

CRESUD INC
Form 6-K
May 23, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

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

For the month of May, 2007

**CRESUD SOCIEDAD ANONIMA COMERCIAL INMOBILIARIA
FINANCIERA Y AGROPECUARIA**

(Exact name of Registrant as specified in its charter)

CRESUD INC.

(Translation of registrant's name into English)

Republic of Argentina

(Jurisdiction of incorporation or organization)

Moreno 877, 23rd Floor, (C1091AAQ)

Buenos Aires, Argentina

(Address of principal executive offices)

Form 20-F 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

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

(THE COMPANY)

REPORT ON FORM 6-K

Attached is a copy of the English translation of the Financial Statements for the nine-month period ended on March 31, 2007 and March 31, 2006 filed with the *Bolsa de Comercio de Buenos Aires* and the *Comisión Nacional de Valores*.

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera

y Agropecuaria

For the nine-month periods ended March 31, 2007 and 2006

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria

Financial Statements

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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
 Fiscal year No. 72 started on July 1, 2006

Financial Statements for the nine-month period

ended March 31, 2007. In comparative format with previous fiscal year

DATES OF REGISTRATION AT THE PUBLIC REGISTRY OF COMMERCE

Of the by-laws: February 19, 1937

Of the latest amendment: September 22, 1999

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	308,527,234	308,527,234	308,527,234

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Balance Sheet as of March 31, 2007 and 2006 and June 30, 2006

	March 31, 2007	June 30, 2006	March 31, 2006		March 31, 2007	June 30, 2006	March 31, 2006
	(Notes 1, 2 and 3) Pesos	(Notes 1, 2 and 3) Pesos	(Notes 1, 2 and 3) Pesos		(Notes 1, 2 and 3) Pesos	(Notes 1, 2 and 3) Pesos	(Notes 1, 2 and 3) Pesos
ASSETS				LIABILITIES			
Current Assets				Current Liabilities			
Cash and banks (Note 4.a.)	81,163,170	25,997,361	10,046,193	Debts:			
Investments (Note 4.b.)	44,595,462	6,223,788	7,896,475	Trade accounts payable (Note 4.f.)	35,550,761	26,438,528	22,571,638
Trade accounts receivable (Note 4.c.)	10,138,773	11,084,617	8,696,345	Loans (Note 4.g.)	111,867,701	66,421,573	37,336,082
Other receivables (Note 4.d.)	20,061,798	22,744,963	17,892,670	Salaries and social security payable (Note 4.h.)	2,691,756	2,293,130	1,294,282
Inventories (Note 4.e.)	74,850,519	28,932,135	50,714,748	Taxes payable (Note 4.i.)	7,426,126	3,313,836	2,052,600
Total current assets	230,809,722	94,982,864	95,246,431	Other debts (Note 4.j.)	4,388,902	3,442,024	2,874,729
				Total Debts	161,925,246	101,909,091	66,129,331
				Total current liabilities	161,925,246	101,909,091	66,129,331
Non-current assets				Non-current liabilities			
Other receivables (Note 4.d.)	45,145,571	36,005,292	15,093,109	Trade accounts payable (Note 4.f.)	392,740	835,292	981,422
Inventories (Note 4.e.)	66,835,022	62,712,423	60,787,150	Taxes payable (Note 4.i.)	42,919,394	42,770,882	50,572,947
Investments on controlled and related companies (Note 4.b.)	505,295,429	468,371,269	320,377,323	Loans (Note 4.g.)	24,800,000	98,096,955	109,201,097
Other investments (Note 4.b.)	20,717	37,052,716	86,946,920	Other debts (Note 4.j.)	433,309	434,309	434,309
Fixed assets, net (Schedule A)	238,813,485	224,775,512	219,686,357	Provisions (Schedule E)	285,811	183,893	106,570
				Total Non-current liabilities	68,831,254	142,321,331	161,296,345

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Intangible assets, net (Schedule B)	23,581,646	23,581,646		Total Liabilities	230,756,500	244,230,422	227,425,676
Subtotal Non-Current Assets	879,691,870	852,498,858	702,890,859				
Goodwill (Note 4.b.)	(70,189,477)	(76,825,838)	(17,023,514)	Minority interest	495,572	559,871	320,465
Total Non-Current Assets	809,502,393	775,673,020	685,867,345	SHAREHOLDERS EQUITY	809,060,043	625,865,591	553,367,635
Total Assets	1,040,312,115	870,655,884	781,113,776	Total Liabilities and Shareholders Equity	1,040,312,115	870,655,884	781,113,776

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

Eduardo S. Elsztain
President

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Statement of Income

For the nine-month periods beginning on July 1, 2006 and 2005

and ended March 31, 2007 and 2006

	March 31, 2007	March 31, 2006
	(Notes 1, 2 and 3)	(Notes 1, 2 and 3)
	Pesos	Pesos
Production:		
Crops	30,857,314	15,098,936
Beef Cattle	17,268,886	17,035,525
Milk	7,409,701	5,862,005
Total production	55,535,901	37,996,466
Cost of production (Schedule F.2):		
Crops	(20,986,576)	(13,785,762)
Beef cattle	(10,453,631)	(13,283,130)
Milk	(4,886,330)	(3,323,002)
Total cost of production	(36,326,537)	(30,391,894)
Production profit	19,209,364	7,604,572
Sales:		
Crops	16,894,506	31,649,131
Beef Cattle	20,628,763	25,011,983
Milk	6,668,677	5,862,005
Feed Lot	3,102,229	1,782,828
Others	7,084,793	4,450,433
Total sales	54,378,968	68,756,380
Cost of sales (Schedule F.1):		
Crops	(18,283,230)	(26,632,570)
Beef Cattle	(19,511,316)	(24,594,067)
Milk	(6,668,677)	(5,862,005)
Feed Lot	(2,823,866)	(1,498,624)
Others	(2,797,301)	(2,052,416)
Total cost of sales	(50,084,390)	(60,639,682)
Sales profit	4,294,578	8,116,698
Gross profit	23,503,942	15,721,270
Selling expenses (Schedule H)	(3,205,380)	(6,023,312)

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Administrative expenses (Schedule H)	(11,547,822)	(6,348,710)
Net gain on sale of farms	436,629	9,897,186
Holding gain Beef cattle (Schedules F.1 and F.2)	1,398,370	2,296,228
Holding gain Crops (Schedules F.1 and F.2)	2,142,540	3,131,628
Operating (loss) income	12,728,279	18,674,291
Financial gain (loss)		
Generated by assets:		
Exchange differences and discounts	(852,638)	10,668,341
Interest income	1,495,613	354,258
Doubtful accounts		(25,083)
Tax on banking debits and credits	(1,559,860)	(1,283,625)
Holding gain	48,021	
Holding gain and result of transactions on securities investment	448,023	
Gain on sales of convertible notes		14,872,000
Interest on bons	2,219,032	6,239,486
Others	25,995	1,911,379
Total	1,824,186	32,736,756
Generated by liabilities:		
Reference stabilization index (CER)	(7,677)	(17,996)
Interest loss	58,276	(14,620)
Financial expenses:		
Interest on Convertible Notes (Note 7)	(2,537,248)	(6,534,054)
Interest on loans	(7,541,944)	(1,268,724)
Others	(509,607)	(489,967)
Exchange differences and discounts	(122,886)	(9,191,889)
Total	(10,661,086)	(17,517,250)
Other income and expenses, net		
Gains from other fixed assets sales	52,508	34,468
Others	(367,030)	
Shareholders personal assets tax and miscellaneous	(2,686,199)	(1,370,518)
	(3,000,721)	(1,336,050)
Income from related companies	40,188,874	11,459,724
Management fee	(4,079,574)	(2,600,512)
Net Income before income tax and minority interest	36,999,958	41,416,959
Income tax expense	(348,091)	(18,176,414)
Minority interest	64,299	136,482
Net income for the period	36,716,166	23,377,027

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

Eduardo S. Elsztain
President

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Statement of Cash Flow

For the nine-month periods beginning on July 1, 2006 and 2005

and ended March 31, 2007 and 2006

	March 31, 2007	March 31, 2006
	(Notes 1, 2 and 3)	(Notes 1, 2 and 3)
	Pesos	Pesos
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	27,377,050	67,462,547
Cash and cash equivalents at the end of the period (1)	87,091,388	10,836,971
Net increase (decrease) in cash and cash equivalents	59,714,338	(56,625,576)
Causes of changes in cash and cash equivalents		
Operating activities		
Net income for the period	36,716,166	23,377,027
Accrued interest during the period	10,079,192	7,092,959
Income tax	348,091	18,176,414
Adjustments made to reach net cash flow from operating activities		
Income from interest in related companies	(40,188,874)	(11,459,724)
Minority interest	(64,299)	(136,482)
Increase in allowances, provisions and accruals	5,560,408	8,523,343
Amortization and depreciation	3,276,376	3,515,509
Holding gain Inventory	(3,615,472)	(5,427,856)
Financial results	(1,733,991)	(5,185,619)
Gain from sale of permanent investments		(14,872,000)
Gain from sale of fixed assets	(489,137)	(9,931,654)
Changes in operating assets and liabilities		
Decrease in current investments	4,587,159	5,800,768
(Increase) decrease in trade accounts receivable	(749,382)	1,066,967
Increase in other receivables	(10,120,886)	(1,236,566)
Increase in inventories	(48,449,524)	(7,055,457)
Increase (decrease) in social security payables, taxes payable and advances from customers	4,415,252	(25,496,535)
Increase (decrease) in trade accounts payable	9,874,055	(7,469,690)
Dividends collected	1,262,479	988,307
(Decrease) increase in other debts	(894,024)	47,934
Cash flows applied to operating activities	(30,186,411)	(19,682,355)
Investment activities		
Increase in non-current investments	(726,805)	(4,034,772)
Acquisition and upgrading of fixed assets	(19,569,150)	(49,574,732)
Collection of receivables from sale of fixed assets	3,850,808	5,736,964
Sale of fixed assets	564,464	9,870,951
Cash flows applied to investment activities	(15,880,683)	(38,001,589)
Financing activities		
Capital contributions from minority shareholders		180,000

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Exercise of Warrant	83,183,660	8,649,027
Dividends paid	(5,500,000)	(10,000,000)
Increase in financial loans	75,086,654	33,455,667
Decrease in financial loans	(44,758,322)	(14,712,326)
Decrease in other liabilities	(2,230,560)	(16,514,000)
Cash flows provided by financing activities	105,781,432	1,058,368
<u>Net increase (decrease) in cash and cash equivalents</u>	59,714,338	(56,625,576)
<u>Items not involving changes in cash and cash equivalents</u>		
Transfer of inventory to fixed assets		498,234
Increase in other receivables by sale of fixed assets		8,572,080
Increase in interest in related companies by a decrease in non-current investments		15,608,956
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	68,841,945	13,427,766
<u>Complementary information</u>		
Interest paid	7,005,219	6,534,054
Income tax expense paid	1,738,045	27,564,661

(1) The difference with the cash at period end is generated by the effect of Cactus consolidation reversion as of March 31, 2007 (Ps. 939,275). The accompanying notes and schedules are an integral part of the consolidated financial statements

Eduardo S. Elsztain
President

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria

and Subsidiaries

Notes to the Consolidated Financial Statements

For the nine-month periods beginning on July 1, 2006 and 2005

and ended March 31, 2007 and 2006

NOTE 1: BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

As a consequence of the application of the unifying accounting standards approved by 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, 2007 and 2006 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. Additionally, proportional consolidation has been applied for investments in which it has joint control (see Notes 1.b and 1.c to the basic financial statements).

The Company also applied 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 of the subsidiary companies Inversiones Ganaderas S.A., Futuros y Opciones.Com S.A., Agropecuaria Cervera S.A. and Cactus Argentina S.A. as of March 31, 2007 and 2006 have been used in order to determine the investment at its equity value, line by line consolidation and proportional consolidation.

For purposes of comparability, certain reclassifications have been made on the information as of June 30, 2006 and March 31, 2006.

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.

COMPANY	CRESUD	CONSOLIDATED
	PERCENTAGE OF	PERCENTAGE OF
	VOTING SHARES	VOTING SHARES
	OWNED	OWNED
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(*)

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

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

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 disclosure 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 on December 2003 by a forestry expert at the request of ACER previous shareholders.

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 retained earnings in shareholders equity.

The current ACER management has reclassified such asset as Fixed Asset on the basis of its destination of use.

Other considerations concessions granted

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

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

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

NOTE 4: Details of consolidated balance sheet and consolidated statement of income accounts**a. Cash and banks**

	March 31,	June 30,	March 31,
	2007	2006	2006
	Pesos	Pesos	Pesos
Cash	94,474	55,495	65,976
Foreign currency (Schedule G)	5,465	92,744	90,010
Local currency checking account	4,149,994	1,689,103	1,227,017
Foreign currency checking account (Schedule G)	76,789,252	23,770,872	8,218,713
Local currency saving account	75,869	106,504	28,197
Foreign currency saving account (Schedule G)	7,886	6,367	6,357
Checks to be deposited	40,230	276,276	409,923
	81,163,170	25,997,361	10,046,193

b. Investments and Goodwill

	March 31,	June 30,	March 31,
	2007	2006	2006
	Pesos	Pesos	Pesos
Investment			
Investment (Schedules C and G)	44,595,462	6,223,788	7,896,475
	44,595,462	6,223,788	7,896,475
Investment			
Investment from related companies (Notes 12 and 15 and Schedule C)	505,295,429	468,371,269	320,377,323
	505,295,429	468,371,269	320,377,323
Other investments			
Other investments (Schedules C and G)	20,717	37,052,716	86,946,920
	20,717	37,052,716	86,946,920
Goodwill			
Goodwill (Schedule C)	(70,189,477)	(76,825,838)	(17,023,514)
	(70,189,477)	(76,825,838)	(17,023,514)

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

NOTE 4: (Continued)**c. Trade accounts receivable**

	March 31,	June 30,	March 31,
	2007	2006	2006
	Pesos	Pesos	Pesos
Current			
Accounts receivable in local currency	8,559,710	11,401,950	8,825,022
Less:			
Allowance for doubtful accounts (Schedule E)	(372,359)	(374,830)	(356,214)
Accounts receivable in foreign currency (Schedule G)	1,938,419	44,982	181,491
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Cactus Argentina S.A.	12,849	12,515	46,046
Alto City.Com S.A.	154		
	10,138,773	11,084,617	8,696,345

d. Other Receivables

	March 31,	June 30,	March 31,
	2007	2006	2006
	Pesos	Pesos	Pesos
Current			
Prepaid leases	718,365	8,836,242	125,465
Income tax prepayments and tax credit (net of accrual for income tax)	4,011,947	3,880,156	7,425,960
Guarantee deposits and premiums (Schedule G)	3,142,675	1,447,771	1,564,245
Secured by mortgage (Schedule G)	3,081,097	3,497,490	3,141,226
Prepaid expenses	122,552	338,368	692,671
Gross sales tax credit	23,103	4,539	3,816
Other tax credit	89,809		
Tax prepayments	2,814,008	3,545,790	3,890,413
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Cactus Argentina S.A.	4,159,990	191,651	185,390
IRSA Inversiones y Representaciones S.A. (Schedule G)	82,419		1,331
Agro-Uranga S.A.	601,684	39,993	160,609
Brasil Agro Companhia Brasileira de Propiedaes Agrícolas	30,537	559,088	
Credits to employees	145,310	85,980	75,818
Directors			10,940
Others	1,038,302	317,895	614,786
	20,061,798	22,744,963	17,892,670
Non-current			
Prepaid leases	179	13,924	

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Income tax prepayments and others	30,344,349	24,351,881	5,672,316
Secured by mortgage (Schedule G)	5,690,057	8,265,284	8,254,430
Tax on minimum presumed income	6,238,499	2,422,271	82,006
Valued Added Tax credit	2,081,813		
Deferred tax	397,934	93,791	74,374
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Cactus Argentina S.A.	6,532	8,353	9,814
Alto Palermo S.A. (Schedule G)	284,147	584,704	686,996
IRSA Inversiones y Representaciones S.A. (Schedule G)	65,935	150,353	176,656
Others (Schedule G)	36,126	114,731	136,517
	45,145,571	36,005,292	15,093,109

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

NOTE 4: (Continued)**e. Inventories**

	March 31, 2007	June 30, 2006	March 31, 2006
	Pesos	Pesos	Pesos
Current			
Beef cattle	13,547,883	10,913,612	13,609,916
Crops	23,777,230	10,550,495	14,800,090
Unharvested crops	27,822,308	1,662,592	18,025,519
Seeds and fodder	2,955,201	770,647	294,515
Materials and others	6,681,916	4,686,142	3,361,494
Advances to suppliers	65,981	348,647	623,214
	74,850,519	28,932,135	50,714,748
Non-Current			
Beef cattle	66,835,022	62,712,423	60,787,150
	66,835,022	62,712,423	60,787,150

f. Trade accounts payable

	March 31, 2007	June 30, 2006	March 31, 2006
	Pesos	Pesos	Pesos
Current			
Suppliers in local currency	5,439,611	7,346,542	5,361,413
Suppliers in foreign currency (Schedule G) (1)	13,394,691	10,980,242	9,806,871
Interest to be accrued (Schedule G) (2)		(112,863)	(272,250)
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Inversora Bolivar S.A.	25,776	42,092	105,180
Alto City.Com S.A.		298	900
Alto Palermo S.A.	634,946	35,620	60,409
IRSA Inversiones y Representaciones S.A.	284,083	34,127	
Cactus Argentina S.A.	92,425	481,353	223,455
Estudio Zang, Bergel & Viñes	209,745	73,851	191,597
Fundación IRSA	2,200,000	2,200,000	1,900,000
Accrual for other expenses (Schedule G)	10,017,666	5,311,539	4,517,773
Short-term debts			23,510
Accrual for harvest expenses	3,251,818	45,727	652,780
	35,550,761	26,438,528	22,571,638
Non-Current			
Accrual for other expenses (Schedule G)	392,740	835,292	981,422
	392,740	835,292	981,422

-
- (1) As of December 31, 2006 includes US\$ 1,449,726 from the acquisition of farm San Pedro corresponding to suppliers in foreign currency secured by mortgage. Please see note 11.
 - (2) Corresponds to the liability above mentioned.

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

Notes to the Consolidated Financial Statements (Continued)

NOTE 4: (Continued)

g. Loans

	March 31, 2007	June 30, 2006	March 31, 2006
	Pesos	Pesos	Pesos
Current			
Local financial loans (Note 17)	102,092,963	65,605,326	34,014,572
Convertible Notes 2007 Interest payable (Schedule G)	284,281	332,179	1,602,388
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Shareholders		482,985	1,715,992
Directors	3,148	1,083	3,130
Convertible Notes 2007 expenses	(23,215)		
Convertible Notes 2007 (Schedule G)	9,406,364		
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Directors	104,160		
	111,867,701	66,421,573	37,336,082
Non-Current			
Foreign financial loans (Notes 17 and 19)	24,800,000	20,367,600	
Convertible Notes 2007 third parties (Schedule G)		31,804,384	53,022,519
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:			
Shareholders		46,243,210	56,776,844
Directors		103,690	103,555
Convertible Notes 2007 expenses		(421,929)	(701,821)
	24,800,000	98,096,955	109,201,097

h. Salaries and social security payable

	March 31, 2007	June 30, 2006	March 31, 2006
	Pesos	Pesos	Pesos
Current			
Accrual for vacation and statutory annual bonus	2,675,816	1,905,899	1,091,873
Social security taxes payable	286	282,999	147,545
Salaries payable		64,237	32,622
Health care payable	15,346	22,689	12,856
Others	308	17,306	9,386
	2,691,756	2,293,130	1,294,282

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

NOTE 4: (Continued)**i. Taxes payable**

	March 31, 2007	June 30, 2006	March 31, 2006
	Pesos	Pesos	Pesos
Current			
Accrual for income tax	242,276	126,641	153,632
Tax on minimum presumed income	4,004,291	2,377,347	64,350
Value added tax		15,595	43,781
Property tax payable	179,644	232,192	216,721
Taxes withheld Income tax	126,841	274,592	105,850
Gross sales tax payable	10,220	35,322	86,864
Taxes withheld-Gross sales tax payable	4,222	2,215	4,397
Taxes withheld-Value added tax payable	10,808	247,925	30,757
Others	2,847,824	2,007	1,346,248
	7,426,126	3,313,836	2,052,600
Non-current			
Deferred tax	42,897,006	42,770,882	50,572,947
Tax on minimum presumed income	22,388		
	42,919,394	42,770,882	50,572,947

j. Other debts

	March 31, 2007	June 30, 2006	March 31, 2006
	Pesos	Pesos	Pesos
Current			
Management fees accrual	4,079,574	3,073,949	2,600,512
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	59,757	46,800	32,400
Cactus Feeders Inc.		272	46,502
Others	115,375	186,807	20,496
	4,388,902	3,442,024	2,874,729
Non-current			
Other income to be accrued	433,309	433,309	433,309
Guarantee deposit		1,000	1,000
	433,309	434,309	434,309

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

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

	Current and non-current								
	Investment			Trade accounts receivable			Other receivables		
	March 31, 2007	June 30, 2006	March 31, 2006	March 31, 2007	June 30, 2006	March 31, 2006	March 31, 2007	June 30, 2006	March 31, 2006
Based on their estimated collection term									
4th quarter 2006/2005 financial period			2,604,146			8,548,703			5,400,453
1st quarter 2007/2006 financial period					11,084,617			6,144,831	2,838,966
2nd quarter 2007/2006 financial period		386,779						591,375	8,007,137
3rd quarter 2007/2006 financial period								5,072,356	547,723
4 th quarter 2007/2006 financial period	1,124,267			9,956,927			9,776,246	479,592	10,128
1 st quarter 2008/2007 financial period							2,990,282	2,179,021	2,180,582
2nd quarter 2008/2007 financial period	37,199,999	37,031,999	86,166,588				490,789	5,712	10,128
3 rd quarter 2008/2007 financial period							765,764	433,663	437,517
4 th quarter 2008/2007 financial period							164,555	5,713	10,128
1st quarter 2009/2008 financial period							2,183,297	2,173,309	2,174,871
2nd quarter 2009/2009 financial period									1,964
1st quarter 2010/2009 financial period							1,753,380	1,745,358	1,744,050
1st quarter 2011/2010 financial period							1,753,380	1,745,357	1,743,066
Overdue									
With no stated current term	6,271,196	5,837,009	5,292,329	181,846		147,642	6,038,717	10,456,809	1,098,391
With no stated non-current term	20,717	20,717	780,332				39,290,959	27,717,159	6,780,675
Total	44,616,179	43,276,504	94,843,395	10,138,773	11,084,617	8,696,345	65,207,369	58,750,255	32,985,779

b) Assets classified according to their interest rate (in Pesos)

Current and non-current

Trade accounts receivable

Other receivables

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Interest rate that they accrue	March 31,	Investment June 30,	March 31,	March 31,	June 30,	March 31,	March 31,	June 30,	March 31,
	2007	2006	2006	2007	2006	2006	2007	2006	2006
At fixed interest rate	37,199,999	37,031,999	86,166,588				8,606,937	11,237,071	11,111,155
At variable interest rate	6,271,196	5,837,009	5,292,328				13,236,463	4,049,594	2,449,378
Non-interest bearing	1,144,984	407,496	3,384,479	10,138,773	11,084,617	8,696,345	43,363,969	43,463,590	19,425,246
Total	44,616,179	43,276,504	94,843,395	10,138,773	11,084,617	8,696,345	65,207,369	58,750,255	32,985,779

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

NOTE 5: (Continued)

a) Liabilities based on their estimated payment term (in Pesos)

accounts payable			Loans	Salaries and social security payable			Taxes payable			Other debts				
June 30,	March 31,	March 31,	June 30,	March 31,	March 31,	June 30,	March 31,	March 31,	June 30,	March 31,	March 31,	June 30,	March 31,	March 31,
2006	2006	2007	2006	2006	2007	2006	2006	2007	2006	2006	2007	2006	2006	2007
	15,258,186			3,321,510			458,460			1,834,618				2,528,060
26,411,544	7,277,500		13,935,806	13,398,902		1,965,120	588,579		831,206			120,996		13,541
			816,247			231,052	72,719		2,476,625	217,982		105,360		13,541
						96,958	174,524		6,005			7,523		
		645,148			443,950			7,084,369			4,139,331	3,073,949		1,472
		14,749,006					1,776,557							1,472
			77,729,355	109,201,097	471,249			99,481						1,472
		9,487,309						242,276						1,472
														1,472
														1,472
		24,800,000	20,367,600											982
26,984	35,952	86,986,238	51,669,520	20,615,670							249,571	134,196		319,587
835,292	981,422							42,919,394	42,770,882	50,572,947	433,309	434,309	424,495	285,
27,273,820	23,553,060	136,667,701	164,518,528	146,537,179	2,691,756	2,293,130	1,294,282	50,345,520	46,084,718	52,625,547	4,822,211	3,876,333	3,309,038	285,

According to their interest rate (in Pesos)

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accounts payable		Loans		Salaries and social security payable				Taxes payable			Other debts			
June 30,	March 31,	March 31,	June 30,	March 31,	March 31,	June 30,	March 31,	March 31,	June 30,	March 31,	March 31,	June 30,	March 31,	March 31,
2006	2006	2007	2006	2006	2007	2006	2006	2007	2006	2006	2007	2006	2006	2007
6,720,357	6,552,112	136,380,272	164,124,210	143,917,490										
												3,792,015	1,622,660	
20,553,463	17,000,948	287,429	394,318	2,619,689	2,691,756	2,293,130	1,294,282	50,345,520	46,084,718	52,625,547	4,822,211	84,318	1,686,378	285,
27,273,820	23,553,060	136,667,701	164,518,528	146,537,179	2,691,756	2,293,130	1,294,282	50,345,520	46,084,718	52,625,547	4,822,211	3,876,333	3,309,038	285,

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

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 notes into company's ordinary stock for up to an amount of US\$ 50,000,000 mentioned in Note 14 to the basic financial statements, exercise their right to convert into stock the titles they bear.

	March 31, 2007	March 31, 2006
	Pesos	Pesos
Average appraised stock in circulation	226,737,205	166,847,072
Average appraised diluted ordinary stock	321,214,392	321,214,392
	March 31, 2007	March 31, 2006
	Pesos	Pesos
Earnings for the calculation of basic earnings per share	36,716,166	23,377,027
Exchange differences	184,879	7,482,465
Financing expenses	2,537,248	6,534,054
Income tax	(888,570)	(4,575,341)
Management fees	(183,356)	(944,118)
Earnings for the calculation of diluted earnings per share	38,366,367	31,874,087
	March 31, 2007	March 31, 2006
BASIC Earnings per share	Pesos	Pesos
Earnings	36,716,166	23,377,027
Number of shares	226,737,205	166,847,072
Earnings per share	0,16	0,14
	March 31, 2007	March 31, 2006
DILUTED Earnings per share	Pesos	Pesos
Earnings	38,366,367	31,874,087
Number of shares	321,214,392	321,214,392
Earnings per share	0,12	0,10

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

NOTE 7: SEGMENT INFORMATION

As of March 31, 2007:

Description	Crops		Milk			Without specific allocation	Total
	Pesos	Beef Cattle Pesos	Pesos	Feed Lot Pesos	Others Pesos		
Sales	16,894,506	20,628,763	6,668,677	3,102,229	7,084,793		54,378,968
Assets	200,112,195	143,108,164	52,021,328	10,439,272	2,990,428	631,640,728	1,040,312,115
Liabilities	17,358,848	4,915,983	109,688	92,425	380,572	207,898,984	230,756,500
Fixed asset additions (transfers)	6,672,772	5,442,193	247,140		351,972	6,874,781	19,588,858
Depreciation of fixed assets	1,559,763	905,671	329,845			355,152	3,150,431
Income from related parties	3,148,328	20,559	390,623	85,466		36,543,898	40,188,874

As of March 31, 2006:

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

NOTE 8: EXAGRIND S.A. ESTANCIA SAN RAFAEL AGAINST TALI SUMAJ AND OTHER DAMAGES AND LOSSES LAWSUIT

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

The estimated amount of the legal action is Ps. 2,914,000 at the date the claim was filed.

In turn, IGSA filed an extraordinary appeal with the High Court of the Province of Catamarca, requesting to be given the remainder term to answer the lawsuit as, at the time of revoking the first instance judge decision that postponed the terms to answer until a new notice was dispatched, such period had not yet expired. The management of IGSA is awaiting the decision of the Court of Cassation.

Additionally, in March 2007 -under the request of Exagrind S.A.- the court in charge of the case seized an inhibition of assets, which has already been appealed and a real estate on attachment has been offered in replacement. The management of IGSA is awaiting the sentence of the court.

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Notes to the Consolidated Financial Statements (Continued)

NOTE 9: ACQUISITIONS AND SALES OF FARMS

On August 28, 2006, IGSA signed a preliminary sale contract of 1,800 hectares of the establishment called "El Recreo" of its property, in the amount of US\$ 0.3 million. As advance payment the Company has received US\$ 0.05 million. This sale has not been shown in the Financial Statement as the property of the land has not yet been transferred.

Likewise, on January 19, 2007 IGSA entered into a preliminary sales contract for 50 hectares of "El Recreo" establishment owned both by IGSA and Arcor Sociedad Anónima Industrial y Comercial in the amount of Ps. 0.4 million having such amount been fully paid to the Company. This sale has been recognized as the possession of the plot of land was effected at the time of signing the preliminary sales contract.

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Fixed Assets

For the nine-month periods ended March 31, 2007 and 2006

and the year ended June 30, 2006

(Notes 1, 2, and 3)

Schedule A

Account	Value at the beginning of the period/year Pesos	Additions and/or transfers Pesos	Deductions and/or transfers Pesos	Value at the end of the period/year Pesos	Rate %	Accumulated at the beginning of the period/year Pesos	Depreciation Decrease of the period/year Pesos	Current period/year Pesos	Accumulated at the end of the period/year Pesos	Net carrying value as of March 31, 2007 Pesos	Net carrying value as of June 30, 2006 Pesos
	155,053,376		5,071	155,048,305						155,048,305	155,053,376
	4,780,673			4,780,673	3	1,236,208		119,798	1,356,006	3,424,667	3,544,465
Ploughs	3,930,660	26,584		3,957,244	5	1,175,796		131,760	1,307,556	2,649,688	2,754,864
Fields and meadows	3,297,931			3,297,931	12-25-50	1,506,332		350,882	1,857,214	1,440,717	1,791,599
Buildings and constructions	29,779,631	124,011		29,903,642	2	2,486,149		444,140	2,930,289	26,973,353	27,293,482
	10,594,431	602,050	2,920	11,193,561	10	7,025,548	2,920	554,000	7,576,628	3,616,933	3,568,883
	2,309,795	114,148	220,118	2,203,825	20	1,194,039	165,292	249,479	1,278,226	925,599	1,115,756
	197,916	10,570		208,486	10	152,253		7,370	159,623	48,863	45,663
Equipment	1,213,670	38,415	2,632	1,249,453	10	829,699	1,913	70,633	898,419	351,034	383,971
Trucking lanes	868,155	38,998		907,153	3	158,319		21,380	179,699	727,454	709,836
	2,200,904	1,500		2,202,404	10	894,000		128,538	1,022,538	1,179,866	1,306,904
	12,615,362	93,308		12,708,670	10-20-33	5,823,780		728,196	6,551,976	6,156,694	6,791,582
Equipment	1,453,980	935,140	7,954	2,381,166	20	1,007,257	7,954	287,129	1,286,432	1,094,734	446,723
	1,096,519			1,096,519	5	406,464		42,302	448,766	647,753	690,055
											2,287,845
Assets in progress	8,841,634	10,499,580	37,282	19,303,932						19,303,932	8,841,633
Suppliers	204,572	264,891		469,463						469,463	204,572
Assets- Posts	70,383	25,311	14,711	80,983						80,983	70,384
Assets raw materials	4,320,000			4,320,000						4,320,000	4,320,000
Assets in third parties	3,553,919	6,814,352		10,368,271				14,824	14,824	10,353,447	3,553,919
March 31, 2007	(1) 246,383,511	19,588,858	290,688	265,681,681		23,895,844	178,079	(2) 3,150,431	26,868,196	238,813,485	
June 30, 2006	188,561,525	84,736,740	22,993,849	(1) 250,304,416		22,063,929	1,647,113	5,112,088	25,528,904		224,775,512
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		

(1) The difference is generated by the effect of Cactus consolidation reversion as of March 31, 2007.

(2) The difference between current depreciation and the amount shown in Schedule H (Ps. 125,945) is generated by the effect of Cactus consolidation reversion as of March 31, 2007.

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

Consolidated Intangible Assets

For the nine-month periods ended March 31, 2007 and 2006

and the year ended June 30, 2006

(Notes 1, 2, and 3)

Schedule B

Principal Account	Value at the	Additions	Value at the	Accumulated at	Amortization	Accumulated	Net	Net	Net
	beginning of		end of the	the beginning of	Current		at the end of	carrying	
	the period/year	of the	period/year	the period/year	Rate	the period/year	value as of	value as of	value as of
	Pesos	period/year	period/year	Pesos	%	Pesos	March 31,	June 30,	March 31,
		Pesos	Pesos	Pesos		Pesos	2007	2006	2006
							Pesos	Pesos	Pesos
Concessions received	23,581,646		23,581,646				23,581,646	23,581,646	
Development expenditures	1,410,368		1,410,368	1,410,368	33,33	1,410,368			
Organization expenses	448,818		448,818	448,818		448,818			
Brands and patents	18,938		18,938	18,938		18,938			
Total as of March 31, 2007	25,459,770		25,459,770	1,878,124		1,878,124	23,581,646		
Total as of June 30, 2006	1,878,124	23,581,646	25,459,770	1,878,124		1,878,124		23,581,646	
Total as of March 31, 2006									

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

Consolidated Investments

For the nine-month periods beginning on July, 1 2006 and 2005, ended March 31 2007 and 2006 and the year ended June 30, 2006

(Notes 1, 2, and 3)

Schedule C

Type and characteristics of the securities	Amount	Value as of	Value as of	Value as of		INFORMATION ON THE ISSUES			
		March 31, 2007	June 30, 2006	March 31, 2006	Market value	Principal activity	Capital	Income for the period	Share
		Pesos	Pesos	Pesos	Pesos		Pesos	Pesos	Equity
Investments									
Funds									
Hamilton Fund in Dollars	992,234	3,036,236	54,906	46,617	3.060000				
Río Special Fund in Pesos		1,952,707	898,081	465,382					
Boston 1784 Fund			246,404	40,013					
		4,988,943	1,199,391	552,012					
and Convertible Notes									
aries, related companies Law No. 19,550 Section 33 and related parties:									
Inversiones y Representaciones S.A. Convertible Notes 2007	12,000,000	37,199,999		2,604,146					
on IRSA Convertible Notes 2007 (US\$)		1,124,267	386,779						
2010 Bonds	110,000	117,811	92,510	103,732	1.071009				
Pro 1	157,647	630	630	630	0.003996				
			3,030,000	2,982,000					
ge Bonds	1,107,036	1,073,825	1,334,180	1,415,189	0.970000				
nd James Interest of Bonds									
		39,516,532	4,844,099	7,105,697					
		89,987							
		89,987							
s in foreign banks in Dollars			180,298	238,766					
			180,298	238,766					
urrent investments		44,595,462	6,223,788	7,896,475					

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

Consolidated Investments

For the nine-month periods beginning on July, 1 2006 and 2005, ended March 31 2007 and 2006 and the year ended June 30, 2006

(Notes 1, 2, and 3)

Schedule C (Cont.)

Type and characteristics of the securities	Amount	Value as of	Value as of	Value as of	Market value	Principal Activity	INFORMATION ON THE ISSU	
		March 31, 2007	June 30, 2006	March 31, 2006			Latest financial s	Income fo
		Pesos	Pesos	Pesos	Pesos		Capital Pesos	the period Pesos
Investments								
and companies Law No. 19,550 Section 33 and related parties:								
	893,069	7,208,359	5,465,153	5,573,730	Unlisted	Agriculture	2,500,000	9,964,26
count of future subscriptions of shares			7,865	7,865				
due		11,179,150	11,179,150	11,179,150				
		18,387,509	16,652,168	16,760,745				
TINA S.A.								
	4,337,175	6,259,901			Unlisted	Exploitation and administration of Agriculture and beef products	18,071,563	525,45
count of future subscriptions of shares		6,259,901						
ly Representaciones S.A.								
	116,305,767	418,848,524	396,839,494	303,616,578		Real Estate	453,557,582	113,856,34
		418,848,524	396,839,494	373,616,578				
panhia Brasileira de Propiedades Agrícolas								
	43,205	61,799,495	54,879,607			Agriculture and	875,381,000	39,969,00
		61,799,495	54,879,607			Real Estate		
	Subtotal	505,295,429	468,371,269	320,377,323				
s								
Notes 2007 (US\$)								
and companies Law No. 19,550 Section 33 and related parties:								
ly Representaciones S.A.			37,031,999	86,166,588				
panhia Brasileira de Propiedades Agrícolas (pending registration)				759,615				
		20,717	20,717	20,717	Unlisted			
	Subtotal	20,717	37,052,716	86,946,920				

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by Representaciones S.A. negative goodwill	(70,189,477)	(76,825,838)	(40,605,160)
era S.A. goodwill			23,581,646
Subtotal	(70,189,477)	(76,825,838)	(17,023,514)
Investments	435,126,669	428,598,147	390,300,729

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Allowances and Provisions

For the nine-month periods ended March 31, 2007 and 2006

and the year ended June 30, 2006

(Notes 1, 2, and 3)

Schedule E

Item	Balances at the beginning of the period/year Pesos	Increases (1) Pesos	Decreases (1) Pesos	Applications Pesos	Value as of March 31,	Value as of June 30,	Value as of March 31,
					2007 Pesos	2006 Pesos	2006 Pesos
Deducted from assets							
Allowance for doubtful accounts	374,830			(2,471)	372,359	374,830	356,214
Included in liabilities							
Non-current law contingencies for pending lawsuits	69,343	240,595	(24,127)		285,811	183,893	106,570
Total as of March 31, 2007	(2) 444,173	240,595	(24,127)	(2,471)	658,170		
Total as of June 30, 2006		490,542	148,311	(25,000)	(55,130)	(2) 558,723	
Total as of March 31, 2006		485,412	52,372	(25,000)	(50,000)		462,784

(1) Included in Financial Results.

(2) The difference is generated by the effect of Cactus consolidation reversion as of March 31, 2007.

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

Consolidated Cost of Production

For the nine-month periods ended March 31, 2007 and 2006

(Notes 1, 2, and 3)

Schedule F.2

	Crops		Beef cattle		Milk		March 31, 2007	Total	March 31, 2006
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006			
	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos			
Inventories at the beginning of the period									
Beef cattle					9,389,631	6,823,744	9,389,631	6,823,744	
Unharvested crops	1,662,592	826,336					1,662,592	826,336	
Seeds and fodder			168,766	172,941	123,568	17,653	292,334	190,594	
Materials and others	4,142,815	3,768,385		4,358	119,865	65,430	4,262,680	3,838,173	
	5,805,407	4,594,721	168,766	177,299	9,633,064	6,906,827	15,607,237	11,678,847	
Holding gain (loss)					(2,105)	375,173	(2,105)	375,173	
Holding gain Crops	941,124						941,124		
Gain (loss) on commodities market									
Transfer of inventories to expenses			964,412	268,229			964,412	268,229	
Production			504,930		741,024		1,245,954		
Transfer of unharvested crops to expenses	(16,878,052)	(12,003,717)	(989,989)	(204,789)	(927,062)	(1,018,566)	(18,795,103)	(13,227,072)	
Recovery of inventories						(317,795)		(317,795)	
Purchases	42,178,739	27,144,125	851,604	476,131	2,480,584	3,138,055	45,510,927	30,758,311	
Operating expenses (Schedule H)	21,236,013	14,946,376	11,407,999	12,775,895	3,822,523	3,571,080	36,466,535	31,293,351	
Less:									

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Inventories at the end of the period										
Beef cattle					(10,014,349)	(9,127,509)	(10,014,349)			(9,127,509)
Crops										
Unharvested crops	(27,822,308)	(18,025,519)					(27,822,308)			(18,025,519)
Seeds and fodder			(1,930,511)	(174,511)	(659,538)	(100,004)	(2,590,049)			(274,515)
Materials and others	(4,474,347)	(2,870,224)	(523,580)	(35,124)	(187,811)	(104,259)	(5,185,738)	(45,612,444)	(3,009,607)	(30,437,150)
Cost of Production										
	20,986,576	13,785,762	10,453,631	13,283,130	4,886,330	3,323,002		36,326,537		30,391,894

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Cost of Sales

For the nine-month periods ended March 31, 2007 and 2006

(Notes 1, 2, and 3)

Schedule F.1

Crops		Beef cattle		Milk		Feed Lot		Others		Total	
March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos
		64,236,404	61,552,248							64,236,404	61,552,248
10,550,495	24,930,778									10,550,495	24,930,778
478,313	128,575									478,313	128,575
						150,085	155,791	273,377	623,879	423,462	779,670
11,028,808	25,059,353	64,236,404	61,552,248			150,085	155,791	273,377	623,879	75,688,674	
		1,303,265	1,914,483			62,083	6,572	35,127		1,400,475	
1,190,284	3,131,628							11,132		1,201,416	
30,352,384	15,098,936	17,268,886	17,035,525	6,668,677	5,862,005				55,122	54,289,947	
1,776,102	(438,424)					39,550	(9,499)			1,815,652	
						(964,412)	(791,868)	(89,320)	(77,763)	(1,053,732)	
									(151,928)		
(2,337,798)	(3,731,225)	(59,273)	(30,340)					(825,981)	(362,837)	(3,223,052)	
			317,795								
415,832	2,332,392	9,065,131	9,073,914			3,048,994	1,694,728	2,608,413	698,198	15,138,370	
						577,038	627,335	2,280,731	1,435,197	2,857,769	

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		(70,368,556)	(65,269,557)							(70,368,556)	(65,269,557)	
(23,777,230)	(14,800,090)									(23,777,230)	(14,800,090)	
		(1,934,541)				(89,472)				(2,024,013)		
(365,152)	(20,000)									(365,152)	(20,000)	
							(184,435)	(1,496,178)	(167,452)	(1,496,178)	(98,031,129)	(351,887)
18,283,230	26,632,570	19,511,316	24,594,067	6,668,677	5,862,005	2,823,866	1,498,624	2,797,301	2,052,416		50,084,390	

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Foreign currency assets and liabilities

For the nine-month periods ended March 31, 2007 and 2006 and the year ended June 30, 2006

(Notes 1, 2, and 3)

Schedule G

Item	March 31, 2007			June 30, 2006			March 31, 2006		
	Type and amount of foreign Currency	Current 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		
Current Assets									
Cash and banks									
Cash and banks in Dollars	US\$ 25,098,740	3.060	76,802,144	US\$ 7,835,857	23,868,019	US\$ 2,733,315	8,314,743		
Cash and banks in Brazilian Reais	Rs 325	1.412	459	Rs 1,524	1,964	Rs 250	337		
Investments:									
Mutual funds	US\$ 992,234	3.060	3,036,236	US\$ 18,026	54,906	US\$ 15,324	46,617		
Interest of IRSA Convertible Notes 2007	US\$ 362,667	3.100	1,124,267						
Subsidiaries, related companies Law No. 19,550									
Section 33 and related parties:									
IRSA Inversiones y Representaciones S.A.	US\$ 12,000,000	3.100	37,199,999	US\$ 125,333	386,779	US\$ 844,953	2,604,146		
Deposits in foreign banks					59,192		78,490		
	US\$			US\$	180,298	US\$	238,766		
Trade accounts receivable:									
Trade accounts receivable	US\$ 633,470	3.060	1,938,419	US\$ 14,768	44,982	US\$ 59,662	181,491		
Other receivables:									
Secured by mortgages	US\$ 1,006,894	3.060	3,081,097	US\$ 1,148,224	3,497,490	US\$ 1,032,619	3,141,226		
Guarantee deposits	US\$ 1,027,018	3.060	3,142,675	US\$ 475,302	1,447,771	US\$ 514,216	1,564,245		
Subsidiaries, related companies Law No. 19,550									
Section 33 and related parties:									
Cactus Argentina S.A.	US\$ 2,107	3.100	6,532	US\$ 4,140	12,775	3,184	9,814		
IRSA Inversiones y Representaciones S.A.	US\$ 26,587	3.100	82,419	US\$					
Others	US\$ 20,000	3.100	62,000	US\$ 20,698	63,875	15,922	49,071		
Non current assets									
Other receivables									
Secured by mortgages	US\$ 1,859,496	3.060	5,690,057	US\$ 2,713,488	8,265,284	US\$ 2,713,488	8,254,430		
Subsidiaries, related companies Law No. 19,550									
Section 33 and related parties:									
Alto Palermo S.A.	US\$ 91,660	3.100	284,147	US\$ 189,470	584,704	222,906	686,996		
IRSA Inversiones y Representaciones S.A.	US\$ 21,269	3.100	65,935	US\$ 48,721	150,353	57,319	176,656		
Others	US\$ 11,654	3.100	36,126	US\$ 27,067	83,529	31,844	98,142		

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Investments:

IRSA Convertible Notes 2007

Subsidiaries, related

companies Law No. 19,550

Section 33 and related parties:

IRSA Inversiones y

Representaciones S.A.

US\$ 12,000,000 37,031,999 US\$ 27,958,010 86,166,588

Total US\$ US\$ 43,153,796 132,552,053 US\$ 24,680,286 75,672,764 US\$ 36,281,252 111,532,931

Total Rs Rs 325 459 Rs 1,524 1,964 Rs 250 337

Total Assets 132,552,512 75,674,728

US\$: US Dollars

Rs: Brazilian Reais

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Foreign currency assets and liabilities

For the nine-month periods ended March 31, 2007 and 2006 and the year ended June 30, 2006

(Notes 1, 2, and 3)

Schedule G (Cont.)

Item	March 31, 2007			June 30, 2006		March 31, 2006		
	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	
Current liabilities								
Trade accounts payable:								
Suppliers	US\$ 4,320,868	3.100	13,394,691	US\$ 3,558,082	10,980,242	US\$ 3,181,983	9,806,871	
Interest to be accrued	US\$	3.100		US\$ (36,573)	(112,863)	US\$ (88,335)	(272,250)	
Accrual for other expenses	US\$ 158,054	3.100	489,967	US\$ 862,487	2,661,634	US\$ 1,373,600	4,233,435	
Loans:								
Local banks	US\$ 4,873,137	3.100	15,106,725	US\$ 4,399,210	13,575,961	4,347,470	13,398,902	
Interest of Convertible Notes 2007	US\$ 91,704	3.100	284,281	US\$ 107,641	332,179	US\$ 519,918	1,602,388	
Convertible Notes 2007	US\$ 3,034,311	3.100	9,406,364					
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:								
Shareholders	US\$	3.100		US\$ 156,508	482,985	US\$ 556,779	1,715,992	
Directors	US\$ 34,615	3.100	107,308	US\$ 351	1,083	US\$ 1,016	3,130	
Non-current liabilities								
Trade accounts payable:								
Accrual for other expenses	US\$ 126,690	3.100	392,740	US\$ 270,671	835,292	318,437	981,422	
Loans:								
Foreign banks	US\$ 8,000,000	3.100	24,800,000	US\$ 6,600,000	20,367,600			
Convertible Notes 2007	US\$	3.100		US\$ 10,306,022	31,804,384	US\$ 17,203,932	53,022,519	
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:								
Shareholders	US\$	3.100		US\$ 14,984,838	46,243,210	US\$ 18,422,078	56,776,844	
Directors	US\$	3.100		US\$ 33,600	103,690	US\$ 33,600	103,555	
Total Liabilities	US\$ 20,639,379		63,982,076	US\$ 41,242,837	127,275,397	US\$ 45,870,478	141,372,808	

US\$: US Dollars

Cresud Sociedad Anónima,

Comercial, Inmobiliaria, Financiera y Agropecuaria and Subsidiaries

Consolidated Information in Compliance with Section 64, subsection B of Law No. 19,550

For the nine-month periods ended March 31, 2007 and 2006

(Notes 1, 2, and 3)

Schedule H

Items	Total	Total	Crops	Operating Expenses			Expenses			Total
	March 31, 2007			Pesos	Pesos	Beef cattle	Milk	Feed Lot	Others	Selling
	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos
Directors' fees	289,897								289,897	185,724
Fees and payments for services	4,920,212	664,963	192,396	267,484	113,658		91,425		4,255,249	1,958,020
Salaries and wages	8,977,978	5,312,498	1,622,181	1,753,590	549,227		1,387,500	171,449	3,494,031	5,862,710
Social security taxes	2,218,454	944,183	481,054	365,591	82,296		15,242		1,274,271	1,044,586
Taxes, rates and contributions	1,134,140	553,302	395,188	111,434	36,397		10,283	11,766	569,072	626,223
Gross sales taxes	418,772							418,772		479,577
Office and administrative expenses	1,169,801	224,375					224,375	2,495	942,931	803,128
Bank commissions and expenses	49,962	41,276	9,506	8,657	694		22,419		8,686	26,579
Depreciation of fixed assets (4)	3,276,376	2,930,675	1,506,062	881,569	321,067	125,945	96,032		345,701	3,515,509
Vehicle and traveling expenses	600,432	465,407	168,148	171,995	21,169		104,095	40,404	94,621	621,144
Spare parts and repairs	1,991,011	1,969,778	912,744	803,922	155,515		97,597	1,539	19,694	1,315,555
Insurance	244,769	201,226	102,028	70,067	7,071		22,060		43,543	207,347
Benefits to Employees	511,993	339,508	90,950	171,711	40,955		35,892		172,485	296,991
Beef cattle expenses (1)	7,272,555	6,664,285		6,664,285				608,270		9,925,274
Dairy farm expenses (2)	2,494,001	2,482,749			2,482,749			11,252		2,264,870
Agricultural expenses (3)	17,396,219	15,555,595	15,426,102				129,493	1,840,624		15,554,087
Feed lot expenses	451,093	451,093				451,093				413,478
Silo expenses	60,772	44,336	44,336					16,436		24,950

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Coal expenses										202
ACER expenses										21,649
FyO expenses	59,721	7,500				7,500	52,221			61,391
General expenses	539,348	471,555	285,318	137,694	11,725		36,818	30,152	37,641	515,581
Total at March 31, 2007	54,077,506	39,324,304	21,236,013	11,407,999	3,822,523	577,038	2,280,731	3,205,380	11,547,822	
Total at March 31, 2006		33,355,883	14,946,376	12,775,895	3,571,080	627,335	1,435,197	6,023,312	6,348,710	45,724,575

-
- (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.
 - (4) The difference between this amount and current depreciation shown in Schedule A (Ps. 125,945) is generated by the effect of Cactus consolidation reversion as of March 31, 2007.

Cresud Sociedad Anónima

Comercial, Inmobiliaria, Financiera y Agropecuaria

Balance Sheet as of March 31, 2007 and 2006 and June 30, 2006

	March, 31 2007 (Notes 1 and 2) Pesos	June 30, 2006 (Notes 1 and 2) Pesos	March, 31 2006 (Notes 1 and 2) Pesos		March, 31 2007 (Notes 1 and 2) Pesos	June 30, 2006 (Notes 1 and 2) Pesos	March, 31 2006 (Notes 1 and 2) Pesos
ASSETS				LIABILITIES			
Current Assets				Current Liabilities			
Cash and banks (Note 8.a.)	80,863,031	24,600,563	9,101,296	Debts:			
Investments (Note 8.b.)	42,552,768	4,899,005	7,152,314	Trade accounts payable (Note 8.f.)	31,088,938	23,927,124	21,288,319
Trade accounts receivable (Note 8.c.)	5,707,752	8,449,745	6,472,743	Loans (Note 8.g.)	111,867,701	66,421,573	37,336,082
Other receivables (Note 8.d.)	19,381,082	21,265,678	16,802,356	Salaries and social security payable (Note 8.h.)	2,466,241	1,930,617	1,058,735
Inventories (Note 8.e.)	74,154,168	27,227,281	49,263,569	Taxes payable (Note 8.i.)	6,904,261	2,921,376	1,659,998
Total Current Assets	222,658,801	86,442,272	88,792,278	Other debts (Note 8.j.)	4,139,331	3,284,656	2,653,212
				Total Debts	156,466,472	98,485,346	63,996,346
				Total Current Liabilities	156,466,472	98,485,346	63,996,346
Non-Current Assets				Non-Current Liabilities			
Other receivables (Note 8.d.)	55,772,611	39,575,208	16,530,828	Trade accounts payable (Note 8.f.)	392,740	835,292	981,422
Inventories (Note 8.e.)	63,866,830	59,330,235	57,206,925	Loans (Note 8.g.)	24,800,000	98,096,955	109,201,097
Investments on controlled and related companies (Note 8.b.)	521,515,299	489,669,438	341,441,146	Taxes payable (Note 8.i.)	42,182,332	41,874,123	49,600,797
Other investments (Note 8.b.)	20,717	37,052,716	86,946,920	Provisions (Schedule E)	45,216	69,343	68,243
Fixed assets, net (Schedule A)	217,391,261	208,071,858	204,991,842	Total Non-Current Liabilities	67,420,288	140,875,713	159,851,559
Intangible assets, net (Schedule B)	21,910,761	21,910,761		Total liabilities	223,886,760	239,361,059	223,847,905
Subtotal Non-Current Assets	880,477,479	855,610,216	707,117,661				
Goodwill (Note 8.b.)	(70,189,477)	(76,825,838)	(18,694,399)				
Total Non-Current Assets	810,288,002	778,784,378	688,423,262	SHAREHOLDERS EQUITY	809,060,043	625,865,591	553,367,635
Total Assets	1,032,946,803	865,226,650	777,215,540		1,032,946,803	865,226,650	777,215,540

**Total Liabilities and
Shareholders Equity**

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

Eduardo S. Elsztain

President

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Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Statement of Income

For the nine-month periods beginning on July 1, 2006 and 2005 and ended March 31, 2007 and 2006

	March 31, 2007 (Notes 1 and 2) Pesos	March 31, 2006 (Notes 1 and 2) Pesos
Production :		
Crops	30,857,314	15,098,936
Beef cattle	15,716,310	16,062,122
Milk	7,409,701	5,862,005
Total production	53,983,325	37,023,063
Cost of production (Schedule F.2)		
Crops	(21,007,800)	(13,785,762)
Beef cattle	(9,036,041)	(11,267,586)
Milk	(4,886,330)	(3,323,002)
Total cost of production	(34,930,171)	(28,376,350)
Production profit	19,053,154	8,646,713
Sales		
Crops	16,894,506	31,649,131
Beef cattle	16,919,602	19,725,313
Milk	6,668,677	5,862,005
Other	3,916,355	2,709,371
Total sales	44,399,140	59,945,820
Cost of sales (Schedule F.1)		
Crops	(18,283,230)	(26,632,570)
Beef cattle	(15,872,785)	(19,445,784)
Milk	(6,668,677)	(5,862,005)
Other	(44,338)	(208,143)
Total cost of sale	(40,869,030)	(52,148,502)
Sales profit	3,530,110	7,797,318
Gross profit	22,583,264	16,444,031
Selling expenses (Schedule H)	(2,731,060)	(5,677,277)
Administrative expenses (Schedule H)	(11,109,140)	(5,797,957)
Net gain on sale of farms		9,872,997
Holding gain Beef cattle (Schedules F.1 and F.2)	1,290,256	1,908,341
Holding gain Crops (Schedules F.1 and F.2)	2,131,408	3,131,628
Operating income	12,164,728	19,881,763

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Financial gain (loss):		
Generated by assets:		
Exchange differences and discounts	(842,082)	10,626,544
Interest income	2,078,673	399,182
Subsidiaries, related companies Law No. 19,550 Section 33 and related parties:		
Interest on Notes (Note 7)	2,219,032	6,239,486
Tax on banking debits and credits	(1,118,899)	(1,047,795)
Net gain on sale of bonds		
Holding gain and transactions on security stock	444,032	
Gain on sale of Negotiable Notes		14,872,000
Others		1,808,564
Total	2,780,756	32,897,981
Generated by liabilities:		
Financial expenses:		
Interest on Convertible Notes (Note 7)	(2,537,248)	(6,534,054)
Interest on loans	(7,541,944)	(1,268,724)
Others	(408,984)	(513,521)
Exchange differences and discounts	(121,473)	(9,141,170)
Total	(10,609,649)	(17,457,469)
Other income and expenses, net:		
Gains from other fixed assets sales	44,966	29,157
Shareholders Personal asset tax and miscellaneous	(2,686,199)	(1,352,988)
	(2,641,233)	(1,323,831)
Income from controlled and related companies	39,626,904	10,360,623
Management fee (Note 5)	(4,079,574)	(2,600,512)
Net Income before income tax	37,241,932	41,758,555
Income tax expense (Note 6)	(525,766)	(18,381,528)
Net income for the period	36,716,166	23,377,027

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

Eduardo S. Elsztain

President

Cresud Sociedad Anónima,
Comercial, Inmobiliaria, Financiera y Agropecuaria

Statement of Changes in Shareholders Equity

For the nine-month periods beginning on July 1, 2006 and 2005 and ended March 31, 2007 and 2006

(Notes 1 and 2)

Items	Capital (Note 3)	Shareholders Inflation adjustment of Common	contributions	Retained earnings			Transitory conversion differences Pesos	Total as of March 31, 2007 Pesos	Total as of March 31, 2006 Pesos	
	Common stock Pesos	stock Pesos	Paid-in capital (1) Pesos	Subtotal Pesos	Legal reserve Pesos	New projects reserve Pesos				Unappropriated earnings Pesos
Balances at the beginning of the exercise	220,604,549	166,218,124	106,916,990	493,739,663	11,532,537		127,243,810	(6,650,419)	625,865,591	523,070,970
Conversion of Notes in common stock (Note 14)	43,829,353		25,012,592	68,841,945					68,841,945	13,427,766
Exercise of Warrants (Note 14)	44,093,332		39,090,328	83,183,660					83,183,660	8,649,027
Shareholders meeting held on October 31, 2006:										
Legal Reserve					1,644,164		(1,644,164)			
Cash dividends							(5,500,000)		(5,500,000)	(10,000,000)
New projects Reserve						120,099,646	(120,099,646)			
Related companies Law No. 19,550 Section 33: Cactus Argentina S.A.			1,658,109	1,658,109					1,658,109	
IRSA (Note 15)			(4,995,191)	(4,995,191)					(4,995,191)	(5,157,155)
Transitory conversion differences								3,289,763	3,289,763	
Net income for the period							36,716,166		36,716,166	23,377,027
Balances as of March 31,	308,527,234	166,218,124	167,682,828	642,428,186	13,176,701	120,099,646	36,716,166	(3,360,656)	809,060,043	

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2007

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
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(1) See notes 2.o, 12.c and 15.

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

Eduardo S. Elsztain

President

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

Statement of Cash Flow

For the nine-month periods beginning on July 1, 2006 and 2005 and ended March 31, 2007 and 2006

	March 31, 2007 (Notes 1 and 2) Pesos	March 31, 2006 (Notes 1 and 2) Pesos
Changes in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	24,655,469	66,248,838
Cash and cash equivalents at the end of the period	83,899,267	9,147,913
Net increase (decrease) in cash and cash equivalents	59,243,798	(57,100,925)
Causes of changes in cash and cash equivalents		
Operating activities		
Net income for the period	36,716,166	23,377,027
Accrued interest during the period	10,079,192	7,092,959
Income tax	525,766	18,381,528
Adjustments made to reach net cash flow from operating activities		
Income from interest in controlled and related companies	(39,626,904)	(10,360,623)
Increase in allowances, provisions and accruals	4,788,722	8,498,343
Depreciation	2,959,823	3,122,307
Holding gain Inventory	(3,421,664)	(5,039,969)
Financial results	(1,828,740)	(5,185,619)
Gain from sale of permanent investments		(14,872,000)
Gain from sale of fixed assets	(44,966)	(9,902,154)
Changes in operating assets and liabilities		
Decrease in current investments	4,771,899	5,800,768
Decrease in trade accounts receivable	2,741,993	2,933,657
Increase in other receivables	(4,411,935)	(2,758,460)
Increase in inventories	(48,041,818)	(9,537,904)
Increase (decrease) in social security payable & taxes payable and advances to customers	4,300,952	(25,655,429)
Increase (decrease) in trade accounts payable	5,793,646	(7,783,438)
Dividends collected	1,262,479	988,307
Decrease in other debts	(801,998)	(1,604,227)
Cash flows applied to operating activities	(24,237,387)	(22,504,927)
Investment activities		
Increase in non-current investments	(726,805)	(2,223,325)
Increase in related companies loans	(13,189,990)	
Acquisition and upgrading of fixed assets	(12,319,703)	(48,577,205)
Collections of receivables from sale of fixed assets	3,850,808	5,736,964
Sale of fixed assets	85,443	9,589,200
Cash flows applied to investment activities	(22,300,247)	(35,474,366)
Financing activities		
Exercise of Warrants	83,183,660	8,649,027
Dividends paid	(5,500,000)	(10,000,000)
Increase in financial loans	75,086,654	33,455,667
Decrease in financial loans	(44,758,322)	(14,712,326)

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Decrease in others liabilities	(2,230,560)	(16,514,000)
Cash flows provided by financing activities	105,781,432	878,368
<u>Net increase (decrease) in cash and cash equivalents</u>	59,243,798	(57,100,925)
<u>Items not involving changes in cash and cash equivalents</u>		
Transfer of inventory to fixed assets		498,234
Increase in interest in related companies by a decrease in non-current investments		15,608,956
Increase in other receivables by sale of fixed assets		8,572,080
Repayment of financial loans through issue of stock by exercise of conversion right	68,841,945	13,427,766
Increase in fixed assets due to an increase in other debts		7,160,617
Decrease in other liabilities through a decrease in fixed assets		2,055,200
<u>Complementary information</u>		
Interest paid	7,005,219	6,534,054
Income tax paid	1,718,759	27,564,661

Eduardo S. Elsztain
President

Cresud Sociedad Anónima, Comercial,

Inmobiliaria, Financiera y Agropecuaria

Notes to the Financial Statements

For the nine-month periods ended March 31, 2007 and 2006

and the year ended June 30, 2006

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 (Ps.), and have been prepared in accordance with the disclosure and valuation accounting standards contained in the Technical Resolutions issued by the Argentine Federation of Professional Councils in Economic Sciences (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 Comisión Nacional de Valores (C.N.V.).

b. Unifying of accounting standards

On July 8, 2004, the F.A.C.P.C.E. and the C.P.C.E.C.A.B.A. entered into an agreement with the purpose of unifying technical standards. The latter council issued Resolution CD 93/05 on August 10, 2005 adopting the accounting standards approved by the former including the changes up to April 1, 2005.

The standards referred to above became effective for annual or interim periods financial statements of years started on January 1, 2006. On the other hand, the C.N.V. has adopted the same standards including certain modifications, and has also established their applicability for the years started as from January 1, 2006 as well.

The changes introduced due to the unifying of accounting standards that have generated significant effects on the Company's financial statements are:

In accordance with the new accounting standards, the Company has decided not to recognize the deferred liabilities generated by the adjustment for inflation on fixed assets and other non-monetary assets. Consequently, additional information on this issue is stated in Note 6.

The balance of the Transitory Conversion Differences account has to be shown in the statement of changes in stockholders' equity as from the time the unifying accounting standards became effective.

The financial statements for the nine-month periods ended March 31, 2007 and 2006 have not been audited. The Company's management estimates that such statements include all adjustments necessary to fairly present the income accounts of each period, which do not necessarily show the proportion of the Company's profits and losses for the entire periods.

c. The effects of inflation

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The financial statements have been prepared in constant currency units by recognizing the effects of inflation up to August 31, 1995. As from this date and up to December 31, 2001 the restatement of the financial statements has been discontinued due to that period of monetary stability. As from January 1, 2002 and up to March 2003 the effects of inflation were recognized as it was an inflationary period. As from such date, in accordance with Resolution 441

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

NOTE 1: (Continued)

issued on April 8, 2003 by the National Securities Commission, the Company discontinued the restatement of its financial statements. This criterion does not agree with the terms of Resolution MD 041/2003 of the Professional Council in Economic Sciences of the City of Buenos Aires (CPCECABA), by which the restatement of financial statements was discontinued as from October 1, 2003. As of March 31, 2007, this change has not generated any significant effect on the Company's financial statements.

d. Comparative Information

For comparison purposes, certain reclassifications have been made as of June 30, 2006 and March 31, 2006.

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 fiscal year. Estimates are used when accounting for the allowance for conversion of Convertible Notes into shares of stock, doubtful accounts, investments, depreciation, income taxes, deferred liabilities, transitory conversion differences and provisions for contingencies, accrual for expenses, donations and assets recoverable value and classification of the current and non-current assets. Actual results could differ from those estimates.

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 or year-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 or year-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.

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

NOTE 2: (Continued)

f. Credits and loans

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

g. Derivates financial instruments

Futures relate to cereal commitments deliverable at a previously agreed price (see note 4), and Dollars commitments.

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

The assets or liabilities originated in derivatives instruments have been valued at their market value at period-end or year-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 and Dollars have been recognized under net income of the fiscal year under Cost of sales and under Financial Results in the Income Statement, respectively.

The comparative information includes transactions with metals.

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 or year-end closing date, converted to the buyer and seller exchange rate, respectively, prevailing at the period-end or year-end closing date.

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) Biological Assets (Under development): Breeding and Cattle: have been measured at replacement cost of goods and services needed to obtain similar assets, which does not exceed the net realization value as of each period-end.

Include:

Unharvested crops

Calves

Cresud Sociedad Anónima, Comercial,

Inmobiliaria, Financiera y Agropecuaria

Notes to the Financial Statements (Continued)

NOTE 2: (Continued)

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

Include:

Dairy cattle

Breeding cows

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

Include:

Steers and heifers

Cattle round-up, mares and sheep

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

Include

Harvested crops

- 5) Non-biological Assets Raw material: Seeds and various goods: have been measured at reproduction or replacement cost as of each period-end or year-end, which does not exceed the net realization value.

Include:

Seeds

Agrochemicals

Semen Cattle raising and dairy

Food and by-products

Packs and bundles

Poles

Bags and blankets

Silos raw materials

Profits arising from production have been determined according to the quantitative and qualitative changes of stock subject to the biologic transformation measured as from the beginning of the year to the closing of these financial statements.

Cattle holding results have been calculated as the price difference of the steer kilogram between stock at beginning and closing of these financial statements.

Production cost of cattle calculated to show production profits and losses are shown in Schedule F.2.

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

NOTE 2: (Continued)

Adjustment for valuation of net realization value (V.N.R.) of crops has been calculated as the difference between the production valued at net realization value at the time of harvesting and the value of the same production valued at net realization value as of closing of these financial statements.

The production cost of crop calculated to show production results are shown in Schedule F.2.

Dairy cattle and other purposes not related with direct marketing in the next 12 months were valued at replacement value.

- 6) 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 these financial statements.

k. Long term investments in other companies

1. Investments in subsidiaries and affiliates

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.

Interests in subsidiaries and affiliates as of March 31, 2007 are as follows:

Subsidiaries and affiliates	% Equity interest
Inversiones Ganaderas S.A.	99.99
Agropecuaria Cervera S.A.	90.00
Futuros y Opciones.Com S.A.	70.00
Cactus Argentina S.A. (Note 12.c)	24.00
Agro Uranga S.A.	35.72
IRSA Inversiones y Representaciones S.A.	25.64
BrasilAgro Companhia Brasileira de Propiedades Agrícolas (Note 12.b)	7.40

The Company presents as complementary information the consolidated financial statements as of March 31, 2007 and 2006 with Inversiones Ganaderas S.A., Agropecuaria Cervera S.A. and Futuros y Opciones.Com S.A.

During the third quarter the interest in Cactus Argentina S.A. has been reduced from 50% to 24%, due to the inclusion of a new shareholder (please see Note 12.c). Consequently, for the results as of December 12, 2006 and for the comparative information, proportional consolidation of 50% is included.

Cresud Sociedad Anónima Comercial,

Inmobiliaria, Financiera y Agropecuaria

Notes to the Financial Statements (Continued)

NOTE 2: (Continued)

2. Goodwill

The negative goodwill corresponding to the investment in Inversiones y Representaciones S.A. (IRSA) 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).

Amortization 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.

3. Other Investments

- Investments in debt securities

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

- 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 month of the fiscal year of addition.

- Net carrying value

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

Cresud Sociedad Anónima Comercial,

Inmobiliaria, Financiera y Agropecuaria

Notes to the Financial Statements (Continued)

NOTE 2: (Continued)

m. Intangible assets

The amortizations of the right of concession of ACER will be calculated according to the duration of the project (please see Note 12.a), which is 35 year term with an option of 29 additional years. The project's right of concession will be amortized as from its starting.

n. Shareholders equity

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

o. 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 Cactus Argentina 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.

p. Transitory Conversion Differences Current translation adjustment

These transitory differences result from the exchange differences shown in the conversion of the financial statements of BrasilAgro from Brazilian Reais to Argentine Pesos.

q. Results for the period

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

Inventory holding gains or losses are disclosed in one line in the Income Statement and in Schedule F and are calculated as explained in note 2.j.5.

Cost of sales is calculated by inventory difference and the results of cattle, crops and milk productions are disclosed in the Income Statement.

The remaining results for the period represent incurred costs.

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

r. 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 beef cattle and the sale and replacement of fixed assets.

Cresud Sociedad Anónima Comercial,

Inmobiliaria, Financiera y Agropecuaria

Notes to the Financial Statements (Continued)

NOTE 2: (Continued)

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.

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

s. Tax on minimum presumed income

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

t. Revenue recognition

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

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

NOTE 3: COMMON AND TREASURY STOCK

The activity in the Company's shares during the last three financial years 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 notes 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 notes 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 notes in common stock (Note 13) - Fiscal Year 2006-	29,151,389	29,151,389	29,151,389
Exercise of Warrants (Note 13) - Fiscal Year 2006	28,668,581	28,668,581	28,668,581
Conversion of notes in common stock (Note 13) - Fiscal Year 2007-	43,829,353	43,829,353	43,829,353
Exercise of Warrants (Note 13) - Fiscal Year 2007	44,093,332	44,093,332	44,093,332
Common and treasury stock at March 31, 2007	308,527,234	308,527,234	308,527,234

As of March 31, 2007, the capital authorized to be publicly offered is formed of 308,527,234 common, book-entry shares of Ps.1 par value each and entitled to one vote per share, all of which were outstanding.

Cresud Sociedad Anónima Comercial,

Inmobiliaria, Financiera y Agropecuaria

Notes to the Financial Statements (Continued)

NOTE 4: DERIVATIVE FINANCIAL INSTRUMENTS

At March 31, 2007 the Company had arranged futures and options on the Futures Market as follows:

Cereal	Tons	Margins Pesos	Premium paid or (collected) Pesos	Premium at fair value Pesos	Gain (loss) for valuation at fair value Pesos
Futures					
Purchase					
Corn	4,445				(2,677)
Soybean	13,600				(619,300)
US\$					732,528 (a)
Sell					
Corn	20,700	443,394			(951,660)
Soybean	29,420	817,020			(1,177,436)
Wheat	500	10,710			(5,539)
US\$					(27,126) (b)
Options					
Purchase Call					
Corn	29,210		1,110,780	359,722	(751,058)
Wheat	12,700		137,700	139,605	1,905
Sell Call					
Corn	35,560		(491,513)	(195,638)	295,875
Soybean	24,800	18,482	(614,142)	(750,598)	(136,456)
Wheat	17,680		(411,570)	(232,429)	179,141
Purchase Put					
Corn	12,700		99,450	305,984	206,534
Soybean	6,800		336,600	318,252	(18,348)
Wheat	4,080		169,830	216,755	46,925
Sell Put					
Corn	29,210		(382,118)	(875,114)	(492,996)
Soybean	23,100		(324,819)	(360,174)	(35,355)
Wheat	17,680		(273,870)	(724,429)	(450,559)
Total	282,185	1,289,606	(643,672)	(1,798,064)	(3,205,602)

- (a) Corresponds to a future of sell of 10,513,683 Dollars composed of: (I) US\$ 5,108,210 and US\$ 3,405,473 with Bank Río de la Plata due on 06/01/2007 and 06/05/2007 respectively; and (II) US\$ 2,000,000 with Bank MBA due on 05/31/2007. The gains generated as of March 31, 2007 are shown within financial results of the income statement.
- (b) Corresponds to a future of purchase of 4,000,000 Dollars composed of: (I) US\$ 1,000,000 with Bank Río de la Plata due on 05/31/2007; (II) US\$ 2,000,000 with Bank Boston due on 05/31/2007; and (III) US\$ 1,000,000 with Bank MBA due on 05/31/2007. The losses generated as of March 31, 2007 are shown within financial results of the income statement.

Cresud Sociedad Anónima Comercial,

Inmobiliaria, Financiera y Agropecuaria

Notes to the Financial Statements (Continued)

NOTE 4: (Continued)

Crops: As of March 31, 2007 and 2006 the Company recognized a loss of Ps. 1,776,102 and gains of Ps. 438,424, respectively, to reflect the closing of the transactions carried out during those periods. These results are disclosed under the cost of sales of crops in a line of Schedule F.

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

Cereal	Tons	Margins Pesos	Premium paid or (collected) Pesos	Premium at fair value Pesos	Gain (loss) for valuation at fair value Pesos
Future					
Purchase					
Corn	14,700	34,070			298,518
Sell					
Corn	2,924	25,553			(24,776)
Soybean	6,600	200,772			12,016
Wheat	1,700	36,200			2,434
US\$					5,554(a)
Options					
Purchase Call					
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)
Sell Call					
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
Purchase Put					
Corn	17,780		102,287	51,711	(50,576)
Soybean	25,980	(2,087)	818,024	635,145	(182,879)
Sell Put					
Corn	6,350		(17,111)	(3,802)	13,309
Wheat	6,800		(94,302)	(106,410)	(12,108)
Total	132,374	320,824	500,447	379,057	172,356

(a) It means US\$ 5,048,886 and the gain generate as of March 31, 2006 was included in financial result.

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

The financial statements as of March 31, 2007 and 2006 include a charge in the Statement of Income of Ps. 4,079,574 and Ps. 2,600,512 and an accrual of Ps. 4,079,574 and Ps. 2,600,512 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, 2007:

	Cumulative tax loss		
	carryforwards	Other	TOTAL
Initial Balance	1,893,068	145,436	2,038,504
Gain (Loss) Recognized	1,268,143(1)	(108,141)	1,160,002
Closing Balance	3,161,211	37,295	3,198,506

- (1) The tax losses carryforward is conformed by Ps. 1,280,342 for the current year and an adjustment of the previous year for differences between accrual and tax return for (Ps. 12,199).

- Deferred liabilities as of March 31, 2007:

	Fixed Assets	Inventories	Investments	Accruals	TOTAL
Initial Balance	(27,120,281)	(16,237,592)		(554,754)	(43,912,627)
Gain (Loss) Recognized	54,228	(2,004,031)	(32)	481,624	(1,468,211)
Closing Balance	(27,066,053)	(18,241,623)	(32)	(73,130)	(45,380,838)

As of March 31, 2007, net liabilities at period-end as per the information included in the preceding tables amount to Ps. 42,182,332.

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Notes to the Financial Statements (Continued)

NOTE 6: (Continued)

As mentioned in Note 1.b the Company has decided not to recognize the deferred liabilities generated by the inflation adjustment on fixed assets and other non-monetary assets, which as of closing of the current period is Ps. 16,225,788. It is estimated that this liability will end up according to the detail that follows:

Term	TOTAL
1 year	152,162
2 years	106,540
3 years	99,344
over 3 years	1,530,589
no term	14,337,153
Total	16,225,788

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

Description	March 31, 2007	March 31, 2006
Net Income before income tax	37,241,932	41,758,555
Tax rate	35%	35%
Net income at tax rates:	13,034,676	14,615,494
Permanent differences at tax rate:		
Restatement into constant currency	188,100	1,583,160
Conversion of Notes in common stock		5,419,175
Donations	2,404	7,827
Loss from controlled and related companies	(13,869,416)	(3,626,218)
Personal asset tax	940,170	467,200
Miscellaneous permanent differences	229,831	(85,110)
Income tax	525,765	18,381,528

During this period the Income tax rate was 35%. Cumulative tax loss carryforwards recorded by the Company pending utilization at period-end amount to approximately Ps. 3,161,211 and may be offset against taxable income of future periods, as follows:

Origination year