</b>   |                            |                           |                            |
| Security transactions payable (Schedule G)                                     |                            | 4,180,593                 |                            |
| Advances from customers in foreign currency (Schedule G)                       |                            | 2,055,200                 | 7,889,200                  |
| Management fees accrual (Note 5)   | 2,600,512                  | 8,239,263                 | 6,905,699                  |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |                            |                           |                            |
| Inversiones Ganaderas S.A.   |                            | 1,605,463                 | 1,630,854                  |
| Directors  | 32,400                     | 3,393                     |                            |
| Futuros y Opciones.Com S.A (Note 2.k)  |                            |                           | 102,896                    |
| Others   | 20,300                     | 20,299                    | 117,500                    |

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2,653,212 16,104,211 16,646,149

**Non-current**

Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:

Inversiones Ganaderas S.A. 14,911 203,432

14,911 203,432

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 9:****a) Assets based on their estimated collection term**

| Based on their estimated<br>collection term           | Current and non-current Investment |                  |                   | Trade accounts receivable |                  |                   | Other receivables |                  |                   |
|---|------------------------------------|------------------|-------------------|---------------------------|------------------|-------------------|-------------------|------------------|-------------------|
|   | March 31,<br>2006                  | June 30,<br>2005 | March 31,<br>2005 | March 31,<br>2006         | June 30,<br>2005 | March 31,<br>2005 | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 |
| 4 <sup>th</sup> quarter 2005/2004<br>financial period |                                    |                  | 3,338,226         |                           |                  | 5,330,354         |                   |                  | 3,614,587         |
| 1 <sup>st</sup> quarter 2006/2005<br>financial period |                                    |                  |                   |                           | 9,406,400        |                   |                   | 9,516,252        | 8,164,858         |
| 2 <sup>nd</sup> quarter 2006/2005<br>financial period |                                    | 1,078,320        |                   |                           |                  |                   |                   | 781,889          | 442,270           |
| 3 <sup>rd</sup> quarter 2006/2005<br>financial period |                                    |                  |                   |                           |                  |                   |                   | 4,108,583        |                   |
| 4 <sup>th</sup> quarter 2006/2005<br>financial period | 2,604,146                          |                  |                   | 6,472,743                 |                  |                   | 5,482,770         |                  |                   |
| 1 <sup>st</sup> quarter 2007/2006<br>financial period |                                    |                  |                   |                           |                  |                   | 2,713,837         |                  |                   |
| 2 <sup>nd</sup> quarter 2007/2006<br>financial period |                                    |                  |                   |                           |                  |                   | 7,522,095         |                  |                   |
| 3 <sup>rd</sup> quarter 2007/2006<br>financial period |                                    |                  |                   |                           |                  |                   | 427,389           |                  |                   |
| 4 <sup>th</sup> quarter 2007/2006<br>financial period |                                    |                  |                   |                           |                  |                   | 2,944             |                  |                   |
| 1 <sup>st</sup> quarter 2008/2007<br>financial period |                                    |                  |                   |                           |                  |                   | 2,173,398         |                  |                   |
| 2 <sup>nd</sup> quarter 2008/2007<br>financial period | 86,166,588                         | 105,487,796      | 106,583,963       |                           |                  |                   | 2,944             |                  |                   |
| 3 <sup>rd</sup> quarter 2008/2007<br>financial period |                                    |                  |                   |                           |                  |                   | 430,333           |                  |                   |
| 4 <sup>th</sup> quarter 2008/2007<br>financial period |                                    |                  |                   |                           |                  |                   | 2,944             |                  |                   |
| 1 <sup>st</sup> quarter 2009/2008<br>financial period |                                    |                  |                   |                           |                  |                   | 2,173,399         |                  |                   |
| 2 <sup>nd</sup> quarter 2009/2008<br>financial period |                                    |                  |                   |                           |                  |                   | 1,964             |                  |                   |
| 1 <sup>st</sup> quarter 2010/2009<br>financial period |                                    |                  |                   |                           |                  |                   | 1,743,066         |                  |                   |
| 1 <sup>st</sup> quarter 2011/2010<br>financial period |                                    |                  |                   |                           |                  |                   | 1,743,066         |                  |                   |
| Overdue   |                                    |                  |                   |                           |                  |                   |                   |                  |                   |
| With no stated current<br>term                        | 4,548,168                          | 58,346,852       | 96,466,855        |                           |                  |                   | 656,265           | 6,947,074        | 3,848,574         |

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|                                    |                   |                    |                    |                  |                  |                  |                   |                   |                   |
|------------------------------------|-------------------|--------------------|--------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| With no stated<br>non-current term | 780,332           | 20,717             | 20,717             |                  |                  |                  | 8,256,770         | 6,404,092         | 5,156,243         |
| <b>Total</b>                       | <b>94,099,234</b> | <b>164,933,685</b> | <b>206,409,761</b> | <b>6,472,743</b> | <b>9,406,400</b> | <b>5,330,354</b> | <b>33,333,184</b> | <b>27,757,890</b> | <b>21,226,532</b> |

**b) Assets classified according to their interest rate**

|                              | Current and non-current Investment |                    |                    | Trade accounts receivable |                  |                   | Other receivables |                   |                   |
|------------------------------|------------------------------------|--------------------|--------------------|---------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
|                              | March 31,<br>2006                  | June 30,<br>2005   | March 31,<br>2005  | March 31,<br>2006         | June 30,<br>2005 | March 31,<br>2005 | March 31,<br>2006 | June 30,<br>2005  | March 31,<br>2005 |
| <b>Interest rate accrued</b> |                                    |                    |                    |                           |                  |                   |                   |                   |                   |
| At fixed interest rate       | 86,166,588                         | 105,487,796        | 106,583,963        |                           |                  |                   | 11,213,240        | 8,197,487         | 8,281,716         |
| At variable interest rate    | 4,548,168                          | 58,346,852         | 94,021,531         |                           |                  |                   | 2,449,378         | 2,314,696         | 910,592           |
| Non-interest bearing         | 3,384,478                          | 1,099,037          | 5,804,267          | 6,472,743                 | 9,406,400        | 5,330,354         | 19,670,566        | 17,245,707        | 12,034,224        |
| <b>Total</b>                 | <b>94,099,234</b>                  | <b>164,933,685</b> | <b>206,409,761</b> | <b>6,472,743</b>          | <b>9,406,400</b> | <b>5,330,354</b>  | <b>33,333,184</b> | <b>27,757,890</b> | <b>21,226,532</b> |

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**Cresud Sociedad Anónima, Comercial,**  
**Inmobiliaria, Financiera y Agropecuaria**  
**Notes to the Financial Statements (Continued)**

**NOTE 9:** (Continued)Liabilities based on their estimated payment term :

| Base don their estimated payment term | Trade accounts payable |                   |                   |                    | Loans<br>June 30,  |                    | Salaries and social security payable |                  |                   |
|---------------------------------------|------------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------------------------|------------------|-------------------|
|                                       | March 31,<br>2006      | June 30,<br>2005  | March 31,<br>2005 | March 31,<br>2006  | 2005               | March 31,<br>2005  | March 31,<br>2006                    | June 30,<br>2005 | March 31,<br>2005 |
| 4 <sup>th</sup> quarter 2005/2004     |                        |                   | 10,720,217        |                    |                    | 16,086,293         |                                      |                  | 428,826           |
| 1 <sup>st</sup> quarter 2006/2005     |                        | 12,685,710        |                   |                    | 10,315,556         | 10,113,333         |                                      | 1,564,647        | 484,325           |
| 2 <sup>nd</sup> quarter 2006/2005     |                        | 4,308,000         |                   |                    | 1,184,226          |                    |                                      |                  |                   |
| 3 <sup>rd</sup> quarter 2006/2005     |                        |                   |                   |                    |                    |                    |                                      |                  |                   |
| 4 <sup>th</sup> quarter 2006/2005     | 14,010,819             |                   |                   | 3,321,510          |                    |                    |                                      | 295,633          |                   |
| 1 <sup>st</sup> quarter 2007/2006     | 7,277,500              |                   |                   | 13,398,902         |                    |                    |                                      | 588,579          |                   |
| 2 <sup>nd</sup> quarter 2007/2006     |                        |                   |                   |                    |                    |                    |                                      |                  |                   |
| 3 <sup>rd</sup> quarter 2007/2006     |                        |                   |                   |                    |                    |                    |                                      | 174,524          |                   |
| 4 <sup>th</sup> quarter 2007/2006     |                        |                   |                   |                    |                    |                    |                                      |                  |                   |
| 2 <sup>nd</sup> quarter 2008/2007     |                        |                   |                   | 109,201,097        | 114,693,553        | 115,881,389        |                                      |                  |                   |
| Overdue                               |                        |                   |                   |                    |                    |                    |                                      |                  |                   |
| With no stated current term           |                        |                   |                   | 20,615,670         |                    |                    |                                      |                  |                   |
| With no stated non-current term       | 981,422                |                   |                   |                    |                    |                    |                                      |                  |                   |
| <b>Total</b>                          | <b>22,269,741</b>      | <b>16,993,710</b> | <b>10,720,217</b> | <b>146,537,179</b> | <b>126,193,335</b> | <b>142,081,015</b> | <b>1,058,735</b>                     | <b>1,564,647</b> | <b>913,151</b>    |

| Base don their estimated payment term | Taxes payable     |                  |                   |                   | Other debts<br>June 30, |                   | Provisions        |                  |                   |
|---------------------------------------|-------------------|------------------|-------------------|-------------------|-------------------------|-------------------|-------------------|------------------|-------------------|
|                                       | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 | March 31,<br>2006 | 2005                    | March 31,<br>2005 | March 31,<br>2006 | June 30,<br>2005 | March 31,<br>2005 |
| 4 <sup>th</sup> quarter 2005/2004     |                   |                  | 1,806,065         |                   |                         | 7,023,199         |                   |                  |                   |
| 1 <sup>st</sup> quarter 2006/2005     |                   | 417,889          |                   |                   | 14,498,748              | 7,889,200         |                   |                  |                   |
| 2 <sup>nd</sup> quarter 2006/2005     |                   | 19,623,507       | 21,638,626        |                   | 1,605,463               | 1,630,854         |                   |                  |                   |
| 3 <sup>rd</sup> quarter 2006/2005     |                   |                  |                   |                   |                         |                   |                   |                  |                   |
| 4 <sup>th</sup> quarter 2006/2005     | 1,659,998         |                  |                   | 2,653,212         |                         |                   |                   |                  |                   |
| 1 <sup>st</sup> quarter 2007/2006     |                   |                  |                   |                   |                         |                   |                   |                  |                   |
| 2 <sup>nd</sup> quarter 2007/2006     |                   |                  |                   |                   | 14,911                  | 203,432           |                   |                  |                   |
| 3 <sup>rd</sup> quarter 2007/2006     |                   |                  |                   |                   |                         |                   |                   |                  |                   |
| 4 <sup>th</sup> quarter 2007/2006     |                   |                  |                   |                   |                         |                   |                   |                  |                   |
| 2 <sup>nd</sup> quarter 2008/2007     |                   |                  |                   |                   |                         |                   |                   |                  |                   |
| Overdue                               |                   |                  |                   |                   |                         |                   |                   |                  |                   |
| With no stated current term           |                   |                  |                   |                   |                         | 102,896           |                   |                  |                   |
| With no stated non-current term       | 49,600,797        | 37,987,388       | 33,961,761        |                   |                         |                   | 68,243            | 65,871           |                   |

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Total 51,260,795 58,028,784 57,406,452 2,653,212 16,119,122 16,849,581 68,243 65,871

Liabilities classified according to their interest rate:

| Interest rate that they accrue | Trade accounts payable |               |                |                | Loans<br>June 30, | Salaries and social security payable |                |               |                |
|--------------------------------|------------------------|---------------|----------------|----------------|-------------------|--------------------------------------|----------------|---------------|----------------|
|                                | March 31, 2006         | June 30, 2005 | March 31, 2005 | March 31, 2006 | June 30, 2005     | March 31, 2005                       | March 31, 2006 | June 30, 2005 | March 31, 2005 |
| At fixed interest rate         | 6,552,112              |               |                | 143,917,490    | 126,163,776       | 139,713,106                          |                |               |                |
| At variable interest rate      |                        |               |                |                |                   |                                      |                |               |                |
| Non-interest bearing           | 15,717,629             | 16,993,710    | 10,720,217     | 2,619,689      | 29,559            | 2,367,909                            | 1,058,735      | 1,564,647     | 913,151        |
| Total                          | 22,269,741             | 16,993,710    | 10,720,217     | 146,537,179    | 126,193,335       | 142,081,015                          | 1,058,735      | 1,564,647     | 913,151        |

| Interest rate that they accrue | Taxes payable  |               |                |                | Other debts   | Provisions     |                |               |                |
|--------------------------------|----------------|---------------|----------------|----------------|---------------|----------------|----------------|---------------|----------------|
|                                | March 31, 2006 | June 30, 2005 | March 31, 2005 | March 31, 2006 | June 30, 2005 | March 31, 2005 | March 31, 2006 | June 30, 2005 | March 31, 2005 |
| At fixed interest rate         |                |               |                |                | 1,558,734     | 1,798,011      |                |               |                |
| At variable interest rate      |                |               |                |                |               |                |                |               |                |
| Non-interest bearing           | 51,260,795     | 58,028,784    | 57,406,452     | 2,653,212      | 14,560,388    | 15,051,570     | 68,243         | 65,871        |                |
| Total                          | 51,260,795     | 58,028,784    | 57,406,452     | 2,653,212      | 16,119,122    | 16,849,581     | 68,243         | 65,871        |                |

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 10: RESTRICTIONS ON DISTRIBUTION OF PROFITS**

In accordance with the Argentine Corporations Law, the Company's by-laws and Resolution N° 368/2001 of the C.N.V., 5% of the net and realized profit for the period plus (less) prior year adjustments must be appropriated by resolution of shareholders to a legal reserve until such reserve equals 20% of the Company's outstanding capital.

**NOTE 11: PURCHASE AND SALE OF FARMS**

- a) On July 25, 2005 the Company signed the deed of sale of the farm "El Gualicho" with a surface area of 5,727 hectares, located in the Department of General Roca and Presidente Roque Saenz Peña, Province of Córdoba. The agreed sale price was US\$ 5,727,083. The sale generated a gain of Ps. 9,872,997.
- b) On September 1, 2005 the Company signed the deed for the purchase of the farm "San Pedro" of 6,022 hectares located in the Department of Uruguay, Province of Entre Ríos. The purchase price was US\$ 16,000,000. This agreement generated a debt of US\$ 6,500,000 of which US\$ 4,000,000 was cancelled on December 14, 2005. The remaining balance will be paid on September 1, 2006.

**NOTE 12: INVESTMENTS IN COMPANIES**

a) On December 27, 2005, the Company and its subsidiary Inversiones Ganaderas S.A. have acquired the capacity of shareholders of Agropecuaria Cervera S.A. (ACER), by subscribing an agreement to exchange goods.

The shareholders transferred the ACER shares in the following proportions: a) in favor of Cresud thirty six thousand (36,000) common shares, registered, non-endorsable, class A, of pesos one (Ps. 1) par value with right to five (5) votes each; and b) in favor of IGSA four thousand (4,000) common shares, registered, non-endorsable, class A, of pesos one (Ps. 1) par value with right to five (5) votes each.

We would mention that ACER has, among other goods and rights, the concession of starting into production of an integral development project including biologic, economic and social issues on several buildings located in the Department of Anta, Province of Salta. The company has been duly authorized to carry out an outstanding crop farming, cattle and forestry project.

As consideration for the exchange referred to above, the actions that follow were effected:

Cresud transferred 3,580,886 Negotiable Obligations convertible into common shares, with 8% annual interest, maturing in year 2007, having options in a face value of one US dollar each, issued by IRSA Inversiones y Representaciones S.A.

The Company paid the amount of pesos Nine hundred and sixty two thousand five hundred and twenty three (Ps. 962,523) with consideration in the contribution made to the company in ACER. As part of the price, the Company paid US dollar Seven hundred thousand (US\$ 700,000), staying such contribution in guarantee for future contingencies during a two-year term.





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**Cresud Sociedad Anónima, Comercial,  
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Notes to the Financial Statements (Continued)**

**NOTE 12 (continued):**

b) During the current period, the Company has transferred funds to pay the expenses included in the Board's decision related to the possibility of making an agricultural investment in Brazil through a specific legal means. To such purpose, a company named BrasilAgro - Companhia Brasileira de Propiedades Agrícolas is currently undergoing the incorporation process stages. The funds provided by the Company grant the right to participate in the capital of the specific legal means referred to above. Such investment is of Ps. 759,615 and is disclosed in Other investments (see note 19).

**NOTA 13: STOCK OPTION PLAN**

As resolved upon at the General Extraordinary Shareholders Meeting at second call held on November 19, 2001 and in accordance with the resolutions adopted by the Board of Directors at its meeting dated December 7, 2001, the shareholders approved a Stock Option Plan (the Plan) relating to the shares that would remain after the shareholders exercised their pre-emptive rights to acquire treasury stock (the Shares) during a 30-day period covering 4,614,643 shares.

The stock balance remaining after expiration of the preemptive and accretion periods is intended to be offered under the Incentive Plan approved at the above mentioned Shareholders Meeting, at Ps.1 (one peso) par value, plus interest accrued as from actual exercise at a six-months LIBOR rate per annum. In accordance with the terms approved at the referred Shareholders Meeting, from a legal standpoint the implementation of the Plan is made by means of the transfer of the Shares in trust. From this balance, two thirds of the options relating to the Shares under the Plan were allocated for distribution by the Company's Board of Directors among certain executive officers.

The remaining third was set aside for allotment by the Company's Board of Directors among any employees or executives at the time of allotment and 6 (six) months after the initial allotment, and up to 3 (three) months before the expiration of the exercise period.

In January 2002 an aggregate of 2,353 shares of Ps.1 par value each were issued under the preferred offering of treasury stock.

In April and June 2002, an aggregate of 480,000 shares of Ps.1 par value each were issued to executive officers of the Company under the preferred offering of treasury stock.

During the fiscal year ended on June 30, 2003, an aggregate of 3,559,853 shares of Ps.1 per value each were issued to directors and executive officers of the Company under the preferred offering of treasury stock.

During the fiscal year ended on June 30, 2004, an aggregate of 332,437 shares of Ps.1 per value each were issued to directors and executive officers of the Company under the preferred offering of treasury stock.

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 13:** (Continued)

During the fiscal year ended on June 30, 2005, an aggregate of 240,000 shares of Ps.1 per value each were issued to directors and executive officers of the Company under the preferred offering of treasury stock. As of that date, there was no pending exercise balance.

**NOTE 14: ISSUANCE OF CONVERTIBLE BONDS**

The Shareholders meeting held on March 8, 2002 approved:

- a) The issue of simple convertible bonds, non-convertible into shares of the Company, for an amount of up to U\$S 50,000,000 (or its equivalent in other currencies) for a maximum term of 5 years, accruing interest at a fixed rate not to exceed 12%; and/or,
- b) The issuance of convertible bonds into company's common stock, for a total amount of U\$S 50,000,000 (or its equivalent in other currency) with a maturity date in a term of 5 years or more according to the management's decision and a fix rate not exceeding 12% or floating rate with a reference rate such as LIBOR plus a spread not exceeding 10%.
- c) The subscription option, for the holders of convertible bonds, with a premium determined by the management, between 20 and 30% over the conversion price of the convertible bond, with a value that will remain constant in terms of US currency. The exercise of the above mentioned would occur quarterly, only for the holders of the convertible bonds who have exercised their conversion rights.

Authorization for the public offer and quotation of convertible bonds has been approved by Resolution No. 14,320 of the Argentine Securities and Exchange Commission dated October 1, 2002 and by the Buenos Aires Stock Exchange, authorizing the issue up to U\$S 50,000,000 in securities composed by convertible bonds into common stock with an 8% annual interest rate due in the year 2007, granting the right at the moment of conversion to achieve 50,000,000 common stock subscription options. Likewise, the conversion price and the Warrants price established are as follows:

- a) The conversion price is U\$S 0.5078 stocks (U\$S 5.0775 ADS), while the Warrant price is U\$S 0.6093 stocks (U\$S 6.0930 ADS).
- b) For each of Cresud's convertible bond the holder has the right to convert it to U\$S 1.96928 stocks (U\$S 0.1969 ADS) and has an option to purchase the same amount of stock at the price of the Warrant.

Convertible bonds and options will be due on November 14, 2007.

Convertible bonds were paid in cash and the proceeds will be destined to the subscription of IRSA's Convertible Bonds and for the generation of working capital.

During the fiscal year ended on June 30, 2003, 196,084 convertible bonds were converted into 386,140 ordinary shares, which resulted in a Ps. 593,038 increase in the Company's net shareholders' equity.



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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 14:** (Continued)

During the fiscal year ended on June 30, 2004, 6,670,763 convertible bonds were converted into 13,136,577 ordinary shares, which resulted in a Ps. 19,364,974 increase in the Company's net shareholders' equity. During the same period, 6,583,995 Warrants were exercised, resulting in the issuance of 12,965,710 ordinary shares for Ps. 23,068,638.

During the fiscal year ended on June 30, 2005, 3,005,609 convertible bonds were converted into 5,918,871 ordinary shares, which resulted in an increase of the Company's net shareholders' equity of Ps. 8,857,011. In the same period, 3,093,975 warrants were exercised, resulting in the issuance of 6,092,889 common shares for Ps. 10,919,379.

During the current period, 4,467,934 Convertible Bonds were converted into 8,798,601 ordinary shares, which resulted in a Ps. 13,427,766 increase in the Company's net shareholders' equity. During the same period, 2,344,218 warrants were exercised, resulting in the issuance of 4,616,416 ordinary shares for Ps. 8,649,027

**NOTE 15: PURCHASE AND SALE OF CONVERTIBLE BONDS**

During November and December 2002, 49,692,668 convertible bonds issued by IRSA were purchased; these can be converted into common stock with an 8% annual interest rate and due in 2007, and grant the holder at the time of conversion to 49,692,688 options to subscribe common stock. The conversion price and the warrants price established are as follows:

- a) The conversion price is U\$S 0.5571 per share (U\$S 5.5713 GDS), while the warrant price is U\$S0.6686 per share (U\$S 6.6856 GDS)
- b) For each of IRSA's convertible bond the holder has the right to convert it to 1.7949 shares (0.1795 GDS) and has an option to purchase the same amount of stock at the price of the warrant.

Due to the distribution of 4,587,285 shares of the company's portfolio, IRSA has re-stated the conversion price of its convertible bonds according to the subscription clauses.

The conversion price of the convertible bonds went from U\$S 0.5571 to U\$S 0.54505 and the warrants price went from U\$S 0.6686 to U\$S 0.6541. Such adjustment was effective as from December 20, 2002.

Convertible bonds and options are due on November 14, 2007.

During the months of July and November 2003 the Company purchased 250,500 Notes, and in May 2004 converted 5,000,000 Convertible Bonds into 9,174,312 common shares.

During the fiscal year ended on June 30, 2004, third parties bearers of convertible bonds into IRSA's ordinary stock have exercised their conversion and warrant rights for a total amount of Ps.62.8 million originating the issuance of 27,616,878 ordinary shares with a face value of Ps.1 each. Consequently, the Company holding as of June 30, 2004 amounts to 44,943,168 Convertible Bonds.

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 15:** (Continued)

In July 2004 the Company purchased 350,000 Convertible Bonds issued by IRSA Inversiones y Representaciones Sociedad Anónima for U\$S 511,115.

In March 2005 the Company sold 8,754,271 Convertible Bonds of IRSA Inversiones y Representaciones Sociedad Anónima for a total amount of Ps. 32,499,426. This sale resulted in a profit of Ps. 68,754,172.

During the fiscal year ended on June 30, 2005, third parties bearers of convertible bonds into IRSA's ordinary stock have exercised their conversion and warrant rights for a total amount of Ps.171.5 million originating the issuance of 99,289,144 ordinary shares with a face value of Ps.1 each. On the other hand, the Company exercised warrants for a total of Ps.17.7 million, resulting in the issuance of 9,174,311 common shares of Ps.1 par value each.

During this period, third party holders of IRSA's Convertible Bonds exercised their conversion and warrants rights for a total of Ps. 41.5 million, resulting in the issuance of 17,861,019 common shares of Ps.1 par value each

As a consequence of such conversions and exercise of third parties warrants, the Company's investment value has decreased in Ps. 5.16 million, such effect being recorded in Paid-In Capital (Related Companies Law No. 19.550 - Section 33) of Shareholders' Equity (see Note 2.n.).

Likewise, during the current period the Company converted 5,000,000 Convertible Negotiable Obligations into 9,174,312 common shares.

**NOTE 16: SALE OF THE INVESTMENT OF IRSA INVERSIONES Y REPRESENTACIONES SOCIEDAD ANÓNIMA IN BANCO HIPOTECARIO S.A. (BHSA) AND ITS FINANCIAL STATEMENTS AS OF MARCH 31, 2006**

On August 9, 2005, IRSA sold 2,305,122 shares of Banco Hipotecario S.A. to Buenos Aires Trade and Finance Center S.A. (which was a subsidiary in which IRSA has an interest of 100%) in a total amount of U\$S 10,540,000 (equivalent to Ps. 30,281,000). For this transaction IRSA recorded a gain of Ps. 1,845,000

As of December 31, 2005 the Company completed merger procedures to take-over its subsidiary company Buenos Aires Trade and Finance Center S.A. Consequently, as of period-end, the total shareholding in Banco Hipotecario is 10,141,015.

**NOTE 17: FINANCIAL LOANS**

During the present period, the Company has developed a strategy for externally financing the working capital of the production campaign, at adequate rates and conditions through pre-financing exports allowing to develop new business, and the necessary liquidity to take advantage of any potential investment opportunity.

Consequently, as of March 31, 2006, current loans with local financial entities amounted to 34.01 million. The Company was able, therefore, to promote new production projects and to generate a more efficient capital structure.

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 18: IGSA S TAX DEFERRAL**

On December 19, 1996, under Decree 1968/96 the province of Catamarca approved the investment project submitted by Inversiones Ganaderas S.A., and conferred to it the benefits of Law 22,021 as amended by Law No. 22,702 subject to the conditions and scope detailed in the referred Decree.

The project is oriented towards the livestock business, and requires a total minimum investment of Ps. 1,600,002 to be made over a three year term. The investor is given the choice of deferring the payment of the amounts payable as income tax and value added tax. The amount of the deferred tax will be equal to 75% the direct capital contribution, i.e., Ps. 1,200,000. Deferred amounts do not accrue interest and are repayable in five consecutive annual payments as from the sixth fiscal year following the start-up date of the project that enjoys the benefit.

On October 15, 2002, Cresud S.A deferred the balance assessed in the value added tax return for fiscal period 9/2002 for the sum of Ps. 540,000.

On December 30, 2003, given the significant benefit granted under Decree 384/2003 to those taxpayers who early repay deferred tax liabilities, Cresud S.A repaid the deferred amount, for the sum of Ps. 249,317. To date it has still not made use of the remaining sums available under the project.

**NOTE 19: SUBSEQUENT EVENTS**

**Conversion of Convertible Negotiable Obligations**

On April 13, 2006 the Company converted 15,958,011 of Convertible Negotiable Obligations of IRSA Inversiones y Representaciones S.A. and increased its share from 22.6% to 28.1%.

**Warrants**

On April 28, 2006, the shareholder Inversiones Financieras del Sur S.A. (IFISA) notified the Company that it will deposit the amount of US\$ 7,000,000 as advance payment for exercising 5,833,908 warrants the next date in which options will be exercised, that is June 30, 2006

Once such options are exercised, IFISA will receive 11,488,593 common shares to be converted into 1,148,859 ADRs.

**BrasilAgro Companhia Brasileira de Propiedades Agrícolas (BrasilAgro)**

Subsequent to the closing of the nine-month period ended March 31, 2006 the National Securities Exchange Commission of Brazil approved the placement under public subscription of Reais 432.0 million equivalent to 432,000 common registered shares with a price of Reais 1,000 per each BrasilAgro s share.

These shares were placed in conjunction with the Banco de Investimentos Credit Suisse (Brasil) S.A. in the Brazilian market by applying an investment mechanism ruled by the control authorities and with a sales effort abroad, all in compliance with the U.S. Securities Act of 1933 and other regulations established by the Securities and Exchange Commission.





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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Notes to the Financial Statements (Continued)**

**NOTE 19:** (Continued)

In accordance with the practice of the Brazilian market, BrasilAgro had an option to increase the size of the issue by 20% and Credit Suisse Investment Bank had another option for increasing the issue by 15% (Green shoe). As the placement had demand in excess, both BrasilAgro and Credit Suisse exercised such option up to 583,200 shares equivalent to Reais 583.2 million, which were fully placed.

The BrasilAgro shares started to be listed in the Novo Market of the Brazilian Stock Exchange (BOVESPA) under the symbol AGRO3 on May 2, 2006 in compliance with Brazil highest standards in terms of corporate governance.

In addition to the funds originally contributed Cresud S.A.C.I.F. y A. made contributions during the offer for a total amount of Reais 42.4 million (approximately US\$ 20.6 million). In line with such contribution Cresud S.A.C.I.F. y A. has a total of 42,705 shares equivalent to 7.3% of BrasilAgro capital.

As a contribution for having founded the company, Cresud S.A.C.I.F. y A. received 104,902 purchase options to subscribe additional BrasilAgro shares for 15 years at no cost and at the same price of the original offer of shares that is Reais 1,000 adjusted by the IPCA inflation index. Should such option be exercised, Cresud S.A.C.I.F. y A. will be able to acquire 59,726 additional shares and its holding would then be 14.1% of BrasilAgro diluted capital stock.

The BrasilAgro founder partners are Cresud S.A.C.I.F. y A., Cape Town, Tarpon Investimentos, Tarpon Agro, Agro Managers and Agro Investment.

Cape Town is a company whose sole shareholder, Mr. Elie Horn, is the chairman of Cyrela Brazil Realty, one of the largest Brazilian real estate companies. Tarpon has large experience as manager of financial resources and specializes in variable income. Agro Managers and Agro Investment are investment means that people related to Cresud S.A.C.I.F. y A. utilize.

On March 24, 2006, Cresud S.A.C.I.F. y A. entered into a shareholders agreement with Mr. Elie Horn and with Tarpon, which established among other matters that both parties should have a joint vote at the Shareholders' Meetings and that both parties have a preemptive right to acquire shares held by the other party.

The board of directors of BrasilAgro has nine members of which Cresud S.A.C.I.F. y A., in his capacity as founder of the company, has appointed three members, Tarpon and Cape Town other three and complementarily the Company has three independent directors.

BrasilAgro was created for the purpose of replicating Cresud's Business in Brazil. The Company will be mainly involved in four business lines keeping its focus on agricultural real estate: (i) sugar cane, (ii) grains and cotton, (iii) forestry activities, and (iv) livestock.

On March 15, 2006, BrasilAgro subscribed a consulting agreement with Parana Consultora de Investimentos. Parana will provide consulting services in matters related, among other, to the purchase and sale of land, transactions in capital markets, hedging policies and mergers and acquisitions.

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**Cresud Sociedad Anónima, Comercial,  
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Notes to the Financial Statements (Continued)**

**NOTE 19:** (Continued)

As consideration for its services, Parana will receive from BrasilAgro a yearly remuneration equivalent to 1% of the capital subscribed of BrasilAgro.

Parana's shareholders are Tarpon with a 50% interest, Consultores Asset Management with a 37.5% interest and Alejandro Elsztain with a 12.5% interest.

This transaction has a distinctive feature such being the most eloquent expression of our Group returning to the capitals market with the purpose of newly expanding our business and of diversifying our portfolio on an international basis.

In order to finance the investment in Brazil, on May 2, 2006, Cresud S.A.C.I.F. y A. obtained a U\$S 8 million loan from Credit Suisse, for a 30 months term accruing interest at the three months LIBOR rate plus 375 basic points. This loan has been secured through a swap operation with Convertible Negotiable Obligations of IRSA in an amount of u\$S 10 million. To complete the investment Cresud used short-term loans and its own funds.

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria**

**Fixed Assets**

For the nine-month periods ended March 31, 2006 and 2005 and year ended June 30, 2005

(Notes 1 and 2)

**Schedule A**

|                                     | Value at    |            |            | Value at    | Rate %   | Depreciation |           |           | Accumulated | Net carrying | Net carrying | Net carrying |
|-------------------------------------|-------------|------------|------------|-------------|----------|--------------|-----------|-----------|-------------|--------------|--------------|--------------|
|                                     | the         | beginning  | of the     |             |          | at the       | Decrease  | of the    |             |              |              |              |
|                                     | beginning   | Additions  | Deductions | the end of  |          | beginning    | of the    | Period    | the         | March 31     | June 30,     | March        |
|                                     | of the      | and/or     | and/or     | the         |          | of the       | Period    | Current   | the         | March 31     | June 30,     | March        |
|                                     | period/year | transfers  | transfers  | period/year |          | period/year  | /year     | period    | period/year | 2006         | 2005         | 2005         |
|                                     | Pesos       | Pesos      | Pesos      | Pesos       |          | Pesos        | Pesos     | Pesos     | Pesos       | Pesos        | Pesos        | Pesos        |
| Principal Account                   |             |            |            |             |          |              |           |           |             |              |              |              |
| Real estate                         | 123,967,685 | 22,999,773 | 5,691,392  | 141,276,066 |          |              |           |           |             | 141,276,066  | 123,967,685  | 113,949,000  |
| Electric fences                     | 3,738,415   |            | 181,072    | 3,557,343   | 3        | 685,961      | 54,868    | 85,292    | 716,385     | 2,840,958    | 3,052,454    | 3,164,000    |
| Watering troughs                    | 2,972,393   | 105,800    | 254,865    | 2,823,328   | 5        | 932,450      | 100,736   | 111,922   | 943,636     | 1,879,692    | 2,039,943    | 2,104,000    |
| Alfalfa fields and pastures         | 2,782,001   | 890,877    | 1,282,571  | 2,390,307   | 12-25-50 | 1,628,273    | 1,199,476 | 401,952   | 830,749     | 1,559,558    | 1,153,728    | 600,000      |
| Buildings and structures            | 5,737,215   | 23,592,231 | 58,895     | 29,270,551  | 2        | 1,974,112    | 10,112    | 434,580   | 2,398,580   | 26,871,971   | 3,763,103    | 3,419,000    |
| Machinery                           | 9,463,175   | 913,350    | 15,045     | 10,361,480  | 10       | 6,049,081    | 12,036    | 711,228   | 6,748,273   | 3,613,207    | 3,414,094    | 2,120,000    |
| Trucks and vehicles                 | 1,454,489   | 356,093    | 48,864     | 1,761,718   | 20       | 824,947      | 48,864    | 215,918   | 992,001     | 769,717      | 629,542      | 638,000      |
| Tools and equipment                 | 191,545     | 4,565      |            | 196,110     | 10       | 137,606      |           | 10,239    | 147,845     | 48,265       | 53,939       | 52,000       |
| Leasehold improvements and fixtures | 1,067,663   | 51,448     |            | 1,119,111   | 10       | 682,763      |           | 80,267    | 763,030     | 356,081      | 384,900      | 325,000      |
| Trucks and leading trucks           | 622,169     | 28,215     |            | 650,384     | 3        | 107,126      |           | 14,623    | 121,749     | 528,635      | 515,043      | 483,000      |
| Trucks                              | 960,053     | 60,288     | 25,160     | 995,181     | 10       | 614,320      | 12,580    | 72,396    | 674,136     | 321,045      | 345,733      | 345,000      |
| Utilities                           | 11,455,517  | 189,413    | 26,008     | 11,618,922  | 10-20-33 | 4,587,196    | 24,295    | 831,530   | 5,394,431   | 6,224,491    | 6,868,321    | 3,262,000    |
| Computer equipment                  | 969,371     | 139,310    |            | 1,108,681   | 20       | 668,954      |           | 107,595   | 776,549     | 332,132      | 300,417      | 332,000      |
| Plants                              | 1,169,114   |            | 72,595     | 1,096,519   | 5        | 378,719      | 31,942    | 44,765    | 391,542     | 704,977      | 790,395      | 806,000      |
| Structures in progress              | 10,719,843  | 6,904,693  |            | 17,624,536  |          |              |           |           |             | 17,624,536   | 10,719,843   | 17,786,000   |
| Advances to suppliers               | 82,879      |            | 42,368     | 40,511      |          |              |           |           |             | 40,511       | 82,879       | 284,000      |
| Total as of March 31, 2006          | 177,353,527 | 56,236,056 | 7,698,835  | 225,890,748 |          | 19,271,508   | 1,494,909 | 3,122,307 | 20,898,906  | 204,991,842  |              |              |
| Total as of June 30, 2005           | 169,076,719 | 26,396,730 | 18,119,922 | 177,353,527 |          | 17,529,527   | 1,872,256 | 3,614,237 | 19,271,508  |              | 158,082,019  |              |
| Total as of March 31, 2005          | 169,076,719 | 9,297,248  | 9,255,517  | 169,118,450 |          | 17,529,527   | 321,295   | 2,234,423 | 19,442,655  |              |              | 149,675,000  |



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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria**

**Investments**

For the nine month periods ended March 31, 2006 and 2005 and year ended June 30, 2005

(Notes 1 and 2)

**Schedule C**

**INFORMATION ON THE ISSUER  
Latest financial statements**

| Type and Characteristics<br>of the securities                                  | Amount    | Value at  | Value at   | Value at     | Market<br>value | Principal activity | INFORMATION ON THE ISSUER<br>Latest financial statements |                                    |                        |
|--|-----------|-----------|------------|--------------|-----------------|--------------------|--|------------------------------------|------------------------|
|  |           | March 31, | June 30,   | March 31 30, |                 |                    | Capital  | Income<br>for the fiscal<br>period | Shareholders<br>Equity |
|  |           | 2006      | 2005       | 2005         |                 |                    |  |                                    |                        |
|  |           | Pesos     | Pesos      | Pesos        | Pesos           |                    | Pesos  | Pesos                              | Pesos                  |
| <b>Current Investments</b>   |           |           |            |              |                 |                    |  |                                    |                        |
| Mutual Funds   |           |           |            |              |                 |                    |  |                                    |                        |
| Bony Hamilton in dollars fund  | 15,325    | 46,617    | 52,439,110 | 93,601,984   | 3.041978        |                    |  |                                    |                        |
| Banco Río special fund in pesos  |           |           |            | 91           |                 |                    |  |                                    |                        |
| Banco Río Plazo Fijo fund in dollars   |           |           | 2,395      | 2,523        |                 |                    |  |                                    |                        |
|  |           | 46,617    | 52,441,505 | 93,604,598   |                 |                    |  |                                    |                        |
| Notes and Convertible Bonds  |           |           |            |              |                 |                    |  |                                    |                        |
| Interest of Convertible Bonds 2007 -IRSA (U\$S)                                |           |           |            |              |                 |                    |  |                                    |                        |
| Subsidiaries, related companies Law No. 19,550 Section 33 and related parties: |           |           |            |              |                 |                    |  |                                    |                        |
| IRSA Inversiones y Representaciones S.A.                                       |           | 2,604,146 | 1,078,320  | 3,338,226    |                 |                    |  |                                    |                        |
| Bonos Global 2010  | 110,000   | 103,732   | 100,997    | 95,732       | 0.943018        |                    |  |                                    |                        |
| Bocon Pro 1  | 157,647   | 630       | 630        | 630          | 0.003996        |                    |  |                                    |                        |
| Bonos Arg Discount Letes   |           |           |            | 2,445,324    |                 |                    |  |                                    |                        |
| Nobacs   | 3,000,000 | 2,982,000 | 3,003,000  |              | 0.994000        |                    |  |                                    |                        |
| Bonos Arg Discount 2033  |           |           | 1,073,823  |              |                 |                    |  |                                    |                        |
| Bonos Raymond  |           |           | 20,235     |              |                 |                    |  |                                    |                        |
| James-interests  |           |           |            |              |                 |                    |  |                                    |                        |
| Mortgage Bonds   | 1,408,148 | 1,415,189 | 1,706,662  |              | 1.0050000       |                    |  |                                    |                        |
|  |           | 7,105,697 | 6,983,667  | 6,200,483    |                 |                    |  |                                    |                        |
| Total current investments  |           | 7,152,314 | 59,425,172 | 99,805,081   |                 |                    |  |                                    |                        |

**Non-current investments**

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**Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:**

| AGRO-URANGA S.A.  |         |            |            |            | Unlisted | Agricultural livestock |           |           |            |
|---|---------|------------|------------|------------|----------|------------------------|-----------|-----------|------------|
| Shares  | 893,069 | 5,573,730  | 5,344,811  | 4,932,749  |          |                        | 2,500,000 | 3,773,692 | 15,624,759 |
| Contribution on account of future subscriptions of shares |         | 7,865      | 7,865      | 7,865      |          |                        |           |           |            |
| Higher value of property                                  |         | 11,179,150 | 11,179,150 | 11,179,150 |          |                        |           |           |            |
|   |         | 16,760,745 | 16,531,826 | 16,119,764 |          |                        |           |           |            |

**INVERSIONES GANADERAS S.A.**

|   |            |            |            |            |          |                           |            |           |            |
|---|------------|------------|------------|------------|----------|---------------------------|------------|-----------|------------|
| Shares  | 11,668,569 | 10,798,817 | 10,984,960 | 11,052,003 | Unlisted | Rising and grazing cattle | 11,668,570 | (915,730) | 10,798,842 |
| Contribution on account of future subscriptions of shares |            |            | 729,586    | 729,585    |          |                           |            |           |            |
|   |            | 10,798,817 | 11,714,546 | 11,781,588 |          |                           |            |           |            |

**CACTUS ARGENTINA S.A.**

|   |           |           |           |           |          |   |           |         |           |
|---|-----------|-----------|-----------|-----------|----------|---|-----------|---------|-----------|
| Shares  | 4,337,175 | 4,493,393 | 1,160,907 | 1,054,443 | Unlisted | Exploitation and Agriculture and beef cattle products | 8,674,350 | 312,435 | 8,986,785 |
| Contribution on account of future subscriptions of shares |           |           | 3,176,268 | 2,135,618 |          |   |           |         |           |
|   |           | 4,493,393 | 4,337,175 | 3,190,061 |          |   |           |         |           |

**FUTUROS Y OPCIONES.COM S.A.**

|   |         |         |         |  |          |  |         |           |           |
|---|---------|---------|---------|--|----------|--|---------|-----------|-----------|
| Shares  | 252,656 | 327,697 | 646,150 |  | Unlisted | Provide information about consulting services trough Internet. | 360,937 | (454,932) | 1,068,139 |
| Contribution on account of future subscriptions of shares |         | 420,000 |         |  |          |  |         |           |           |
|   |         | 747,697 | 646,150 |  |          |  |         |           |           |

**AGROPECUARIA CERVERA S.A.**

|   |        |           |  |  |          |                           |        |          |           |
|---|--------|-----------|--|--|----------|---------------------------|--------|----------|-----------|
| Shares  | 36,000 | 3,858,643 |  |  | Unlisted | Agricultural and forestal | 40,000 | (23,487) | 5,582,129 |
| Contribution on account of future subscriptions of shares |        | 1,165,273 |  |  |          |                           |        |          |           |
|   |        | 5,023,916 |  |  |          |                           |        |          |           |

**IRSA Inversiones y Representaciones S.A.**

|                  |            |             |             |             |      |             |             |            |               |
|------------------|------------|-------------|-------------|-------------|------|-------------|-------------|------------|---------------|
| Shares (Note 14) | 87,025,013 | 303,616,578 | 272,859,443 | 287,248,351 | 3.60 | Real Estate | 384,302,779 | 40,906,745 | 1,340,769,435 |
|                  |            | 303,616,578 | 272,859,443 | 287,248,351 |      |             |             |            |               |
|                  |            | 341,441,146 | 306,089,140 | 318,339,764 |      |             |             |            |               |

**Other Investments**

Convertible Bonds 2007 - IRSA (US\$)

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Subsidiaries, related  
companies Law  
No. 19,550 Section 33 and  
related parties:

|   |            |            |             |             |          |
|---|------------|------------|-------------|-------------|----------|
| IRSA Inversiones y Representaciones S.A.                                  | 27,958,011 | 86,166,588 | 105,487,796 | 106,583,963 |          |
| Brasil Agro- Companhia Brasileira de Propiedades Agricolas (in formation) |            | 759,615    |             |             |          |
| Coprolán  |            | 20,717     | 20,717      | 20,717      | Unlisted |
|   |            | 86,946,920 | 105,508,513 | 106,604,680 |          |

**Goodwill**

|                                      |              |              |              |         |  |
|--------------------------------------|--------------|--------------|--------------|---------|--|
| Goodwill                             |              |              |              | 164,919 |  |
| IRSA negative goodwill               | (40,605,160) | (30,430,822) | (43,485,057) |         |  |
| Agropecuaria Cervecera S.A. goodwill | 21,910,761   |              |              |         |  |
|                                      | (18,694,399) | (30,430,822) | (43,320,138) |         |  |

|                               |             |             |             |  |  |
|-------------------------------|-------------|-------------|-------------|--|--|
| Total non-current investments | 409,693,667 | 381,166,831 | 381,624,306 |  |  |
|-------------------------------|-------------|-------------|-------------|--|--|

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria**

**Allowances and Provisions**

For the nine-month periods ended March 31, 2006 and 2005 and the year ended June 30, 2005

(Notes 1 and 2)

**Schedule E**

| Item                            | Balances at<br>beginning of<br>the<br>period/year<br>Pesos | Increases<br>(1)<br>Pesos | Decreases<br>Pesos | Applications<br>Pesos | Value as of<br>March 31,<br>2006<br>Pesos | Value as of<br>June 30<br>2005<br>Pesos | Value as of<br>March 31,<br>2005<br>Pesos |
|---------------------------------|--|---------------------------|--------------------|-----------------------|---|---|---|
| <b>Deducted from assets</b>     |  |                           |                    |                       |   |   |   |
| Allowance for doubtful accounts | 356,214  |                           |                    |                       | 356,214                                   | 356,214                                 | 345,709                                   |
| <b>Included in liabilities</b>  |  |                           |                    |                       |   |   |   |
| For pending lawsuits            | 65,871   | 2,372                     |                    |                       | 68,243                                    | 65,871                                  |   |
| Total as of March 31, 2006      | 422,085  | 2,372                     |                    |                       | 424,457                                   |   |   |
| Total as of June 30, 2005       | 387,067  | 79,374                    | (5,824)            | (38,532)              |   | 422,085                                 |   |
| Total as of March 31, 2005      | 387,067  |                           | (2,826)            | (38,532)              |   |   | 345,709                                   |

(1) The accounting appropriation is included in Statement of Income, other income and expenses.



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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria**

**Cost of sales**

For the nine-month periods ended March 31, 2006 and 2005

(Notes 1 and 2)

**Schedule F**

|   | Crops                     |                           | Beef cattle               |                           | Milk                      |                           | Others                    |                           | Total        | March 31<br>2005<br>Pesos |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------|---------------------------|
|   | March 31<br>2006<br>Pesos | March 31<br>2005<br>Pesos | March 31<br>2006<br>Pesos | March 31<br>2005<br>Pesos | March 31<br>2006<br>Pesos | March 31<br>2005<br>Pesos | March 31<br>2006<br>Pesos | March 31<br>2005<br>Pesos |              |                           |
| <b>Inventories at the beginning of the period</b>   |                           |                           |                           |                           |                           |                           |                           |                           |              |                           |
| Beef cattle   |                           |                           | 55,019,469                | 55,198,055                | 6,823,744                 | 4,150,630                 |                           |                           | 61,843,213   | 59,348,685                |
| Crops   | 24,930,778                | 8,639,910                 |                           |                           |                           |                           |                           |                           | 24,930,778   | 8,639,910                 |
| Unharvested crops                                   | 826,336                   | 1,603,897                 |                           |                           |                           |                           |                           |                           | 826,336      | 1,603,897                 |
| Seeds and fodder                                    | 128,575                   |                           | 172,941                   | 134,870                   | 17,653                    | 103,508                   |                           |                           | 319,169      | 238,378                   |
| Materials and others                                | 3,768,385                 | 3,842,219                 |                           |                           | 65,430                    | 44,982                    | 190,843                   | 154,393                   | 4,024,658    | 4,041,594                 |
|   | 29,654,074                | 14,086,026                | 55,192,410                | 55,332,925                | 6,906,827                 | 4,299,120                 | 190,843                   | 154,393                   | 91,944,154   | 73,872,464                |
| Holding gain  |                           |                           | 1,533,168                 | 8,375,479                 | 375,173                   | 259,170                   |                           |                           | 1,908,341    | 8,634,649                 |
| (Gain) loss for operations in the commodity markets | (438,424)                 | 2,924,090                 |                           |                           |                           |                           |                           |                           | (438,424)    | 2,294,090                 |
| Transfer of inventories to expenses                 | (91,722)                  | (149,403)                 |                           |                           |                           |                           |                           |                           | (91,722)     | (149,403)                 |
| Transfer of inventories to fixed assets             | (346,306)                 | (572,364)                 |                           |                           |                           |                           | (151,928)                 | (74,348)                  | (498,234)    | (646,712)                 |
| Transfer of unharvested crops to expenses           | (14,052,802)              | (11,608,487)              | (382,865)                 | (400,174)                 | (1,018,566)               | (480,058)                 | (360,753)                 | (370,876)                 | (15,814,986) | (12,859,595)              |
| Recovery of inventories                             |                           |                           | 317,795                   | 150,440                   | (317,795)                 | (150,440)                 |                           |                           |              |                           |
| Purchases   | 28,609,741                | 27,919,030                | 7,038,254                 | 3,868,098                 | 3,138,055                 | 929,239                   | 413,022                   | 506,664                   | 39,199,072   | 33,223,031                |
| Operating expenses (Schedule H)                     | 14,946,376                | 11,322,950                | 11,473,945                | 12,561,709                | 3,571,080                 | 1,459,122                 | 17,839                    | 26,263                    | 30,009,240   | 25,370,044                |
| <b>Less:</b>  |                           |                           |                           |                           |                           |                           |                           |                           |              |                           |

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| <b>Inventories at the end of the period</b> |                   |                   |                   |                   |                  |                  |              |              |              |                   |                          |
|---|-------------------|-------------------|-------------------|-------------------|------------------|------------------|--------------|--------------|--------------|-------------------|--------------------------|
| Beef cattle (1)                             |                   |                   | (60,524,704)      | (57,581,642)      | (9,127,509)      | (4,968,440)      |              |              | (69,652,213) |                   | (62,550,082)             |
| Crops                                       | (14,800,090)      | (12,077,749)      |                   |                   |                  |                  |              |              | (14,800,090) |                   | (12,077,749)             |
| Unharvested crops                           | (18,025,519)      | (17,777,895)      |                   |                   |                  |                  |              |              | (18,025,519) |                   | (17,777,895)             |
| Seeds and fodder                            | (20,000)          |                   | (174,511)         | (271,597)         | (100,004)        | (228,890)        |              |              | (294,515)    |                   | (500,487)                |
| Materials and others                        | (2,870,225)       | (2,288,977)       |                   |                   | (104,259)        | (49,926)         | (100,459)    | (240,935)    | (3,074,943)  | (105,847,280)     | (2,579,838) (95,486,051) |
| <b>Cost of Sales (2)</b>                    | <b>22,565,103</b> | <b>11,777,221</b> | <b>14,473,492</b> | <b>22,035,238</b> | <b>3,323,002</b> | <b>1,068,897</b> | <b>8,564</b> | <b>1,161</b> |              | <b>40,370,161</b> | <b>34,882,517</b>        |

(1) Includes cattle births of the period

(2) Includes cattle production amounting to Ps. 17,195,405 as of March 31, 2006 and Ps. 19,787,792 as of March 31, 2005

(2) Includes corn production amounting to Ps. 16,972,639 as of March 31, 2006 and Ps. 14,303,318 as of March 31, 2005

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Foreign currency assets and liabilities**

For the nine-month periods ended March 31, 2006 and 2005 and the year ended June 30, 2005

(Notes 1 and 2)

Schedule G

| Item   | March 31, 2006                      |                             |                                | June 30, 2005                       |                                |                                     | March 31, 2005                 |      |            |            |
|--|-------------------------------------|-----------------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|------|------------|------------|
|  | Type and amount of foreign currency | Current Exchange rate Pesos | Amount in local currency Pesos | Type and amount of foreign currency | Amount in local currency Pesos | Type and amount of foreign Currency | Amount in local currency Pesos |      |            |            |
| <b>Current Assets</b>  |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Cash and banks   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Cash and banks   | U\$S                                | 2,271,167                   | 3.042                          | 8,277,789                           | U\$S                           | 4,199,223                           | 11,955,188                     | U\$S | 6,121,003  | 17,610,125 |
| Cash and banks   | Rs                                  | 213                         | 1,348                          | 287                                 | Rs                             |                                     |                                | Rs   |            |            |
| Investments:   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Mutual funds   | U\$S                                | 15,324                      | 3.042                          | 46,617                              | U\$S                           | 18,419,917                          | 52,441,505                     | U\$S | 32,535,456 | 93,604,507 |
| Interest from IRSA   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Convertible Notes 2007   | U\$S                                |                             |                                |                                     | U\$S                           |                                     |                                | U\$S |            |            |
| Subsidiaries, related companies Law 19,550 Article 33 and related parties: |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| IRSA Inversiones y Representaciones S.A.                                   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
|  | U\$S                                | 844,953                     | 3.082                          | 2,604,146                           | U\$S                           | 373,509                             | 1,078,320                      | U\$S | 1,144,404  | 3,338,226  |
| Trade accounts receivable:   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Trade accounts receivable  | U\$S                                | 53,209                      | 3.042                          | 161,861                             | U\$S                           | 333,190                             | 948,593                        | U\$S | 343,815    | 989,156    |
| Other receivables:   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Secured by mortgages   | U\$S                                | 1,032,619                   | 3.042                          | 3,141,226                           | U\$S                           | 2,886,254                           | 8,217,166                      | U\$S | 2,837,976  | 8,164,858  |
| Guarantee deposits   | U\$S                                | 512,116                     | 3.042                          | 1,557,857                           | U\$S                           | 939,597                             | 2,675,032                      | U\$S | 678,333    | 1,951,565  |
| Subsidiaries, related companies Law 19,550 Article 33 and related parties: |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Cactus Argentina S.A   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
|  | U\$S                                | 3,184                       | 3.082                          | 9,814                               |                                |                                     |                                |      |            |            |
| Others   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
|  | U\$S                                | 15,922                      | 3.082                          | 49,071                              |                                |                                     |                                |      |            |            |
| <b>Non-Current Assets</b>  |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Other receivables  |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Secured by mortgages   | U\$S                                | 2,713,488                   | 3.042                          | 8,254,430                           |                                |                                     |                                |      |            |            |
| Subsidiaries, related companies Law 19,550 Article 33 and related parties: |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Alto Palermo S.A   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
|  | U\$S                                | 222,906                     | 3.082                          | 686,996                             |                                |                                     |                                |      |            |            |
| IRSA Inversiones y Representaciones S.A.                                   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
|  | U\$S                                | 57,319                      | 3.082                          | 176,656                             |                                |                                     |                                |      |            |            |
| Others   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
|  | U\$S                                | 31,844                      | 3.082                          | 98,142                              |                                |                                     |                                |      |            |            |
| Investments:   |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| IRSA Convertible Notes 2007  |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |
| Subsidiaries, related companies Law 19,550 Article 33 and related parties: |                                     |                             |                                |                                     |                                |                                     |                                |      |            |            |

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|  |                        |            |                    |                        |                    |                        |                    |
|--|------------------------|------------|--------------------|------------------------|--------------------|------------------------|--------------------|
| IRSA Inversiones y Representaciones S.A.                                   | U\$S 27,958,010        | 3.082      | 86,166,588         | U\$S 36,538,897        | 105,487,796        | U\$S 36,538,897        | 106,583,963        |
| <b>U\$S</b>  | <b>U\$S 36,182,061</b> |            | <b>111,231,193</b> | <b>U\$S 63,690,587</b> | <b>182,803,600</b> | <b>U\$S 80,199,884</b> | <b>232,242,400</b> |
| <b>Rs</b>  | <b>Rs</b>              | <b>213</b> | <b>287</b>         |                        |                    |                        |                    |
| <b>Total Assets</b>  |                        |            | <b>111,231,193</b> |                        | <b>182,803,600</b> |                        | <b>232,242,400</b> |
| <b>Current liabilities</b>   |                        |            |                    |                        |                    |                        |                    |
| Trade accounts payable:  |                        |            |                    |                        |                    |                        |                    |
| Suppliers  | U\$S 3,172,589         | 3.082      | 9,777,918          | U\$S 2,279,505         | 6,580,931          | U\$S 789,295           | 2,302,374          |
| Interest to be accrued   | U\$S (88,335)          | 3.082      | (272,250)          | U\$S                   |                    | U\$S                   |                    |
| Accrual for other expenses   | U\$S 1,373,600         | 3.082      | 4,233,435          | U\$S 898.119           | 2,592,869          | U\$S 607,354           | 1,771,652          |
| Loans:   |                        |            |                    |                        |                    |                        |                    |
| Local banks  | U\$S 4,347,470         | 3.082      | 13,398,902         | U\$S                   |                    | U\$S                   |                    |
| Accrued interest of  |                        |            |                    |                        |                    |                        |                    |
| Convertible Notes 2007   | U\$S 519,918           | 3.082      | 1,602,388          | U\$S 164.996           | 476,343            | U\$S 503,296           | 1,468,115          |
| Subsidiaries, related companies Law 19,550 Article 33 and related parties: |                        |            |                    |                        |                    |                        |                    |
| Shareholders   | U\$S 556,779           | 3.082      | 1,715,992          | U\$S 244.853           | 706,891            | U\$S 745,205           | 2,173,764          |
| Directors  | U\$S 1,016             | 3.082      | 3,130              | U\$S 344               | 992                | U\$S 1,045             | 3,049              |
| Other debts:   |                        |            |                    |                        |                    |                        |                    |
| Security transactions payable  | U\$S                   |            |                    | U\$S 1,448.075         | 4,180,593          | U\$S                   |                    |
| Advances from customers  | U\$S                   |            |                    | U\$S 711.881           | 2,055,200          | U\$S 2,704,559         | 7,889,200          |

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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria  
Foreign currency assets and liabilities**

For the nine-month periods ended March 31, 2006 and 2005 and the year ended June 30, 2005

(Notes 1 and 2)

Schedule G

(continued)

| Item                            | Type and amount of foreign currency | March, 31 2006              |                                | June 30, 2005                       |                                | March 31, 2005                      |                                |
|---------------------------------|-------------------------------------|-----------------------------|--------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------|
|                                 |                                     | Current Exchange rate Pesos | Amount in local currency Pesos | Type and amount of foreign currency | Amount in local currency Pesos | Type and amount of foreign currency | Amount in local currency Pesos |
| <b>Non-current liabilities</b>  |                                     |                             |                                |                                     |                                |                                     |                                |
| Trade accounts payable          |                                     |                             |                                |                                     |                                |                                     |                                |
| Accrual for other expenses      | U\$S 318,437                        | 3.082                       | 981,422                        |                                     |                                |                                     |                                |
| Loans:                          |                                     |                             |                                |                                     |                                |                                     |                                |
| Convertible Notes 2007          | U\$S 17,203,932                     | 3.082                       | 53,022,519                     | U\$S 15,869,642                     | 45,815,657                     | U\$S 16,177,382                     | 47,189,423                     |
| Subsidiaries, related companies |                                     |                             |                                |                                     |                                |                                     |                                |
| Law 19,550                      |                                     |                             |                                |                                     |                                |                                     |                                |
| Article 33 and related parties: |                                     |                             |                                |                                     |                                |                                     |                                |
| Shareholders                    | U\$S 18,422,078                     | 3.082                       | 56,776,844                     | U\$S 24,223,922                     | 69,934,463                     | U\$S 23,953,025                     | 69,870,974                     |
| Directors                       | U\$S 33,600                         | 3.082                       | 103,555                        | U\$S 33,980                         | 98,100                         | U\$S 33,600                         | 98,011                         |
| <b>Total Liabilities</b>        | <b>U\$S 45,861,083</b>              |                             | <b>141,343,855</b>             | <b>U\$S 45,875,317</b>              | <b>132,442,039</b>             | <b>45,514,761</b>                   | <b>132,766,562</b>             |

U\$S: US dollars

Rs: Brazilian Reais

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**Cresud Sociedad Anónima, Comercial,  
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**Information submitted in compliance with Section 64, subsection B of Law No. 19,550**

For the nine-month periods ended March 31, 2006 and 2005

(Notes 1 and 2)

**Schedule H**

| Items                              | Total             |                   | Operating Expenses |                      |                  |                 | Expenses         |                         |                         | Total |
|------------------------------------|-------------------|-------------------|--------------------|----------------------|------------------|-----------------|------------------|-------------------------|-------------------------|-------|
|                                    | March 31,<br>2006 | Total<br>Pesos    | Crops<br>Pesos     | Beef cattle<br>Pesos | Milk<br>Pesos    | Others<br>Pesos | Selling<br>Pesos | Administrative<br>Pesos | March 31,<br>2005 Pesos |       |
| Directors fees                     | 185,724           |                   |                    |                      |                  |                 |                  | 185,724                 | 90,169                  |       |
| Fees and payments for services     | 1,697,965         | 244,258           | 1,669              | 166,304              | 76,285           |                 |                  | 1,453,707               | 821,909                 |       |
| Salaries and wages                 | 4,760,445         | 2,397,820         | 591,875            | 1,193,046            | 612,899          |                 |                  | 2,362,625               | 3,951,604               |       |
| Social security taxes              | 841,572           | 394,419           | 227,132            | 136,133              | 31,154           |                 |                  | 447,153                 | 692,528                 |       |
| Taxes, rates and contributions     | 449,550           | 356,365           | 235,233            | 73,092               | 47,974           | 66              |                  | 93,185                  | 359,689                 |       |
| Gross sales taxes                  | 393,564           |                   |                    |                      |                  |                 | 393,564          |                         | 371,920                 |       |
| Office and administrative expenses | 573,153           |                   |                    |                      |                  |                 |                  | 573,153                 | 434,254                 |       |
| Bank commissions and expenses      | 8,939             | 8,939             | 6,599              | 1,822                | 504              | 14              |                  |                         | 8,572                   |       |
| Depreciation of fixed assets       | 3,122,307         | 2,886,713         | 1,797,646          | 687,365              | 393,548          | 8,154           |                  | 235,594                 | 2,234,423               |       |
| Vehicle and traveling expenses     | 534,510           | 347,816           | 164,379            | 168,261              | 12,456           | 2,720           |                  | 186,694                 | 437,062                 |       |
| Spare parts and repairs            | 1,302,349         | 1,302,349         | 720,895            | 476,156              | 105,298          |                 |                  |                         | 984,699                 |       |
| Insurance                          | 198,754           | 39,297            | 19,622             | 14,704               | 1,305            | 3,666           |                  | 159,457                 | 184,651                 |       |
| Benefits to employees              | 277,068           | 176,403           | 54,895             | 112,979              | 8,529            |                 |                  | 100,665                 | 256,889                 |       |
| Livestock expenses (1)             | 8,856,972         | 8,259,968         |                    | 8,259,968            |                  |                 | 597,004          |                         | 10,298,720              |       |
| Dairy farm expenses (2)            | 2,264,870         | 2,264,870         |                    |                      | 2,264,870        |                 |                  |                         | 896,496                 |       |
| Agricultural expenses (3)          | 15,554,087        | 10,867,378        | 10,867,378         |                      |                  |                 | 4,686,709        |                         | 11,104,307              |       |
| Silo expenses                      | 24,950            | 24,950            | 24,950             |                      |                  |                 |                  |                         | 97,032                  |       |
| General expenses                   | 437,695           | 437,695           | 234,103            | 184,115              | 16,258           | 3,219           |                  |                         | 253,154                 |       |
| <b>Total at March 31, 2006</b>     | <b>41,484,474</b> | <b>30,009,240</b> | <b>14,946,376</b>  | <b>11,473,945</b>    | <b>3,571,080</b> | <b>17,839</b>   | <b>5,677,277</b> | <b>5,797,957</b>        |                         |       |
| <b>Total at March 31, 2005</b>     |                   | <b>25,370,044</b> | <b>11,322,950</b>  | <b>12,561,709</b>    | <b>1,459,122</b> | <b>26,263</b>   | <b>3,760,424</b> | <b>4,347,610</b>        | <b>33,478,078</b>       |       |

(1) Includes cattle food and additives, lodging, animal health and others.

(2) Includes cattle food and additives, animal health and others.

(3) Includes seeds, agrochemicals, irrigation, services hired, leases and others.

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**Additional Information to the Notes to the Financial Statements****1. LEGAL FRAMEWORK**

There are no specific significant legal regimes that would imply contingent suspension or application of the benefits included in these regulations.

**2. RELEVANT MODIFICATIONS IN THE COMPANY'S ACTIVITIES**

They are detailed in the Business Highlight, which is attached to the present financial statements.

**3. CLASSIFICATION OF OUTSTANDING ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES ACCORDING TO THEIR MATURITY**

- a. Other Receivables and prepaid expenses without a due date at March 31, 2006.

|              | Law No. 19,550 Section 33 |                       |              |                 |               |               |               |
|--------------|---------------------------|-----------------------|--------------|-----------------|---------------|---------------|---------------|
|              | Other                     | AGRO<br>URANGA        | FYO<br>Other | CACTUS<br>Other | IGSA<br>Other | IRSA<br>Other | ACER<br>Other |
|              | Receivables               | Others<br>Receivables | Receivables  | Receivables     | Receivables   | Receivables   | Receivables   |
|              | Pesos                     | Pesos                 | Pesos        | Pesos           | Pesos         | Pesos         | Pesos         |
| Current      | 101,272                   | 160,609               | 23,603       | 370,781         |               |               |               |
| Non- current | 6,457,454                 |                       |              |                 | 1,257,743     | 176,656       | 364,917       |

- b. Trade Accounts Receivable and other receivables to fall due at March 31, 2006

|          | Law No. 19,550 Section 33        |  |   |                      |                             |                               |                             |
|----------|----------------------------------|--|---|----------------------|-----------------------------|-------------------------------|-----------------------------|
|          | Trade<br>Accounts<br>Receivables | FYO<br>Trade<br>Accounts<br>Receivable | Cactus<br>Trade<br>Accounts<br>Receivable | Other<br>Receivables | IRSA<br>Other<br>Receivable | CACTUS<br>Other<br>Receivable | ACER<br>Other<br>Receivable |
|          | \$                               | \$                                     | \$  | \$                   | \$                          | \$                            | \$                          |
| 06/30/06 | 5,676,093                        | 757,729                                | 38,921                                    | 5,467,041            | 1,331                       |                               | 14,398                      |
| 09/30/06 |                                  |  |   | 2,713,837            |                             |                               |                             |
| 12/31/06 |                                  |  |   | 7,522,095            |                             |                               |                             |
| 03/31/07 |                                  |  |   | 427,389              |                             |                               |                             |
| 06/30/07 |                                  |  |   |                      |                             | 2,944                         |                             |
| 09/30/07 |                                  |  |   | 2,170,454            |                             | 2,944                         |                             |
| 12/31/07 |                                  |  |   |                      |                             | 2,944                         |                             |
| 03/31/08 |                                  |  |   | 427,389              |                             | 2,944                         |                             |

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|          |           |       |
|----------|-----------|-------|
| 06/30/08 |           | 2,944 |
| 09/30/08 | 2,170,455 | 2,944 |
| 12/31/08 |           | 1,964 |
| 09/30/09 | 1,743,066 |       |
| 09/30/10 | 1,743,066 |       |



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**Additional Information to the Notes to the Financial Statements**

(Continued)

**4. CLASSIFICATION OF OUTSTANDING DEBTS ACCORDING TO THEIR MATURITY**

- a. There are no past due debts at March 31, 2006.
- b. Debts without a due date at March 31, 2006.

|              | Trade<br>Payables | Loans      | Taxes Payable | Allowances |
|--------------|-------------------|------------|---------------|------------|
|              | Pesos             | Pesos      | Pesos         | Pesos      |
| Current      |                   | 20,615,670 |               |            |
| Non- current | 981,422           |            | 49,600,797    | 68,243     |

- c. Debts to fall due at March 31, 2006

|          | Trade<br>Accounts<br>Payable | Law No. 19,550 Section 33<br>IGSA<br>Trade<br>Accounts<br>Payable | CACTUS<br>Trade<br>Accounts<br>Payable | Loans       | Salaries<br>and<br>Social<br>Security<br>Payable | Taxes<br>Payable | Other<br>Debts |
|----------|------------------------------|---|--|-------------|--|------------------|----------------|
|          | Pesos                        | Pesos   | Pesos                                  | Pesos       | Pesos  | Pesos            | Pesos          |
| 06/30/06 | 13,447,955                   | 147,642   | 415,222                                | 3,321,510   | 295,633  | 1,659,998        | 2,653,212      |
| 09/30/06 | 7,277,500                    |   |  | 13,398,902  | 588,579  |                  |                |
| 12/31/06 |                              |   |  |             |  |                  |                |
| 03/31/07 |                              |   |  |             | 174,524  |                  |                |
| 12/31/07 |                              |   |  | 109,201,097 |  |                  |                |

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Additional Information to the Notes to the Financial Statements

(Continued)

**5. CLASSIFICATION OF OUTSTANDING ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES ACCORDING TO THEIR FINANCIAL EFFECTS**

a.

|            | Trade<br>Accounts<br>Receivable | Law No. 19,550<br>Section 33           |   | Other<br>Receivables | IRSA<br>Other<br>receivables | Law No. 19,550 Section 33<br>AGRO |         |           |        |         |
|------------|---------------------------------|--|---|----------------------|------------------------------|-----------------------------------|---------|-----------|--------|---------|
|            |                                 | FYO<br>Trade<br>accounts<br>receivable | Cactus<br>Trade<br>accounts<br>receivable |                      |                              | ACER                              | URANGA  | IGSA      | FYO    | Cactus  |
|            |                                 |  |   |                      |                              |                                   |         |           |        |         |
| Pesos      | Pesos                           | Pesos                                  | Pesos                                     | Pesos                | Pesos                        | Pesos                             | Pesos   | Pesos     | Pesos  | Pesos   |
| In Pesos   | 5,514,232                       | 757,729                                | 38,921                                    | 17,155,796           | 1,331                        | 379,315                           | 160,609 | 1,257,743 | 23,603 | 380,595 |
| In Dollars | 161,861                         |  |   | 13,787,722           | 176,656                      |                                   |         |           |        | 9,814   |

b. All accounts receivable and other receivables are not subject to adjustment provisions.

c.

|  | Trade<br>Accounts<br>Receivable | Law No. 19,550 Section<br>33 |         |        | Other<br>Receivables | Law No. 19,550 Section 33<br>AGRO |        |         |         |         |         |
|--|---------------------------------|------------------------------|---------|--------|----------------------|-----------------------------------|--------|---------|---------|---------|---------|
|  |                                 | IGSA                         | FYO     | Cactus |                      | IGSA                              | FYO    | ACER    | URANGA  | IRSA    | Cactus  |
|  |                                 |                              |         |        |                      |                                   |        |         |         |         |         |
| Pesos  | Pesos                           | Pesos                        | Pesos   | Pesos  | Pesos                | Pesos                             | Pesos  | Pesos   | Pesos   | Pesos   |         |
| Outstanding balances accruing<br>interests     |                                 |                              |         |        | 11,710,249           | 1,229,194                         |        | 362,208 |         |         | 360,967 |
| Outstanding balances not<br>accruing interests | 5,676,093                       |                              | 757,729 | 38,921 | 19,233,269           | 28,549                            | 23,603 | 17,107  | 160,609 | 177,987 | 29,442  |

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**Additional Information to the Notes to the Financial Statements**

(Continued)

**6. CLASSIFICATION OF DEBTS ACCORDING TO THEIR FINANCIAL EFFECTS**

a.

|            | Trade<br>Accounts<br>Payable | Law No. 19,550<br>Section 33<br>IGSA<br>Trade<br>Accounts<br>Payables | Cactus<br>Trade<br>Accounts<br>Payables | Loans       | Salaries<br>and Social<br>security<br>Payables | Taxes<br>Payables | Other<br>debts | Provisions |
|------------|------------------------------|---|---|-------------|--|-------------------|----------------|------------|
|            | Pesos                        | Pesos   | Pesos                                   | Pesos       | Pesos  | Pesos             | Pesos          | Pesos      |
| In Pesos   | 6,986,352                    | 147,642   | 415,222                                 | 19,913,849  | 1,058,735                                      | 51,260,795        | 2,653,212      | 68,243     |
| In Dollars | 14,720,525                   |   |   | 126,623,330 |  |                   |                |            |

b. All debts outstanding are not subject to adjustments provisions

c.

|  | Trade<br>Accounts<br>Payable | Law No. 19,550<br>Section 33<br>IGSA<br>Trade<br>Accounts<br>Payable | Cactus<br>Trade<br>Accounts<br>Payable | Loans       | Salaries<br>and<br>Social<br>Security<br>Payable | Taxes<br>Payable | Other<br>Debts | Provisions |
|--|------------------------------|--|--|-------------|--|------------------|----------------|------------|
|  | Pesos                        | Pesos  | Pesos                                  | Pesos       | Pesos  | Pesos            | Pesos          | Pesos      |
| Outstanding debts accruing Interests     | 6,552,112                    |  |  | 143,917,490 |  |                  |                |            |
| Outstanding debts not accruing interests | 15,154,765                   | 147,642  | 415,222                                | 2,619,689   | 1,058,735  | 51,260,795       | 2,653,212      | 68,243     |

**7. INTEREST IN OTHER COMPANIES (Law No. 19,550 Section 33)**

Interests in other companies capital and the number of votes held in those companies governed by Law No. 19,550 Section 33 are explained in Note 2 to the consolidated financial statements and intercompany balances as of March 31, 2006 are described in captions 4 and 5 above.

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**Additional Information to the Notes to the Financial Statements**

**(Continued)**

**8. RECEIVABLES FROM OR LOANS TO DIRECTORS AND STATUTORY AUDIT COMMITTEE MEMBERS**

At March 31, 2006 there were advance payments to directors for Ps.124,000, and there were no receivables due from or loans to Statutory Auditors and relatives up to and including second degree, of directors and Statutory Auditors.

**9. PHYSICAL INVENTORIES**

The company conducts physical inventories once a period in each property, covering all the assets under such account. There is no relevant immobilization of inventory.

**10. VALUATION OF INVENTORIES**

We further inform the sources for the information used to calculate the fair value:

- a. Cattle for fattening, valued at the market value net of estimated sale expenses: quotation in Mercado de Hacienda de Liniers.
- b. Cattle for raising and daily production valued at its replacement cost: according to specific appraisals made by renowned experts.
- c. Crops: official quotation of the Cámara Arbitral de Cereales for the port closest to the warehouse, published by media of wide circulation (Diario La Nación) net of estimated sale expenses.
- d. The remaining inventory stated at its replacement cost: seeds, forage and materials: replacement cost published by a well-known magazine (revista Márgenes Agropecuarios).

**11. TECHNICAL REVALUATION OF FIXED ASSETS**

There are no fixed assets subject to technical revaluation.

**12. OBSOLETE FIXED ASSETS**

There are no obsolete fixed assets with accounting value.

**13. EQUITY INTERESTS IN OTHER COMPANIES**

There are no equity interests in other companies in excess of the provisions of Law No. 19,550 Section 31.

**14. RECOVERABLE VALUES**

The recoverable value of the inventory under consideration is the net realizable value (selling price at the end of the period less estimated selling expenses). The recoverable value of fixed assets under consideration is the economic use value determined by the possibility of absorbing the depreciations with the income of the Company.

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**Additional Information to the Notes to the Financial Statements**

**(Continued)**

**15. INSURANCES**

The types of insurance used by the company are the following:

|   |   | <b>Amount insured</b> | <b>Account Value</b> |
|---|---|-----------------------|----------------------|
| <b>Insured property</b>                   | <b>Risk covered</b>                               | <b>Pesos</b>          | <b>Pesos</b>         |
| Buildings, machinery, silos and furniture | Theft, fire and technical insurance               | 61,132,601            | 31,878,368           |
| Vehicles                                  | Theft, fire and civil and third parties liability | 1,613,100             | 769,717              |

**16. CONTINGENCIES**

At March 31, 2006 there are no contingent situations that have not been accounted for.

**17. IRREVOCABLE CONTRIBUTIONS TO CAPITAL ON ACCOUNT OF FUTURE SUBSCRIPTIONS**

None.

**18. DIVIDENDS ON PREFERRED STOCK**

There are no cumulative dividends not paid on preferred stock.

**19. LIMITATIONS OF PROFIT DISTRIBUTIONS**

See Note 10 to the Financial Statements.

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**Business Highlight**

**Buenos Aires, May 11, 2006** - Cresud S.A.C.I.F. y A. (Nasdaq: CRESY BCBA: CRES), one of the leading agricultural companies in Argentina, announced today its results for the nine-month period of fiscal year 2006, ended March 31, 2006.

**The results for the nine-month period of 2006 showed a net profit of Ps. 23.4 million** compared to the Ps. 62.2 million profit for the same period the previous fiscal year.

The decrease in the net result is mainly due to: (i) a decrease in results from our ownership interests in related companies, (ii) a reduction in results from the sale of previously acquired Convertible Bonds, and (iii) a reduction in results from livestock holdings compared to those for the same period the previous year.

**Consolidated net sales for the period** were Ps. 68.8 million, 38% higher than consolidated net sales for the same period the previous fiscal year, mainly due to increases in the sales of crops and milk for the nine-month period of fiscal year 2006.

**Gross profit** for the nine-month period of fiscal year 2006 was Ps. 18.8 million compared to Ps. 12.4 million gross profit for the same period the previous year.

This rise in gross profit is due to an increase in the sales of crops and milk, in addition to an increase in average prices per ton and per liter, compared to the same period the previous fiscal year.

There was also an increase in the production of milk as a result of the start-up of production activities in the new dairy facilities in our El Tigre farm. The production of milk rose by 122% compared to the same period the previous fiscal year, with a highly positive impact on the margin of the segment.

**Operating results** for the period ended March 31, 2006 were a Ps. 18.7 million profit, compared to the Ps. 20.7 million profit for the same period the previous fiscal year.

**Results from related companies** were a Ps. 11.5 million profit, mainly due to our ownership share in IRSA Inversiones y Representaciones S.A. as of March 31, 2006.

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Inmobiliaria, Financiera y Agropecuaria**

**Business Highlight (continued)**

**Summary of operations**

**Crops**

Crop sales totaled Ps. 31.6 million for the period, compared to Ps. 15.0 million crop sales for the previous period. Crops sales amounted to 94,993 tons at an average price per ton of Ps. 333 compared to 45,531 tons sold at an average price of Ps. 330 during the same period the previous fiscal year.

At March 31, 2006, wheat harvests had finished with yields way above expectations. At that date, we harvested 92% of the area sown with sunflower, while corn amounted to 26% and soybean to 19%.

Our crop stock as of the end of the nine-month period totaled 41,729 tons, of which 17,859 correspond to wheat, 7,629 correspond to corn and 8,081 to soybean.

In the period ended March 31, 2006 gross profit in this segment was Ps. 9.1 million compared to a profit of Ps. 3.3 million for the same period the previous fiscal year. Gross profit in this segment rose as a result of the boost in crop sales and an overall increase in the price of crops. In turn, at the close of the period accumulated stocks were favored by an increase in real terms in the average prices of the different crops.

In the current season, our agricultural activities extend over a surface area of 37,022 hectares, 17,004 of which are leased from third parties. The total number of hectares devoted to agricultural activities has risen by 1,174 compared to the previous year, mainly as a result of the acquisition of the El Invierno farm, which added to the number of own hectares in operation, and of the increase in land leased from third parties.

**Beef Cattle**

At March 31, 2006, the Company had a 92,773-head cattle stock, slightly lower than for the same period the previous year, with a total surface area devoted to beef cattle activities of 129,946 hectares.

Beef cattle sales decreased by 7.7% compared to the previous fiscal year, from Ps. 27.1 million at March 31, 2005 to Ps. 25.0 million at March 31, 2006. During the nine-month period of the current fiscal year, sales totaled 10,839 tons, whereas for the same period of fiscal year 2005 the tons sold had amounted to 13,078, i.e., a 17.1% reduction.

Gross profit in the beef cattle segment was Ps. 4.3 million, compared to Ps. 5.0 million for the same period of the previous fiscal year. This drop in the business unit's gross profit is mainly due to the drop in sales, as a result of a reduction in the production of beef cattle.

Beef cattle production was 7,759 tons, showing a 9% decrease compared to the previous fiscal year. This variation was due to a decrease in cattle stock derived from the sale of two farms and the effects of the drought that particularly impacted our farming establishment in the province of Catamarca.



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**Business Highlight (continued)**

During the first three months of 2006, upward trends in the international prices of beef cattle intensified as a result of sustained demand (caused by the increase in the purchasing power of developing economies and higher consumption of red meat to the detriment of white meat) and of limited supply (derived from the restrictions arising from the requirements imposed by the health authorities on the main suppliers). These pressures fed local inflationary expectations, as a result of which the Argentine Government had to take the measures necessary to increase production in the area, such as a ban on exports and restrictions upon the minimum weight of cattle to be slaughtered.

**Milk**

Milk production increased by 122% in the nine-month period, from 4.9 million liters at March 31, 2005, to 10.9 million liters at March 31, 2006.

Gross profit in this segment at March 31, 2006 was Ps. 2.5 million, 121% higher than the profit for the same period of the previous year, as a result of the increase in production due to the start-up in activities at the El Tigre farming establishment and an increase in the average price per liter of milk, which went up from Ps. 0.45 to Ps. 0.54.

The El Tigre dairy farm, equipped with state-of-the-art technology, started to operate on March 1, 2005. This dairy farm can process 2,000 heads and its production capabilities can deliver up to 32,000 liters of milk per day. Forecasts for this business segment estimate yields even higher than those projected for the agricultural segment. The investment required by this project was US\$ 1.0 million.

At present, the Company has another dairy farm in La Juanita, whose feeding system is mainly pasture-based. This feeding system implies lower costs.

The milk business in Argentina has undergone major oscillations in recent decades: there was sustained growth until 1999 and afterwards, as a direct consequence of the economic crisis in 2001, there was a major drop in production. At present, thanks to increasingly attractive prices, the segment has become an interesting alternative again and the quantities of dairy products exported in 2005 have reached record high levels. This change in the trend seems to be strengthening in the first quarter of 2006, during which dairy exports increased by 26% in terms of tons and by 30% in US dollars compared to the same period in 2005.

**Feed Lot**

In the nine-month period ended March 31, 2006, the Company's Feed Lot, a 170-hectare establishment located in the province of San Luis, in which the Company owns a 50% interest through Cactus Argentina S.A., continued to play a key role in our company's cattle beef production which helped strengthen growth in the segment. The number of livestock head produced at Cresud's farming establishment and finished at Cactus pens produced high volumes of beef demanded by export markets. Given the high level of efficiency delivered by the use of feed lots, animals are finished with higher weights at younger ages.

In the nine-month period ended March 31, 2006, Cactus Argentina S.A.'s gross profit was Ps. 1.0 million, i.e. 41% higher than the profit for the same period for the prior fiscal year. The net result for the period was a Ps. 0.3 million profit compared to a Ps. 0.2 million loss for the period ended March 31, 2005. This result was

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**Business Highlight (continued)**

mainly favored by the quantity of food sold to feed animals for exporting purposes (of higher weight) and to the increased profitability yielded by Cactus Argentina S.A. s own animals. Additionally, the price of corn remained at reasonable values for use as the basic diet for animals.

Feed-lot animals yield consistently standard-end products, therefore buyers obtain high quality, which facilitates trading activities, increases prices and enhances access to the European market.

Prospects for the coming period anticipate an uncertain situation brought about by the measures applied by the Argentine Government as regards recovery in exports. Such scenario leaves beef cattle producers puzzled, and they are likely to adopt a passive attitude as regards beef production. The Argentine beef-cattle plan recently published has good action potential and should it be complied with, there would be a substantial improvement in the beef-cattle business in Argentina.

**Development of marginal lands**

We believe that the potential of the segment lies on the development of marginal land, as has been the case in various countries worldwide. With the help of state-of-the-art technology we can obtain yields similar to, and returns better than, those in the core areas.

During the nine-month period ended March 31, 2006, the development efforts at our Los Pozos farm in the province of Salta contemplated by the second module were completed. Los Pozos is a farming establishment, with a surface area of 20,000 hectares for livestock production purposes and it is currently operational. In addition, during the quarter, the Secretariat of the Environment and Sustainable Development of the Province of Salta approved the development project contemplated by the third module of the farming establishment and consisting in the development of a further 40,000 hectares for livestock purposes.

Additionally, development efforts for agricultural purposes started in the first 5,000 hectares destined to farming activities at Agropecuaria Cervera S.A., located in the Province of Salta. This project, consisting in a total surface area of 35,000 hectares, has been approved by the Secretariat of the Environment and Sustainable Development of the Province of Salta.

At March 31, 2006 Cresud s own land reserves amounted to 258,477 hectares which had been acquired at very low prices. The development of these areas, accompanied by technological breakthroughs will contribute to an appreciation in the value of land which will in turn imply significant gains for the Company.

**Investments in Other Companies**

On December 27, 2005, Cresud and its subsidiary IGSA bought 100% of the shares in Agropecuaria Cervera S.A. (ACER) pursuant to a swap agreement. ACER has, among other assets and rights, the concession of the start-up of production activities in the framework of a comprehensive development project that comprises biological, economic and social aspects over various properties in the Anta department, province of Salta. ACER has been duly authorized to carry out a major agriculture, livestock and forestry project.

In consideration for this swap, Cresud transferred 3.6 million Convertible Bonds which may be converted into ordinary shares, issued by IRSA Inversiones y Representaciones S.A. and paid Ps. 0.96 million, while IGSA paid Ps. 0.1 million and US\$ 0.7 million.

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**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Business Highlight (continued)**

**Expansion to Brazil: BrasilAgro Companhia Brasileira de Propiedades Agrícolas**

Subsequent to the close of the nine-month period ended March 31, 2006, the Brazilian Securities Exchange Commission approved a placement by public subscription of a total amount of Reais 432.0 million, equivalent to 432,000 common, book-entry shares at a price of Reais 1,000 per each BrasilAgro's share. These shares were placed in conjunction with Banco de Investimentos Credit Suisse (Brasil) S.A. in the Brazilian market by applying investment mechanisms regulated by control authorities and with sales efforts abroad, all of it in compliance with the US Securities Act of 1933 and other regulations established by the Securities and Exchange Commission.

In addition, as is customary in the Brazilian market, BrasilAgro held an option to increase the amount of the issue by 20% and Credit Suisse, the investment bank, held another option to increase it by 15% (Green shoe). Given the excess demand resulting from the placement, both BrasilAgro and Credit Suisse exercised said options increasing the placement to 583,200 shares, equivalent to Reais 583.2 million, which were fully placed.

BrasilAgro's shares started to be listed in Novo Mercado of the Brazilian Stock Exchange (BOVESPA) with the symbol AGRO3 on May 2, in compliance with Brazil's highest standards in terms of corporate governance.

In addition to the funds originally contributed, Cresud made contributions during the offer for a total amount of Reais 42.4 million (approximately US\$ 20.6 million). As from the time such contribution was made, Cresud now holds a total amount of 42,705 shares, equivalent to 7.3% of BrasilAgro's stock capital.

As compensation for having founded the Company, Cresud received 104,902 purchase options to subscribe additional BrasilAgro shares for 15 years at no cost and at the same price as that bid in the initial public offering, i.e., Reais 1,000 adjusted by the IPCA inflation index. Should it decide to exercise such option, Cresud might acquire 59,726 additional shares, thereby becoming the holder of 14.1% of BrasilAgro's diluted capital stock.

BrasilAgro's founding shareholders include Cresud, Cape Town, Tarpon Investimentos, Tarpon Agro, Agro Managers and Agro Investment.

Cape Town is a company whose sole shareholder is Mr. Elie Horn, the Chairman of Cyrela Brazil Realty, one of the leading Real Estate companies in Brazil. Tarpon has vast experience in managing financial resources and it specializes in variable income. Agro Managers and Agro Investment are investment vehicles used by persons related to Cresud.

On March 24, 2006, Cresud entered into a shareholder agreement with Mr. Elie Horn and Tarpon whereby stipulations were agreed including that both parties should have a joint vote at Shareholders' Meetings and that both parties have a preemptive right to acquire shares held by the other party.

BrasilAgro's board of directors is made up by nine members. Cresud, in its position as founder of the company, appointed three members, Tarpon and Cape Town appointed three more and additionally, the company has three independent directors.

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**Cresud Sociedad Anónima, Comercial,**

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**Business Highlight (continued)**

BrasilAgro was created for the purpose of replicating Cresud's business in Brazil. The Company shall be involved mainly in four business lines while keeping its focus on Real Estate for farming purposes: (i) Sugar Cane, (ii) Grains and cotton, (iii) Forestry and (iv) Cattle-beef.

On March 15, 2006 BrasilAgro yearly entered into a consulting agreement with Parana Consultora de Inversiones. Parana shall supply consultancy services as to the purchase and sale of farming establishments, transactions in capital markets, hedging policies and mergers and acquisitions, among other issues.

In consideration for its services, Parana shall receive from BrasilAgro a yearly compensation equivalent to 1% of BrasilAgro's subscribed capital.

Parana's shareholders include Tarpon, with a 50% interest, Consultores Asset Management with a 37.5% interest and Alejandro Elsztein with a 12.5% interest.

Additionally, this transaction is our Group's return into the capital markets for the purpose of expanding our businesses once again and diversifying our portfolio at the international level.

In order to finance the investment in Brazil, on May 2, 2006, Cresud obtained a US\$ 8 million loan from Credit Suisse, for a term of 30 months, accruing interest at the 3-month LIBOR plus 375 basis points. The loan mentioned has been secured through a repo transaction with IRSA's Convertible Notes for a total of US\$ 10 million. Additionally, to complete its investment, Cresud used short-term loans and its own funds.

**Internet**

The Company holds a 70% equity interest in Fyo.com, an Internet site. Fyo.com's position as leader in the farming sector continues to strengthen on the basis of the broad range of business services offered to the sector and Fyo.com's role in direct sales of supplies and crop brokerage services.

At present, Futuros y Opciones.com S.A. has a database of over 40,000 users and more than 5,000 farmers authorized to carry out business. The strategy implemented consists in focusing on business services to farmers by leveraging on Cresud's experience and operating capacity in the business, with Fyo.com being the link with customers.

During the period ended March 31, 2006, Futuros y Opciones.com S.A. posted sales for Ps. 1.8 million, 130% higher than the sales for the same period of the previous fiscal year. Net results for the period were a Ps. 0.45 million loss, 25% higher than the Ps. 0.37 million loss for the same period in fiscal 2005.

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Inmobiliaria, Financiera y Agropecuaria

Business Highlight (continued)

Principal indicators for the nine-month periods

ended March 31, 2006 and 2005:

|  | nine-month period ended<br>March 31, 2006 | nine-month period ended<br>March 31, 2005 | %           |
|--|---|---|-------------|
| <b>Sales (volume)</b>                      |   |   |             |
| Wheat (tons)                               | 9,685                                     | 6,307                                     | 54%         |
| Corn (tons)                                | 53,364                                    | 26,407                                    | 102%        |
| Sunflower (tons)                           | 1,810                                     | 1,133                                     | 60%         |
| Soybean (tons)                             | 26,674                                    | 10,682                                    | 150%        |
| Other (tons)                               | 3,460                                     | 1,002                                     | 245%        |
| <b>Total Crops (tons)</b>                  | <b>94,993</b>                             | <b>45,531</b>                             | <b>109%</b> |
| Beef (tons)                                | 10,839                                    | 13,078                                    | -17%        |
| Milk (Thousands of liters)                 | 10,864                                    | 4,897                                     | 122%        |
| <b>Production</b>                          |   |   |             |
| Wheat (Tons)                               | 21,615                                    | 23,747                                    | -9%         |
| Corn (Tons)                                | 11,299                                    | 17,018                                    | -34%        |
| Sunflower (Tons)                           | 7,118                                     | 4,825                                     | 48%         |
| Soybean (Tons)                             | 9,017                                     | 4,931                                     | 83%         |
| Beef (Tons)                                | 7,759                                     | 8,480                                     | -9%         |
| Milk (Thousands of liters)                 | 10,864                                    | 4,897                                     | 122%        |
| <b>Operated surface area (in hectares)</b> |   |   |             |
| Crops Owned farms                          | 20,018                                    | 19,706                                    | 2%          |
| Leased farms                               | 17,004                                    | 16,142                                    | 5%          |
| Beef Owned farms                           | 97,299                                    | 126,964                                   | -23%        |
| Leased farms                               | 32,647                                    |   |             |
| Dairy Owned farms                          | 1,505                                     | 1,583                                     | -5%         |
| <b>Land reserves (in hectares)</b>         | <b>258,477</b>                            | <b>263,177</b>                            | <b>-2%</b>  |
| <b>Surface area under irrigation</b>       | <b>3,750</b>                              | <b>3,929</b>                              | <b>-5%</b>  |
| <b>Storage capacity (tons)</b>             | <b>18,000</b>                             | <b>12,660</b>                             | <b>42%</b>  |
| <b>Total head of cattle</b>                | <b>92,773</b>                             | <b>93,880</b>                             | <b>-1%</b>  |
| <b>Dairy farm stock (heads)</b>            | <b>5,729</b>                              | <b>4,121</b>                              | <b>39%</b>  |
| <b>Milking cows (heads)</b>                | <b>3,307</b>                              | <b>1,875</b>                              | <b>76%</b>  |

Note: This table does not include Agro-Uranga (35.72% of 8,299 hectares) or Agropecuaria Cervera S.A. (99.99% of 160,000 hectares under a concession agreement).

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**Cresud Sociedad Anónima, Comercial,**

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**Business Highlight (continued)**

**Results from IRSA Inversiones y Representaciones S.A.**

The result derived from our equity interest in IRSA Inversiones y Representaciones (NYSE: IRS BCBA: IRSA) showed a Ps. 40.9 million profit in the nine-month period compared to a Ps. 78.2 million profit at March 31, 2005.

This decrease in IRSA's net profit is mainly explained by: (i) the financial losses resulting from lower income from financial transactions and the depreciation of the peso against the dollar; and (ii) a decrease in the income generated by related companies.

IRSA is Argentina's leading real estate company with a fully diversified portfolio of properties. IRSA participates in the following business segments:

**Office rental** with more than 97,070 m<sup>2</sup> for lease of premium offices.

Operation of **Shopping Centers** through its 61.62% equity interest in Alto Palermo S.A. (APSA) (Nasdaq: APSA, BCBA: APSA). APSA is one of the leading operators of shopping centers in Argentina and owns or has majority interests in 9 shopping centers with 210,267 m<sup>2</sup> of Gross Leaseable Area.

Holding and operation of luxury **hotels** through its equity interest in 3 five-star hotels. Besides, IRSA owns residential properties for sale and land reserves for **current and future developments** valued at Ps. 401.0 million.

Additionally, IRSA has an 11.76% ownership interest in Banco Hipotecario, the leading Argentine mortgage bank whose net worth amounts to Ps. 2,281 million. This amount has been calculated in accordance with the regulations of the Argentine Central Bank on the basis of temporary amounts as at the time of issuance of IRSA's financial statements at March 31, 2006, Banco Hipotecario S.A. had not yet completed the issuance and approval of its financial statements.

IRSA's total consolidated assets amount to Ps. 2,632.1 million and its net worth amounts to Ps. 1,340.8 million.

At March 31, 2006, the amount of outstanding Convertible Bonds and warrants was US\$ 49.89 million and 56.20 million, respectively. Outstanding shares at that date were 384,301,777.

At March 31, 2006, our equity interest in IRSA amounted to 22.6% of its total outstanding shares. In addition, our holdings of Convertible Bonds issued by IRSA amount to US\$ 28.0 million. These Convertible Bonds bear an option to purchase additional shares in IRSA. Should the option and conversion rights be exercised on an equal footing with all remaining bondholders, Cresud would become the owner of 34.3% of IRSA's capital stock. Our ownership interest in IRSA is currently valued by application of the proportional equity method.

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**Cresud Sociedad Anónima, Comercial,**

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**Business Highlight (continued)**

**Other relevant highlights**

**Reduction of debt due to the conversion of notes and exercise of Warrants**

As of the date of this report, Cresud's indebtedness resulting from the issuance of Convertible Notes diminished by US\$ 15,001,119, from the US\$ 50,000,000 originally issued, as a result of the conversions received.

In addition, as of the date this report, a total amount of 12,022,188 Warrants have been exercised, which generated income for the company in the amount of US\$ 14.4 million.

Therefore, after giving effect to all the conversions received and warrants exercised, the amount of Convertible Notes outstanding as of the date of this report is US\$ 34,998,881 and the amount of outstanding warrants is 37,977,812. The amount of shares issued was 53,216,362, which raised the company's total outstanding shares to 177,500,754.

At March 31, 2006, the Company's holdings in IRSA's Convertible Notes amounted to US\$ 28.0 million. The interest rate accrued by these notes is the same as that accrued by the bonds issued by Cresud. During this period Cresud converted 5.0 million IRSA Convertible Notes and subsequent to March 31, 2006, it converted a further 16.0 million Convertible Notes thereby increasing its interest to 28.1%.

The following is a detail of the past, present and potential situation of the Convertible Notes issued on November 14, 2002 under the laws of the State of New York at an 8% interest rate (payable on a half-yearly basis) maturing on November 14, 2007 and convertible at a price of US\$ 0.5078 per share of 1.00 par value (1.9693 shares for each Convertible Notes). The Convertible Notes also have a warrant attached that allows its holder to purchase 1.9693 shares of \$1.00 par value at a price of US\$ 0.6093 each per Convertible Notes.

Note: Total conversion refers to a situation in which all the holders of Convertible Notes exercise their right to convert the bonds into shares and all the options granted by the warrants.

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**Cresud Sociedad Anónima, Comercial,**

**Inmobiliaria, Financiera y Agropecuaria**

**Business Highlight (continued)**

On April 28, 2006, the Company received a notice from its shareholder Inversiones Financieras del Sur S.A. ( IFISA ) to the effect that IFISA will deposit in advance the sum of US\$ 7,000,000 in connection with its future exercise of 5,833,908 warrants on the following warrant exercise date, i.e., on June 30, 2006. Upon exercise of the warrants IFISA will receive 11,488,593 common shares that will be converted into 1,148,859 ADRs.

**Financial Indebtedness**

On May 2, 2006, the Company entered into a loan agreement with Credit Suisse for US\$ 8 million, for a term of 30 months, accruing interest at the 3-month LIBOR plus 375 basis points. The loan mentioned has been secured through a repo transaction with IRSA's Convertible Notes for a total of US\$ 10 million. The proceeds have been fully applied to the subscription of BrasilAgro's shares.

**Perspectives for the coming quarter**

Prospects for the coming quarter are quite encouraging: the prices of commodities continue to be very firm and therefore we expect an increase in our profitability.

The last quarter of the year has the biggest impact on the agricultural industry as it is during this quarter that a major part of the soybean and corn crops are harvested. The conditions of both crops is as of the date of this release within budget, although we estimate a loss ranging from 5% to 10% of the corn crops as a result of the droughts sustained, but which will be offset by increased prices.

As regards the beef cattle market, we expect a stepwise re-opening of exports which will have a positive impact on the business.



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**Cresud Sociedad Anónima, Comercial,  
Inmobiliaria, Financiera y Agropecuaria**

**Comparative Shareholders Equity Structure**

|                          | As of<br>March 31,<br>2006 | As of<br>March 31,<br>2005 | As of<br>March 31,<br>2004 | As of<br>March 31,<br>2003 | As of<br>March 31,<br>2002 |
|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                          | Pesos                      | Pesos                      | Pesos                      | Pesos                      | Pesos                      |
| Current Assets           | 95,246,431                 | 188,277,107                | 71,848,921                 | 85,739,891                 | 75,335,253                 |
| Non-current Assets       | 685,867,345                | 585,070,271                | 535,380,505                | 499,909,690                | 331,896,268                |
| <b>Total Assets</b>      | <b>781,113,776</b>         | <b>773,297,378</b>         | <b>607,229,426</b>         | <b>585,649,581</b>         | <b>407,231,521</b>         |
| Current Liabilities      | 66,129,331                 | 77,617,888                 | 17,203,291                 | 31,674,759                 | 57,134,600                 |
| Non-current Liabilities  | 161,296,345                | 151,406,556                | 148,454,671                | 171,168,755                | 12,860,198                 |
| <b>Total Liabilities</b> | <b>227,425,676</b>         | <b>229,024,444</b>         | <b>165,657,962</b>         | <b>202,843,514</b>         | <b>69,994,798</b>          |
| Minority Interest        | 320,465                    | 355,930                    | 47,619                     | 254,380                    | 278,237                    |
| Shareholders Equity      | 553,367,635                | 543,917,004                | 441,523,845                | 382,551,687                | 336,958,486                |
|                          | <b>781,113,776</b>         | <b>773,297,378</b>         | <b>607,229,426</b>         | <b>585,649,581</b>         | <b>407,231,521</b>         |

**Comparative Income Structure**

|   | As of<br>March 31,<br>2006 | As of<br>March 31,<br>2005 | As of<br>March 31,<br>2004 | As of<br>March 31,<br>2003 | As of<br>March 31,<br>2002 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|   | Pesos                      | Pesos                      | Pesos                      | Pesos                      | Pesos                      |
| Operating income (loss)                                     | 18,674,288                 | 20,652,074                 | 14,757,585                 | 22,529,248                 | (1,057,380)                |
| Financial and holding gain (loss)                           | 15,219,507                 | 64,170,364                 | 107,388                    | (17,028,158)               | (46,798,459)               |
| Other income and expenses and income from related companies | 10,123,676                 | 17,545,204                 | 3,432,833                  | 64,022,388                 | (200,982)                  |
| Management fees   | (2,600,512)                | (6,905,699)                | (1,138,846)                | (4,887,308)                |                            |
| <b>Operating net income (loss)</b>                          | <b>41,416,959</b>          | <b>95,461,943</b>          | <b>17,158,960</b>          | <b>64,636,170</b>          | <b>(48,056,821)</b>        |
| Income Tax  | (18,176,414)               | (33,420,169)               | (7,068,447)                | (7,526,874)                | (1,386,034)                |
| Minority Interest   | 136,482                    | 109,521                    | 159,091                    | 176,376                    | 255,490                    |
| <b>Net Income (loss)</b>                                    | <b>23,377,027</b>          | <b>62,151,295</b>          | <b>10,249,604</b>          | <b>57,285,672</b>          | <b>(49,187,365)</b>        |

**Production volume**

For the

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|                 | Three-month<br>period ended | Accumulated<br>July 1, 2005 | For the<br>Three-month<br>period ended | Accumulated<br>July 1, 2004 | For the<br>Three-month<br>period ended | Accumulated<br>July 1, 2003 | For the<br>Three-month<br>period ended | Accumulated<br>July 1, 2002 | For the<br>Three-month<br>period ended | Accumulated<br>July 1, 2001 |
|-----------------|-----------------------------|-----------------------------|--|-----------------------------|--|-----------------------------|--|-----------------------------|--|-----------------------------|
|                 | March 31,<br>2006           | to<br>March 31,<br>2006     | March 31,<br>2005                      | to<br>March 31,<br>2005     | March 31,<br>2004                      | to<br>March 31,<br>2004     | March 31,<br>2003                      | to<br>March 31,<br>2003     | March 31,<br>2002                      | to<br>March 31,<br>2002     |
| Beef Cattle     |                             |                             |  |                             |  |                             |  |                             |  |                             |
| (in Kgs.)       | 4,441,986                   | 8,974,090                   | 2,492,476                              | 8,480,476                   | 3,364,013                              | 8,475,050                   | 2,480,263                              | 7,986,199                   | 4,282,224                              | 9,531,779                   |
| Butyraceous     |                             |                             |  |                             |  |                             |  |                             |  |                             |
| (in Kgs.)       | 110,820                     | 397,149                     | 49,490                                 | 175,086                     | 49,984                                 | 185,179                     | 44,113                                 | 157,801                     | 36,763                                 | 189,825                     |
| Crops           |                             |                             |  |                             |  |                             |  |                             |  |                             |
| (in quintals) * | 351,735                     | 522,413                     | 308,221                                | 532,601                     | 185,386                                | 325,436                     | 274,577                                | 349,321                     | 321,151                                | 532,285                     |

\* One quintal equals one hundred kilograms

Eduardo S. Elsztain

Chairman

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**Cresud Sociedad Anónima, Comercial,  
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**Sales volume**

|                 | For the<br>Three-<br>month<br>period ended<br>March 31,<br>2006 | Accumulated<br>July 1, 2005<br>to<br>March 31,<br>2006 | For the<br>Three-<br>month<br>period ended<br>March 31,<br>2005 | Accumulated<br>July 1, 2004<br>to<br>March 31,<br>2005 | For the<br>Three-<br>month<br>period ended<br>March 31,<br>2004 | Accumulated<br>July 1, 2003<br>to<br>March 31,<br>2004 | For the<br>Three-<br>month<br>period ended<br>March 31,<br>2003 | Accumulated<br>July 1, 2002<br>to<br>March 31,<br>2003 | For the<br>Three-<br>month<br>period ended<br>March 31,<br>2002 | Accumulated<br>July 1, 2001<br>to<br>March 31,<br>2002 |
|-----------------|---|--|---|--|---|--|---|--|---|--|
| Beef Cattle     |   |  |   |  |   |  |   |  |   |  |
| (in Kgs.)       | 3,228,274   | 10,838,907   | 4,125,490   | 13,078,115   | 4,229,517   | 10,645,720   | 2,478,953   | 7,334,778  | 3,458,221   | 12,989,747   |
| Butyraceous     |   |  |   |  |   |  |   |  |   |  |
| (in Kgs.)       | 110,820   | 397,149  | 49,490  | 175,086  | 49,984  | 185,179  | 44,113  | 157,801  | 36,763  | 189,825  |
| Crops           |   |  |   |  |   |  |   |  |   |  |
| (in quintals) * | 86,461  | 949,929  | 136,257   | 455,315  | 154,306   | 389,377  | 173,570   | 884,990  | 330,730   | 837,519  |

\* One quintal equals one hundred kilograms

**Local Market**

|                 | For the<br>Three-<br>month<br>period ended<br>March 31,<br>2006 | Accumulated<br>July 1, 2005<br>to<br>March 31,<br>2006 | For the<br>Three-<br>month<br>period ended<br>March 31,<br>2005 | Accumulated<br>July 1, 2004<br>to<br>March 31,<br>2005 | For the<br>Three-<br>month<br>period ended<br>March 31,<br>2004 | Accumulated<br>July 1, 2003<br>to<br>March 31,<br>2004 | For the<br>Three-<br>month<br>period ended<br>March 31,<br>2003 | Accumulated<br>July 1, 2002<br>to<br>March 31,<br>2003 | For the<br>Three-<br>month<br>period ended<br>March 31,<br>2002 | Accumulated<br>July 1, 2001<br>to<br>March 31,<br>2002 |
|-----------------|---|--|---|--|---|--|---|--|---|--|
| Beef Cattle     |   |  |   |  |   |  |   |  |   |  |
| (in Kgs.)       | 3,228,274   | 10,838,907   | 4,125,490   | 13,078,115   | 4,229,517   | 10,645,720   | 2,478,953   | 7,334,778  | 3,458,221   | 12,989,747   |
| Butyraceous     |   |  |   |  |   |  |   |  |   |  |
| (in Kgs.)       | 110,820   | 397,149  | 49,490  | 175,086  | 49,984  | 185,179  | 44,113  | 157,801  | 36,763  | 189,825  |
| Crops           |   |  |   |  |   |  |   |  |   |  |
| (in quintals) * | 86,461  | 949,929  | 136,257   | 455,315  | 154,306   | 389,377  | 173,570   | 884,990  | 330,730   | 837,519  |

\* One quintal equals one hundred kilograms

**Exports**

There were no exports (foreign trade) in the last five fiscal years.

**Ratios**

|                              | As of     | As of     | As of     | As of     | As of     |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
|                              | March 31, | March 31, | March 31, | March 31, | March 31, |
|                              | 2006      | 2005      | 2004      | 2003      | 2002      |
|                              | Pesos     | Pesos     | Pesos     | Pesos     | Pesos     |
| Liquidity                    | 1.440     | 2.425     | 4.176     | 2.707     | 1.319     |
| Solvency                     | 2.433     | 2.375     | 2.665     | 1.886     | 4.814     |
| Non-current assets to assets | 0.878     | 0.757     | 0.882     | 0.854     | 0.815     |
| Return on Equity             | 0.043     | 0.123     | 0.025     | 0.162     | (0.139)   |

Eduardo S. Elsztain

Chairman

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

**Report of Independent Auditors**

To the Shareholders, President and Board of Directors of

Cresud Sociedad Anónima Comercial,

Inmobiliaria, Financiera y Agropecuaria

1. We have reviewed the balance sheets of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria at March 31, 2006 and 2005, and the related statements of income, of changes in shareholders' equity and of cash flows for the nine-month periods ended March 31, 2006 and 2005 and the complementary notes 1 to 19 and schedules A, C, E, F, G and H. Furthermore, we have reviewed the consolidated financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria, which are presented as complementary information. These financial statements are the responsibility of the Company's management.
2. We conducted our review in accordance with standards established by Technical Resolution N° 7 of the Argentine Federation of Professional Councils of Economic Sciences for limited reviews of financial statements. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.
3. Based on our work and our examinations of the financial statements of this Company and the consolidated financial statements for the years ended June 30, 2005 and 2004, on which we issued our unqualified report dated September 8, 2005, we report that:
  - a) The financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria at March 31, 2006 and 2005 and its consolidated financial statements at those dates, set out in point 1, prepared in accordance with accounting standards prevailing in the Autonomous City of Buenos Aires, include all significant facts and circumstances of which we are aware, and we have no observations to make on them.
  - b) The comparative information included in the basic and consolidated balance sheets and the supplementary notes and schedules to the attached financial statements arise from Company financial statements at June 30, 2005.
4. In accordance with current regulations, we report that:
  - a) the financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria and its consolidated financial statements have been transcribed to the "Inventory and Balance Sheet Book" and comply, within the field of our competence, with the Corporations Law and pertinent resolutions of the National Securities Commission;
  - b) the financial statements of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria arise from official accounting records carried in all formal respects in accordance with legal requirements; that maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;



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- c) we have read the business highlights and the additional information to the notes to the financial statements required by section 68 of the Buenos Aires Stock Exchange Regulations, on which, as regards those matters that are within our competence, we have no observations to make;
  
- d) at March 31, 2006, the debt accrued of Cresud Sociedad Anónima Comercial, Inmobiliaria, Financiera y Agropecuaria accrued in favor of the Integrated Pension and Survivors Benefit System according to the accounting records amounted to \$ 95.068,88 which is not yet due.

Autonomus City of Buenos Aires, May 11, 2006

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 1

Dr. Andrés Suarez

Public Accountant (UBA)

C.P.C.E. Ciudad Autónoma de Buenos Aires

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**SIGNATURES**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Buenos Aires, Argentina.

**CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIA**

**FINANCIERA Y AGROPECUARIA**

By: /S/ Eduardo S. Elsztain  
Name: Eduardo S. Elsztain  
Title: Chairman of the Board of Directors

Dated: May 29, 2006