

CRESUD INC
Form 6-K
May 05, 2015

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of December, 2014

Cresud Sociedad Anónima, Comercial, Inmobiliaria,
Financiera y Agropecuaria
(Exact name of Registrant as specified in its charter)

Cresud Inc.
(Translation of registrant's name into English)

Republic of Argentina
(Jurisdiction of incorporation or organization)

Moreno 877
(C1091AAQ)
Buenos Aires, Argentina
(Address of principal executive offices)

Form 20-F Form 40-F

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

Yes No

CRESUD S.A.C.I.F y A.

(THE "COMPANY")

REPORT ON FORM 6-K

Attached is an English translation of the Financial Statements for the three-month period ended on September 30, 2014 and on September 30, 2013 filed by the Company with the Comisión Nacional de Valores and the Bolsa de Comercio de Buenos Aires:

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Financial Statements as of September 30, 2014 and for the three-month periods ended September 30, 2014 and 2013

Legal Information

Denomination: Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria
Fiscal year N°: 82, beginning on July 1, 2014
Legal address: Moreno 877, 23rd floor – Ciudad Autónoma de Buenos Aires, Argentina
Company activity: Real state, agricultural, commercial and financial activities
Date of registration of the By-laws in the Public Registry of Commerce: February 19, 1937
Date of registration of last amendment of the by-laws in the Public Registry of Commerce: February 25, 2013
Expiration of Company charter: June 6, 2082
Common Stock subscribed, issued and paid up: 501,562,730 common shares.

Majority shareholder's: Inversiones Financieras del Sur S.A.
Legal address: Road 8, km 17,500, Zonamérica Building 1, store 106, Montevideo, Uruguay
Parent company Activity: Investment
Capital stock: 190,681,047 common shares

CAPITAL STATUS

Type of stock	Authorized to be offered publicly (Shares)	Subscribed, Issued and Paid-in (Ps.)
Ordinary certified shares of Ps. 1 face value and 1 vote each	501,562,730	501,562,730

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position
as of September 30, 2014 and June 30, 2014

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

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

	Note	September 30, 2014	June 30, 2014
ASSETS			
Non-current assets			
Investment properties	10	3,472,951	3,454,616
Property, plant and equipment	11	2,354,029	2,381,956
Trading properties	12	127,183	132,555
Intangible assets	13	174,209	175,007
Biological assets	14	410,112	444,853
Investments in associates and joint ventures	8, 9	2,533,950	2,375,339
Deferred income tax assets	26	925,401	852,642
Income tax credit		162,852	177,547
Restricted assets	17	45,262	50,897
Trade and other receivables	18	428,104	475,349
Investment in financial assets	19	375,918	275,012
Derivative financial instruments	20	11,714	233
Total non-current assets		11,021,685	10,796,006
Current Assets			
Trading properties	12	4,204	4,596
Biological assets	14	137,209	195,830
Inventories	15	423,136	439,771
Restricted assets	17	8,742	-
Income tax credit		27,131	19,694
Assets held for sale		-	1,357,866
Trade and other receivables	18	1,539,611	1,438,408
Investment in financial assets	19	481,236	495,633
Derivative financial instruments	20	21,689	32,897
	21	1,481,752	1,002,987

Cash and cash equivalents		
Total current assets	4,124,710	4,987,682
TOTAL ASSETS	15,146,395	15,783,688
SHAREHOLDERS' EQUITY		
Capital and reserves attributable to equity holders of the parent		
Share capital	487,929	490,997
Treasury stock	13,634	10,566
Inflation adjustment of share capital	63,647	64,047
Inflation adjustment of treasury stock	1,778	1,378
Share premium	773,079	773,079
Cost of treasury stock	(87,074)	(54,876)
Share warrants	106,264	106,264
Changes in non-controlling interest	13,606	(15,429)
Cumulative translation adjustment	625,232	633,607
Equity-settled compensation	82,097	70,028
Legal reserve	81,616	81,616
Reserve for new developments	17,065	17,065
Special reserve	633,940	633,940
Reserve for the acquisition of securities issued by the company	200,000	200,000
Retained earnings	(1,188,433)	(1,066,428)
Equity attributable to equity holders of the parent	1,824,380	1,945,854
Non-controlling interest	2,593,976	2,488,932
TOTAL SHAREHOLDERS' EQUITY	4,418,356	4,434,786

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Eduardo S. Elsztain
President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Financial Position
as of September 30, 2014 and June 30, 2014 (Continued)

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

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

	Note	September 30, 2014	June 30, 2014
LIABILITIES			
Non-current liabilities			
Trade and other payables	22	228,321	216,760
Income tax liabilities		59,109	-
Borrowings	25	5,552,827	5,315,335
Deferred income tax liabilities	26	468,033	470,045
Derivative financial instruments	20	344,551	320,847
Payroll and social security liabilities	23	6,773	5,041
Provisions	24	261,740	220,489
Total non-current liabilities		6,921,354	6,548,517
Current liabilities			
Trade and other payables	22	1,028,939	1,004,180
Income tax liabilities		179,453	73,429
Payroll and social security liabilities	23	126,739	202,546
Borrowings	25	2,425,373	2,639,491
Derivative financial instruments	20	25,111	53,419
Provisions	24	21,070	20,708
Liabilities held for sale		-	806,612
Total current liabilities		3,806,685	4,800,385
TOTAL LIABILITIES		10,728,039	11,348,902
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		15,146,395	15,783,688

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Eduardo S. Elsztain
President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Income
for the three-month periods ended September 30, 2014 and 2013

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

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

	Note	September 30, 2014	September 30, 2013
Revenues	28	1,523,980	1,126,122
Costs	29	(1,252,370)	(885,868)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest		282,227	126,252
Changes in the net realizable value of agricultural produce after harvest		(22,021)	(8,012)
Gross profit		531,816	358,494
Gain from disposal of investment properties		316,767	-
General and administrative expenses	30	(139,351)	(111,654)
Selling expenses	30	(122,306)	(81,001)
Other operating results	32	9,367	(4,190)
Profit from operations		596,293	161,649
Share of (loss) / profit of associates and joint ventures	8, 9	(102,728)	38,366
Profit from operations before financing and taxation		493,565	200,015
Finance income	33	55,418	73,492
Finance cost	33	(497,685)	(459,509)
Other financial results	33	101,449	51,605
Financial results, net	33	(340,818)	(334,412)
Profit / (loss) before income tax		152,747	(134,397)
Income tax expense	26	(131,082)	45,382
Profit / (loss) for the period		21,665	(89,015)
Attributable to:			
Equity holders of the parent		(122,005)	(97,849)
Non-controlling interest		143,670	8,834
Loss per share attributable to equity holders of the parent during the period:			
Basic		(0.25)	(0.20)
Diluted		(i) (0.25)	(i) (0.20)

(i) Due to the loss for the period, there is no diluted effect on this result.

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Eduardo S. Elsztain
President

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income
for the three-month periods ended September 30, 2014 and 2013

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

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

	September 30, 2014	September 30, 2013
Profit / (loss) for the period	21,665	(89,015)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustment	(84,292)	144,156
Currency translation adjustment from associates and joint ventures	30,334	(855)
Other comprehensive (loss) / income for the period (i)	(53,958)	143,301
Total comprehensive (loss) / income for the period	(32,293)	54,286
Attributable to:		
Equity holders of the parent	(130,380)	(26,259)
Non-controlling interest	98,087	80,545

- (i) Components of other comprehensive income have no impact on income tax.

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Eduardo S. Elsztain
President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the three-month periods ended September 30, 2014 and 2013

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

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

	Share Capital	Treasury Stock	Inflation adjustment of Share Capital	Inflation adjustment of Treasury Stock	Share premium	Cost of Treasury Stock	Share warrants	Subtotal	Changes in non-controlling interests	Cumulative translation adjustment	Equity components
Balance as of July 1, 2014	490,997	10,566	64,047	1,378	773,079	(54,876)	106,264	1,391,455	(15,429)	633,607	70
(Loss) / income for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	(8,375)	-
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	-	-	-	(8,375)	-
Equity-settled compensation	-	-	-	-	-	-	-	-	-	-	12
Purchase of Treasury stock	(3,068)	3,068	(400)	400	-	(32,198)	-	(32,198)	-	-	-
Changes in non- controlling interest	-	-	-	-	-	-	-	-	29,035	-	-
Cash dividends	-	-	-	-	-	-	-	-	-	-	-
Capital contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	-	-	-	-	-	-	-	-	-	-
Balance as of September 30, 2014	487,929	13,634	63,647	1,778	773,079	(87,074)	106,264	1,359,257	13,606	625,232	82

(1) Related to CNV General Resolution No. 609/12. See Note 27.

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Eduardo S. Elsztain
President

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
for the three-month periods ended September 30, 2014 and 2013

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

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

	Share Capital	Treasury Stock	Inflation adjustment of Share Capital	Inflation adjustment of Treasury Stock	Share premium	Share warrants	Subtotal	Changes in non-controlling interests	Cumulative translation adjustment	Equity- settled compensation
Balances as of 1 July, 2013	496,562	5,001	64,773	652	773,079	106,264	1,446,331	(21,996)	2,284	8,34
(Loss) / income for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	71,590	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	-	-	71,590	-
Equity-settled compensation	-	-	-	-	-	-	-	-	-	5,86
Changes in non-controlling interest	-	-	-	-	-	-	-	(208)	-	-
Cancellation of Brasilagro warrants	-	-	-	-	-	-	-	-	-	(288
Cash dividends	-	-	-	-	-	-	-	-	-	-
Capital contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-
Capital distribution	-	-	-	-	-	-	-	-	-	-
Balances as of 30 September, 2013	496,562	5,001	64,773	652	773,079	106,264	1,446,331	(22,204)	73,874	13,9

(1) Related to CNV General Resolution No. 609/12. See Note 27.

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Eduardo S. Elsztain
President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Unaudited Condensed Interim Consolidated Statements of Cash Flows
for the three-month periods ended September 30, 2014 and 2013

(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)

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

	Note	September 30, 2014	September 30, 2013
Operating activities:			
Cash generated from operations	21	381,238	420,589
Income tax paid		(54,448)	(48,778)
Net cash generated from operating activities		326,790	371,811
Investing activities:			
Acquisition of associates and joint ventures		(268,975)	(13,259)
Capital contributions to associates and joint ventures		(52,479)	(1,220)
Acquisition of derivative financial instruments		-	(2,000)
Suppliers advances		-	(13,120)
Purchases of investment properties		(62,414)	(71,698)
Proceeds from sale of subsidiaries		19,139	274
Proceeds from sale of investment properties		1,507,067	119,000
Purchases of property, plant and equipment		(67,404)	(29,858)
Proceeds from sale of property, plant and equipment		92	650
Proceeds from sale of farmlands		23,693	15,504
Purchases of intangible assets		(1,889)	(281)
Acquisition of Investment in financial assets		(1,423,566)	(915,896)
Proceeds from disposals of Investment in financial assets		1,471,551	380,089
Loans granted to associates and joint ventures		49	(14,280)
Loans repayments received from associates and joint ventures		1,694	445
Proceeds from sale of joint ventures		-	7,736
Interest received from financial assets		2,286	-
Dividends received		3,081	15,878
Net cash generated from (used in) investing activities		1,151,925	(522,036)
Financing activities:			

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Purchase of treasury stock	(32,198)	(3,478)
Proceeds from issuance of non-convertible notes	455,038	-
Payment of non-convertible notes	(538,081)	(151,538)
Borrowings	442,551	248,760
Payment of trust debt titles	(9,733)	-
Payment of seller financing of shares	(105,861)	(1,640)
Repayments of borrowings	(351,733)	(215,887)
Payments of borrowings from associates and joint ventures	-	(186)
Proceeds from borrowings from associates and joint ventures	13,009	2,000
Cancellation of liabilities held for sale	(603,021)	-
Cancellation of Brasilagro warrants	-	(288)
Payment of seller financing	(690)	(438)
Acquisition of non-controlling interest in subsidiaries	(1,094)	-
Dividend paid to non-controlling interest	(14,640)	(5,790)
Payments of derivative financial instruments	(63,514)	-
Proceeds from derivative financial instruments	131	-
Capital reduction	(3,784)	(712)
Sale of equity in subsidiaries to non-controlling interest	55,314	-
Capital contributions of non-controlling interest	275	347
Interest paid	(260,343)	(174,249)
Net cash used in financing activities	(1,018,374)	(303,099)
Net increase / (decrease) in cash and cash equivalents	460,341	(453,324)
Cash and cash equivalents at beginning of period	21	1,002,987
Foreign exchange gain on cash and cash equivalents	18,424	40,497
Cash and cash equivalents at end of period	1,481,752	634,759

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Eduardo S. Elsztain
President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
Free translation from the original prepared in Spanish for publication in Argentina

1. General information

1.1 The Group's business and general information

Cresud Sociedad Anónima, Comercial, Inmobiliaria, Financiera y Agropecuaria ("Cresud" or the "Company") was founded in 1936 as a subsidiary of Credit Foncier, a Belgian company primarily engaged in providing rural and urban loans in Argentina and administering real estate holdings foreclosed by Credit Foncier. Credit Foncier was liquidated in 1959, and as part of such liquidation, the shares of Cresud were distributed to Credit Foncier's shareholders. From the 1960s through the end of the 1970s, the business of Cresud shifted exclusively to agricultural activities.

In 2002, Cresud acquired a 19.85% interest in IRSA Inversiones y Representaciones Sociedad Anónima ("IRSA"), a real estate company related to certain shareholders of Cresud. In 2009, Cresud increased its ownership percentage in IRSA to 55.64% and IRSA became Cresud's principal subsidiary.

Cresud and its subsidiaries are collectively referred to hereinafter as the Group. See Note 2.3 to the Consolidated Financial Statements as of June 30, 2014 and 2013 for a description of the Group's companies.

As of September 30, 2014, the Group operates in two major lines of business: (i) Agricultural business, (ii) Urban Properties and Investments business. See Note 7 to the Unaudited Condensed Interim Consolidated Financial Statements as of June 30, 2014 and 2013 for a description of the Group's segments.

The Group's Agricultural business operations are comprised of crop production, cattle feeding, raising and fattening, milk production, sugarcane production and brokerage activities. Fattening is carried out in specialized feedlots that provide accommodation, health care and animal feeding services based on specialized diets. The Group currently has agricultural operations and investments in Argentina, Brazil, Uruguay, Paraguay and Bolivia.

The Urban Properties and Investments business operations are conducted primarily through IRSA and IRSA's principal subsidiary, Alto Palermo S.A. ("APSA"). Through APSA and IRSA, the Group owns, manages and develops shopping centers across Argentina, a portfolio of office and other rental properties in the Autonomous City of Buenos Aires, capital of Argentina, and since 2009 it entered into the US real estate market, mainly through the acquisition of non-controlling interests in office buildings and hotels. Through IRSA or APSA, the Group also develops residential properties for sale. The Group, through IRSA, is also involved in the operation of branded hotels. The Group uses the term "real estate" indistinctively in these condensed interim consolidated financial statements to denote investment, development and/or trading properties activities.

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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1. General information (Continued)

During fiscal year 2014, the Group made an investment in the Israeli market, through Dolphin, in IDB Development Corporation (IDBD) -an Israeli company-, with an initial interest of 26.65%. As of September 30, 2014, the equity interest in IDBD amounts to a non-diluted 28.99% and a fully-diluted 31.37%. IDBD is one of the Israeli biggest and most diversified investment groups, which is involved, through its subsidiaries, in several markets and industry, including real estate, retail, agribusiness, insurance, telecommunications, etc.; controlling companies as: Clal Insurance (Insurance Company), Cellcom (Mobile phone services), Adama (Agrochemicals), Super-Sol (supermarket), PBC (Real Estate), among others. IDBD went public in Tel Aviv Exchange in May, 2014.

The activities of the Group's segment "Financial operations and others" is carried out mainly through Banco Hipotecario S.A. ("BHSA"), where it has a 29.77% interest (without considering treasury shares). BHSA is a commercial bank offering a wide variety of banking activities and related financial services to individuals, small, medium-sized and large corporations, including the provision of mortgaged loans. BHSA's shares are listed on the Buenos Aires Stock Exchange. Additionally, the Group has a 42.95% interest in Tarshop S.A ("Tarshop") whose main business comprises credit cards activities and the provision of loans.

Cresud's and APSA's shares are listed and traded on both the Buenos Aires Stock Exchange ("BCBA") and the National Association of Securities Dealers Automated Quotation ("NASDAQ"). IRSA's shares are listed and traded on both the BCBA and the New York Stock Exchange ("NYSE").

Cresud is the ultimate parent company and is a corporation incorporated and domiciled in the Republic of Argentina. The address of its registered office is Moreno 877, 23rd Floor, Buenos Aires, Argentina.

These consolidated financial statements have been approved for issue by the Board of Directors on November 11, 2014.

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

2.1. Basis of preparation

The present Unaudited Condensed Interim Consolidated Financial Statements for the three-month periods ended September 30, 2014 and 2013 (the "Unaudited Condensed Interim Consolidated Financial Statements") have been prepared in accordance with IAS 34 "Interim Financial Reporting".

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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2. Basis of preparation of the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

These Unaudited Condensed Interim Consolidated Financial Statements should be read together with the annual consolidated financial statements of the Company as of June 30, 2014. These Unaudited Condensed Interim Consolidated Financial Statements are expressed in thousands of Argentine Pesos.

The Condensed Interim Consolidated Financial Statements corresponding to the three-month periods ended as of September 30, 2014 and 2013 have not been audited. The Company's management believes they include all necessary adjustments to fairly present the results of each period. Results for the three-month periods ended September 30, 2014 and 2013 do not necessarily reflect proportionally the Company's results for the complete fiscal years.

2.2 Accounting Policies

The accounting policies applied in the preparation of these Unaudited Condensed Interim Consolidated Financial Statements are consistent with those applied in the preparation of the information under IFRS as of June 30, 2014. Most significant accounting policies are described in note 2 included in the Consolidated Financial Statements as of June 30, 2014 and 2013.

2.3 Use of estimates

The preparation of financial statements at a certain date requires the Management to make estimations and evaluations affecting the amount of assets and liabilities recorded and contingent assets and liabilities disclosed at such date, as well as income and expenses recorded during the period. Actual results might differ from the estimates and evaluations made at the date of preparation of these financial statements.

In the preparation of these Unaudited Condensed Interim Consolidated Financial Statements, the significant judgments made by Management in applying the Group's accounting policies and the main sources of uncertainty were the same applied by the Group in the preparation of the annual consolidated financial statements for the year ended as of June 30, 2014, save for changes in accrued income tax, provision for legal claims and allowance for doubtful accounts.

2.4 Comparative information

Amounts as of September 30, 2013 and June 30, 2014, which are disclosed for comparative purposes have been taken from the Consolidated Financial Statements as of such dates. The financial statements originally issued have been subject to certain reclassifications required in order to present these figures comparatively with this period.

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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2. Basis of preparation of the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

During the period beginning on September 30, 2013 and ended September 30, 2014, the Argentine Peso devalued against the US\$ and other currencies by around 45.5%, which has an impact in comparative information presented in these Financial Statements, due mainly to the currency exposure of our income and costs of Agricultural Business and of income from urban property and investments business line, especially from the “office and other rental properties” segment, and our net assets and liabilities in foreign currency as detailed in Note 39.

3. Seasonal effects on operations

The operations of the Group’s agricultural business are also subject to seasonal effects. The harvests and sale of grains (corn, soybean and sunflower) generally take place between February and June every year. Wheat is generally harvested between November and January. In Bolivia, weather conditions make it possible to have two soybeans, corn and barley seasons and, therefore, these crops are harvested in April and October, whereas wheat and sunflower are harvested in August and September, respectively. Other segments of the agricultural business, such as beef cattle and milk production tend to be more stable. However, beef cattle and milk production is generally larger during the second quarter, when conditions are more favorable. In case of sugar cane, harvest and sale take place between May and November of each year. As a result, there may be material fluctuations in the agricultural business results across quarters.

The operations of the Group’s shopping centers are also subject to seasonal effects, which affect the level of sales recorded by lessees. During summer time (January and February), the lessees of shopping centers experience the lowest sales levels in comparison with the winter holidays (July) and year-end celebrations (December) when they tend to record peaks of sales. Apparel stores generally change their collections during the spring and the fall, which impacts positively on shopping mall sales. Sale discounts at the end of each season also impact the business. As a consequence, a higher level of revenues is generally expected in the second half of the year rather than the first in shopping center operations.

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)
(All amounts in thousands of Argentine Pesos, except shares and per share data and as otherwise indicated)
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4. Acquisitions and disposals

For the three-month period ended as of September 30, 2014

Investment in IDBD

On July 1^o, 2014 Dolphin Netherlands B.V. exercised the rights to purchase additional shares of IDBD.

As a result of exercising the granted rights as mentioned above, DN B.V. received 17.32 million shares and 11.99 million warrants of Series 1, 2 and 3. ETH received the same amount of rights and, as a result, acquired the same amount of shares and warrants as DN B.V. Additionally, upon exercising the rights purchased, DN B.V. acquired 5.79 million shares and 4.01 million warrants of Series 1, 2, and 3. ETH also acquired the same amount of shares and warrants as DN B.V.

Between July 9 and July 14, 2014, DN B.V. acquired 0.42 million shares and 0.34 million warrants (series 2) through open market operations in the amount of NIS 1.77 million (equal to approximately US\$ 0.52 million). Fifty percent of such shares and warrants Series 2 were sold to ETH in accordance with the terms and conditions of the agreement entered into between the parties, as indicated above.

As of September 30, 2014, DN B.V. held an aggregate amount of 76,620,163 shares, 15,998,787 warrants Series 1, 16,170,392 warrants Series 2 and 15,998,787 warrants Series 3 of IDBD, which make up a non-diluted equity interest of 28.99% in IDBD and a fully-diluted interest of 31.37%. IDBD's Board of Directors consists of nine members, three of whom have been designated by DN B.V., Eduardo Elsztain, Alejandro Elsztain and Saúl Zang.

Sale of investment properties

On July 7, 2014, IRSA signed the transfer deed for the sale of the 19th and 20th floors of the Building Maipú 1300. The total price of the transaction was Ps. 24.7 (US\$ 3.0 million). Such transaction generated a profit before tax of approximately Ps. 21.0 million.

On September 29, 2014, the Group finalized the sale of the Madison 183 Building through the subsidiary Rigby 183 LLC ("Rigby 183"), in the city of New York, United States, in the sum of US\$ 185 million, thus discharging the mortgage levied on the asset in the amount of US\$ 75 million.

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4. Acquisitions and disposals (Continued)

Decreased shareholding in Avenida Inc.

Even though on July 18, 2014, the Group – through Torodur S.A. - had increased its share in Avenida Inc. by exercising the warrant held, the Group's indirect holding was reduced to 23.01% as a result of the acquisition of 35.12% interest in the Company by a new investor in the amount of Ps.120.9 million (US\$ 15 million).

Moreover, on September 2, 2014, Torodur S.A. sold 1,430,000 shares representing 5% of the Company's capital stock in the amount of Ps. 19.1 million (US\$ 2.3 million), thus reducing the Group's indirect share to 17.68%.

Disposal of financial assets

During August 2014, IRSA has sold through its subsidiary REIG IV the balance of 1 million shares in Hersha Hospitality Trust, at an average price of US\$ 6.74 per share.

Transactions with non-controlling interests

IRSA

During the three-month period ended September 30, 2014, the Group sold a 0.59% interest in IRSA for a total amount of Ps. 55.31 million. This resulted in an increase in non-controlling interests of Ps. 11.88 million and an increase in equity attributable to owners of the parent of Ps. 25.8 million, net of tax effect. The effect of changes in the ownership interest of IRSA on the equity attributable to owners of the Group is summarized as follows:

	Ps. (million)
Carrying amount of the non-controlling interests sold by the Group	(11.9)
Consideration collected	55.3
Tax effect	(17.6)
Reserve recorded in within parent's equity	25.8

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4. Acquisitions and disposals (Continued)

APSA

During the three-month period ended September 30, 2014, the Group, through IRSA, acquired an additional 0.02% interest in APSA for a total consideration of Ps. 1.1 million. This resulted in a decrease in non-controlling interests of Ps. 0.2 million and a decrease in equity attributable to the owners of the parent of Ps. 0.9 million. The effect of changes in the ownership interest of APSA on the equity attributable to owners of the Group is summarized as follows:

	Ps. (million)
Carrying amount of group's interest acquired of	157
Consideration paid for non-controlling interests	(1,094)
Reserve recorded in within parent's equity	(937)

Sale of Cresca farmland

On April 3, 2014, Cresca S.A. signed a bill of sale whereby it sells an area of 24,624 hectares located in Chaco Paraguayo. The total price is US\$ 14.7 million, which amount shall be collectable as follows US\$ 1.8 million were collected upon execution of the bill of sale, US\$ 4.3 million upon execution of the conveyance deed; US\$ 3.7 million interest-free in July, 2015; US\$ 4.9 million interest-free in July, 2016. Possession was delivered upon execution of the conveyance deed of title and constitution of a mortgage to secure payment of the balance, on July 14, 2014.

Dolphin

During the period, the Group's interest in Dolphin decreased from 86.16 % to 85.92 %. Consequently, the Company recognized a decrease in non-controlling interest for an amount of Ps. 5.9 million and an increase in equity attributable to holders of the parent.

5. Financial risk management

The group's diverse activities are exposed to a variety of financial risk: market risk (including foreign currency risk, interest rate risk and price risk) credit risk, liquidity risk and capital risk.

The Unaudited Condensed Interim Consolidated Financial Statements do not include all the information and disclosures of the risk management, so they should be read together with the annual consolidate financial statements as of June 30, 2014. There have been no changes in the risk management or risk management policies applied by the Group since the fiscal year-end.

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5. Financial risk management (Continued)

Since June 30, 2014, to the balance sheet date, there have been no significant changes in business or economic circumstances affecting the fair value of the Company's financial assets or liabilities (either measured at fair value or amortized cost). Neither have been transfers between the several tiers used in estimating the fair value of the Company's financial instruments.

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6. Segment information

Below is a summarized analysis of the lines of business of the Group for the three-month period ended September 30, 2014:

	Agricultural business (I)	Urban properties and investments business (II)	Total
Revenues	770,868	799,575	1,570,443
Costs	(931,947)	(361,167)	(1,293,114)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	283,992	-	283,992
Changes in the net realizable value of agricultural produce after harvest	(22,021)	-	(22,021)
Gross profit	100,892	438,408	539,300
Gain from disposal of investment properties	-	316,767	316,767
Gain from disposal of farmlands	16,363	-	16,363
General and administrative expenses	(61,084)	(80,287)	(141,371)
Selling expenses	(86,883)	(38,052)	(124,935)
Other operating results	6,546	2,948	9,494
(Loss) / Profit from operations	(24,166)	639,784	615,618
Share of loss of associates and joint ventures	(1,160)	(117,236)	(118,396)
Segment (Loss) / Profit	(25,326)	522,548	497,222
Investment properties	213,881	3,558,491	3,772,372
Property, plant and equipment	2,112,418	243,605	2,356,023
Trading properties	-	137,276	137,276
Goodwill	9,792	24,784	34,576
Rights to receive future units under barter agreements	-	85,077	85,077

Biological assets	554,047	-	554,047
Inventories	411,015	18,429	429,444
Investments in associates and joint ventures	31,352	2,166,887	2,198,239
Total segment assets	3,332,505	6,234,549	9,567,054

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6. Segment information (Continued)

Below is a summarized analysis of the lines of business of the Group for the three-month period ended September 30, 2013:

	Agricultural business (I)	Urban properties and investments business (II)	Total
Revenues	517,128	639,526	1,156,654
Costs	(603,326)	(308,559)	(911,885)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	126,604	-	126,604
Changes in the net realizable value of agricultural produce after harvest	(8,012)	-	(8,012)
Gross Profit	32,394	330,967	363,361
General and administrative expenses	(53,651)	(59,145)	(112,796)
Selling expenses	(50,417)	(31,853)	(82,270)
Other operating results	5,206	(10,006)	(4,800)
(Loss) / Profit from operations	(66,468)	229,963	163,495
Share of profit of associates and joint ventures	2	34,356	34,358
Segment (Loss) / Profit	(66,466)	264,319	197,853
Investment properties	24,150	4,360,536	4,384,686
Property, plant and equipment	1,778,459	229,373	2,007,832
Trading properties	-	121,203	121,203
Goodwill	6,872	79,691	86,563
Rights to receive future units under barter agreements	-	93,225	93,225
Biological assets	371,554	-	371,554
Inventories	230,024	15,362	245,386
Investments in associates and joint ventures	27,893	1,217,520	1,245,413

Total segment assets	2,438,952	6,116,910	8,555,862
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6. Segment information (Continued)

(I) Agriculture line of business:

The following tables present the reportable segments of the agriculture line of business of the Group:

	September 30, 2014						Land Transform and Sale
	Agriculture				Agricultural Rental and services	Agricultural Subtotal	
	Crops	Cattle	Dairy	Sugarcane			
Revenues	330,404	62,348	17,467	100,181	4,794	515,194	-
Costs	(438,166)	(82,743)	(32,836)	(151,158)	(5,210)	(710,113)	(2,6
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	167,270	29,177	17,211	70,334	-	283,992	-
Changes in the net realizable value of agricultural produce after harvest	(22,021)	-	-	-	-	(22,021)	-
Gross Profit / (Loss)	37,487	8,782	1,842	19,357	(416)	67,052	(2,6
Gain from disposal of farmlands	-	-	-	-	-	-	16,3
General and administrative expenses	(31,556)	(5,907)	(1,077)	(13,111)	(478)	(52,129)	(244
Selling expenses	(50,414)	(7,134)	(671)	(4,644)	(187)	(63,050)	(1,3
Other operating results	4,914	(465)	(85)	39	(38)	4,365	(19
(Loss) / Profit from Operations	(39,569)	(4,724)	9	1,641	(1,119)	(43,762)	12,1
Share of loss of associates	(1,018)	(1)	-	-	-	(1,019)	-
Segment (Loss) / Profit	(40,587)	(4,725)	9	1,641	(1,119)	(44,781)	12,1
Investment properties	164,417	10,495	-	-	38,969	213,881	-
Property, plant and equipment	1,454,877	140,130	20,404	377,382	1,064	1,993,857	54,8
Goodwill	6,317	-	-	2,832	-	9,149	-
Biological assets	110,240	293,066	37,567	113,174	-	554,047	-

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Inventories	224,474	62,008	705	2,182	-	289,369	-
Investments in associates	28,666	19	-	-	-	28,685	-
Total segment assets	1,988,991	505,718	58,676	495,570	40,033	3,088,988	54,8

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6. Segment information (Continued)

	September 30, 2013						
	Agriculture				Agricultural Rental and services	Agricultural Subtotal	Land Transformation and Sales
	Crops	Cattle	Dairy	Sugarcane			
Revenues	271,079	31,401	11,763	66,735	2,124	383,102	-
Costs	(295,301)	(56,388)	(22,895)	(107,124)	(2,573)	(484,281)	(1,700)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	63,658	10,860	11,482	40,604	-	126,604	-
Changes in the net realizable value of agricultural produce after harvest	(8,012)	-	-	-	-	(8,012)	-
Gross Profit / (Loss)	31,424	(14,127)	350	215	(449)	17,413	(1,700)
General and administrative expenses	(28,192)	(7,486)	(1,577)	(10,720)	(715)	(48,690)	(310)
Selling expenses	(32,296)	(4,163)	(438)	(339)	(137)	(37,373)	(147)
Other operating results	5,583	(851)	(178)	-	(81)	4,473	(35)
(Loss) / Profit from Operations	(23,481)	(26,627)	(1,843)	(10,844)	(1,382)	(64,177)	(2,222)
Share of (loss) / profit of associates	(37)	-	-	-	-	(37)	-
Segment (Loss) / Profit	(23,518)	(26,627)	(1,843)	(10,844)	(1,382)	(64,214)	(2,222)
Investment properties	-	-	-	-	24,150	24,150	-
Property, plant and equipment	1,189,688	139,824	21,262	324,994	481	1,676,249	57,600
Goodwill	4,745	-	-	2,127	-	6,872	-
Biological assets	67,694	186,806	27,935	86,059	-	368,494	-
Inventories	93,388	18,204	339	1,354	-	113,285	-
Investments in associates	25,488	-	-	-	-	25,488	-
Total segment assets	1,381,003	344,834	49,536	414,534	24,631	2,214,538	57,600

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6. Segment information (Continued)

(II) Urban properties and investments

The following tables present the reportable segments of the Urban Properties and Investments line of business of the Group:

	September 30, 2014						Total Urban Properties and Investmen business (II)
	Shopping Center Properties	Offices and others	Sales and developments	Hotels	International	Financial operations and others	
Revenues	568,916	100,842	4,804	96,827	28,131	55	799,575
Costs	(250,711)	(30,786)	(3,576)	(66,488)	(9,379)	(227)	(361,167)
Gross Profit / (Loss)	318,205	70,056	1,228	30,339	18,752	(172)	438,408
Gain from disposal of investment properties	-	-	20,258	-	296,509	-	316,767
General and administrative expenses	(25,938)	(11,289)	(10,070)	(17,289)	(15,701)	-	(80,287)
Selling expenses	(18,939)	(3,981)	(1,922)	(13,092)	-	(118)	(38,052)
Other operating results	(2,874)	(1,397)	(756)	(335)	(249)	8,559	2,948
Profit / (Loss) from Operations	270,454	53,389	8,738	(377)	299,311	8,269	639,784
Share of profit / (loss) of associates and joint ventures	-	4,619	1,296	345	(183,674)	60,178	(117,236)
Segment Profit / (Loss)	270,454	58,008	10,034	(32)	115,637	68,447	522,548
Investment properties	2,270,452	847,481	433,249	-	-	7,309	3,558,491
Property, plant and equipment	26,836	36,327	3,840	175,149	1,453	-	243,605
Trading properties	1,484	-	135,792	-	-	-	137,276
Goodwill	8,582	11,661	4,541	-	-	-	24,784
Rights to receive future units under barter agreements	9,264	-	75,813	-	-	-	85,077
	-	-	-	-	-	-	-

Assets held for sale							
Inventories	12,100	-	618	5,711	-	-	18,429
Share of profit of associates and joint ventures	-	27,868	39,585	22,474	763,443	1,313,517	2,166,887
Total segment assets	2,328,718	923,337	693,438	203,334	764,896	1,320,826	6,234,549

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6. Segment information (Continued)

September 30, 2013

	Shopping Center Properties	Offices and others	Sales and developments	Hotels	International	Financial operations and others	Total Urban Properties and Investment business (II)
Revenues	456,357	74,637	16,060	72,927	19,361	184	639,526
Costs	(205,768)	(29,181)	(11,871)	(49,745)	(11,745)	(249)	(308,559)
Gross Profit / (Loss)	250,589	45,456	4,189	23,182	7,616	(65)	330,967
Gain from disposal of investment properties	-	-	-	-	-	-	-
General and administrative expenses	(25,210)	(8,161)	(7,325)	(14,071)	(4,323)	(55)	(59,145)
Selling expenses	(14,044)	(6,968)	(2,532)	(8,706)	-	397	(31,853)
Other operating results	(5,882)	(664)	(1,147)	(106)	(135)	(2,072)	(10,006)
Profit / (Loss) from Operations	205,453	29,663	(6,815)	299	3,158	(1,795)	229,963
Share of profit / (loss) of associates and joint ventures	-	1,173	632	129	(23,437)	55,859	34,356
Segment Profit / (Loss)	205,453	30,836	(6,183)	428	(20,279)	54,064	264,319
Investment properties	2,200,121	919,375	438,909	-	794,211	7,920	4,360,536
Property, plant and equipment	18,723	28,825	4,010	177,611	204	-	229,373
Trading properties	1,484	99	119,620	-	-	-	121,203
Goodwill	8,582	11,661	4,540	-	54,908	-	79,691
Rights to receive future units under barter agreements	9,264	-	83,961	-	-	-	93,225
Inventories	8,102	-	508	6,752	-	-	15,362
Share of profit of associates and joint ventures	-	25,268	33,391	21,468	974	1,136,419	1,217,520
Total segment assets	2,246,276	985,228	684,939	205,831	850,297	1,144,339	6,116,910

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6. Segment information (Continued)

At the time of assessing the performance of business segments and deciding upon the allocation of resources, the Executive Committee uses information on operating income assets and liabilities of each such segment. In the Unaudited Condensed Consolidated Financial Statements, the transactions and balances between related parties which may affect more than one segment are eliminated. In order to obtain clear information that may be useful for Management's decision making, the Group has defined that, as from the three-month period ending September 30, 2014, such transactions will not be eliminated for segment reporting purposes.

The comparative information presented as from such period has been adjusted retrospectively for the sake of comparability.

The following tables present a reconciliation between the total results of segment operations and the results of operations as per the income statements. The adjustments relate to the presentation of the results of operations of joint ventures accounted for under the equity method under IFRS and the non-elimination of the inter-segment transactions as explained in the preceding paragraph.

	Total segment information	September 30, 2014 Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	Total Income statements
Revenues	1,570,443	(12,452)	(34,011)	1,523,980
Costs	(1,293,114)	11,765	28,979	(1,252,370)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	283,992	(1,765)	-	282,227
Changes in the net realizable value of agricultural produce after harvest	(22,021)	-	-	(22,021)
Gross Profit / (Loss)	539,300	(2,452)	(5,032)	531,816
Gain from disposal of investment properties	316,767	-	-	316,767
Gain from disposal of farmlands	16,363	(20,957)	4,594	-
General and administrative expenses	(141,371)	1,350	670	(139,351)
Selling expenses	(124,935)	2,521	108	(122,306)
	9,494	213	(340)	9,367

Other operating
results

P r o f i t / (L o s s) f r o m operations	615,618	(19,325)	-	596,293
Share of (loss) / profit of associates and joint ventures	(118,396)	15,668	-	(102,728)
Profit / (Loss) from Operations before Financing and Taxation	497,222	(3,657)	-	493,565

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6. Segment information (Continued)

	September 30, 2013			
	Total segment information	Adjustment for share of profit / (loss) of joint ventures	Adjustment to income for elimination of inter-segment transactions	Total Income statements
Revenues	1,156,654	(18,582)	(11,950)	1,126,122
Costs	(911,885)	14,315	11,702	(885,868)
Initial recognition and changes in the fair value of biological assets and agricultural produce at the point of harvest	126,604	(352)	-	126,252
Changes in the net realizable value of agricultural produce after harvest	(8,012)	-	-	(8,012)
Gross Profit / (Loss)	363,361	(4,619)	(248)	358,494
General and administrative expenses	(112,796)	695	447	(111,654)
Selling expenses	(82,270)	1,237	32	(81,001)
Other operating results	(4,800)	841	(231)	(4,190)
P r o f i t / (L o s s) f r o m operations	163,495	(1,846)	-	161,649
Share of profit of associates and joint ventures	34,358	4,008	-	38,366
Profit from operations before Financing and Taxation	197,853	2,162	-	200,015

Total segment assets are allocated based on the operations of the segment and the physical location of the asset. According to the analysis above, segment assets include the proportionate share of the assets of joint ventures. The statement of financial position under IFRS shows the net investment in these joint ventures as a single item.

Total reportable segments' assets are reconciled to total assets as per the statement of financial position as follows:

	September 30, 2014	September 30, 2013
Total reportable assets as per Segment Information	9,567,054	8,555,862
Deconsolidation of investment properties	(299,421)	(138,517)
Deconsolidation of property, plant and equipment	(1,994)	(72,248)
Deconsolidation of trading properties	(5,889)	(11,484)

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Deconsolidation of goodwill	(5,221)	(5,234)
Deconsolidation of biological assets	(6,726)	(1,585)
Deconsolidation of inventories	(6,308)	(3,549)
Deconsolidation of investments in associates and joint ventures	335,711	308,136
Total assets as per the Statement of Financial Position	9,577,206	8,631,381

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7. Information about principal subsidiaries

The Group conducts its business through several operating and holding subsidiaries. See breakdown of Group, their percentage of ownership interest, materiality criteria and other relevant information on the Group's subsidiaries in Note 2.3.a) of the Consolidated Financial Statements as of June 30, 2014 and 2013.

Set out below is the summarized financial information for each subsidiary that has non-controlling interests that are material to the Group:

Summarized statements of financial position

	IRSA		Brasilagro	
	September 30, 2014	June 30, 2014	September 30, 2014	June 30, 2014
Assets				
Non-current assets	7,349,645	6,851,085	1,966,540	2,049,257
Current assets	2,253,462	2,959,021	652,128	879,255
Total assets	9,603,107	9,810,106	2,618,668	2,928,512
Liabilities				
Non-current liabilities	4,799,458	4,513,239	202,580	239,790
Current liabilities	2,060,732	2,419,424	479,212	655,174
Total liabilities	6,860,190	6,932,663	681,792	894,964
Net assets	2,742,917	2,877,443	1,936,876	2,033,548

Summarized income statements and statements of comprehensive income

	IRSA		Brasilagro	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Revenues	790,069	621,447	185,037	93,474
Profit / (Loss) before income tax	312,130	48,216	20,697	(12,592)
Income tax expense	(176,331)	(12,948)	(7,090)	2,656
Profit / (Loss) for the period	135,799	35,268	13,607	(9,936)

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Other comprehensive income / (loss)	45,063	23,293	(110,580)	96,476
Total other comprehensive income / (loss)	180,862	58,561	(96,973)	86,540
Profit / (Loss) attributable to non-controlling interest	140,948	(11,268)	-	-

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7. Information about principal subsidiaries (Continued)

Summarized cash flows

	IRSA		Brasilagro	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Cash flow from operating activities				
Net cash generated from operating activities	299,032	203,441	3,342	104,398
Cash flow from investing activities				
Net cash generated from (used in) investing activities	1,059,872	(493,797)	(104,463)	(12,324)
Cash flow from financing activities				
Net cash used in financing activities	(711,352)	(246,189)	(111,210)	(18,872)
Net increase (decrease) in cash and cash equivalents	647,552	(536,545)	(212,331)	73,202
Cash and cash equivalents at beginning of period / year	609,907	796,902	320,349	197,113
Foreign exchange (loss) / gain on cash and cash equivalents	(11,963)	20,831	(9,271)	18,015
Cash and cash equivalents at end of period / year	1,245,496	281,188	98,747	288,330

The information above is the corresponding to balances and transactions before inter-company eliminations.

8. Interests in joint ventures

As of June 30, 2014 the joint ventures of the Group were Cresca, Cyrsa S.A., Puerto Retiro S.A., Baicom Networks S.A., Quality Invest S.A., Nuevo Puerto Santa Fe S.A. (NPSF), Entertainment Holdings S.A. and ENUSA (indirectly through investment in EHSA). The shares in these joint ventures are not publicly traded.

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8. Interests in joint ventures (Continued)

Changes in the Group's investments in joint ventures for the three-month period ended September 30, 2014 and for the year ended June 30, 2014 were as follows:

	September 30, 2014	June 30, 2014
Beginning of the period / year	395,243	324,194
Capital contribution	51,008	43,583
Capital reduction	(110,860)	-
Dividends distribution (i)	(4,475)	-
Share of profit	20,287	15,742
Currency translation adjustment	12,331	11,724
End of the period / year (ii)	363,534	395,243

(i) During the three-month period ended September 30, 2014, the Group cashed dividends from Nuevo Puerto Santa Fe in the amount of Ps. 2.6 million and from Cyrsa in the amount of Ps. 1.9 million.

(ii) Includes a balance of Ps. (41) and Ps. (59) reflecting interests in companies with negative equity as of September 30, 2014 and June 30, 2014, respectively, which is reclassified to "Provision". See Note 24.

9. Interests in associates

As of June 30, 2014, the associates of the Group were New Lipstick LLC, IDBD, BHSA, Tarshop S.A., Manibil S.A., Lipstick Management LLC, Banco de Crédito and Securitización S.A. ("BACS"), Bitania 26 S.A., Agrouranga S.A., Agromanagers S.A. and Avenida Inc.

The evolution of the Group's investments in associates for the three-month period ended September 30, 2014 and for the year ended June 30, 2014 was as follows:

	September 30, 2014	June 30, 2014
Beginning of the period / year	1,803,114	1,123,577
Acquisition of associates	268,975	1,131,806
Capital contribution	1,471	16,716
Share of (loss) / profit	(1,151)	92,568
Currency translation adjustment	18,003	(29,133)
Dividends distribution (i)	(4,714)	(15,459)
Acquisition of non-controlling interest	(10,381)	-
Unrealized gain from investments at fair value	(121,864)	(516,961)

End of the period / year (ii)	1,953,453	1,803,114
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(i) As of September 30, 2014, the Group cashed dividends from Agro-Uranga S.A., Manibil and BHSA in the amount of Ps. 0.5 million, Ps. 0.8 million and Ps. 9.2 million, respectively. During the year ended on 2014, the Group cash dividends from Agro-Uranga S.A., Manibil and BHSA in the amount of Ps. 5.5 million, Ps. 9.2 million and Ps. 0.8 million, respectively.

(ii) Includes a balance of Ps. (216,922) and Ps. (176,923) reflecting interests in companies with negative equity as of September 30, 2014 and June 30, 2014, respectively, which is reclassified to “Provisions” (see Note 24).

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9. Interests in associates (Continued)

Restrictions, commitments and other matters related to associates

IDBD

As part of the purchase agreement, DN B.V. and ETH have agreed to participate jointly and severally in capital increases resolved by the Board of Directors of IDBD to carry out their business plan during 2014 and 2015, in amounts of at least NIS 300 million in 2014 and NIS 500 million in 2015 (approximately equal to US\$ 81.45 million and US\$ 135.8 million at the exchange rate prevailing on September 30, 2014). On the balance sheet date, DN B.V. and ETH have contributed an amount of NIS 407.08 million of assumed commitments.

Furthermore, under the purchase agreement, DN B.V. and ETH have agreed jointly and severally to make one or more tender offers for the purchase of shares in IDBD for an aggregate amount of NIS 512.09 million (equal to approximately US\$ 139.0 million at the exchange rate prevailing on September 30, 2014), based on the following scheme: (i) before December 31, 2015, an amount of at least NIS 249.8 million at a share price of NIS 8.344 (subject to adjustments) and (ii) before December 31, 2016 in the amount of at least NIS 512.09 million less the tender offer conducted in 2015, at a share price of NIS 8.7612 (subject to adjustments). To secure compliance with the tender offers, an aggregate amount of 28,020,191 shares of IDBD held by DN B.V. were pledged upon closing the transaction. On the balance sheet date, no tender offers had been made.

On the other hand, the purchase agreement provides that DN B.V. and ETH shall jointly and severally pay to creditors who participate in the restructuring arrangement indicated above the additional sum of NIS 100 million (equal approximately to US\$ 27.1 million at the exchange rate prevailing on September 30, 2014), in the event that IDBD executes the sale of its equity interest in the subsidiary Clal Insurance Enterprises Holdings Ltd. before December 31, 2014 and provided that: (i) the sale price shall not be lower than NIS 4,200 million (equal to approximately US\$ 1,140.4 million at the exchange rate prevailing on September 30, 2014) and (ii) the transaction is closed before June 30, 2015, provided that IDBD has received by the latter date a payment of at least NIS 1,344 million (gross) (equal to approximately US\$ 364.9 million at the exchange rate prevailing on September 30, 2014). As of the date of issuance of these financial statements, any of the conditions previously mentioned have been fulfilled.

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9. Interests in associates (Continued)

On May 12, 2014, shares of IDBD started to trade in the Tel Aviv Stock Exchange, Israel; as a result, all of the shares (including pledged shares) were held in trust at Bank Leumi Le-Israel to secure compliance with lock-up provisions of Chapter D of the Tel Aviv Stock Exchange Rules, whereby shares listed under an IPO (initial public offering) may not be freely disposed of for a term of 18 months, which are then released at a rate of 2.5% per month beginning on the fourth month of the IPO date.

Hence, in accordance with Tel Aviv Rules applicable to September 30, 2014, 51,095,676 shares and 335,715 warrants of each of the Series 1, 2 and 3 were still subject to lock-up provisions under the terms described above.

BHSA

On October 31, 2014 the Bank was notified of Ruling 685 dated October 29, 2014 issued by the Superintendency of Financial Entities and Exchange Offices in proceedings conducted pursuant to Financial Investigation Case Number 1320, whereby the Bank and its officers were charged with alleged infringements to rulings on assistance to Non-Financial Public Sector, excess credit risk exposure to non-financial public sector, excess collateralization, failure to comply with minimum capital requirements and objections to the accounting treatment afforded to the transaction “Cer Swap Linked to PG08 and External Debt”; and moreover, delays in communicating the appointment of new members of the board and to file documentation related to new members of the board designated by the Shareholders’ Meetings.

Such a ruling assessed a fine in the amount of Ps. 4.04 million to Banco Hipotecario S.A. and fines of diverse amounts to incumbent and former members of the Board, statutory auditors and managers.

The Bank, its incumbent and former directors, statutory auditors and managers intend to file an appeal against such decision with the National Court of Appeals in Administrative Litigation Matters.

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10. Investment properties

Changes in the Group's investment properties for the three-month period ended September 30, 2014 and for the year ended June 30, 2014 were as follows:

	Shopping Center Properties	Office buildings and other rental properties portfolio	Undeveloped parcels of land	Leased out farmland	Properties under development	Total
Year ended June 30, 2014						
Opening net book amount	1,890,531	1,630,509	421,240	42,998	186,123	4,171,401
Additions	61,108	23,988	454	7,069	156,927	249,546
Reclassification to available for sale	-	(1,098,990)	-	-	-	(1,098,990)
Reclassification to property, plant and equipment	-	(12,231)	-	(3,657)	-	(15,888)
Reclassifications of trading properties	-	251	1,550	-	(803)	998
Capitalized borrowing costs	-	-	-	-	22,376	22,376
Disposals	(35)	(51,457)	-	(1,080)	(766)	(53,338)
Depreciation charge (i)	(134,325)	(68,529)	-	(2,134)	-	(204,988)
Currency translation adjustment	-	375,261	-	8,238	-	383,499
Transfers	(25,332)	27,056	(1,724)	-	-	-
Closing net book amount	1,791,947	825,858	421,520	51,434	363,857	3,454,616
At June 30, 2014						
Cost	3,166,103	1,077,824	421,520	51,434	363,857	5,080,738
Accumulated depreciation	(1,374,156)	(251,966)	-	-	-	(1,626,122)
Net book amount	1,791,947	825,858	421,520	51,434	363,857	3,454,616
Period ended September 30, 2014						
Opening net book amount	1,791,947	825,858	421,520	51,434	363,857	3,454,616
Additions	8,451	2,113	-	148	51,702	62,414
Reclassification of property, plant and equipment	-	-	9,820	-	-	9,820
Reclassification to property, plant and equipment	-	-	-	(5,021)	-	(5,021)
Disposals	-	(3,599)	-	(8)	-	(3,607)
Depreciation charge (i)	(28,564)	(9,124)	-	(94)	-	(37,782)

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Currency translation adjustment	-	-	-	(7,489)	-	(7,489)
Closing net book amount	1,771,834	815,248	431,340	38,970	415,559	3,472,951
At September 30, 2014						
Cost	3,040,229	1,010,336	431,340	38,970	415,559	4,936,434
Accumulated depreciation	(1,268,395)	(195,088)	-	-	-	(1,463,483)
Net book amount	1,771,834	815,248	431,340	38,970	415,559	3,472,951

- (i) Depreciation charge of investment property has been charged in “Costs” in the income statements (Note 30).

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10. Investment properties (Continued)

The following amounts have been recognized in the income statements:

	September 30, 2014	September 30, 2013
Rental and service income	689,599	546,152
Direct operating expenses	286,818	(245,217)
Gain from disposal of investment properties	316,767	-

Properties under development mainly comprise works in Shopping Neuquén S.A. (Alto Comahue) and Arcos del Gourmet S.A. (Distrito Arcos). As of September 30, 2014 and June 30, 2014 works in Alto Comahue amount to Ps. 177.9 million and Ps. 126.8 million, respectively. Works in Distrito Arcos as of September 30, 2014 and June 30, 2014 amount to Ps. 237.2 million and Ps. 236.2 million, respectively.

As of September 30, 2014 contractual obligations mainly correspond to constructions regarding to both projects. In Alto Comahue contractual obligations amount to Ps. 205 million and the Project is expected to be completed in March, 2015. In respect of Distrito Arcos, on December 10, 2013, the Judicial Branch confirmed an injunction order that suspends the opening of the shopping center on the grounds that it does not have certain governmental permits. Even though the construction has all regulatory permits in place, the Company is carrying out specific actions, has challenged the ruling, and has requested that the injunction be lifted and has reasonable expectations of a favorable result. On April 1, 2014 the Government of the City of Buenos Aires granted a new environmental clearing certificate.

On the other hand, in one of the two judicial processes (amparos – actions intended to protect constitutional rights) currently being heard, “Charlon, Marcelo Alejandro and others VS. GCBA on/ Amparo”, the Court of Appeals referred above confirmed the decision rendered by the lower court whereby the action was abated, as per notice served upon us on September 1, 2014. This means the process has concluded with the decision being favorable to us.

As to the other process entitled “Federación de Comercio e Industria de la Ciudad de Buenos Aires (FECOBA) and others vs. GCBA on/ Amparo”, on August 29, 2014 the lower court rendered a decision rejecting the case.

This judgment was appealed and following the corresponding service of notices between the parties, the record of proceedings was submitted to the Court of Appeals in September 2014. Following the corresponding notification of the Court’s Prosecutor, the record of proceedings was docketed for a decision on October 8, 2014. No decision has yet been rendered by the Court as of the balance sheet date.

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11. Property, plant and equipment

Changes in the Group's property, plant and equipment for the three-month period ended September 30, 2014 and for the year ended June 30, 2014 were as follows:

	Owner occupied farmland	Hotel buildings and facilities	Other buildings and facilities	Furniture and fixtures	Machinery and equipment	Vehicles	Total
Year ended June 30, 2014							
Opening net book amount	1,538,708	180,348	57,239	7,178	52,961	5,020	1,841,454
Currency translation adjustment	518,869	-	3,363	1,238	13,751	240	537,461
Additions	96,785	9,980	4,633	3,953	15,581	3,247	134,179
Reclassifications to investment properties	3,657	-	12,231	-	-	-	15,888
Reclassifications to intangibles assets	-	-	(30)	-	-	-	(30)
Disposals	(56,763)	(24)	(133)	(7)	(2,589)	(497)	(60,013)
Depreciation charge (i)	(44,062)	(14,559)	(10,559)	(1,524)	(14,519)	(1,760)	(86,983)
Closing net book amount	2,057,194	175,745	66,744	10,838	65,185	6,250	2,381,956
At June 30, 2014							
Cost	2,261,176	402,647	141,704	25,144	191,561	12,578	3,034,810
Accumulated depreciation	(203,982)	(226,902)	(74,960)	(14,306)	(126,376)	(6,328)	(652,854)
Net book amount	2,057,194	175,745	66,744	10,838	65,185	6,250	2,381,956
Period ended September 30, 2014							
Opening net book amount	2,057,194	175,745	66,744	10,838	65,185	6,250	2,381,956
Currency translation adjustment	(62,437)	-	(624)	(137)	(2,258)	19	(65,437)
Additions	53,426	3,201	963	1,551	6,141	2,923	68,205
Reclassifications of investment properties	5,021	-	-	-	-	-	5,021
Reclassifications to investment properties	(9,820)	-	-	-	-	-	(9,820)
Disposals	(380)	-	(307)	(157)	(39)	(49)	(932)
Depreciation charge (i)	(14,812)	(3,797)	(1,137)	(518)	(4,179)	(521)	(24,964)
Closing net book amount	2,028,192	175,149	65,639	11,577	64,850	8,622	